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

Beach Energy Secures Farmin to Permits Adjacent to Advent's EP386 and RL1

MEC Resources (ASX:MMR) is pleased to provide the following advice regarding investee company Advent Energy Ltd (**Advent**) and its 100% owned EP386 and RL1 permits in the onshore Bonaparte Basin. Advent's major shareholders include MEC Resources, BPH Energy (ASX: BPH), Talbot Group Investments and Grandbridge (ASX: GBA).

Beach Energy Ltd (Beach) announced on 12 October that it had taken a substantial acreage position in the onshore Bonaparte Basin. Beach has farmed-in to Territory Oil & Gas' (TOAG) exploration permits covering the Northern Territory portion of the onshore Bonaparte Basin. Beach's farm-in and TOAG's permits do not encompass Advent's wholly owned Weaber gas field within Retention Licence 1.

Beach's planned exploration program includes an aeromagnetic/gravity survey and two deep wells. The farm-in drilling expenditure is capped at \$13 million per 25% equity interest, implying a 100% equity position in the permit at a value of \$52 million of exploration spend.

As described by Beach, these highly prospective areas are vastly unexplored due to the limited volume of good quality modern seismic and other geophysical data. Beach stated "Working petroleum systems have been identified and confirmed by: strong hydrocarbon shows in the few exploration wells drilled to date; oil seeps identified at surface; oil staining and live oil observed in cores drilled for other minerals; and (Advent's 100% owned) Weaber gas field situated within but excluded from the acreage."

Advent agrees with this assessment.

Beach has also stated "The permits are prospective for both conventional oil and gas within the Milligans Formation, the Ningbing Group as well as other structures and formations, and unconventional gas and liquids in the Milligans Formation. The Milligans Formation is comprised of organically rich and thermally mature shales and other lithologies that represents a rich source facies which is likely to be prospective for liquids in the onshore part of the basin."

Advent Production Testing

Advent is currently performing the workover and production testing on Vienta-1. Operations will shortly expand to commence the workover at Waggon Creek-1. A production test on Waggon Creek-1 will then follow.

Advent's view is that these gas discoveries could produce significant quantities of gas and thereby allow Advent to consider commercial development of these resources.

There have been five gas discovery wells drilled in Advent's 100% owned and operated Bonaparte Basin permits of EP386 and RL1. In EP 386, the three main discoveries made so far are Vienta,

Waggon Creek and Bonaparte. In RL1 in the Northern Territory, Advent has recently announced a mean¹ independently assessed Contingent Resource* for the Weaber Gas Field of 18.4 Billion cubic feet (Bcf).

Gas Discovery Wells Waggon Creek-1 and Vienta-1

Waggon Creek-1 was drilled in 1995 and flowed 1.34 million cubic feet of gas per day (MMcfd) from upper sands within the Milligans Formation on an openhole Drill Stem Test (DST). Additional openhole DST of a deeper zone flowed a further 1.0 MMcfd and oil was recovered to surface.

Testing was curtailed at the time due to the onset of the wet season, and the well was cased and suspended.

Vienta-1, drilled in 1998, is a faulted structure in the southern part of EP386 only 10 km from Waggon Creek-1. A number of DSTs over various intervals demonstrated gas flows to surface from sand bodies within the shale formations and no pressure depletion.

Furthermore significant gas kicks were observed at depth while drilling. However due to the onset of the wet season, the well was suspended without testing this zone.

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 Energy (ASX: BPH), Grandbridge Limited (ASX: GBA) and Talbot Group Investments. 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 where Advent holds 85% of PEP11 with Joint Venture partner Bounty Oil and Gas (ASX:BUY) holding 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. Unless specified, resources quoted in this report equal 100% of the resource and may not represent MEC's investees' equity share.

¹ The mean is the average of the probabilistic resource distribution

* As defined under the Society of Petroleum Engineers Petroleum Resource Management System (SPE PRMS) guidelines.

