



27 July 2010

Companies Announcement Office
Australian Securities Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir,

MEC RESOURCES LTD-PEP11 DRILLING UPDATE

MEC's investee company Advent Energy Ltd ("Advent") has advised that, following notice from Apache Energy Ltd, it anticipates commencing drilling in PEP11, offshore Sydney Basin early in the fourth quarter 2010.

Advent is currently evaluating the site survey report which covered the Great White & Marlin drilling location 55 km offshore east of Newcastle.

The independent site survey contractor's analysis of site survey data over the Great White and Marlin prospects stated that the geological sequence immediately above the interpreted Permo-Triassic unconformity is "likely" to contain zone(s) of gas. This sequence identified by the independent site survey contractor is the same sequence that has been identified by Advent's 2004 seismic surveys to contain the primary reservoirs targets of the Great White and Marlin prospects.

This interpretation is consistent with the CSIRO PEP11 study into the same seismic sequence described in our earlier ASX Release (ASX: MMR 12 May 2010).

The upgrades in estimated prospective gas resources for PEP 11 issued by Advent's public release on 5 July 2010 are based on the Great White and Marlin prospects, covering a significant area estimated to be 574 km² and 761 km² respectively.

Advent believes that reservoirs within this sequence are charged with natural gas sourced from the underlying Permo-Triassic sequence. Furthermore, in Advent's opinion, the independent site survey contractor's report indicating the "likely" presence of gas provides support for the presence of an offshore hydrocarbon system.

Yours sincerely,
Executive Director

Yours sincerely,

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

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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 Corporate (ASX: BPH) and Talbot Group Holdings. Advent holds a strong portfolio of exploration and near-term production assets throughout Australia. Advent's cornerstone project lies off the coast of NSW in Petroleum Exploration Permit 11 (PEP11), and comprises gas prospects of multi-Tcf capacity. Advent Energy's wholly owned subsidiary Asset Energy Pty Ltd is increasing its interest from 25% to 85% of PEP11 from joint venture partner Bounty Oil and Gas (ASX:BUY) who will reduce their interest from 75% to 15%.

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.

MEC is an exploration investment company and relies on the resource and ore reserve statements compiled by the companies in which it invests. All Mineral Resource and Reserve Statements have been previously published by the companies concerned. Summary data has been used. Unless otherwise stated all resource and reserve reporting complies with the relevant standards. Resources quoted in this report equal 100% of the resource and do not represent MEC's investees' equity share.

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