



19 September 2017

Dear Shareholder,

Offer by MEC Resources Ltd to Participate in Share Purchase Plan

The Directors of MEC Resources Ltd ("the Company" or "MEC") are pleased to invite you, as an eligible shareholder of the Company at 5pm WST on the record date of Monday 18th September 2017 ("the Record Date") ("Eligible Shareholder") to subscribe for additional fully paid ordinary shares in the Company ("New Shares"), free of all brokerage and commission costs, under the terms and conditions of the Company's Share Purchase Plan ("SPP") enclosed with this offer.

As announced to the ASX today, the Company is offering to Eligible Shareholders New Shares at a 20% discount to the volume weighted average price of the Company's shares traded on the Australian Securities Exchange over the 5 days up to, and including, the day on which the SPP shares are issued, rounded down to the nearest half cent. Funds raised will be primarily directed towards continuing to assist MEC's subsidiary Advent Energy Ltd towards further activities within Advent's key exploration permits, including but not limited to PEP11, for working capital and expenses of the offer (estimated at \$20,000). The Board of MEC Resources is looking to utilize a portion of its working capital to diversify its investment portfolio, in parallel with its ongoing support of Advent.

The east coast gas supply story continues to dominate media and political policy discussion and Advent's PEP11 title in the offshore Sydney Basin holds potential to provide a much needed source of domestic gas into the under-supplied NSW market. PEP11's proximity to the coast and the gas infrastructure feeding Newcastle and Sydney is a critical factor in delivering commercial gas resources to market, in the event of successful exploration drilling. Proposed seismic acquisition will aid in the most efficient appraisal, development and gas marketing of any potentially commercial discovery.

Furthermore, the EP386 and RL1 permits (100% Advent) hold a number of gas discoveries, as well as an independently assessed contingent gas resource. These titles are located near the expanding region of Kununurra on the northern border of Western Australia and the Northern Territory. The region is home to numerous projects requiring individual energy or power solutions, including Argyle Diamond Mine, Project Sea Dragon (Seafarms Group's significant aquaculture project of major project status across three Australian government jurisdictions), and the expanded Ord River Irrigation Area. Advent's next planned program of work is a well intervention and testing operation ahead of the preparation of a formal development plan.

There have been a number of significant developments in Advent and its subsidiaries during 2017 and these have been detailed below for your consideration:

Petroleum Exploration Permit 11 (PEP 11)

Advent has been preparing to meet its permit commitment of a 2D seismic program over PEP 11 in the offshore Sydney Basin, adjacent to Newcastle-Sydney offshore New South Wales. Advent holds an 85%

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interest and is operator of the PEP11 project through its 100% owned subsidiary Asset Energy Pty Ltd.

Advent and joint venture partner Bounty Oil and Gas NL (15% interest in PEP11) presently have an obligation to perform a 200 line km 2D seismic survey in PEP11 comprising Year 2 of the 5 year work program committed to on PEP11. Advent has engaged Minev Services Pty Ltd to assist in delivering this work commitment. Geohazard identification is anticipated to be achieved as a result of this survey, which will contribute to the potential future drilling activities in PEP11.

In May-June 2017 a significant stakeholder consultation process was performed in advance of the seismic work commitment. This was a critical step in the development of the Environmental Plan ("EP") as it was a prerequisite; prior to the submission of the formal EP document. Effective communication with all stakeholders, such as fisheries industries, environmental groups and government bodies, is necessary to ensure safe operations and effective environmental management during those operations. The EP is the critical documentation necessary to be submitted to the National Offshore Petroleum Safety and Environment Management Authority ("NOPSEMA") to allow the seismic survey to proceed in PEP11 once approved.

In preparation for the EP, SLR Consulting were engaged to conduct an independent assessment of marine noise generated by the planned 2D seismic survey to consider potential impacts on marine fauna in the area of the 2D seismic survey. This demonstrated a very low impact of the planned operations on the marine environment. Advent has now sourced a suitable provider of navigation services to ensure a seamless integrated 2D seismic survey is performed. A suitable contract for these services will be developed prior to commencement of the planned survey.

Most notable though Advent submitted an EP to NOPSEMA for the planned 2D high resolution seismic survey in PEP11, offshore Sydney Basin on 3 July 2017. Timeframes to approval for seismic surveys averaged 125 days in 2016. However, through the noise modelling and stakeholder consultation undertaken to date, Advent is confident that its proposed seismic survey is of very low impact compared to other seismic surveys considered by NOPSEMA, and therefore optimistic that a shorter timeframe to approval will be achieved.

