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## ASX ANNOUNCEMENT/MEDIA RELEASE

### AJ LUCAS EXECUTES CO-OPERATION AND PARTNERSHIP AGREEMENT WITH CHINA PETROLEUM PIPELINE BUREAU (CPP)

AJ Lucas Group Limited (**Lucas** or **the Company**) announces that it has entered into a five year Strategic Co-operation and Partnership Agreement (**the Agreement**) with China Petroleum Pipeline Bureau (**CPP**), a wholly owned subsidiary of the giant Chinese petroleum company CNPC.

CPP specialises in pipeline engineering and construction, including horizontal directional drilling (**HDD**). It is one of the largest general contractors in the oil and gas industry worldwide and engages in the full spectrum of R&D, survey, consulting, design, procurement, construction, coating, fabrication, intelligent pigging, maintenance and repair of pipelines and storage operations.

Lucas and CPP have maintained a relationship for some ten years, which both parties have now formalised to take advantage of mutual potential oil and gas opportunities in China and the rest of Asia. The Agreement provides for co-operation and working together in the following areas:

- 1) HDD Crossings
- 2) Coal Seam Gas and Shale Gas
- 3) Drilling Well Completions, Work Overs
- 4) New Pipeline Technologies, and
- 5) Strategic Co-Operation

Mr Allan Campbell, CEO of Lucas, said in relation to the Agreement: "The complimentary nature of each party's skill sets and resources makes this combination of pipelining and drilling skills particularly compelling; particularly in extending pipeline technological and engineering development, as well as assisting in the nascent coal seam gas and shale gas industries in China".

Lucas is particularly pleased to have formalised this long standing informal relationship with one of the world's leading pipeline contractors, and one whose parent company is one of the world's largest and strongest companies.

Lucas and CPP have identified a number of opportunities on which to work together from the commencement of the Agreement; which commences immediately.

#### **About AJ Lucas Group Limited**

Lucas is a leading provider of specialist infrastructure, construction and drilling services to the energy, water and waste water, resources and public infrastructure sectors. In particular, it is the largest supplier of drilling and gas management services to Australia's coal industry. Other divisions provide construction and civil engineering services.

AJ Lucas is also a proven developer of unconventional hydrocarbon properties. Current investments include a 44% shareholding in Cuadrilla Resources, an exploration and production company focused on unconventional hydrocarbons, and direct interests in 18.75% of the Bowland and 25% of the Weald shale basin prospects in respectively North West and South East England. Past projects successfully developed and exited include the Company's investments in Gloucester Basin, Sydney Gas and ATP651 in Queensland's Surat Basin.