

MEC RESOURCES LIMITED
ACN 113 900 020

Prospectus

FOR A 1 FOR 1 PRO-RATA NON-RENOUNCEABLE RIGHTS OFFER OF NEW FULLY PAID ORDINARY SHARES AT AN ISSUE PRICE OF \$0.005 PER SHARE (OFFER).

THE OFFER CLOSURES AT 5:00 PM (AUSTRALIAN EASTERN STANDARD TIME) ON 3 MAY 2019 (SUBJECT TO THE COMPANY'S RIGHT TO VARY THIS DATE). VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your professional advisor, stockbroker, solicitor, banker, financial advisor or accountant as soon as possible.

An investment in the Company, including the New Shares offered by this Prospectus, should be considered speculative.

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1. Timetable

Event	Date
Lodgement of Prospectus with ASIC Lodgement of Prospectus and Appendix 3B with ASX	9 April 2019
Letter to Shareholders	10 April 2019
Existing Shares quoted on "ex" basis	11 April 2019
Record date to determine entitlements under the Prospectus (Record Date)	12 April 2019
Prospectus and Entitlement and Acceptance Form dispatched to eligible shareholders (Opening Date)	17 April 2019
Final date and time for receipt of acceptance and payment in full (Closing Date)	3 May 2019
New Shares quoted on a deferred settlement basis	6 May 2019
Company to notify ASX of under subscriptions	6 May 2019
Allotment of New Shares (Issue Date)	7 May 2019
Deferred settlement trading ends	7 May 2019
Dispatch of transaction confirmation statements (holding statements)	7 May 2019
Date of quotation of New Shares issued under the Offer	8 May 2019

* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such, the date the New Shares are expected to commence trading on ASX may vary.

2. Important notes

This Prospectus is dated 9 April 2019 and a copy was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

ASIC and ASX and their respective officers take no responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Shares the subject of this Prospectus should be considered highly speculative.

Applications for New Shares offered pursuant to this Prospectus can only be submitted on an Entitlement and Acceptance Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. This Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.1. Eligibility to participate in the Offer

An Entitlement and Acceptance Form will be forwarded to all Eligible Shareholders. An application for New Shares under the terms of this Offer can only be made by an Eligible Shareholder on an Entitlement and Acceptance Form. Each Entitlement and Acceptance Form sets out the Entitlement for an Eligible Shareholder to participate in the Offer. Applications for Shortfall Shares can be made as set out in Section 3.

Shareholders with a registered address outside of Australia or New Zealand should be aware that, due to the number of Shareholders in those places, the number and value of the New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places, it is not practical for the Company to comply with the securities laws for foreign jurisdictions. Therefore, the Offer does not, and is not intended to, constitute an offer in any jurisdiction outside of Australia and New Zealand. This Prospectus does not constitute an offer in any place or to any person to whom it would not be lawful to make such an offer.

2.2. Risk factors

Potential investors should be aware that subscribing for New Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

2.3. Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

3. Details of the Offer

3.1. The Offer

The Offer is a 1 for 1 pro-rata non-renounceable rights offer at \$0.005 per Share, to raise up to \$1,709,340 (before the costs of the Offer and ignoring the treatment of fractional entitlements). The Offer is open to Eligible Shareholders being those Shareholders who have a registered address in Australia or New Zealand at the Record Date.

All of the New Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the New Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 4.1 of this Prospectus.

3.2. Minimum subscription

There is no minimum subscription under the Offer.

3.3. Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. In determining entitlements, any fractional entitlement will be rounded down to the nearest whole number.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full and apply for additional New Shares which may be available if not all Shareholders accept their Entitlement in full:
 - (i) pay the amount determined by multiplying the number of New Shares you wish to apply for (including your Entitlement) by the issue price of \$0.005 via BPAY using the BPAY biller code and personalised reference number indicated on the Entitlement and Acceptance form so that the funds are received before 5.00pm (AEST) on the Closing Date; or
 - (ii) complete the Entitlement and Acceptance form, including one of the boxes affording the opportunity to apply for additional New Shares in excess of your Entitlement and attach your cheque for the appropriate Application Monies (at \$0.005 per Share) so that it is received before 5.00pm (AEST) on the Closing Date.
- (b) if you wish to accept your Entitlement in full:
 - (i) pay the full amount of your Entitlement (as indicated on your Entitlement and Acceptance Form) via BPAY using the BPAY biller code and personalised reference number indicated so that the funds are received before 5.00pm (AEST) on the Closing Date; or
 - (ii) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the full amount indicated in your Entitlement and Acceptance Form so that it is received before 5.00pm (AEST) on the Closing Date;
- (c) if you only wish to accept part of your Entitlement:
 - (i) pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY using the BPAY biller code and personalised reference number indicated so that the funds are received before 5.00pm (AEST) on the Closing Date; or
 - (ii) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies (at \$0.005 per Share) so that it is received before 5.00pm (AEST) on the Closing Date; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything, however your existing interest in the Company will be diluted.

3.4. Payment by cheque/bank draft

Payment by cheque, bank cheque or money order must be made as follows:

- complete your personalised Entitlement and Acceptance Form;
- attach your payment of Application Monies which must be drawn on an Australian Bank, Australian branch of a financial institution or by money order and be made payable in Australian currency;
- address the cheque, bank cheque or money order to 'MEC Resources Limited' and mark it 'Not Negotiable'; and
- return the completed Entitlement and Acceptance Form and payment so that it is received by no later than 5.00pm (AEST) on the Closing Date to:

MEC Resources Ltd
C/- Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

Cash payments will not be accepted. Receipts for payments will not be issued. Neither the Share Registry nor the Company accept any responsibility if Applicants do not follow the instructions above.

If the amount of Application Monies provided is insufficient to pay in full for the number of New Shares applied for (or the full Entitlement in the case of payment by BPAY) then the Applicant will be regarded as having applied for such whole number of New Shares as is covered in full by the Application Monies provided. Alternatively, the Company may in its discretion reject the Application, in which case the Application Monies will be refunded without interest.

3.5. Payment by BPAY®

To pay by BPAY Eligible Shareholders must make their payment using the Biller Code and Customer Reference Number set out in their personalised Entitlement and Acceptance Form.

