



4 April 2018

Australian Securities Exchange  
10th Floor, 20 Bridge Street  
SYDNEY NSW 2000  
via e-lodgement

Dear Sir/Madam

**DISTRICT COURT SUMMONS**

MEC Resources Ltd (ASX: MMR) (“**Company**”), Advent Energy Ltd and Asset Energy Pty Ltd received a Writ of Summons to appear in the District Court of Western Australia following the bare written demands mentioned in the public releases of BPH Energy Ltd (ASX: BPH) (**BPH**) and Grandbridge Ltd (ASX: GBA) (**Grandbridge**) last week and as advised to the ASX.

The Company believes this procedure to be frivolous on the following grounds:

1. These demands (or demands in similar forms) have previously been pressed against the Company as per announcements to the ASX on 2<sup>nd</sup> and 3<sup>rd</sup> October 2017 and 3<sup>rd</sup> April 2018.
2. The Company’s solicitors have previously requested details of the agreements upon which they were based; and
3. The Company’s solicitors did not receive appropriate response to their requests for this information.

In any event, the Company, Advent Energy Ltd and Asset Energy Pty Ltd continue to dispute the liability for the amounts, and will vigorously contest the claims.

The Company in any event maintains that no formal agreement exists between Grandbridge Limited, BPH Energy Ltd and the Company in respect of the alleged claims. Despite repeated requests to demonstrate the substance of these claims, insufficient evidence has been provided to the Company. The Company is left with little option other than to vigorously defend its position in the best interests of shareholders. The Company will bring a claim for recovery of its legal fees in any event for the unconscionable manner in which BPH and Grandbridge have acted in asserting these claims, particularly upon legal proceeding commencement without proper conferral and substantiation of the claims as a precursor.

The Company, as lender, has a formal written loan agreement with BPH, whereby BPH has defaulted on its obligation to repay money to the Company. The Company has issued a legal proceeding to recover the monies owing pursuant to the formal loan agreement with BPH which is presently proceeding to trial.

The Company shall keep stakeholders apprised of further developments.

Yours faithfully

A handwritten signature in black ink, appearing to read "Goh Hock", with a horizontal line underneath.

Mr Goh Hock  
Chairman

**MEC Resources Ltd**

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