

NOTICE OF ANNUAL GENERAL MEETING

AJ LUCAS GROUP LIMITED

ABN 12 060 309 104

Date: Friday 25 November 2005
Time: 11:00am
Location: Hotel InterContinental
117 Macquarie Street, Sydney



157 Church Street
Ryde NSW 1680
Australia
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Fax +61 2 9807 6088
www.lucas.com.au

NOTICE IS HEREBY GIVEN that the Annual General Meeting of AJ Lucas Group Limited will be held at the Hotel InterContinental, 117 Macquarie Street Sydney, on 25 November 2005 at 11:00am to conduct the following business.

GENERAL BUSINESS

Financial statements and reports

To receive and consider the annual financial report of the Company for the year ended 30 June 2005 and the reports of the directors and auditors thereon.

Resolution 1 - Re-election of director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Ian Stuart-Robertson, having retired by rotation in accordance with clause 10.2 of the Company's Constitution and, being eligible, having offered himself for re-election, be re-elected a Director of the Company."

Resolution 2 - Re-election of director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Martin Green, having retired by rotation in accordance with clause 10.2 of the Company's Constitution and, being eligible, having offered himself for re-election, be re-elected a Director of the Company."

Resolution 3 - Ratification of issue of convertible notes

To consider and, if thought fit, pass the following as an ordinary resolution:

"That the issue in December 2004 and February 2005 of 10.0 million \$1.00 unsecured redeemable convertible notes convertible into ordinary shares of the Company be ratified in accordance with Listing Rule 7.4 of the Australian Stock Exchange Limited."

Resolution 4 - Adoption of the remuneration report

To adopt the remuneration report for the financial year ended 30 June 2005.

DETERMINATION OF MEMBERSHIP AND VOTING ENTITLEMENT FOR THE PURPOSE OF THE MEETING

For the purpose of determining entitlement to vote at the meeting, an entity or person will be recognised as a shareholder if that entity or person is registered as a shareholder at close of business on 23rd November 2005 ("Entitlement Time").

All registered holders of ordinary shares in the Company as at the Entitlement Time are entitled to attend and vote at the meeting.

Voting restrictions on resolution 3

The Company will disregard any votes cast in respect of this Resolution 3 by:

- any person who participated in the issue; and
- an associate of any such person.

However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

PROXIES

A member, entitled to attend and vote at the meeting pursuant to the Company's Constitution, is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each must be appointed to represent a specific proportion of the member's voting rights. If such appointment is not made, then each proxy may exercise half the member's voting rights.

A proxy need not be a member of the Company.

Any instrument of proxy deposited or received at the registered office of the Company without the proxy's name filled in shall be deemed to be given in favour of the Chairman of the meeting.

*The instrument appointing a proxy, and any power of attorney or an office copy of a notarised copy thereof under which an attorney for a member appoints a proxy, shall be lodged at the registered office of the Company being **157 Church Street, Ryde, New South Wales, 2112, PO Box 675, Ryde, New South Wales, 1680** or **received by fax on (02) 9807 6088** not less than 48 hours before the time of the meeting or adjourned meeting.*

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney or, if such appointor is a corporation, under the hand of its attorney or the hand of a person duly authorised by the corporation.

The proxy form accompanying this Notice of Meeting may be used.

By Order of the Board

A handwritten signature in black ink, appearing to read "Nicholas Swan".

Nicholas Swan
Company Secretary
11 October 2005

EXPLANATORY NOTES

Resolution 3 - Approval of issue of convertible notes

In December 2004 and February 2005, the Company raised \$10.0 million through the issue of 10,000,000 \$1.00 unsecured redeemable convertible notes by way of a private placement under Section 708 of the Corporations Act 2001. The notes were issued to raise working capital.

The notes have a term of three years unless converted or redeemed beforehand. The conversion price is 90% of the volume weighted average sale price of the Company's shares over the 30 days prior to conversion subject to a minimum and maximum conversion price respectively of \$2.00 and \$2.50 per share. Accordingly, the notes could convert into a maximum of 5 million ordinary shares in the Company.

The notes, if all converted at the floor price, would substantially use the Company's 15% placement capacity under ASX Listing Rule 7.1 without obtaining prior shareholder approval. Listing Rule 7.4 permits shareholder approval of the note issue to be given after their issue. This subsequent approval means that any shares issued on conversion of the notes are not included within the 15% placement capacity of the Directors. The practical effect of passing this resolution is that the Company's ability to issue the number of shares permitted under Listing Rule 7.1 without shareholder approval is not affected by any shares issued on conversion of the notes.

The directors consider it prudent that the Company have that ability and recommend that you vote in favour of the proposed resolution.

