

16 June 2022

Spirit Energy Withdraws Notice to Exit Lancashire Shale Exploration Licences

AJ Lucas Group Limited (“AJL”) has reached agreement with Spirit Energy (“Spirit”, the UK group focused on gas production) allowing it to withdraw the notice it issued to AJL in July 2020 regarding its intention to exit the Lancashire shale exploration licences operated by AJL’s subsidiary, Cuadrilla Resources Limited (“Cuadrilla”).

As a result, Spirit will now retain its twenty five percent (25%) participating interest in the Bowland and a twenty two point seven five percent (22.75%) participating interest in the Elswick exploration licenses in the UK (PEDL165 and EXL269, respectively). The licenses are operated by Cuadrilla and contain the Bowland shale gas discoveries. AJL will retain the remaining participating interest in these licences, which will continue to be operated by Cuadrilla. Spirit retains the option to exit the Licences, should it elect to do so, before the end of June 2023, or such later date as may be agreed by the UK Regulator for the continued suspension of the existing wells in these licence areas.

AJL’s Chairman Andrew Purcell said “We are very pleased that Spirit Energy has decided to remain as a Joint Venture partner on the exciting Bowland shale gas discoveries and exploration licenses. Spirit’s technical, financial, and industry-wide expertise will prove invaluable as we continue to work with the UK Government and its regulators so that the UK may benefit from a secure, low-cost domestic supply of natural gas.

It is widely acknowledged that natural gas will continue to play a key role in UK (and global) energy supply for decades to come as countries attempt to transition to Net Zero CO₂ economies. UK domestic gas has a pre-combustion carbon footprint approximately 50% lower than gas imported by ship. We remain convinced that the Bowland shale gas resource which we have discovered has the potential to be a very significant contributor to the UK energy mix and in particular a source of cost-effective fuel for heating UK homes and businesses”.

This announcement has been approved by the Board of AJ Lucas Group Limited.

ENDS

For further information, please contact:

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Andrew Purcell Chairman

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