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## **ASX ANNOUNCEMENT/MEDIA RELEASE**

### **DECC Report on Preese Hall Shale Gas Fracturing Review**

The UK Department of Energy & Climate Change (DECC) has today published an independent expert report recommending measures to be taken to mitigate the risks of seismic tremors from future hydraulic fracturing and inviting public comment on its recommendations. The invitation for comments runs for six weeks following which a decision will be made on the resumption of hydraulic fracturing for shale gas.

Attached is a copy of a media statement from Cuadrilla Resources in response to the DECC review on the seismic events.

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.



16-04-2012

## RESPONSE TO DECC REVIEW ON SEISMIC EVENTS

### MEDIA STATEMENT

16 April 2012

### CUADRILLA RESOURCES WELCOMES EXPERTS' SCIENTIFIC REVIEW ON SEISMIC EVENTS

Cuadrilla Resources today welcomed the publication by the Department of Energy & Climate Change of its scientific experts' review of the seismic events which occurred in April and May 2011 in the Bowland Basin, Lancashire. The review team included experts from Keele University and the British Geological Survey and was charged with reviewing a series of expert reports submitted to DECC late last year by Cuadrilla Resources.

The DECC expert review published today concludes that it is safe to resume hydraulic fracturing provided the recommended operating procedures as outlined in their report are followed.

Responding to the expert review recommendations, Cuadrilla's Chief Executive Mark Miller said:

*"We are pleased that the experts have come to a clear conclusion that it is safe to allow us to resume hydraulic fracturing, following the procedures outlined in the review. Many of today's recommendations were contained in the original expert studies we published in November last year, and our supplementary information sent to DECC in January. We have already started to implement a number of them in the pursuit of best practice.*

*We have already started to implement a number of the experts' recommendations in the pursuit of best practice and look forward to the final decision by DECC ministers concerning the resumption of hydraulic fracturing following the six week period for public comment commencing on 17 April."*

Cuadrilla suspended hydraulic fracturing following the minor tremors and commissioned its own set of expert studies and combined final report, published in full on its website in November 2011.

**Ends**

### NOTES TO EDITORS

1. Hydraulic fracturing was voluntarily suspended by Cuadrilla Resources, with the agreement of DECC, in May 2011, until such time as the reasons for the seismic events had been fully investigated.
2. The original scientific study by Cuadrilla Resources took six months to complete and was carried out by an independent European team of eminent scientists, geologists and seismologists under the direction of Dr Hans de Pater. This study concluded that the two seismic events on April 1 and May 27 last year were probably linked to the company's hydraulic fracturing activities at the Preese Hall well site near Blackpool. The study and accompanying press release is available in full on the Cuadrilla Resources website at:

<http://www.cuadrillaresources.com/news/cuadrilla-news/article/press-release-geomechanical-study/>

<http://www.cuadrillaresources.com/news/cuadrilla-news/article/geomechanical-study-of-bowland-shale-seismicity/>

3. Today's report, available on the DECC website, is a review of the evidence submitted by Cuadrilla Resources between November 2011 and January 2012.