MEC Resources Ltd

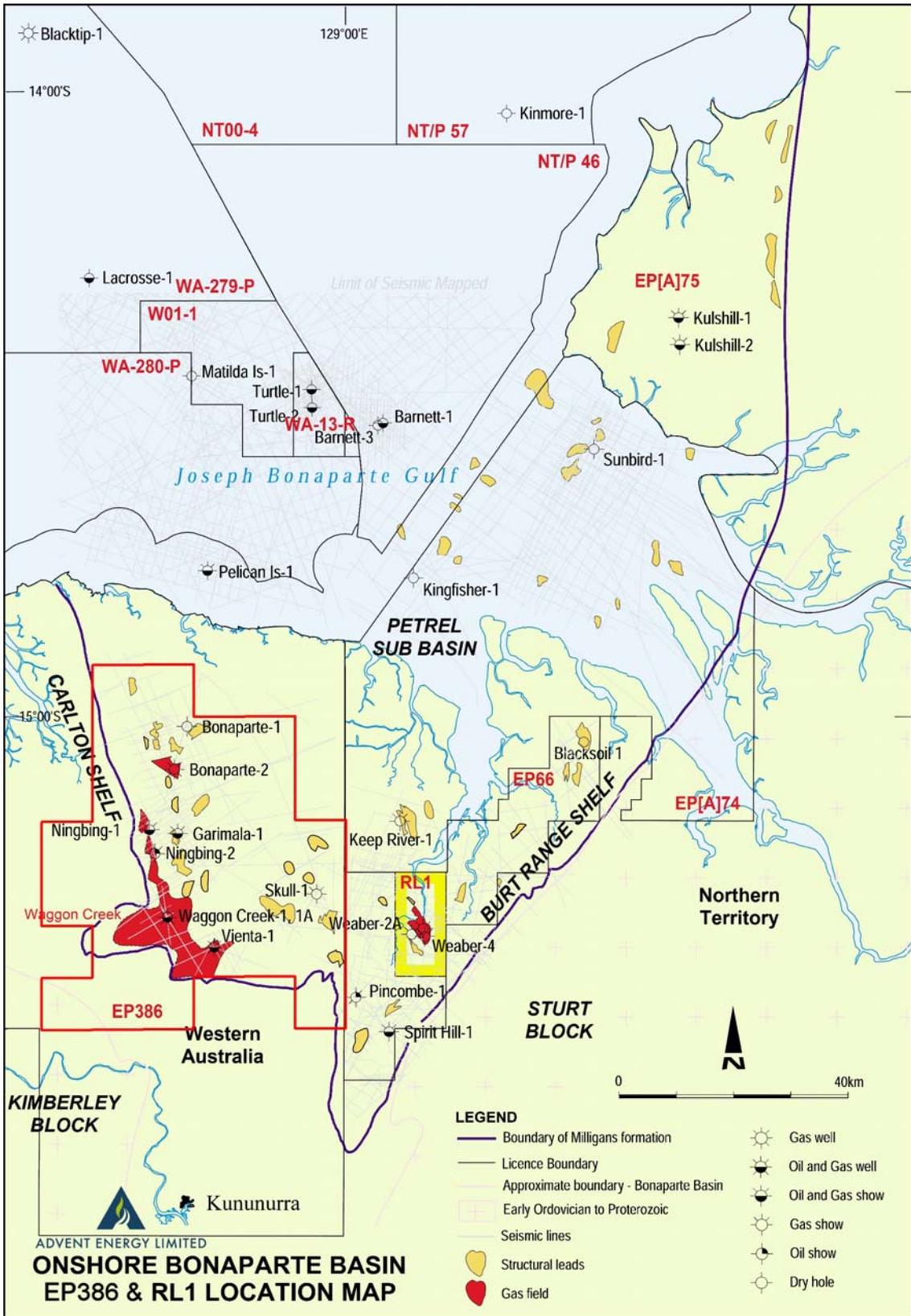
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