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13 April 2017

UK High Court gives green light to Cuadrilla planning consent

- Shale gas exploration site to proceed in the Bowland
- A major step toward commercialising AJ Lucas' UK shale gas investments

AJ Lucas Group Limited (ASX: AJL) today announced that the UK High Court has dismissed claims against the decision to grant Cuadrilla Resources planning consent for its shale gas exploration site at Preston New Road, Lancashire. AJ Lucas has an effective 47% interest in the Bowland tenement which encompasses the Preston New Road site.

'This is a very significant development for Cuadrilla and AJ Lucas,' said Phil Arnall, AJ Lucas' chairman. 'Successful results from the Preston New Road wells will be a major step towards commercialising our investments in the Bowland tenement and will be positive for other shale gas licences in the UK in which we have interests.'

Site preparation at Preston New Road began in January 2017 and has continued during the judicial review. The planning consent allows Cuadrilla to commence the program to drill and simulate up to four wells to test the flow of gas. Drilling is expected to begin within the next three months with fracturing and flow testing planned by second quarter 2018.

Gas is the cornerstone of the UK's energy mix, with almost half of its current needs (45%) coming from the North Sea and the East Irish Sea ¹. The remainder is imported with imports forecast to increase to 70% by 2030 ². The UK government has identified development of a shale gas industry as important to the UK's energy security at a time when the supply from the North Sea gas fields is decreasing.

Centrica plc, the major UK energy and services group which has a farm-in agreement, is committed to funding £30.6 million of the joint venture's costs for the exploration and development of the two wells at the Preston New Road. Following satisfactory appraisal of the results, Centrica, as a joint venture partner, will contribute a further £46.7 million to the joint venture's development costs.

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About AJ Lucas Group Limited

AJ Lucas is a leading provider of 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 47% shareholding in Cuadrilla Resources Holdings Limited, an exploration and production company focused on unconventional hydrocarbons, and direct interests 23.75% of the Bowland Licence and 25% of the Weald Licence in, respectively, North West and South East England.

1. Source: www.britishgas.co.uk/the-source/
2. Source: www.ukoog.org.uk



12 April 2017

CUADRILLA WELCOMES JUDICIAL REVIEW VERDICT

Cuadrilla welcomes the High Court verdict handed down by The Hon. Mr Justice Dove today (12th April) which dismisses the two claims made against the Secretary of State for Communities and Local Government, Sajid Javid's, decision to grant planning consent for its shale gas exploration site at Preston New Road, Lancashire.

Francis Egan, CEO of Cuadrilla said:

"We are very pleased that the Planning Inspector's recommendation and the Secretary of State's decision to grant planning consent has been upheld by the High Court. We respected the democratic right of those opposed to this consent to challenge the Secretary of State's decision. However we always remained confident that that the planning consent would stand, particularly after such a lengthy and thorough review of the application and positive recommendations for approval by both the professional Planning Officers at Lancashire County Council and subsequently an experienced Planning Inspector.

This is also great news for all those local businesses and workers in Lancashire that are currently and will in the future be benefiting from the increased revenue and job opportunities that our operations are bringing to the county. Work continues on the construction of the exploration site and we look forwards to progressing to the drilling stage of our operations within the next couple of months."

Notes to Editors:

Cuadrilla Resources is a British company which aims to lead best practice for unconventional hydrocarbon exploration in Europe. It is acutely aware of the responsibilities this brings, particularly with regard to safety, environmental protection and working with local communities.

For further information and media bids please call the Cuadrilla press office on 0800 9012 494 or press@cuadrillaresources.com. or visit www.cuadrillaresources.com