



16 February, 2017

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

via e-lodgement

Dear Sir/Madam

EXTRAORDINARY GENERAL MEETING CHAIRMAN'S ADDRESS AND PRESENTATION

MEC Resources Ltd (ACN 113 900 020) (**Company**) (ASX: MMR) is pleased to provide a copy of the Chairman's address and presentation made at the Extraordinary General Meeting today the 16th February, 2017.

A copy of the presentation is attached.

Final results of the EGM will be announced following the meeting.

Yours faithfully

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

Mr Goh Hock
Chairman

MEC Resources Ltd

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EXTRAORDINARY GENERAL MEETING CHAIRMAN'S ADDRESS

"Ladies and gentlemen,

Welcome to the first Extraordinary General Meeting in MEC's history. My name is Hock Goh and I am the Chairman of MEC.

At the outset, I would like to note that, given the sensitive nature of the circumstances leading up to the holding of this meeting, and the matters to be considered at it, this meeting will be recorded.

We are gathered here today because of a request from three of our shareholders, comprising Mr David Breeze and two companies associated with him - Grandbridge Limited (**GBA**) and Trandcorp Pty Ltd (**Trandcorp**). These shareholders have called for an EGM to appoint three new directors, who have been nominated by Mr Breeze and the other requisitioning shareholders.

You will also be aware that Mr Breeze and those connected companies have called for another EGM on 9 March, where they have requested resolutions for the removal of each of the current directors of your Company.

The business of this meeting, however, is to consider the appointment of the three individuals nominated by Mr Breeze and the other requisitioning shareholders. Your current board does not consider that these proposed directors should be appointed to the board, and have concerns that this is the first step in Mr. Breeze attempting to take operational control of your Company.

Before I move onto the key reasons for our view, I wanted to give a brief update on some of the actions your current directors have taken to rebuild your company following Mr Breeze's termination as managing director.

Since Mr Breeze's termination, your current Board has supported Advent Energy Pty Ltd (**Advent Energy**), a company in which your Company has invested, in engaging Mr. Matthew Battrick to conduct a strategic review of its petroleum assets. This was instigated to provide a rapid, efficient and independent view of these assets to assist in guiding the company's strategic direction in lieu of the view that Mr. Breeze had previously provided the Board as Managing Director over many years.

Mr. Battrick is a seasoned geologist with Australian and international experience in onshore and offshore conventional and unconventional oil and gas exploration, development and production. His years as CEO and Managing Director of ASX listed entities, coupled with his technical knowledge and network connections provides an

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excellent and appropriately qualified independent perspective upon which the Company can consider the future of its assets.

I will now pass over to Mr Battrick to give you a progress report.

The strategic review demonstrated that the PEP11 asset, whilst located supremely immediately offshore the major gas market of the Sydney-Newcastle area, is a very challenging asset for a junior oil and gas company to explore. There are very few examples of junior oil and gas companies holding such a large interest in an offshore 'frontier' type exploration asset and successfully operating and exploiting it. This is due to the considerable financial and technical resources that offshore oil and gas exploration demands. Shareholders have made it very clear that the PEP11 asset is predominantly their primary basis for being shareholders of MEC Resources. The Company has listened.

The strategic review advised that the quality of the existing 2D data is technically insufficient to de-risk the multi-trillion cubic feet prospects sufficiently to attract suitable investment partners to drill test these exciting gas targets. Thus, should the PEP11 title be explored effectively in future, then the company needs to expedite a quality 3D seismic survey over the main gas prospects and potentially extend further to increase the portfolio of drilling targets. Without improved data quality the PEP11 title may remain untested for commercially recoverable gas resources.

In regards to the EP386 and RL1 assets in the onshore Bonaparte Basin, Advent Energy holds 100% of these titles in the north of WA/NT. Importantly, the WA, NT and Federal governments have all committed to investing into critical road infrastructure in this region. This will directly benefit the potential commercialisation of Advent Energy's resources in this developing region.

