



16 May 2018

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

via e-lodgement

Dear Sir/Madam

Pro-rata Non-Renounceable Rights Offer – Replacement Prospectus

MEC Resources Ltd (ASX: MMR, ACN 113 900 020), the “**Company**”, refers to the pro-rata non-renounceable rights offer that was announced on 8 May 2018.

The Company is pleased to provide a copy of the attached replacement prospectus which was lodged with the Australian Securities and Investments Commission earlier today, and advises that the replacement prospectus will be despatched in accordance with the timetable stated in the replacement prospectus.

As announced previously on 7 May 2018, the offer contained in the replacement prospectus replaces the offer announced on 13 April 2018.

If you have any questions please do not hesitate to contact the Company Secretary, Ms Deborah Ambrosini on 08 9245 6187.

We thank you for your continued support.

Yours faithfully

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

Mr Goh Hock
Chairman

MEC Resources Ltd

ACN 113 900 020

PO Box 882 West Perth WA 6872 | Suite 2 Level 3 1111 Hay Street West Perth WA 6005

T: +61 8 9245 6187 F: +61 6160 5901

info@mecresources.com.au www.mecresources.com.au

MEC RESOURCES LIMITED

ACN 113 900 020

Prospectus

FOR A 1 FOR 2 PRO-RATA NON-RENOUNCEABLE RIGHTS OFFER OF NEW FULLY PAID ORDINARY SHARES AT AN ISSUE PRICE OF \$0.018 PER SHARE (**OFFER**). IN ADDITION, FOR EACH SHARE ISSUED UNDER THE OFFER, ONE UNLISTED OPTION OVER ONE ORDINARY SHARE WILL BE GRANTED FOR NIL CONSIDERATION WITH AN EXERCISE PRICE OF \$0.04. EACH OPTION WILL BE EXERCISABLE AT ANY TIME UP TO THE DATE THAT IS 2 YEARS AFTER THE DATE OF GRANT OF THE OPTION.

THE OFFER CLOSSES AT 5:00 PM (AUSTRALIAN EASTERN STANDARD TIME) ON 7 JUNE 2018 (SUBJECT TO THE COMPANY'S RIGHT TO VARY THIS DATE). VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your professional advisor, stockbroker, solicitor, banker, financial advisor or accountant as soon as possible.

An investment in the Company, including the Shares and Options offered by this Prospectus, should be considered speculative.

Table of Contents

1. TIMETABLE	3
2. IMPORTANT NOTES	4
3. DETAILS OF THE OFFER	6
4. PURPOSE AND EFFECT OF THE OFFER	10
5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES	14
6. RISK FACTORS	18
7. ADDITIONAL INFORMATION	22
8. DIRECTORS' AUTHORISATION	29
9. GLOSSARY	30

1. Timetable

Event	Date
Lodgement of the Original Prospectus with ASIC Lodgement of the Original Prospectus and Appendix 3B with ASX and application for quotation of Shares offered under this Prospectus	8 May 2018
Existing Shares quoted on "ex" basis	10 May 2018
Record date to determine entitlements under the Prospectus (Record Date)	5:00pm (AEST) on 11 May 2018
Lodgement of this Prospectus with ASIC	16 May 2018
Prospectus and Entitlement and Acceptance Form dispatched to eligible shareholders (Opening Date)	17 May 2018
Final date and time for receipt of acceptance and payment in full (Closing Date)	5:00PM (AEST) on 7 June 2018*
New Shares quoted on a deferred settlement basis	8 June 2018*
Company to notify ASX of under subscriptions	13 June 2018*
Allotment of Shares and grant of Options (Issue Date)	15 June 2018*
Deferred settlement trading ends	15 June 2018*
Dispatch of transaction confirmation statements (holding statements)	15 June 2018*
Date of quotation of Shares issued under the Offer	18 June 2018*

* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

2. Important notes

This Prospectus is dated 16 May 2018 and a copy was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

This Prospectus provides additional information in relation to the Company's statement of financial position, the Company's intended use of the funds raised under the Offer, current litigation and disputes to which the Company is party, the time frame for seeking shareholder approval for the potential sale of Petroleum Exploration Permit 11 to RL Energy announced to the market on 4 May 2018, and matters related to the level of the Company's holding in Advent Energy, and it replaces the prospectus dated and lodged with ASIC on 8 May 2018 (**Original Prospectus**).

ASIC and ASX and their respective officers take no responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of the Original Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and an offer of options to acquire continuously quoted securities (as defined in the Corporations Act), and has been prepared in accordance with section 713 of the Corporations Act. This Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.1. Eligibility to participate in the Offer

An original Entitlement and Acceptance Form will be forwarded to all Eligible Shareholders. An application for Securities under the terms of this Offer can only be made by an Eligible Shareholder on an original Entitlement and Acceptance Form. Each original Entitlement and Acceptance Form sets out the Entitlement for an Eligible Shareholder to participate in the Offer. Applications for Shortfall can be made as set out in Section 3.

Shareholders with a registered address outside of Australia and New Zealand should be aware that it is not practical, due to the complexity and cost, for the Company to comply with the securities laws for foreign jurisdictions. Therefore the Offer does not, and is not intended to, constitute an offer in any jurisdiction outside of Australia and New Zealand. This Prospectus does not constitute an offer in any place or to any person to whom it would not be lawful to make such an offer.

