



2 February 2017

Australian Securities Exchange
10TH Floor, 20 Bridge Street
SYDNEY NSW 2000

via e-lodgement

Dear Sir/Madam

ADVENT ENERGY – ONSHORE BONAPARTE BASIN (EP386 & RL1) STRATEGIC REVIEW

The Board of MEC Resources Limited (“MEC”) is pleased to provide an update on the forward work program of its investee - Advent Energy Limited (“Advent”) - in relation to Advent’s principal onshore Bonaparte Basin exploitation permits, EP386 in Western Australia (“WA”) and RL1 in the Northern Territory (“NT”).

Furthermore, MEC is committed to supporting its investee in progressing the planned activities for its petroleum titles PEP11, EP386 and RL1, despite the present distractions of the notices served on the Company and as disclosed recently to the ASX. Updates to the market will be provided as key milestones are achieved in these activities.

Previous exploration drilling programs across these contiguous oil and gas permits (100% Advent working interest) has yielded a number of conventional gas and oil discoveries. Furthermore, the exploration drilling and sampling effort has identified a significant unconventional gas resource; all of which have been the subject of previous announcements. Figure 1 below shows the location and flow rate of the seven gas wells that all yielded strong initial flow rates on test. Three of the tested, vertical well bores were cased and suspended as gas discoveries and are available for future re-entry.

A contingent, recoverable, gas resource (3C) of 45.8 billion cubic feet (“BCF”) in the Weaber Gas Field in RL1, NT (1C: 0.25 BCF, 2C: 11.5 BCF), was evaluated by an independent petroleum consulting organisation and the results have been previously reported. Advent’s assessment of the WA discoveries and adjacent prospects has identified, as previously reported, considerable conventional prospective resources across EP386. There have been no material changes to these resource estimates.

Advent believes there are opportunities to supply gas to local markets within the greater Kimberley region of WA and NT if sustainable commercial gas flow rates can be delivered from these conventional gas discoveries. Advent is now planning a program of well intervention and reservoir stimulation work overs in order to attempt to deliver reliable gas production for future sale.

At the same time, this program will also attempt to ascertain better the amount of oil that could be delivered from the Waggon Creek-1 gas and oil discovery.

Of considerable benefit to the development of Advent’s assets is the recent media release (Saturday 28th January 2017) provided by the Western Australian State Government. The Liberal National Government announced its commitment to the expansion of major infrastructure route in the Kimberley following a \$16.3 million investment through Royalties for Regions. The Moonamang Road upgrade project will provide the transport infrastructure required to support the development of the proposed Project Sea Dragon aquaculture development, as well as facilitating the expansion of the Ord irrigated agriculture development.

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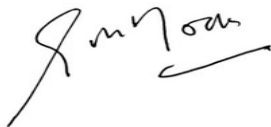
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The State Government's investment complements the Northern Territory's \$16.8 million and the Commonwealth Government's \$40 million for the road infrastructure in the Northern Territory. A copy of the media release is attached to this announcement.

Advent is in the preliminary stages of planning a multi-well intervention, stimulation and work over program that will target the Waggon Creek-1 oil and gas well and the Vienta-1 gas well, both in EP386 in WA, as well as the Weaber-4 gas well in RL1 in NT pending regulatory and stakeholder approval. Each of these wells are presently cased and suspended as potential future producing wells. Advent will look to partner with an oil and gas operator, or suitably qualified contractor, that has the technical (and/or financial) capabilities to deliver the sub-surface well intervention operations. Advent will also target early cash flow from the export of produced oil/gas liquids produced from a successful testing program from the Waggon Creek oil and gas discovery well.

The potential for the confirmation of a substantial resource that could supply new, northern Australian markets is an exciting opportunity for Advent and MEC shareholders. The Board will provide further updates as appropriate milestones are met, after engaging with regulatory authorities, stakeholders and potential, appropriately qualified investment partners.