An Eligible Shareholder with multiple holdings will have multiple BPAY reference numbers. To ensure you receive your Entitlement in respect of a particular holding, you must use the Customer Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

Eligible Shareholders making payment via BPAY do not need to complete and return their personalised Entitlement and Acceptance Form, however, by making any payment by BPAY, Applicants will be taken to have made the declarations on the Entitlement and Acceptance Form.

Applicants must be aware that their own financial institutions may impose earlier processing cut-off times for electronic payments. It is the responsibility of Applicants to ensure that payment is submitted through BPAY with sufficient time so that it is received before the close of the Offer.

3.6. Underwriting

The Offer is not underwritten.

3.7. Shortfall Offer

The Shortfall Shares will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any Shortfall in subscriptions.

If there is any Shortfall, the Shortfall Shares will be allocated to Eligible Shareholders who have applied for Shortfall Shares, subject to the terms set out below.

If the Company receives applications for Shortfall Shares that would result in the Offer being oversubscribed, then the Company will not accept such oversubscriptions and will reject or scale back applications for Shortfall Shares at its discretion.

The Directors reserve the right to issue the Shortfall Shares in their discretion. Any Shortfall Shares so issued will be issued within three months after the Closing Date and will be issued at a price that is not less than \$0.005 per Share, being the issue price of the New Shares under the Offer.

The Company will not issue Shortfall Shares where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act. Eligible Shareholders wishing to apply for Shortfall Shares must consider whether the issue of the Shortfall Shares applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.

The Directors reserve the right to reject any application for Shortfall Shares or to allot a lesser number of Shortfall Shares than applied for. Application Monies received but not applied towards subscriptions for Shortfall Shares will be refunded as soon as practicable. No interest will be paid on Application Monies held and returned.

To the extent any Shortfall remains after allocation to Eligible Shareholders who have applied for the Shortfall Shares, the Company will use its best endeavours to place those remaining Shortfall Shares.

No related party of the Company (including Directors and their Associates) is permitted to participate in the placement of any Shortfall Shares.

3.8. ASX listing

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the New Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by ASIC), the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.9. Issue

New Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shortfall Shares issued pursuant to the Shortfall Offer may be issued on a progressive basis within three months after the Closing Date. Where the number of New Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the New Shares, Shortfall Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.10. Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2016.

Shareholders resident in Australia or New Zealand holding New Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance

Form (or payment via BPAY) will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3.11. Enquiries

Any questions concerning the Offer should be directed to Deborah Ambrosini at MEC Resources Limited on +618 9245 6187.

4. Purpose and Effect of the Offer

4.1. Purpose of the Offer

Funds raised under the Offer may be used primarily:

- to expand and diversify the Company's asset base in accordance with its approved investment mandate, and/or as modified from time to time following any necessary approval from AusIndustry, ASX or Shareholders;
- to support MEC investee, Advent Energy, in any additional costs it may incur toward planned exploration works within its petroleum titles; and
- for working capital purposes.

An indicative break down of the use of the funds raised from the Offer in each of the following scenarios is as follows:

Proposed use of funds	Assuming 25% Subscription (\$)	Assuming 50% Subscription (\$)	Assuming 75% Subscription (\$)	Assuming Full Subscription (\$)
Asset base expansion	100,000	300,000	450,000	700,000
Advent Energy PEP 11 – 3D Seismic EP386 / RL1 – Exploration/Appraisal	125,000	300,000	450,000	600,000
Working capital	153,635	205,970	333,305	360,640
Cost of Issue	48,700	48,700	48,700	48,700
Total	\$ 427,335	\$854,670	\$1,282,005	\$1,709,340

Note: the use of funds as listed above is indicative only and is subject to change by the Directors in their discretion having regard to other any factors which may impact on the how the funds will best be applied for the Company's business.

New Investments

MEC Resources Ltd is an ASX listed Pooled Development Fund (**PDF**). Under the PDF Act, MEC has the benefit of a reduced corporate tax rate (15%), and most shareholders receive capital gains tax-free investing and tax free dividends. *For full tax implications of the Pooled Development Fund Act and your shareholding please consult with the Australian Taxation Office and/or your professional adviser before making any investment decision.* The board of MEC is committed to maximising the effectiveness of its PDF status for the benefit of the Company and its shareholders.

MEC's current major investment lies in Advent Energy Ltd, an Australian public but unlisted petroleum explorer with exciting assets adjacent to the Australian east coast and in northern Australia, with excellent proximity to infrastructure and energy demand. MEC has a controlling interest in Advent Energy of 53.00%.

The Company has been investigating a multitude of new potential investment opportunities, including, but not limited to, entities involved in the following sectors:

- Mineral exploration, inclusive of key battery storage minerals such as nickel (Ni), lithium (Li), vanadium (V) and other high value minerals such as gold (Au) and strategic base metals.
- Petroleum exploration, development and production projects and technologies
- Renewable energy projects
- Energy management and efficiency technologies

Mineral Exploration and Technologies

Minerals, and associated technologies for exploration, extraction, production and utilisation, have enjoyed considerable attention globally in recent times. This has been heavily influenced by new energy storage technologies, and new-age lithium ion batteries for increasing applications in electric vehicles, off-grid power storage, and electricity demand management.

The number of new energy storage projects globally more than doubled in the first half of 2018 compared to a year earlier, which is contributing to the increasing interest in demand for battery metals like nickel, lithium and vanadium.

The UK's new capacity increased 441% from the first half of 2017 to the first half of 2018. China's new energy storage projects climbed 127% in the first half of 2018, led by grid-side energy storage. Lithium-ion technologies is still the dominant energy storage technology. For example, the totalled installed capacity of lithium-ion batteries accounted for 94% of the UK's total at 690MW, which is a 142% increase over the previous year. Whilst lithium-ion is a favoured technology, other technologies are being considered for grid-scale energy storage., such as nickel cadmium, vanadium redox flow, zinc air, sodium-ion, lithium-ion, and lead-acid. These systems are intended to store excess power, including from renewable sources, for use during expensive peak demand periods.

There is no doubt that battery demand will significantly rise over the coming decades, spurred on by the growth in demand for existing products like electronic devices and smartphones, electric vehicles and energy storage. This will drive higher demand for a number of metals which will also accelerate as the cost of developing new batteries declines in time.