The strategic review recommended new interventions in the Waggon Creek-1, Vienta-1 and Weaber-4 wells (which are currently cased and suspended for future potential production). Pending review of the integrity of the wells (they are about 20 years old), stimulation of the reservoirs using modern techniques is considered beneficial in potentially achieving stable commercial gas flow rates. In addition, an untested oil leg towards the base of the Waggon Creek-1 well may provide commercial upside with rapid potential monetisation opportunity. Stable commercial gas flow rates are considered critical to achieve should these resources ever be economically produced.

I will hand you back to MMR Chairman Mr. Goh Hock.

MEC appreciates the review provided by Mr. Battrick to date for Advent Energy's petroleum titles. He has since been highly active on behalf of Advent Energy in commencing procurement of suitable service providers to potentially undertake works required in each of the petroleum titles, and technically marketing the assets to prospective investment partners. We look forward to providing the market with further updates on these activities as progress is made.

Since Mr Breeze's termination, your company's ties with GBA (one of the requisitioners of this meeting and a company of which Mr Breeze is chairman and managing director) have

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been severed, thus saving your company a significant amount of valuable cash resources over the last 3 months.

Further, I would like to also again confirm that no Board members other than Mr Breeze have taken any board fees over the last three years. These were being accrued to conserve cash for the Company and since Mr Breeze's termination Board fees are no longer being accrued. The current directors are providing their director services to the Company for a nominal fee of \$1. Your Directors are 100% committed to your Company.

Moving on to the proposed resolutions for appointment of the nominated directors, we have three key concerns which lead us to believe the proposed directors will not create significant shareholder value and should not be appointed to the board.

First, we have concerns regarding the links between certain of the proposed directors and other companies associated with Mr Breeze. Two of the three nominee directors - Mr Tom Fontaine and Mr Greg Gilbert - presently serve as board members of BPH, a company whose chairman is Mr Breeze. Your board considers that MEC's historical cross-ownerships with, loans to, and receipt of services from, other entities associated with Mr Breeze have affected MEC's attraction to prospective investors. We consider that the appointment of these additional directors, with their links to Mr Breeze and other companies associated with him, has the potential to exacerbate this issue.

Secondly, your current board considers that the proposed directors do not have the requisite skills to complement the existing board and management of the company. Your company does not need nor cannot financially sustain seven board members.

Thirdly, and perhaps most importantly, neither the proposed directors nor the requisitioning shareholders have set out any clear and actionable strategy that they can reasonably implement for the creation of shareholder value in your company. In those circumstances, we have concerns that the strategy will revert to that previously undertaken by Mr Breeze, which has not generated shareholder value over previous years and which has made it difficult to attract new investors to your company.

Many shareholders received inaccurate statements made by Mr Breeze about the current members of the Board.

For example, the statement was made by Mr. Breeze that I have a conflict of interest as I am also a non-executive director at Santos Limited, one of Australia's largest oil and gas company.

However, at the time of my appointment to Santos, Mr. Breeze was so supportive that on behalf of your Company he made an announcement of my appointment to Santos on the ASX in 2014. In any case, if this genuinely was an issue to Mr Breeze, it is reasonable to ask why he had never voiced this concern at previous board meetings during his tenure as your Company's Managing Director.

Many shareholders have reached out to us to verify this and other perplexing claims after receiving telephone calls from Mr Breeze. Some shareholders even called us to request that we ask him to stop calling them. Mr Breeze called one shareholder seven times trying

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to get voting support for the resolutions he's proposed. I thank you all for bringing these to our notice.

Upon being terminated as the Managing Director of your Company, Mr Breeze (and his associated companies Trandcorp and GBA) was obliged to deliver up *all* Company property and information including access to and use of shareholders' contact information. Mr. Breeze (and Trandcorp and GBA) failed to do so despite numerous requests and effort resulting in your Company incurring legal expenses and ultimately commencing proceedings in the Supreme Court of Western Australia to recover your Company's material and data. Your Company is still awaiting the return of material utilised for its daily operations.

For the above reasons, your board recommends that you vote against the resolutions to be considered here today. Given the sensitive nature of the resolutions shareholders are to vote upon, I am calling for these to each be voted upon by way of a poll.

