![MEC Resources]

10 May 2016

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

Dear Sir/Madam

PEP11 Geochemical Prospectivity Support

MEC Resources Ltd (ASX: MMR) is pleased to advise that geochemical support has been received for a potential exploration well within PEP11, in the offshore Sydney Basin.

The new geochemical report reviewed the hydrocarbon analysis performed on sediment samples obtained within PEP11 during 2010. The 2010 geochemical investigation utilised a proprietary commercial hydrocarbon adsorption and laboratory analysis technique to assess the levels of naturally occurring hydrocarbons in the seabed sediment samples. A new report investigating a review of this analysis has just been received, excerpts of which are provided overleaf.

The report supports that the area surrounding the proposed drilling site on the Baleen prospect appears best for hydrocarbon influence relative to background samples.

Conclusions of the presentation are provided below:

The geochemical data acquired in 2010 supports the identification of reliable backgrounds and also primary hydrocarbon influence locations, despite active gas seeps which appear ubiquitous throughout the area of interest.

The Baleen Prospect appears to hold a higher probability of success than other prospects.

Importantly, "A recent review of more than 850 wildcat wells – all drilled after geochemical surveys – finds that 79% of wells drilled in positive anomalies resulted in commercial oil and gas discoveries." (Surface geochemical exploration for oil and gas: New life for an old technology, D. Schumacher, 2000, *The Leading Edge*)

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,

David Breeze
Executive Director

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.

