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ASX ANNOUNCEMENT/MEDIA RELEASE

AJ Lucas announces variation of Kerogen loan facilities

AJ Lucas Group Limited (**Lucas**) is pleased to announce that it has agreed with Kerogen Investments No. 1 (HK) Limited (**Kerogen**) to vary the repayment dates and structure of the various loan facilities provided by Kerogen to Lucas. The effect of the restructuring is to extend the repayment dates for each of the various Kerogen loan facilities; thereby strengthening Lucas' balance sheet and reducing interest payable and debt payments in calendar year 2013, so conserving cash for other purposes.

Highlights of the restructuring include:

- accrued interest, fees and other costs due under the \$86.5 million Mezzanine Facility Agreement dated 21 December 2011 (**Mezzanine Facility**) which would have been payable on 22 December 2012 will be capitalised and, together with \$43.25 million of principal that would have been payable on 22 December 2012 and 22 June 2013, will be converted into a US Dollar loan with a maturity date of 31 January 2014. Interest will accrue at a rate of 15% per annum and be payable on the maturity date;
- the repayment date for the remaining principal under the Mezzanine Facility of \$43.25 million will be extended to 22 January 2014 (from 22 December 2013) but the terms will otherwise remain the same; and
- the repayment date for various other short term facilities totalling US\$19.1 million will be extended to 31 March 2013 but the terms will otherwise remain the same.

Commenting on the restructure, Lucas' Executive Chairman Allan Campbell said: "Kerogen has been a strong supporter of Lucas since their first involvement with the Company in September last year. Once again, Kerogen's support allows us to continue to restructure and strengthen our balance sheet as we finalise our recapitalisation and financing arrangements going forward. Lucas' asset base is strong and we hope that the recent decision to allow the resumption of hydraulic fracturing in the UK will see additional value materialise and crystallise in 2013.

"Rescheduling of Kerogen's facilities will assist our cash flow and further strengthen the balance sheet, providing a strong capital base to service our client's requirements."



Application has been made to ASX for a waiver from ASX Listing Rule 10.1 to enable implementation of the restructure without shareholder approval.

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 43% 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.