2.2. Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares and Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

2.3. Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

3. Details of the Offer

3.1. The Offer

The Offer is a 1 for 2 pro-rata non-renounceable rights offer at \$0.018 per Share, to raise up to \$2,447,512 (before the costs of the Offer, and ignoring the treatment of fractional entitlements). If an Eligible Shareholder subscribes for Shares, that Eligible Shareholder will be granted one (1) unlisted Option for nil consideration per Share, with each Option giving the holder the right to subscribe for one Share by exercising such Option at any time up to 2 years after the date of grant of the Option, at an exercise price of \$0.04 per Option. The Offer is open to Eligible Shareholders being those Shareholders who have a registered address in Australia or New Zealand at the Record Date.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in Section 5.2 of this Prospectus.

All Shares issued on exercise of the Options will rank equally with the existing Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 4.1 of this Prospectus.

3.2. Minimum subscription

There is no minimum subscription under the Offer.

3.3. Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. In determining entitlements, any fractional entitlement will be rounded down to the nearest whole number.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full and apply for additional Shares and Options which may be available if not all Shareholders accept their Entitlement in full:
 - (i) pay the amount determined by multiplying the number of Shares and Options you wish to apply for (including your Entitlement) by the issue price of \$0.018 via BPAY using the BPay biller code and personalised reference number indicated on the Entitlement and Acceptance form so that the funds are received before 5.00pm (AEST) on the Closing Date; or
 - (ii) complete the Entitlement and Acceptance form, including one of the boxes affording the opportunity to apply for additional Shares and Options in excess of your Entitlement and attach your cheque for the appropriate application monies (at \$0.018 per Share) so that it is received before 5.00pm (AEST) on the Closing Date.
- (b) if you wish to accept your Entitlement in full:
 - (i) pay the full amount of your Entitlement and Acceptance Form via BPAY using the BPay biller code and personalised reference number indicated so that the funds are received before 5.00pm (AEST) on the Closing Date; or
 - (ii) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the full amount indicated in your Entitlement and Acceptance Form so that it is received before 5.00pm (AEST) on the Closing Date;
- (c) if you only wish to accept part of your Entitlement:
 - (i) pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY using the BPay biller code and personalised reference number indicated so that the funds are received before 5.00pm (AEST) on the Closing Date; or

- (ii) fill in the number of Shares and Options you wish to accept in the space provided of the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies (at \$0.018 per Share) so that it is received before 5.00pm (AEST) on the Closing Date; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything, however your existing interest in the Company will be diluted.

3.4. Payment by cheque/bank draft

Payment by cheque, bank cheque or money order must be made as follows:

- complete your personalised Entitlement and Acceptance Form;
- attach your payment of Application Monies which must be drawn on an Australian Bank, Australian branch of a financial institution or by money order and be made payable in Australian currency;
- address the cheque, bank cheque or money order to 'MEC Resources Limited' and mark it 'Not Negotiable'; and
- return the completed Entitlement and Acceptance Form and payment so that it is received by no later than 5.00pm (AEST) on the Closing Date to:

MEC Resources Ltd
C/- Advanced Share Registry
PO Box 1156
Nedlands Perth WA 6909

Cash payments will not be accepted. Receipts for payments will not be issued. Neither the Share Registry nor the Company accept any responsibility if Applicants do not follow the instructions above.

If the amount of Application Monies provided is insufficient to pay in full for the number of Shares (and Options) applied for (or the full Entitlement in the case of payment by BPAY) then the Applicant will be regarded as having applied for such whole number of Shares (and Options) as is covered in full by the Application Monies provided. Alternatively, the Company may in its discretion reject the Application, in which case the Application Monies will be refunded without interest.

3.5. Payment by BPAY®

To pay by BPAY Eligible Shareholders must make their payment using the Biller Code and Customer Reference Number set out in their personalised Entitlement and Acceptance Form.

An Eligible Shareholder with multiple holdings will have multiple BPAY reference numbers. To ensure you receive your Entitlement in respect of a particular holding, you must use the Customer Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any Shares that you wish to apply for in respect of that holding.

Eligible Shareholders making payment via BPAY do not need to complete and return their personalised Entitlement and Acceptance Form.

Applicants must be aware that their own financial institutions may impose earlier processing cut-off times for electronic payments. It is the responsibility of Applicants to ensure that payment is submitted through BPAY with sufficient time so that it is received before the close of the Offer.

3.6. Underwriting

The Offer is not underwritten.

However, Claymore Capital Pty Ltd (AFSL 261076) (**Claymore**), which raised substantial capital for the Company when Asset Energy Pty Ltd drilled its offshore well on PEP11, has been retained to assist the Company with this Offer and the placement of the shortfall for an agreed fee. At this stage Claymore has advised it has procured irrevocable commitments for \$100,000 (which would be in addition to any Shares subscribed for by the Directors under the Offer). The Directors will not be participating in the placement of any Shortfall Shares by Claymore.

3.7. Shortfall Offer

The Shortfall Shares (and the Options that are granted on issue of any Shortfall Shares) will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any Shortfall in subscriptions.

