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Australian Stock Exchange Limited
Via Electronic Lodgement

PEL 285 - Pilot Production - Gloucester Basin Project

The gas production rate continues to build in the existing Stratford pilot production well LMG03 as the fluid level in this well gradually declines. The well has increased its production rate since the onset of gas in early November and is now consistently flowing in excess of 750 mcf. For the past 10 days, the PCP pump has been switched off, and the well has continued to produce approximately 400 bbl/day of water and reduce the fluid level in the well without the aid of a pump.

The flow rate is expected to continue to rise as the fluid level (currently 120 m above the bottom seam) is further reduced.

LMG03 is included in the previously announced expanded six well Stratford production pilot.

An initial independent reserves certification for part of the Gloucester Basin is proceeding and is expected by the end of the year.

Lucas Energy Pty Limited holds 70% and is also the project's operator. Molopo Australia Limited holds 30% of this permit.

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

Allan Campbell
Chairman & Chief Executive Officer

About AJ Lucas Group Limited

AJ Lucas is a leading provider of both specialist infrastructure services and mining services. It is the leading supplier of drilling services to Australia's coal and coal seam gas industries. It is also Australia's largest builder of long distance gas pipelines. Other divisions provide gas management services to the coal and coal seam gas industry, construction, civil and property services.

