

NOTICE OF ANNUAL GENERAL MEETING

AJ LUCAS GROUP LIMITED

ABN 12 060 309 104

NOTICE IS HEREBY GIVEN that the annual general meeting of AJ Lucas Group Limited will be held as follows:

Date: Friday 23 November 2007
Time: 11:00am
Location: Hotel InterContinental
117 Macquarie Street, Sydney

to conduct the following business.



157 Church Street
Ryde NSW 1680
Australia
Tel +61 2 9809 6866
Fax +61 2 9807 6088

GENERAL BUSINESS

Financial statements and reports

To receive and consider the annual financial report of the Company for the year ended 30 June 2007 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 Andrew Lukas, 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 Garry O'Meally, 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 - Adoption of the remuneration report

To adopt the remuneration report for the financial year ended 30 June 2007.

SPECIAL BUSINESS

Resolution 4 - Approval of dividend reinvestment plan

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

"That pursuant to rule 22.1 of the Company's constitution, the Directors of the Company be authorised to implement the AJ Lucas Group Limited Dividend Reinvestment Plan, in the form initialled by the company secretary for the purposes of identification and tabled at the meeting."

Resolution 5 - Issue of rights to executive directors

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

5.1 Issue of rights to Allan Stuart Campbell

"That Allan Stuart Campbell, executive director, be issued rights to acquire shares in the Company under the Lucas Management Rights Plan on the terms set out in the explanatory statement to the notice which convened this meeting."

5.2 Issue of rights to Andrew John Lukas

"That Andrew John Lukas, executive director, be issued rights to acquire shares in the Company under the Lucas Management Rights Plan on the terms set out in the explanatory statement to the notice which convened this meeting."

5.3 Issue of rights to Ian Stuart-Robertson

"That Ian Stuart-Robertson, executive director, be issued rights to acquire shares in the Company under the Lucas Management Rights Plan on the terms set out in the explanatory statement to the notice which convened this meeting."

Resolution 6 - Ratification and approval of issue of convertible notes

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

6.1 Issue of First Tranche of Convertible Notes

"That the issue in June 2007 of 10.0 million \$1.00 unsecured redeemable convertible notes, convertible into ordinary shares of the Company, and the subsequent issue of ordinary shares of the Company on conversion of such notes, be ratified and approved for the purpose of Listing Rule 7.4 of the Australian Securities Exchange Limited and all other purposes."

6.2 Issue of Second Tranche of Convertible Notes

"That the issue in June 2007 of 15.0 million \$1.00 unsecured redeemable convertible notes, convertible into ordinary shares of the Company (subject to shareholder approval), and the subsequent issue of ordinary shares of the Company on conversion of such notes, be approved for the purpose of Listing Rule 7.1 of the Australian Securities Exchange Limited and all other purposes."

Resolution 7 - Granting of financial assistance

To consider and, if thought fit, pass the following as a special resolution:

"That the Company approve the transactions described in the Explanatory Statement accompanying this resolution (which forms a part of this resolution) and all elements of those transactions that may constitute financial assistance by each of Jaceco Drilling Pty Limited and Geosearch Drilling Service Pty Limited trading as a partnership known as Capricorn Weston Drilling Group (together 'Capricorn Weston') for the purposes of section 260A of the Corporations Act 2001 (Cth), including (without limitation) that Capricorn Weston may:

- (a) enter into a facilities agreement between AJ Lucas Group Limited (Lucas), other Lucas entities and Australia and New Zealand Banking Group (Facilities Agreement);
- (b) to secure its, Lucas' or another party's obligations under the Facilities Agreement and any related document, execute a fixed and floating charge or charges over its assets and undertaking;

(c) if the Facilities Agreement (or any subsequent refinancing facility) needs to be refinanced at some time in the future, from time to time:

(i) execute, or accede to, (as an obligor) a new facilities agreement:

(A) on substantially the same terms as the Facilities Agreement; or

(B) on terms as approved by the Board of directors or the members (or both) at the relevant time; and

(ii) give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, fixed or floating (or both) charge or otherwise) to secure its or each obligor's obligations under any new facilities agreement and any related document; and

(d) execute, or accede to, any document ancillary to, or in connection with, the Facilities Agreement, any new facilities agreement and any guarantee, indemnity or security interest given in connection with the Facilities Agreement, any new facilities agreement and any related document."

In this resolution a reference to any document in this resolution is the document as amended, restated or replaced from time to time.

Each document referred to in this resolution is available for inspection by members on request to the Company.

Accompanying documents - Important

The following documents accompany this notice:

(a) Explanatory Statement in relation to the resolutions to be considered under Special Business;

(b) rules of the Dividend Reinvestment Plan; and

(c) a proxy form.

The background and reasons behind the resolutions to be considered under Special Business, are more fully set out in the accompanying Explanatory Statement. Members should read the Explanatory Statement in full and carefully consider its contents.

By Order of the Board



Nicholas Swan

Company Secretary

12 October 2007

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 21st November 2007 ("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 EXCLUSION STATEMENT

Voting exclusion statement on resolutions 5.1, 5.2 and 5.3

The Company will disregard any votes cast in respect of resolutions 5.1, 5.2 and 5.3 by any director and their associates of the Company.