If there is any Shortfall, the Shortfall Shares (and the Options that are granted on issue of any Shortfall Shares) will be allocated to Eligible Shareholders who have applied for Shortfall Shares, subject as set out below.

If the Company receives applications for Shortfall Shares that would result in the Offer being oversubscribed, then the Company will not accept such oversubscriptions and will reject or scale back applications for Shortfall Shares at its discretion.

The Directors reserve the right to issue the Shortfall Shares (and the Options that are granted on issue of any Shortfall Shares) in their discretion. Any Shortfall Shares so issued will be issued within three months after the Closing Date and will be issued at a price that is not less than \$0.018 per Share, being the issue price of the Shares under the Offer.

The Company will not issue Shortfall Shares where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act. Eligible Shareholders wishing to apply for Shortfall Shares must consider whether the issue of the Shortfall Shares (and the Options that are granted on issue of any Shortfall Shares) applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.

The Directors reserve the right to reject any application for Shortfall Shares or to allot a lesser number of Shortfall Shares (and the Options that are granted on issue of any Shortfall Shares) than applied for. Application Monies received but not applied towards subscriptions for Shortfall Shares will be refunded as soon as practicable. No interest will be paid on Application Monies held and returned.

To the extent any Shortfall remains after allocation to Eligible Shareholders who have applied for the Shortfall Shares, the Company will use its best endeavours to place those remaining Shortfall Shares.

No related party of the Company (including Directors and their Associates) is permitted to participate in the placement of any Shortfall Shares.

3.8. ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.9. Issue

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.10. Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3.11. Enquiries

Any questions concerning the Offer should be direct to MEC Resources Limited's Company Secretary on +618 9245 6187.

4. Purpose and Effect of the Offer

4.1. Purpose of the Offer

Funds raised under the Offer may be used primarily:

- to support MEC investee Advent Energy in achieving the proposed well intervention program;
- to support MEC investee Advent Energy in any additional costs it may occur while performing its 2D seismic survey in PEP 11; and
- for working capital purposes.

An indicative split of the use of the funds raised from the Offer (assuming full subscription) is as follows:

Proposed use of funds	Assuming Full Subscription (\$)
Advent Energy – EP 386 - Well Intervention Program	1,200,000
Advent Energy PEP 11 – 2D Seismic – additional costs (if required)	100,000
Working capital ¹	1,097,512
Cost of Issue	50,000
Total	2,447,512

Note: the use of funds as listed above is indicative only, and is subject to change by the Directors in their discretion having regard to other any factors which may impact on the how the funds will best be applied for the Company's business.

Advent Energy - EP 386 - Well Intervention Program

As advised to the ASX on 3 April 2018, the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) granted Onshore Energy Pty Ltd (a wholly owned subsidiary of investee Advent Energy Ltd) a 24-month extension to the term of petroleum exploration permit EP386 in the onshore Bonaparte Basin, north-eastern Western Australia.

Two wells in EP386 remain cased and suspended as potential future producing wells, Waggon Creek-1 was drilled in 1995 and Vienta-1 was drilled in 1998. In 2011 and 2012, Advent Energy undertook a recompletion of the well and production test on a number of zones within Waggon Creek-1, where gas flowed to surface at rates up to 1.3 MMscf/d (million standard cubic feet per day) during that testing. In 2011, Advent Energy undertook a recompletion of the well and production test within Vienta-1, where gas flowed to surface at rates up to 2.1 MMscf/d, though quickly declined. Subsequent investigation indicated skin damage to the well which impeded gas flow to the well bore.

Pending funding and regulatory approval, a proposed well intervention program will address the potential testing of additional zones in Waggon Creek-1, and potential re-testing of Vienta-1 following remediation to address the permeability impeding gas flow to the well bore. In addition, and as advised on 3 April 2018, a well management plan, environment plan and safety case must be submitted to the DMIRS by 28 September 2018 for the decommissioning of Waggon Creek-1 and Vienta-1.

Funds raised from the Offer will be applied towards the decommissioning program of Waggon Creek-1 and Vienta-1. If the full amount available under the Prospectus is raised and any necessary regulatory approvals are obtained, the additional testing activities indicated above will be performed on these wells prior to decommissioning to improve understanding of the potential for commercial deliverability from the reservoirs accessed by Waggon Creek-1 and Vienta-1. If less than the full amount is raised under the Offer, the extent of the testing activities will be scaled back so as to correspond to the amount of funds available from the Offer.

¹ Working capital includes ongoing operating expenses, wages, payments to consultants, printing costs and other items of a general administrative nature.

Preparation of applicable well management plans, environment plans and safety cases for the works described above will be undertaken following completion of this Offer, and submitted to DMIRS during the 3rd quarter 2018. Costs incurred in this document preparation and initial procurement exercises will also be incurred during this period, to an estimated value of \$200,000. Pending regulatory approvals, it is anticipated that the primary costs will be incurred during on-ground operational activities in the 2nd and 3rd Quarter 2019.

4.2. What is the effect of the Offer on Shareholders and on control of the Company

If Eligible Shareholders take up their full Entitlement under the Offer they will not be diluted (subject to treatment of fractional entitlements). If Eligible Shareholders do not exercise their Entitlement under the Offer, or only exercise part of their Entitlement, they will be diluted.

