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Cuadrilla: Update on Lancashire County Council's decision at Preston New Road, Lancashire UK

AJ Lucas Group Limited (ASX: AJL) is disappointed that Lancashire County Council's Development Control Committee has denied Cuadrilla's planning application to drill, (hydraulically) fracture and test the flow of gas from 4 appraisal wells at Preston New Road. This decision comes despite the Council's Planning Officer's recommendation that Council should approve the planning application.

Commenting on the Council's decision Phil Arnall, Chairman of AJ Lucas and non-executive director of Cuadrilla, said:

"We are very surprised and disappointed by the Council's decision contrary to all relevant regulators and its own Planning Officer's recommendation which covered all aspects of the planning application and followed an extensive dialogue between the Planning Officer and Cuadrilla management. Together with Cuadrilla's management team, we will now take time to consider our options regarding an appeal."

In response to the decision, Cuadrilla released the following statement:

"We are surprised and disappointed that Lancashire County Council's Development Control Committee has denied planning consent for our application to explore for shale gas at Preston New Road, particularly as their decision follows a positive recommendation by the Council's Planning Officers. We remain committed to the responsible exploration of the huge quantity of natural gas locked up in the shale rock deep underneath Lancashire. We will now take time to consider our options regarding an appeal for Preston New Road, along with also considering appeals for the planning applications recently turned down, against Officer advice, for monitoring and site restoration at Grange Hill, and last week's decision to refuse the Roseacre Wood application."

It is over a year since the application was submitted to the Council and the committee's decision comes after Planning Officer's scrupulously went through the rigorous, 4,000 page Environmental Statement that accompanied our application and conducted widespread public consultation, which led to their positive recommendation.

We completed the most comprehensive Environmental Impact Assessments ever carried out for operations of this kind. These Assessments are the product of thousands of hours of work from independent expert environmental scientists and other engineering specialists and they demonstrate beyond question that the operations can and will be conducted safely and without damage to people's health or their environment.

The UK and the EU has a strict regulatory framework for governing oil and gas exploration and production and we have had to secure many permissions and permits before work can start.

If we can unlock this shale gas potential it will help create jobs, generate economic growth, help fuel and heat local businesses and homes and boost local tax revenues for Lancashire. It is regrettable that the County Council has decided not to support this application in the face of positive recommendation from all regulators and their own Officers."



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About AJ Lucas Group Limited

AJ Lucas is a leading provider of pipelines, specialist infrastructure, construction and drilling services to the energy, water and wastewater, 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.