



23 March 2016

Dear Shareholder,

### MEC Resources Ltd Share Purchase Plan

The Directors of MEC Resources Ltd (**Company**) are pleased to announce the offer of a Share Purchase Plan ("SPP").

Proceeds raised through the SPP will principally be used to further assist MEC's subsidiary, Advent Energy Ltd in the preparatory work to perform a seismic survey in the offshore Sydney Basin in PEP11. This will include procurement of specialist seismic service providers to assist in the new data acquisition planned for PEP11. MEC Resources is closely monitoring the gas market dynamics in the east coast of Australia, and strongly believes the PEP11 project is ideally placed to potentially provide gas into the east coast gas network. The Australian Petroleum Production and Exploration Association (APPEA) has succinctly described the forecast shortfall in the east coast gas market in a public statement released 10<sup>th</sup> March 2016.

*"The latest Gas Statement of Opportunity (GSOO) warns that developed gas reserves in eastern and south-eastern Australia can only meet forecast demand until 2019."*

*"The information released by AEMO (Australian Energy Market Operator) today is a sobering reminder that the east coast needs rapid development of new gas reserves to guarantee supply."*

The seismic survey is planned to focus on a revised drill target on a site at the Baleen prospect identified in an independent report released by the Company to the ASX on the 23<sup>rd</sup> September 2015. The target is a 6000 acre (24.3km<sup>2</sup>) amplitude anomaly. That report correlated the revised Baleen drill target to equivalent depth/age/commercial gas condensate fields in the Bowen Basin.

Advent has also announced its intention to commercialise its proven gas resource in the Bonaparte Basin and has just announced the signing of a letter of intent with Northern Minerals Limited.

A portion of funds raised will be used to meet the working capital requirements of the Company and to meet the Company's expenses of the issue (estimated at \$20,000).

Under the SPP, eligible shareholders (being shareholders registered at 5:00pm (WST) on Tuesday 22 March 2016 (**Record Date**) with an address in Australia or New Zealand) can purchase shares at approximately a **19%** discount to the average market price of the Company's shares on the ASX calculated over the five trading days prior to and including the Record Date.

Each shareholder may apply for a maximum of \$15,000 worth of shares under the SPP. 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**.

Participation in the SPP is optional and the right to participate is not transferable. The directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application.

The indicative timetable for the offer is attached for your reference. The offer document application form and detailed terms and conditions will be forwarded to eligible shareholders in accordance with the attached timetable (unless varied).

Kind regards

A handwritten signature in dark ink, appearing to read 'D. Breeze', is written over a light blue horizontal line.

David Breeze  
Managing Director

### MEC Resources Ltd Share Purchase Plan

#### MEC Resources Ltd

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## Indicative Timetable

### Key Dates\*

Date	Details
Tuesday 22 <sup>nd</sup> March 2016	<b>Record Date 5:00pm (WST)</b> 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.
Wednesday, 23 <sup>rd</sup> March 2016	<b>Plan Announced</b>
Thursday 24 <sup>th</sup> March 2016	<b>Opening Date</b> The date the Plan opens.
Monday 2 <sup>nd</sup> May 2016	<b>Closing Date</b> The date on which the SPP closes. Applications and payments or BPAY® must be received by 5:00pm (WST).
Thursday 5 <sup>th</sup> May 2016	<b>Issue Date</b> The date shares are issued and any scaleback of the Shares to be issued under the SPP is announced.
Friday 6 <sup>th</sup> May 2016	<b>Dispatch Date</b> The date on which holding statements are sent to shareholders who subscribed for shares under the SPP.
Tuesday 10 <sup>th</sup> May 2016	<b>Share Trading Date</b> The date on which it is expected that shares will commence trading on the ASX.

The Company's directors reserve the right to vary the SPP closing date.

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