Ineligible Shareholders will have their holdings diluted by the Offer. The extent of any dilution will depend on the level of participation in the Offer.

It is not possible for the Directors to predict the final level of participation and Shortfall under the Offer, or the identity of Eligible Shareholders who will subscribe for their Entitlements. The Directors are also unable to state with certainty the identity of any prospective subscribers under the Shortfall, or the total number of Shortfall Shares (and the Options that are granted on issue of any Shortfall Shares) which will or can be placed.

The potential effect of the Offer on the control of the Company is as follows:

- If all Eligible Shareholders take up their full Entitlements, there would be no significant effect on the control of the Company, as the Offer is made pro-rata and in that case no Entitlements would lapse or revert to the Shortfall.
- If Eligible Shareholders do not take up their full Entitlements under the Offer, then the interests of those Eligible Shareholders will be diluted.
- The proportional interests of Ineligible Shareholders will be diluted because those Ineligible Shareholders are not entitled to participate in the Offer.

Given no nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act, Eligible Shareholders will not be able to rely on the exception for rights offers in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of its Entitlement, it must have regard to the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold).

Any Shortfall will be issued by the Company on the basis that no person will be issued Shortfall Shares if such issue will result in their voting power in the Company increasing beyond that allowed by the takeovers prohibition in section 606 of the Corporations Act.

4.3. Effect on capital structure

The capital structure of the Company before and after the Offer on the assumption the Offer is fully subscribed is as follows:

- The shares on issue at the date of this Offer Document are 271,945,731.
- The maximum number of Shares to be issued pursuant to the Offer is 135,972,866 (ignoring the treatment of fractional entitlements).
- The unlisted options on issue at the date of this Offer Document are 3,350,000.
- The maximum number of Options to be issued pursuant to the Offer is 135,972,866 (ignoring the treatment of fractional entitlements).

Assuming a full subscription, the total shares on issue after the Offer will be 407,918,596 and the total unlisted options on issue after the Offer will be 139,322,866 (ignoring the treatment of fractional entitlements). At this stage, and as the Offer is not underwritten, it is not possible to determine what the actual capital structure of the Company will be if the Rights Offer is not fully subscribed or if the Shortfall (if any) is unable to be placed.

4.4. Pro-forma balance sheet

The proceeds from the Offer will increase the best estimate of shareholder equity to \$31.1 million. A condensed pro-forma estimate of shareholder equity following the Offer is set out below.

The most recent publicly available cash balance was released in the Company's Appendix 4C on 30 April 2018 which reflects that cash and cash equivalents as at 31 March 2018 was \$539,000. Since March 2018 the Company's investee Advent Energy has completed its 2D seismic activities and cash has decreased, and is expected to decrease, in line with the expected costs of these activities as previously disclosed to shareholders.

	Reviewed shareholder's equity as at 31 December 2017	Pro-forma estimate of shareholders' equity after Offer²	Pro-forma estimate of shareholders' equity after Offer³
	\$	\$	\$
Cash and cash equivalents	591,140	2,988,652	1,764,896
Evaluation and exploration expenditure	29,182,472	29,182,472	29,182,472
Other assets	737,879	737,879	737,879
Financial liabilities	(813,422)	(813,422)	(813,422)
Other liabilities	(1,000,636)	(1,000,636)	(1,000,636)
Net Assets	28,697,433	31,094,945	29,871,189
Share Capital	27,405,925	29,853,437	28,629,681
Reserves	16,267,928	16,267,928	16,267,928
Accumulated losses	(27,113,390)	(27,163,390)	(27,163,390)
Minority Interest	12,136,970	12,136,970	12,136,970
Shareholder equity	28,697,433	31,094,945	29,871,189

4.5. Details of substantial holders

Based on publicly available information as at the close of trading on 10 May 2018, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below.

Shareholder	Shares	%
David Breeze, Trandcorp Pty Ltd, Grandbridge Limited	25,345,350	9.32

² Assuming all Entitlements are accepted, no options are exercised prior to the Record Date and including expenses of the Offer.

³ Assuming half of all the Entitlements are accepted, no options are exercised prior to the Record Date and including expenses of the Offer.

5. Rights and Liabilities attaching to Securities

5.1. Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) Future increase in capital

The issue of any Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2. Options

Each Option will entitle the holder to the right to subscribe for one fully paid ordinary share in the capital of the Company on the following terms and conditions.