The electric car market will move from early deployment to mass market adoption over the next ten to twenty years. A total of 750,000 new electric vehicles were registered worldwide in 2016, when the global stock of electric vehicles surpassed two million for the first time. The global stock is forecast to rise to between 9 million and 20 million by 2020, and between 40 and 70 million by 2025, according to the International Energy Agency.

In Australia, the Western Australian government has recognised the rapid uptake of electric vehicles and battery-based energy storage systems around the world is driving global demand for lithium-ion batteries. WA has substantial reserves of all the battery minerals used in the manufacture of rechargeable batteries, including lithium, nickel, cobalt, manganese and alumina. WA is the global leader in lithium production and is also home to the fourth largest vanadium and manganese resources, the second largest reserves of cobalt and the largest nickel resources. It also produces non-battery minerals used in the manufacture of electric vehicles and energy storage systems, including rare earth elements that are necessary for the production of electric motors. The WA State Government has implemented the Future Battery Industry Strategy to grow WA's future battery industry and transform it into a significant source of economic development.

MEC has held preliminary discussions with explorers, developers, producers and technology providers for potential equity investment into new exciting minerals-based ventures.

Whilst energy storage minerals have observed somewhat stabilised pricing in recent times, MEC notes that gold's value has increased approximately 10% in the last six months in US dollar terms. Australia holds approximately 18% of the world's gold resources (2016) and spends approximately \$689 million on gold exploration alone (2016).

Gold price:



(source: <http://www.infomine.com/investment/metal-prices/gold/6-month/>, last accessed 22/2/2019)

Petroleum Exploration, Development, Production Projects and Technologies

Although renewable energy is generating more of the world's electricity than ever before, it still only accounts for about 8% of global electricity generation, according to BP. The International Energy Forum secretary general Dr Sun Xiansheng¹ was recently quoted as confirming that natural gas will have at least a 25% share of the world's energy mix by 2040, and will have a critical role in achieving sustainable and inclusive growth. Furthermore, gas will continue to get momentum as it can be a solution to the Paris (Climate) Agreement Goals.²

The effect of the international market penetration of natural gas is felt keenly on the east coast of Australia, where MEC's current major investee Advent Energy holds the PEP11 project, targeting potential natural gas prospects. Gas prices on the east coast for long term supply contracts are significantly affected by the export of natural gas as liquefied natural gas (LNG) from Gladstone, Queensland, from many conventional and coal seam gas (CSG) projects across eastern Australia. Socio-political interference in the exploration sector in NSW and Victoria has contributed to market challenges imparting rising gas and electricity prices across the east coast of Australia.

MEC has held preliminary discussions with explorers, developers, producers and technology providers targeting new petroleum plays with novel technological approaches to potentially exploiting the market's significant demand for natural gas and other petroleum products.

Renewable Energy Projects

Renewable energy sources account for a major proportion of new electricity generation coming online, with around 40% of all new power generation capacity around the world made up of renewable sources such as solar, wind, hydro, geothermal and renewable waste.

¹ Neither Dr Sun Xiansheng, nor the International Energy Forum, have provided their consent to the inclusion of these statements in this Prospectus.

² "India, China to drive natural gas market until 2040: IEF chief" by Pratap John (Business Editor), The Gulf Times Newspaper, 22 February 2019 (available at https://img.gulf-times.com/Content/PDF/Business/Business2019_2_22207255.PDF)

Energy Management and Efficiency Technologies

The move toward electric vehicles, as well as electrification of other transport, is set to place pressure on electricity generation around the world.

MEC has engaged with a number of companies that provide a variety of products, solutions and services aimed at:

- Removing capital barriers businesses face when deploying the very best low energy, low-emissions technologies;
- Providing conjunctive optimal financial outcomes and a lower carbon footprint;
- Providing zero or low cost energy solutions;
- Prevention of critical plant failures and building fires;
- Making buildings safer, more productive and more sustainable;
- Using proprietary sensor and module technology to acquire hire frequency data that is fed into cloud based algorithms to identify the signature of individual components and devices, monitoring performance and predicting failure and faults;
- Generating powerful, ethical and transformational power and plant-related datasets with the level of detail required to make informed decisions;

Whilst MEC has engaged with a number of entities focused on the above new and exciting sectors, no material transactions have yet been entered into as a result of those discussions. Pending any necessary regulatory approvals and shareholder consents, MEC will advise the ASX immediately upon a material transaction being entered into.

Advent Energy - EP386 & RL1

Advent Energy Ltd and wholly owned subsidiary Onshore Energy Pty Ltd entered into a binding term sheet with Bonaparte Petroleum Pty Ltd for the sale of Onshore Energy to Bonaparte Petroleum, as disclosed to the ASX on 28 September 2018. Upon consummation of this transaction and potential future milestones, Advent Energy will hold 10% of Bonaparte Petroleum and will have a 10% working interest in all new production and retention licences granted consistent with or within the current boundaries of EP386 and RL1. This will enable Advent Energy to be 'free carried' through exploration and appraisal works in the highly prospective onshore Bonaparte Basin, and have a material position in future titles that are 'commercial ready'.

To progress activities in these titles, Onshore Energy has applied to the Northern Territory Department of Primary Industries and Resources (DPIR) to renew RL1 for a further 5 year term. This will enable further appraisal and pre-development activities to occur on the existing Weaber Gas Field.

Furthermore, Onshore Energy has applied to the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) for a number of operational activities in EP386, including, but not limited to:

- The drilling of Waggon Creek-1B, for the purposes of exploring for bypassed zone(s) of oil;
- A new 2D seismic survey covering an oil lead to the west of the Ningbing-1 and 2 wells, plus new seismic acquisition in the Waggon Creek area; and
- Routine care & maintenance activities on Waggon Creek-1 and Vienta-1 wells, currently cased and suspended as potential future producers.

DMIRS has granted approval for a portion of the plans related to the above operational activities, and Onshore Energy is working closely with DMIRS to achieve remaining approvals for the relevant plans and programs.

Advent Energy – PEP11

The PEP11 Baleen 2D HR Seismic Survey successfully acquired over 200 kilometres of modern 2D seismic data in April 2018. The survey was acquired largely over the Baleen Prospect and the Newcastle Syncline, with a tie line to the New Seaclem-1 exploration well (2010). That data set has been processed and recently integrated with other legacy seismic data to improve the geological understanding of both the shallow Tertiary sequence and the Permo-Triassic sequence below the main unconformity.

