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## ASX ANNOUNCEMENT/MEDIA RELEASE

### AJ Lucas Restructures its Loan Facility with Kerogen

AJ Lucas Group Limited (**Company**) is pleased to announce that it has today executed a new loan facility agreement with Kerogen Investments No. 1 (HK) Limited (**Kerogen**) (**Restructured Facility**).

Subject to the satisfaction of certain conditions precedent, the Restructured Facility will be drawn down by the Company and used to refinance all amounts outstanding under an existing facility agreement between the Company and Kerogen dated 21 December 2011 (the **Existing Facility**). Under the Existing Facility, the outstanding amount of approximately US\$47.61 million, plus accrued interest, must be repaid on 22 January 2014.

Key terms of the Restructured Facility:

- two tranches, in an amount of US\$30 million (**Tranche 1**) and in an amount equal to the balance of the aggregate of the amounts currently outstanding under the Existing Facility, plus all estimated accrued interest to the closing date (**Tranche 2**);
- maturity dates of 31 January 2017 for Tranche 1 and 28 February 2017 for Tranche 2;
- a commitment fee of US\$2 million (US\$1 million payable on closing and US\$500,000 on each of the first and second anniversaries of the closing date);
- subject to various conditions precedent, including shareholder approval, granting of certain additional security by the Company and its subsidiaries and the separation of the AJ Lucas' Chairman and Chief Executive Officer roles;
- interest accrues at the cash interest rate set out in the table below, payable in arrears in cash at 3 month intervals; and
- additional interest also accrues at the PIK interest rate set out below (**PIK Interest**), payable in arrears in cash at the election of the Company at 6 month intervals and to the extent not paid in cash, amounts of accrued PIK Interest are capitalised.



## Interest Rates

### Tranche 1

| Period                             | Cash (per annum) | PIK (per annum) |
|------------------------------------|------------------|-----------------|
| Draw down date to 31 January 2015  | 10%              | 5%              |
| 1 February 2015 to 31 January 2017 | 15%              | 0%              |

### Tranche 2

| Period                             | Cash (per annum) | PIK (per annum) |
|------------------------------------|------------------|-----------------|
| Draw down date to 28 February 2015 | 10%              | 5%              |
| 1 March 2015 to 28 February 2016   | 12.5%            | 2.5%            |
| 1 March 2016 to 28 February 2017   | 15.0             | 0%              |

## Shareholders meeting

AJ Lucas will seek shareholder approval of the granting and enforcement of security given to secure the debts owed to Kerogen at its AGM on 29 November 2013. This shareholder approval is a condition precedent to funding under the Restructured Facility.

Allan Campbell, the Chairman of the Company said:

*“We are very pleased to have executed this new loan facility with Kerogen. Subject to the satisfaction of conditions precedent and drawdown under the Restructured Facility, the Company will not have any major loans repayable for in excess of three years. Industry response to our strengthened balance sheet has already been positive and the strengthened balance sheet will greatly assist in the award of new work.”*

For further information please contact:

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Company Secretary  
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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 45% shareholding in Cuadrilla Resources Holdings Limited, an exploration and production company focused on unconventional hydrocarbons, and direct interests of 18.75% of the Bowland and 25% of the Weald shale basin projects in respectively North West and South East England. Past projects successfully developed and sold include AJ Lucas' investments in the Gloucester Basin in NSW, Sydney Gas Limited, ATP651 in Queensland's Surat Basin and a 6.25% interest in the Bowland prospect.