- (1) Each unlisted Option granted on the issue of a Share gives the holder the right to subscribe for one (1) Share. To exercise the right given by each Option, the holder must exercise the Options in accordance with the following terms and conditions.
- (2) No amount is payable on grant of the Options.
- (3) The Options will be exercisable at any time up to that date that is 2 years after the date of grant of the Option (**Exercise Period**). Any Option not exercised within the Exercise Period will automatically lapse on the date immediately following the date that is 2 years after the date of grant of the Option (**Expiry Date**).
- (4) The Company must give each holder of Options a certificate or holding statement stating:
 - (a) the number of Options issued to the holder;
 - (b) the exercise price of the Options; and
 - (c) the date of grant of the Options.
- (5) The Company will maintain a register of holders of Options in accordance with section 168(1)(b) of the Corporations Act.
- (6) The exercise price of each Option is \$0.04 (**Exercise Price**).
- (7) The Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised.
- (8) If a holder of Options exercises less than the total number of Options registered in the holder's name:
 - (a) the holder must surrender its Option certificate (if any); and

- (b) the Company must cancel the Option certificate (if any) and issue the holder a new Option certificate or holding statement stating the remaining number of Options held by the holder.
- (9) A holder may exercise their Options by lodging with the Company, at any time during the Exercise Period:
 - (a) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (b) a bank cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised

(together, the **Exercise Notice**).
- (10) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (11) Within 15 Business Days after the date on which the Company receives an Exercise Notice and the full amount of the Exercise Price in cleared funds for the Options the subject of the Exercise Notice, the Company will:
 - (a) issue the number of Shares required under these terms and conditions in respect of the Options the subject of the Exercise Notice and for which the Company has received and the full amount of the Exercise Price in cleared funds; and
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) and 708(6) of the Corporations Act to allow for the resale of the Shares issued on exercise of the Options, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that the resale of the Shares issued on exercise of the Options does not require disclosure to investors; and
 - (c) if the Company is admitted to the official list of ASX at the time, apply for official quotation on ASX of the Shares issued on exercise of the Options.
- (12) The Options will not be transferable.
- (13) Options do not carry any dividend entitlement until they are exercised. Subject to the Company's Constitution, all Shares allotted and issued upon the exercise of Options will upon allotment and issue rank pari passu in all respects with other Shares.
- (14) The holder of Options will not have any right to attend or vote in general meetings of Shareholders.
- (15) A holder of Options is not entitled to participate in any new issue to existing Shareholders in the Company unless the holder has exercised the holder's Options before the record date for determining entitlements to the new issue of securities and participates as a result of holding Shares.
- (16) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Options before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for determining entitlements to the issue, in accordance with the ASX Listing Rules.
- (17) If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the exercise price of each Option is reduced in accordance with the ASX Listing Rules.
- (18) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the holder of Options (including the number of Options to which each holder is entitled and the exercise price) is changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (19) Any calculations or adjustments which are required to be made under (14) to (17) (both inclusive) will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the holder of Options.

- (20) The Company must within a reasonable period give to each holder of Options notice of any change under (14) to (17) (both inclusive) to the exercise price of any Options held by a holder or the number of Shares for which the holder is entitled to subscribe on exercise of an Option.
- (21) If applicable, the Company will apply to ASX Limited for official quotation of the Shares issued on exercise of the Options.
- (22) If during the currency of any Options and prior to their exercise a takeover bid (within the meaning of the Corporations Act) is made to holders of Shares, then within 14 days after the Company becomes aware of the takeover bid, the Company must forward a notice notifying the holders of Options of the takeover bid and specifying a notice period during which the holder may exercise the Options notwithstanding any other terms and conditions applicable to the Options. If the Options are not exercised within this notice period, the Options may be exercised during the Exercise Period according to their terms of issue.
- (23) If there is, or may be, an acquisition of Shares in the Company pursuant to a scheme of arrangement that is to be implemented in accordance with the Corporations Act, the holder of Options will be entitled to exercise Options held by him or her within the period notified by the Company.
- (24) These terms and the rights and obligations of holders of Options are governed by the laws of Victoria. Each participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria.

6. Risk Factors

6.1. Introduction

- (a) The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.
- (b) There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2. General risks

The following general risks may significantly impact the Company, its performance and the price or value of the Securities:

- economic conditions in Australia and internationally;
- investors' sentiment and share market conditions;
- changes in fiscal and monetary policy by governments;
- changes in taxation and other laws;
- natural disasters;
- war or terrorist attacks;
- opposition of environmental or community groups to the Company's activities;
- changes in commodity prices and foreign exchange rates;
- inability of the Company to obtain any necessary regulatory approvals; and
- availability of credit.

Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

6.3. Specific risks

The following specific risks may significantly impact the Company, its performance and the price of its Shares:

Exploration and development risks

Oil and gas exploration, project development and mining by their nature contain elements of significant risk. The ultimate and continuous success of these activities is dependent on many factors such as:

- (a) the discovery and/or acquisition of economically recoverable oil and gas deposits;
- (b) successful conclusions to bankable feasibility studies;
- (c) access to adequate capital for project development;
- (d) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (e) securing and maintaining title to permits;
- (f) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (g) access to competent operational management, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;
- (h) native title risks; and
- (i) adverse weather conditions over a prolonged period, which can adversely affect exploration and mining operations and the timing of revenues.

Liquid investment

As Advent Energy is an unlisted entity, there is a risk that there won't be a ready market for the Company to sell its Advent Energy shares if it wishes to do so at any time in the future.

Additional funding

Advent Energy will require access to substantial capital to further identify and develop its substantial portfolio of exploration permits. There is no certainty that Advent Energy will have sufficient funding to pursue its exploration activities. Its ability to obtain additional funding will depend upon a number of factors, including the extent of its ability to generate income from activities which it cannot forecast with any certainty.

