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AJ Lucas Group Limited (ASX: AJL) notes a release made by Cuadrilla overnight advising that it was demobilising some equipment from its Preston New Road exploration site for the festive season. Cuadrilla's full announcement is provided below.



### **MERRY CHRISTMAS FROM CUADRILLA AND SEE YOU IN 2019**

Lancashire's shale gas exploration company Cuadrilla today said it was demobilising some equipment from its exploration site before Christmas, but already looking forward to welcoming it back in 2019.

And the team, which is based in Bamber Bridge, Lancashire and operates the UK's first horizontal shale gas exploration wells in Preston New Road, near Blackpool, said 2018 had been a landmark year.

Chief Executive Officer Francis Egan provided an update as equipment prepared to demobilise from Preston New Road ahead of the festive season today (18 December 2018).

He said: "It has been an amazing year. We drilled the first two horizontal wells into UK shale, both safely and successfully completed, secured the country's first ever hydraulic fracture consent and agreed the associated operation plans and then hydraulically fractured our first well.

"In recent weeks we have repeatedly seen natural gas flowing back to surface along with the water injected during the fracturing process and this flow of gas is in fact earlier than expected. Whilst there have been undoubted challenges and restrictions in operating within what is acknowledged to be a very conservative micro-seismic traffic red light threshold (set at just 0.5 on the Richter Scale) this early gas flow is a hugely encouraging signal of the potential locked up in this natural gas resource to heat our homes and businesses for many years to come.

"All of the above was achieved with a relentless focus on safety and environmental performance. I was more than pleased to see this recognised by the recent Lancashire County



Council vote which recognised that Preston New Road is the most closely monitored site in Europe.

“We believe that we are beginning 2019 in a place where our local community, our Regulators and national and local government can be assured by the evident professionalism and highly skilled approach of Cuadrilla.

“We are on the cusp of unlocking a huge economic opportunity which can benefit Lancashire and the UK for decades to come and reduce our ever growing reliance on imports of natural gas from all corners of the globe.”

Cuadrilla said that it anticipated that equipment would be back on site in 2019 to continue operations within its current planning permission which includes the hydraulic fracture of the two existing wells at Preston New Road and completion of up to four wells in total for exploration purposes.

Francis added: “In 2019 we look forward to completing the next phase of hydraulic fracturing and continue to flow test the gas recovered.

“We’d like to take this opportunity to wish everyone a happy Christmas and New Year. Thank you for all your support and with your help we will continue to build a thriving Lancashire business in 2019.”

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