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21 February 2012

## **ASX ANNOUNCEMENT**

### **Completion of Entitlement Offer**

On 18 November 2011, AJ Lucas Group Limited (**Company**) announced a 1 for 2 non-renounceable pro rata entitlement offer for new ordinary shares (**Entitlement Shares**) at an offer price of \$1.35 (**Offer Price**) per new fully paid Entitlement Share to raise approximately \$51.3 million (**Entitlement Offer**).

#### **Results of Entitlement Offer**

The Entitlement Offer completed at 5.00pm on 15 February 2012. The results of the Entitlement Offer are as follows:

Maximum number of Entitlement Shares for subscriptions under the Entitlement Offer	38,017,854
Number of Entitlement Shares applied for by eligible shareholders	6,798,094
<b>Total Shortfall Shares</b>	<b>31,219,760</b>

#### **Andial's position**

Included in the shortfall are the shares allocated to Andial Holdings Pty Limited (**Andial**) and related parties. Andial purported to apply to take up its entitlement however, delays in its funding arrangements have meant that it was unable to make the corresponding payment by the close of the Entitlement Offer. Under the terms of the Entitlement Offer as set out in the Prospectus, this did not constitute a valid application.

Although Andial did not make a valid application, the Sub-Underwriting Agreement between Andial and Gleneagle Securities (Aust) Pty Limited (**Underwriter**) currently remains in place.



Andial has confirmed to the Company that it expects that appropriate funding should be in place in time for the settlement of the sub-underwriting on 27 February 2012. On this basis, Andial has advised that it currently intends to take up its sub-underwriting allocation of the shortfall subject to receipt of those funds.

### **Kerogen's position**

Kerogen Investments No.1 (HK) Limited (**Kerogen**) has confirmed to the Company that it intends to take up the maximum number of shares available to it under the sub-underwriting agreement.

### **Discussions with Sub-Underwriters**

As disclosed in the Request for Trading Halt made on 17 February 2012, the Underwriter has had discussions with the sub-underwriters, Kerogen and Andial, about their respective Sub-Underwriting Agreements to determine whether changes were needed to give the Underwriter greater flexibility with the allocation of the shortfall.

These discussions have resulted in the revised settlement timetable below and Andial has indicated that it will waive the provision of its Sub-Underwriting Agreement to receive an equivalent allocation in the sub-underwriting pool of at least as many shares as any other sub-underwriter is allocated of the total amount of the shortfall. This may result in Andial being allocated fewer shares than Kerogen by the Underwriter.

### **Other sub-underwriter**

The Underwriter has secured a commitment to sub-underwrite up to \$1 million from a party unrelated to either Andial or Kerogen.

### **Revised Timetable**

In light of the extent of the shortfall, to provide the sub-underwriters with the best opportunity to meet their sub-underwriting commitments, the Company has determined that the key dates for the Entitlement Offer will be revised as set out below.

#### **Key dates**

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Settlement of underwriting	27 February 2012
Allotment and issue of Entitlement Shares	28 February 2012
Entitlement Shares under Entitlement Offer expected to commence trading on ASX on a normal settlement basis	29 February 2012
Despatch holding statements for Entitlement Shares under Entitlement Offer	5 March 2012



These dates are indicative only and the Company reserves the right to vary them in consultation with the Underwriter, subject to the requirements of the ASX Listing Rules.

The Board of Directors thanks all shareholders who participated in the Entitlement Offer for their continued support.

For further information please contact:

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**About AJ Lucas Group Limited**

Lucas is a leading provider of specialist infrastructure, construction and drilling services to the energy, water and waste water, resources and public infrastructure sectors. In particular, it is the largest supplier of drilling and gas management services to Australia's coal and coal seam gas industries. Other divisions provide construction and civil engineering services together with facilities management.

AJ Lucas is also a proven developer of unconventional hydrocarbon properties. Current investments include a 42% shareholding in Cuadrilla Resources, an exploration and production company focused on unconventional hydrocarbons, and a 25% direct interest in the Bowland and Weald shale basin prospects in respectively North West and South East England. Past projects successfully developed and exited include the Company's investments in Gloucester Basin, Sydney Gas and ATP651 in Queensland's Surat Basin.

