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AJ Lucas Group Limited
Amendments to the three-year Debt Facility Agreements

On the back of the positive Secretary of State's ("SOS") decision announced to the ASX on 7 October 2016, AJ Lucas Group ("AJ Lucas") is pleased to announce that it has received letters from both its major shareholder Kerogen Investments No.1 (HK) Limited ("Kerogen") and its senior debt provider OCP Asia (Singapore) Pte. Limited ("OCP") waiving and amending certain conditions in the finance facility agreements.

OCP has consented to allow the company to draw down the second tranche of US\$20 million to be used to fund the Lancashire exploration assets. This is despite the risk of a potential challenge to the SOS decision, which must be lodged within 6 weeks of the decision date¹.

A remaining condition under the OCP and Kerogen finance facilities requires AJ Lucas to raise a minimum of US\$30 million of new equity, via a pro rata entitlements offer, the proceeds of which will be used in part to repay a minimum of US\$25 million of the Kerogen Tranche 1 facility. The facility amendments require the entitlements offer to be completed by March 2017. Kerogen has agreed to participate for its full pro rata entitlement, as well to as to provide sub-underwriting support should the Company choose to accept, in aggregate of not less than US\$25 million.

¹ The full decision of the SOS has been made available on the UK government publications website at www.gov.uk/government/publications and is available in the shareholder information section of the Company's website.

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