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UK Department of Business, Energy and Industrial Strategy grants Cuadrilla Resources Hydraulic Fracturing Consent

AJ Lucas Group Limited (ASX: AJL) welcomes the Hydraulic Fracturing Consent granted overnight by UK Department of Business, Energy and Industrial Strategy ("BEIS") to Cuadrilla Resources for horizontal well, number 'PNR-1z' at the Preston New Road site in Lancashire.

AJ Lucas has a 47.4% shareholding in Cuadrilla Resources the Lancashire based company which leads the way in unconventional hydrocarbon exploration in the UK and which recently completed the UK's first and second ever horizontal shale gas well.

Released on Tuesday 24 July 2018, the decision by Energy and Clean Growth Minister Claire Perry reiterates that shale gas has the potential to be a new domestic energy source, further enhancing the UK's energy security and helping with the continued transition to a lower-carbon economy. It also has the capacity to deliver substantial economic benefits, nationally and locally, as well as through the creation of high-quality jobs.

Phil Arnall, Chairman of AJ Lucas and Non-executive Director of Cuadrilla, said:

"AJ Lucas welcomes the UK Government's announcement overnight to proceed with the hydraulic fracturing stage of the Bowland in accordance with our program of work.

"Cuadrilla is at the forefront of the UK's shale gas exploration and development and this consent, the first to an operator in the UK provides welcome support for our continued safe development of the UK's largest onshore shale gas site."

The full text of the Statement can be found at:

<https://www.gov.uk/government/news/decision-announced-on-the-hydraulic-fracturing-consent-application-by-cuadrilla-bowland-ltd>

A copy of Cuadrilla Resources media release can also be found below:



CUADRILLA GRANTED FINAL HYDRAULIC FRACTURING CONSENT FOR FIRST HORIZONTAL SHALE GAS WELL

Cuadrilla has today received final hydraulic fracture consent from the Department for Business, Energy & Industrial Strategy (BEIS) for its first horizontal shale gas exploration well at its Preston New Road site in Lancashire. All other relevant planning and permits required were already secured. The company is now in the process of preparing to apply for consent to carry



out hydraulic fracturing operations for its second horizontal shale gas exploration well at the same site.

Francis Egan, CEO of Cuadrilla, said:

“We are very pleased to be the first operator in the UK to have been awarded final consent to hydraulically fracture the UK’s first onshore horizontal shale exploration well. This is a testament to, and underpinned by, our strong track record of running a world class shale gas exploration site at Preston New Road, in compliance with robust health, safety, environmental and planning regulations. It is also a win for Lancashire, which has already benefited directly from over £10m of investment as a result of our exploration works at Preston New Road to date. We now look forward to submitting a fracture consent application to BEIS for our second exploration well and moving on to fracture the shale rock and flow the natural gas which we believe will make a major contribution to reducing the UK’s gas imports and improving our environment and economy.”

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