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Our ref 0097458-0000001/0097458-0000001
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1 March 2012

Dear Sir/Madam

Notice of becoming a substantial holder under s671B(1)(a)

On behalf of Kerogen Investments No 1 (HK) Limited we enclose a copy of a Form 604 Notice of change of interests of substantial shareholder by Kerogen Investments No. 1 (HK) Limited (**Kerogen**) and its associates in relation to AJ Lucas Group Limited (**AJL**).

In addition to the voting power in ordinary shares disclosed in the attached Form 604, Kerogen also discloses the following in relation to options to be issued ordinary shares in AJL. Each option is in respect of one AJL ordinary share.

1. As part of its mezzanine financing arrangements, Kerogen was issued 18,566,763 options.
2. Kerogen currently owns 14,694,403 options. If it were to exercise all these options (and no other options were exercised), it would have voting power of 39.99% in AJL. Kerogen's ability to exercise these options is subject to Chapter 6 of the Corporations Act.
3. Kerogen sold 3,872,360 options to Gleneagles Securities (Aust) Pty Ltd to remain within its 40% FIRB approval limit. The deferred sale price is 80% of either the sale price (on any transfer of the options by Gleneagles) or the 'in the money' value of the options (at the time of any exercise by Gleneagles). Subject to obtaining further FIRB approval to acquire such options, Kerogen will have a right to acquire those options back from Gleneagles within 2 years at an aggregate price equal to the greater of \$250,000 or 20% of the 'in the money' value of the options.

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Further information in relation to the options is contained in AJL's notice of extraordinary meeting dated 18 November 2011 and its announcements of 28 February 2012.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Tony Sparks', with a stylized flourish at the end.

Tony Sparks
Partner

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To: Company Name/Scheme AJ Lucas Group Limited (AJL)

ACN/ARSN: 060 309 104

1. Details of substantial holder (1)

Name Kerogen Investments No.1 (HK) Limited (Kerogen Investments); Kerogen General Partner Limited (Kerogen) and each of the entities listed in "Annexure A" (Kerogen Group) and CNOOC Limited

ACN/ARSN (if applicable)

There was a change in the interests of the substantial holder on

28/02/2012

The previous notice was given to the company on

05 / 10 / 11

The previous notice was dated

04 / 10 / 11

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company of scheme, are as follows:

| Class of securities (4) | Previous notice | | Present notice | |
|-------------------------------------|-----------------|------------------|----------------|------------------|
| | Person's votes | Voting power (5) | Person's votes | Voting power (5) |
| Fully paid ordinary shares (Shares) | 9,947,650 | 13.04% | 33,885,303 | 32.94% |
| | | | | |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company of scheme as follows:

| Date of change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|--|--|---|---|-------------------------|
| 28/02/12 | Kerogen Investments | Registered holder of Shares issued to Kerogen Investments as a result of taking up its rights under the rights offer announced by AJL on 18 November 2011 and taking up its sub-underwriting commitment pursuant to the sub-underwriting agreement in relation to such rights offer with Glenage Securities (Aust) Pty Ltd dated 17 November 2011. | \$32,356,331.55 | 23,987,653 ordinary shares | 23,987,653 |
| 28/02/2012 | Kerogen (in its capacity as general partner of the Kerogen Energy Fund LP (Kerogen Fund)) and each member of the Kerogen Group | Each entity is an associate of and controls Kerogen Investments and therefore has a relevant interest under section 608(3) of the Corporations Act | As above | As above | As above |

| | | | | | |
|------------|-----------------------|--|----------|----------|----------|
| 28/02/2012 | CNOOC Limited (CNOOC) | Relevant interest under section 608(8) of the Corporations Act reflecting CNOOC's initial interest in the Kerogen Fund | As above | As above | As above |
|------------|-----------------------|--|----------|----------|----------|

4. Present relevant interest

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6) | Class and number of securities | Person's votes |
|---|---------------------------------|--|--|--------------------------------|----------------|
| Kerogen Investments | Kerogen Investments | Kerogen Investments | Relevant interest under section 608(1)(a) of the Corporations Act as the registered holder of Shares | 33,885,303 Shares | 32.94% |
| Kerogen (in its capacity as general partner of the Kerogen Fund) and each member of the Kerogen Group | As above | As above | Each entity is an associate of and controls Kerogen Investments and therefore has a relevant interest under section 608(3) of the Corporations Act | As above | As above |
| CNOOC Limited | As above | As above | Relevant interest under section 608(8) of the Corporations Act reflecting CNOOC's initial interest in the Kerogen Fund | As above | As above |

6. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

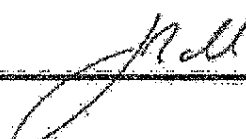
| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| Not applicable | Not applicable |

7. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|--|---|
| Kerogen | Walkers Corporate Services Limited, Walkers House, 67 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands |
| Each of the persons listed in Annexure A | See Annexure A |
| CNOOC Limited | 85/F Bank of China Tower, 1 Garden Road, Hong Kong |

Signature

print name JULIAN ROBERT STEVEN BALL capacity: director/secretary
 sign here  date 29/ 02/ 2012

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant issues (eg. A corporation and its related corporations; or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members, is clearly set out in paragraph 6 of the form.

- (2) See the definition of "associate" in Section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
- (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying the contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or his associate in relation to the acquisition, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure A

This is Annexure A of 1 page referred to in the Form 604 - Notice of Change of Interests of Substantial Holder lodged by Kerogen.

| Name | Address |
|-------------------------------------|---|
| Kerogen Investments No.1 Limited | Walkers Chambers, 171 Main Street, road Town, Tortola VG1110, British Virgin Islands |
| Kerogen Investments Holding Limited | Walkers Corporate Services Limited, Walkers House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands |
| Kerogen General Partner Limited | Walkers Corporate Services Limited, Walkers House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands |
| Kerogen Capital Limited | Walkers Corporate Services Limited, Walkers House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands |
| Kerogen Holding Limited | Walkers Chambers, 171 Main Street, road Town, Tortola VG1110, British Virgin Islands |
| Jason Cheng | Suite 3305, 33/F, Bank of America Tower, 12 Harcourt Road, Hong Kong |
| Ivor Orchard | Suite 3305, 33/F, Bank of America Tower, 12 Harcourt Road, Hong Kong |