

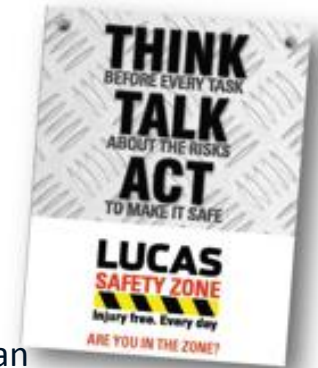


AJ Lucas Group Limited

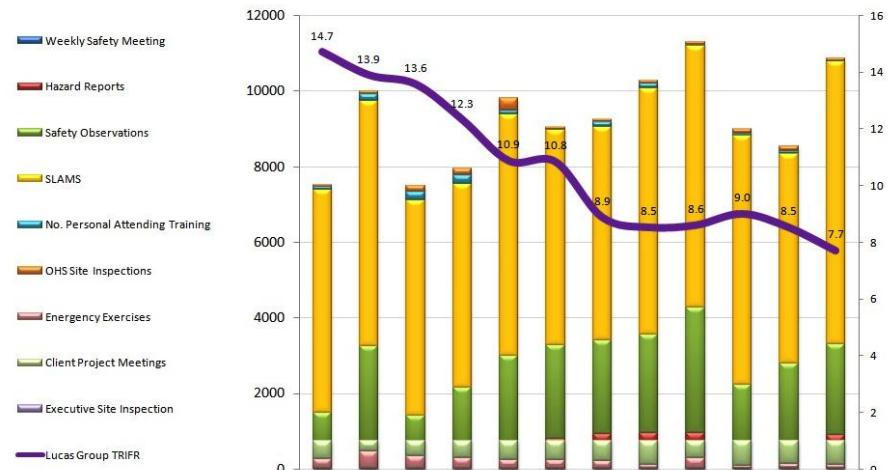
Annual General Meeting, 13 November 2014
Chief Executive Officer's Presentation

Safety – an industry leader

- For the major mining and resource customers, great safety performance is no longer a differentiator – its a necessity
- Lucas practices a proactive and vigilant safety culture across all divisions
 - Launched behavioural-based safety strategy – the Lucas Safety Zone
 - Implemented Safety Leadership programme for Drilling Division
- The sector is highly regulated with safety, risk identification and the associated mitigation an industry-wide focus
- Accredited under Australian and International Standards for Quality, Environment and Safety
- Lucas safety performance amongst the best in the industries in which it operates



Proactive Safety Actions vs. TRIFR (Jul 13- Jun 14)





Looking Back

- FY2014 was a challenging period of consolidation and change

FY2014 Imperatives	How it was achieved
1. Board Refresh	<ul style="list-style-type: none">• Built a new Board with skills necessary to bolster the performance turnaround and drive the strategic agenda
2. Cost Restructuring	<ul style="list-style-type: none">• Headcount reduced by 110• Fixed cost out of business annualised reduction of \$8.3m• Turnaround program in place July 2014
3. Consolidation of Activity	<ul style="list-style-type: none">• Consolidation of 13 yards to 2 (in progress)• Head Office reduction from 2,520 to 282sq.m (89% saving)• Pull back from '<i>commercial property</i>' construction contracts
4. Executional Focus	<ul style="list-style-type: none">• New tender risk review process• Formal project lessons learnt process implemented• Discrete project focus in both mine methane extraction and pipeline projects

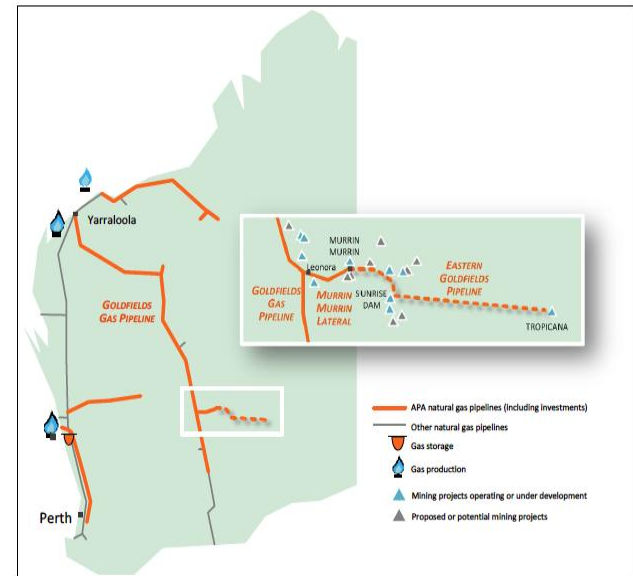


Looking Ahead

- Strategic review of operations complete; restructuring on-going; now focused on **THREE** key areas:

	Area of Capability	Driver for Change	AJL's Vision
Lucas Drilling Services	<ul style="list-style-type: none"> • Integrated service provider of coal mine gas drainage • Some well servicing capability • Utilisation of coal exploration capability 	<ul style="list-style-type: none"> • Customer focus • Financial results • Leverage existing capabilities 	<p>Coal methane extraction and management</p> <ul style="list-style-type: none"> • Full service gas drainage offering • Managed services to be provided, well design, surface infrastructure and value extraction
Lucas Engineering & Construction	<ul style="list-style-type: none"> • Pipeline contractor • Small infrastructure construction • HDD capability 	<ul style="list-style-type: none"> • Pipeline growth • Complementary experience of international partner • Focused management • Growing specialised niche market 	<p>Pipelines</p> <ul style="list-style-type: none"> • Major contracts in participation with established international player • Develop long-term strategic partnerships – customers and JV partners <p>Construction</p> <ul style="list-style-type: none"> • Infrastructure construction of “adjacent activities” (mine site/gas fields/pipelines) • Build on existing strong relationships and reputation for execution
Oil & Gas Investments (Cuadrilla)	<ul style="list-style-type: none"> • Investment opportunity 	<ul style="list-style-type: none"> • Board participation 	<p>Oil & Gas investment</p> <ul style="list-style-type: none"> • Detailed planning for current timeline horizon • Engagement and focus on community involvement • Maximise value to AJL shareholders and other stakeholders

- Construction of a 293km gas transmission pipeline and associated infrastructure for APA’s Eastern Goldfields Gas Pipeline in WA
 - Part of APA’s \$140 million Goldfields Gas Pipeline expansion
- Work to be undertaken by Spiecapag Lucas
 - JV with Spiecapag Australia Pty Limited, a wholly owned subsidiary of the world leading international pipeline and facilities specialist contractor, Spiecapag S.A.
- Actively tendering for additional contracts with Spiecapag





Positioned for return to profit

- Restructuring positions company for return to profit
- Improved operational and financial performance in second half of FY2014
- Australian operations experiencing improved markets
 - Drilling division experiencing a recovery in demand for exploration drilling services from Australian coal exporters
 - Engineering & Construction division tendering for a significant amount of new work and has been shortlisted for a number of projects
- UK shale gas investment on target to begin drilling in 2015
- Experienced Board of directors with the capability to drive strategy, mitigate risk and, where appropriate, assist management to improve operational and financial performance of the company

AJ Lucas is positioned for profitable growth and to unlock value for all shareholders