Advent has received initial assessment findings from NOPSEMA, and an opportunity to modify and resubmit the EP has been provided to Asset Energy Pty Ltd (wholly owned subsidiary of investee company Advent). Advent anticipates that it will address the findings and resubmit the revised EP by 15 October.

It is anticipated that the seismic campaign will commence later in 2017 or early 2018. It is expected that the campaign will run for three to four days, and take place predominantly approximately 30km south east of Newcastle, New South Wales.

Exploration Permit 386 (EP386) and Retention Licence 1 (RL1)

Advent has received conditional regulatory approval for suspension of the permit work commitments and extension of the term of EP386 in the onshore Bonaparte Basin, Western Australia.

The approval from the Western Australian Department of Mines, Industry, Regulation and Safety ("DMIRS", formerly the Department of Mines & Petroleum) allows the current EP386 work commitments to be completed by 31 March 2018, subject to regulatory approval and suitable funding.

Advent has provided a proposal to DMIRS for a well intervention program to satisfy regulatory requirements and gather data to assess the potential of the hydrocarbon accumulations encountered in its Waggon Creek-1 and Vienta-1 wells in EP386. Advent is also preparing a similar proposal to the Northern Territory Department of Primary Industry and Resources (DPIR) for Weaber-4 in RL1 in the Northern Territory.

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Following regulatory approval, it is anticipated that the 20-year-old original discovery wells in EP386 may be decommissioned.

The data from the proposed well interventions is anticipated to provide new support for the commercial potential of the hydrocarbon accumulations. Subsequently, where the additional data provides a positive assessment of the resources, the Company anticipates submitting a field development plan. Advent holds a 100% interest in each of EP386 and RL1 through wholly owned subsidiary Onshore Energy Pty Ltd.

Technical Expertise of Advent Strengthened

A lack of technical experience within Advent and its subsidiaries was identified and a decision was made to bolster the Board during the year to ensure Advent had the skills it needed to progress its assets.

In doing so Mr Greg Channon and Ms Diana Hoff were appointed to the Board of Advent.

Mr Channon is a geologist with over 30 years of global oil and gas experience in a wide variety of technical and leadership roles. He is currently the Executive Chairman of RL Energy, and a Non-Executive Director of Samson Oil and Gas. Mr Channon's experience includes engagement by international oil and gas companies in Australia, New Zealand, USA, Hong Kong, China and Africa.

During his career, Mr Channon has gained a vast range of diverse oil and gas expertise, including exploration, operations, development, production, economics and commercial negotiations and IPO start ups. He has sat on the board of directors of companies listed on the ASX, NYSE, TSX and HKSE.

Ms Hoff is a petroleum engineer with 30 years of international and Australian upstream oil and gas experience in technical and executive roles from drilling foreman to engineer, manager, general manager, vice president and CEO.

Ms Hoff has held line accountability for drilling and completions for significant proportions of her career. She also has held corporate responsibility for environment, health and safety, major projects (up to \$18.5 billion), innovation, and development of engineering communities and engineering standards. She has participated in significant stakeholder engagement, media interviews and presentations to investors, regulators and public audiences.

Advent is extremely pleased to have been able to secure two such highly qualified and respected members to its board.

All directors have reduced their fees to the nominal amount of \$1 and this arrangement will continue until further notice.

At the operational level Mr Matthew Battrick, a highly experienced geologist and company executive, was appointed to assist Advent in developing a strategic plan for its assets and subsequently implementing and achieving that plan. Mr Battrick is a proven oil and gas explorer as a leader of high-performing, multi-disciplinary teams. He has demonstrable success in resetting strategic direction at Board level and in delivering five-fold growth in shareholder value. In addition, he has worked successfully with or joint ventured with major and super major oil companies as well as ASX 100 companies. Importantly, Mr Battrick has recently been appointed to act as Alternate Director to Mr Darryl Moore on the Board of MEC Resources Ltd.

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The Offer

Eligible Shareholders will each be entitled to apply for up to \$15,000 worth of New Shares, without any brokerage or transaction costs (the "Offer").

The market price of the Company's shares may rise or fall between now and the date when the New Shares are issued in accordance with the SPP.

