



30 September 2010

AJ Lucas Group Limited
ABN 12 060 309 104
394 Lane Cove Road
Macquarie Park NSW 2113
Locked Bag 2113
North Ryde BC NSW 1670
T (02) 9490 4000
F (02) 9490 4200
www.lucas.com.au

Dear Shareholder,

ANNUAL GENERAL MEETING – 4 NOVEMBER 2010 AT 11:00AM

It is my pleasure to invite you to attend the 2010 Annual General Meeting.

Please find enclosed the following:

- Notice of Meeting (including the Explanatory Statement);
- Proxy Form;
- 2010 Annual Review & Sustainability Report (with the 2010 Financial Report on CD-ROM) and, for those shareholders who have specifically requested it,
- 2010 Financial Report.

A copy of both the 2010 Annual Review & Sustainability Report and the 2010 Financial Report are also available on the company's website (www.lucas.com.au).

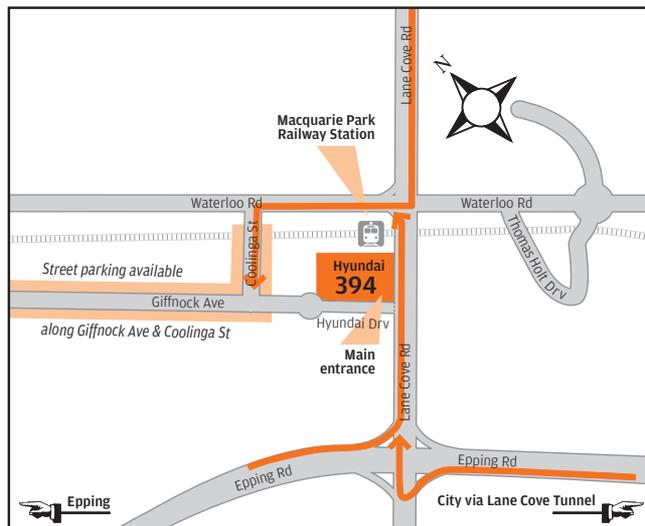
Meeting Details

The Annual General meeting is being held at the Company's offices at Hyundai Building, 394 Lane Cove Road, Macquarie Park, New South Wales on Thursday 4 November 2010 at 11:00am. Registration will occur from 10:00am in the third floor lobby. The map below shows the location of the office. Meter parking is available adjacent to the building. There is also a train station (Macquarie Park) located approximately 50 metres from the office.

We look forward to seeing you at the meeting.

Yours sincerely,

NJW Swan
COMPANY SECRETARY
AJ LUCAS GROUP LIMITED





NOTICE OF ANNUAL GENERAL MEETING AJ LUCAS GROUP LIMITED

ABN 12 060 309 104

The Annual General Meeting of the Company will be held at the Company's offices

Date: **Thursday 4 November 2010**
Time: **11:00am**
Address: **Hyundai Building
394 Lane Cove Road
Macquarie Park NSW 2113**

to conduct the following business.

GENERAL BUSINESS

Financial statements and reports

To receive and consider the annual financial report of the Company for the year ended 30 June 2010 and the reports of the directors and auditor thereon.

Resolution 1 - Re-election of director

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

"That Martin Green, 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 Michael McDermott, having been appointed to fill a casual vacancy, retires as required by the Corporations Act 2001, and, being eligible, having offered himself for re-election, be re-elected a director of the Company."

Resolution 3 - Re-election of director

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

"That Phil Arnall, having been appointed to fill a casual vacancy, retires as required by the Corporations Act 2001, and, being eligible, having offered himself for re-election, be re-elected a director of the Company."

Resolution 4 - Re-election of director

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

"That Genelle Coghlan, having been appointed to fill a casual vacancy, retires as required by the Corporations Act 2001, and, being eligible, having offered herself for re-election, be re-elected a director of the Company."

Resolution 5 - Adoption of the remuneration report

To adopt the remuneration report for the financial year ended 30 June 2010.

By Order of the Board

Nicholas Swan

Company Secretary

30 September 2010

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 2nd November 2010 ("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.

The Board determined that all of the shares that are quoted securities at close of business on 2 November 2010 will be taken, for the purposes of the meeting, to be held by the persons who held them at that time.

PROXIES

- 1 A member, entitled to attend and vote at the meeting of members, may appoint:
 - a person ("person" can be an individual or a body corporate); or
 - if the member is entitled to cast two or more votes at the meeting, two persons,

as the member's proxy or proxies to attend and vote for the member at the meeting. A proxy need not be a member.

