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30 March 2017

The Manager
Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Attention: Elvis Onyura, Senior Advisor, Listings Compliance (Sydney)

By email

Dear Sir,

AJ Lucas Group Limited (Company)

I refer to the Company's market announcement of 2:04pm on 30 January 2017 entitled 'Cuadrilla Bowland Prospect Update' (Announcement) and your letter dated 22 March 2017 setting out questions concerning the last paragraph of the Announcement.

The Company provides the following responses:

- 1. Does the Company consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

No, the information in the last paragraph of the Announcement is not information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

- 2. If the answer to question 1 is "no", please provide the basis for that view.**

The Company has made announcements and disclosures in relation to internal estimates of the potential resources at the Bowland Prospect and in relation to attendant regulatory, funding and recovery risk which are reflected in the company's share price.

The Company refers to those numerous announcements and disclosures (including those in its 21 March 2016 Retail Entitlement Offer document), and notes that it has identified general and UK regulatory risks and has disclosed that there can be no guarantee that Cuadrilla will be able to recover any hydrocarbons in the relevant concession areas, or that it will be able to do so at a cost that makes production commercially feasible.

In that context, the information in the last paragraph of the Announcement is not information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

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The Company further notes that, consistent with its response, its share price remained within the range of \$0.415 and \$0.390 on the date of the Announcement and the following four trading days.

3. **If the answer to question 1 is “yes”, when did the Company first become aware of that information.**

Not applicable.

4. **If the answer to question 1 is “yes”, and the Company first became aware of the information before the relevant date, did the Company make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the information under Listing Rule 3.1 and 3.1A and what steps the Company took to ensure that the information was released promptly and without delay.**

Not applicable.

5. **If the answer to question 1 is “yes”, please advise whether the Company has retained or commissioned any independent company or person to assess or analysis and report on the Company’s GIIP in relation to the Bowland Prospect either prior to or following the Announcement.**

Not applicable.

6. **If the answer to question 5 is “yes”, please confirm the status of any independent study or analysis of the Company’s GIIP in relation to the Bowland Prospect.**

Not applicable.

7. **If the answer to question 5 is “yes” and an independent study or analysis of the Company’s GIIP in relation to the Bowland Prospects GIIP has been completed, please explain why this has not been previously disclosed to the market.**

Not applicable.

8. **If the answer to question 5 is “no” please advise what steps, if any, the Company has taken or is taking to ensure that the Company’s GIIP in relation to the Bowland Prospect are reported in accordance with SPE-PRMS and the ASX listing rules.**

Not applicable.

9. **Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**



The Company confirms it is in compliance with Listing Rules and, in particular, Listing Rule 3.1.

- 10. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.**

The Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy.

Yours sincerely

Marcin Swierkowski
Company Secretary

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22 March 2017

Mr Marcin Swierkowski
Company Secretary
AJ Lucas Group Limited
Level 6
1 Elizabeth Plaza
North Sydney NSW 2060

By email

Dear Mr Swierkowski

AJ Lucas Group Limited (the “Company”): Aware Query

ASX Limited (“ASX”) refers to the following:

- A. The Company’s announcement entitled “Cuadrilla Bowland Prospect Update” lodged on the ASX Market Announcements Platform and released at 2:04 pm on 30 January 2017 (the “Announcement”), disclosing inter alia, that it had been brought to the Company’s attention that the Company’s historically publicly reported Cuadrilla’s internal Gas Initially In Place (GIIP) estimate of the Bowland Prospect in England had not been accompanied by a certified estimate of petroleum reserves and contingent and prospective resources in accordance with SPE-PRMS and the ASX Listing Rules since a change in the Listing Rules in December 2013. The Announcement also noted that the Company would not be making further public GIIP statements until the planned further drilling and analysis have been undertaken at the Bowland Prospect to enable the resources to be reported in accordance with the current ASX Listing Rules and previous statements from Cuadrilla regarding GIIP should not be relied on until that time.
- B. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- C. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:
- “an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”*
- and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.
- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

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3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;
- The information concerns an incomplete proposal or negotiation;
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- The information is generated for the internal management purposes of the entity; or
- The information is a trade secret; and

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

E. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, ASX asks the Company to respond separately to each of the following questions and requests for information:

1. Does the Company consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Company first become aware of the information?
4. If the answer to question 1 is “yes” and the Company first became aware of the information before the relevant date, did the Company make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the information was released promptly and without delay.
5. If the answer to question 1 is “yes”, please advise whether the Company has retained or commissioned any independent company or person to assess or analyse and report on the Company’s GIIP in relation to the Bowland Prospect either prior to or following the Announcement?
6. If the answer to question 5 is “yes”, please confirm the status of any independent study or analysis of the Company’s GIIP in relation to the Bowland Prospect.

7. If the answer to question 5 is “yes” and an independent study or analysis of the Company’s GIIP in relation to the Bowland Prospect GIIP has been completed, please explain why this has not been previously disclosed to the market.
8. If the answer to question 5 is “no”, please advise what steps, if any, the Company has taken or is taking to ensure that the Company’s GIIP in relation to the Bowland Prospect are reported in accordance with SPE-PRMS and the ASX Listing Rules.
9. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
10. Please confirm that the Company’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEDT on 31 March 2017). If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to the Company’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;

- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Elvis Onyura
Senior Adviser, Listings Compliance (Sydney)

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