However, the Company need not disregard a vote cast on the resolutions 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 a direction on the proxy form to vote as the proxy decides.

Voting exclusion statement on resolutions 6.1 and 6.2

The Company will disregard any votes cast in respect of resolutions 6.1 and 6.2 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.

Voting exclusion statement on resolution 7

The Company will disregard any votes cast in respect of resolution 7 by:

- any person who participated in the acquisition of Capricorn Weston; 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.



Proxy Form

All correspondence to:
AJ Lucas Group Limited
PO Box 675 Ryde
NSW 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 General Meeting of AJ Lucas Group Limited to be held at the Hotel InterContinental, 117 Macquarie Street, Sydney, NSW on 23 November 2007 at 11:00am 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 Andrew Lukas as a director
2. Re-election of Garry O'Meally as a director
3. Adoption of remuneration report
4. Approval of dividend reinvestment plan
- 5.1 Issue of rights to Allan Campbell
- 5.2 Issue of rights to Andrew John Lukas
- 5.3 Issue of rights to Ian Stuart-Robertson
- 6.1 Issue of first tranche of convertible notes
- 6.2 Issue of second tranche of convertible notes
7. Granting of financial assistance

	For	Against	Abstain
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<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 their 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 the resolution. 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 by inserting the percentage or number of securities you wish to vote in the appropriate box. If you do not mark any of the boxes, your proxy may vote as he or she chooses. If you mark more than one box, your vote 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 23 November 2007. Any proxy form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

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

For personal use only

EXPLANATORY STATEMENT

This explanatory statement forms part of the Notice convening the Annual General Meeting of shareholders of the Company to be held on 23 November 2007. This explanatory statement is to assist shareholders in understanding the background to the resolutions.

Resolution 3 - Adoption of the remuneration report

The Annual Report for the year ended 30 June 2007 contains a remuneration report which sets out the remuneration policy for the Group and reports the remuneration policy for the directors and senior managers of the Company. The report is set out on pages 22 to 25 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.

Resolution 4 - Approval of dividend reinvestment plan

The directors have reintroduced the payment of dividends commencing with the final dividend in respect of the 2006/07 financial year. A Dividend Reinvestment Plan (DRP) would allow shareholders the opportunity to receive their dividend in the form of additional shares in the Company rather than in cash.

Rule 22.1 of the Company's Constitution requires shareholder approval, by way of ordinary resolution, for the establishment of a plan such as the DRP.

While the directors do not intend to implement the DRP at this time, shareholder approval is being sought for the DRP to allow the flexibility for it to be introduced in the future if considered appropriate.

The terms of the DRP proposed to be established by the Company accompany the Notice of Annual General Meeting on pages 7 and 8 of this document.

Resolution 5 - Issue of rights to executive directors

The Board recognises the need to reward staff properly to incentivise and retain them. This particularly applies at the current time when the Company is experiencing buoyant market conditions. Accordingly, the Company proposes to issue rights to acquire shares in the Company (Rights) to a number of senior executives under the Lucas Management Rights Plan (MRP) including to the executive directors.

The ASX requires under Listing Rule 10.14 that shareholders approve the acquisition of securities in the Company under an employee incentive scheme by directors of the Company and their associates.

Resolution 5.1, 5.2 and 5.3

The Board resolved at a meeting held on 30 August 2007 to seek shareholder approval for the issue of Rights to be issued to the executive directors under the MRP as set out in the following table.

Name	Position	Maximum No. Rights/Securities
Allan Stuart Campbell	Executive Chairman	110,000
Andrew John Lukas	Executive Director	70,000
Ian Stuart-Robertson	Executive Director	70,000

The Board believes it is appropriate and reasonable that such Rights be issued in light of their senior managerial roles and responsibilities, and their continued significant contribution to the Company. The Rights form part of a competitive remuneration package which is intended to link the delivery of executive reward to ongoing corporate performance.

No price is payable for the grant of Rights. If the participant wishes to exercise his Rights, he must pay the exercise price of \$2.11 per Lucas ordinary share being the price of the shares at the close of business on the ASX on 31 August 2007, the day following that on which the grant of the rights was proposed by the Board.

If the participant exercises his Rights, the relevant number of shares will be allotted to him. The shares delivered by the Company on

exercise of such Rights may be newly issued or may be acquired for this purpose on the ASX. The Rights will expire at the close of the day preceding the fifth anniversary of the Grant Date (as defined under the MRP). All Rights that have not then been exercised as at that date will lapse.

Since the MRP was last approved on 24 November 2006, the following grants of Rights have been made under the MRP to persons referred to in ASX Listing Rule 10.14.

Name	Position	Date of Grant	Number
AS Campbell	Executive Chairman	24 Nov 2006	250,000
AJ Lukas	Executive Director	24 Nov 2006	150,000
I Stuart-Robertson	Executive Director	24 Nov 2006	150,000

Details of these Rights are shown in note 21 to the financial statements in the 2007 Annual Report including the vesting conditions. The exercise price is \$1.10 per Right with each Right entitling the holder to one fully paid ordinary share in the Company.

Additional information

The following information in relation to the Rights which may be granted pursuant to the MRP is for further clarification and, in part, to comply with ASX Listing Rule 10.15.