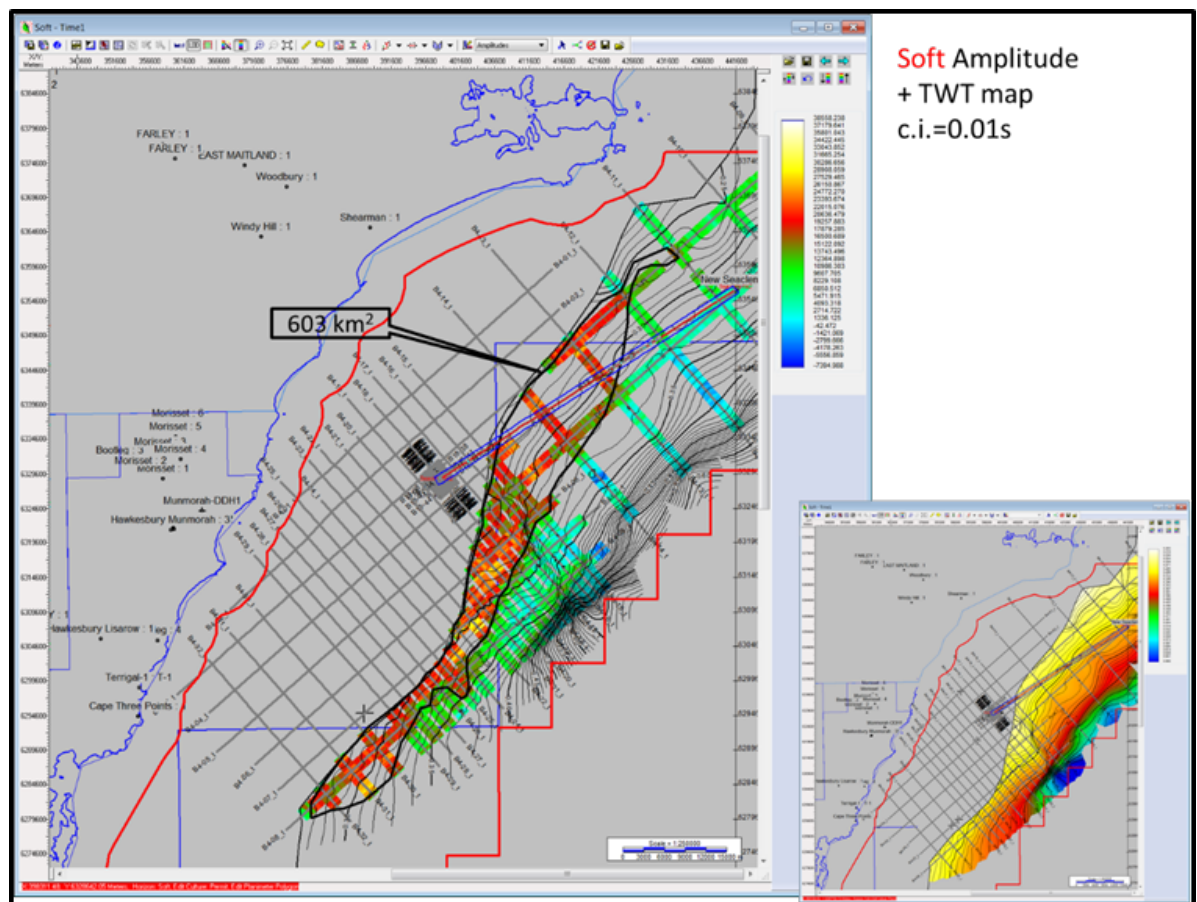
The Baleen 2D seismic survey was designed to specifically investigate a number of technical objectives:

- acquire high quality, multi-fold 2D seismic data using a constrained acoustic energy source;
- compare and contrast improved seismic data acquisition parameters against previous survey designs;
- obtain a modern seismic tie from the New Seaclem-1 exploration well (2010) to the Baleen Prospect;

- obtain a detailed grid of seismic over a possible exploration well location on the Baleen Prospect;
- acquire multi-fold seismic data in the shallow Tertiary section (<0.5 seconds Two Way Time (TWT)) to assist in evaluating 'amplitude-versus-offset' (AVO) anomalies previously mapped,
- Use these AVO anomalies as a test for presence or not of gas hazards around the Baleen Prospect and potential well locations.

The survey data was able to investigate the potential for presence of shallow gas within the proximity of a provisional exploration well location on the Baleen prospect. The survey data was also able to image intra-Permian seismic reflectors that were visible on the legacy seismic data. The survey was acquired on time and without incident. This survey has endorsed PEP11 Operator Asset Energy Pty Ltd's confidence that there are no 'seismically-defined' shallow gas hazards at a potential test well location on the Baleen Prospect.

This new data also has highlighted some interesting amplitude anomalies within the Tertiary sedimentary section. These leads have been mapped previously and, if gas charged, would add further gas resources to the portfolio and potentially confirm a Permo-Triassic source of gas that has migrated into shallower traps (see figure below). This potential trap is mapped on conventional legacy and new 2D seismic data and is a map of two seismic horizons that converge in an updip attitude. Furthermore, there is a coincidence of anomalous and changing seismic amplitudes that conforms with the shape of the potential stratigraphic trap. Additional detailed seismic modelling of potential rock properties will be needed before any firm conclusions can be drawn regarding the possibility of gas charge in this lead.



Seismic TWT map with amplitudes superimposed, identifying a potential 603 square kilometre stratigraphic trap that may be gas charged.

Imaging within the Permo-Triassic sequence was mostly consistent with legacy seismic data. AVO analysis of the raw seismic gathers was attempted however the results were inconclusive. Further investigation to improve the quality of the imaging with the Permo Triassic sequence is being considered in association with planning for the acquisition of 3D seismic data.

The Company believes that the Baleen 2D HR Seismic Survey was beneficial in meeting the PEP11 Year 2 work commitment and addressing geotechnical uncertainty. Further, the inconclusive nature of aspects of the interpretation have supported the Company's strategy of acquiring 3D seismic to reduce geological target risk ahead of further exploration drilling. The PEP11 project remains highly prospective for the potential discovery of natural gas as previously reported.