The Directors see the following advantages for Eligible Shareholders in subscribing for New Shares under the SPP:

1. Shareholders may 'top up' their holdings to a marketable parcel;
2. No brokerage or transaction costs are payable on New Shares; and
3. The issue price will be at a 20% discount to the VWAP calculated over the 5 days up to, and including, the day on which the SPP shares are issued.

The Offer is non-renounceable, in that you cannot transfer your right to buy shares under the SPP to another person. However, your participation under the SPP is optional and you may elect not to participate at all, by doing nothing.

Each Eligible Shareholder may participate by completing an Application Form and subscribing for one of the following offers of New Shares:

	Subscription Amount
Offer A:	\$500.00
Offer B:	\$1,000.00
Offer C:	\$1,500.00
Offer D:	\$2,000.00
Offer E:	\$2,500.00
Offer F:	\$5,000.00
Offer G:	\$7,500.00
Offer H:	\$10,000.00
Offer I:	\$15,000.00

The offer is strictly limited to a maximum of 30% of the existing share capital and applications will be accepted on a first received basis.

The Directors reserve the right to reject or scale back any applications in whole or in part. The Company will return any application monies paid in relation to unsuccessful applications without interest.

To take up this Offer:

1. please read the enclosed Terms and Conditions of the SPP;
2. complete the enclosed the personalised Share Purchase Plan Application Form ("Application Form") specifying the total subscription price for those New Shares; and
3. send the completed Application Form by 5pm (WST) on Monday 23rd October 2017 ("the Closing Date"), in the envelope provided, with your cheque made payable to MEC Resources Ltd, and crossed Not Negotiable to the Company's share registry at:

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Advanced Share Registry
PO Box 1156
Nedlands WA 6909

Alternatively, you can use the BPay® facility as set out on the Application Form. If you make a BPay® payment, you do not need to return the Application Form. Please note that New Zealand Shareholders having an Australian bank account can also use BPay®.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPay®. It is your responsibility to check that the amount you wish to pay via BPay® does not exceed your limit.

Shareholders are responsible for making sure that any BPay® payments are made in time to become cleared funds in the account before close of business on the Closing Date. Delays may be experienced such that a BPay® transfer on the Closing Date is unlikely to be cleared funds by close of business on the Closing Date.

You should note that the Company may elect to close the offer at any time, or extend the Closing Date.

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Key Dates

Date	Details
Monday 18 th September 2017	Record Date 5.00pm (WST) The date on which the Company determined shareholders eligible to participate in the SPP, being shareholders registered on that date with an address in Australia or New Zealand.
Tuesday 19 th September 2017	SPP Announced to ASX
Thursday 21 st September 2017	Opening Date 9.00am (WST) The date the SPP offer is made – SPP opens.
Monday 23 rd October 2017	Closing Date The date on which the SPP offer closes. Applications and payments (including BPAY) must be received by 5.00pm (WST).
Thursday 26 th October 2017	Issue Date The date New Shares are issued.
Friday 27 th October 2017	Dispatch Date The date on which holding statements are sent to shareholders who subscribed for New Shares under the SPP.
Monday 30 th October 2017	Share Trading Date The date on which it is expected that the New Shares will commence trading on the ASX.

The timetable is indicative only and the Company may, at its discretion, vary any of the above dates except for the Record Date and the Opening Date.

Please contact the Company on 08 9245 6187 or via e-mail info@mecresources.com.au if you have any queries in relation to this Offer or how to accept it.

I also encourage you to visit our website at www.mecresources.com.au and sign up for our email news to keep up to date with the progress of our investments.

Yours faithfully



Goh Hock

Chairman

MEC Resources Ltd
ACN 113 900 020

SHARE PURCHASE PLAN TERMS AND CONDITIONS

These terms and conditions are the terms and conditions of MEC Resources Ltd ACN 113 900 020 ("**Company**" or "**MEC**") 2017 Share Purchase Plan ("**SPP**") (as contemplated by Regulatory Guide 125 of the Australian Securities & Investments Commission and Class Order 09/425) and are binding on any shareholder completing a Share Purchase Plan Application Form attached hereto.

1. The Offer

The Offer is an invitation to offer to subscribe for fully paid ordinary shares in the Company ("Shares") up to a maximum subscription of \$15,000 at an issue price equal to a 20% discount to the VWAP calculated over the 5 days up to, and including, the day on which the SPP shares are issued.