The maximum number of Rights for all persons for whom approval is required under Listing Rule 10.14 comprises the 250,000 Rights that the Board proposes to grant to the Executive Directors, as described in this resolution.

Mr Campbell, Mr Lukas and Mr Stuart-Robertson are entitled to participate in the MRP.

A voting exclusion statement is set out below the resolution.

No loans are to be made to the Executive Directors in connection with the proposed grants.

The date by which Rights approved under resolution 5 will be issued will be no later than twelve months from the Annual General Meeting, being 23 November 2008.

Other features of the Rights, which are consistent with the MRP Rules, include:

- the Rights will not be listed on ASX and will be issued for no consideration;
- any shares issued on exercise of the Rights will rank pari passu in all respects with the Company's shares listed on ASX, and
- the Company will apply to ASX for official quotation of the newly issued shares on exercise of the Rights.

Resolution 6 - Ratification and approval of issue of convertible notes

In June 2007, the Company raised \$25.0 million through the issue of 25,000,000 \$1.00 unsecured redeemable convertible notes (notes) by way of a private placement under Section 708 of the Corporations Act 2001. The notes were issued in two tranches, the first for 10,000,000 notes (First Tranche) comprising 40% of the total issue and the second for 15,000,000 notes (Second Tranche) comprising 60% of the total issue. Allottees of the notes each subscribed to the notes in the exact proportion as the tranches noted above.

The notes were issued to:

- repay the Company's existing \$10 million of unsecured redeemable convertible notes which matured in December 2007;
- provide capital for exploration and development expenditure at the Company's coal seam gas prospect at Gloucester Basin; and
- provide additional working capital for the Company.

The notes have a term of three years unless converted or redeemed beforehand. The notes can be converted either into ordinary shares in the Company or alternatively, into shares in a new special

purpose Company in the event that the Company decides to spin off and list its equity interests in coal seam gas assets including the Gloucester Basin project.

The maximum number of shares that could be issued if all the notes issued in the First Tranche were converted falls within the 15% limit of the Company's share capital permitted by ASX Listing Rule 7.1 and accordingly did not require prior shareholder approval.

However, any shares which would be issued on conversion of the notes issued under the Second Tranche would exceed 15% of the Company's issued share capital and therefore require prior shareholder approval for the allotment of these notes.

Accordingly, the Company now seeks shareholder approval for the issue of the notes issued under the Second Tranche. Further, the Company seeks ratification of the notes issued under the First Tranche to restore the Company's 15% share placement capacity without the need for prior shareholder approval.

Resolution 6.1 - Issue of First Tranche Notes

In June 2007, 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 ('First Tranche'). If converted into ordinary shares of the Company, the conversion price is a 15% discount to the volume weighted average sale price of the Company's ordinary shares over the 30 days prior to conversion subject to a floor price of \$1.65 per ordinary share. Accordingly, the notes can convert into a maximum of 6.06 million ordinary shares in the Company.

ASX Listing Rule 7.1, inter alia, limits the number of ordinary shares a Company can place in any twelve month period without obtaining prior shareholder approval to 15% of its share capital.

ASX Listing Rule 7.4 permits shareholder approval of securities previously issued under Listing Rule 7.1. This subsequent approval means that any shares issued on conversion of this tranche 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.

Resolution 6.2 - Issue of Second Tranche Notes

In June 2007, the Company raised \$15.0 million through the issue of 15,000,000 \$1.00 unsecured redeemable convertible notes by way of a private placement under Section 708 of the Corporations Act 2001 ('Second Tranche').

Given the requirements under ASX Listing Rule 7.1 (referred to above), the conversion into shares of such notes is subject to shareholder approval.

In the event that approval for the conversion of the notes in respect of the Second Tranche is given at the General Meeting, such notes will have conversion terms (and all other terms) identical to the notes issued under the First Tranche (as set out above). Accordingly, the notes under the Second Tranche could then convert into a maximum of 9.09 million ordinary shares in the Company.

If shareholder approval for the conversion is not obtained at the General Meeting, the Company will repay the notes issued under the Second Tranche at face value of \$1 per note together with interest (at the coupon rate of 10% per annum) within 30 days of the General Meeting.

Further, ASX Listing Rule 7.1 permits shareholder approval of an issue of securities. This approval means that any shares issued on conversion of the notes in respect of the Second Tranche are not included within the 15% placement capacity of the Directors. The practical effect of passing this resolution is also 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 in respect of the Second Tranche.

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, in respect of the notes the subject of Resolution 6.1 - First Tranche and Resolution 6.2 - Second Tranche are as follows:

Subscriber	Number of Notes
<i>HSBC Custody Nominees (Australia) Limited A/c 2</i>	8,000,000
<i>Perry Partners International, Inc.</i>	8,000,000
<i>Brispot Nominees Pty Limited</i>	
<House Head Nominee No.1 A/c>	3,000,000
<i>ANZ Nominees Limited</i>	
<Warrakirri Small Companies Value Trust A/c>	1,000,000
<i>CVC Limited</i>	1,000,000
<i>NZ Guardian Trust Company Limited <A/c 469119></i>	798,301
<i>Forty Traders Limited</i>	608,158
<i>Contemplator Pty Limited <ARG Pension Fund A/c></i>	500,000
<i>Auckland Medical Research Foundation</i>	593,541
<i>CVC Sustainable Investments No.2 Limited</i>	500,000
<i>Tricom Investment Management Limited</i>	
<Tricom Income Fund A/c>	300,000
<i>Atkone Pty Limited</i>	250,000
<i>Opito Investments Pty Limited</i>	200,000
<i>Mr Cecil Hoffman & Mrs Norma Hoffman</i>	
<C&N Hoffman Super Fund A/c>	150,000
<i>Lapin Trading Pty Limited <L/Equities M/L551002 A/c></i>	50,000
<i>Mr Rory James McGuire & Mrs Juliet Mary McGuire</i>	
<McGuire Super Fund A/c>	50,000

In respect of the above note allotments, 40% were issued under the First Tranche and 60% were issued under the Second Tranche (subject to shareholder approval).

Issue Terms

A summary of the issue terms is as follows:

- The notes were issued on June 2007 and have a term of three years unless converted or redeemed beforehand.
- Interest accrues on each note at the rate of 10.0% per annum payable quarterly in arrears.
- A noteholder may elect to convert all or some of the notes on any Interest Payment Date occurring on or after the first anniversary of the issue date.
- The notes can be converted either into ordinary shares in the Company or alternatively, into shares in a new special purpose company (Lucas Energy) in the event that the Company decides to spin off and list its equity interests in coal seam gas assets including the Gloucester Basin project.
- The conversion price is a 15% discount to the volume weighted average sale price of the Company's ordinary shares over the 30 days prior to conversion subject to such price being not less than \$1.65 per share. Alternatively, the notes can be converted into shares in Lucas Energy at a 15% discount to its Initial Public Offering price.
- Shares issued on conversion of notes rank equally with the other fully paid ordinary shares of the Company or Lucas Energy on issue as appropriate.
- 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.
- The Company's right of redemption prevails over the rights of conversion of a noteholder except on the occurrence of a takeover event.

Resolution 7 - Granting of financial assistance

1. Introduction

- 1.1 On 10 August 2007, the Company acquired the entire issued share capital of both of Jaceco Drilling Pty Limited and Geosearch Drilling Service Pty Limited trading as a partnership known as Capricorn Weston Drilling Group (together 'Capricorn Weston'). The financing of the acquisition was provided by way of loan facilities from Australia and New Zealand Banking Group Limited. The

security for these facilities, inter alia, will include a charge over the assets of Capricorn Weston. In such circumstances, the Corporations Act requires such financial assistance, inter alia, to be approved by members of the holding company and, in cases where that company is a listed domestic corporation, the members of that corporation. Accordingly, the Company now seeks the approval of members for the granting of such financial assistance.

1.2 This explanatory statement is given to members for the purpose of section 260B(4) of the Corporations Act. It contains information known to the Company material to deciding how to vote on the giving of financial assistance by a subsidiary of the Company as set out in resolution 2 in the accompanying notice.

1.3 Certain terms and expressions used in this explanatory statement are defined in paragraph 12.

2. The share acquisition

2.1 Under the Share Sale Agreement, on 10 August 2007, the Company acquired the entire issued ordinary share capital of Capricorn Weston.

2.2 Following completion of the acquisition of the shares, Capricorn Weston has become a subsidiary of the Company.

3. Sections 260A and 260B of the Corporations Act

3.1 Under section 260A of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B; or
- (c) the assistance is exempted under section 260C.

3.2 Under section 260B of the Corporations Act, if immediately after the acquisition, the company will have an Australian listed holding company, the financial assistance must also be approved by a special resolution of the holding company. Because the Company has become the holding company of Capricorn Weston after the acquisition, members of the Company are asked to approve the financial assistance.

3.3 A company may be regarded as giving financial assistance if it gives something needed in order that a transaction be carried out or something in the nature of aid or help. Common examples of financial assistance include issuing a debenture, giving security over the company's assets, and giving a guarantee or indemnity in respect of another person's liability.

4. The financial assistance

4.1 As part of the arrangements to acquire the Capricorn Weston, the Company has arranged facilities of \$11.2 million in total (including ancillary credit support facilities) under a facilities agreement with Australia and New Zealand Banking Group Limited.

4.2 In order to secure and regulate the obligations of the Company and any applicable subsidiary or related entity of it in relation to the finance facilities, Capricorn Weston may:

- (a) enter into the Facilities Agreement as an obligor;
- (b) to secure its, the Company's or another party's obligations under the Facilities Agreement and any related document, execute a fixed or floating (or both) charge or charges over its assets and undertakings; and
- (c) execute, or accede to, any document ancillary to, or in connection with, the Facilities Agreement and any guarantee, indemnity or security interest given in connection with, or

ancillary to, the Facilities Agreement and any related document.

4.3 The Company and Capricorn Weston may arrange refinancing and additional financing facilities (including working capital facilities) of an amount to be determined in the future, from time to time. In order to secure and regulate the obligations of the Company and any applicable subsidiary or related entity of it in relation to new financing facilities, Capricorn Weston may, from time to time:

- (a) execute, or accede to, a new facilities agreement as an obligor:
 - (i) on substantially the same terms as the Facilities Agreement; or
 - (ii) on terms approved by the Board of directors or the members (or both) at the relevant time;
- (b) give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, fixed or floating (or both) charge or otherwise) to secure its or each obligor's obligations under any new facilities agreement and any related document; and
- (c) execute, or accede to, any document in connection with, or ancillary to, any new facilities agreement or guarantee, indemnity or security interest given in connection with any new facilities agreement and any related document.

