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ASX ANNOUNCEMENT/MEDIA RELEASE

Drilling Division secures gas drainage contract totalling approximately $240 million

AJ Lucas Group is pleased to announce the award of a gas drainage contract by Xstrata Coal for approximately $240 million.

The contract is for three years commencing March 2012 and provides surface to seam gas drainage services at Xstrata's Oaky North, Oaky One and Newlands coal mines.

The CEO of Lucas, Mr Allan Campbell, said:

> *"We are very pleased to have been selected by Xstrata to provide these gas drainage services. The order is another clear testament of the quality of our services and the high regard in which we are held by the market."*

The contract increases the drilling division's order backlog to in excess of $500 million, a record level and underpins several years of operations for the division.

For further information please contact:

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About AJ Lucas Group Limited
Lucas is a leading provider of specialist infrastructure, construction and mining services to the energy, water and waste water resources and property sectors. In particular, it is the largest supplier of drilling and gas management services to Australia's coal and coal seam gas industries. 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 Basin shale prospect in North West England. Past projects successfully developed and exited include the Company's investments in Gloucester Basin, Sydney Gas and ATP651 in Queensland's Surat Basin.