

4 March 2021

AJ LUCAS ENTERS INTO AGREEMENT WITH THIRD ENERGY TO APPRAISE UK CONVENTIONAL GAS PROSPECT

AJ Lucas Group Limited ("Lucas") (ASX: AJL) is pleased to announce that, through a UK subsidiary, it has entered into an agreement with Third Energy (a UK oil and gas company) to appraise a conventional gas prospect that spans both companies' onshore licences in Yorkshire.

Under the terms of the agreement, which remains subject to and conditional on UK regulatory approvals, Third Energy will operate and entirely fund an appraisal well to assess the potential commerciality of a natural gas prospect in the relatively shallow Sherwood sandstone. Third Energy will hold 75% and Cuadrilla 25% of any resultant gas production. The gas play is a conventional one and no hydraulic fracturing will be required.

Commenting on the agreement, AJ Lucas Group's Chairman said "it is recognised in the UK Government's White Paper that natural gas will continue to be an important energy source for the UK for decades to come as it transitions to Net Zero by 2050. Developing indigenous onshore resources is environmentally and economically preferable to increasing reliance on gas imports, particularly LNG imports. We are pleased to be partnering with Third Energy to appraise this prospect."

Authorised for lodgement by Andrew Purcell, Chairman on behalf of the Board.

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