4.4 Capricorn Weston's obligations under each Finance Document are significant. Those obligations could include:

- (a) unconditionally and irrevocably guaranteeing the performance of the obligations (including payment obligations) of the Company and any applicable subsidiary or related entity of it under the Finance Documents from time to time;
 - (b) indemnifying each Finance Party and other parties against any liability, loss or cost incurred by them under, or in connection with, the Finance Documents; and
 - (c) giving security interests over its assets to secure its obligations and the obligations of it or the Company or any applicable subsidiary or related entity of it under the Finance Documents from time to time.
- 4.5 Entering into, and performing obligations under, the Finance Documents will constitute financial assistance and requires the prior approval of members.

5. Reasons for the financial assistance

5.1 The Company requires finance under the Facilities Agreement to fund its purchase of the shares of Capricorn Weston and to provide working capital for the business of Capricorn Weston and related companies.

5.2 The directors and members of the Company include, directors of Capricorn Weston. They have worked with representatives of AJ Lucas Group Limited in developing financial models and business plans for the future operation of Capricorn Weston about which there is confidence of success.

5.3 The directors considered that the execution of each Finance Document by Capricorn Weston, entry into the Transactions and the giving of the financial assistance would be in the best interests of, and benefit the Company and Capricorn Weston by:

- (a) facilitating the continuation of the businesses and activities of Capricorn Weston;
- (b) facilitating the introduction of AJ Lucas Group Limited as owners of Capricorn Weston so that Capricorn Weston will benefit from the implementation of business plans and financial models developed by AJ Lucas Group Limited for the future operation of Capricorn Weston, of which there is confidence of success;
- (c) providing funds for working capital and the general corporate purposes of the Company, Capricorn Weston and other related companies;

- (d) enhancing the profile of the Company and Capricorn Weston by being seen to provide a wider and more comprehensive range of drilling services thereby improving the opportunity for additional business for Capricorn Weston;
- (e) Capricorn Weston benefiting from the lower cost structure of the AJ Lucas group of companies with consequent savings to Capricorn Weston;
- (f) Capricorn Weston benefiting from AJ Lucas Group Limited's systems with consequential improvements in efficiency; and
- (g) enhancing the credit rating of Capricorn Weston with a consequential reduction in its funding costs.

6. Effects of the financial assistance

- 6.1 The giving of the guarantee and indemnity and any security in connection with the finance facilities, may impact on Capricorn Weston's ability to borrow money in the future, and it is possible that this could materially prejudice the interests of Capricorn Weston and its shareholders. This is because a lender may be deterred by the existence of the Finance Documents from making finance facilities available to Capricorn Weston. However, representatives of the Company participated in negotiations relating to the acquisition of the shares, including in relation to the Company entering into the Finance Documents, and have agreed to those arrangements because they believe them to be in their best interests.
- 6.2 The assessment of material prejudice, including Capricorn Weston's ability to pay its creditors, embraces the whole transaction and so brings into account its immediate consequences in terms of determining whether there is a material prejudice. The assessment of material prejudice has quantitative and qualitative elements.
- 6.3 The quantitative element involves an assessment of the impact of the Finance Documents on Capricorn Weston's balance sheet, future profits and future cash flows. The prejudice to Capricorn Weston's ability to pay its creditors relates to the guarantees and indemnities and security interests to be provided by Capricorn Weston under the Finance Documents. If the Company or any applicable subsidiary or related entity of it defaults under the Finance Documents, any one or more of the Finance Parties may decide to make a demand under the Finance Documents (including by a call on a guarantee and indemnity or enforcement of security given by the Company or its subsidiaries). Accordingly, Capricorn Weston will be liable for the default of the Company or any applicable subsidiary or related entity of it under the Finance Documents.
- 6.4 The qualitative aspect requires an assessment of all the interlocking elements of the commercial transaction as a whole to determine where the net balance of financial advantage lies. The directors of the Company consider that the acquisition of the shares in Capricorn Weston by the Company is to the benefit of Capricorn Weston and promotes the interests of Capricorn Weston. This is on the basis that Capricorn Weston will inherit committed shareholders who will be focused on the performance of Capricorn Weston and its business.
- 6.5 The directors of the Company do not currently have any reason to believe that the Company (or any applicable subsidiary or related entity of it) is likely to default in its obligations under the Finance Documents.
- 6.6 However, if a Finance Party becomes entitled to enforce any of its rights under a Finance Document because the Company or any applicable subsidiary or related entity of it defaults, the enforcement may materially prejudice the interests of Capricorn Weston or its shareholders. On enforcement, among other rights, a Finance Party may become entitled to procure the sale of the assets of Capricorn

Weston. The sale of assets on enforcement may yield a return to Capricorn Weston (and ultimately its shareholders) significantly lower than could have been achieved by Capricorn Weston had those assets been otherwise sold. This may materially prejudice the interests of Capricorn Weston and its shareholders.