Yours faithfully



Mr Goh Hock
Chairman

Notes:

The geological information provided in this announcement has been approved by Mr Heng Yu, a qualified and highly competent geologist with over 30 years' experience in the Oil and Gas Industry. Mr Yu was formerly a Director within the Reservoir Development Services (RDS) China for Baker Hughes, and a Technical Director for Schlumberger-China Joint Venture. He has also previously held senior positions for PetroChina Xinjiang Oilfield Company, one of the largest oil companies in the world. Mr Heng Yu has advanced skills in Geology Fundamentals, Modelling, Reserves Calculation, Correlation and Analysis. His strengths lie in Borehole image processing and interpretation, multiwall correlation and interpretation, as well as integrated reservoir analysis.

All resource and reserve statements have been previously published by the companies concerned unless otherwise stated. Summary data has been used. Please refer to relevant ASX releases for details and attribution. Unless otherwise stated, all resource and reserve reporting complies with the relevant standards. Resources quoted in this release equal 100% of the resource and may not represent MEC's investee's equity share.

About MEC Resources

ASX listed MEC Resources (ASX: MMR) invests into early stage companies targeting potentially large energy and mineral resources. The Company has been registered by the Australian Federal Government as a Pooled Development Fund enabling most shareholders to receive tax free capital gains on their shares and tax free dividends.

About Advent Energy

Advent Energy Ltd is a public unlisted oil and gas exploration consolidated group company of MEC Resources (ASX: MMR). Advent holds a strong portfolio of petroleum assets spanning highly prospective acreage onshore and offshore Australia in proven petroleum basins.

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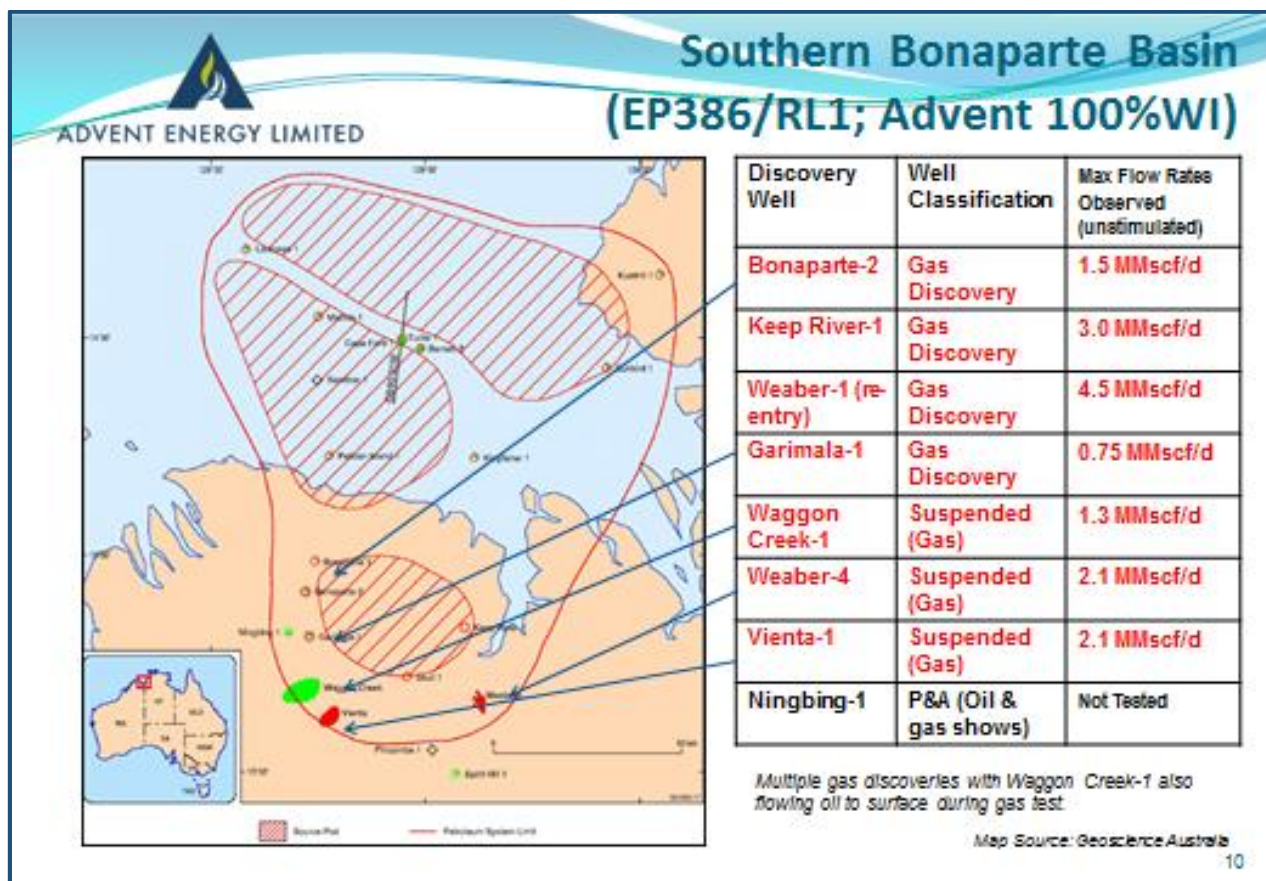


