

ASX ANNOUNCEMENT

24th June 2020

MEC DISPUTES CLAIMS BY ADVENT AND ASSET

MEC Resources (**MEC** or the **Company**) (ASX: MMR) refers to the announcement made by BPH Energy Ltd (BPH) (ASX:BPH) and released on the ASX platform on 17 June 2020 (Announcement) in relation to two notices of demand issued by Advent Energy Ltd (**Advent**) and Asset Energy Pty Ltd (**Asset**) respectively regarding purported loans to MEC (**Notices**).

MEC DENIES THE CLAIMS AND DISPUTES THE NOTICES

MEC advises that it has written to the boards of Advent and Asset and advised them that their claims are denied and that any legal proceedings to recover the alleged debts will be opposed.

Background

Since 2005, MEC has provided funding to Advent Energy and its subsidiaries by way of a combination of loans and equity, including to develop their respective exploration assets being the offshore Oil and Gas prospect in NSW held by Asset Energy, PEP11, and Onshore Energy's assets being EP386 (WA) and RL1 (NT).

MEC notes that;

- MEC – not Advent, nor Asset – was the ultimate source of the monies that are the subject of the claims;
- there have been changes to the accounting treatment of the monies and expenditure that are the subject of the claims; and
- notwithstanding the terms of the settlement entered into in August 2019 and announced to the ASX in MEC's announcement of 12 August 2019), if necessary, MEC is entitled to set off:
 - any loans by MEC to Advent or Asset of the monies that are the subject of the claims; against
 - MEC's loans to Advent (and the balance of which loans – net of the Advent claim of \$242,155.21 – as at 31 December 2019 was \$3,924,317¹).

This announcement has been approved by the Board of Directors of MEC.

For further information contact:

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Director

¹ Refer MEC Appendix 4D – Half year report for year ended 31 December 2019 (page 16, Loan receivable – Advent Energy).