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7 November 2019

AJ Lucas Group Limited Capital raising

- **Entitlement Offer to raise up to \$46.3m million**
- **19 for 20 pro-rata accelerated non-renounceable entitlement offer**
- **Entitlement Offer priced at \$0.065 per AJ Lucas share**

AJ Lucas Group Limited (**ASX:AJL**) ("**AJ Lucas**" or the "**Company**") today announced it is undertaking a 19 for 20 pro-rata accelerated non-renounceable entitlement offer to eligible shareholders to raise up to \$46.3 million (the "**Entitlement Offer**"). New shares issued under the Entitlement Offer will be at an issue price of \$0.065 representing a 27.8% discount to the last closing price on the ASX of \$0.09 on Wednesday, 6 November 2019, and a 16.5% discount to TERP.

Entitlement Offer

The Entitlement Offer comprises an accelerated institutional component ("**Institutional Entitlement Offer**") and a retail component ("**Retail Entitlement Offer**"). Canaccord Genuity (Australia) Limited has been appointed as Lead Manager and Barbon Advisors LLP has been appointed as Co-Manager

Proceeds from Kerogen's participation in the Entitlement Offer will be used to partially repay amounts due and payable under Kerogen's existing subordinated loan facility (the "**Kerogen Loan**"). Remaining proceeds from the Entitlement Offer, after fees, will be used to:

- meet AJL's share of future commitments to UK investments including to meet costs associated with the ongoing flow test of the second Preston New Road well (PNR-2) and the appraisal of other prospective sites;
- fund any investment required to grow the Australian drilling business; and
- balance to fund general corporate costs and/or service debt.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer to be conducted between Thursday, 7 November 2019 and Friday, 8 November 2019. Eligible institutional shareholders can choose to take up all, part, or none of their entitlements. These entitlements cannot be traded on the ASX or transferred.

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Thursday, 14 November 2019 and close on Wednesday, 27 November 2019. Eligible retail shareholders can choose to take up all, part, or none of their entitlements. Retail shareholders may also apply for additional share allocations above their entitlement, subject to certain constraints, with the final decision on allocation of additional shares at the sole discretion of the Company.

Further details about the Retail Entitlement Offer will be set out in a retail offer booklet, which the Company expects to lodge with the ASX on or around Thursday, 14 November 2019.

Commenting on the Capital Raising, Phil Arnall, Chairman of the Company, said:

"This Entitlement Offer will allow the company to fund its share of costs to complete the flow testing of the PNR2 well and other activities relating to our UK assets as well as reduce the Company's debt service cost. The reduction in the Kerogen Loan, along with the recently announced refinancing of the OCP Loan Note facility on more favorable terms places the Company in a stronger financial position to execute its near-term plans and deliver on its long-term strategy."

Indicative Entitlement Offer timetable:

These dates are indicative only and may change without notice.

Event	Date
Announce launch of Entitlement Offer	Thursday, 7 November 2019
Trading Halt	Thursday, 7 November 2019 – Friday, 8 November 2019
Institutional Entitlement Offer opens	Thursday, 7 November 2019
Institutional Entitlement Offer closes	Friday, 8 November 2019
AJL shares recommence trading on ASX	Monday, 11 November 2019
Record Date	7.00pm (Sydney time), Monday, 11 November 2019
Retail Entitlement Offer opens	Thursday, 14 November 2019
Retail Entitlement Offer booklet despatched	Thursday, 14 November 2019
Settlement of Institutional Entitlement Offer	Friday, 15 November 2019
New Shares allotted and issued under the Institutional Entitlement Offer and commence normal settlement trading	Monday, 18 November 2019
Retail Entitlement Offer closes (5.00pm (Sydney time))	Wednesday, 27 November 2019
Announce results of the Retail Entitlement Offer	Monday, 2 December 2019
Settlement of remaining new Shares under the Retail Entitlement Offer	Tuesday, 3 December 2019
Allotment and issue of new Shares under the Retail Entitlement Offer	Wednesday, 4 December 2019
Normal trading of new Shares under the Retail Entitlement Offer	Thursday, 5 December 2019
Despatch of holding statements	Friday, 6 December 2019

For further information, please contact:

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Phil Arnall	Chairman
Marcin Swierkowski	Company Secretary

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