



26 February 2018

The Manager, Companies
Australian Securities Exchange Ltd
10th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam,

MEC Resources Ltd (ASX MMR) -Summary Judgement Application Dismissed

MEC Resources Ltd (MEC) has lost its application for summary judgement against BPH Energy Ltd (BPH).

The application by MEC against BPH was dismissed in a decision in the District Court of WA handed down on Friday 23rd February 2018.

BPH had previously announced on 1st September it had received a writ from MEC for an amount of \$270,000 plus interest and costs and then further announced the receipt of the summary judgement application from MEC. The summary judgement application was heard on the 13th December 2017. BPH notes that the District Court Registrar in handing down his decision in relation only to the MEC summary judgement application made the following statements in relation to the BPH Loan Agreement

1. "It is arguable ...that the Loan Agreement has been varied..."
2. "...it is arguable that there has been no Event of Default"(of the BPH loan from MEC)
3. "The Authority to issue the default notice rests on their being an Event of Default. If there has been no Event of Default then there is no contractual basis to issue the default notice"
4. "For the reasons above, in my opinion it is arguable whether there has been an Event of Default "

A copy of the decision will be placed on www.bphenergy.com.au BPH disputes the basis of the claim by MEC and its interest claims. BPH asserts that there has not been an Event of Default and that the loan is not due and owing.

BPH has previously advised the market on 4th July 2017 that BPH is entitled to payment on demand of \$388,050 from MMR . By letter dated 3 July 2017, BPH demanded that MMR pay the Outstanding Liability by 28 July 2017. In October BPH advised that it had issued the Notices of demand. BPH will defend the claim from MMR and counterclaim to recover from MMR the sum of \$388,050 plus interest and costs.

Yours sincerely

David Breeze
Executive Director

A handwritten signature in black ink, appearing to read "D. Breeze", is placed above the printed name and title.