

Annual General Meeting



17 November 2016

AJ Lucas Group Limited

- **Welcome**
- **Chairman's address**
- **Cuadrilla video**
- **Formal Business**
- **Close**



FY2016 Financial Performance

Improved operating result driven by cost management

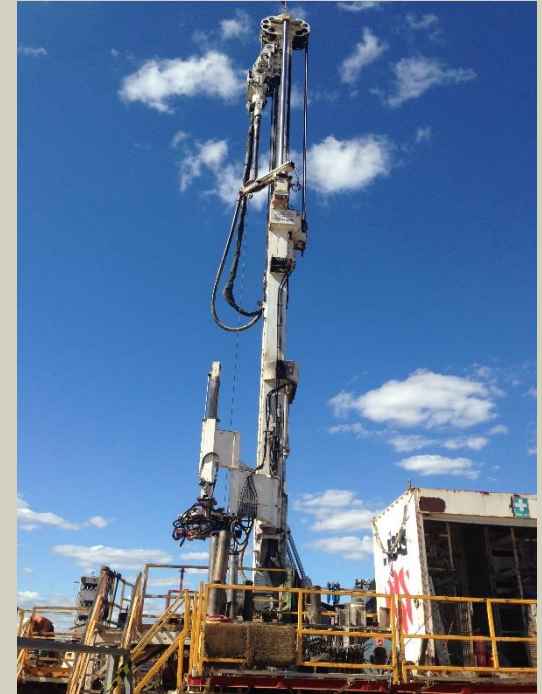
Income Statement	FY2016	FY2015	Change
	\$'M	\$'M	
Revenue	125.5	145.0	(13.5%)
Net (Loss) after tax:	(19.4)	(45.2)	+56.9%
Underlying EBITDA :	14.6	9.4	+54.8%
- Drilling	11.4	6.2	+83.0%
- Engineering & Construction	6.9	8.0	(14.1%)
- Oil & Gas	0.0	(0.3)	nm
- Corporate	(3.7)	(4.6)	+18.9%
Cash Used in Operations (\$m)	(3.1)	(0.4)	nm



Lucas Drilling Services

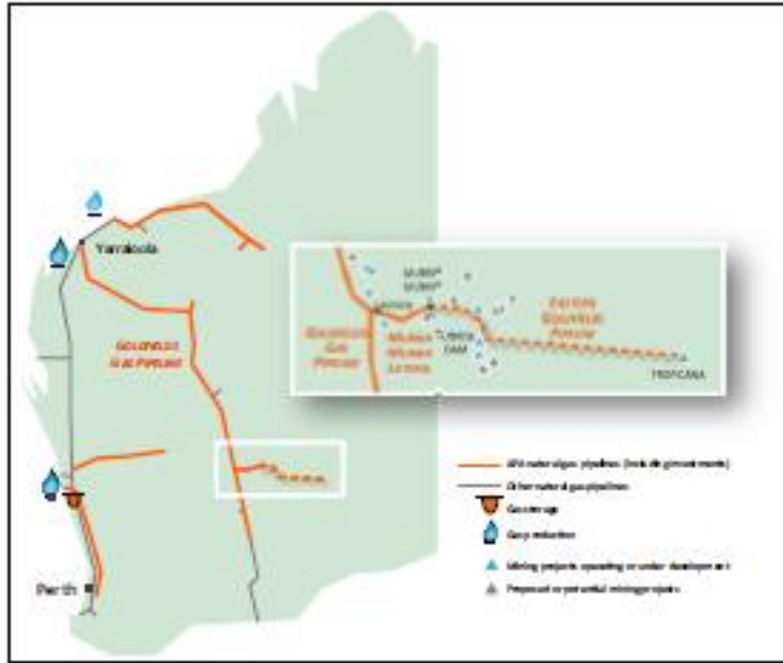
Business Highlights

- Largest drilling fleet servicing the coal sector in Australia
- Successfully engaged with all major coal producers on the east coast
- Full service offering including technical consultancy, exploration, production, directional, well design, steering services, completion, surface infrastructure, civil and construction
- Leader in directional drilling and coal mine methane extraction
- Continue to be sought out by customers looking for innovative drilling solutions
- Excellent safety record – No lost time injuries again in 2016