Thank you"

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MEC RESOURCES LTD

(ASX: MMR)

EXTRAORDINARY GENERAL MEETING

16 FEBRUARY 2017

CORPORATE SNAPSHOT



44.29%

Pooled Development Fund
(1 of 6 ASX listed PDFs)

- Capital gains tax free investing and dividends for most shareholders
- 15% Company tax rate
- Can invest up to 30% of shareholder funds in any one investee
- Minimum initial investment must be >10% of investee
- Maximum value of investee at initial investment must be <\$50m



100%

100%

Asset Energy P/L
PEP11 (85%, Operator)
Offshore Sydney Basin

Onshore Energy P/L
EP386 & RL1 (100%, Operator)
Onshore Bonaparte Basin

As of 14 February 2017

Capital Structure

Shares (ASX: MMR)	- 200.0M
Share Price	- \$0.027
Market Cap	- \$5.4M

Shareholders

Robert Healy	- 5.93%
David Breeze & associates (+ Grandbridge, Trandcorp)	- 12.67%
Goh Hock	- 2.54%
KO Yap	- 2.44%

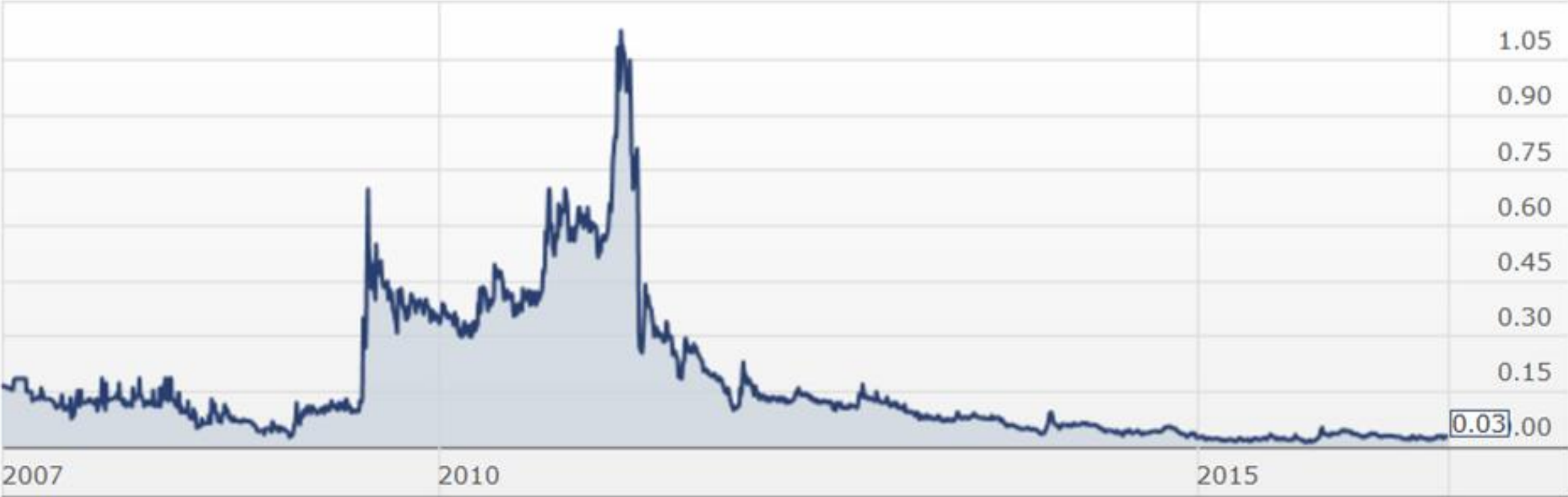
Directors

Mr Goh Hock (Chairman)
Ms Deborah Ambrosini (Co Sec/CFO/Director)
Mr K O Yap (Non-executive Director)
Mr Heng Yu (Non-executive Director)

MMR Share Price over the last 10 years

Feb 09, 2007 - Feb 08, 2017 Daily 1 D 5 D 1 Mth 3 Mth YTD 1 Yr 3 Yr 5 Yr 10 Yr Max Reset

