



3 January 2011

Companies Announcement Office
Australian Securities Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

NEW SEACLEM-1 AND PEP11 UPDATE

- **Advent Energy and its joint venture partner Bounty Oil & Gas (ASX: BUY) confirm intent to progress exploration in PEP11 following the securing of information from the first well program.**
- **Future intentions include conducting detailed seismic investigation and further exploration drilling.**
- **Advent Energy has provisionally increased its interest in PEP11 to 85% pending formal notifications to joint venture partner Bounty Oil & Gas.**

MEC Resources (ASX:MMR) is pleased to advise of the following information received from its investee company Advent Energy Ltd (Advent) regarding the New Seaclem-1 well and PEP11.

- In the drilling of the New Seaclem-1 well, Advent has collected a significant volume of valuable and new information about a previously unexplored area offshore Sydney Basin. Included in these findings is the identification of potential reservoir and seal pairs which consist of high porosity Tertiary sandstones along with several formational and intraformational seals. One such sandstone was interpreted to comprise 40 metres thickness with an average porosity of 30%, with considerable thickening updip potential for future exploration. The size and extent of any structures targeting these potential reservoirs would require the acquisition of additional seismic data.
- A final wireline logging run was conducted at the conclusion of drilling as an additional assessment to the LWD (logging while drilling) data. This wireline logging demonstrated numerous sand bodies lying above total depth (TD) that demonstrated porosity and permeability, though in this case, appear to be contain high salinity water. This confirms Advent's position that the offshore Sydney Basin comprises appropriate reservoir development for the potential discovery of moveable hydrocarbons. This augurs well for the development of potential reservoir sandstones at Advent's deeper structural targets including the Fish and Baleen prospects.
- The Fish and Baleen prospects have been independently estimated to each comprise a multi-trillion cubic feet (TCF) potential for the discovery of natural gas. The independent report by consultant Tim Berge has given a P50 estimate of 6 TCF of prospective Recoverable Gas Resources for all Permo-Triassic prospects.
- The New Seaclem-1 well reached a TD of 750 mRT, and has now been completed as per the drilling programme. Demobilisation of third party contractors and the drilling rig is now reaching its final stages, with contractual handover of the rig to the next operator anticipated for Friday. New Seaclem-1 was completed on time, safely and in compliance with environmental requirements under the supervision of drilling engineering and project management group Du-EI Drilling Services. As this was the first well in the offshore Sydney Basin the well was designed to deal with potentially over pressured sections within the Tertiary and older formations. The New Seaclem- 1 well encountered normally pressured formations. The presence of the normal pressure regime should allow for future drilling to be conducted in a more timely and cost-effective manner.
- Further evaluation work will now be carried out on all aspects of the data obtained from the drilling of New Seaclem-1. In the New Seaclem 1 area previously published geological

reports of the area suggested that the pre-Cainozoic section would be metasediments of the New England fold belt and therefore, non-prospective. The data gained from drilling below the Cainozoic unconformity to 750 mRT appears to be contrary to existing pre drill geological models which presumed no permeability or porosity in the pre Cainozoic. The joint venture will carry out detailed micropalaeontological and other studies to determine the age(s) of the Pre-Cainozoic section. While hydrocarbons were not encountered in this well, Advent has demonstrated with geochemical studies that there is considerable gas generation and migration potential within PEP11. On preliminary investigation, results from the New Seaclem-1 well have not negatively impacted on the probabilities of encountering hydrocarbons at other mapped prospects and leads.

- Advent and its joint venture partner Bounty Oil & Gas (ASX: BUY) look forward to progressing the exploration in PEP11 with this excellent foundation of information. Future intentions include conducting detailed seismic investigation and further exploration drilling.

Advent has advised that the drilling will satisfy the Year 5 work commitment obligation for PEP11 (through wholly owned subsidiary Asset Energy Pty Ltd), and that it has now provisionally increased its interest in PEP11 to 85% pending formal notifications to joint venture partner Bounty Oil & Gas.

PEP11 Participants	Equity
Asset Energy Pty Ltd* A wholly owned subsidiary of Advent (Major shareholders of Advent include: MEC Resources (ASX: MMR), BPH Energy (ASX: BPH), Grandbridge (ASX: GBA) and Talbot Group Investments)	85% [#]
Bounty Oil & Gas (ASX: BUY)	15% [#]

* Asset Energy is Operator for the Joint Venture

Asset Energy has increased its interest in PEP11 to 85% on completion of the New Seaclem-1 well pending formal notifications to Bounty Oil & Gas under the Farmin Agreement and Joint Operating Agreement. Bounty Oil & Gas will thereby reduce to 15%.

OTHER

- BONAPARTE BASIN ONSHORE - Advent has reported it has commenced planning for drilling in its Bonaparte Basin Onshore project during 2011. In the onshore Bonaparte Basin, Advent holds 100% of RL1 and has made application to renew its EP 386 tenement. Geoscience Australia has published estimated field reserves for RL1 of approximately 4.5 MMBOE. Recent resource project development announcements in this area have enhanced the prospects of commercial development.

Yours sincerely,



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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.

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.

MEC is an exploration investment company and relies on the resource and ore reserve statements compiled by the companies in which it invests. All Mineral Resource and Reserve Statements have been previously published by the companies concerned. Summary data has been used. Unless otherwise stated all resource and reserve reporting complies with the relevant standards. Resources quoted in this report equal 100% of the resource and do not represent MEC's investees' equity share.

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