Commodity and currency price volatility

Commodity prices inherently fluctuate and are affected by numerous factors beyond the Company's control, including world demand for particular commodities, forward selling by producers and the level of production costs in major commodity producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, a commodity. Commodities are principally sold throughout the world in US dollars. The fluctuation of the price of oil (and to a lesser extent gas) could have a significant impact on the value of the investment being considered. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar and/or adverse movements in commodity prices (in particular, oil and/or gas), could have a materially adverse effect on the Company's investment in Advent Energy.

Exploration success

The petroleum permits described in this Offer Document are at various stages of exploration, and potential investors should understand that petroleum exploration and development are high-risk undertakings.

There can be no assurance that exploration of the permits, or any other permits that may be acquired in the future, will result in the discovery of an economic oil and gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Exploration costs are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from any estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's investment in Advent Energy.

Joint venture parties, contractors and agents

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company or Advent Energy may be or may become a party; or insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

Environmental management

Advent Energy's operations are and will be subject to stringent environmental regulation. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and more stringent environmental assessments of proposed projects. Environmental regulations could impact on the viability of Advent's projects. Advent Energy may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible.

Title risks and Native title

Interests in Australian petroleum tenements are governed by the respective State legislation and are evidenced by the granting of permits or licences. Each permit or licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, title to or any interest in the petroleum tenements discussed in this Prospectus could be lost if permit conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to the petroleum tenements that Advent Energy has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and production phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving petroleum tenements in which the Company has or may have an indirect interest.

Operational and technical risks

The current and future operations of the Company's investee entities, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) geological and hydro geological conditions;
- (b) limitations on activities due to seasonal weather patterns and cyclone activity;
- (c) alterations to joint venture programs and budgets;
- (d) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- (e) electrical and mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (f) unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- (g) unavailability of shipping load space to transport product to overseas buyers;
- (h) unavailability of train and/or truck haulage services for the transport of product;
- (i) the supply and cost of skilled labour;
- (j) unexpected shortages or increases in the costs of consumables, diesel fuel, spare parts, plant and equipment; and
- (k) prevention or restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals (including clearance of work programs pursuant to the existing and any

future access agreements entered into with the registered Aboriginal Land Council and the Native Title claimants).

Resource estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when made may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company's investee entities encounter formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans altered in a way which could impact adversely on the Company's investment in those entities.

Access to infrastructure

Advent Energy will require access to processing and gas or liquids transmission facilities, including pipelines, in order to commercially exploit any hydrocarbons discovered. Third-party access to such infrastructure may depend on the level of uncontracted capacity available from time to time. Access to processing plant is likely to depend on the successful negotiation of commercial arrangements with the owner of such plant.

Investment speculative

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus. Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities. Whilst the Directors have between them significant mineral exploration and operational experience, no assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

6.4. Risks associated with the Offer

Value of the Options

The Options that are issued as part of the Offer are issued for no additional consideration but require the Exercise Price to be paid at the time of exercise. If the prevailing trading price of the Company's shares during the Exercise Period is lower than the Exercise Price, then it is likely that the Options will not be exercised. In this case, for investors, the unexercised Options will not have value and will automatically lapse immediately the end of 2 years after the date of grant of the Option.

If the Options are not exercised, or only some of the Options are exercised, then the Company may not receive the proceeds that would otherwise be generated if holders pay the Exercise Price. This possibility may reduce the amount of capital that the Company would receive if all of the Options are exercised on or before the Expiry Date.

6.5. Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Securities pursuant to this Prospectus.

7. Additional information

7.1. Litigation

The Company is involved in litigation disputes that have previously been disclosed to the market. The following table contains a list of all current disputes on foot and their related ASX announcements. As at the date of this Prospectus there were no further claims against the Company or its associates.

Parties to dispute	Current status	ASX Announcements
MEC Resources Limited and BPH Energy Limited	Proceeding to trial through the District Court of Western Australia	<ul style="list-style-type: none"> ▪ 26 February 2018 - BPH Energy - Summary Judgement Application ▪ 8 January 2018 - MEC Resources Ltd - Company Update ▪ 2 October 2017 - BPH: BPH MEC Resources Ltd Dispute update ▪ 1 September 2017 - BPH: MEC Resources Ltd Dispute ▪ 1 September 2017 - Update on Discussions with BPH Energy Ltd
MEC Resources Limited, Trandcorp Pty Ltd and David Breeze	Awaiting categories of discovery	<ul style="list-style-type: none"> ▪ 3 February 2017 - Update on Recovery of Company Property and Data
MEC Resources Limited, Advent Energy Ltd, Asset Energy Pty Ltd and BPH Energy Limited	Awaiting statement of claim from BPH Energy Limited	<ul style="list-style-type: none"> ▪ 13 April 2018 - BPH: MEC Resources Ltd - ASX announcement re Writ update ▪ 4 April 2018 - BPH and GBA Writ of Summons ▪ 4 April 2018 - BPH: MEC Resources Ltd (ASX MMR) Writ Issued ▪ 3 April 2018 - Notices of Demand ▪ 29 March 2018 - BPH: MEC Resources Ltd (ASX MMR) - Notices of Demand ▪ 2 October 2017 - BPH: BPH MMR ASX Notice of Demand
MEC Resources Limited, Advent Energy Ltd and Grandbridge Limited	Security for cost application being lodged against Grandbridge Limited	<ul style="list-style-type: none"> ▪ 13 April 2018 - BPH: MEC Resources Ltd - ASX announcement re Writ update ▪ 4 April 2018 - BPH and GBA Writ of Summons ▪ 4 April 2018 - GBA: MEC Resources Ltd (ASX MMR) Writ Issued ▪ 3 April 2018 - Notices of Demand ▪ 29 March 2018 - GBA: MEC Resources Ltd (ASX MMR) - Notices of Demand

