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**Broadband infrastructure at ten times the speed and a third of the cost.  
AJ Lucas strengthens trenchless technology leadership through JV with Groupe Marais SA**

World leader in trenchless technology, AJ Lucas Group Limited, has agreed with French engineering company, Groupe Marais SA, to form an Australian joint venture company to exploit Marais' innovative one-pass, mechanised trenchless technology for installing telecommunications and energy networks.

Marais' proven technology has already installed over 20,000 kms of telecommunications, electrical and gas networks during the past five years.

Developed in France and protected by world wide patents, Marais produces a range of trenchless technology and installation systems which are, on average, ten times faster than traditional open-cut installation methods and less than one third the cost.

The joint venture company, Marais-Lucas Technologies Pty Limited, intends to offer Marais' network installation technologies to the Australasian market; with particular reference to the proposed broadband roll-out proposed by the Australian government. The company will rent out machinery, engage in total service contracting solutions as well as partner in concessions for construction and operation of local loops.

Combining Lucas' proven project management, linear installation (pipeline) experience and trenchless technology with Marais' mechanised systems and telecoms expertise, will introduce to the Australian market a skill set and equipment base which is unmatched by any other.

Marais-Lucas will offer this expertise to those involved in the upcoming broadband roll-out. Initial estimates indicate a requirement for more than 100,000 kilometres of trench - which, using a trenchless Marais-Lucas solution is not only quicker and cheaper but more environmentally sound with less disturbance to local communities.

Allan Campbell, CEO of Lucas said:

*"While broadband speeds have steadily increased, traditional cable installation has barely changed. With Australia planning a network that needs 100,000 km of fibre, we looked at technologies around the world, and Marais' patented systems were the standout winners.*

*We're very pleased we've been able to form a partnership with them to bring this technology to Australia. With the broadband roll-out due to commence next year, we believe the timing is perfect.*

*"We intend to demonstrate this technology at a field day in October 2008 and expect a great deal of interest."*

The new company will be based at Lucas' headquarters in Ryde and will commence operations immediately.

For further information, please contact:

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***About AJ Lucas Group Limited***

AJ Lucas is a leading provider of both specialist infrastructure 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.

AJ Lucas also has a significant coal seam gas portfolio with a 70% interest in PEL285 in the Gloucester Basin, a 18% shareholding in Sydney Gas Limited, 15% of ATP651 in the Surat Basin and a 60% shareholding in Arawn Energy Limited, which is currently drilling in British Columbia in Canada.