

# Coretrack to acquire Globe Drill

18-January-10 by Rebecca Lawson

**Source:** WA Business News (<http://www.wabusinessnews.com.au/en-story/1/77875/Coretrack-to-acquire-Globe-Drill>)

Drilling specialist Coretrack says it will raise \$10 million to boost working capital as it executes plans to acquire private Kalgoorlie outfit Globe Drill.

The East Perth-based company today said a share sale agreement had been executed between the companies and Strange Investments (WA) Pty Ltd, which holds the intellectual rights used by Globe Drill.

Globe Drill was established by Warren Strange in 2005 as a specialist drill rig manufacturing company. The rigs are anticipated to cut down time by exploration and production companies in drilling wells to depths of up to 3,000 metres.

Coretrack said today the acquisition is expected to create a leading drilling technology and services company, and open up market opportunities beyond the conventional energy and mineral sectors, including geothermal, shale gas and coal bed methane.

Under the acquisition, a first tranche of 6.58 million shares will be issued followed by a parcel of shares equating to the net amount Globe Drill receives from the government in relation to a research and development tax offset.

All shares will be escrowed for 12 months.

In addition, Mr Strange will be appointed as executive director of the Coretrack board on completion of the acquisition, expected in March.

Meantime, Coretrack has signed a mandate with Cygnet Capital to raise \$10 million, including a \$2.2 million placement and a fully underwritten \$3.6 million one-for-five rights issue.

Shares will be priced at 22 cents for both placements.

Cygnet has also agreed to underwrite the exercise of Coretrack's listed options, which are exercisable at 20 cents each before February 28 2010, totalling \$4.5 million.

Shares in Coretrack today shed three cents to 26c at 11:41 AEDT.