



AJ Lucas Group Limited
ABN 12 060 309 104
394 Lane Cove Road
Macquarie Park NSW 2113
Locked Bag 2113
North Ryde BC NSW 1670
T (02) 9490 4000
F (02) 9490 4200
www.lucas.com.au

12 November 2013

Mr Anthony Ingegneri
Adviser, Listings
ASX Limited
Level 5, 20 Bridge Street
SYDNEY NSW 2000

By email: anthony.ingegneri@asx.com.au

Dear Mr Ingegneri

AJ Lucas Group Limited ("Company"): Response to ASX Price Query

We refer to your letter of today's date.

The Company responds separately to each of the following questions raised in your letter:

- 1. Is the Company aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?**

The Company is unaware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.

The Company issued an underlying EBITDA guidance on 13 June 2013 as part of a business update to the market. The underlying EBITDA guidance at that time was \$26-29 million.

Since June 2013, the Company has experienced a deterioration in business conditions and consequential pressure on its margins, but the extent to which those conditions (when taken as a whole against cost cutting and other expenditure saving measures adopted by the Company during the same period) have lead to a material guidance downgrade have not been known or able to be known to the Company until the date of this letter.

The Company has today finalised its review of underlying EBITDA guidance and, as a result, is currently finalising a market and guidance update for release before close of market on 12 November 2013.

- 2. If the answer to question 1 is "yes":**

- (a) Is the Company relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?**

Not applicable.

(b) Can an announcement be made immediately?

Yes.

(c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

Not applicable.

3. If the answer to question 1 is “no”, is there any other explanation that the Company may have for the recent trading in its securities?

The Company is aware of guidance downgrades issued by other companies in the drilling and coal sectors, including Ausdrill Limited, Sedgman Limited and Forge Limited, that have been reported in the financial press as reflecting a broader deterioration in the earnings and profit health of comparable companies in these sectors.

As the Company is a significant provider of drilling services, the Company considers it reasonable that participants in the market may have drawn unfavourable conclusions on the profit and guidance prospects of the Company based on the performance of other companies in the sector.

4. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

We confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Nicholas JW Swan".

Nicholas JW Swan
COMPANY SECRETARY
AJ LUCAS GROUP LIMITED



ASX Compliance Pty Limited
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square NSW 1215

www.asx.com.au

12 November 2013

Mr Nicholas Swan
Company Secretary
AJ Lucas Group Limited
Level 2
394 Lane Cove Road
Macquarie Park NSW 2113

By email: nicholas.swan@lucas.com.au

Dear Mr Swan,

AJ Lucas Group Limited (the “Company”): ASX price query

We have noted a change in the price of the Company’s securities from a high of \$1.06 on the close of trading on 7 November 2013 to a low of 87.5 cents at the time of writing today, Tuesday, 12 November 2013.

We also note an increase in the trading volume of the Company’s securities.

In light of the price decrease and volume increase, ASX asks you to respond separately to each of the following questions:

1. Is the Company aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

In responding to this question, please consider in particular whether the Company is aware of any information that its earnings for the 6 month period ending on 31 December 2013.

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
- b) if the Company has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if the Company is not covered by analysts, its earnings for the prior corresponding period)?

2. If the answer to question 1 is “yes”:

- a) Is the Company relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Company’s securities would suggest to ASX that such information may have ceased to be confidential and therefore the Company may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.

- b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).

- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that the Company may have for the recent trading in its securities?
4. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before **9.30 a.m. AEDT, tomorrow, Wednesday, 13 November 2013**). If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at anthony.ingegneri@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed Company to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Company to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Company’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is “yes” and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Company’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Anthony Ingegneri
Senior Adviser, Listings Compliance (Sydney)