You may refuse the Offer.

The Offer to each eligible shareholder is made on the same terms and conditions. The Offer is non-renounceable (i.e. you may not transfer your right to acquire a Share to anyone else).

2. Opening and Closing Date of the Offer

The Offer opens at 9.00am WST on Thursday 21st September 2017. The Offer closes at 5.00pm WST on Monday 23rd October 2017. The Directors of the Company reserve the right to change the closing date of the Offer.

No late applications will be accepted.

3. Eligibility

You are eligible to apply for the New Shares if:

- (a) your registered address in the Company's register of members is in Australia or New Zealand or otherwise to any shareholder to whom an offer of securities under this SPP is not in breach of the securities laws of the country in which they reside; and
- (b) you were registered as a holder of fully paid shares in the Company as at 5.00pm WST on Monday 18th September 2017.

4. Issue Price

The issue price for each New Share under the Offer is equal to a 20% discount to the VWAP calculated over the 5 days up to, and including, the day on which the SPP shares are issued.

In accordance with the requirements of ASIC Class Order [CO/425], the Company confirms that the issue price will be less than the market price of the Company's shares during 'a specified period' in the 30 days before the date of the issue (such specified period being the 5 days in which trading in the Company's shares occurs before the SPP shares are issued).

As required by ASX Listing Rule 7.2 Exception 15, the issue price will represent at least 80% of the volume weighted average price for the 5 days in which trading in the Company's shares occurs before

the date the issue is made.

5. Rights Attaching

The rights and obligations of the New Shares are contained in the Constitution of the Company (which is available for inspection at the registered office of the Company during the period of the Offer). The New Shares will be issued on the same terms as all other ordinary shares in the Company and the Company will apply for the New Shares to be quoted on ASX.

If the New Shares are not quoted on ASX, the New Shares will not be issued and funds will be refunded.

6. Number of Shares

If you are an eligible shareholder, you can purchase up to a maximum of \$15,000 worth of shares. Shareholders can select one of the following alternatives:

	Subscription Amount
Offer A:	\$500.00
Offer B:	\$1,000.00
Offer C:	\$1,500.00
Offer D:	\$2,000.00
Offer E:	\$2,500.00
Offer F:	\$5,000.00
Offer G:	\$7,500.00
Offer H:	\$10,000.00
Offer I:	\$15,000.00

The total costs of New Shares purchased by each eligible shareholder (including through joint holding(s), multiple share accounts or any holding in which they have a beneficial interest(s)) must not exceed \$15,000. The Directors reserve the right to issue to an eligible shareholder less New Shares than the number specified in an Application Form (including only that number of shares per accepted Application Form that permits the Company to comply with ASX Listing Rule 7.1) for whatever reason, including to avoid the possible subscription of over \$15,000 worth of New Shares by a shareholder through multiple applications or joint holdings. No fractions of New Shares will be issued.

7. Maximum Number of New Shares to be Issued

The total number of New Shares under the SPP must not exceed 30% of the number of Shares currently on issue. The Directors reserve the right to reject or scale back any applications in whole or in part.

8. Participation Costs

You must pay the issue price per New Share and any fees or charges incurred by you in completing the Application Form, for example, bank fees or fees of professional advisors. No commission is payable by the Company on the issue of the New Shares and no brokerage applies.

9. Allotment of Shares

Subject to point 7 above, the New Shares will be allotted as soon as possible after the closing date.

The Company will send or cause to be sent to you a holding statement in due course.

10. Payment for The New Shares

All amounts in this Offer are expressed in Australian dollars. You must pay for the New Shares by BPay® following the instructions on the Application Form, or by cheque in Australian dollars made payable to "MEC Resources Ltd". Please provide a cheque for the exact amount. If you do not provide the exact amount, the Company reserves the right to return your Application Form and cheque (in which case you will receive no New Shares) or issue you a lesser number of New Shares and (if necessary) return a portion of your funds. No interest will be paid on money returned.

11. Offers Under the SPP

The Company may make more than 1 invitation to acquire New Shares under the SPP in any 12 month period. Shareholders will not be able to acquire New Shares to a value exceeding \$15,000 pursuant to the SPP in any 12 month period. The Company may amend the terms of the SPP to provide for different terms to apply to different invitations. The Company may terminate the SPP at any time. Notice of invitations, the terms of invitations and termination of the SPP will be provided to ASX. (Although, failure to give notice will not invalidate the event.)

