



9 April 2019

**PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE ON A 1:1 BASIS**

MEC Resources Ltd (ASX: MMR) (the **Company** or **MEC Resources**) is pleased to announce an equity raising of up to approximately \$1.7M before costs, via a 1 for 1 pro-rata non-renounceable rights issue (**Rights Issue**).

Eligible shareholders in the Company (**Eligible Shareholders**) will have the opportunity to subscribe for 1 new fully paid ordinary share in the Company (**New Share**) for every 1 share in the Company held at 5:00pm (AEDT) on Friday 12 April 2019 (**Record Date**) at an issue price of \$0.005 per New Share.

**The Directors of MEC Resources who are Eligible Shareholders intend to take up their full entitlements under the Rights Issue.**

The funds raised from the Rights Issue will be used primarily to expand and diversify the Company's asset base in accordance with its approved investment mandate, and/or as modified from time to time following any necessary approval from AusIndustry, ASX and/or Shareholders (as applicable). In addition, the funds will also be used to continue to support the ongoing exploration efforts, through the provision of ongoing funding to Advent Energy Limited (**Advent Energy**), one of the Company's investee companies. Funds deployed to Advent Energy will be used for any additional costs it may incur toward planned exploration works within its petroleum titles. The balance will be allocated for the working capital requirements of the Company.

On 6 March 2019, the Company announced that it had increased its holding in Advent Energy from 50% to 53% through the conversion of loans owing to it from Advent Energy following the funding of the 2D seismic campaign, which was completed in April 2018. An amount of \$532,500 was converted at \$0.05 per share, representing the last transaction price recorded in Advent Energy shares and increasing MEC Resources' percentage interest in Advent Energy by 3%. The Company is pleased to be able to continue to support its investee Advent Energy in its exploration activities.

**Indicative Timetable for Rights Issue**

Event	Date
Lodgement of Prospectus with ASIC, lodgement of Prospectus and Appendix 3B with ASX and dispatch of letter to Optionholders	9 April 2019
Dispatch of letter to Shareholders	10 April 2019
Existing Shares quoted on "ex" basis	11 April 2019
Record date to determine entitlements under the Prospectus ( <b>Record Date</b> )	12 April 2019
Prospectus and Entitlement and Acceptance Form dispatched to eligible shareholders ( <b>Opening Date</b> )	17 April 2019
Final date and time for receipt of acceptance and payment in full ( <b>Closing Date</b> )	5:00PM (AEST) on 3 May 2019*
New Shares quoted on a deferred settlement basis	6 May 2019*
Company to notify ASX of under subscriptions	6 May 2019*
Allotment of New Shares ( <b>Issue Date</b> )	7 May 2019*
Deferred settlement trading ends	7 May 2019*
Dispatch of transaction confirmation statements (holding statements)	7 May 2019*
Date of quotation of New Shares issued under the Offer	8 May 2019*

\* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such, the date the New Shares are expected to commence trading on ASX may vary.

As at the date of this announcement, the Company has 341,868,046 shares on issue, and 72,322,315 unlisted options. Based on the current capital structure of the Company (and assuming no options to acquire shares are exercised prior to the Record Date), if the Rights Issue is fully subscribed, and ignoring treatment of fractional entitlements, an additional 341,868,046 New Shares will be issued.

**MEC Resources Ltd**

ACN 113 900 020

PO Box 882 West Perth WA 6872 | Suite 2 Level 3 1111 Hay Street West Perth WA 6006

T: +61 8 9245 6187 F: +61 6160 5901

info@mecresources.com.au [www.mecresources.com.au](http://www.mecresources.com.au)



The Rights Issue is not underwritten. The Directors reserve the right to allocate any shortfall in New Shares not taken up under the Rights Issue (**Shortfall Shares**), at their absolute discretion. Eligible Shareholders will have the ability to apply for Shortfall Shares at the same time as they accept their full entitlement under the Rights Issue. The Rights Issue provides the opportunity for Shareholders to increase their holding of shares in the Company and further participate in the future development of the Company.

The Rights Issue is only being made available to those Eligible Shareholders who have a registered address in Australia or New Zealand.

Please note that optionholders will not be eligible to participate in the Rights Issue (with respect to any shares that underlie their options) unless they first exercise some or all of their options in accordance with the option terms. In order to take up their offer under the Rights Issue, optionholders will be required to complete the exercise of their options before the Record Date of Friday 12 April 2019.

Any optionholder who wishes to exercise some or all of their options (provided the options are eligible to be exercised on their terms) should contact the Company by Thursday, 11 April 2019.

As this is a non-renounceable offer, the entitlement will not be tradeable on ASX. Eligible Shareholders who do not wish to take up their entitlement will not receive any benefit from those entitlements.

Full details of the Rights Issue are set out in the Appendix 3B and Prospectus lodged with the ASX together with this announcement. It is expected that the Prospectus and accompanying Entitlement and Acceptance Form will be dispatched to shareholders on Wednesday 17 April 2019. An indicative timetable for the Rights Issue is included below.

If Shareholders have any queries regarding the Rights Issue please do not hesitate to contact me, Ms Deborah Ambrosini, on +61 8 9245 6187.

We once again thank you for your continued support and look forward to an exciting year of development.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Michael Sandy', with a stylized flourish at the end.

Mr Michael Sandy  
Chairman

**MEC Resources Ltd**

ACN 113 900 020

PO Box 882 West Perth WA 6872 | Suite 2 Level 3 1111 Hay Street West Perth WA 6006

T: +61 8 9245 6187 F: +61 6160 5901

info@mecresources.com.au [www.mecresources.com.au](http://www.mecresources.com.au)