

ASX ANNOUNCEMENT

23 August 2022

ADVENT & BPH UNDERTAKING FULL REVIEW OF PEP-11 STRATEGY TO PROTECT SHAREHOLDER VALUE FOLLOWING RECENT MEDIA COVERAGE

MEC Resources Limited (“**MEC**”) (ASX:MMR) highlights the following information provided by its investee company, Advent Energy Limited (“**Advent**”).

PEP 11 – FULL REVIEW

Advent, together with BPH Energy Ltd (“**BPH**” or the “**Company**”) (ASX:BPH) wishes to advise that in light of the recent media coverage regarding former Prime Minister Scott Morrison’s use of ministerial powers to block the PEP-11 gas exploration licence, the Company is currently undertaking a full review of its options, including potential for legal channels, as part of its strategy to protect shareholder value.

In June 2022, Asset Energy Pty Ltd (wholly owned subsidiary of MEC’s investee Advent Energy Ltd) commenced proceedings in the Federal Court of Australia alleging that the former Prime Minister Scott Morrison was biased and failed to afford procedural fairness in his decision not to grant an extension of term and a suspension and variation of the minimum work requirements under PEP-11.

Following recent revelations that Scott Morrison took responsibility in a number of portfolios including Resources, Prime Minister Anthony Albanese has sought advice as to whether Mr Morrison’s appointments and decisions (which includes the PEP-11 decision) were beyond power.

PEP-11 Environmental Plan

MEC investee Advent has received a copy of the Environmental Plan for PEP-11 Baleen well from the Xodus group. The plan is currently being reviewed prior to release. Xodus Group are a leading global energy environmental consultancy with a strong track record in the Australian offshore sector where they are subject matter experts in environmental impact assessment and regulatory approvals. The plan is a prerequisite for the planned drilling of the Baleen well. It will be released as part of the regulated process under the Government environmental regulator authority NOPSEMA.

PEP-11 PROJECT OFFSHORE NSW

MEC investee Advent Energy’s PEP-11 Gas and proposed carbon storage project at Baleen (Seablue1 well) offshore Newcastle NSW has potential national significance. It addresses both current gas shortages and the objective of Net Zero Emissions. Advent has committed to ensuring that all the gas produced from the project is available for Australian domestic supply.

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Advent submitted to the National Offshore Petroleum Titles Administrator (NOPTA) an application to enable the drilling of Seablue-1 approx.26 km SSE of Newcastle offshore NSW. The PEP-11 Joint Venture proposes to proceed with the drilling of Seablue subject to approvals from NOPTA and other regulatory authorities, and financing. The current permit expiry date is Feb. 2021. The permit remains in place and in good standing during the NOPTA review period. The initial application was refused.

Subsequently on 2 June 2022 Advent Energy Limited's 100% subsidiary Asset Energy Pty Ltd announced it had applied to the Federal Court of Australia pursuant to section 5 of the Administrative Decisions (Judicial Review) Act 1977 (Cth) and section 39B of the Judiciary Act 1903 (Cth) to review the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority to refuse to vary and suspend the work conditions on PEP-11, pursuant to section 264(2) of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth), and to refuse to extend the term of PEP-11, pursuant to section 265 of that Act. Asset's application to the Joint Authority was initially made in January 2020.

This announcement is authorised for market release by managing director David Breeze.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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