



24 March 2016

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

Dear Sir/Madam

PEP11, Offshore Sydney Basin

MEC Resources Ltd (ASX: MMR) is pleased to provide the following summary of the proposed exploration works within PEP11 in the offshore Sydney Basin.

A revised future drill target was announced in September 2015. This report identified a revised drill target on the Baleen prospect on seismic line B4-18 with a total depth of 2150 metres.

The report identified that the nearest equivalent depth/age/commercial gas-condensate fields are located in the Bowen Basin, south-east Queensland. It has been postulated that the Bowen/Gunnedah/Sydney basins can be considered one 'superbasin' with correlated depositional timing and histories.

An analogous 40 Bcf gas field (Churchie/Myall Creek) in the Bowen Basin produces from gas sands between Late Permian coal seams at flow rates up to 10 MMcf/d. These facies appear to be similar in depth and age to the Baleen prospect. Interrogation of previous seismic data yielded an AVO model demonstrating an anomalous region at the Baleen prospect with a similarity in response to the Myall Creek AVO model.

It is postulated that a wellbore at the suggested location would probably encounter thin, anticlinal Triassic Narrabeen sands below the seabed, a normal section of Permian coal measures, then enter the Mulbring/Muree with interbedded gas sands and coal measures.

A seismic survey covering approximately 200 line km is currently being planned to assist in the potential future drilling of this target approximately 30 km south east of Newcastle, New South Wales. An image is provided overleaf of the Baleen prospect and associated seismic features.

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,

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

David Breeze
Executive Director

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

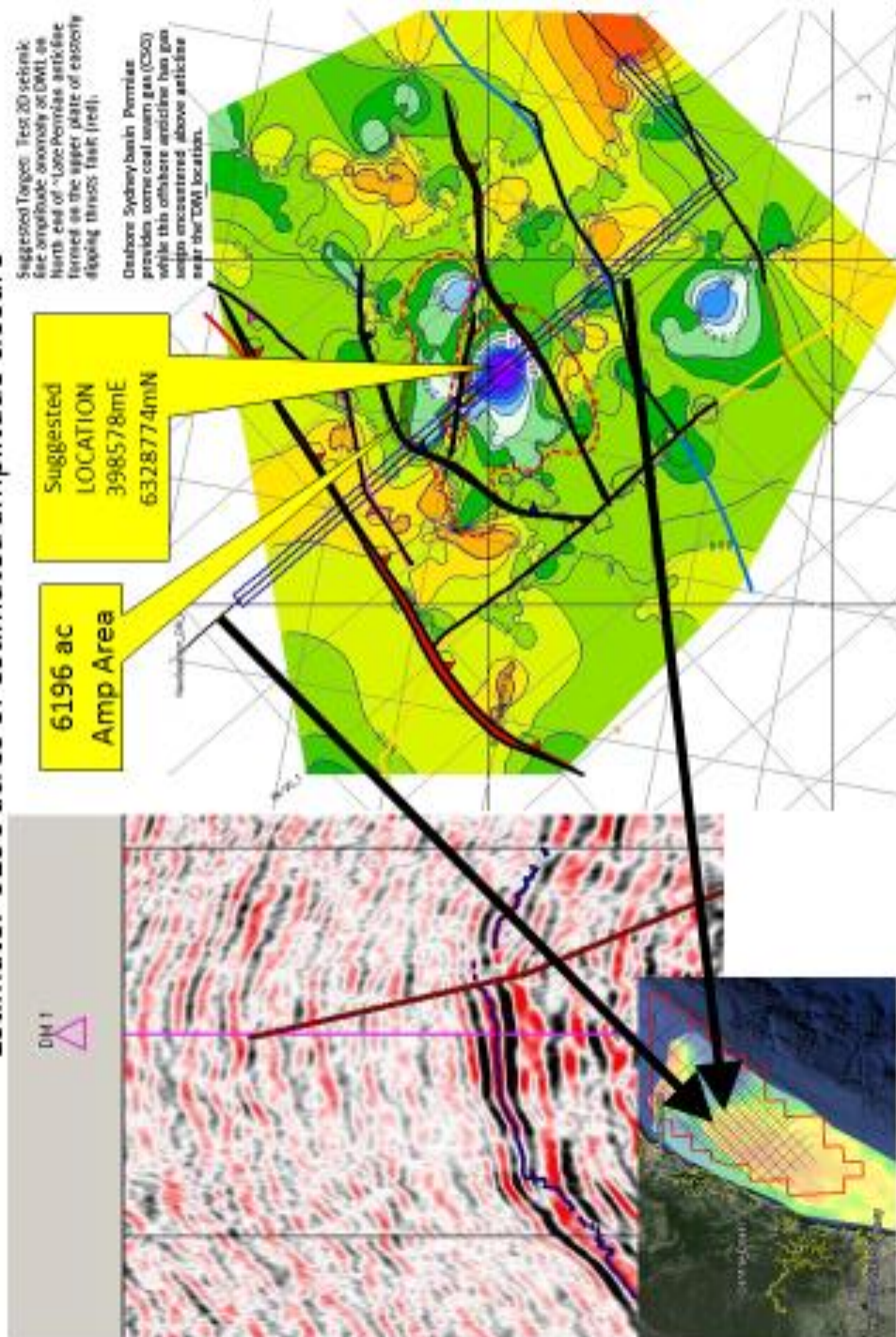
ASX listed MEC Resources (ASX: MMR) invests into exploration companies targeting potentially large energy and mineral resources. The Company has been registered by the Australian Federal Government as a Pooled Development Fund enabling most MEC shareholders to receive tax free capital gains on their 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.

