



12 October 2017

Australian Securities Exchange
10TH Floor, 20 Bridge Street
SYDNEY NSW 2000

via e-lodgement

Dear Sir/Madam

EXPLORATION ACTIVITY UPDATE

MEC Resources Ltd (ASX: MMR) (the “**Company**”) is pleased to provide the following update in regards to its investee Advent Energy Ltd (“**Advent**”). Advent holds petroleum titles in the offshore Sydney Basin (PEP11, 85% and Operator), and onshore Bonaparte Basin (EP386, RL1, 100% and Operator).

Advent is progressing its plans for a 2D seismic survey in PEP11, as a work commitment for the petroleum title. This has included engaging acoustic modelling specialists, environmental consultants and geophysical expertise to complete the revisions to the Environmental Plan (“EP”) following the request for modification and resubmission received from the regulator.

Pending approval from the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), Advent will undertake this survey at the earliest opportunity. An application for suspension and extension of the permit term is pending approval from the National Offshore Petroleum Title Administrator (NOPTA) to maintain the title in good standing, with a response anticipated soon.. Subsequent commitments in PEP11 include 3D seismic acquisition and an exploration well. Potential discovery of commercial quantities of natural gas in PEP11 provides an exciting future for the Company considering the gas market challenges facing the east coast of Australia. To assist in achieving these objectives for the PEP11 title, Advent has entered into an agreement with a specialist international firm to provide expert marketing, technical and project documentation services to facilitate participation in PEP11 by major global oil and gas operators and investors.

Earlier in 2017, Advent received conditional approval for suspension and extension of the term of EP386, north of Kununurra in Western Australia. A well intervention plan was provided to the Department of Mines, Industry, Regulation and Safety (DMIRS), and Advent has commenced preliminary planning for these works in consultation with specialist well technologists Geoteknic. EP386 comprises a number of hydrocarbon discovery wells, including Waggon Creek-1 and Vienta-1 which have been cased and suspended. These wells are capable of being declared as Locations, that subsequently enables application to DMIRS for a Production (or Retention) Licence for these hydrocarbon accumulations. The well intervention program is intended to improve the reservoir knowledge such that field development can be fully planned.

The RL1 title northeast of Kununurra in the Northern Territory holds the Weaber Gas Field, consisting of independently certified Contingent Resources. Local market opportunities such as Seafarms Group’s Project Sea Dragon and other nearby townships and resource projects provide excellent potential offtake possibilities for this gas. Advent is working towards field development based on enhanced reservoir knowledge gained through a well intervention program in the onshore Bonaparte Basin.

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Advent has attracted investment through a private equity placement to sophisticated investors, and continues its discussions with a range of investment partners on both PEP 11 and EP 386/RL1. Opportunities for asset-level investment are presently being discussed by Advent and a number of parties. We will update the market with any material developments in these negotiations.

We welcome your comments and feedback and encourage shareholders to call the office on 08 9245 6187 with these.

Yours faithfully

A handwritten signature in black ink, appearing to read "Goh Hock", with a long horizontal flourish extending to the right.

Mr Goh Hock
Chairman

MEC Resources Ltd

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