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ASX ANNOUNCEMENT

Entitlement Offer Underwriting Status

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**).

The Company has been informed by Gleneagle Securities (Aust) Pty Limited (**Underwriter**) that it has issued, under the sub-underwriting agreement between it and Andial Holdings Pty Limited (**Andial**) dated 17 November 2011, a default notice to Andial for failing to lodge a valid application, together with the appropriate application monies, for its allocation of shortfall shares under the Entitlement Offer by 5pm today (in accordance with the revised timetable announced to the market on 21 February 2012).

The Company has permitted the Underwriter to grant Andial until 10.30 am (AEDST) tomorrow to remedy the default. In the event that a valid application, together with the application monies, is received from Andial in full by this time, the Entitlement Offer will be fully underwritten and the total amount raised will be approximately \$51.3 million.

The underwriting of the Entitlement Offer is conditional on the offer being 100% sub-underwritten (as disclosed in the Prospectus). In the event that a valid application, together with the application monies, is not received from Andial by the extended deadline, the Underwriter has agreed to perform the Underwriting to the extent only of the performance of the underlying sub-underwriting. As a result, the Entitlement Shares issued under the Entitlement Offer will be scaled back and, taking into account existing applications received, a total of 26,547,663 Entitlement Shares will be issued and the total amount raised by the Entitlement Offer will be approximately \$35.8 million.

The shares subscribed for under the Entitlement Offer will be allotted and issued by the Company tomorrow, with holding statements to be despatched by 5 March.

In the event that a valid application, together with the application monies, is not received from Andial by the extended deadline, the Company also will make an announcement tomorrow regarding the shortfall in funds raised and its plans to deal with that shortfall.

For further information please contact:

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