



2 July 2018

Companies Announcements Office
ASX Limited
10th Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

PEP11 FARMIN AGREEMENT & NOTICE OF MEETING

MEC Resources Ltd (“**MEC**” or the “**Company**”) announced on 4 May 2018 that a conditional farmin agreement to PEP 11 had been signed by Asset Energy Pty Ltd (100% owned subsidiary of Advent Energy Ltd) and RL Energy Pty Ltd (“**RL Energy**”). The conditional agreement between Asset Energy and RL Energy provides for RL Energy to acquire 3D seismic data to meet the future 500km² PEP11 permit work commitment (inclusive of acquisition, processing and interpretation), by carrying Asset Energy’s participating interest share of these costs up to a capped amount of \$4 million.

The Company is now pleased to provide shareholders the opportunity to consider the benefits of this exploration activity in PEP11, via today’s Notice of Meeting. In accordance with Listing Rule 10.1 the Notice of Meeting includes an Independent Experts Report (“**IER**”) which has been obtained to assess the fairness and reasonableness of the transaction to MEC shareholders. **The transaction has been independently verified as fair and reasonable.**

Although shareholder approval is still to be obtained, the Company is pleased to report that Asset Energy and RL Energy are currently liaising with the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) to prepare a suitable environment plan for planned 3D seismic work under the farmin agreement for assessment by NOPSEMA. In accordance with the terms of the farmin agreement, RL Energy has already commenced preparation of this critical document.

The Directors of MEC strongly recommend shareholders support the farmin to PEP11 by RL Energy. This transaction will provide the much needed exploration activities in PEP11 to be progressed at an expedited manner with a view to potentially discovering and producing commercial quantities of natural gas for the east coast gas market.

In response to recent comments by the Shareholder Interest Group (“SIG”) who questioned why MEC did not hold the forthcoming extraordinary general meeting to consider replacement of the Board of MEC with this meeting, MEC confirms that it provided advice to the SIG that the two meetings could not be held together as the IER, which is compulsory for this meeting, could not be prepared in time to meet the strict timetable of their requisitioned meeting. The SIG had the opportunity to reissue their S249D notice but declined to do so causing the Company to incur additional costs in holding two meetings within a short period of time.

We encourage shareholders to contact the Company should they wish to discuss the planned farmout transaction.

Yours sincerely,

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

Goh Hock
Chairman

MEC Resources Ltd

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