- 6.7 Accordingly, the directors have decided to refer the proposal to shareholders for approval under section 260B of the Corporations Act in light of the guarantee, indemnity and security that is to be provided by Capricorn Weston under the Finance Documents.

7. Recommendation of directors

The directors recommend that shareholders vote in favour of the resolution for the reasons in paragraph 5.

8. Notice to ASIC

Copies of the notice to members of the proposed resolution and this explanatory statement were lodged with the Australian Securities and Investments Commission before being sent to the members, in accordance with section 260B(5) of the Corporations Act.

9. Disclosure of information

The directors consider that this explanatory statement contains all material information known to the Company that could reasonably be required by members in deciding how to vote on the proposed resolution, other than information that it would be unreasonable to require the Company to disclose because the Company has previously disclosed the information to its members.

10. Inspection of documents

Each document referred to in this explanatory memorandum is available for inspection by a member on request to the Company.

11. Accompanying documents

These documents accompany this explanatory statement:

- (a) notice to members;
- (c) rules of the Dividend Reinvestment Plan; and
- (b) proxy forms.

12. Defined terms and interpretation

12.1 In this explanatory statement:

ASX means Australian Securities Exchange Limited

Corporations Act means the Corporations Act 2001 (Cth).

Facilities Agreement means the facilities agreement referred to in paragraph 4.1.

Finance Documents means the Facilities Agreement and each document referred in paragraph 4.2 and paragraph 4.3.

Finance Party means each financier, arranger, agent, hedging lender, trustee or security trustee under the Finance Documents.

Company means AJ Lucas Group Limited ACN 060 309 104.

Share Sale Agreement means the share sale agreement between the Company and others dated 10 August 2007.

12.2 In this explanatory statement, except where the context requires otherwise:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning; and
- (c) a reference to a document includes the document as novated, altered, restated or replaced from time to time.

13. Further information

If you have any questions or need more information, please contact the company secretary, Nicholas Swan, on (02) 9809 6866.

AJ LUCAS GROUP LIMITED

DIVIDEND REINVESTMENT PLAN

PROPOSED TERMS ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

SECTION 1. SHAREHOLDER INFORMATION

Summary of Plan

The dividend reinvestment plan ("Plan") of AJ Lucas Group Limited ("Company") was established by the board of directors of the Company in November 2007.

The Plan gives you the choice of receiving fully paid ordinary Shares in the Company instead of cash for your dividends on all or part of your shareholding. Two of the features of the Plan are that Shares may be issued at a discount to market (to be decided by the directors from time to time), and no brokerage or other transaction costs are payable.

An overview of the key aspects of the Plan are set out below. The full terms are set out in section 2.

Participation

Participation in the Plan is entirely optional, and you may vary or terminate your participation at any time, subject to the following rules:

If you wish to participate, you will need to complete an application form and give it to the Company. Your participation will start with the first dividend payment after receipt of the application form – provided that it is received before the Record Date for that dividend.

If you wish to vary or terminate your participation, you must complete a variation/termination form and give it to the Company. Forms received will take effect from the next Record Date.

You may choose to participate in the Plan fully or in respect of only some of your Shares. Under full participation, the dividends payable on all of your Shares (including those you may buy or otherwise acquire in the future) will be reinvested in additional Shares. Under partial participation, only the number of Shares you nominate will participate, plus all Shares issued to you under the Plan. If your application form fails to specify your level of participation, the Company may deem your level of participation to be full participation.

Issue Price

The issue price of the ordinary Shares in the Company to be issued under the Plan may be at a discount to the market price of ordinary Shares. The amount of the discount will be decided by the directors from time to time.

If after Shares are issued to you under the Plan, there remains a balance of your dividend entitlement which represents a fraction of the issue price of an additional Share, then that balance may be held and added to future entitlements or paid to you, at the discretion of the Company.

Sales

If you only partially participate in the Plan and decide to sell some of your Shares, then the Shares you sell will reduce, first, the number of your non-participating Shares and, secondly, the number of your Participating Shares.

ASX Quotation

Application will be made to ASX for quotation of all Shares issued under the Plan.

Amendment, Suspension and Termination

The Plan may be amended, suspended or terminated at any time by the directors. In that event, notice will be given to you and all other Shareholders of the Company. However, the accidental omission to give any notice will not invalidate any amendment, suspension or termination.

In addition, the directors have the power to resolve any difficulties, anomalies or disputes which may arise in connection with, or by reason of the operation of the Plan, as they think appropriate.

Taxation

If you are an Australian resident, then, under current Australian income tax laws, dividends reinvested under the Plan continue to be assessable for income tax purposes in the same manner and the same extent as if those dividends had in fact been paid to you.

A Plan statement will be issued to you following the payment of each dividend setting out the amount of the dividend and its various components including any amount of franking or imputation credits attaching to the dividends. **This Plan statement is an important document, and should be retained by you.**

SECTION 2. TERMS OF DIVIDEND REINVESTMENT PLAN

The following are the terms of the dividend reinvestment plan of AJ Lucas Group Limited established by its board of directors in November 2007.

