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29 October 2026

QUARTERLY ACTIVITY REPORT – PERIOD ENDED 30 SEPTEMBER 2026

GROUP HIGHLIGHTS

- Revenue during the quarter was $31.4 million, compared to $35.7 million for the same period in the previous year and equivalent to 26% of that reported for the full year result to 30 June 2026.
- Australian Operations EBITDA for the quarter was $6.3 million, compared to $7.9 million for the same period in the previous year and equivalent to 37% of that reported for the full year result to 30 June 2026.
- Group EBITDA was $6.0 million for the quarter, compared with $32.6 million in the same quarter last year, which included $25.9 million from a UK dispute settlement. Excluding that settlement, prior year quarterly Group EBITDA was $6.7 million.
- Net cash used in operating activities was $4.6 million, primarily reflecting increased drilling activity compared with Q4 FY26.

Australian Operations

Drilling activity improved in the first quarter (revenue: $31.4 million; EBITDA: $6.3 million) compared with Q4 FY26 (revenue: $24.0 million; EBITDA loss: $1.2 million), when geotechnical issues disrupted a key client's underground longwall operation. The quarterly results represent a robust beginning to the year.

UK Operations

The moratorium on hydraulic fracturing remains in force and the company continues to progress a number of conventional gas opportunities on its onshore Licenses, which are unaffected by this moratorium. Site restoration activities continued at our Preston New Road site in Lancashire during the quarter and electricity generation from our conventional gas well in Elswick continued to generate revenue.

REVIEW OF FINANCIAL CONDITION

Refer Appendix 4C attached.

RELATED PARTY PAYMENTS

Item 6 of the Appendix 4C cash flow report for the quarter includes payments to related parties of approximately $1,127,000 which represents amounts paid to executive and non-executive directors and other key management personnel, including payments to tax authorities and superannuation for the financial period.

This quarter includes payments associated with incentives which were accrued as disclosed in the 2026 Annual Report.

The amount does not include non-cash remuneration expenses such as leave accrued in accordance with employment laws.

This announcement has been authorised for lodgment by the Board.

For further information, please contact:
AJ Lucas Group Limited +61 (0)7 3363 7333
Andrew Purcell Chairman
Marcin Swierkowski Company Secretary

Note: The financial information presented in this document has not been audited or reviewed in accordance with Australian Auditing Standards.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
AJ Lucas Group Limited	
ABN	**Quarter ended ("current quarter")**
12 060 309 104	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	29,097	29,097
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs		
	(c) advertising and marketing		
	(d) leased assets		
	(e) staff costs	(14,081)	(14,081)
	(f) administration and corporate costs	(18,451)	(18,451)
1.3	Dividends received (see note 3)		
1.4	Interest received	50	50
1.5	Interest and other costs of finance paid	(1,251)	(1,251)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other		
1.9	**Net cash from / (used in) operating activities**	**(4,636)**	**(4,636)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(3,191)	(3,191)
	(d) investments		
	(e) intellectual property		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(3,191)**	**(3,191)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	35,212	35,212
3.6	Repayment of borrowings including leases	(29,628)	(29,628)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Return of capital to non controlling shareholders)	(101)	(101)
3.10	**Net cash from / (used in) financing activities**	**5,483**	**5,483**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	8,293	8,293
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,636)	(4,636)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,191)	(3,191)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,483	5,483
4.5	Effect of movement in exchange rates on cash held	(4)	(4)
4.6	**Cash and cash equivalents at end of period**	**5,945**	**5,945**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	5,646	7,990
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (Cash in trust)	299	303
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,945**	**8,293**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1,127
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	102,972	96,595
7.2	Credit standby arrangements		
7.3	Other (Leases)	1,515	1,515
7.4	**Total financing facilities**	**104,487**	**98,110**

7.5	**Unused financing facilities available at quarter end**	6,377
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

Loan facilities
The loan facilities balances disclosed in Section 7 are the contractual loan balances outstanding.

Senior syndicated facility
The Senior syndicated finance facility provided by Balmain, is a revolving asset-based loan. Originally drawn in October 2019, on 9 May 2025 this facility was increased to $50m and the maturity was extended to May 2027. The facility can be drawn to an upper limit of $50 million (previously $35 million) subject to certain prescribed levels of Security Assets. At 30 September, the facility availability was undrawn by $6.4 million.

The facility is secured by a first ranking charge over the Group's assets including the Drilling Division's plant and equipment, billed receivables, and unbilled receivables represented by contract assets in the Statement of Financial Position (together the "Security Assets").

Interest is calculated on the daily balance outstanding at the bank bill swap rate plus a margin and is payable monthly in arrears. In line with increases in BBSY the applicable interest rate on the facility is 12.3% at September 2026 (June 2026: 12.0%).

While the Senior Syndicated facility matures in May 2027, however, it is classified as a current liability due to its revolving nature. Each repayment and subsequent drawing are separately disclosed in the Consolidated Statement of Cash Flow as Repayment of Borrowings and Proceeds from Borrowings, respectively.

The facility is subject to modified financial covenants which have been complied with during the period.

Lease liability
The Group has lease contracts for various items of plant, machinery, vehicles and office space used in its operations.

Leases of plant and machinery generally have lease terms between 1 and 3 years, while motor vehicles have lease terms between 1 and 5 years. The Group's obligations under lease terms on office space are up to 10 years in respect of the Brisbane head office.

Loans from related party
The loan from Kerogen, a related party holding 56.7% of the Company's issued shares at 30 September 2026 (unchanged from June 2026), is denominated in US dollars.

On 9 May 2025, the facility was amended to extend its maturity to July 2027. As part of this amendment, the facility became subordinated to the Senior Syndicated Facility and the facility was restructured into two tranches.

Interest accrued on the facility prior to 9 May 2025 was charged at 18% per annum. The current interest rate on Tranche 1 is 16% per annum and on Tranche 2 is 17% per annum. However, if interest is paid in cash prior to 31 January 2027, the applicable rates will be reduced to between 9% and 10% per annum as detailed below:

Amounts in USD$ million

Tranche	Principal	Accrued Interest	Total at 30 September 2026	Interest Rate (p.a.)	Cash Paid Interest (p.a)
1	25.0	1.0	26.0	16%	9%
2	17.3	6.1	23.4	18% - 17%	10% – 9%
Total	**42.3**	**7.1**	**49.4**		

Amounts in USD$ million

	In June 2026, the facility maturity was extended to 30 September 2027.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,636)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,945
8.3	Unused finance facilities available at quarter end (item 7.5)	6,377
8.4	Total available funding (item 8.2 + item 8.3)	12,322
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.6

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2026.....

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.