- 2 If the member appoints two proxies and the instrument does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
- 3 The Company must receive at least 48 hours before the meeting:
 - the proxy's appointment; and
 - if signed by the appointor's attorney, the authority under which the appointment was signed or a certified copy of the authority.
- 4 The proxy's appointment and, if applicable, the authority appointing an attorney, must be sent by post or fax to the Company's registered office.

ACCOMPANYING DOCUMENT - IMPORTANT

The attached Explanatory Statement provides further information in relation to the resolutions. Shareholders should read the Explanatory Statement in full and carefully consider its contents.



AJ LUCAS GROUP LIMITED

(ABN 12 060 309 104)

Explanatory Statement

This Explanatory Statement forms part of the Notice convening the Annual General Meeting of shareholders of the Company to be held on 4 November 2010 and is to assist shareholders in understanding the background to the resolutions.

Resolution 1 – Re-election of Martin Green as a director

Mr Green was appointed a director in 1999 just prior to the Company listing on the Australian Securities Exchange.

Mr Green is a Fellow of the Institute of Chartered Accountants and an official liquidator of the Supreme Court of NSW. He has been in public practice for 37 years, mainly specialising in business recovery and insolvency. He has substantial business and finance experience at senior levels.

He is currently a principal at BRI Ferrier (NSW) Pty Ltd Chartered Accountants, a former honorary director/treasurer of the National Trust of Australia (NSW) and has served at various times in many public roles and capacities.

Mr Green also serves as Chairman of the Company's Audit and Risk Committee

Resolution 2 – Re-election of Michael McDermott as a director

Mr McDermott was appointed a director of the Company on 4 February 2010. As required by the Corporations Act 2001, Mr McDermott now retires from the Board and offers himself for re-election.

Mr McDermott has worked in the drilling industry since 1963. In 1970 he established McDermott Drilling in Sydney, growing it to the State's largest drilling company over the next 36 years.

Lucas acquired McDermott Drilling in 2006, retaining Mike to integrate McDermott's with the rest of the Lucas drilling business.

He is a director of both the Australian Drilling Industry Association (ADIA) and the Australian Drilling Industry Training Committee (ADITC). He is also the director representing the drilling industry on the Resources and Infrastructure Industry Skills Council (RIISC).

Resolution 3 – Re-election of Phil Arnall as a director

Mr Arnall was appointed a director of the Company on 10 August 2010. As required by the Corporations Act 2001, Mr Arnall now retires from the Board and offers himself for re-election.

Mr Arnall has had a distinguished thirty year career in the mining and steel industries including senior executive responsibility at Smorgon Steel Group, Tubemakers and ANI Limited.

He is currently chairman of Ludowici Limited (since 2003) and been a non-executive director of Bradken Limited since 2002 and Macquarie Generation since 2009. He was chairman of Capral Limited from 2002-2010.

He is a member of the Company's Audit and Risk Committee.

Resolution 4 – Re-election of Genelle Coghlan as a director

Ms Coghlan was appointed a director of the Company on 10 August 2010. As required by the Corporations Act 2001, Ms Coghlan now retires from the Board and offers herself for re-election.

Ms Coghlan has many years of business and finance experience both in Australia and overseas. After qualifying as a lawyer, she established a successful tourism business. Following the sale of this venture, she became the managing director of a company making technical textiles with applications in the mining, water and construction industries.

She is currently president of Composites Australia Inc. She is also a member of the Company's Audit and Risk Committee.



Proxy Form

All correspondence to:
AJ Lucas Group Limited
Locked Bag 2113 North Ryde BC
New South Wales 1670 Australia
Telephone 61 2 9490 4000
Facsimile 61 2 9490 4200
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 Company's offices located at 394 Lane Cove Road, Macquarie Park, NSW on 4 November 2010 at 11:00 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 Martin Green as a director
2. Re-election of Michael McDermott as a director
3. Re-election of Phil Arnall as a director
4. Re-election of Genelle Coghlan as a director
5. Adoption of remuneration report

	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"/>

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 your 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.

Lodging your proxy

This proxy form (and any power of attorney under which it is signed) must be received at the address below before 11:00am on 2 November 2010, 48 hours before the commencement of the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

By mail: AJ Lucas Group Limited
Locked Bag 2113,
North Ryde BC NSW 1670

By fax: +61 2 9490 4200