



16 May 2018

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

Dear Sir/Madam,

2D SEISMIC PROCESSING AND PEP11 FARMIN AGREEMENT

Update on 2D Seismic Data Processing

MEC Resources Ltd (ASX: MMR) (“**the Company**” or “**MEC**”) is pleased to provide an update on the processing of the 2D seismic data recently obtained in Petroleum Exploration Permit 11 (“**PEP11**”). Processing has commenced and is due to be completed within the third quarter 2018. Interpretation and integration with the existing dataset will then be undertaken.

The processing is being performed by an Australian specialist geophysicist group, and will provide imaging of the shallow geology for future potential well construction purposes. The Company will update the market upon any material developments through the processing and interpretation of this data.

PEP 11 Farmin Agreement

MEC Resources Ltd announced on 4 May 2018 that a conditional farmin agreement to PEP 11 had been signed by Asset Energy Pty 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.

Asset Energy Pty Ltd (“**Asset Energy**”) is a wholly owned subsidiary of MEC investee Advent Energy Ltd, and is presently the Operator of PEP11.

This announcement clarifies that upon completion of the 3D survey as contemplated by the farmin agreement, Asset Energy will hold at least 25%, RL Energy will hold up to 60% and Bounty Oil and Gas NL will hold 15% of PEP11. As advised previously to the ASX, MEC shareholders will be provided the opportunity to vote on their acceptance of this farmin agreement upon distribution of appropriate material to shareholders in the near future. This will be in the form of a notice of meeting inclusive of an independent expert report assessing the PEP11 title and the nature of the farmin agreement.

Yours Sincerely

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

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 6006

T: +61 8 9245 6187 F: +61 8 9200 6193

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