



2 June 2008

Companies Announcements Office  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2000

Dear Sir/Madam,

**RE: PEP 11 Offshore Sydney Basin**

MEC Resources Limited would like to announce that the rights and conditions of the permit for PEP 11 has been suspended and extended for a period of twelve months to 3<sup>rd</sup> December 2008. The permit will now expire 3<sup>rd</sup> December 2009. Confirmation of this extension was received from the Designated Authority via email on Friday 31 May 2008. Formal notification has been mailed to MEC Resources. MEC Resources conducts its activities in the permit through its wholly owned subsidiary Asset Energy Pty Ltd.

In 2004 2D Seismic data was acquired and this has been used to identify drilling targets. This data has been coupled with a Radarsat seep analysis undertaken over the permit area. Radarsat analysis has revealed streaming slicks clustered over the Baleen South prospect that may provide evidence of an active petroleum system.

The target outcome for MEC Resources with this project is the discovery and processing of gas for power generation. This would be considered to be a very positive outcome for NSW.

Research on Geosequestration for the storage of CO<sub>2</sub> will be part of any drilling that MEC Resources undertakes in this area. MEC will cooperate with the Government in this research.

It should be noted that it was incorrectly reported in the Sunday Telegraph on the 1<sup>st</sup> of June 2008 that MEC Resources had lodged a report to the Australian Stock Exchange on the 31<sup>st</sup> of May 2008 on an airborne survey. MEC Resources in fact lodged a Notice of Meeting for a general meeting to the Australian Stock Exchange on Friday 31<sup>st</sup> of May 2008.

The Notice of Meeting detailed the results of the Radarsat seep analysis which revealed streaming slicks clustered over the Baleen South prospect. Asset Energy has conducted an airborne survey over the permit area; however the analysis and integration of the data is not yet complete.

Yours Sincerely

A handwritten signature in black ink that reads 'D. Breeze'.

David Breeze  
Executive Director

**MEC Resources Ltd**  
ACN 113 900 020  
PO Box 317, North Perth, WA 6906  
14 View Street, North Perth 6006, Western Australia  
T: +61 8 9328 8477 F: +61 8 9328 8733  
info@mecresources.com.au www.mecresources.com.au