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6 April 2020

Response to COVID-19 and trading update

AJ Lucas Group Limited (“AJL”) today announces it continues to implement comprehensive plans to protect its people and customers from the evolving COVID-19 pandemic and to ensure its operations are in-line with or exceed State and Federal requirements. These plans have ensured the Lucas Drilling division (“LDS”) continues to operate with revenues largely unaffected and in line with expectations. Currently AJL has no indications from its key LDS customers that demand for drilling services is likely to materially change from the current strong levels.

AJL has implemented measures in accordance with its risk policy, government requirements and specialist advice in relation to workforce safety and social distancing and where possible “non-operational” personnel are working from home to reduce exposure, including in Australia and UK.

In Australia, LDS is working closely with its suppliers and customers to implement a number of initiatives including a full review of home to site travel routes of all LDS employees with a view to maintain social distancing, cleanliness and sanitisation. All interstate travel and any travel on commercial flights has been stopped until further notice. Policies on social distancing and sanitisation have been implemented for all travel by car and private charter.

Following AJL’s acquisition of Riverstone’s interest in Cuadrilla Resources on 5 February 2020, and in line with previous announcements, AJL has undertaken a detailed review of the carrying costs of the UK shale gas explorer. While this remains ongoing, AJL confirms significant progress has been made in rightsizing the business to meet the hiatus in 2020 operations following the initiation of a moratorium in the UK on hydraulic fracturing. Cuadrilla remains focused on working with industry peers and Industry Regulators to provide information to allow the UK Government to lift the moratorium as soon as practical given the constraints initiated to control the COVID-19 pandemic.

Approved for distribution by the Company Secretary.

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