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UK Department of Business, Energy and Industrial Strategy grants Hydraulic Fracturing Consent for Second Horizontal Shale Gas Well

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 its second horizontal shale gas well at the Preston New Road site in Lancashire. This follows consent granted by BEIS for the first Horizontal Shale Gas well at the site announced on 25 July 2018.

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

"This approval provides clearance for Cuadrilla to now proceed with their program to hydraulically fracture and flow test both wells, having earlier received a similar approval for well one."

"I have recently visited the Preston New Road site and the team there are looking forward to commencing this exciting phase of their workplan in the coming weeks."

A copy of Cuadrilla Resources media release advising receipt of consent can be found below:



CUADRILLA GRANTED HYDRAULIC FRACTURING CONSENT FOR SECOND HORIZONTAL SHALE GAS WELL

Cuadrilla has today received hydraulic fracturing consent from the Department for Business, Energy & Industrial Strategy (BEIS) for its second horizontal shale exploration well at its Preston New Road site in Lancashire. Consent was granted for the first horizontal well in July this year. Planning and permits required for both wells are already secured.

Francis Egan, CEO of Cuadrilla said:

"We are delighted to receive this consent. We are currently completing works on site in readiness to start hydraulically fracturing both wells in the next few weeks. The UK's need for a new and reliable source of natural gas, the cleanest fossil fuel, is underlined by a new report¹ suggesting the UK is going to have to rely on more coal to generate electricity. That would be a massive backwards step in reducing carbon emissions, as would continuing to import gas over long distances by pipe and ship. We are very proud to be the first operator in the UK to make significant headway in shale gas exploration."



The first horizontal shale well was completed by Cuadrilla in April 2018 through the Lower Bowland shale rock at approximately 2,300m below surface and extends laterally for some 800m. The second horizontal shale gas well was completed in July 2018 and was drilled through the Upper Bowland shale at an approximate depth of 2,100m below the surface, extending laterally for some 750 metres through the shale. These are the first two horizontal shale exploration wells to be drilled onshore in the UK. Following hydraulic fracturing of these first two horizontal wells Cuadrilla will run an initial flow test of the gas produced from both wells for approximately six months.

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