		<ul style="list-style-type: none"> ▪ 25 January 2018 - Update - Grandbridge Ltd Statement of Claim ▪ 24 January 2018 - GBA: Statement of Claim ▪ 3 October 2017 - Grandbridge Ltd - Notices ▪ 2 October 2017 - GBA: MEC Resources Ltd (ASX MMR) Notice of Demand ▪ 13 September 2017 - Update on Dispute with Grandbridge Ltd ▪ 13 September 2017 - GBA: MEC Resources Ltd (ASX MMR) and Advent Energy Writ
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7.2. Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s Securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below. These announcements are also available from ASX at <http://www.asx.com.au> and through the Company's website <http://www.mecresources.com.au>.

Date	Headline
10/05/2018	Suspension from Official Quotation
09/05/2018	Entitlements Issue - Letter to Optionholders
09/05/2018	Entitlements Issue - Letter to Ineligible Shareholders
09/05/2018	Entitlements Issue - Letter to Eligible Shareholders
08/05/2018	Entitlements Offer with Revised Option Terms
07/05/2018	MEC Resources - Entitlements Offer
07/05/2018	Trading Halt
04/05/2018	Advent Energy Ltd - Farmin Agreement Signed
02/05/2018	Extension of Offer - Updated Timetable
30/04/2018	Appendix 4C – quarterly
20/04/2018	Notice of Rights Issue Document
19/04/2018	PEP11 2D Seismic Survey Concluded
16/04/2018	Entitlements Offer - Letter to Option Holders
16/04/2018	Entitlements Offer - Letter to Ineligible Shareholders
16/04/2018	Entitlements Offer - Letter to Eligible Shareholders
16/04/2018	PEP 11 2D Seismic Survey Commenced
13/04/2018	BPH: MEC Resources Ltd - ASX announcement re Writ update
13/04/2018	Non Renounceable Entitlements Offer
13/04/2018	Cleansing Statement
13/04/2018	Appendix 3B
13/04/2018	Reinstatement to Official Quotation

13/04/2018	Unauthorised Communications
13/04/2018	Suspension from Official Quotation
12/04/2018	Advent Energy - PEP 11 2D Seismic Survey On Schedule
09/04/2018	PEP 11 2D Seismic Survey - Mobilisation of Vessel
04/04/2018	Update - BPH and GBA Writ of Summons
04/04/2018	GBA: MEC Resources (ASX MMR) Writ Issued
04/04/2018	BPH: MEC Resources Ltd (ASX MMR) Writ Issued
04/04/2018	Advent Energy - PEP 11 2D Seismic Update
03/04/2018	Advent Energy - EP 386 Title Extension
03/04/2018	Notices of Demand
29/03/2018	PEP11 2D Seismic Update
29/03/2018	GBA: MEC Resources Ltd (ASX MMR) -Notices of Demand
29/03/2018	BPH: MEC ResourcesLtd (ASX MMR)-Notices of demand
21/03/2018	Advent Energy - Exploration Permit 386 Update
27/02/2018	Half Yearly Report and Accounts
26/02/2018	PEP 11 2D Seismic - Mobilisation of Equipment
26/02/2018	BPH Energy - Summary Judgement Application
19/02/2018	Update - PEP 11 Farmin Agreement
15/02/2018	Responses to ASX Queries
15/02/2018	Trading Halt
31/01/2018	MEC Resources Ltd Appendix 4C
25/01/2018	Update - Grandbridge Ltd Statement of Claim
24/01/2018	GBA: Statement of Claim
22/01/2018	MEC Resources Ltd Placement
16/01/2018	Receipt of Notice of intent to remove Directors
16/01/2018	Change of Registered Address
16/01/2018	Becoming a substantial holder
10/01/2018	NOPSEMA APPROVE ENVIRONMENTAL PLAN
08/01/2018	Appendix 3B and Cleansing Statement

