Australian Stock Exchange
AJL000076

FAX

LUCAS

157 Church Street
PO Box 675
Ryde NSW 2112
Australia
Tel +61 2 9809 6866
Fax +61 2 9807 6088
Direct Line +61 2 9809 8615

TO	Company Announcements Office	**FAX**	1300 300 021
COMPANY	Australian Stock Exchange	**DATE**	26 November 2002
FROM	Nicholas Swan	**PAGES**	2
SUBJECT	Announcement of 1 for 10 Rights Issue.		

Please find attached an announcement relating to a rights issue to be made by the Company for immediate release to the market.

Yours faithfully

NJW Swan
Company Secretary

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AJ Lucas announces 1 for 10 rights issue

AJ Lucas Group Limited, Australia's leading full service infrastructure provider to the gas, water and energy sectors, announces a capital raising to take advantage of the significant growth opportunities being presented to the Company.

The Company will make a non-renounceable rights issue offering shareholders one new share for every 10 shares held at record date at a price of $1.05 per share. It is intended that the rights issue be fully underwritten. AJ Lucas Holdings Pty Limited, the Company's largest shareholder, intends to take up its full entitlement.

The Company also proposes to place up to 4.7 million shares to institutional investors. These newly placed shares will be issued prior to the record date and placees therefore will be entitled to participate in the rights issue.

The funds raised are to be used for working capital and the ability to invest in infrastructure projects.

Mr Allan Campbell, Executive Chairman, said "Our business is growing very rapidly in all areas and our limited working capital is forcing us to turn work away. We are also being invited to participate in an increasing number of infrastructure projects as an equity partner. These are attractive because they can create a more consistent revenue stream for the Company".

"We are seeing growing acceptance of coal seam methane as an alternative energy source. Through our directional drilling expertise, we believe we are the best positioned in Australia to capitalise on this resource. The Company's investment in the Gloucester Basin, with over 90PJ of proven resources, is evidence of our confidence in our capability. However we will be proceeding carefully in developing up this resource".

The prospectus for the rights issue will be lodged with the ASX and mailed to all shareholders shortly. It will also be available on the Company's website at www.lucas.com.au. Applications for shares under shareholder entitlements can only be made on application forms attached to the prospectus.

For further information, please contact Mr Allan Campbell on (02) 9809 6866.

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