



14 March 2017

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

via e-lodgement

Dear Sir/Madam

**PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE ON A 1:2 BASIS AT \$0.028 TO RAISE UP TO \$2.8 MILLION**

MEC Resources Ltd (**the Company or MEC Resources**) is pleased to announce an equity raising of up to approximately \$2.8M before costs, via a pro-rata non-renounceable rights issue (**Rights Issue**).

Eligible shareholders will have the opportunity to subscribe for 1 new fully paid ordinary share in the Company for every 2 shares held at 5:00pm (AWST) on 20 March 2017 (**Record Date**) at an issue price of \$0.028 per share. The issue price of the shares under the Rights Issue represents a discount of approximately 20% to the volume weighted average price (**VWAP**) of MEC Resources shares traded on the ASX during the period of 10 trading days up to and including the trading day prior to this announcement.

**The Directors of MEC Resources intend to take up their full entitlements under the Rights Issue by way of cash consideration.**

Based on the current capital structure of the Company (and assuming no options to acquire shares are exercised prior to the Record Date), if the Rights Issue is fully subscribed, and ignoring treatment of fractional entitlements, an additional 100,017,316 new shares will be issued (**New Shares**).

The Rights Issue is not underwritten. The Directors reserve the right to allocate any shortfall in New Shares not taken up under the Rights Issue, at their absolute discretion. It is anticipated that eligible shareholders will have an ability to apply for shortfall shares at the same time as they accept their entitlement under the Rights Issue.

The Rights Issue provides the opportunity for Shareholders to increase their holding of Shares and participate in the future development of the Company. The funds raised from the Rights Issue will be used primarily to provide funding to Advent Energy Limited (**Advent Energy**), one of the Company's investee companies, for the acquisition of 2D seismic data within PEP 11 and the proposed well intervention program in EP386 and RL1, and for working capital requirements of the Company.

Advent Energy has engaged Minev Services to support achieving (in the first instance) the 2D seismic work commitment in PEP11. We are also very enthusiastic in supporting an expedited 3D seismic survey to ensure the key targets in PEP11 are sufficiently de-risked to be 'drill-ready' at the earliest opportunity.

As previously advised to the ASX on 27 February 2017, extension of the EP386 permit has been received. Advent Energy has since engaged a consultant, Geoteknic, to start working on a plan to prove up this asset. Geoteknic is an Australian reservoir engineering and technical analysis company, specializing in well test design and field well testing services. Data from these proposed well interventions may provide new support for the commercial potential of the discovered hydrocarbon accumulations, and support field development planning upon positive results.

**MEC Resources Ltd**

ACN 113 900 020

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Proposed Use of Funds	Assuming Full Subscription (\$) Estimate Only
PEP 11 - 2D Seismic Campaign	600,000
PEP 11 – 3D Seismic Planning	250,000
EP 386 – Well Intervention Program	1,200,000
Working Capital	700,485
Cost of Issue	50,000
Total	2,800,485

As at the date of this announcement, the Company has 200,034,633 shares on issue, and 3,350,000 unlisted options.

Full details of the Rights Issue will be set out in the Appendix 3B and offer document to be lodged with the ASX in due course. It is expected that the offer document and accompanying Entitlement and Acceptance Form will be dispatched to shareholders on Wednesday 23 March 2017. An indicative timetable for the Rights Issue is included below.

If Shareholders have any queries regarding the Rights Issue please do not hesitate to contact the Company Secretary Ms Deborah Ambrosini on +61 8 6160 6101.

We once again thank you for your continued support and look forward to an exciting year of development.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Goh Hock', with a long horizontal flourish extending to the right.

Mr Goh Hock  
Chairman

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### Indicative timetable for Rights Issue

Event	Date
Announcement of the Offer, lodgement of Appendix 3B and statement under section 708AA(2)(f)	14 March 2017
Notice sent to shareholders containing information required by Appendix 3B	15 March 2017
Existing Shares quoted on “ex” basis	17 March 2017
Record date to determine entitlements under the Rights Issue ( <b>Record date</b> )	5:00pm (AWST) on 20 March 2017
Offer Document and Entitlement and Acceptance Form dispatched to eligible shareholders ( <b>Opening Date</b> )	23 March 2017
Last day to extend Rights Issue	18 April 2017
Final date and time for receipt of acceptance and payment in full ( <b>Closing Date</b> )	5:00PM (AWST) on 21 April 2017*
New Shares quoted on a deferred settlement basis	24 April 2017*
Company to notify ASX of under subscriptions	26 April 2017*
Allotment of New Shares ( <b>Issue date</b> )	27 April 2017*
Dispatch of transaction confirmation statements (holding statements)	27 April 2017*
Date of quotation of New Shares issued under the Rights Issue	28 April 2017*

\*Assuming that the offer is not extended. Subject to the Listing Rules, the Directors reserve the right to amend the timetable at their discretion.

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