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Companies Announcement Office  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

### **ADVENT SIGNS LETTER OF INTENT FOR GAS SUPPLY**

MEC Resources Limited (ASX:MMR) is pleased to advise that investee Advent Energy Limited ("Advent") has signed a Letter Of Intent ("LOI") with Northern Minerals (ASX: NTU) for the potential future supply of gas to their Browns Range heavy rare earth element project in north-eastern Western Australia.

Advent's major shareholders remain MEC Resources (ASX: MMR), BPH Energy (ASX: BPH), Talbot Group and Grandbridge (ASX: GBA).

The non-binding LOI provides an initial framework for discussion, information sharing and negotiation towards a possible gas supply agreement.

Commenting on the LOI, Advent's Executive Director David Breeze stated:

"This is an excellent development for Advent and its key onshore Bonaparte Basin assets EP386 and RL1 in the drive for their commercialisation. Partnership with a nearby heavy rare earths project of global significance demonstrates an exciting future for the shareholders of both parties. We look forward to working towards an objective that will have considerable benefits to both Advent and Northern Minerals."

A 2C Contingent Resource of 11.5 Bcf (1C is 0.3 Bcf and 3C is 45.8 Bcf) for the Weaber Gas Field (RL1) has been assessed by an independent third party as a component of Advent's drive to commercialise its 100% owned onshore Bonaparte Basin assets. Included in these assets in EP386 recoverable resource estimates range from 53.3 Bcf (Low) to 1,326.3 Bcf (High) of Prospective Resources, with a Best Estimate of 355.9 Bcf of gas. The rapid development of the Kununurra region in northern Western Australia, including the Ord Irrigation Expansion Project and numerous resource projects, provides an exceptional opportunity for Advent to potentially develop its nearby gas resources for the benefit of the region along with Advent and its shareholders.

New market studies have identified a current market demand of up to 30.8 TJ per day of power generation capacity across the Kimberley region that could potentially be supplied by Advent's conventional gas projects in EP386 and RL1. In addition, the Federal Government's White Paper on Developing Northern Australia described an estimated increase in electricity consumption of 52 per cent by 2018 for northern Western Australia.

The *Northern Australia Infrastructure Facility Bill 2016* provides great confidence for an ongoing expansion of the east Kimberley region. The Commonwealth Government is providing a new \$5 billion Northern Australian Infrastructure Facility to provide concessional loans for the construction of major infrastructure such as ports, roads, rail, pipelines, electricity and water supply. This will greatly assist Advent in further market development and potential reduced costs through the government funded infrastructure developments that may improve roads and ports in the vicinity of Advent's EP386 and RL1 resources.

#### **About Northern Minerals**

Northern Minerals is focussed on the delivery of the heavy rare earth element dysprosium. The company has a large landholding in Western Australia and the Northern Territory that is highly prospective for this element. Through the development of its flagship project, the Browns Range Project, Northern Minerals aims to be the first significant world producer of dysprosium outside of China.

Yours sincerely,



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**About MEC Resources**

ASX listed MEC Resources (ASX: MMR) invests into exploration companies targeting potentially large energy and mineral resources. The Company has been registered by the Australian Federal Government as a Pooled Development Fund enabling most MEC shareholders to receive tax free capital gains on their shares and tax free dividends.

**About Advent Energy**

Advent Energy Ltd is an unlisted oil and gas exploration company held by major shareholders MEC Resources (ASX: MMR), BPH Energy (ASX: BPH), Grandbridge (ASX: GBA) and Talbot Group Investments. Advent holds a strong portfolio of near term development and exploration assets spanning highly prospective acreage onshore and offshore Australia in proven petroleum basins. Advent Energy's asset base also incorporates both conventional and unconventional petroleum targets.

*Notes: In accordance with ASX listing requirements, the geological information supplied in this report has been based on information provided by geologists who have had in excess of five years' experience in their field of activity. MEC is an exploration investment company and relies on the resource and ore reserve statements compiled by the companies in which it invests. All Mineral Resource and Reserve Statements have been previously published by the companies concerned. Summary data has been used. Unless otherwise stated all resource and reserve reporting complies with the relevant standards. Resources quoted in this report equal 100% of the resource and may not represent MEC's investees' equity share.*

**MEC Resources Ltd**

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