



6 August 2010

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

Dear Sir,

MEC RESOURCES LTD-PEP11 DRILLING UPDATE

MEC Resources Ltd ("MEC") wishes to provide a further update to clarify drilling preparations for PEP 11 offshore Sydney Basin, New South Wales.

MEC's investee company Advent Energy Limited ("Advent") has advised that its preparations for drilling within PEP11 are still running to the schedule announced to the ASX on 27 July 2010.

The semi submersible rig *Ocean Patriot* has been contracted by Advent to drill an exploration well in PEP11, and is anticipated to be available to commence drilling in the fourth quarter 2010.

The *Ocean Patriot* is due to drill two wells in Bass Strait, offshore Victoria for another major operator commencing in August. The exact timing of that two well program is to be determined and it is currently anticipated that the rig will be on that program until mid October, 2010.

Advent will ensure that they fully comply with all environmental and regulatory requirements in connection with the proposed off-shore drilling program in PEP11.

Site surveys were completed over 4 locations under appropriate permits issued by relevant governmental authorities earlier this year. Site surveys are an essential pre requisite for selecting an offshore well location.

Advent is currently reviewing data received from its independent site survey contractor. The review is being carried out on data from the Marlin and Great White prospects site survey (approximately 55 km east of Newcastle). This work has indicated that the geological sequence immediately overlying the Permo –Triassic sedimentary sequence is "likely" to contain zones of gas.

This project will involve the first drill test to explore for natural gas off the coast of New South Wales and represents a major step for Advent and its farm in partner Bounty Oil and Gas.

Any commercial scale gas discovery will have the potential to generate jobs, economic growth and investment in the Newcastle/Central Coast region as well as deliver a much needed new source of clean energy for the State of New South Wales.

Commercial development of a gas discovery would also have the potential to make a contribution to Australia meeting its Kyoto protocol objectives through the supply of gas for a new generation of low carbon emission gas fired power stations in New South Wales.

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.

About Advent Energy

Advent Energy Ltd is an unlisted oil and gas exploration company, held by major shareholders MEC Resources (ASX: MMR), BPH Corporate (ASX: BPH) and Talbot Group Holdings. Advent holds a strong portfolio of exploration and near-term production assets throughout Australia. Advent's cornerstone project lies off the coast of NSW in Petroleum Exploration Permit 11 (PEP11), and comprises gas prospects of multi-Tcf capacity. Advent Energy's wholly owned subsidiary Asset Energy Pty Ltd is increasing its interest from 25% to 85% of PEP11 from joint venture partner Bounty Oil and Gas (ASX:BUY) who will reduce their interest from 75% to 15%.

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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