



NOTICE OF ANNUAL GENERAL MEETING AJ LUCAS GROUP LIMITED

ABN 12 060 309 104

The Annual General Meeting of the Company will be held at the Company's offices

Date: **Thursday 4 November 2010**
Time: **11:00am**
Address: **Hyundai Building
394 Lane Cove Road
Macquarie Park NSW 2113**

to conduct the following business.

GENERAL BUSINESS

Financial statements and reports

To receive and consider the annual financial report of the Company for the year ended 30 June 2010 and the reports of the directors and auditor thereon.

Resolution 1 – Re-election of director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Martin Green, having retired by rotation in accordance with clause 10.2 of the Company's constitution and, being eligible, having offered himself for re-election, be re-elected a director of the Company.”

Resolution 2 – Re-election of director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Michael McDermott, having been appointed to fill a casual vacancy, retires as required by the Corporations Act 2001, and, being eligible, having offered himself for re-election, be re-elected a director of the Company.”

Resolution 3 – Re-election of director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Phil Arnall, having been appointed to fill a casual vacancy, retires as required by the Corporations Act 2001, and, being eligible, having offered himself for re-election, be re-elected a director of the Company.”

Resolution 4 – Re-election of director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Genelle Coghlan, having been appointed to fill a casual vacancy, retires as required by the Corporations Act 2001, and, being eligible, having offered herself for re-election, be re-elected a director of the Company.”

Resolution 5 – Adoption of the remuneration report

To adopt the remuneration report for the financial year ended 30 June 2010.

By Order of the Board

Nicholas Swan

Company Secretary

30 September 2010

DETERMINATION OF MEMBERSHIP AND VOTING ENTITLEMENT FOR THE PURPOSE OF THE MEETING

For the purpose of determining entitlement to vote at the meeting, an entity or person will be recognised as a shareholder if that entity or person is registered as a shareholder at close of business on 2nd November 2010 (“Entitlement Time”).

All registered holders of ordinary shares in the Company as at the Entitlement Time are entitled to attend and vote at the meeting.

The Board determined that all of the shares that are quoted securities at close of business on 2 November 2010 will be taken, for the purposes of the meeting, to be held by the persons who held them at that time.

PROXIES

- 1 A member, entitled to attend and vote at the meeting of members, may appoint:
 - a person (“person” can be an individual or a body corporate); or
 - if the member is entitled to cast two or more votes at the meeting, two persons,

as the member's proxy or proxies to attend and vote for the member at the meeting. A proxy need not be a member.

- 2 If the member appoints two proxies and the instrument does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
- 3 The Company must receive at least 48 hours before the meeting:
 - the proxy's appointment; and
 - if signed by the appointor's attorney, the authority under which the appointment was signed or a certified copy of the authority.
- 4 The proxy's appointment and, if applicable, the authority appointing an attorney, must be sent by post or fax to the Company's registered office.

ACCOMPANYING DOCUMENT - IMPORTANT

The attached Explanatory Statement provides further information in relation to the resolutions. Shareholders should read the Explanatory Statement in full and carefully consider its contents.



AJ LUCAS GROUP LIMITED

(ABN 12 060 309 104)

Explanatory Statement

This Explanatory Statement forms part of the Notice convening the Annual General Meeting of shareholders of the Company to be held on 4 November 2010 and is to assist shareholders in understanding the background to the resolutions.

Resolution 1 – Re-election of Martin Green as a director

Mr Green was appointed a director in 1999 just prior to the Company listing on the Australian Securities Exchange.

Mr Green is a Fellow of the Institute of Chartered Accountants and an official liquidator of the Supreme Court of NSW. He has been in public practice for 37 years, mainly specialising in business recovery and insolvency. He has substantial business and finance experience at senior levels.

He is currently a principal at BRI Ferrier (NSW) Pty Ltd Chartered Accountants, a former honorary director/treasurer of the National Trust of Australia (NSW) and has served at various times in many public roles and capacities.

Mr Green also serves as Chairman of the Company's Audit and Risk Committee

Resolution 2 – Re-election of Michael McDermott as a director

Mr McDermott was appointed a director of the Company on 4 February 2010. As required by the Corporations Act 2001, Mr McDermott now retires from the Board and offers himself for re-election.

Mr McDermott has worked in the drilling industry since 1963. In 1970 he established McDermott Drilling in Sydney, growing it to the State's largest drilling company over the next 36 years.

Lucas acquired McDermott Drilling in 2006, retaining Mike to integrate McDermott's with the rest of the Lucas drilling business.

He is a director of both the Australian Drilling Industry Association (ADIA) and the Australian Drilling Industry Training Committee (ADITC). He is also the director representing the drilling industry on the Resources and Infrastructure Industry Skills Council (RIISC).

Resolution 3 – Re-election of Phil Arnall as a director

Mr Arnall was appointed a director of the Company on 10 August 2010. As required by the Corporations Act 2001, Mr Arnall now retires from the Board and offers himself for re-election.

Mr Arnall has had a distinguished thirty year career in the mining and steel industries including senior executive responsibility at Smorgon Steel Group, Tubemakers and ANI Limited.

He is currently chairman of Ludowici Limited (since 2003) and been a non-executive director of Bradken Limited since 2002 and Macquarie Generation since 2009. He was chairman of Capral Limited from 2002-2010.

He is a member of the Company's Audit and Risk Committee.

Resolution 4 – Re-election of Genelle Coghlan as a director

Ms Coghlan was appointed a director of the Company on 10 August 2010. As required by the Corporations Act 2001, Ms Coghlan now retires from the Board and offers herself for re-election.

Ms Coghlan has many years of business and finance experience both in Australia and overseas. After qualifying as a lawyer, she established a successful tourism business. Following the sale of this venture, she became the managing director of a company making technical textiles with applications in the mining, water and construction industries.

She is currently president of Composites Australia Inc. She is also a member of the Company's Audit and Risk Committee.