



9th August 2019

Companies Announcements Office
ASX Limited
10th Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

SETTLEMENT OF LEGAL MATTERS WITH MEC RESOURCES LTD (ASX:MMR)

The Board of BPH Energy Ltd (BPH or the **Company**) advises that it has reached a settlement with MEC Resources Limited (**MEC**) in relation to the oppression proceedings it commenced in the Supreme Court of Western Australia earlier this year with Grandbridge Limited (**GBA**), Trandcorp Pty Ltd (**Trandcorp**) and Mr David Breeze.

In addition to the settlement of the oppression proceedings, BPH, MEC, GBA, Trandcorp and Mr David Breeze settled a number of other proceedings (set out below) and entered into a deed of settlement and release with Advent Energy Ltd (**Advent**) and other relevant parties.

As part of the settlement it was agreed that Messrs Matthew Battrick and Tobias Foster would appoint Messrs Steven James, Tony Huston and Thomas Fontaine as directors (**Incoming Directors**) of Advent and that Messrs Matthew Battrick and Tobias Foster (**Resigning Directors**) would then resign from the Board of Advent.

The Incoming Directors have since confirmed and acknowledged Mr David Breeze as a duly elected director of Advent.

The key terms of the settlement are as follows:

- The appointment of the Incoming Directors and the resignation of the Resigning Directors on 6 August 2019.
- Until 23 July 2021, MEC agrees to not directly or indirectly interfere with the board composition and/or management of Advent.
- For a period of one year commencing from 6 August 2019 MEC must not sell or otherwise dispose of any shares it holds in Advent, other than by an in-specie distribution to MEC shareholders (**In-specie Distribution**), if requested in writing to do so by Advent.
- If notice is given, MEC must do all that is required to effect and support the In-Specie Distribution.

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- The loan of \$3,600,000 owed by Advent to MEC will be recoverable by MEC only by the following means and only in the following circumstances:

One month prior to the scheduled commencement date for the drilling of a well within the PEP 11 Permit Area, Advent will issue to MEC ordinary shares to the face value of the debt calculated at 80% of:

- (a) the volume-weighted average price of Advent shares over the 5 days trading immediately prior to that date; or
- (b) if as at that date Advent shares are not listed on any securities exchange, the price at which ordinary shares in Advent were last issued.

- The discontinuance of the proceedings set out below by the relevant parties:
 - (a) Supreme Court matter CIV 1547 of 2019 being Breeze & Anor v MEC & Ors, as against MEC and Battrick only;
 - (b) District Court matter CIV 1160 of 2018 being BPH & Anor v MEC & Ors (as against MEC only);
 - (c) District Court matter CIV 3210 of 2017 being MEC & Anor v BPH;
 - (d) District Court matter CIV 3305 of 2017 being GBA v MEC & Anor (as against MEC only);
 - (e) Supreme Court matter CIV 1177 of 2017 being MEC v Trandcorp & Anor;
 - (f) Misconduct restraining order proceedings commenced by Battrick against Breeze being MC/CIV/PER/RO/3876 of 2018;
 - (g) Misconduct restraining order proceedings commenced by Breeze against Hughes MC/CIV/PER/RO/364 of 2018;
 - (h) Misconduct restraining order proceedings commenced by Breeze against Foster MC/CIV/PER/RO/365 of 2018; and
 - (i) Misconduct restraining order proceedings commenced by Breeze against Goh MC/CIV/PER/RO/438 of 2018,

Yours sincerely



David Breeze
Chairman

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