As expected, the 2D seismic data acquired earlier in 2018, whilst encouraging the prospectivity of PEP11, has not sufficiently de-risked PEP11 to justify the drilling of a new exploration well therein. Acquisition of new 3D data at the earliest opportunity will be undertaken to support the premise that new gas discoveries can materially improve the energy security of the east coast gas market.

The farm-in by RL Energy Pty Ltd to PEP11 is progressing, with development of the Environment Plan (EP) for acceptance by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) underway.

4.2. What is the effect of the Offer on Shareholders and on control of the Company

The New Shares will represent up to 50% of the issued capital of the Company upon completion of the Offer (including any subsequent offer of Shortfall Shares).

If Eligible Shareholders take up their full Entitlement under the Offer they will not be diluted (subject to treatment of fractional entitlements). If Eligible Shareholders do not exercise their Entitlement under the Offer, or only exercise part of their Entitlement, they will be diluted.

Ineligible Shareholders will have their holdings diluted by the Offer. The extent of any dilution will depend on the level of participation in the Offer.

It is not possible for the Directors to predict the final level of participation and Shortfall under the Offer, or the identity of Eligible Shareholders who will subscribe for their Entitlements. The Directors are also unable to state with certainty the identity of any prospective subscribers under the Shortfall, or the total number of Shortfall Shares which will or can be placed.

All Directors who are Eligible Shareholders of the Company intend to take up their full entitlement under the Offer.

See 7.4 for further details of Director Interests. The potential effect of the Offer on the control of the Company is as follows:

- If all Eligible Shareholders take up their full Entitlements, there would be no significant effect on the control of the Company, as the Offer is made pro-rata and in that case no Entitlements would lapse or revert to the Shortfall.
- If Eligible Shareholders do not take up their full Entitlements under the Offer, then the interests of those Eligible Shareholders will be diluted.
- The proportional interests of Ineligible Shareholders will be diluted because those Ineligible Shareholders are not entitled to participate in the Offer.

Given no nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act, Eligible Shareholders will not be able to rely on the exception for rights offers in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of its Entitlement, it must have regard to the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold).

Any Shortfall will be issued by the Company on the basis that no person will be issued Shortfall Shares if such issue will result in their voting power in the Company increasing beyond that allowed by the takeovers prohibition in section 606 of the Corporations Act.

4.3. Effect on capital structure

The capital structure of the Company before and after the Offer on the assumption the Offer is fully subscribed is as follows:

- The number of Shares on issue at the date of this Prospectus is 341,868,046.
- The maximum number of New Shares to be issued pursuant to the Offer is 341,868,046 (ignoring the treatment of fractional entitlements).
- The unlisted options on issue at the date of this Prospectus are 72,322,315.

At this stage, and as the Offer is not underwritten, it is not possible to determine what the actual capital structure of the Company will be if the Offer is not fully subscribed or if the Shortfall (if any) is unable to be placed. The total Shares on issue after the Offer (ignoring the treatment of fractional entitlements and assuming no Options are exercised) in each of the following hypothetical scenarios is set out in the table below:

	Assuming 25% Subscription	Assuming 50% Subscription	Assuming 75% Subscription	Assuming 100% Subscription
Current Shares*	341,868,046	341,868,046	341,868,046	341,868,046
New Shares	85,467,011	170,934,023	256,401,035	341,868,046
Total Shares on completion of Offer	427,335,058	512,802,069	598,269,081	683,736,092
Options	72,322,315	72,322,315	72,322,315	72,322,315

4.4. Pro-forma balance sheet

The proceeds from the Offer (assuming 100% subscription) will increase the best estimate of shareholder equity to \$11.5 million. A condensed pro forma estimate of shareholder equity following the Offer is set out below. The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including the expenses of the Offer.

	Unaudited shareholder's equity as at 28 February 2019	Unaudited Pro-forma estimate of shareholders' equity after Offer ²	Unaudited Pro-forma estimate of shareholders' equity after Offer ³
	\$	\$	\$
Cash and cash equivalents	276,935	1,937,575	1,082,905
Evaluation and exploration expenditure	10,562,577	10,562,577	10,562,577
Other assets	758,694	758,694	758,694
Financial liabilities	-791,978	-791,978	-791,978
Other liabilities	-921,242	-921,242	-921,242
Net Assets	9,884,986	11,545,626	10, 690,956
Share Capital	28,972,606	30,681,946	29,827,276
Reserves	16,268,145	16,268,145	16,268,145
Accumulated losses	-37,412,247	-37,460,947	-37,460,947
Minority Interest	2,056,482	2,056,482	2,056,482
Shareholder equity	9,884,986	11,545,626	10, 690,956

The unaudited pro-forma consolidated balance sheet as at 28 February 2019 above is intended to be illustrative only. It does not take into account activities occurring between 28 February 2019 and the date of this Prospectus (or the Closing Date) other than those noted above and as such it does not accurately reflect what the actual balance sheet will be as at the date of this Prospectus or at the completion of the Offer (by way of example, the cash and cash equivalent assets will

² Assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

³ Assuming 50% of all the Entitlements are accepted, no options are exercised prior to the Record Date and including expenses of the Offer.

not be as set out in the unaudited pro-forma consolidated balance sheet because, amongst other things, no allowance has been made in the unaudited pro-forma consolidated balance sheet for expenditure incurred in the normal course of business of the consolidated group after 28 February 2019).

5. Rights and Liabilities attaching to Shares

5.1. New Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) Future increase in capital

The issue of any Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. Risk Factors

6.1. Introduction

- (a) The New Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.
- (b) There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2. General risks

The following general risks may significantly impact the Company, its performance and the price or value of the New Shares:

- economic conditions in Australia and internationally;
- investors' sentiment and share market conditions;
- changes in fiscal and monetary policy by governments;
- changes in taxation and other laws;
- natural disasters;
- war or terrorist attacks;

- opposition of environmental or community groups to the Company's activities;
- changes in commodity prices and foreign exchange rates;
- inability of the Company to obtain any necessary regulatory approvals; and
- availability of credit.

Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

Taxation

The acquisition and disposal of New Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring New Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Shares under this Prospectus.

