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Australian Stock Exchange Limited
Via Electronic Lodgement

ACQUISITION OF McDERMOTT DRILLING PTY LIMITED

AJ Lucas is pleased to announce that it has acquired McDermott Drilling Pty Limited, a long established company with substantial experience and expertise in vertical and surface to in-seam drilling.

Based in Sydney, McDermott Drilling has been involved in most of the major drilling programmes for the coal mining, coal bed methane, geotechnical and environmental industries in NSW over the past 35 years.

The acquisition complements the current activities of AJ Lucas which will now be able to offer a broader range of drilling services.

McDermott Drilling is well known to AJ Lucas; the companies having traded with each other for many years. Mike McDermott will continue to manage the division and his long experience in and knowledge of the industry is expected to bring significant benefit to the Lucas drilling division overall.

For further information, please contact

Allan Campbell
02 9809 6866.

Mike McDermott
02 8796 0900

A handwritten signature in black ink that reads "Allan Campbell".

Allan Campbell
Chairman & Chief Executive Officer

About AJ Lucas Group Limited

AJ Lucas is Australia's leading specialist infrastructure services provider. It is the country's largest builder of long distance gas pipelines and a world leader in horizontal directional drilling, an advanced technology for the installation of underground conduits without excavation. Other divisions provide gas management services to the coal industry, construction, civil and property services.

