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ASX Announcement - "Coretrack CEO provides strategy update and initial impressions – 6 weeks in the chair" BRR webcast

ANNOUNCEMENT

19 OCTOBER 2011

CORETRACK LIMITED (ASX: CKK) has released a webcast with the following details:

Coretrack CEO provides strategy update and initial impressions – 6 weeks in the chair

Speaker: Bernie Kelly, CEO

Live date: Thu, 20 Oct 2011 9:15am AEST

Access this webcast at www.brr.com.au/event/87753

Access other CKK webcasts at www.brr.com.au/asx/CKK

TRANSCRIPT OF BRR INTERVIEW WITH BERNIE KELLY, CEO, CORETRACK LIMITED

Q1 Hello and welcome to BRR. I'm joined by Coretrack's CEO, Mr Bernie Kelly. Bernie, thank you very much for joining us and welcome back to BRR.

A1 James, thanks for having me.

Q2 Now, Bernie, you've been at the helm of Coretrack for around six weeks now. Can you tell me a bit about what you've experienced and how it has come up against your expectations?

A2 Expectation-wise it's kind of what I thought it would be, the Company has got two great bits of technology, the drilling rig and the CLRS, and they're just on the verge of both generating revenue. The rig has got two great contracts, one oil and gas and one mineral, and the CLRS is just at the point of being commercial. So it's kind of what I envisaged. What I've been doing over the last six weeks is getting a feel for the Company and its personnel as well as some customers and some shareholders and, going forward, I see my job as generating revenue with both these products. So that's kind of what I thought the job would be and that's kind of what it's turned out to be - two good products, but they just never had market presence and that's what I'm here to push.

Q3 Bernie, you mentioned the two drilling contracts for the GT3000, one with Newcrest and another which is an oil and gas contract. Can you talk more about these contracts and discuss the timing of them?

A3 Sure. The Newcrest contract is a mineral contract and we're drilling in Telfer - very, very challenging. We're doing mud drilling and air drilling there and we're mobilising the GT3000 just at the end of this week to do that. That's going to deliver our cash flow and our profit and revenue stream up front of the Whicher Range contract. The reason the whole Newcrest contract is good for us is that it allows us to mobilise the rig and it allows us to mobilise some new personnel we've taken on board. Our new Drilling Services Manager, Jason Maynard who's got a lot of oil and gas experience, is going to get the chance to see the rig in action and the people in action before we mobilise to Whicher Range. The Whicher Range work is our first oil and gas. That's going to use a lot of the kit that we've bought. We've spent about \$1-2 million in new CAPEX for that so, yes, both jobs are going to happen. Both jobs aren't quite in the timeframe we envisaged but these contracts and jobs often slip. Some of that is well outside our circle of control but the rig here is ready to go and it's going to go at the end of the week.

Q4 **And, Bernie, is the oil and gas segment ultimately the segment that Coretrack wants to be operating in?**

A4 There's a lot of segments out there. There's the mineral and the geothermal and the oil and gas. I think this is a very, very high-end rig. It's small and it's very, very powerful and where it can deliver the most value I think is in the tough drilling, and that's primarily geothermal and oil and gas. The rig can just punch through granite like butter, and the CLRS is for high-end oil and gas as well. So if I have to answer the question, I think the GT3000 rig is going to operate in geothermal and oil and gas, and the CLRS is basically going to operate in the high-end oil and gas market. We may have to do some mineral work initially with the rig, but that's purely to gain a revenue stream. If we don't do that we don't have a revenue stream and we can't hold onto our personnel. It's kind of important in this oil and gas market you keep the same personnel and, to do that, you've got to keep the rig moving and keep the utilisation up. So primarily we'll be working in oil and gas eventually - we're doing oil and gas and we may have to dip back out in the mineral segment again, but we're only doing that to get utilisation up and get in a positive cash flow for the Company.

Q5 **In terms of the CLRS, Bernie, what are your specific plans here?**

A5 The CLRS is just about to go commercial. It's no longer a technical project. We're going to market it directly to the market just now and we're going to bring in a new business development guy and we're also going to consolidate the premises in Bellevue, Midland, down to our Bibra Lake facility here. We're only marketing that product to date in the high-end oil gas market and the plan is to get a revenue stream from that. I think it's important that we continue to prove that technology and I think it's also important that we get a revenue stream from it. It's just no longer a technical project and we're going to market it that way.

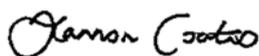
Q6 So if you're going to talk about the next six months, what do you think is in store for Coretrack?

A6 For me, execution in the field is a big one. We've got two big jobs with the rig and we have to deliver a cash flow and a positive cash flow at that, and we have to prove we can do that and I'm confident we will. With the CLRS we've got to get that commercial and prove it's no longer a technical project. So, yeah, short term making sure the rig delivers, and profitable revenue stream safely. And medium term we continue just to firm up utilisation of the rig next year and make sure that it continues to win oil and gas contracts all through next year or high-end geothermal contracts just to make sure the utilisation is up. We have to get the utilisation up for the cash flow. And very much longer term, in the next two to three years, is basically getting more revenue from the oil and gas work and building new rigs. Ultimately, we want to be a multi-rig company and we want the CLRS being the first place you go when you want to core. That's probably the long-term view.

Q7 Okay. Great. Well, Bernie, we appreciate you taking the time to give us your thoughts and impressions after six weeks of being in the job and we look forward to following you deliver on some of the outcomes that you've talked about today and we'll follow the progress as you go along.

A7 No, I appreciate that. It's good to inform the people and the shareholders what's happening and I appreciate the time. Thanks, James.

AUTHORISED BY:



Shannon Coates
Company Secretary

[Coretrack Limited](#) is an ASX listed company that provides technical solutions to the energy industry in the form of down hole tools, products and services.

Since the company's conception, Coretrack has focused primarily on building its highly anticipated integrated core tracking tool, the Core Level Recorder System (CLRS), and introducing the tool into the commercial market. The company has accelerated its operations and growth plan by acquiring one of Australia's leading drill rig manufacturing/drilling services companies, [Globe Drill Pty Ltd.](#)

The Globe Drill acquisition has brought together two world class companies, both at the forefront of producing superior products and services for the global energy sector.