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ASX ANNOUNCEMENT/MEDIA RELEASE

RECENT CONTRACT WINS

AJ Lucas wishes to announce the award of new work totalling \$200 million across the Drilling Services and Building Construction & Infrastructure ('BC&I') divisions.

The Drilling Services division has been awarded new contracts valued at \$160 million for various durations from 1-4 years in Queensland. Clients include Anglo Coal, Arrow Energy and SANTOS and activities will include:

- Coal Seam Gas Exploration
- Surface to In-seam ('SIS')
- Exploration

Contracts in relation to this work have either been signed or are in the process of being finalised and the Company believes that it is in a very competitive position to win additional work, particularly SIS work on other projects as demand for the Company's steering and engineering expertise continues to grow in this area.

The Lucas Drilling Services division now has a full order book and is forecasting continuous operations for over 95% of its operating fleet up to end of 2011.

Lucas' commitment to, and investment in, improving safety standards and employee well-being remains the highest priority for the Company.

Ongoing investment in safety, leadership training and operational efficiencies has provided the Company with a significant competitive advantage in both coal seam gas production and coal mine methane exploration and drainage. In particular, the training and conditions supplied to Lucas drilling personnel is producing more efficient, more productive and committed individuals – with a safety record at the forefront of the industry.

AJ Lucas Chairman and Chief Executive Officer, Mr Allan Campbell said: "Demand for our drilling services is stronger than ever. We are seeing the results of our commitment to safer and more efficient drilling services reflected in a full order book. The Company continues to attract a high contract renewal rate from blue chip clients."

BC&I Division has been recently awarded multiple contracts worth over \$40 million for new work in the water, pipelines and infrastructure sectors. The highlights include \$20 million contract for the design and construction of a new waste water treatment facility for the town of Robertson in New South Wales and \$10 million upgrade of the Mayfield to Broadmeadow waste water transfer station on behalf of Hunter Water Corporation.



Mr Allan Campbell said “these recent wins in the water sector are testament to our engineering capability and integrated service offering in HDD, pipelines and specialised infrastructure. Lucas is one of the lead partners of the \$955 million Southern Sea Water Desalination Project in Western Australia which is being delivered on schedule and on budget.”

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About AJ Lucas Group Limited

Lucas is a leading provider of specialist infrastructure and mining services and is the largest supplier of drilling services to Australia’s coal and coal seam gas industries. It is also one of Australia’s largest builders of long distance gas pipelines. Other divisions provide gas management services to the coal and coal seam gas industry, construction, civil and property services.

AJ Lucas is also a proven developer of unconventional hydrocarbon properties. Past projects successfully developed and exited include the Company’s investments in Gloucester Basin, Sydney Gas and ATP651 in Queensland’s Surat Basin.