



AJ Lucas Group Limited  
ABN: 12 060 309 104  
1 Elizabeth Plaza  
North Sydney NSW 2060  
PO Box 538  
North Sydney NSW 2069  
T (02) 9490 4000  
F (02) 9490 4200  
[www.lucas.com.au](http://www.lucas.com.au)

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### **Cuadrilla Announces Preliminary Flow Testing Results of PNR2**

AJ Lucas Group Limited (**ASX:AJL**) ("**AJ Lucas**") advises that Cuadrilla, as operator of the Preston New Road exploration site ("PNR"), has today provided an update on the flow testing operations of the second horizontal exploration well ("PNR2") at PNR. AJ Lucas is encouraged by the initial results outlined in the Cuadrilla announcement and looks forward to further updates as the flow testing operation progresses.

AJ Lucas holds is a 47.68% shareholder in Cuadrilla and has a 23.75 % direct holding in PEDL 165 known as the Bowland licence which includes PNR. This gives AJ Lucas an effective interest in the Bowland licence of 48.19%.

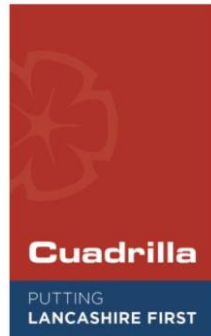
A copy of Cuadrilla's media release is appended to this announcement.

*For further information, please contact:*

<b>AJ Lucas Group Limited</b>	+61 (0)2 9490 4000
Phil Arnall	Chairman
Marcin Swierkowski	Company Secretary

**Media enquiries**

James Strong, Citadel-MAGNUS	+61 (0)448 881 174
<a href="mailto:jstrong@citadelmagnus.com">jstrong@citadelmagnus.com</a>	



## **ANALYSIS CONFIRMS HIGHEST QUALITY NATURAL GAS FLOWING FROM UK SHALE**

Leading onshore shale gas exploration operator Cuadrilla today announced results from laboratory testing of the natural gas flowing to surface from its second horizontal well, drilled through the shale rock some 7,500 feet beneath its flagship site in Preston New Road (PNR) Lancashire.

Testing of the flow rate of natural gas from the PNR2 well commenced in mid-October 2019 and continues to date.

But today the company confirmed that early flow test data was very encouraging, releasing details of the composition of gas samples taken from the PNR2 well. Further time will be required to complete the ongoing flow test, including analysing the results over a sustained period of gas flow.

Compositional analyses of the samples show that the natural gas locked up in the Upper Bowland Shale deep beneath the PNR site is the highest quality yet encountered by Cuadrilla in its UK shale exploration activities.

Chief Executive Officer Francis Egan explained: "We have previously taken and analysed gas samples from our Preese Hall site as well as the first horizontal well at Preston New Road, both of which showed high quality natural gas rich in methane. The gas samples taken from the PNR2 well are, however, even better than earlier well samples. They demonstrate a natural gas resource in the Upper Bowland shale that is virtually free from impurities and has a high calorific value (heating value) containing approximately 89 per cent methane, 6 per cent ethane and 2 per cent propane. Once separated out at surface from any accompanying water this gas could, we believe, flow directly into the UK's extensive onshore gas transportation network without requiring additional treatment or processing."

Mr Egan added: "Flow testing of this partially fractured shale well continues with very encouraging early flow results. Further testing and analysis will be required to validate sustained gas flow rates and this work is ongoing. There can be no doubt, however, that the UK is sitting on a huge natural gas resource of the highest quality.

"Given the continued requirement for significant volumes of natural gas in the UK out to 2050 and beyond, highlighted by the recent Committee of Climate Change Net Zero report, the case for using high quality locally sourced natural gas supply over expensive, increasingly distant, potentially insecure and higher CO2 emitting imports remains stronger than ever."

**EDITOR'S NOTES**

In February, Cuadrilla announced results from flow-testing of the UK's first ever horizontal shale gas exploration well (PNR1z well) at its exploration site in Preston New Road, near Blackpool, which confirmed a high quality natural gas resource in the Bowland Shale, previously estimated at around 1,300 trillion cubic feet of gas resource across the North of England by the British Geological Survey.

The initial exploration programme also confirmed that the Bowland Shale formation fractures in a way that is typical of an excellent shale gas reservoir. A complex fracture network was generated in the shale and sand injected into the fractures stayed in place during flow back.

Hydraulic fracturing of the second exploration well (PNR2 well) commenced in August 2019 and was subsequently suspended following an induced seismic event registering 2.9 on the Richter Scale occurred at around 8.30am on Bank Holiday Monday, August 26. Flow testing of natural gas from the PNR2 well commenced in mid-October 2019 and continues to date.

**FURTHER INFORMATION:** For more information as operational activity progresses please follow us on Facebook, Twitter and LinkedIn.

Our updates and statements – as well as broadcastable quality footage and latest images from site will be posted online at [www.cuadrillaresources.com/media-resources](http://www.cuadrillaresources.com/media-resources)

**CONTACTS:** To request bespoke information or interview opportunities please contact the press office on [press@cuadrillaresources.com](mailto:press@cuadrillaresources.com)