



AJ Lucas Group Limited  
ABN 12 060 309 104  
394 Lane Cove Road  
Macquarie Park NSW 2113  
Locked Bag 2113  
North Ryde BC NSW 1670  
**T** (02) 9490 4000  
**F** (02) 9490 4200  
**[www.lucas.com.au](http://www.lucas.com.au)**

8 June 2012

## **ASX ANNOUNCEMENT/MEDIA RELEASE**

### **Agreement to Terminate Contract**

We wish to advise that Lucas has today agreed with Gladstone Area Water Board (GAWB) and Gladstone Regional Council (GRC) to terminate its contract relating to the construction of water and sewerage infrastructure.

Please see the attached Media Release for further details.

#### **About AJ Lucas Group Limited**

Lucas is a leading provider of specialist infrastructure, construction and drilling services to the energy, water and waste water, resources and public infrastructure sectors. In particular, it is the largest supplier of drilling and gas management services to Australia's coal industry. Other divisions provide construction and civil engineering services together with facilities management.

AJ Lucas is also a proven developer of unconventional hydrocarbon properties. Current investments include a 42% shareholding in Cuadrilla Resources, an exploration and production company focused on unconventional hydrocarbons, and a 25% direct interest in the Bowland and Weald shale basin prospects in respectively North West and South East England. Past investments successfully made and realised include the Company's projects at Gloucester Basin and ATP651 in Queensland's Surat Basin and shareholding in Sydney Gas.

## **Media Release:**

### **Agreement between GAWB, GRC and AJ Lucas**

Earlier today Gladstone Area Water Board and Gladstone Regional Council reached an agreement with AJ Lucas Operations Pty Ltd (collectively 'the Parties') to terminate their contract relating to the construction of water and sewerage infrastructure. A term of this agreement is that the Parties must make joint statements on matters relating to the agreed termination of the construction contract.

This agreement identifies several issues of dispute between the Parties and stipulates a process for the resolution of these disputes which must be concluded within approximately ninety (90) days. Nonetheless, the Parties can reach agreement on all or some of the issues at any time. Communications towards this objective are ongoing and it is anticipated that some issues may be capable of resolution within one (1) week.

An important part of this arrangement is that any monies GAWB & GRC agree to pay AJ Lucas in resolution of any issue in dispute will be applied by AJ Lucas Operations Pty Ltd for the payment of valid and outstanding debts by creditors and subcontractors until such time as they are all finalised.