

Appendix 4D

Half Year Report to the Australian Stock Exchange

Name of Entity	Coretrack Limited
ABN	80 112 379 503
Half Year Ended	31 December 2008
Previous Corresponding Reporting Period	31 December 2007

Results for Announcement to the Market

	\$'000	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	613	19%
Profit / (loss) from ordinary activities after tax attributable to members	(1,023)	(84%)
Net profit / (loss) for the period attributable to members	(1,023)	(84%)
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	N/A	N/A
Interim Dividend	N/A	N/A
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Coretrack Limited ("Coretrack" or "the Company") continued to make tangible and positive progress towards developing the Core Level Recorder with telemetry System during the first half of the 2009 financial year.		
The Company's Core Barrel Telemetry system was tested successfully, proving that a test signal containing data similar to the Core Level Recorder (CLR) data can be sent and received by the system within a simulated well environment.		

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The Company signed an agreement to purchase an APS Sureshot™ MWD System in October 2008. The system has been successfully integrated with Coretrack's technology.

The Core Level Recorder was run on Apache's Reindeer-2 well in early November 2008 and performed as per its specifications.

On 9 December 2008 the Company completed a placement of 5 million shares at an issue price of 10 cents per share to raise \$500,000 (before costs), together with 2.15 million free attaching options, exercisable at 15 cents each on or before 30 November 2011.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	0.015	0.04

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	N/A
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	N/A

Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
Aggregate Share of Net Profits	N/A	N/A	N/A	N/A

Foreign Entities Accounting Framework

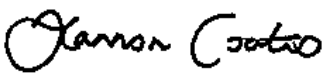
For foreign entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards)

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:			

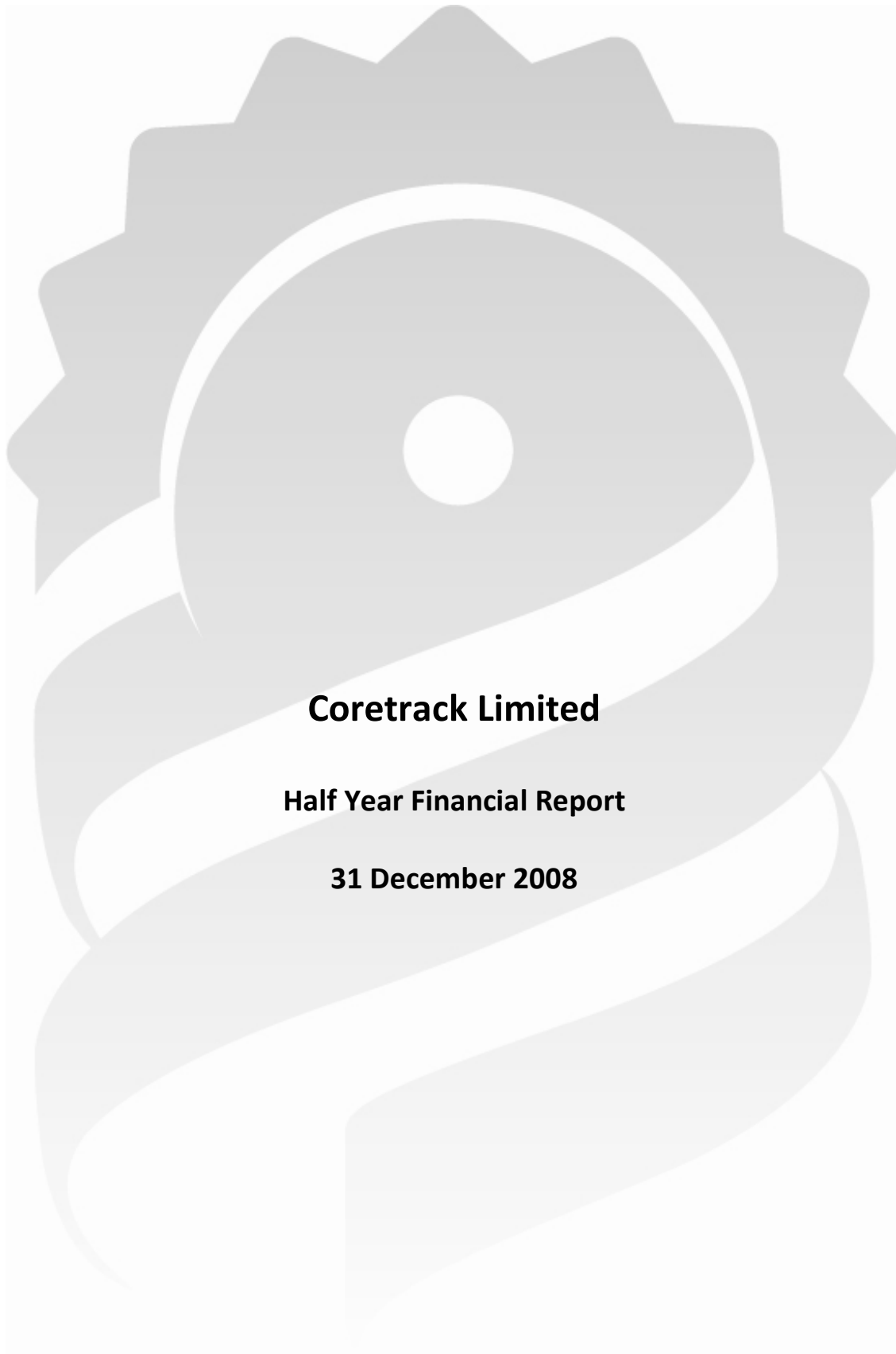
Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Financial Report

