

**Cuadrilla Resources Update:
CUADRILLA COMPLETES UK'S SECOND SHALE GAS HORIZONTAL WELL**

AJ Lucas Group Limited (ASX: AJL) ("A J Lucas") notes the announcement today from Cuadrilla Resources Limited ("Cuadrilla") advising of the completion of the UK's second horizontal shale gas well at Preston New Road in Lancashire.

Phil Arnall, Chairman of AJ Lucas and Non-executive Director of Cuadrilla, commented:

"Cuadrilla completing its second horizontal well at Preston New Road and the subsequent comments from Francis Egan on the forward program are welcomed by AJ Lucas."

"This achievement moves us closer to hydraulic fracturing and testing the shale rock which will validate the viability of commercially recovering natural gas from our Bowland licence."



CUADRILLA COMPLETES UK'S SECOND SHALE GAS HORIZONTAL WELL

Cuadrilla has successfully completed drilling the UK's second horizontal shale gas well at its exploration site at Preston New Road in Lancashire. This second horizontal well, drilled through the Upper Bowland shale at an approximate depth of 2,100m below the surface, extends laterally for some 750 metres through the shale gas reservoir. The first horizontal well was completed by Cuadrilla in April through the Lower Bowland shale rock at approximately 2,300m below surface and extends laterally for some 800m. A vertical pilot well was drilled last year to a depth of over 2,700m through the Upper and Lower Bowland shales and the data gathered from this pilot well informed the decisions in locating these first two horizontal wells.

Francis Egan, CEO of Cuadrilla, said:

"We are very pleased to have successfully completed drilling the UK's first two horizontal shale gas wells, as we continue to lead the way on UK shale exploration. Subject to hydraulic fracturing consent being granted by the Government we plan to fracture the shale rock around these wells over the coming months and test the flow rates of natural gas from the shale. Our objective is to demonstrate that natural gas will flow from the shale in commercially viable quantities. In the process we look forward to demonstrating that the UK's huge shale gas resources can be safely produced and make a major contribution to improving the UK's energy security, whilst reducing our gas import needs and providing economic and environmental benefit."

For personal use only



Cuadrilla will now start to dismantle the drilling rig, in readiness for its return to mainland Europe, and this is expected to take a few weeks. The site team will then start to prepare for the hydraulic fracturing phase with much of the required equipment already on site.

Following hydraulic fracturing of the first two horizontal wells Cuadrilla will run an initial flow test of both wells for approximately six months.

- ENDS -

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

For personal use only