The names of the allottees and the number of notes allotted to each of them are as follows:

Subscriber	Number of Notes
<i>JP Morgan Nominees Australia Ltd</i>	3,500,000
<i>Atkone Pty Ltd</i>	250,000
<i>Ruminator Pty Ltd</i>	500,000
<i>ANZ Nominees Ltd</i>	
<i>(Warakirri Small Companies Value Trust A/C)</i>	1,000,000
<i>National Nominees Ltd Equisuper A/C</i>	1,000,000
<i>Sandhurst Trustees Limited</i>	
<i><SAI High Yield Fund A/C></i>	317,000
<i>Permanent Trustee Australia Limited</i>	
<i><SMF 0021></i>	463,000
<i>Sandhurst Trustees Limited</i>	
<i><PC Serv High Yield Funds A/C></i>	102,000
<i>Sandhurst Trustees Limited <PCYEF A/C></i>	250,000
<i>Sandhurst Trustees Limited <PAMHYF A/C></i>	168,000
<i>Auckland Medical Research Foundation</i>	593,541
<i>The NZ Guardian Trust Co Ltd <A/C 469119></i>	1,016,701
<i>Commodity Traders (NZ) Ltd</i>	389,758
<i>Westglade Pty Limited</i>	120,000
<i>Kizogo Pty Limited</i>	180,000
<i>Tracey-Ann Palmer</i>	150,000

Issue terms

A summary of the issue terms is as follows:

1. The notes were issued in December 2004 and February 2005 and have a term of three years unless converted or redeemed beforehand.
2. Interest accrues on each note at the rate of 9.5% per annum payable quarterly in arrears.
3. A noteholder may elect to convert up to a maximum of 50% of the notes on any Interest Payment Date within one year of issue. Thereafter, the noteholder can convert all or some of the notes on any Interest Payment Date or the Maturity Date.
4. The conversion price is 90% of the volume weighted average sale price of the Company's shares over the 30 days prior to conversion subject to a minimum and maximum conversion price respectively of \$2.00 and \$2.50 per share.
5. Shares issued on conversion of notes rank equally with the other fully paid ordinary shares of the Company on issue.
6. Prior to the notes' maturity, the Company may redeem notes on any Interest Payment Date occurring on or after the first anniversary of the issue date of the notes subject to the total number of notes being redeemed not exceeding 50% of the total number of notes originally issued.
7. The Company's right of redemption prevails over the rights of conversion of a noteholder.

Resolution 4 - Adoption of the remuneration report

The Annual Report for the year ended 30 June 2005 contains a remuneration report which sets out the remuneration policy for the Group and reports the remuneration arrangements in place for the directors and specified executives. The report is set out on pages 7 to 10 of the Annual Report.

The vote on the resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Group.



Proxy Form

All correspondence to:
AJ Lucas Group Limited
PO Box 675 Ryde
New South Wales 1680 Australia
Telephone 61 2 9809 6866
Facsimile 61 2 9807 6088
www.lucas.com.au
ABN 12 060 309 104

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



Appointment of Proxy

I/We _____
(NAME OF SHAREHOLDER)

Of _____
(ADDRESS IN FULL)

being a member/s of AJ Lucas Group Limited and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR

If you are not appointing the chairman of the meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of AJ Lucas Group Limited to be held at InterContinental Hotel, 117 Macquarie Street, Sydney on 25 November 2005 at 11:00 and at any adjournment of that meeting.



If you do **not** wish to direct your proxy how to vote, please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxyholder will be disregarded because of that interest. The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. If you direct your proxy how to vote, it is not necessary to mark this box.

Voting directions to your proxy - please mark to indicate your directions

Resolution

1. Re-election of Ian Stuart-Robertson
2. Re-election of Martin Green
3. Ratification of issue of convertible notes
4. Adoption of remuneration report (non-binding resolution)

	For	Against	Abstain*
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Appointing a second Proxy

I/We wish to appoint a second proxy



Mark with an 'X' if you wish to appoint a second proxy.

AND

 %

OR

State the percentage of your voting rights or the number of securities for this proxy form.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/sole director and sole company secretary

Securityholder 2

Director

Securityholder 3

Director/company secretary

Contact Name

Contact Daytime Telephone

Date / /

How to complete the proxy form

1 Your address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a proxy

If you wish to appoint the chairman of the meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the chairman of the meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the chairman of the meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on items of business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item, your vote on that item will be invalid.

4 Appointment of a second proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the company or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first proxy form and the second proxy form, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

5 Signing instructions

You may sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney:	to sign under power of attorney, you must have already lodged this document with the company. If you have not previously lodged this document for notation, please attach a certified photocopy of the power of attorney to this form when you return it.
Companies:	where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "certificate of appointment of corporate representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a proxy

This proxy form (and any power of attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 11:00am on 25 November 2005. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:
IN PERSON OR BY MAIL
BY FAX

AJ Lucas Group Limited, PO Box 675, Ryde NSW 1680
61 2 9807 6088