Signed By Company Secretary 	
Shannon Coates	
Date 27th February 2009	

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Coretrack Limited
Half Year Financial Report
31 December 2008

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CORETRACK LIMITED – HALF YEAR REPORT

DIRECTORS' REPORT

Your directors submit their report for the half year ended 31 December 2008.

DIRECTORS

The names of the company's directors in office during the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Nanne van 't Riet	Executive Director
Ms Cathryn Curtin	Non-Executive Director
Mr Nicholas Muecke	Non-Executive Director
Mr Joseph Patrick	Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

Coretrack's progress in the first half of the 2009 financial year can be summarised as follows:

- Successful testing of the Core Barrel Telemetry System
- Purchase of a surface telemetry system (i.e. mud pulse system)
- Signed Master Services Agreement with Apache Energy Limited (Apache)
- CLR run on Apache's Reindeer-2 well
- \$500,000 share placement (with free attaching options)

Successful Testing of Core Barrel Telemetry System

During the half year Coretrack tested the ability of the telemetry system to transfer data inside a core barrel through drilling fluid (a medium present during coring operations). Further tests were then undertaken through drilling fluid inclusive of solids. A data signal was successfully transmitted over 2, 9 and 27 metres, both with and without purposefully introduced signal interferences, and found to operate within the acceptable environmental parameters.

The results proved that a test signal containing data similar to the Core Level Recorder (CLR) data can be sent and received by the system within a simulated well environment.

Purchase of APS SureShot™ Measurement While Drilling (MWD) System

On 9 October 2008 Coretrack announced the signing of an agreement with US based APS Technology, Inc. (APS) for the purchase of a modified APS Sureshot™ MWD System to be integrated with Coretrack's Measurement While Coring (MWC) technology. The integration was completed successfully, a crucial step in the completion of the Core Level Recorder with telemetry System (CLRS).

The signing of the purchase agreement with APS is anticipated to be the beginning of an ongoing commercial relationship between the two companies. This relationship will give Coretrack access to expertise which will assist the Company with its design and manufacture requirements, both with the CLRS and potential future projects.

CORETRACK LIMITED – HALF YEAR REPORT

Master Services Agreement with Apache

The Company entered into a Master Services Agreement with Apache for the supply of the CLR and associated services. This arrangement will facilitate the deployment of the CLR and related services to Apache – including, in due course, the CLRS.

CLR run on Reindeer-2 well

The CLR was run on Apache's Reindeer-2 well in the North West Shelf of Western Australia in early November 2008. The CLR performed as per its specifications, the core recovery process was not impeded, and all CLR displacement data was measured and recorded accurately. Due to greater than expected movement of the CLR during trip in, the CLR's memory was filled before coring was initiated. A minor technical change has since been made to the tool to address this issue.

Share Placement

On 9 December 2008 the Company completed a placement of 5 million shares at an issue price of 10 cents per share to raise \$500,000 (before costs), together with 2.15 million free attaching options, exercisable at 15 cents each on or before 30 November 2011. The issue price for the placement shares was at a premium to the recent market price, representing the confidence that investors have in Coretrack and its innovative technology.

Finance and Administration

The abovementioned placement has helped sustain Coretrack's strong financial position, as have management's continued efforts to restrain non-essential spending and the exercise of strong financial and operational controls. However, a suite of tools will be required to enable rapid commercialisation of the CLRS. Consequently the Company will require further capital to facilitate the manufacture of the required tools and corresponding operational support. Given the current capital and debt markets, the Company is assessing its options for future funding, which will be advised in due course.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Stantons International, which is included on page 14.

