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Via Electronic Lodgement

### Gloucester Basin Update

As anticipated, the gas production rate continues to increase in the pilot well Stratford 3 (LMG03) and is now consistently flowing in excess of 1,050 Mscf/d (1,050 Thousand standard cubic feet per day), even without the aid of a pump. The flow rate is expected to continue to rise as the fluid level (currently 93m above the bottom seam) is further reduced.

The first four wells in the Stratford Pilot have now been successfully drilled and cemented. The final well in the program, Stratford 9, has been suspended until the New Year as a result of the ongoing wet weather which has impacted on site access

These wells were all subject to multistage fracture stimulation across a selected number of zones which will maximize the ability of the Pilot to demonstrate production from different coals and depths. :

Well Name	Total Depth (m)	Coal Interval Completed (m)
Stratford 4	864.3	12.00
Stratford 5	599.0	17.75
Stratford 6	667.0	16.45
Stratford 8	780.0	12.70

Each of the wells has a number of coals that have not been completed, but which could be undertaken at a later time to add extra production.

In the first part of the New Year, these wells will be cleaned out and once pumps are installed, the wells will be put onto production test.

The initial independent reserves certification for part of the Gloucester Basin has been delayed due to workload issues with the certifier and is now expected in the New Year.

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

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.

