



4 May 2016

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

Dear Sir/Madam

## EP386 Drilling

MEC Resources Ltd (ASX: MMR) is pleased to advise that investee entity Advent Energy Limited (“**Advent**”) has commenced preparations for drilling an exploration well in EP386 in the onshore Bonaparte Basin, in the north of Western Australia. Advent is currently sourcing costs and availability of drilling rigs for an exploration well to be completed by 31<sup>st</sup> March 2017. The well will be subject to completion of successful fundraising. Drilling rig rates have fallen substantially in recent months and a number of potentially suitable rigs are becoming available.

Advent’s 100% interests in EP386 and nearby RL1 are held by wholly owned subsidiary Onshore Energy Pty Ltd. Advent’s major shareholders remain MEC Resources (ASX: MMR), BPH Energy (ASX: BPH), Talbot Group and Grandbridge (ASX: GBA).

The Bonaparte Basin, predominantly located offshore, is a highly prospective petroliferous basin with significant reserves of oil and gas. It is Australia’s third most prolific offshore hydrocarbon producing basin.

Of the nine wells drilled within EP386, six have flowed gas to surface at various rates up to 2.1 MMscf/d, and all have demonstrated evidence of the presence of hydrocarbons. The Waggon Creek-1 and Vienta-1 wells have been cased and suspended as potential future producing wells. Within EP386, recoverable resource estimates range from 53.3 Bcf (low) to 1,326.3 Bcf (high) of Prospective Resources, with a best estimate of 355.9 Bcf of gas. The marine shale sequence in the Advent permit areas has been assessed to comprise 9.8 Tcf of unconventional prospective resources.

The rapid development of the Kununurra region in northern Western Australia, including the Ord River Irrigation Areas, the township of Kununurra, numerous resource projects and the planned world-scale aquaculture project (Project Sea Dragon) provides an exceptional opportunity for Advent to potentially develop its nearby gas resources. Advent has entered into discussions and letters of intent for potential gas supply with several large potential gas consumers.

Yours faithfully,

A handwritten signature in black ink that reads "D. Breeze".

David Breeze  
Executive Director  
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**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.

**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.