Near Top Permian / Base Triassic amplitude extraction

Estimate: 6196 acres of estimated amplitude closure



AVO	Specialised analysis of seismic data comparing amplitude of sound waves versus collection point offsets
Basin	A segment of the earth's crust which has down warped and in which sediments have accumulated, such areas may contain hydrocarbons.
BCF/Bcf	Billion cubic feet, i.e. 1,000 million cubic feet (equivalent to approximately 28.3 million cubic metres) of gas.
GIIP	Gas initially in place
Lead	A structural or stratigraphic feature which has the potential to contain hydrocarbons
License	An agreement in which a national or state government gives an oil Company the rights to explore for and produce oil and/or gas in a designated area.
MCF/Mcf	Thousand cubic feet – the standard measure for natural gas.
MDRT	Measured depth below Rotary Table
MMB/mmb, MMBO/mmbo	Million barrels, million barrels of oil.
MMCF/mmcf, MMCFG/mmcf, MMCFGPD/mmcf _{gpd}	Million cubic feet, million cubic feet of gas, million cubic feet of gas per day
Permeability	The degree to which fluids such as oil, gas and water can move through the pore spaces of a reservoir rock.
Permit	A petroleum tenement, lease, licence or block.
Play	A geological concept which, if proved correct, could result in the discovery of hydrocarbons.
Porosity	The void space in a rock created by cavities between the constituent mineral grains. Liquids are contained in the void space.
Prospect (petroleum)	A geological or geophysical anomaly that has been surveyed and defined, usually by seismic data, to the degree that its configuration is fairly well established and on which further exploration such as drilling can be recommended.
Reserves	Quantities of economically recoverable hydrocarbons estimated to be present within a trap, classified as prove, probably or possible.
Reservoir	A subsurface volume of rock of sufficient porosity and permeability to permit the accumulation of crude oil and natural gas under adequate trap conditions.
RMS	Root Mean Squared. A statistical measure also known as the quadratic mean.
Seal, Sealing Formation	A geological formation that does not permit the passage of fluids. Refer also to Cap Rock.
Seismic Survey	A type of geophysical survey where the travel times of artificially created seismic waves are measured as they are reflected in a near vertical sense back to the surface from subsurface boundaries. This data is typically used to determine the depths to the tops of stratigraphic units and in making subsurface structural contour maps and ultimately in delineating prospective structures.
Stratigraphic Trap	A type of petroleum trap which results from variations in the lithology of the reservoir rock, which cause a termination of the reservoir, usually on the up dip extension.
Structure	A discrete area of deformed sedimentary rocks, in which the resultant bed configuration is such as to form a potential trap for migrating hydrocarbons.
Anticline/Syncline	A localised fold or depression within a Basin.
TD	Total drilled depth for a petroleum well
TCF/Tcf	Trillion cubic feet.
TVDS	Total vertical depth below Sea Level
Up-dip	At a structurally higher elevation within dipping strata.