6.3. Specific risks

The following specific risks may significantly impact the Company, its performance and the price of its Shares:

Exploration and development risks

Oil and gas exploration, project development and mining by their nature contain elements of significant risk. The ultimate and continuous success of these activities is dependent on many factors such as:

- (a) the discovery and/or acquisition of economically recoverable oil and gas deposits;
- (b) successful conclusions to bankable feasibility studies;
- (c) access to adequate capital for project development;
- (d) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (e) securing and maintaining title to permits;
- (f) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (g) access to competent operational management, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;
- (h) native title risks; and
- (i) adverse weather conditions over a prolonged period, which can adversely affect exploration and mining operations and the timing of revenues.

Liquid investment

As Advent Energy is an unlisted entity, there is a risk that there won't be a ready market for the Company to sell its Advent Energy shares if it wishes to do so at any time in the future.

Additional funding

Should the funds raised by the Offer be insufficient to fulfil the Company's planned short term expenditure requirements, the Company may have an immediate requirement to raise further funds. As the Offer does not contain a minimum subscription amount, this is a risk arising from the Offer.

Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

Commodity and currency price volatility

Commodity prices inherently fluctuate and are affected by numerous factors beyond the Company's control, including world demand for particular commodities, forward selling by producers and the level of production costs in major commodity producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, a commodity. Commodities are principally sold throughout the world in US dollars. The fluctuation of the price of oil (and to a lesser extent gas) could have a significant impact on the value of the investment being considered. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar and/or adverse movements in commodity prices (in particular, oil and/or gas), could have a materially adverse effect on the Company's investment in Advent Energy.

Exploration success

The petroleum permits described in this Prospectus are at various stages of exploration, and potential investors should understand that petroleum exploration and development are high-risk undertakings.

There can be no assurance that exploration of the permits, or any other permits that may be acquired in the future, will result in the discovery of an economic oil and gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Exploration costs are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from any estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's investment in Advent Energy.

Repayment of Secured Loan Facility by Advent Energy

As previously disclosed in the Company's annual reports, a secured loan facility exists between Advent Energy and the Company of \$3,600,000. The loan is secured by a charge over all of the assets and rights of Advent Energy including but not limited to, all real and personal property, choses in action, goodwill and called but unpaid nominal and premium capital. The loan is due and payable on the earlier of a successful capital raising or the date that the Company issues a notice for repayment.

Due to the high risk associated with the assets of Advent Energy, there can be no assurance that Advent Energy will be in a financial position to repay this loan to the Company either partially or fully in the future.

Joint venture parties, contractors and agents

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company or Advent Energy may be or may become a party; or insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

Environmental management

Advent Energy's operations are and will be subject to stringent environmental regulation. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and more stringent environmental assessments of proposed projects. Environmental regulations could impact on the viability of Advent's projects. Advent Energy may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible.

Title risks and Native title

Interests in Australian petroleum tenements are governed by the respective State legislation and are evidenced by the granting of permits or licences. Each permit or licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, title to or any interest in the petroleum tenements discussed in this Prospectus could be lost if permit conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to the petroleum tenements that Advent Energy has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and production phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving petroleum tenements in which the Company has or may have an indirect interest.

Operational and technical risks

The current and future operations of the Company's investee entities, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) geological and hydro geological conditions;
- (b) limitations on activities due to seasonal weather patterns and cyclone activity;
- (c) alterations to joint venture programs and budgets;
- (d) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- (e) electrical and mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (f) unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- (g) unavailability of shipping load space to transport product to overseas buyers;
- (h) unavailability of train and/or truck haulage services for the transport of product;
- (i) the supply and cost of skilled labour;
- (j) unexpected shortages or increases in the costs of consumables, diesel fuel, spare parts, plant and equipment; and
- (k) prevention or restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals (including clearance of work programs pursuant to the existing and any future access agreements entered into with the registered Aboriginal Land Council and the Native Title claimants).

Resource estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when made may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company's investee entities encounter formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans altered in a way which could impact adversely on the Company's investment in those entities.

Access to infrastructure

Advent Energy will require access to processing and gas or liquids transmission facilities, including pipelines, in order to commercially exploit any hydrocarbons discovered. Third-party access to such infrastructure may

depend on the level of uncontracted capacity available from time to time. Access to processing plant is likely to depend on the successful negotiation of commercial arrangements with the owner of such plant.

Investment speculative

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus. Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those New Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares. Whilst the Directors have between them significant mineral exploration and operational experience, no assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

7. Additional information

7.1. Litigation

The Company is involved in litigation disputes that have previously been disclosed to the market. The following table contains a list of all current legal proceedings on foot and their related ASX announcements. As at the date of this Prospectus there were no further legal proceedings pending or threatened against the Company.

Parties to dispute	Current status	ASX Announcements
MEC Resources Limited and BPH Energy Limited	Proceeding to trial through the District Court of Western Australia Mediation conference held but unsuccessful.	<ul style="list-style-type: none"> 26 February 2018 - BPH Energy - Summary Judgement Application 8 January 2018 - MEC Resources Ltd - Company Update 2 October 2017 - BPH: BPH MEC Resources Ltd Dispute update 1 September 2017 - BPH: MEC Resources Ltd Dispute 1 September 2017 - Update on Discussions with BPH Energy Ltd
MEC Resources Limited, Trandcorp Pty Ltd and David Breeze	Awaiting categories of discovery	<ul style="list-style-type: none"> 3 February 2017 - Update on Recovery of Company Property and Data
MEC Resources Limited, Advent Energy Ltd, Asset Energy Pty Ltd and BPH Energy Limited	Mediation conference scheduled	<ul style="list-style-type: none"> 13 April 2018 - BPH: MEC Resources Ltd - ASX announcement re Writ update 4 April 2018 - BPH and GBA Writ of Summons 4 April 2018 - BPH: MEC Resources Ltd (ASX MMR) Writ Issued 3 April 2018 - Notices of Demand 29 March 2018 - BPH: MEC Resources Ltd (ASX MMR) - Notices of Demand 2 October 2017 - BPH: BPH MMR ASX Notice of Demand
MEC Resources Limited, Advent Energy Ltd and Grandbridge Limited	Mediation conference held but unsuccessful.	<ul style="list-style-type: none"> 13 April 2018 - BPH: MEC Resources Ltd - ASX announcement re Writ update 4 April 2018 - BPH and GBA Writ of Summons 4 April 2018 - GBA: MEC Resources Ltd (ASX MMR) Writ Issued 3 April 2018 - Notices of Demand