Signed in accordance with a resolution of the directors



Nanne van 't Riet
Managing Director

Dated: 27 February 2009

CORETRACK LIMITED – HALF YEAR REPORT

INCOME STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Notes	31 December 2008 \$	31 December 2007 \$
Revenue			
Revenue from Commonwealth Grants		568,103	408,889
Revenue from other activities: Interest		44,504	74,981
Other income		-	30,000
		<u>612,607</u>	<u>513,870</u>
Expenses			
Advertising and marketing		(32,892)	(24,535)
Audit fees		(11,296)	(11,580)
Research and development costs		(832,230)	(128,887)
Travel		(34,768)	(30,636)
Employment costs		(514,960)	(443,270)
Depreciation and amortisation		(13,828)	(5,935)
Share based payments		-	(114,650)
Other expenses		(195,263)	(311,723)
		<u>(1,635,237)</u>	<u>(1,071,216)</u>
Loss before income tax		<u>(1,022,630)</u>	<u>(557,346)</u>
Income tax expense	4	-	-
Loss after income tax attributable to members of Coretrack Limited		<u>(1,022,630)</u>	<u>(557,346)</u>
Earnings Per Share			
Basic loss per share (cents per share)		1.9	1.2

The accompanying notes form part of these financial statements.

CORETRACK LIMITED – HALF YEAR REPORT

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Notes	31 December 2008 \$	30 June 2008 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,123,668	1,788,179
Trade and other receivables		2,387	14,319
Prepayments		28,651	6,859
Total Current Assets		<u>1,154,706</u>	<u>1,809,357</u>
Non-Current Assets			
Plant & equipment		16,376	27,981
IT & telecommunications		44,279	28,589
Leasehold improvements		4,388	4,936
Intangible assets		9,049	-
Total Non-Current assets		<u>74,092</u>	<u>61,506</u>
TOTAL ASSETS		<u>1,228,798</u>	<u>1,870,863</u>
LIABILITIES			
Current liabilities			
Trade and other payables		123,883	114,514
Accrued expenses		117,031	125,849
Unearned Income		190,261	256,441
Provisions	6	27,841	56,649
Total Current Liabilities		<u>459,016</u>	<u>553,453</u>
TOTAL LIABILITIES		<u>459,016</u>	<u>553,453</u>
NET ASSETS		<u><u>769,782</u></u>	<u><u>1,317,410</u></u>
EQUITY			
Issued Capital	8	3,956,602	3,481,602
Reserves		366,669	366,669
Accumulated losses		(3,553,489)	(2,530,861)
TOTAL EQUITY		<u>769,782</u>	<u>1,317,410</u>

The accompanying notes form part of these financial statements.

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CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Notes	31 December 2008 \$	31 December 2007 \$
Cash flows from operating activities			
Receipts from customers		-	-
Receipts from grants and awards		552,115	482,970
Payments to suppliers		(1,707,381)	(878,579)
Interest Received		47,309	68,147
Net cash inflow (outflow) from operating activities		(1,107,957)	(327,462)
Cash flows from Investing activities			
Payments for plant and equipment		(29,054)	(36,749)
Net cash flows from investing activities		(29,054)	(36,749)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		500,000	-
Capital raising costs		(27,500)	-
Net cash flows from financing activities		472,500	-
Net increase/(decrease) in cash and cash equivalents		(664,511)	(364,211)
Cash and cash equivalents at beginning of the period		1,788,179	2,563,164
Cash and cash equivalents at end of financial year	5	1,123,668	2,198,953

The accompanying notes form part of these financial statements.

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CORETRACK LIMITED – HALF YEAR REPORT

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Ordinary Shares \$	Options	Accumulated losses \$	Total Equity \$
As at 1 July 2007	3,481,423	182,301	(1,157,458)	2,506,266
Shares issued during the period	-			-
Capital raising costs during the period	-			-
Options issued during the period		114,651		114,651
Loss for the period			(557,346)	(557,346)
As at 31 December 2007	3,481,423	296,952	(1,714,804)	2,063,571
As at 1 July 2008	3,481,602	366,669	(2,530,859)	1,317,412
Shares issued during the period	500,000			500,000
Capital raising costs during the period	(25,000)			(25,000)
Options issued during the period		-		-
Loss for the period			(1,022,630)	(1,022,630)
As at 31 December 2008	3,956,602	366,669	(3,553,489)	769,782

The accompanying notes form part of these financial statements.

CORETRACK LIMITED – HALF YEAR REPORT

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2008

1. CORPORATE INFORMATION

The financial report of Coretrack Limited (“Coretrack” or “the Company”) for the half year ended 31 December 2008 was authorised for issue in accordance with a resolution of the directors on 27 February 2009. Coretrack is a company incorporated in Australia and limited by shares which are publicly traded on the ASX.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of Coretrack as at 30 June 2008.

