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ASX ANNOUNCEMENT/MEDIA RELEASE

AJ Lucas Signs Structured Finance Term Sheet

Further to the announcement made on 13 February 2013, AJ Lucas Group Limited (ASX : AJL) has signed a binding term sheet with a Hong Kong based advisor affiliate of a global private investment firm (“the Lender”), for the provision by the Lender or any of its affiliates of a structured finance facility in two tranches of up to US\$70 million in aggregate (“the Facility”), subject to certain conditions precedent (including execution and delivery of long form documentation and obtaining necessary consents and approvals). The principal terms of the Facility are as follows:

1. First Tranche Loan

Amount	US\$55 million
Use of proceeds	<ul style="list-style-type: none">US\$30 million to repay all facilities provided by the Group’s senior lenderUS\$25 million for working capital

2. Second Tranche Loan

Amount	US\$15 million
Availability	On 30 September 2013 at the Company’s option, subject to the Company meeting certain operating targets

Conditions applying to both loan tranches are:

Maturity Date	30 September 2014, extendable at the Company’s option to 31 March 2015 subject to the Company’s compliance with all terms and conditions at the time of the extension application
Interest Rate	10% per annum (increasing to 14% per annum in the event that the option to extend the facility is exercised)
Security	First ranking security



Warrants to be issued

- On draw down of Tranche 1: the issue of such number of warrants which on exercise would result in the issue of ordinary shares equivalent to 4.75% of the Company's total issued share capital. The warrants are exercisable at \$1.55 per share and expire 42 months after issue.
- On draw down of Tranche 2: the issue of warrants which on exercise, together with the warrants issued under the Tranche 1 loan, would result in the issue of ordinary shares equivalent to 6.0% of the Company's total issued share capital.
- On exercise of option for Facility Extension: should the Company elect to extend the maturity date of the loan facility, the Company will issue further warrants which on exercise, together with the warrants issued under the Tranche 1 and Tranche 2 loans, would result in the issue of ordinary shares equivalent to 7.0% of the Company's total issued share capital.

It is expected that the Facility will be available for draw down by no later than mid-May 2013.

Commenting on the Facility, AJ Lucas CEO Allan Campbell said:

"We are pleased to have agreed this Facility as the final piece in the reconstruction of Lucas' balance sheet. We had three term sheets to consider and the Facility fits with the existing mezzanine finance facility and is considered to be on favourable terms which reflect a restructured business. In particular, the Facility's term is consistent with the timing of the next phase of the Cuadrilla business plan and allows us to continue to develop our interests in Cuadrilla and the Bowland Prospect."

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 industry. 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 44% 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.