

## ENTITLEMENT ISSUE OF SHARES AND OPTIONS: SHORTFALL

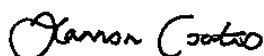
### ANNOUNCEMENT

**15 NOVEMBER 2010**

Coretrack Limited ("Coretrack" or "the Company") confirms that the pro-rata, non-renounceable entitlement issue of one (1) new Share for every eight (8) Shares held or entitled to be held by eligible shareholders and other eligible participants (the holders of the Company's Convertible Notes, as announced on 14 September 2010) at an issue price of \$0.15 per Share, together with one (1) free new Option for each new Share issued, exercisable at \$0.25 on or before 30 November 2012, to raise approximately \$2.67 million, based on the Company's undiluted share capital ("Entitlement Issue") was, subject to the receipt of cleared funds, taken up by existing shareholders and other eligible participants to the extent of 24.46% (4,361,686 new Shares and 4,361,686 new Options) of the new Shares and Options offered.

Pursuant to the Underwriting Agreement entered into between the Company and Cygnet Capital Pty Ltd, a summary of which appears in the Offer Document for the Entitlement Issue, Cygnet Capital has agreed to underwrite that portion of the Entitlement Issue applicable to Shareholders (to a maximum of approximately \$2.35 million). Consequently, the shortfall of 11,653,686 Shares and 11,653,686 Options will now revert to Cygnet Capital. The Shortfall Shares and Options will be placed at the direction of Cygnet Capital and will be issued on the same terms and conditions as those offered to existing Shareholders or persons who are exempt under section 708 of the Corporations Act.

#### 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.

## ANNEXURE A

	IP Licence	Variation
<b>Minimum Performance Obligations</b>	<p>Following the successful commissioning of the first drill rig using the IP, Coretrack must manufacture and commission at least 2 rigs in each year of the Initial Term (and the Renewal Period if exercised).</p>	<p>Following the successful commissioning of the first drill rig using the IP, Coretrack must manufacture and commission at least 1 rig ("Second Rig"). Coretrack must commence manufacturing the Second Rig within 18 months of the date shareholders approve the issue of the Consideration Shares and Options to SIPL and complete manufacture no later than 12 months after commencement.</p> <p>Following the successful commissioning of the Second Rig ("Second Commissioning Date"), Coretrack must manufacture and commission at least 2 rigs in the year that commences on the day after the Second Commissioning Date, and each subsequent year after that, for the Term.</p> <p>Coretrack may manufacture its minimum of two rigs for any particular year, in advance of that year.</p> <p>If following the Second Commissioning Date, the final period between the final anniversary of the Second Commissioning Date and the expiry of the Term is a period of less than 8 months, Coretrack will only be obliged to manufacture and commission 1 Rig for that period. If that period is at least 8 months in duration, Coretrack will be obliged to manufacture and commission at least 2 Rigs for that period.</p>
<b>Territory</b>	<p>In the event that opportunities arise to take up commercial opportunities to provide the Services or Products in a country of the Territory but Coretrack is not interested in pursuing, SIPL may apply to Coretrack Board to have said country removed from definition of Territory and the Board will not unreasonably withhold consent</p>	<p>In the event that the Licensee is presented with a bona fide and credible contract with an estimated profit margin of more than \$1,000,000 AUD signed by a third party customer (on terms acceptable to STRANGE) for the provision by the Licensee of Services or Products in a country of the Territory (other than Australia) or for the Commissioning (as defined in Item 6 of Schedule 1) of a Globe Drill Geothermal Drill Rig for the provision of Services or Products within that country, the Licensee will have 60 days after the date of receipt to execute that</p>

		<p>contract. If the Licensee executes that contract and a Globe Drill Geothermal Drill Rig is required to be manufactured under that contract, the Licensee must commence manufacturing the Globe Drill Geothermal Drill Rig within 30 days after execution. If the Licensee does not execute that contract after 60 days from receipt, or having executed the contract does not commence manufacturing within 30 days after execution, STRANGE may at its discretion issue the Licensee with a written notice requiring the Licensee to comply with the aforementioned terms of this agreement ("Make Good Notice"). The Licensee shall then have 14 days from receipt of the Make Good Notice to comply with the aforementioned terms of this agreement. If the Licensee fails to comply with the terms of this agreement within 14 days of receiving the Make Good Notice then STRANGE may at its discretion within 60 days of the date of the Make Good Notice advise the Licensee in writing that it has changed the Licence to a non exclusive licence in respect of that country only."</p>
<b>Termination</b>	<p>If Coretrack fails to meet any of the Minimum Performance Obligations in any year of the Term, the parties will meet, within 7 days of the end of that year to review the Minimum Performance Obligations and timeframes for compliance. If the parties are unable to agree on new Minimum Performance Obligations, or if Coretrack fails to abide by the new Minimum Performance Obligations and timeframes agreed SIPL may at its discretion on 7 days notice change the Licence to a non exclusive licence, alter the Territory or terminate the IP Licence.</p>	<p>If Coretrack fails to meet any of the Minimum Performance Obligations within the specified timeframes for compliance, SIPL may at its discretion on 7 days notice, change the IP Licence to a non exclusive licence.</p>
<b>Payments</b>	<p>Royalty for the Initial Term: 10% of gross profits</p>	<p>Royalty for the Initial Term: For the period until the Second Commissioning Date, 12.5%, and for the period thereafter, 10%.</p>

**"Commissioning"** means the stage at which the drill rig has passed all testing, meets all technical and functional specifications and is ready to be put to commercial use, in the provision of commercial drilling services."

**"Territory"** means the world.

Legal costs of and incidental to the preparation, negotiation and execution of the applicable Deed of Variation will be paid by Coretrack.