12. Application of SPP

The Company may act or omit to act in relation to the SPP (including applying the terms of the SPP) in its absolute discretion. The Company may settle any difficulty of question of fact or interpretation in relation to the SPP in any matter it thinks fit, whether generally or in relation to any participant, application or Share. The Company's decision will be conclusive and binding. The Company reserves the right to waive strict compliance with the terms of the SPP. The Directors of the Company or any delegate of them may exercise the powers of the Company under the terms of the SPP.

13. Risk

The SPP is a speculative investment and the market price may change between the dates you apply for Shares and the issue of New Shares to you. Accordingly, the value of New Shares applied for may rise or fall.

This Offer is not a prospectus and does not require the types of disclosures required under the Corporations Act. You must rely on your own knowledge of the Company, previous disclosures made by the Company to ASX, and, if necessary, consult your professional advisor when deciding whether or not to accept the Offer and participate in the SPP.

14. Privacy

By receiving completed Application Forms, the Company collects personal information about shareholders. The Company will use this information for the purposes of processing the Application Form and updating the records of the Company. Unless required by the law, the Company will not disclose the personal information for another purpose without the consent of the shareholder. Except as stated by the law, shareholders are able to access, upon request, their personal information held by the Company. For further information about how we manage your personal information or if you wish to obtain a copy of the Company's Privacy policy, please contact us.

15. Use of Funds

The application of funds raised pursuant to the SPP is described in the letter to shareholders dated 19th September 2017 inviting them to participate in the SPP.

16. Important Dates

The important dates in relation to this Offer are summarised below. These dates are indicative only and subject to change at the discretion of the Directors.

Monday 18 th September 2017	SPP record date (to determine who Eligible Shareholders are)
Tuesday 19 th September 2017	SPP announced to market
Thursday 21 st September 2017	SPP offer is made – SPP opens
Monday 23 rd October 2017	SPP offer closing date
Thursday 26 th October 2017	New Shares issue date
Friday 27 th October 2017	Holding statements dispatch date
Monday 30 th October 2017	Expected commencement date of trading New Shares on ASX

17. Joint Holders

If you are a joint holder of existing Shares, you are taken to be a single registered holder of existing Shares for the purposes of determining whether you are an Eligible Shareholder and joint holders are entitled to participate in the SPP in respect of that single holding only.

18. Custodians

Eligible shareholders who hold Shares as a "custodian" (as defined in ASIC Class Order 09/425) ("**Custodian**") may participate in the SPP on behalf of one or more persons whom the Custodian holds Shares on behalf of ("**Custodian Beneficiaries**"). If a Custodian applies for New Shares on behalf of a Custodian Beneficiary, the Company may not issue New Shares to the Custodian under the SPP unless the Custodian gives the following (or substantially the following) ("**Custodian Certificate**") in writing to the Company. The Company will supply an appropriate Custodian Certificate upon request to the Company Secretary,

- (a) either or both of the following:
 - (i) that the Custodian holds the Shares on behalf of one or more persons that are not custodians ("**Participating Beneficiaries**"); or

- (ii) that another custodian (“**Downstream Custodian**”) holds beneficial interests in Shares on behalf of a Participating Beneficiary, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

- (iii) where sub-paragraph (a)(i) applies – the Custodian; and
- (iv) where sub-paragraph (a)(ii) applies – the Downstream Custodian,

to apply for New Shares under the SPP on their behalf;

- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary, and that each Participating Beneficiary’s address is located in Australia or New Zealand;
- (d) that each Custodian Beneficiary is not in the United States and that the Custodian has not sent any materials relating to the SPP to any person in the United States;
- (e) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph (a)(i) applies – the number of Shares that the Custodian holds on their behalf; and
 - (ii) where sub-paragraph (a)(ii) applies – the number of Shares to which the beneficial interests relate;
- (f) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph (a)(i) applies – the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
 - (ii) where sub-paragraph (a)(ii) applies – the number or the dollar amount of New Shares they instructed the Downstream Custodian to apply for on their behalf;
- (g) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds A\$15,000:
 - (i) the New Shares applied for by the Custodian under the SPP in accordance with the instructions referred to in sub-paragraph (f); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;
- (h) that a copy of this offer was given to each Participating Beneficiary; and
- (i) where sub-paragraph (a)(ii) applies – the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

