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29 September 2014

ASX ANNOUNCEMENT/MEDIA RELEASE

Kerogen Shareholding Update

Kerogen Investments No.1 (HK) Limited (**Kerogen**) currently has voting power of 49.6% of AJ Lucas (**Company**) and is entitled to creep to a maximum of 52.6%. Kerogen has advised the Company that it may wish to purchase shares in the Company in reliance on the "3% creep" allowance in item 9 of section 611 of the Corporations Act.

The Company is cognisant of the Change of Control provision in the Cuadrilla Shareholders Agreement. As previously disclosed to the market (eg see section 2.4 of the 'Notice of Meeting and Explanatory Statement' issued by the Company on 18 November 2011), Lucas Cuadrilla (a wholly owned subsidiary of the Company) may be required to sell its shares in Cuadrilla to the other shareholders if a Change of Control occurs in respect of Lucas Cuadrilla where the new controller is not a Qualifying Transferee. Ultimately, the decision as to whether Kerogen is a Qualifying Transferee is one for the Cuadrilla Board.

Given Kerogen's notification to the Company, the Board has approached Riverstone, the other major shareholder in Cuadrilla, to ascertain its view on whether Kerogen would be a Qualifying Transferee.

Riverstone has indicated to the Company that it sees no reason why Kerogen would not be a Qualifying Transferee and, hence, no reason why it would not consent to the Change of Control.

The Company will advise the market when a formal determination is made by the Cuadrilla board.

About AJ Lucas Group Limited

AJ 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.

AJ Lucas is also a proven developer of unconventional hydrocarbon properties. Current investments include a 45% shareholding in Cuadrilla Resources Holdings Limited, an exploration and production company focused on unconventional hydrocarbons, and direct interests in each of the Bowland, Elswick and Bolney Licences in the UK. Past projects successfully developed and sold include AJ Lucas' investments in the Gloucester Basin in NSW, Sydney Gas Limited, ATP651 in Queensland's Surat Basin and a 6.25% interest in the Bowland prospect.