

Coretrack finalises settlement with Strange Investments

ASX ANNOUNCEMENT

5 May 2015

Coretrack Limited (ASX: CKK) (Coretrack, the Company) is pleased to announce that it has completed its settlement with Strange Investments (WA) Pty Ltd (Strange) in relation to the GT3000 Drill Rig and Rod Handler, owned by Coretrack wholly owned subsidiary Globe Drill Pty Ltd (Globe Drill).

As previously announced (ASX announcement, 24 March 2015), the parties had agreed, without admission of liability, to settle all claims relating to Proceedings and to resolve all disputes between the parties. Each party agreed to pay their own costs.

Under the terms of the settlement, Coretrack agreed to the sale of all shares in Globe Drill to Strada Engineering Pty Ltd (Strada), a company associated with Strange, under the following payment scale:

- \$750,000 if paid by 30 June 2015, with a discount for early settlement as follows;
- \$500,000 if paid by 30 April; and
- \$625,000 if paid by 31 May 2015.

In addition to the non-refundable deposit already received, Coretrack is pleased to advise that Strada has today made the balance \$450,000 payment to Coretrack with the litigation by both parties at an end and the matter fully resolved.

Coretrack is pleased to have successfully finalised this ongoing matter, and wishes Strada well with its future business plans for the GT3000 Drill Rig and Rod Handler. The Company looks forward to further updating the market on its ongoing progress with the development and commercialisation of its next generation, fly-ash based, proppant for use in hydraulic fracturing (fracking) of oil and gas wells globally.

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About Coretrack

Coretrack Ltd (ASX: CKK) is an Australian oil and gas technology company focused on developing a next generation, fly-ash based, proppant for use in hydraulic fracturing (fracking) of oil and gas wells globally. Proppants are a major input and cost item in the fracking process and represent a multi-billion dollar global market annually. They are a sand-like commodity used to 'prop' open fractures in shale rocks which allows oil and gas to flow. Coretrack is seeking to commercialise its proppant as a cost effective, superior alternative to bauxite and clay based proppants, typically used in fracking operations currently. The Company is in the final stages of construction of a pilot scale proppant manufacturing plant in Queensland, Australia, and plans to commence production in Q2, 2015. It then plans to seek joint venture partners and/or licensing agreements to commercialise its proppant product, and deliver significant returns to shareholders.

About Proppants

Proppants are a sand-like commodity which are a major input and cost item in the hydraulic fracturing (fracking) of oil and gas wells. Proppants are pumped into an oil and gas well under pressure to 'prop' open the tiny fractures created in hydrocarbon-bearing shale rocks during fracking, to allow oil and gas to flow from the ground fractures.

Traditional ceramic proppants are made from clay and/or bauxite. Coretrack's ceramic proppant is majority manufactured from fly-ash, a by-product of coal fired power stations. The Company is of the view that its unique proppant product has the potential to lead the industry due to;

- the widespread availability of fly-ash;
- the fly-ash proppants' ultra-light weight; and
- its ability to withstand very high pressures in deep wells.

Coretrack's proppants have been certified to meet or exceed both the American Petroleum Institute standards and the ISO standards.