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**Australian Securities Exchange Limited
Via electronic lodgement**

AJ Lucas completion of sale of stake in Sydney Gas valued at \$34 million.

AJ Lucas Group Limited (AJL) advises that it has completed the sale of all of its 80,508,207 shares in Sydney Gas Limited (SGL) into the AGL Energy Limited (AGL) takeover bid.

59,570,523 shares were sold on-market yesterday afternoon in accordance with the Pre-bid Acceptance Agreement with AGL. AJL was required to accept under the Pre-bid Acceptance Agreement any time prior to 2 business days after the date that SGL lodged its Target Statement with ASIC, provided that no superior proposal emerged prior to that time. The Target Statement was lodged by SGL with ASIC on 19 January 2009. By 4.00pm on 21 January 2009, no superior proposal had emerged.

At the same time, AJL also sold on-market its remaining 20,937,684 shares in SGL.

The sale of the shares provides a good return on AJL's investment in SGL. AJL has realised approximately \$34 million in cash. This, together with the \$259 million cash proceeds realised in December from the sale of AJL's interests in the Gloucester Basin, means that AJL has realised close to \$300 million in cash for its NSW coal seam gas assets.

As previously advised, the sale proceeds will be utilised in the business of AJL and, in part, to be applied to debt repayment.

For further information, please contact:

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A handwritten signature in black ink, appearing to read "Allan Campbell".

Allan Campbell
Chairman and Chief Executive Officer

About AJ Lucas Group Limited

AJ Lucas is a leading provider of both specialist infrastructure and mining services. It is the leading supplier of drilling services to Australia's coal and coal seam gas industries. It is also Australia's largest builder of long distance gas pipelines. Other divisions provide gas management services to the coal and coal seam gas industries, construction, civil and property services.