



16 May 2016

Companies Announcements Office
Australian Securities Exchange Limited
10th Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

PEP11, Offshore Sydney Basin

MEC Resources Ltd (ASX: MMR) is pleased to advise the following in relation to the proposed exploration works by Advent Energy Ltd within PEP11 in the offshore Sydney Basin.

A future drill target was announced in September 2015. This report identified a revised drill target on the Baleen prospect on seismic line B4-18 with a total depth of 2150 metres. This target was found to be analogous with existing producing fields.

A seismic survey covering approximately 200 line km is currently being planned to assist in the potential future drilling of this target approximately 30 km south east of Newcastle, New South Wales. An image is provided overleaf of the Baleen prospect and associated seismic features.

Evaluation of the nature and type of rigs potentially available to drill this target in PEP11 is underway. The drilling target at Baleen is in 125 m of water. The decision to drill in the future will be subject to final technical review and will require further fund raising or joint venture.

PEP11 is held 85% and operated by Asset Energy Pty Ltd. Asset Energy Pty Ltd is a wholly owned subsidiary of Advent Energy Ltd, an investee entity of MEC Resources Ltd. Bounty Oil & Gas NL (ASX: BUY) holds the remaining 15% of PEP11.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'D. Breeze'.

David Breeze
Executive Director

Notes:

In accordance with ASX listing requirements, the geological information supplied in this report has been based on information provided by geologists who have had in excess of five years' experience in their field of activity.

All Mineral Resource and Reserve Statements have been previously published by the companies concerned. Summary data has been used. Please refer to relevant ASX releases for details and attribution. Unless otherwise stated all resource and reserve reporting complies with the relevant standards. Resources quoted in this report equal 100% of the resource and may not represent MEC's investees' equity share.

About MEC Resources

ASX listed MEC Resources (ASX: MMR) invests into exploration companies targeting potentially large energy and mineral resources. The Company has been registered by the Australian Federal Government as a Pooled Development Fund enabling most MEC shareholders to receive tax free capital gains on their shares and tax free dividends.

MEC Resources Ltd

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About Advent Energy

Advent Energy Ltd is an unlisted oil and gas exploration company held by major shareholders MEC Resources (ASX: MMR), BPH Energy (ASX: BPH), Grandbridge (ASX: GBA) and Talbot Group Investments. Advent holds a strong portfolio of near term development and exploration assets spanning highly prospective acreage onshore and offshore Australia in proven petroleum basins. Advent Energy's asset base also incorporates both conventional and unconventional petroleum targets.

Near Top Permian / Base Triassic amplitude extraction

Estimate: 6196 acres of estimated amplitude closure

