

ASX Release

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INNOVATION GRANT FOR NEW KAOLIN PRODUCT DEVELOPMENT

Minotaur Exploration (ASX: MEP) is pleased to announce it has been awarded an Innovation Grant from the South Australian Department of State Development Premier's Research and Industry Fund to advance the Company's Poochera kaolin project at Streaky Bay on South Australia's Eyre Peninsula.

The grant of \$36,000, to be matched by equal funding by the Company, will support new testwork on the suitability of Poochera kaolin for the manufacture of ceramic proppants. Proppants are spherical beads of silica sand or ceramic sand used by the oil, gas and geothermal sectors to enhance fluid flow in tight reservoirs. High-strength, light-weight ceramic sand manufactured by calcining of kaolin-bauxite admixtures are used where depths (pressures and temperatures) are too great for the use of natural silica sand.

Demand for ceramic proppants, specifically engineered for the high pressures and temperatures of the deeper Cooper Basin, is increasing as new shale gas discoveries in that basin progress towards development. A local manufacturing source that can supply ceramic proppants, suitably engineered to specific Cooper Basin drilling conditions, would greatly assist new shale gas developments. A local manufacturing base in ceramic proppant will significantly reduce or eliminate the requirement for imported material, saving businesses time and money on shipping and transport. Importantly, it will provide a service that meets Australia's specific needs.

The award was announced by Hon. Gail Gago, MLC, Minister for Science and the Information Economy, at the Company's Streaky Bay pilot plant where preparation of a range of sample types is underway.

Testing of kaolin admixtures will be undertaken in collaboration with researchers at The University of Adelaide and OPF Enterprises of USA.



A section of Minotaur's Kaolin Processing Pilot Plant, Streaky Bay.

About the Poochera Kaolin Project

Poochera on western Eyre Peninsula, South Australia, is a kaolin district of global significance. Five kaolin deposits are present on Minotaur's 100% owned EL4575, of which the Carey's Well deposit has been drilled out to define a Measured Resource. Extensive pilot plant testwork has confirmed the exceptional quality of the deposits with high whiteness and brightness a feature. The presence of halloysite, a tubular form of kaolin, also adds to the range of potential products that can be marketed.

Further details are contained in the following ASX releases:

Minotaur Exploration Ltd ASX Release 8 February 2012. *Maiden Measured Resource for SA Kaolin Project.*

Minotaur Exploration Ltd ASX Release 3 May 2012. *Exploration Target Established for Poochera Kaolin Project.*

Minotaur Exploration Ltd ASX Release 28 August 2012. *Poochera Kaolin Project Moves Into Marketing Phase.*

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