

10th December 2019

ANONYMOUS MISLEADING LETTER TO MEC SHAREHOLDERS

MEC Resources Ltd (**MEC** or the **Company**) recently became aware that a letter or letters have been distributed to some but not all MEC shareholders by an anonymous party or parties. The letter is undated and unsigned however appears to have been distributed prior to the Company's AGM on the 25 November 2019.

The Company notes that the letter contains the following statement;

"Were you told in July that MEC will be looking to divest its oil & gas assets?"

MEC considers this statement to be misleading and urges shareholders to revert to substantiated and factual information provided by the Company.

OIL & GAS INVESTMENTS

For the uninitiated, the Company has a controlling interest in the unlisted energy explorer Advent Energy Ltd ("Advent") of 53.00% which in turn owns 100% of Onshore Energy Pty Ltd and Asset Energy Pty. These two companies are the direct holders of EP386 and RL1 (100%) in the onshore Bonaparte Basin in the north of Western Australia and Northern Territory and PEP11 (85%) in the offshore Sydney Basin respectively.

These oil and gas assets have been widely reported by the Company in various annual reports, ASX releases and quarterly reports.

On 12 August 2019 the Company made a material announcement entitled "Settlement of Legal Matters".

The Company advised that it had reached a settlement of various legal disputes between MEC Resources and BPH Energy Limited, Grandbridge Limited, Trandcorp Pty Ltd and David Breeze.

The settlement also included changes to the board of directors of Advent which was given effect in mid-August 2019 and is now made up of;

- David Breeze
- Stephen Kelemen
- Tony Huston
- Thomas Fontaine
- Steve James

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Importantly, even though MEC remains the largest shareholder in Advent it has no representation on the board of Advent. MEC remains as a passive investor in Advent and has no authority or management control in the day to day operations of Advent.

MEC is not “divesting its oil & gas assets” with the only statement being made by the Company being the potential to complete an in-specie distribution of its shares in Advent to MEC shareholders. The exact statement made on 12 August 2019 by the Company reads;

“Amongst other material terms the parties agreed to;

‘A one year standstill on the disposal of the shares in Advent Energy held by MEC Resources, except by in-specie distribution to shareholders of MEC Resources. MEC Resources to propose and support an in-specie distribution of its shareholding in Advent to MEC Resources shareholders (subject to approval by MEC Resources shareholders, ASX and ASIC) if requested by Advent Energy.’”

MISLEADING & DECEPTIVE

The anonymous letter was distributed to certain MEC shareholders but not all MEC shareholders. It was distributed after the appointment of the new board to Advent and before the Company’s AGM on the 25th November 2019.

MEC believes the letter is potentially misleading and deceptive and does not represent previous statements made by the Company in relation to the oil & gas assets held via Advent. Once again the Company restates that the decision to deal in oil & gas assets held in Advent now rests with the board of Advent. MEC has no representatives on the Advent board.

The Company has made enquiries of the board of Advent in relation to the origination of these rumours. If you have any concerns about this point please contact the Company.

Andrew Bald
Company Secretary

For more information, contact the Company
Via email at info@mecresources.com.au; or
via telephone on 08 9217 2456