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.
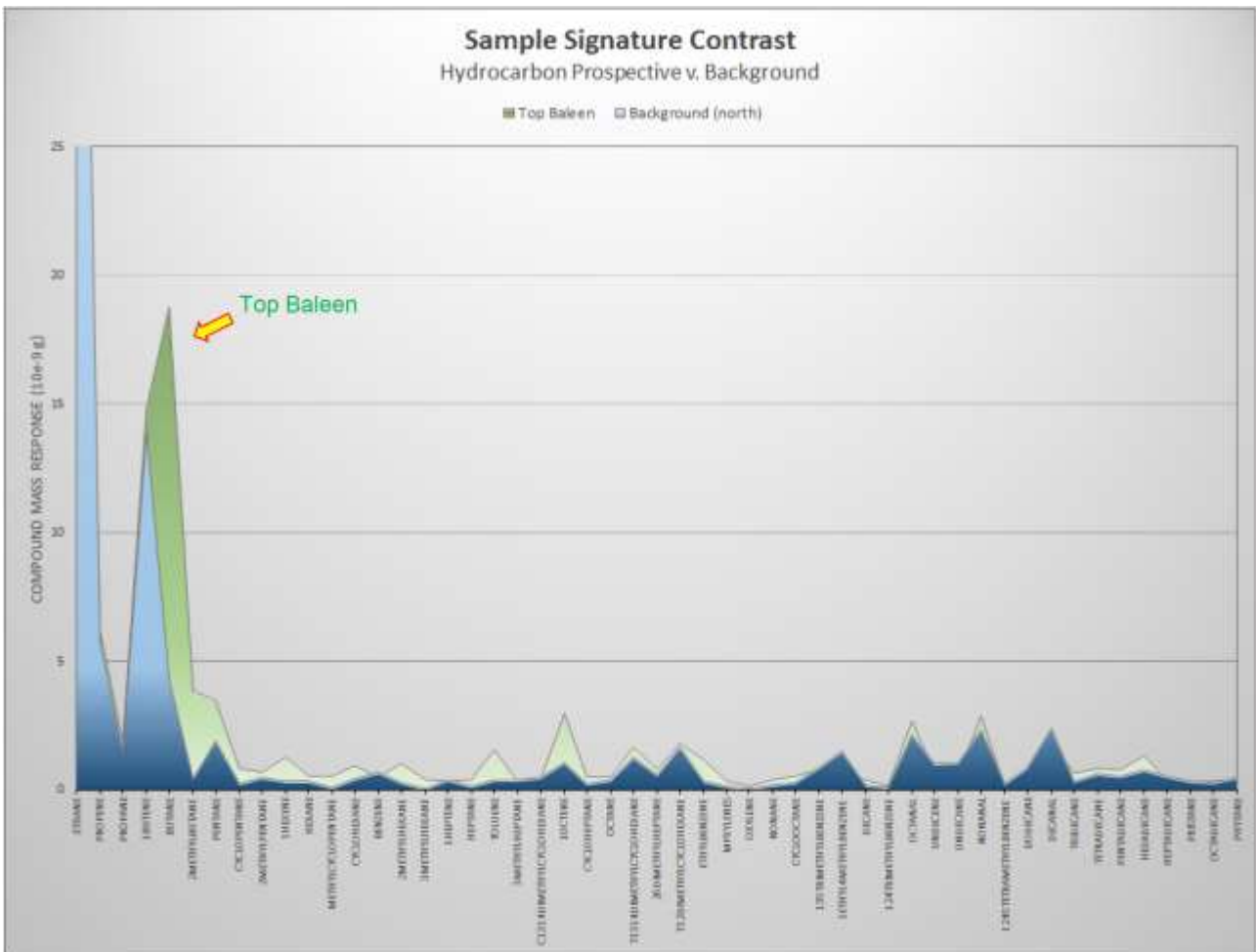
Plot showing overlay of nearby regional background signature (blue) on positive hydrocarbon influence (Top Baleen, green). Note that the main difference involves hydrocarbon compounds C_4 through C_8. Ethane (C_2) is prevalent throughout the region and does not discriminate between sites in this data set.
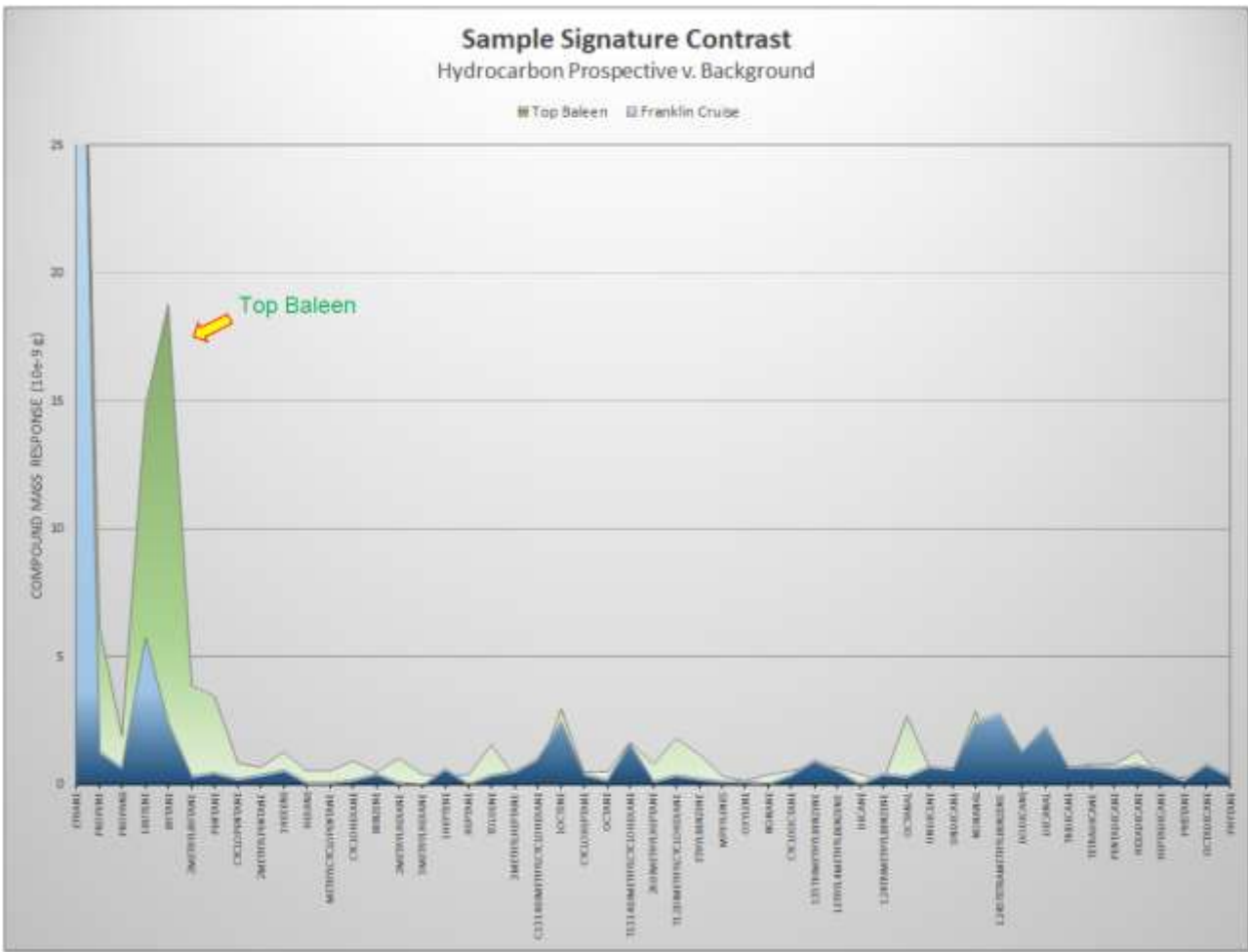
Plot showing overlay of the lowest background signature of the survey data (blue) on positive hydrocarbon influence (Top Baleen, green). Note that the difference involves hydrocarbon compounds C_3 through C_7. Ethane (C_2) is prevalent throughout the region and does not discriminate between sites in this data set.