1. Participation in the Plan

- 1.1 Participation is optional.
- 1.2 Subject to the Company's power to reject any application, participation is open to all Shareholders except those who have registered addresses in a country or place where participation in the Plan would or may be unlawful or if any other formality under the laws of that country or place would or may not be complied with.
- 1.3 Each Shareholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for him or her to be eligible to participate in the Plan.

- 1.4 Participation may, subject to any restrictions in these terms, be varied or terminated by a Shareholder at any time.

2. Degree of Participation

- 2.1 Participation may be either full or partial.
- 2.2 Under full participation, the Plan will apply to all Cash Dividends payable on all Shares held by the Participant from time to time.
- 2.3 Under partial participation, the Plan will apply to all Cash Dividends payable on:
 - (a) the number of Shares nominated by the Participant in his or her application for participation; and
 - (b) all Shares issued to the Participant under the Plan, less any of those Shares transferred by the Participant.
- 2.4 Applications which do not indicate the degree of participation selected may be deemed by the Company to be applications for full participation.

3. Applications to Participate

- 3.1 Applications to participate in the Plan must:
 - (a) be made on the application form approved by the Company from time to time;
 - (b) indicate whether participation is full or partial and, if partial, nominate the number of the applicant's Shares to be subject to the Plan; and
 - (c) be otherwise completed and signed by the applicant and given to the Company.
- 3.2 The Company may in its absolute discretion reject any application to participate in the Plan without giving any reason, but if it does, the Company will notify the applicant as soon as practicable after the application is made.
- 3.3 Subject to the Company's power to reject any application, each duly completed and signed application and each application that the Company deems to be for full participation pursuant to clause 2.4 and is otherwise duly completed and signed will be:
 - (a) deemed to have been accepted by the Company upon receipt; and
 - (b) effective in respect of all Cash Dividends payable after receipt of the application, but any application received by the Company after the Record Date for a Cash Dividend will not be effective in respect of that Cash Dividend.

4. Operation of the Plan

- 4.1 Each Cash Dividend which is payable to a Participant in respect of the Participant's Participating Shares and which is available for payment to the Participant will when payable be applied on the Participant's behalf in subscribing for Shares.
- 4.2 The issue price of Shares to be acquired under the Plan in respect of a Cash Dividend may be at a discount to the market price of the Shares ex the Cash Dividend. The directors of the Company will decide the amount of the discount from time to time and the market price will be determined by the Company as the Weighted Average Market Price of the Shares over the period of 5 Business Days starting on the first day all Shares are quoted ex the Cash Dividend or such other price as the Company in its absolute discretion considers to be the fair market value of the Shares.
- 4.3 In respect of each Cash Dividend the Company will for each Participant:
 - (a) determine the amount of the Cash Dividend payable in respect of the Participant's Participating Shares less any tax or other amount which the Company is required by any law to withhold or deduct from such dividend or which the directors of the Company are entitled to retain;
 - (b) on behalf and in the name of the Participant, apply that amount (together with any amounts held by the Company under clause 4.4) to subscribe for the maximum whole number of fully paid Shares that may be acquired at the issue price of the Shares; and
 - (c) issue that number of Shares to the Participant as fully paid Shares at or about the time the Cash Dividend is due for payment.
- 4.4 If there is any amount of a Cash Dividend payable to a Participant in respect of the Participant's Participating Shares which is not applied to subscribe for additional Shares because the amount is less than the issue price of one Share, the amount will be retained by the Company, added to the next Cash Dividend payable to the Participant and (unless the Participant terminates its participation in the Plan) applied to subscribe for additional Shares under the Plan, provided that the Company may at any time determine to pay the amount in cash to the Participant before it is so applied.

5. Share Issue

- 5.1 Shares will be issued under the Plan within the time required by the Listing Rules.
- 5.2 Shares issued under the Plan will from the date of issue rank equally in all respects with all other fully paid Shares then on issue.
- 5.3 Shares issued under the Plan will be registered on a register where the Participant already holds Shares.

6. Statements to Participants

After each issue of Shares under the Plan, the Company will send to each Participant a statement detailing:

- (a) the number of Shares issued to the Participant and the date of issue;
- (b) the Cash Dividend payable to the Participant which was applied to subscribe for the Shares so issued;
- (c) the amount of any franking or imputation credit attaching to the Cash Dividend and the amount (if any) which the Company has withheld or deducted or which the Company has retained from the Cash Dividend; and
- (d) the number of the Participant's Participating Shares, after the issue.

7. Transfers of Shares

- 7.1 Whenever any Shares held by a Participant are transferred, those Shares will be taken to comprise:
 - (a) firstly, Shares not participating in the Plan or any other dividend reinvestment, bonus issue or other similar plan of the Company; and
 - (b) secondly, Participating Shares.
- 7.2 On the registration of a transfer of any Participating Share, the Share will cease to be taken to be a Participating Share for the purposes of these terms and will cease to be subject to the Plan.

8. Death of Participant

- 8.1 If a Participant dies, participation by that Participant and any other Participants with whom the deceased was a joint Participant will be terminated upon receipt by the Company of notice of the death of the deceased Participant.
- 8.2 Termination under clause 8.1 will be effective in respect of Cash Dividends payable after receipt of the duly completed and signed death notice, but any death notice received by the Company after the closing date for determination of entitlements to payment of a Cash Dividend will not be effective in respect of that Cash Dividend.