Figure 1: Relative location of the oil & gas discoveries covered by WA permit EP386 and NT licence RL1.

Throw another 'shrimp' on the Moonamang Rd barbie

Saturday, 28 January 2017

- **\$16.3 million for essential regional transport infrastructure**
- **Upgrade to support major aquaculture project and Ord irrigation area**
- **Made possible by State Government's Royalties for Regions**

The Liberal National Government today announced its commitment to the expansion of a major infrastructure route in the Kimberley, thanks to a \$16.3 million investment through Royalties for Regions.

The Moonamang Road upgrade project will provide the transport infrastructure required to support the development of the proposed Project Sea Dragon aquaculture development, as well as facilitating the expansion of the Ord irrigated agriculture development.

Regional Development Minister Terry Redman said this Royalties for Regions investment was evidence of the State Government's commitment to growth and business productivity in the agriculture and food sector, increasingly key to Western Australia's economy and regional development.

"Volatility in the energy and natural resources sector means that it is imperative to support the State's agriculture and food sector to successfully compete in global markets," Mr Redman said.

"Aquaculture has great potential for growth, with growing global demand and increasing pressure on wild catch numbers. Project Sea Dragon is an emerging large growth opportunity for northern Australia and Kununurra in particular.

"This road upgrade builds on the State and Commonwealth governments' investment in the Ord East Kimberley Development Package and the Ord Irrigation Expansion Project."

State Development Minister Bill Marmion said Project Sea Dragon proposed to produce black tiger prawns for export, in a large-scale, staged project split across the Northern Territory and Western Australia.



Hon Terry Redman MLA

Minister for Regional Development; Lands; Minister Assisting the Minister for State Development



Hon Bill Marmion BE MBA MLA

Minister for State Development; Transport; Innovation



Hon Mark Lewis M. App. Sci. MLC

Minister for Agriculture and Food

This Royalties for Regions project will seal Moonamang Road through to the Northern Territory border, to link prawn supply from Project Sea Dragon's grow out ponds on Legune Station in the Northern Territory to processing facilities in Kununurra, subject to a final investment decision by the project proponent, Seafarms Group.

Agriculture and Food Minister Mark Lewis said the Western Australian Government recognised the agriculture and food sector as a key growth area of the State's economy, and the backbone of thriving regional communities.

"The outlook and future opportunities for the Ord and northern agrifood industries is very positive due to the region's scale, geographic proximity to growing Asian markets and sustainable natural resources to support our commitment to grow the north," Mr Lewis said.

Fact File

- **The \$16.3 million Royalties for Regions investment for the extension of Moonamang Road in Kununurra is contingent on Project Sea Dragon proceeding to development**
- **The State Government's investment complements the Northern Territory Government's commitment of \$16.8 million and the Commonwealth Government's \$40 million for the road infrastructure in the Northern Territory**
- **The State Government has been working to facilitate the project with the Northern Territory and Federal governments and proponent, Seafarms Group**
- **Find out more about Royalties for Regions at <https://rfrmap.drd.wa.gov.au>**

Regional Development Minister's office - 6552 6700

State Development Minister's office - 6552 6800

Agriculture and Food Minister's office - 6552 6400



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