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ASX ANNOUNCEMENT

AJ LUCAS ANNOUNCES LISTING RULE WAIVER

As advised to the market on 22 March 2013, AJ Lucas Group Limited (**Lucas** or the **Company**) has agreed with Kerogen Investments No. 1 (HK) Limited (**Kerogen**) to restructure part of its loan facilities (**Facilities**) with Kerogen.

The Company also announced that it had applied to the Australian Securities Exchange (**ASX**) for a waiver from Listing Rule 10.1 to enable implementation of the restructure without shareholder approval.

ASX waiver

The Company has now received a waiver of Listing Rule 10.1 from ASX. The waiver permits the Company and its subsidiaries to grant security interests over their assets in favour of Kerogen to secure the repayment of the Facilities without the need to seek shareholder approval under Listing Rule 10.1, subject to certain conditions. The terms of the ASX waiver are below:

"Based solely on the information provided, ASX Limited ("ASX") grants AJ Lucas Group Limited (the "Company") a waiver from listing rule 10.1, to the extent necessary to permit the Company and its subsidiaries ("Subsidiaries"), to grant security over their assets in favour of Kerogen Investments No.1 (HK) Limited ("Kerogen") pursuant to which Kerogen acquires security interests over certain assets of the Company and the Subsidiaries ("Junior Finance Security"), as part of the mezzanine debt facility agreement and additional facility agreements whereby Kerogen agreed to provide to the Company up to US\$99,161,218.46 and AU\$18,250,000 (together, the "Agreements"), without shareholder approval, on the following conditions.

- 1.1 The Junior Finance Security includes a term that if an event of default occurs and Kerogen exercises its rights under the Junior Finance Security, neither Kerogen nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or the Subsidiaries in full or part satisfaction of the Company's obligations under the Agreements, or otherwise deal with the assets of the Company or the Subsidiaries, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by Kerogen exercising its power of sale under the Junior Finance Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to Kerogen in accordance with its legal entitlements.*
- 1.2. A summary of the material terms of the Junior Finance Security is made in each annual report of the Company during the term of the Agreements.*
- 1.3. Any variations to the terms of the Agreements or Junior Finance Security which is:*



1.3.1. not a minor change; or

1.3.2. inconsistent with the terms of the waiver,

must be subject to shareholder approval.

1.4. The Company must seek to discharge the Junior Finance Security when the funds advanced under the Agreements are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Junior Finance Security for any further loan facility amount.

1.5. The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under the Agreements and the discharge of the Junior Finance Security, including the timeframe within which it expects the repayment and discharge to occur.

ASX has considered listing rule 10.1 only and makes no statement as to the Company's compliance with other listing rules."

The Company intends to repay or refinance the Facilities on or before their respective maturity dates. The Company intends that the security provided to Kerogen will be discharged upon the repayment or refinance of the amounts owing by the Company to Kerogen. The timeframe for repayment of the mezzanine facility dated 21 December 2011 (as restructured on the basis announced to the market on 22 March 2013) is 22 January 2014 (for the new US dollar tranche and Australian dollar tranche) and 31 January 2014 (for the existing US dollar tranche). The timeframe for repayment of the additional facilities dated 26 November 2012 (as amended) is no later than 11 May 2013, as announced to the market on 28 March 2013.

For further information please contact:

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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 44% 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 projects successfully developed and exited include the Company's investments in Gloucester Basin, Sydney Gas and ATP651 in Queensland's Surat Basin.