		<ul style="list-style-type: none"> ▪ 29 March 2018 - GBA: MEC Resources Ltd (ASX MMR) - Notices of Demand ▪ 25 January 2018 - Update - Grandbridge Ltd Statement of Claim ▪ 24 January 2018 - GBA: Statement of Claim ▪ 3 October 2017 - Grandbridge Ltd - Notices ▪ 2 October 2017 - GBA: MEC Resources Ltd (ASX MMR) Notice of Demand ▪ 13 September 2017 - Update on Dispute with Grandbridge Ltd ▪ 13 September 2017 - GBA: MEC Resources Ltd (ASX MMR) and Advent Energy Writ
MEC Resources Ltd and others, BPH Energy Ltd, David Breeze, Trandcorp Pty Ltd	Writ has been served	<ul style="list-style-type: none"> ▪ 29 March 2019 – BPH Energy Writ of Summons ▪ 28 March 2019 – BPH: Writ of Summons
MEC Resources Ltd, BPH Energy Ltd, Grandbridge Ltd, Trandcorp Pty Ltd and David Breeze	Writ has been served	<ul style="list-style-type: none"> ▪ 4 April 2019 – BPH: Action against MEC Resources Ltd

7.2. Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s Shares.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) the following continuous disclosure notices given by the Company to ASX during the period after lodgement of the Annual Financial Report of the Company for the year ending 30 June 2018 and before lodgement of this Prospectus with ASIC:

Date	Announcement
04/04/2019	BPH: Action against MEC Resources Ltd
29/03/2019	MEC Resources – BPH Energy Writ of Summons
28/03/2019	BPH: Writ of Summons
26/03/2019	MEC Resources Ltd – Changes to Board Structure
21/03/2019	Advent Energy – Operational Update
18/03/2019	Committee Approves Expanded Investment Plan for MEC
06/03/2019	Advent Energy Ltd – Additional Investment
27/02/2019	Half yearly report and accounts
12/02/2019	BUY: PEP 11 Joint Venture Offshore Sydney Basin
07/02/2019	Update on PEP11 Farmin Agreement
04/02/2019	Amended Exploration Update
31/01/2019	Appendix 4C – quarterly
31/12/2018	Advent Energy – Exploration Update
27/11/2018	Results of Meeting
19/11/2018	SGC: Option secured over Multi-TCF Sydney Basin Permit
19/11/2018	Sacgasco Signs Option to Acquire RL Energy
19/11/2018	SGC: Option Secured over Multi-TCF Sydney Basin Permit
19/11/2018	Change in substantial holding
09/11/2018	Chairman's Update
01/11/2018	Advent Energy – Onshore Energy Update

31/10/2018	Appendix 4C – Quarterly Cash Flow Report
26/10/2018	Notice of Annual General Meeting/Proxy Form
15/10/2018	Asset and PEP11 Interest
05/10/2018	Appointment of Managing Director
28/09/2018	Annual Report to Shareholders

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX are available from ASX at <http://www.asx.com.au> and also through the Company's website <http://www.mecresources.com.au>.

Venture Capital Board

As announced on 18 March 2019, the Innovation Investment Committee of Innovation and Science Australia has approved a variation to the Company's Investment Plan. The additional wording now included in MEC's approved Investment Plan is as follows:

In addition to investments focussed on resource exploration, MEC will make investments into existing and start-up enterprises that have demonstrated technology and/or services that may have application not limited to the resources sector. This may include the information technology, financial and power and energy sectors.

The changes to the Investment Plan will allow the Company to continue to make investments in resources as well as a range of other industries. This will enable MEC to consider many opportunities currently presented to it that may presently be only partially compliant with its previous approved Investment Plan. The Company will consult with ASX and obtain any Shareholder approvals required prior to entering into any transaction covered by the varied Investment Plan.

7.3. Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.012	12/01/2019
Lowest	\$0.008	11/03/2019
Last	\$0.009	08/04/2019

7.4. Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director *	Current Shareholding	Entitlement
Michael Sandy	0	0
Andrew Bald	2,709,048	2,709,048
Matthew Battrick	0	0
Total	2,709,048	2,709,048

* All of the shares are held either by the director or their related entities.

All Directors who are Eligible Shareholders of the Company intend to take up their full entitlement under the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors can only be varied by ordinary resolution of Shareholders in a general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total remuneration (including superannuation and consulting fees) for both executive and non-executive directors in FY 2018 and FY 2019.

Director	FY2019	FY2018
M Sandy	24,000	-
A Bald	24,000	-
M Battrick	24,000	-
D Ambrosini (resigned March 2019)	156,000	136,859
Goh Hock (resigned July 2018)	-	-
K O Yap (resigned July 2018)	-	-
Total	\$228,000	\$136,859

Further information relating to the remuneration of Directors can be found in the Company's 2018 Annual Report, which can be found on the ASX announcements webpage, www.asx.com.au, using the Company's ASX code: MMR.

7.5. Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or

- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Coghlan Duffy & Co has acted as the legal advisers to the Company in relation to the Offer. The Company estimates it will pay Coghlan Duffy & Co approximately \$6,500 (excluding GST and disbursements) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding the lodgement of this Prospectus with ASIC, Coghlan Duffy & Co has been paid fees totalling approximately \$9,000 (excluding GST and disbursements) for legal services provided to the Company.

7.6. Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section; and
- (c) Coghlan Duffy & Co has given its written consent to being named as the legal adviser to the Company in this Prospectus. Coghlan Duffy & Co has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
- (d) Boardroom Pty Ltd has given its written consent to being named as the Company's Share Registry in this Prospectus. Boardroom Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. Boardroom Pty Ltd has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to MEC Resources Limited. Boardroom Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

7.7. Expenses of the offer

The total expenses of the Offer are estimated to be approximately \$48,700 (excluding GST).

Printing and Distribution	14,000
Legal Fees	6,500
Advisor Fees – Shareholder consultation	25,000
ASIC Fees	3,200
Total Expenses of the Offer	48,700

7.8. Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Application Form. If you have not, please phone the Company on +61 8 9245 6187 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://www.mecresources.com.au/>.

