



15 March 2017

Dear Shareholder,

We write to you as a registered holder of MEC Resources Limited (“**MEC Resources**” or the “**Company**”) shares (ASX:MMR) as at 13 March 2017.

On 14 March 2017, MEC Resources Limited (**Company**) announced a non-renounceable rights issue of up to 100,017,316 new fully paid ordinary shares (**Rights Issue**). Under the Rights Issue, holders of ordinary shares in the Company with a registered address in Australia or New Zealand as at 5:00PM (AWST) on 20 March 2017 (**Record Date**) (**Eligible Shareholders**) will be offered one (1) fully paid ordinary share in the Company (**New Shares**) for every two (2) fully paid ordinary shares held as at the Record Date at an issue price of \$0.028 per New Share, with any fractional entitlements being rounded down.

The New Shares will rank equally with all other fully paid ordinary shares of the Company, including in respect of dividends, from the date of the allotment. The Rights Issue is not underwritten.

Further details of the Rights Issue can be found in the Appendix 3B and announcement of the Rights Issue that was lodged with the ASX on 14 March 2017. It is expected that the offer document and accompanying entitlement and acceptance form will be dispatched to Eligible Shareholders on 23 March 2017 in accordance with the indicative timetable below.

As at the date of this letter, the Company has 200,034,633 shares on issue, and 3,350,000 unlisted options. 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, an additional 100,017,316 New Shares will be issued. The Rights Issue will raise up to approximately \$2.8 million before costs.

The Rights Issue provides the opportunity for Shareholders to increase their holding of shares in the Company 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.

If you have any questions, please contact the Company Secretary Ms Deborah Ambrosini on +618 61606101.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Goh Hock', with a stylized flourish at the end.

Goh Hock  
Chairman

**MEC Resources Ltd**

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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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