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## Lucas Drilling Signs Major Drilling Services Contract

- **Contract signed with Kestrel Coal for up to 5 years**
- **Expected to generate about \$70 million in revenue in initial 3 years**
- **Lucas Drilling now has a strong multi-year order book**

AJ Lucas Group Limited (ASX: AJL) ("Lucas") is pleased to announce its wholly-owned Drilling division has signed a contract with Kestrel Coal Pty Ltd ("Kestrel") for the provision of a full suite of degasification and exploration drilling services. The contract is for an initial 3-year period, with an option to extend for a further 2 years by mutual agreement. The contract is expected to generate revenues in the order of \$70 million over the initial 3-year term. The contract extends an existing long-term working relationship with Kestrel, where Lucas currently supplies 6 rigs operated and supported by up to 100 staff.

**Brett Tredinnick, CEO of Lucas' Drilling division said:** *"Kestrel is a highly valued customer of Lucas, and together we have developed a strong long-term working relationship. This new contract, combined with other recent contract wins and extensions, reinforces our leading position in the market and provides the business with a solid multi-year order book following two years of strong financial results."*

**In addition, Phil Arnall, Chairman of AJ Lucas said:** *"This contract supports the decision made in March by the AJ Lucas board to continue supporting the Drilling division in delivering on targeted growth opportunities identified in our strategic review."*

*The Drilling division now has an order book which is expected to deliver over \$200 million in revenues over the next 2 years subject to customer mine plans. This includes the Kestrel contract as well as contracts with another five major coal mining companies that have been executed in the last 12 months. This goes a long way to supporting and underpinning the business for many years to come."*

**For further information, please contact:**

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