



29 March 2018

Australian Securities Exchange
10th Floor, 20 Bridge Street
SYDNEY NSW 2000
via e-lodgement

Dear Sir/Madam

NOTICES OF DEMAND

At 6:14pm on 28 March 2018, MEC Resources Ltd (ASX: MMR) ("**Company**") received the bare written demands mentioned in the public releases of BPH Energy Ltd (ASX: BPH) (**BPH**) and Grandbridge Ltd (ASX: GBA) (**Grandbridge**) earlier today. BPH and Grandbridge have requested the Company comply with the demands by later today and in a time period spanning less than 24 hours.

The conduct of BPH and Grandbridge in making these demands should be viewed in the following context:

1. These demands (or demands in similar forms) have previously been pressed against the Company as per announcements to the ASX on 2nd and 3rd October 2017.
2. The Company's solicitors have previously requested details of the agreements upon which they were based; and
3. The Company's solicitors did not receive appropriate response to their requests for this information.

It is not in shareholders' interests to acquiesce to the demands issued late yesterday evening, particularly when they remain unsubstantiated.

In any event, the Company, Advent Energy Ltd and related bodies corporate continue to dispute the liability for the amounts, and note considerable inconsistencies between demand notices received. The Company in any event maintains that no formal agreement exists between Grandbridge Limited, BPH Energy Ltd and the Company in respect of the alleged claims. Despite repeated requests to demonstrate the substance of these claims, insufficient evidence has been provided to the Company. The Company is left with little option other than to vigorously defend its position in the best interests of shareholders. The Company will bring a claim for recovery of its legal fees in any event for the unconscionable manner in which BPH and Grandbridge have acted in asserting these claims, particularly if any legal proceeding(s) is or are commenced without proper conferral and substantiation of the claims as a precursor.

The Company has a formal loan agreement with BPH, whereby BPH has defaulted on its obligation to repay money to the Company. The Company has issued a legal proceeding to recover the monies owing pursuant to the formal loan agreement with BPH which is presently proceeding to trial.

The Company shall keep stakeholders apprised of further developments.

Yours faithfully

A handwritten signature in black ink, appearing to read "Goh Hock", with a long horizontal stroke extending to the right.

Mr Goh Hock
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 8 9200 6193

info@mecresources.com.au www.mecresources.com.au