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Details of New South Wales Petroleum Exploration Licences Acquired

AJ Lucas Group Limited (ASX: AJL) (Lucas) is pleased to provide additional information on the acquisition of the three Petroleum Exploration Licences (**PELs**) in New South Wales announced on 6 March 2015.

Petroleum Exploration Licence acquired	PEL445	PEL456	PEL458
Interest in PEL acquired	80%	40%	80%
Basin	Clarence-Morton	Gunnedah	Sydney
Approx. Area	5,868 km ²	5,023 km ²	2,003 km ²
Expiry Date	18 April 2019	5 March 2018	6 June 2016
Wells drilled to date (No.)	15	6	4

All of the PELs were acquired from Lawndale Pty Limited (**Lawndale**), a company controlled by Andrew Purcell, a non-executive director of AJ Lucas. Lawndale in turn acquired the PELs from Dart Energy Limited, a wholly owned subsidiary of Igas PLC, incorporated in the United Kingdom. Santos Limited currently has a 15% interest in PEL456, but has elected to earn a further 35% interest through an existing farm-in arrangement, which once completed will increase its interest to 50%. The balance of the equity interest in the PELs will be retained by Lawndale. Santos is the operator of PEL456 while PEL445 and PEL458 will be operated by Lucas or its nominee.

Significant exploration work has previously been conducted on each of the PELs and Lucas is confident of the presence of hydrocarbons.

In addition to the interests acquired in the PELs, the purchase includes an 80% interest in a significant amount of drilling and exploration equipment with a current estimated value of approximately \$275,000 (together **the Portfolio**).

The acquisition of the interests in the PELs is subject to approval by the New South Wales government. AJ Lucas has however already paid a \$500,000 deposit for the purchase of the Portfolio which is only refundable in the event that the transaction does not complete because of any failure or default by Lawndale. Both Lucas and Lawndale believe there is no reason for the acquisition not to be approved in due course. Following approval of the acquisition of the PELs, together with the finalisation of formal due diligence and execution of formal documentation, the acquisition will settle with payment of a further \$2.0 million.

Under ASX Listing Rule 10.11, Lawndale is a related party of AJ Lucas and as a result, Mr Purcell did not participate in the Company's investment decision.

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The acquisition is being funded by the provision of a \$2.5 million loan facility from Kerogen Investments No. 1 Limited (**Kerogen**), Lucas' majority shareholder, secured solely against the Portfolio being acquired. The loan may be extinguished by the end of December 2015 by repayment of \$2.5 million plus a fee of \$250,000, or by transfer of the PELs to Kerogen.

For further information, please contact:

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About AJ Lucas Group Limited

AJ Lucas is a leading provider of pipelines, 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 45% shareholding in Cuadrilla Resources Holdings Limited, an exploration and production company focused on unconventional hydrocarbons, and direct interests in each of the Bowland, Elswick and Bolney Licences in the UK. Past projects successfully developed and sold include AJ Lucas' investments in the Gloucester Basin in NSW, Sydney Gas Limited, ATP651 in Queensland's Surat Basin and a 6.25% interest in the Bowland prospect.