

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

AJ Lucas Group Limited

ACN

060 309 104

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

Fully paid ordinary shares

¹ DIW

+ See chapter 19 for defined terms.

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- | | |
|--|---|
| <p>2 Number of +securities issued or to be issued (if known) or maximum number which may be issued</p> | <p>Approximately, 123,983,242 fully paid ordinary shares (“New Shares”) pursuant to a placement (“Placement”) and an accelerated non-renounceable entitlement offer (“ANREO”) comprising an institutional component (“Institutional Entitlement Offer”) and retail component (“Retail Entitlement Offer”), as described in the announcement and Investor presentation lodged with ASX on 13 June 2013.</p> <p>Specifically, it is proposed that the following number of New Shares will be issued under the Placement and each component of the ANREO:</p> <ul style="list-style-type: none"> • under the Placement: 9,262,617; • under the Institutional Entitlement Offer: 87,603,448 ; and • under the Retail Entitlement Offer: 27,117,177. <p>However, the exact number of New Shares to be issued pursuant to the ANREO, including the exact breakdown of New Shares to be issued pursuant to the Institutional Entitlement Offer and Retail Entitlement Offer, is not known at the date of this Appendix 3B as it remains subject to reconciliation of shareholder entitlements and the effects of rounding.</p> |
| <p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p> | <p>The New Shares will have the same terms as existing fully paid ordinary shares in AJ Lucas Group Limited (“Company”).</p> |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, the New Shares will rank pari passu with existing fully paid ordinary shares in the Company from the date of allotment.</p>
5	Issue price or consideration	\$1.20 per ordinary share
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The net proceeds from the Placement and ANREO will be used to raise approximately \$148.8 million to substantially reduce debt, support working capital requirements and pay for transaction fees associated with the recapitalisation plan of the Company.</p> <p>Please refer to the Investor Presentation lodged by the Company with ASX on 13 June 2013.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of +securities issued without security holder approval under rule 7.1	9,262,617

¹ DIW

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6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable	
6f	Number of +securities issued under an exception in rule 7.2	<ul style="list-style-type: none">Under the Institutional Entitlement Offer: 87,603,448; andUnder the Retail Entitlement Offer: 27,117,177.	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements		
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	The issue date for New Shares under the Placement and Institutional Entitlement Offer is 27 June 2013. The issue date for New Shares under the Retail Entitlement Offer is 15 July 2013.	
		Number	+Class

+ See chapter 19 for defined terms.

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	After completion of the Placement and ANREO there will be approximately 267,384,023 fully paid ordinary shares on issue in the Company. This is based on the 143,400,781 fully paid ordinary shares currently on issue in the Company as at the date of this Appendix 3B, and the approximately 123,983,242 New Shares proposed to be issued under the Placement and ANREO, subject to the reconciliation of shareholder entitlements and rounding.	Fully paid ordinary shares
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¹ DIW

⁺ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	AJLAI: 3,750,000	COP – Campbell options to shares expiring at 5pm on 7 December 2015.
	AJLAO: 11,159,356	COP – Options to shares expiring at 5pm on 22 December 2015.
	AJLAQ: 1,000,000	COP – Options to shares expiring at 5pm on 22 December 2016.
	AJLAS: 1,250,000	COP – Management options to shares expiring at 5pm on 7 December 2015.
	Unlisted options over fully paid ordinary shares	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company's dividend policy will apply to the New Shares in the same way it applies to existing fully paid ordinary shares in the Company.

Part 2 - Pro rata issue

11	Is security holder approval required?	No, shareholder approval is not required in relation to the ANREO.
12	Is the issue renounceable or non-renounceable?	The ANREO is non-renounceable.
13	Ratio in which the +securities will be offered	The entitlement ratio for eligible shareholders in the Company is 1 New Share for every 1.25 existing fully paid ordinary shares held in the Company as at the Record Date for the ANREO. Please refer to the Investor Presentation.

+ See chapter 19 for defined terms.

14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares.
15	⁺ Record date to determine entitlements	7.00pm (AEDT), 19 June 2013
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholder entitlements under the ANREO, they will be rounded down to the next number of New Shares.
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	For the Institutional Entitlement Offer, all countries other than Australia, New Zealand, Hong Kong and United Kingdom. For the Retail Entitlement Offer, all countries other than Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	The closing date for acceptances under the Institutional Entitlement Offer is 14 June 2013. The closing date for acceptance under the Retail Entitlement Offer is 3 July 2013.

⁺1 DIW

⁺ See chapter 19 for defined terms.

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20	Names of any underwriters	<p>The institutional offer in the ANREO is partially underwritten by Kerogen Investments No.1 (HK) Limited (“Kerogen”), subject to a limit of a combined relevant interest of 49.99% in Kerogen.</p> <p>Cornerstone commitments for placements from the potential retail shortfall have also been obtained from investors.</p>
21	Amount of any underwriting fee or commission	No underwriting fee or commission is payable to Kerogen. Cornerstone fees will be paid for the retail subscription commitment – of 1.5%
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders’ approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus is being prepared in relation to the ANREO. A Retail Entitlement Offer Booklet with a personalised entitlement and acceptance form is to be despatched to eligible shareholders on 24 June 2013.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable

+ See chapter 19 for defined terms.

29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable

¹ DIW

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)? Not applicable
- 33 ⁺Issue date The issue date for New Shares under the Institutional Entitlement Offer is 27 June 2013.

The issue date for New Shares under the Retail Entitlement Offer is 15 July 2013.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ☒ ⁺Securities described in Part 1
- (b) ☐ All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	Not applicable				
39	+Class of +securities for which quotation is sought	Not applicable				
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Not applicable				
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	Not applicable				
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Not applicable</td> <td style="padding: 5px;"></td> </tr> </tbody> </table>	Number	+Class	Not applicable	
Number	+Class					
Not applicable						

¹ DIW

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
Company secretary

Date: 13 June 2013

Print name:Nicholas J Swan.....

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	

¹ DIW

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
Total [“A” x 0.15] – “C”	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
“E”	

¹ DIW

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.