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ASX ANNOUNCEMENT/MEDIA RELEASE

British Government announces Resumption of Fracking

AJ Lucas Group notes the decision of the British Government announced last night to in principle allow the resumption of fracking in the UK, subject to certain conditions being met.

In May 2012¹, DECC suspended all fracking operations for shale gas pending a thorough investigation of the causes of tremors that had occurred when Cuadrilla fractured its first shale gas well in the UK, at Preese Hall near Blackpool to enable it to investigate the scope for mitigation of seismic risks in any future operations of this type.

The decision to allow the resumption of fracking last night was based on a careful review of the evidence with the aid of independent experts, and with the aid of an authoritative review of the scientific and engineering evidence on shale gas extraction conducted by the Royal Academy of Engineering and the Royal Society. The British Government concluded that appropriate controls are available to mitigate the risks of undesirable seismic activity which will be required for all future shale gas wells.

Please find following an announcement made by Cuadrilla Resources, in response to this decision.

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 43% 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.



ANNOUNCEMENT MADE BY CUADRILLA RESOURCES

DECC announcement marks turning point for UK energy

Cuadrilla sees today's announcement as a significant step in the future development of the UK's onshore gas industry.

"Today's news is a turning point for the country's energy future. Shale gas has the potential to create jobs, generate tax revenues, reduce our reliance on imported gas, and improve our balance of payments." said Francis Egan, CEO of Cuadrilla Resources. "Our exploration has shown that under Lancashire there is a belt of gas-filled shale over one mile thick. Today's decision will allow continued exploration and testing of the UK's very significant shale resources in a way that fulfils the highest environmental and community standards", said Egan.

Cuadrilla is pleased that DECC has recognized the major improvements the company has made. The company is ready to move ahead with its plans, involving the hydraulic fracturing and flow testing of a number of wells in Lancashire in 2013. Before these further exploration and testing plans can proceed, Cuadrilla will work closely with DECC and its representatives, Lancashire County Council, the Environment Agency, the HSE, the local communities and other relevant parties to obtain regulatory approvals and planning permission.

In cooperation with DECC, Cuadrilla has already taken a number of steps to further reduce environmental risk. Key among these is an advanced system for seismic monitoring that allows Cuadrilla and DECC to closely monitor and regulate hydraulic fracturing activity.

Over the past year the company has also made a number of senior appointments to improve its industry-leading standards and management structure. Francis Egan became the company's CEO in July 2012, joining from BHP Billiton, with over 28 years of experience in oil and gas.

"Cuadrilla is leading the way in ensuring the highest standard of onshore operations. We are committed to working safely and responsibly at all times, in full accordance with one of the world's most rigorous regulatory systems," said Egan.