



AJ Lucas Group Limited
ABN: 12 060 309 104
Level 6, 1 Elizabeth Plaza
North Sydney NSW 2060
PO BOX 538
North Sydney NSW 2055
T (02) 9490 4000
F (02) 9490 4200
www.lucas.com.au

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AJ Lucas Corporate Office Restructure and Operations Update

Corporate restructure

The Board of AJ Lucas Group Limited has announced a restructure of its Corporate head office functions and corresponding changes to the roles of senior management. This exercise was driven by an objective to streamline the corporate function, to deliver cost savings and to focus attention on the Australian Drilling business as the current principal activity of the Group. This recognises that future development of the Group's UK shale assets will need to await a lifting of the moratorium on hydraulic fracturing currently in place and a demonstration of Government support for onshore shale gas exploration activity. As a result, we have taken the decision to relocate all corporate office operations to the Brisbane office of Lucas Drilling and to close our Sydney office. The principal changes are:

- The appointment of Brett Tredinnick as Group Chief Executive Officer. Brett is currently CEO of Lucas Drilling Division and has presided over the significant growth of the business in recent years. Brett brings significant experience to the role and is currently an Executive Director and is a member of the Australian Institute of Company Directors.
- Austen Perrin will retire from his role as Group Chief Financial Officer ("CFO") effective 31 August 2020. Austen has led the recent successful restructure of the Group's banking facilities as well as a number of capital raisings over the last few years and has played a critical role in restructuring the non-performing components of the AJ Lucas Group. Austen will continue as a non-executive Director.
- David Ekster will assume the role of Group CFO in the new corporate structure. David has broad financial and public company experience and has been with Lucas for 10 years in various senior commercial roles giving him a deep understanding of the Lucas business. David is a Chartered Accountant with the Institute of Chartered Accountants of Australia and New Zealand and a member of the Australian Institute of Company Directors.
- Francis Egan will continue as CEO of Cuadrilla Resources Holdings Limited ("Cuadrilla") in the UK. Francis has also agreed to join the Board of AJ Lucas Group, which, following the integration of Cuadrilla into the Group, will facilitate the direct involvement of the Board in direction setting of this business.



Operations Update

The Drilling Business continues to perform well with FY20 underlying EBITDA expected to be similar to the prior financial year. The Division has maintained high rig utilisation and to date navigated successfully through the challenges of operating within the COVID 19 environment.

Cuadrilla Resources in the UK continues to await the lifting of the moratorium on hydraulic fracturing imposed by the Government in November 2019. The business is actively engaged with other UK shale gas operators and the relevant authorities to provide them with sufficient confidence to allow the return of shale exploration activities under sensible parameters. Cuadrilla estimates a return to operations will not take place this calendar year. Cuadrilla is also reviewing opportunities within its extensive UK onshore licence acreage for “conventional” oil and gas prospects that would not require hydraulic fracturing to appraise and produce.

For further information, please contact:

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

Citadel-MAGNUS	+61 (0)448 881 174
James Strong	jstrong@citadelmagnus.com