9. Variation and Termination of Participation

- 9.1 A Participant may at any time:
 - (a) vary the number of Shares held by the Participant that are to be subject to the Plan; and
 - (b) terminate participation in the Plan.
- 9.2 Variations and terminations permitted under clause 9.1 must be:
 - (a) made on the form approved by the Company from time to time;
 - (b) completed and signed by the Participant and given to the Company; and
 - (c) effective in respect of Cash Dividends payable after receipt of the duly completed and signed form, provided that any form received by the Company after the Record Date for a Cash Dividend will not be effective in respect of that Cash Dividend.

10. ASX Quotation

While the Company is admitted to the official list of ASX, the Company will apply to the ASX for Shares issued under the Plan to be granted official quotation within any period of time prescribed by the Corporations Act or the Listing Rules.

11. Notices

- 11.1 Any notice, form or other document to be given by the Company to a Shareholder under these terms may be given in the same manner that notices may be given to Shareholders under the Company's constitution.
- 11.2 Any notice, form or other document to be given by a Shareholder to the Company under these terms will not be valid until it is received by the Company at its share registry for the time being or such other place as the Company may nominate from time to time for the service of notices under these terms.

12. Amendments

- 12.1 The Company may from time to time amend these terms.
- 12.2 The Company must notify each Shareholder in writing of any amendment to these terms and such amendment will take effect from the effective date specified in the notice being a date not earlier than the expiration of one month from the dispatch of the notice.
- 12.3 No amendment will be invalid due to the accidental omission to give a notice to any Shareholder.

13. Suspension and Termination

- 13.1 The Company may suspend the operation of the Plan for such a period as it considers appropriate or may terminate the Plan.
- 13.2 The Company must notify each Shareholder in writing of any suspension or termination of the Plan and such suspension or termination will take effect from the effective date specified in the notice being a date not earlier than the expiration of one month from the dispatch of the notice.
- 13.3 No suspension or termination will be invalid due to the accidental omission to give a notice to any Shareholder.

14. Power of Directors

- 14.1 The directors of the Company may implement the Plan in such manner as they think fit.
- 14.2 Without prejudice to the general powers of the directors under the Constitution and this clause, the directors may settle in such manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of the operation of the Plan, whether generally or in relation to any Participant or any Shares.

15. Liability

- 15.1 Neither the Company nor its directors will be liable or responsible to any Participant for:
 - (a) any direct or indirect loss suffered by a Participant as a result of the establishment and operation of the Plan or his or her participation in the Plan or in relation to any advice given with respect to participation in the Plan;
 - (b) any direct or indirect loss suffered by a Participant due to any amendment to the terms of the Plan or any suspension or termination of the operation of the Plan effected in accordance with these terms; or
 - (c) any liability of a Participant in respect of any tax or other amount arising due to or in connection with his or her participation in the Plan.

16. Costs

- 16.1 Except to the extent required by law, no brokerage, commission, stamp duty or other transaction costs will be payable by a Participant in respect of any issue of Shares under the Plan.
- 16.2 Where any law requires on any occasion the payment of any amount in respect of an issue of Shares to a Participant under the Plan, that amount may be deducted by the Company from the sum which would, but for the participation of the Participant, be available for payment to the Participant and, if deducted, must be paid by the Company as required by that law.

17. Governing Law

The Plan is governed by the laws of New South Wales.

18. Interpretation

- 18.1 In this document ("AJ Lucas Group Limited Dividend Reinvestment Plan"), unless the context otherwise requires:
 - "ASX" means Australian Securities Exchange Limited;
 - "Business Day" means any day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday in Sydney;
 - "Cash Dividend" means a dividend payable wholly in cash out of profits or other distributable reserves of the Company and, in the case of a dividend payable only partly in cash, that part of the dividend which is payable in cash;
 - "Company" means AJ Lucas Group Limited;
 - "Corporations Act" means the Corporations Act 2001 (Commonwealth) in force for the time being;
 - "Plan" means the Company's dividend reinvestment plan as described in this document;
 - "Listing Rules" means the listing rules of ASX in force for the time being;
 - "Participant" means a Shareholder participating in the Plan for the time being;
 - "Participating Shares" means those Shares which are subject to the Plan for the time being such that Cash Dividends payable in respect of them are to be applied for the time being in subscribing for additional Shares in accordance with the Plan;
 - "Record Date" means, with respect to a dividend, the date by reference to which the Company will identify the persons entitled to the dividend;
 - "Share" means an ordinary share in the Company;
 - "Shareholder" means a person registered as the holder of Shares; and
 - "Weighted Average Market Price" means, with respect to Shares over a period, the total dollar value of the Shares traded on the financial market of ASX over the period divided by the total number of Shares traded over the same period.
- 18.2 In this document, unless the context otherwise requires:
 - (a) the singular includes the plural and vice versa;
 - (b) references to one gender includes all genders;
 - (c) references to persons includes individuals and corporations.

IMPORTANT NOTICES

No responsibility can be taken for any advice expressed or implied in this document, given the complex nature of the laws governing companies and the taxation of dividends from companies. You are urged to seek your own independent professional advice about the financial and taxation implications for you of participating in this dividend reinvestment plan.