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ASX announcement
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AJ Lucas announces for the six months to 31 December 2019

- **Underlying EBITDA increased 27% to $14.19 million (HY2018: $11.14 million)**
- **Successful refinancing of debt facility on terms significantly more favorable to the Group**
- **Cuadrilla and other UK shale gas operators working with UK regulator to address technical issues and lift moratorium on onshore shale gas in England**
- **Continued improved performance of Drilling Division driven by robust demand from customers**

AJ Lucas Group Limited (ASX: AJL) today announced a statutory EBITDA from continuing operations of $9.2 million for the six months ended 30 December 2019 (HY2018: $5.6 million). This includes certain non-operating costs and the non-capital costs of the Group's UK investments and was 65% higher than the prior corresponding period, driven by the strong performance of the Australian Drilling Division.

Cash generated from operations before financing was up 152% to $22.4 million (HY2018: $8.9 million) again driven by the strong Australian Drilling Division and the windup of the Engineering and Construction Division.

Results summary for the 6 months to	**31 December 2019 ($'000)**	**31 December 2018 ($'000)**	**Change (%)**
Revenue from continuing operations	77,542	76,227	1.7
Underlying EBITDA from continuing operations	14,193	11,139	27.4
Statutory EBITDA from continuing operations	9,176	5,571	64.7
Statutory EBIT from continuing operations	5,669	2,875	97.2
Statutory net loss (from continued & discontinued operations)	(10,262)	(18,602)	44.8
Basic loss per share (cents)	(1.2)	(2.5)	44.7%

	31 December 2019 ($'000)	**30 June 2019 ($'000)**	**Change (%)**
Total assets	276,357	265,957	3.9
Net assets	132,119	107,542	22.9
Net tangible asset backing per share (cents)	9.8	12.4	

Commenting on the results and outlook, AJ Lucas chairman Phil Arnall said: "The Group has accomplished a lot in the first half of this financial year and look forward to continued robust performance from our Drilling Division thanks to an increased and longer dated order book. These impressive results have allowed us to make significant improvements to our capital structure, via a debt refinancing that extended the term of our facilities, at a lower cost and in the same currency as the great majority of our revenues. The Group also took advantage of an opportunity to buy out Riverstone, our partner in Cuadrilla Resources, on favorable terms.

The Board appreciates the hard efforts of Brett and his team in the Drilling Division that have made these important developments possible and look forward to the underlying support of this strong business as we continue to work closely with the Government and industry regulators in the UK to create a safe and cleaner source of energy to assist the UK in meeting its target of zero net emissions by 2050."

For further information on the financial results please refer to the Group's Interim Financial Report and Appendix 4D.

For further information, please contact:

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