The Company reserves the right not to accept an Entitlement and Application Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.9. Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.10. Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11. Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

7.12. Governing Law

The information in this Prospectus, the Offer and the contracts formed on acceptance of the Offer are governed by the law applicable in Victoria. Any person who applies for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria and the courts competent to hear appeals from those courts.

8. Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Mr Michael Sandy
Chairman
For and on behalf of
MEC Resources Limited

9. Glossary

\$ or **dollar** or **cents** are references to Australian currency.

Advent Energy means Advent Energy Ltd (ACN 109 955 400).

Advent Energy Shares means fully paid ordinary shares in the capital of Advent Energy.

AEST means Australian Standard Time.

Applicant means a person who submits an Application.

Application means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application Form means an Entitlement and Acceptance Form.

Application Monies means the aggregate amount payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY calculated as \$0.005 multiplied by the number of New Shares applied for.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to it in the Listing Rules.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

CHESS means the Clearing House Electronic Sub-Register System which is operated by a subsidiary of ASX.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means MEC Resources Limited (ACN 113 900 020).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder holding Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Ineligible Shareholder means a Shareholder with a registered address outside Australia or New Zealand as at the Record Date.

New Shares means Shares offered under the Offer.

Offer means the non-renounceable entitlement offer the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the New Shares not applied for under the Offer (if any).

Shortfall Offer means the offer of the Shortfall Shares on the terms and conditions set out in section 3.7 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

ENTITLEMENT AND ACCEPTANCE FORM - ENTITLEMENT OFFER

Entitlement No.

Subregister

SRN/HIN.

Number of Shares held at 7pm
(AEST) on 12 April 2019

Offer Closes: 3 May 2019 at 5:00pm (AEST)

NON-RENOUNCEABLE ISSUE OF UP TO 341,868,046 NEW SHARES AT AN ISSUE PRICE OF \$0.005 EACH ON THE BASIS OF 1 NEW SHARE FOR EVERY 1 ORDINARY SHARE HELD, TO RAISE UP TO APPROXIMATELY \$1,709,340 BEFORE COSTS, PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER (**ENTITLEMENT OFFER**) ON THE TERMS SET OUT IN THE PROSPECTUS DATED 9 APRIL 2019.

A Rights Acceptance

If you wish to accept your **FULL ENTITLEMENT**, please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form by the Closing Date being by 5pm AEST on 3 May 2019 with payment will constitute acceptance of the Entitlement Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

Entitlement to New Shares on the basis of One New Share for every One Ordinary Share held	Price Per Share	Amount Payable for Full Acceptance, at \$0.005 per New Share
	\$0.005 per Share =	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY**, please complete this form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

Number of New Shares accepted	Price Per Share	Amount Enclosed
	\$0.005 per Share =	\$

B Apply for Shortfall Shares (if available)

If you wish to apply for additional shares to your Entitlement above, please insert the number of additional shares in the box below and the appropriate amount payable. These additional shares will only be allotted if available and will be at the sole discretion of the Underwriters.

Number of Additional Shares Applied for	Price Per Share	Amount Enclosed
	\$0.005 per Share =	\$

C Payment

Payment may only be made by electronic BPAY, cheque or bank draft. Cash will not be accepted via the mail or at the MEC Resources Limited Share Registry. Payments cannot be made at any bank.

Payment Option 1 – BPAY



Biller Code:
Ref:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

® Registered to BPAY Ltd ABN 69 079 137 518

To pay via BPAY please contact your participating financial institution.

If paying by BPAY you do not need to return the Entitlement and Acceptance Form.

If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for. Applicants should be aware that their own financial institutions may impose earlier cut off times regarding electronic payment, and should therefore take this into consideration when making payment.

Payment Option 2 – Cheque (Record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to "MEC Resources Limited" and crossed "Not Negotiable."
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

THIS FORM CONTINUES OVERLEAF

D Contact Details

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	()	()	

By submitting this Entitlement and Acceptance Form or by payment by electronic funds, I/We represent and warrant that I/we have read and understood the Prospectus to which this Entitlement and Acceptance Form relates and declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Entitlement and Acceptance Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of MEC Resources Limited and agree to the terms and conditions of the Entitlement Offer. I/We represent and warrant that I/we have not relied on any other information provided by the Company other as set out in the Prospectus when making my/our decision to invest. The Entitlement Offer to which this Entitlement and Acceptance Form relates does not constitute an offer to any person who is not an Eligible Shareholder, and in particular is not being made to Shareholders with registered addresses outside Australia and New Zealand. This Entitlement and Acceptance Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom it would not be lawful to make such an offer.

LODGEMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR PART

Multiply the number of New Shares for which you are accepting by \$0.005 then fill in the acceptance details, where necessary, in the space provided on the front of this form. Complete your cheque details on the front of this form and send your cheque/draft and completed form to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Telephone No. 02 9290 9600
Facsimile No. 02 9279 0664

If you do not deal with your Entitlement, it will lapse at 5pm AEST on 3 May 2019.

PAYMENT

Cheque or Draft

All cheques or drafts (expressed in Australian currency) are to be made payable to "MEC Resources Limited" and crossed "Not Negotiable".

BPAY

If you make payment using BPAY you must contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: www.bpay.com.au. Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before 5.00 pm AEST on 3 May 2019.

PAYMENT - OVERSEAS RESIDENTS

Overseas shareholders who are permitted to apply for shares must obtain a draft in Australian currency payable on a bank in Australia, or where the shareholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

The Australian currency draft should be attached to your completed form and the document mailed to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

OVERSEAS SHAREHOLDERS ARE ADVISED TO ENSURE THEIR DOCUMENTS ARE POSTED TO AUSTRALIA BY AIRMAIL.

Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

INTERPRETATION

Terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Offer Document.

CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHESS holders must notify your sponsoring broker for amendments to holdings on the CHESS Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS:		

Shareholder 1 (Individual) /
Sole Director & Sole Company
Secretary

Joint Shareholder 2 (Individual) /
Director

Joint Shareholder 3 (Individual) /
Director/Company Secretary
(Delete one)

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Entitlement and Acceptance Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).