



11<sup>th</sup> March 2016

Companies Announcements Office  
Australian Securities Exchange Limited  
10<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## PEP11, Offshore Sydney Basin

MEC Resources Ltd (ASX: MMR) announced a suspension of the PEP11 Year 2 work program on 28<sup>th</sup> January 2016. Further to that announcement, MEC Resources is pleased to advise that preparatory work is underway to perform a seismic survey in the offshore Sydney Basin in PEP11. This includes procurement of specialist seismic service providers to assist in the new data acquisition planned for PEP11.

The PEP11 joint venture participants are Asset Energy Pty Ltd (85% and operator) and Bounty Oil and Gas NL (15%). Asset Energy Pty Ltd is a wholly owned subsidiary of MEC Resources Ltd investee entity Advent Energy Ltd.

MEC Resources is closely monitoring the gas market dynamics in the east coast of Australia, and strongly believes the PEP11 project is ideally placed to potentially provide gas into the east coast gas network. The Australian Petroleum Production and Exploration Association (APPEA) has succinctly described the forecast shortfall in the east coast gas market in a public statement released 10<sup>th</sup> March 2016.

“The latest Gas Statement of Opportunity (GSOO) warns that developed gas reserves in eastern and south-eastern Australia can only meet forecast demand until 2019.”

“The information released by AEMO (Australian Energy Market Operator) today is a sobering reminder that the east coast needs rapid development of new gas reserves to guarantee supply.”

The full public statement by APPEA is attached to this announcement.

Yours faithfully,

A handwritten signature in black ink, appearing to read "D. Breeze".

David Breeze  
Executive Director

### About MEC Resources

ASX listed MEC Resources (ASX: MMR) invests into exploration companies targeting potentially large energy and mineral resources. The Company has been registered by the Australian Federal Government as a Pooled Development Fund enabling most MEC shareholders to receive tax free capital gains on their shares and tax free dividends.

### About Advent Energy

Advent Energy Ltd is an unlisted oil and gas exploration company held by major shareholders MEC Resources (ASX: MMR), BPH Energy (ASX: BPH), Grandbridge (ASX: GBA) and Talbot Group Investments. Advent holds a strong portfolio of near term development and exploration assets spanning highly prospective acreage onshore and offshore Australia in proven petroleum basins. Advent Energy's asset base also incorporates both conventional and unconventional petroleum targets.



10 March 2016

## Gas supply warning demands urgent action

Governments in eastern Australia must pull out all stops to encourage the investment needed to address predicted gas shortages as highlighted by the Australian Energy Market Operator (AEMO) today.

The latest *Gas Statement of Opportunity (GSOO)* warns that developed gas reserves in eastern and south-eastern Australia can only meet forecast demand until 2019.

“The information released by AEMO today is a sobering reminder that the east coast needs rapid development of new gas reserves to guarantee supply,” APPEA Chief Executive Dr Malcolm Roberts said.

“We have long argued that if we wish to achieve a more competitive market, put downward pressure on prices and ensure stable, adequate supply, we must bring more gas to market.

“Unfortunately a mix of policy indecision, restrictive regulations and politically motivated moratoriums, particularly in Victoria, has stymied exploration and development of our abundant natural gas resources.

“Almost 80 per cent of households in Victoria and thousands of local businesses rely on natural gas, yet the State refuses to develop its onshore resources.”

Dr Roberts said the commercial climate for exploration and development in Australia was already extremely difficult. Fewer onshore exploration wells were drilled in 2015 than at any other time in the last 20 years.

“In eastern Australia, the number of exploration wells drilled almost halved from 2014 to 2015 – from 70 wells to just 40,” he said.

“Sound policies are needed to provide greater certainty and investor confidence to support exploration and reduce the high cost of development and production.”

The GSOO comes a day after the Australian Competition and Consumer Commission called for urgent policy and regulatory changes to enhance gas supply to the eastern Australian market.

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