Feb 09, 2007 - Feb 08, 2017 ● MMR



BPH Share Price over the last 10 years

Feb 09, 2007 - Feb 08, 2017 Daily 1 D 5 D 1 Mth 3 Mth YTD 1 Yr 3 Yr 5 Yr **10 Yr** Max Reset

Feb 09, 2007 - Feb 08, 2017 ● BPH



Strategic Summary: Parallel Pathways To Success

Matthew Battrick

EP386/RL1 onshore Bonaparte Basin (Advent 100%WI)

- ▶ Intervene in existing well bores to deliver commercially viable gas production:
 - ▶ Secure development title to all discoveries and upside exploration potential.
 - ▶ Design, plan and fund a 3-well testing program across the three gas discoveries.
- ▶ Deploy innovative stimulation techniques to deliver sustainable gas flow rates:
 - ▶ Potential oil/liquids recovery provides additional value opportunity.

PEP11, offshore Sydney Basin (Advent 85%WI, Bounty 15%WI)

- ▶ Explore for cheap, accessible, conventional offshore gas to fill looming east coast (Sydney) supply deficit:
 - ▶ Complete current seismic work commitment /maintain title to key exploration targets for drilling.
- ▶ Bring forward 3D seismic survey work commitment to de-risk the Fish-Baleen Prospect trend.
 - ▶ Deliver “drill-ready” gas prospect to ‘market’ as soon as planning process, funding and execution allow.
 - ▶ Consider partnering with financially and technically competent operator/contractor.

Key Next Steps: Activities and Estimated Cost

Matthew Battrick

EP386/RL1 onshore Bonaparte Basin (Advent 100%WI)

- ▶ Wellbore Intervention and Stimulation Program:
 - ▶ A\$0.5 million title administration and design/planning/approval process.
 - ▶ A\$2.0 million for contiguous 3-well intervention/testing/stimulation program.
 - ▶ Potential oil/liquids export could provide early revenue stream.

PEP11, offshore Sydney Basin (Advent 85%WI, Bounty 15%WI)

- ▶ Explore for cheap, accessible, conventional offshore gas to fill looming east coast (Sydney) supply deficit:
 - ▶ A\$0.5 million for current work commitment (seismic/seabed studies) to maintain title over key exploration targets.
 - ▶ A\$3.0 – 5.0 million for 3D seismic survey to deliver “drill-ready” prospect to ‘market’.

Results of Voting as of 2PM Tuesday 14th February

Resolution	Total # Holders with Valid Vote	# Holders Voting FOR	Total Votes FOR	# Holders voting AGAINST	Total Votes AGAINST	# Holders ABSTAINED	Total Votes ABSTAINED	Total # of holdings open to proxies	Open & Usable at direction of CHAIR	Open & Usable at direction of OTHERS	Total Valid Votes received
1	409	66	48,429,792	303	58,254,744	2	82,000	38	5,074,932	206,563	111,966,031
			43.25%		52.03%				4.53%	0.18%	
2	409	66	48,429,792	301	58,251,967	3	83,000	39	5,074,932	206,563	111,965,031
			43.25%		52.03%				4.53%	0.18%	
3	409	66	48,429,792	302	58,252,967	2	82,000	39	5,074,932	206,563	111,966,031
			43.25%		52.03%				4.53%	0.18%	

Recommended Voting

Section in NOM	Resolution	Recommended Vote
Section 4	<p>Resolution 1 – Appointment of Mr Thomas Fontaine as a Director</p> <p>The Board considers that Mr Fontaine’s association with investee company BPH Energy makes him non-independent.</p>	AGAINST
Section 5	<p>Resolution 2 – Appointment of Mr Anthony Huston as a Director</p> <p>The Board considers there is a conflict of interest between Mr Huston and his representation of reservoir stimulation technology and Advent Energy’s proposed work programme.</p>	AGAINST
Section 6	<p>Resolution 3 – Appointment of Mr Gregory Gilbert as a Director</p> <p>The Board considers that Mr Gilbert’s association with investee company BPH Energy makes him non-independent. To the Board’s knowledge, Mr Gilbert has no experience in energy and resources investment.</p>	AGAINST