It is also recommended that the half year financial report be considered together with any public announcements made by Coretrack during the half year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Basis of Preparation

The half year financial report is a general purpose financial report, which has been prepared in accordance with the requirement of the Corporations Act 2001, applicable Accounting Standards, including AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements. The half year financial report has been prepared on a historical cost basis, except where stated.

Coretrack has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors’ report have been rounded off to the nearest \$1.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

CORETRACK LIMITED – HALF YEAR REPORT

The ability of the Company to continue as a going concern and to pay their debts as and when they fall due is dependent on the following:

- Commercialisation of the Core Level Recorder with telemetry System (CLRS);
- Management's continuing efforts to restrain non-essential spending and the exercise of strong financial and operational controls; and
- Raising adequate funding from suitable investors, as necessary.

The Directors have reviewed Coretrack's current business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company will achieve the commercialisation of the CLRS and other matters as set out above.

Significant accounting policies

The half year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2008, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2008.

Adoption of new and revised accounting standards

In the current year, Coretrack has adopted all of the new revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2008. The adoption of these new and revised Standards and Interpretations has resulted in no changes to Coretrack's accounting policies.

3. SEGMENT INFORMATION

The business operates predominately within Australia and all segment assets are located within Australia

4. INCOME TAX

No income tax is payable by the Company for the period since registration. The directors have considered it prudent not to bring to account the deferred tax asset arising from income tax losses for the period to 31 December 2008 until it is probable that the Company will derive assessable income of a nature and amount to enable such assets to be realised.

CORETRACK LIMITED – HALF YEAR REPORT

5. CASH AND CASH EQUIVALENTS

For the purposes of the half year condensed cash flow statement, cash and cash equivalents are comprised of the following:

	31 December 2008 \$	30 June 2008 \$
Cash at bank and in hand	603,318	149,439
Short term bank deposits	520,350	1,638,740
	<u>1,123,668</u>	<u>1,788,179</u>

6. PROVISIONS

	31 December 2008 \$	30 June 2008 \$
Provision for annual leave	27,841	28,084
Other provisions	-	28,565
	<u>27,841</u>	<u>56,649</u>

7. COMMITMENTS AND CONTINGENCIES

Since the last annual reporting date, there have been no changes to any contingent liabilities or contingent assets.

CORETRACK LIMITED – HALF YEAR REPORT

8. ISSUED CAPITAL

	31 December 2008		30 June 2008	
	No	\$	No	\$
Ordinary shares	52,929,399	3,956,602	47,929,399	3,481,602

Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue

On 9 December 2008 a share placement was undertaken of 5 million shares at 10 cents per share to raise \$500,000 (before costs).

Options

Movement in options on issue

Included in the above share placement was an issue of 2.15 million free attaching options which are exercisable at 15 cents each on or before 30 November 2011.

9. EVENTS AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations or the state of affairs of the consolidated entity in the future financial years.

CORETRACK LIMITED – HALF YEAR REPORT

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Coretrack Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity, as stated in pages 10 to 13, are in accordance with the *Corporations Act 2001*, including:
 - i. give a true and fair view of the financial position as at the 31 December 2008 and the performance for the half year ended on that date of the consolidated entity; and
 - ii. comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Nanne van 't Riet
Managing Director

27 February 2009

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Stantons International

ABN 41 103 088 697

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WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
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27 February 2009

Board of Directors
Coretrack Limited
37 Bronte Street
EAST PERTH WA 6004

Dear Sirs

RE: CORETRACK LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Coretrack Limited.

As Audit Director for the review of the financial statements of Coretrack Limited for the six months ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTONS INTERNATIONAL
(Authorised Audit Company)



John Van Dieren
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORETRACK LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Coretrack Limited, which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a condensed statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of Interim Financial and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Coretrack Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Coretrack Limited on 27 February 2009.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Coretrack Limited is not in accordance with the *Corporations Act 2001* including:

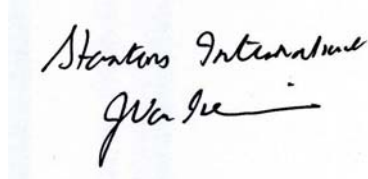
- (a) giving a true and fair view of the Company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Inherent Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As referred to in Note 1 to the financial statements, the financial statements have been prepared on the going concern basis. At 31 December 2008 the company had working capital of \$695,690 and had incurred a loss for the half year of \$1,022,630. The ability of the company to continue as a going concern is subject to the successful commercialisation of its technology and/or recapitalisation of the Company. In the event that the Board is not successful in recapitalising of its technology and/or recapitalising the company and in raising further funds, the company may not be able to continue in its present form and may not be able to meet its planned commitments.

STANTONS INTERNATIONAL
(An Authorised Audit Company)



John P Van Dieren
Director

West Perth, Western Australia
27 February 2009