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A J Lucas UK Shale Gas Investment moves forward

AJ Lucas Group Limited (**ASX:AJL**) (“AJ Lucas”) is pleased to announce that its operations in the UK involving the exploration for onshore shale gas resources received a positive step forward this week with the delivery of the drill rig to the Preston New Road (PNR) shale gas site in Lancashire. Final site preparations will now be undertaken ahead of the commencement of drilling at PNR.

Lucas has a direct 23.75% interest in the PNR site and along with its 47.4% equity in the Operator, Cuadrilla, effectively holds a 48.0% interest in this tenement.

Commenting on the recent developments, Francis Egan, CEO of Cuadrilla said yesterday:

“We are very pleased to have taken delivery of the drilling rig to our shale gas exploration site. The drilling of the first horizontal exploration wells into UK shale rock will be an important milestone in unlocking a vital new source of natural gas for the country. With the decline of North Sea gas and our ever increasing reliance on gas imports, including shale gas imported from the US, developing an indigenous source of natural gas is critical for UK energy security, our economy, jobs and the environment. We are proud as a Lancashire company to be at the forefront of that effort.”

This year Cuadrilla plans to drill two of the four horizontal shale gas exploration wells that it has planning permission for. A pilot well will be drilled which will be approximately 3,500 metres deep. Samples will be taken from this pilot well at various levels within the shale rock to decide where best to drill the horizontal wells. Then the first two horizontal wells will be drilled at depths of between 2,000m and 3,500m. Cuadrilla expects that these will be completed before the end of 2017.

The Board of A J Lucas see this week’s events in the UK as a significant step in realising an outcome for this part of our UK investment.

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