08/01/2018	Advent Energy Ltd - PEP 11 Title Extension Granted
08/01/2018	MEC Resources Ltd - Company Update
02/01/2018	Share Placement - Appendix 3B and Cleansing Statement
20/12/2017	Media Correction
19/12/2017	Appendix 3B - Share Issue
14/12/2017	MEC Resources Ltd - Corporate Governance Statement 2017
05/12/2017	Advent Energy - PEP 11 Term Sheet for Farmin
04/12/2017	PEP11 EP Update
24/11/2017	AGM Company Presentation
24/11/2017	Results of Annual General Meeting
23/11/2017	Share Placement - Appendix 3B and Cleansing Notice
23/11/2017	Appendix 3Y
21/11/2017	Change in substantial holding
10/11/2017	Change of Director's Interest Notice
10/11/2017	Appendix 3B - Share Purchase Plan
10/11/2017	Share Purchase Plan - Issue of Shares
07/11/2017	Completion of Share Purchase Plan
01/11/2017	Advent Energy Ltd Secures Debt Funding
01/11/2017	Advent Energy submits revised EP to NOPSEMA
31/10/2017	Appendix 4C – quarterly
27/10/2017	Advent Energy Ltd - EP386 and RL1
24/10/2017	Notice of Annual General Meeting/Proxy Form
20/10/2017	Share Purchase Plan - Extension of Closing Date
12/10/2017	Advent Energy - Exploration Activity Update
06/10/2017	MEC Resources Increases Interest in Advent Energy
03/10/2017	Grandbridge Ltd – Notices
02/10/2017	GBA: MEC Resources Ltd (ASX MMR) Notice of Demand
02/10/2017	BPH: BPH MEC Resources Ltd Dispute update
02/10/2017	BPH: BPH MMR ASX Notice of Demand

Asset Energy

On 4 May 2018, the Company announced that a conditional farmin agreement for the farmin of the Petroleum Exploration Permit 11 by Asset Energy to RL Energy Pty Ltd had been signed. The agreement is subject to the Company, being the ultimate parent entity of Asset Energy, obtaining shareholder approval to the proposed transaction. Such shareholder approval must be sought by 31 July 2018.

Advent Energy

On 3 May 2018, the Company submitted a request to the Venture Capital Board of the Department of Industry, Innovation and Science to consider, on a confidential basis, if the Company could take steps to indirectly increase its investment in Advent Energy.

As the Company does not intend to proceed with any such increase in its investment in Advent Energy at this time, the request was withdrawn on 10 May 2018.

7.3. Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.023	07/02/2018
Lowest	\$0.017	09/04/2018
Last	\$0.019	04/05/2018

7.4. Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Current Shareholding	Entitlement
Goh Hock*	8,486,191	4,243,095

K O Yap*	7,273,035	3,636,517
Heng Yu*	45,000	22,500
Darryl Moore*	666,667	333,333
Deborah Ambrosini	0	0
Matthew Battrick	0	0
Total	9,964,288	4,982,144

* All of the shares are held either by the director or their related entities.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in a general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) accrued remuneration (including consulting fees) owed to both executive and non-executive directors. Since November 2016, all current Directors have agreed to reduce their Director fees to a nominal amount of \$1 per year.

Director	2017	2016
Goh Hock	\$33,328	\$100,000
K O Yap	\$8,332	\$25,000
H Yu (appointed 24 November 2016)	-	-
D Moore (appointed 10 April 2017)	-	-
D Ambrosini	\$79,934	\$50,000
M Battrick (alternate director for D Moore)	-	-
E H Tan (resigned 6 June 2017)	\$8,332	\$25,000
D Breeze (terminated 23 November 2016)	\$38,333	\$115,000
Total	\$168,259	\$315,000

7.5. Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Lander & Rogers has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Lander & Rogers \$12,000 (excluding GST and disbursements) for these services.

7.6. Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section; and
- (c) Lander & Rogers has given its written consent to being named as the solicitors to the Company in this Prospectus. Lander & Rogers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
- (d) Claymore Capital Pty Ltd has given its written consent to being named in this Prospectus. Claymore Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
- (e) Advanced Share Registry Limited has given its written consent to being named in this Prospectus. Advanced Share Registry Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. Advanced Share Registry Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to MEC Resources Limited. Advanced Share Registry Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

7.7. Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$50,000 (excluding GST).

7.8. Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Application Form. If you have not, please phone the Company on +61 8 9245 6187 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://www.mecresources.com.au/>.

The Company reserves the right not to accept an Entitlement and Application Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.9. Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.10. Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share or Option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares and Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11. Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

8. Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Mr Goh Hock
Chairman
For and on behalf of
MEC Resources Limited

9. Glossary

\$ or **dollar** or **cents** are references to Australian currency.

Advent Energy means Advent Energy Ltd (ACN 109 955 400).

AEST means Australian Eastern Standard Time.

Applicant means a person who submits an Application.

Application means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application Form means an Entitlement and Acceptance Form.

Application Monies means the aggregate amount payable for the Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY calculated as \$0.018 multiplied by the number of Shares applied for.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to it in the Listing Rules.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

CHESS means the Clearing House Electronic Sub-Register System which is operated by a subsidiary of ASX.

Claymore means Claymore Capital Pty Ltd (AFSL 261076).

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means MEC Resources Limited (ACN 113 900 020).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder holding Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Exercise Price means \$0.04.

Ineligible Shareholder means a Shareholder with a registered address outside Australia or New Zealand as at the Record Date.

Offer means the non-renounceable entitlement offer the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an Option issued on the terms set out in section 5.2 of this Prospectus.

Optionholder means a holder of an Option.

Original Prospectus means the prospectus lodged with ASIC and ASX on 8 May 2018 that has been replaced with this prospectus.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Securities means Shares and Options offered pursuant to the Offer.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares and Options not applied for under the Offer (if any).

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 3.7 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.