



7 February 2019

Companies Announcements Office  
ASX Limited  
10<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

### PEP11 FARMIN AGREEMENT

MEC Resources Ltd (ASX: MMR) (“**the Company**” or “**MEC**”) hereby provides an update on the conditional farmin agreement to Petroleum Exploration Permit 11 (“**PEP11**”) between by Asset Energy Pty Ltd and RL Energy Pty Ltd (“**RL Energy**”), as originally announced to the ASX on the 4<sup>th</sup> May 2018.

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

The conditional agreement between Asset Energy and RL Energy provides for RL Energy to acquire 3D seismic data to meet the future 500km<sup>2</sup> 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 as previously announced.

Further to the announcement released 19 November 2018, Saccasco Ltd had acquired an option to purchase RL Energy.

The Company now understands that Saccasco Ltd has chosen not to proceed with this option, citing regulatory approvals challenges and joint venture complexity.

Whilst the Company is disappointed in this development, it is committed to supporting Asset Energy and farmin partner RL Energy to achieve the 3D seismic survey in PEP11. MEC notes the successful seismic survey undertaken in PEP11 in 2018 and the extension granted to the term of PEP11 to February 2021 to enable further exploration works to be undertaken. Furthermore, Asset Energy is working closely with Bounty Oil and Gas NL to facilitate the remedy of outstanding matters as previously described in the release to the ASX dated 15<sup>th</sup> October 2018.

The Company is pleased to advise that the environmental planning process is being developed with planning for over 1,000 square kilometres of 3D seismic data acquisition, over twice the minimum area considered by the farmin agreement with RL Energy and far exceeding the future work commitment of PEP11. The benefits of additional data acquisition include the potential for interpreting additional natural gas resources to those previously identified.

Asset Energy looks forward to further milestones being achieved in the near term to enable the 3D seismic survey to be undertaken in PEP11 by RL Energy as early as possible.

Yours Sincerely

A handwritten signature in blue ink, appearing to read "D Ambrosini".

Deborah Ambrosini  
Managing Director

**MEC Resources Ltd**

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