



24 May, 2017

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

via e-lodgement

Dear Sir/Madam

RE: AUSINDUSTRY POOLED DEVELOPMENT FUND EXEMPTION GRANTED

MEC Resources Limited ACN 113 900 020 (ASX: MMR) (**Company**) is pleased to advise its Shareholders that the Venture Capital Board of Innovation and Science Australia has granted a further two year exemption to the Company under Section 25 of the *Pooled Development Funds Act 1992* (Cth) (**Act**).

As described by the Company in an announcement made to the ASX on 16 May 2017, a Pooled Development Fund (PDF), of which MEC Resources Ltd is one of six ASX listed PDFs, may only invest 30% of its shareholder funds in any particular investee (**30% restriction**). Innovation and venture capital programmes delivered by AusIndustry under the Act are administered by the Venture Capital Board of Innovation and Science Australia (formerly Innovation Australia).

On 24 March 2017 the Company lodged a request for a further extension of the current exemption which was due to expire on 5 August 2017. This request for a further two year exemption has now been granted and will be valid until 5 August 2019.

This exemption provides the Company the freedom to invest a further \$1.5M into Advent Energy Limited (**Advent**) in excess of the 30% cap during the exemption period. This may assist Advent in performing the planned 2D seismic survey within PEP11, offshore Sydney Basin, and the proposed well intervention program in EP386 and RL1 in the onshore Bonaparte Basin.

The Company's investment in Advent is currently less than 30% of shareholder funds and the Company has not yet utilised the exemption.

The Company will ensure it remains in compliance with the Act and approvals from the Venture Capital Board, and has no intention of putting the Company's PDF status at risk.

We welcome your questions regarding the Company. If you have any questions please do not hesitate to contact the Company on 08 9245 6187 or info@mecresources.com.au.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Goh Hock', with a long horizontal stroke extending to the right.

Mr Goh Hock
Chairman

MEC Resources Ltd

ACN 113 900 020

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