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AJ Lucas secures amendment to Funding Agreement

AJ Lucas (ASX: AJL) today advised it has reached agreement with its principal debt provider, OCP Asia (Singapore) Pte Ltd ("OCP Asia"), to amend certain terms of its loan; in particular to:

- Defer its obligation to pay down of the balance outstanding from its current balance of US\$47 million to \$US 20 million from June 30 to September 30; and
- Extend the termination date to pay down the balance of the principal from January 2020 to end March 2020.

Concurrently, Kerogen Investments No 1 (HK) Limited has agreed to extend their loan facility from 31 July 2020 to the earlier of 30 September 2020 or 6 months from full repayment of the senior loan notes facility.

The amendment of terms follows AJ Lucas' decision to retain the Lucas Drilling division, which it believes is well positioned to take advantage of the improvement in the East Coast coal market; and to capitalise on opportunities identified in the recent strategic review of the business.

The Lucas Drilling division continues to perform above expectations. Following the strong first half result announced on 28 February 2019, and based on performance to date, Lucas Drilling is expected to achieve a full year result in excess of the \$19.7 million EBITDA for the year to June 2018. Improved operations have been helped by a strong East Coast metallurgical coal market and supply contracts with key operators, a number of which have recently been extended, which are expected to drive the strong financial results for this year and beyond.

For further information, please contact:

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