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ASX ANNOUNCEMENT/MEDIA RELEASE

AJ LUCAS ANNOUNCES SALE OF 25% INTEREST IN BOWLAND PROSPECT

AJ Lucas Group Limited (ASX: AJL) (**Lucas**) is pleased to announce that it and its 44% owned associate, Cuadrilla Resources Holdings Limited (**Cuadrilla**), have together sold a 25% interest in shale gas exploration licence PEDL 165 (the **Bowland Joint Venture**), located in Lancashire in the UK, to a wholly-owned subsidiary of Centrica plc (**Centrica**).

The ownership of the Bowland Joint Venture before and after the transaction is summarised as follows:

Owner	Ownership before transaction	Ownership after transaction
	%	%
Cuadrilla*	75.0	56.25
Lucas	25.0	18.75
Centrica	<u>Nil</u>	<u>25.00</u>
	100.0	100.0
	=====	=====

* Joint Venture Operator

The terms of the transaction require payments as follows:

- Centrica has paid £40 million in cash to acquire subsidiaries of Lucas and Cuadrilla, which together own 25% of the Bowland Project, resulting in proceeds to Lucas of £10 million and to Cuadrilla of £30 million;
- In addition, Centrica has committed to fund £60 million of expenditure (Carry Amount) on the Bowland Joint Venture from the transaction effective date of 1 January 2013. All parties will be liable for their respective proportionate costs once the Carry Amount has been spent;
- Upon the occurrence of one of certain events or lapse of time relating to defined appraisal or operational milestones, Centrica will either exercise an option to put the companies it has purchased back to Lucas and Cuadrilla for nominal consideration, or pay a further Contingent Consideration to Lucas and Cuadrilla of £15 million and £45 million respectively, totalling £60 million. Based on current planning, Lucas does not expect that any Contingent Consideration would become payable for at least two years.



Commenting on the transaction, Mr Allan Campbell, CEO of Lucas, said: "This is a significant event for the Bowland Joint Venture. We are delighted that an experienced energy company of Centrica's standing will join with us and add its technical and financial strength to our continuing appraisal activities in the Bowland Basin. We look forward to Centrica's active participation in exploring for, and in due course developing, this major resource in a safe and responsible manner.

For Lucas, this farm-in to the Bowland Project means that it will not need to commit funding for its direct share of Bowland activity in the near future and also provides additional liquidity to support our domestic operations."

Jefferies International Limited acted as financial advisor to the sellers on the transaction.

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 .

AJ Lucas is also a proven developer of unconventional hydrocarbon properties. Current investments include a 44% shareholding in Cuadrilla Resources, an exploration and production company focused on unconventional hydrocarbons, and a 18.75% direct interest in the Bowland and a 25% direct interest in the 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.