



31 July 2017

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

via e-lodgement

Dear Sir/Madam

APPENDIX 4C - QUARTERLY CASH FLOW REPORT

MEC Resources Ltd (ASX: MMR, ACN 113 900 020) (“MEC” or “the Company”) is pleased to provide its Appendix 4C (Quarterly Cashflow Report) for the quarter ending 30 June 2017.

The Company is also pleased to report that its investee company Advent Energy has made significant progress with its plans to conduct a 2D high resolution seismic campaign over its PEP 11 permit in offshore New South Wales. Most recently Advent Energy through its subsidiary Asset Energy lodged its environment plan with the National Offshore Petroleum Safety and Environment Management Authority (“NOPSEMA”) for this work. The EP is the critical documentation necessary to be submitted to NOPSEMA to allow the seismic survey to proceed in PEP11

Significant work has been undertaken on this project with a view, subject to approval timeframes from NOPSEMA, to commencing this work late third quarter 2017.

Management are continuing to minimise all costs where possible. All expenditure is scrutinised and managed carefully before being incurred by the Company. As announced previously to the market MEC has withdrawn its Statutory Demand issued to BPH Energy Ltd on 3 July 2017 to enable discussions in good faith with BPH Energy Ltd and Grandbridge Ltd to occur. The Statutory Demand was issued to BPH Energy Ltd in relation to alleged default on repayment by BPH Energy Ltd under the terms of a formal loan agreement entered into in 2014.

Furthermore, the claims between each of BPH Energy Ltd, Grandbridge Ltd and MEC have been temporarily suspended to determine if the disputes can be resolved in an informal setting at the Conference with a view to saving the Company significant legal cost.

Directors of both MEC and Advent continue to provide their services to these companies for a nominal fee of \$1 per annum. This arrangement will remain in place until further notice.

We welcome your questions or comments regarding the Company. If you have any questions please do not hesitate to contact the Company on 08 9 245 6187 or info@mecresources.com.au.

Yours faithfully

A handwritten signature in blue ink that reads "D Ambrosini".

Deborah Ambrosini
Director and Company Secretary

MEC Resources Ltd

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

MEC Resources Limited

ABN

44 113 900 020

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(56)	(220)
(f) administration and corporate costs	(231)	(723)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	(3)	(5)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	51
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(289)	(891)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(10)	(29)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	(10)	(29)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	622	646
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	622	646

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	280	877
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(289)	(891)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(10)	(29)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	622	646

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	603	603

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	603	280
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	603	280

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	29
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Ms Ambrosini has a consulting contract with MEC Resources to provide accounting and company secretarial services. This is capped at a maximum of 3 days per week and additional hours are unpaid and provided in kind.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	(41)
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Operational expense support to MEC investee Advent Energy Ltd

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter

\$A'000

9.1 Research and development

9.2 Product manufacturing and operating costs

9.3 Advertising and marketing

9.4 Leased assets

9.5 Staff costs

9.6 Administration and corporate costs

9.7 Other (provide details if material) *

9.8 Total estimated cash outflows

-

-

-

-

55

120

200

375

* includes costs of 2D seismic program preparation. Subject to Environment Plan approval the program is scheduled to commence late third quarter 2017

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.



Sign here:
(Director/Company secretary)

Date:31 July 2017.....

Print name: Deborah Ambrosini ..

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.