



28 April 2017

Australian Securities Exchange
10th Floor, 20 Bridge Street
SYDNEY NSW 2000

via e-lodgement

Dear Sir/Madam

APPENDIX 4C - QUARTERLY CASH FLOW REPORT

MEC Resources Ltd (ASX: MMR, ACN 113 900 020) (**Company**) was advised in a letter to the Company by ASX Limited that it is required to undertake quarterly reporting in the form of an Appendix 4C (Quarterly Cashflow Report).

In accordance with this correspondence, the Company is pleased to provide its first Appendix 4C detailing the expenditure and receipts for the last quarter.

The Company is also pleased to report that despite significant additional costs being incurred as a result of the former managing director and his associates causing the Company to hold two extraordinary general meetings and additional legal costs being incurred to recover Company property from these parties, the expenditure of the Company and its subsidiaries has decreased on a year to date basis compared with the previous financial year. It is anticipated that operating costs should stabilise in the forthcoming quarters and expenditure may decrease further.

A detailed review has been conducted of expenditure and all efforts have been made to ensure costs are kept to a minimum during this time. As previously advised Director fees have been reduced to \$1 per annum for all members of the Board. This arrangement remains in place and will continue until further notice.

As announced to the market on 14 March 2017 the Company is currently conducting a Non Renounceable Entitlements Issue which has the ability to raise up to \$2.8M. The offer closes at 5:00PM WST Friday 28 April 2017 and the Company will update the market with the total funds raised in due course.

The funds raised from the offer will be used to further the development of the Company's oil and gas assets through its investee company Advent Energy Ltd. As announced previously, Advent Energy Ltd has commenced preparation for a 2D Seismic campaign in its PEP 11 permit in the Offshore Sydney Basin. Development of the environmental plan continues and stakeholder engagement is underway with a view to operations commencing third quarter 2017. Completion of these activities is anticipated to occur within the calendar year subject to all regulatory approvals. The Company is fully committed to achieving this work obligation.

We welcome your questions regarding the Company. If you have any questions please do not hesitate to contact the Company on 08 9 245 6187 or info@mecresources.com.au.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'D Ambrosini', is written over a light blue circular stamp.

Deborah Ambrosini
Director and Company Secretary

MEC Resources Ltd

ACN 113 900 020

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

MEC Resources Limited

ABN

44 113 900 020

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(54)	(164)
(f) administration and corporate costs	(173)	(492)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	51	51
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(176)	(602)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	(9)	(19)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(9)	(19)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	24	24
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	24	24

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	441	877
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(176)	(602)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(19)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	24	24

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	280	280

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	280	441
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	280	441

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
28
-

Ms Ambrosini has a consulting contract with MEC Resources to provide accounting and company secretarial services. This is capped at a maximum of 3 days per week and additional hours are unpaid. To assist the Company during this period Ms Ambrosini has agreed to have these amounts offset against her current director fee accrual to work towards reducing the liabilities of the Company.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter

\$A'000

9.1 Research and development

9.2 Product manufacturing and operating costs

9.3 Advertising and marketing

9.4 Leased assets

9.5 Staff costs

9.6 Administration and corporate costs

9.7 Other (provide details if material) *

9.8 Total estimated cash outflows

-

-

-

-

55

115

100

270

* includes costs of 2D seismic preparation such as lodgement fee for environmental plan and associated consultant time.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date:28 April 2017.....

Print name: Deborah Ambrosini ..

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.