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Cuadrilla Update: Cuadrilla to lead shale gas exploration in Yorkshire as well as Lancashire

AJ Lucas Group Limited (ASX: AJL) (AJ Lucas) is pleased to announce Cuadrilla Resources Limited, in which AJ Lucas has a 45% shareholding, has been offered a further 16 onshore exploration licences in the Cleveland Basin (East Yorkshire) and Gainsborough Trough (South Yorkshire). These licence offers are part of the UK Government's 14th Landward Licensing Round, and are in addition to the two onshore exploration licences in Yorkshire offered to Cuadrilla and announced in August.

Commenting on the new licences, Phil Arnall Chairman of AJ Lucas and non-executive director of Cuadrilla, said:

"AJ Lucas welcomes the announcement of these new exploration licences, which provide Cuadrilla with further development opportunities in the UK unconventional gas sector. The selection of Cuadrilla for these exploration licences demonstrates the strong reputation Cuadrilla has as a leading unconventional gas developer in the UK."

Cuadrilla released the following statement:

Cuadrilla is very pleased to announce it has been offered a further 16 exploration licences, as part of the second release of the UK Government's 14th Round. These onshore oil and gas exploration licences, stretch across the Cleveland Basin in East Yorkshire and Gainsborough Trough in South Yorkshire. The licences are in addition to two licences, one in the South Cleveland Basin and another in the Gainsborough Trough, which were announced in August this year. All the licences total approximately 1,274km² in area. Cuadrilla has been jointly offered seven licence blocks in total in the Cleveland Basin with partner, GDF SUEZ E&P UK Ltd (part of the ENGIE Group) (70% Cuadrilla, 30% GDF SUEZ) and is the sole licensee on all remaining licences.

Francis Egan, CEO of Cuadrilla, said:

"The award of these licences gives Cuadrilla a leading position in each of the three most prospective shale gas exploration areas in Northern England, namely Lancashire Bowland, Gainsborough in South Yorkshire and Cleveland in East Yorkshire. The massive potential for the natural gas to be extracted in these areas could help to drive the Northern Powerhouse by securing the low carbon energy future of the UK as well as creating investment and local jobs across the region."

Cuadrilla's first priority is always to talk with local communities transparently about any proposed work and future operations. This has already begun in the licence areas awarded in August and will now be extended to the new areas. A community helpline has already been set up for communities in Yorkshire who may have early questions about onshore oil and gas exploration.



For the next year activity in these new exploration licence areas will largely centre on desktop studies. This will give the company a very detailed understanding on the geology deep underneath the licence areas, helping to assess where exploration sites can subsequently be located.

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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.