



14 December 2012

Mr Nicholas Swan  
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Dear Nicholas,

**AJ Lucas Group Limited (the "Company")**

ASX Limited ("ASX") refers to the following;

1. The Company's announcement to the ASX titled "British Government Announces Resumption of Fracking" lodged with ASX at 10:24 am on Friday, 14 December 2012 and released at 10:31 am on Friday, 14 December 2012 (the "Announcement"), disclosing that the British Government announced last night to in principle allow the resumption of fracking in the UK, subject to certain conditions (the "Decision"), attaching an announcement made by Cuadrilla Resources in response to the Decision.
2. Listing rule 3.1, which requires an entity, once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, to immediately tell ASX that information.
3. The definition of "aware" in Chapter 19 of the listing rules. This definition states that:  
*"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."*
4. Paragraph 17 of Guidance Note 8 states:  
*"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."*
5. Listing rule 3.1A, which sets out an exception from the requirement to make immediate disclosure, provided that each of the following are satisfied.
  - 3.1A.1 *A reasonable person would not expect the information to be disclosed.*
  - 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
  - 3.1A.3 *One or more of the following applies.*
    - *It would be a breach of a law to disclose the information.*

- *The information concerns an incomplete proposal or negotiation.*
  - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
  - *The information is generated for the internal management purposes of the entity.*
  - *The information is a trade secret.”*
6. ASX’s policy position on the concept of “confidentiality” which is detailed in paragraphs 33 to 39 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

*“Confidential’ in this context has the sense of ‘secret’...” and “Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity’s securities, or by reference to the information in the media or analysts reports”.*

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Whether the Company considers the Decision as referred to in the Announcement to be material to the Company?
2. If the answer to question 1 is “no”, please advise the basis on which the Company does not consider the Decision to be material.
3. If the answer to question 1 is “yes”, when did the Company first become aware of the information in the Announcement concerning the Decision? Please comment on when the Decision was first disclosed to the Company.
4. If this was before the release of the Announcement, please identify any earlier announcement from the Company which disclosed the Decision.
5. If there was no earlier announcement, and the Company became aware of the Decision prior to the release of the Announcement, why was the information not released to the market at an earlier time? Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A and whether consideration was given to the request for a trading halt prior to the commencement of trading today.
6. Please confirm that the Company is in compliance with listing rule 3.1.

Your response should be sent to me by e-mail at [anthony.ingegneri@asx.com.au](mailto:anthony.ingegneri@asx.com.au) or by facsimile on **facsimile number (02) 9241 7620**. It should not be sent to ASX Market Announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie **before 9.30 a.m.** A.E.D.T.) on **Wednesday, 19 December 2012**.

If you are unable to respond by the time requested, you should consider a request for a trading halt in the Company’s securities. As set out in listing rule 17.1 and Guidance Note 16 - Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.

- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we may ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

*(Sent electronically without signature)*

Anthony Ingegneri  
**Adviser, Listings Compliance (Sydney)**