Lucas Engineering and Construction

Eastern goldfields pipeline successful completion



Eastern Goldfields Pipeline - APA Group

- 292 km of 200mm dia welded steel pipeline
- Production in excess of 6 km / day average
- Supplies gas to Anglo Ashanti Gold Mines
- Lucas in JV with Spiecapag
- Zero MTI and LTI
- 1100+ fauna interaction – no injuries or mortality
- Winner 2015 Australian Pipeline & Gas Association Environmental Award
- 2016 IPLOCA Health and Safety Award



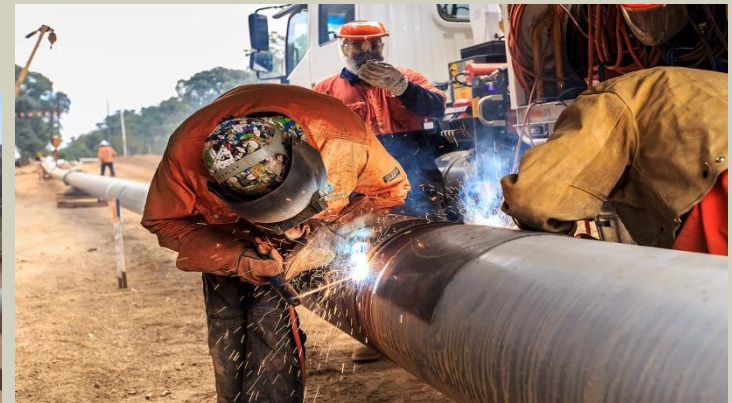


Lucas Engineering and Construction

Victorian North Interconnect Expansion - VNIE

Eastern Goldfields Pipeline - APA Group

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FY2016 Balance Sheet

Initiatives have significantly improved financial strength

Key initiatives in FY 2016 & YTD

- **March 2016:** Undertook fully underwritten, A\$21 million pro rata entitlements offer
- **March 2016:** Final determination in long standing legal matter (GAWB)
- **June 2016:** Debt refinancing concluded; new US\$45 million, three year senior loan note facility and restructure of existing debt facility with Kerogen
- **June 2016:** Fully discharged long standing c.A\$30 million ATO liability

Future initiatives

- Minimum US\$30 million (c.A\$40 million) pro rata entitlements offer
- Proceeds from entitlements offer to retire minimum US\$25 million of subordinated debt (Kerogen facility)



Cuadrilla

Address from Francis Egan

Cuadrilla video presentation

- **Financial Statements**
- **Remuneration report**
- **Re-election of Phil Arnall**
- **Re-election of Ian Meares**

Item 1

Financial Statements

There is no vote on this item

Formal Business Agenda

Item 2 – Remuneration report

The Human Resources Committee met on 5 occasions in the 2015/16 financial year. The Committee considered the following remuneration

- A review of the remuneration packages and annual performance review
- We benchmark against the market, and attract, retain and reward people within the business according to their performance
- The Short term incentive plan creates a variable remuneration that is strongly linked to Company growth and performance. We made payments against the STI plan in the year, as described in the remuneration report
- No LTI payments were made and an LTI plan is not planned
- The Termination process of the CEO and several long term Senior Managers
- The Directors fees were reviewed resulting in an adjustment to the fees to the Chairman to reflect the additional workload imposed with the elimination of the position of Managing Director

Item 2

Remuneration Report

Proxy Votes

For	270,685,247	99.7%
Against	285,038	0.1%
Open	528,625	0.2%
Abstain	71,192	N/A

Item 3

Re-Election of Phil Arnall

Proxy Votes

For	231,138,665	85.1%
Against	39,775,331	14.7%
Open	583,523	0.2%
Abstain	127,481	N/A

Item 4

Re-Election of Ian Meares

Proxy Votes

For	270,545,200	99.7%
Against	368,796	0.1%
Open	583,523	0.2%
Abstain	127,481	N/A

CONCLUSION