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ASX ANNOUNCEMENT/MEDIA RELEASE DRILLING ACTIVITY UPDATE

As advised in the Company's announcement on 15 September 2010, it is Lucas' intention to provide a drilling update at the conclusion of every month of its drilling activities undertaken by Cuadrilla Resources Holdings Limited (CRHL), Lucas' 40.93% owned associate company exploring for shale gas in Europe.

Accordingly, Lucas wishes to advise the following status as at 30 September 2010:

Well: Preese Hall #1
Spud Date: 16 August 2010
Depth: 5,824 feet

Drilling progress has been hampered due to the hole passing through ultra-fine silica cemented sandstones (millstone grit).

Nevertheless, the drilling indicates the presence of hydrocarbons as expected. Coring is being undertaken at regular intervals with the next one planned at 6,100 feet.

The completion of this hole, previously expected by early October at a depth of 8,200 feet, is now expected to occur by the end of the month.

The rig will then be relocated to Grange Hill #1, located approximately 15km from Preese Hall. Both the Preese Hall #1 and Grange Hill #1 wells will be fraced by CRHL in due course.

Following completion of the drilling of Grange Hill #1 hole, it is CRHL's intention to drill and frac a well in the Bolney prospect located in south-east England.



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In addition to AJ Lucas' interest in Bowland and Bolney held through Cuadrilla, AJ Lucas also holds a direct 25% equity interest in both of these prospects.



For further information please contact:

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About AJ Lucas Group Limited

Lucas is a leading provider of specialist infrastructure and mining services and is the largest supplier of drilling services to Australia's coal and coal seam gas industries. It is also one of Australia's largest builders 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 is also a proven developer of unconventional hydrocarbon properties. Past projects successfully developed and exited include the Company's investments in Gloucester Basin, Sydney Gas and ATP651 in Queensland's Surat Basin.

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