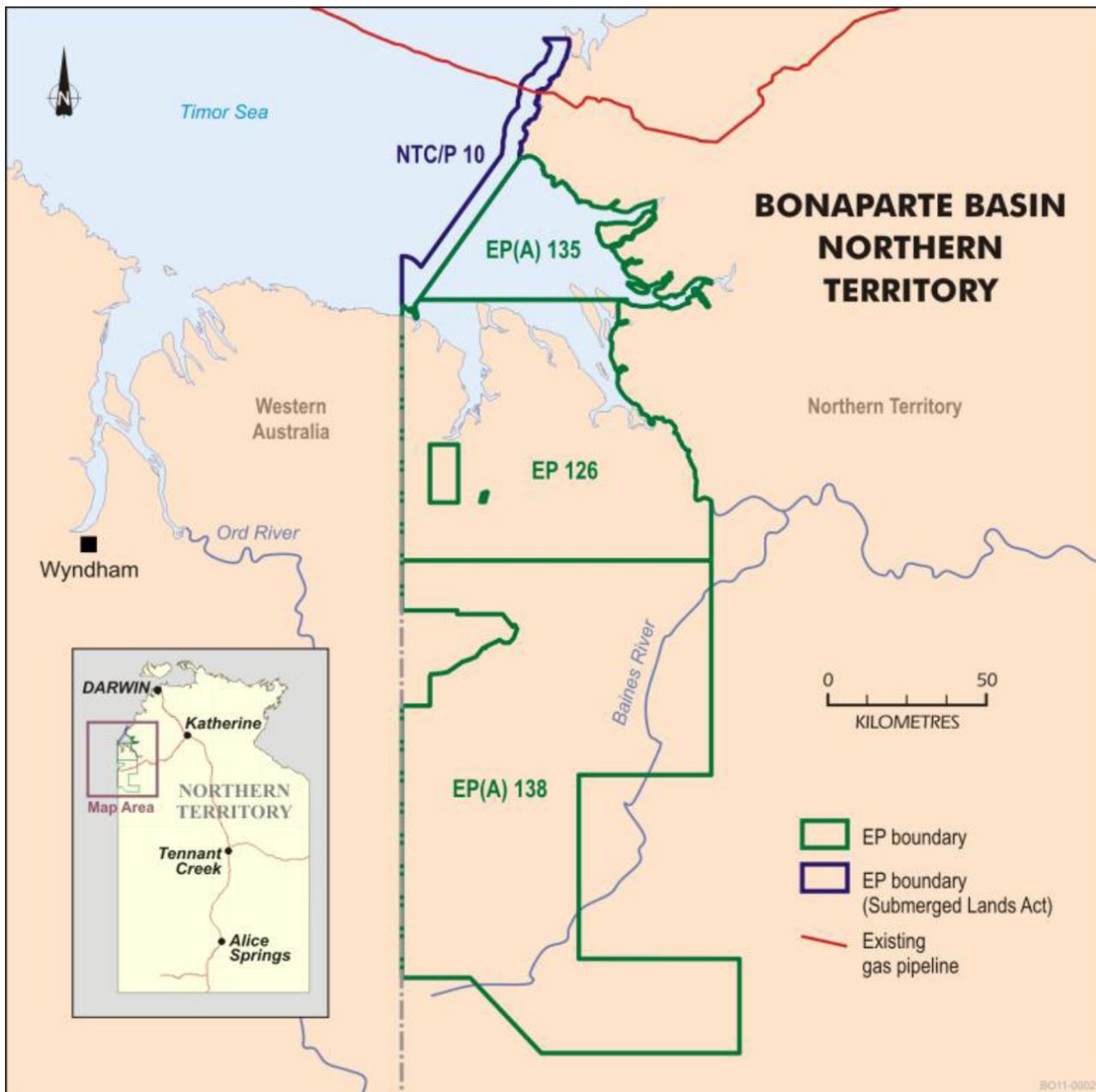
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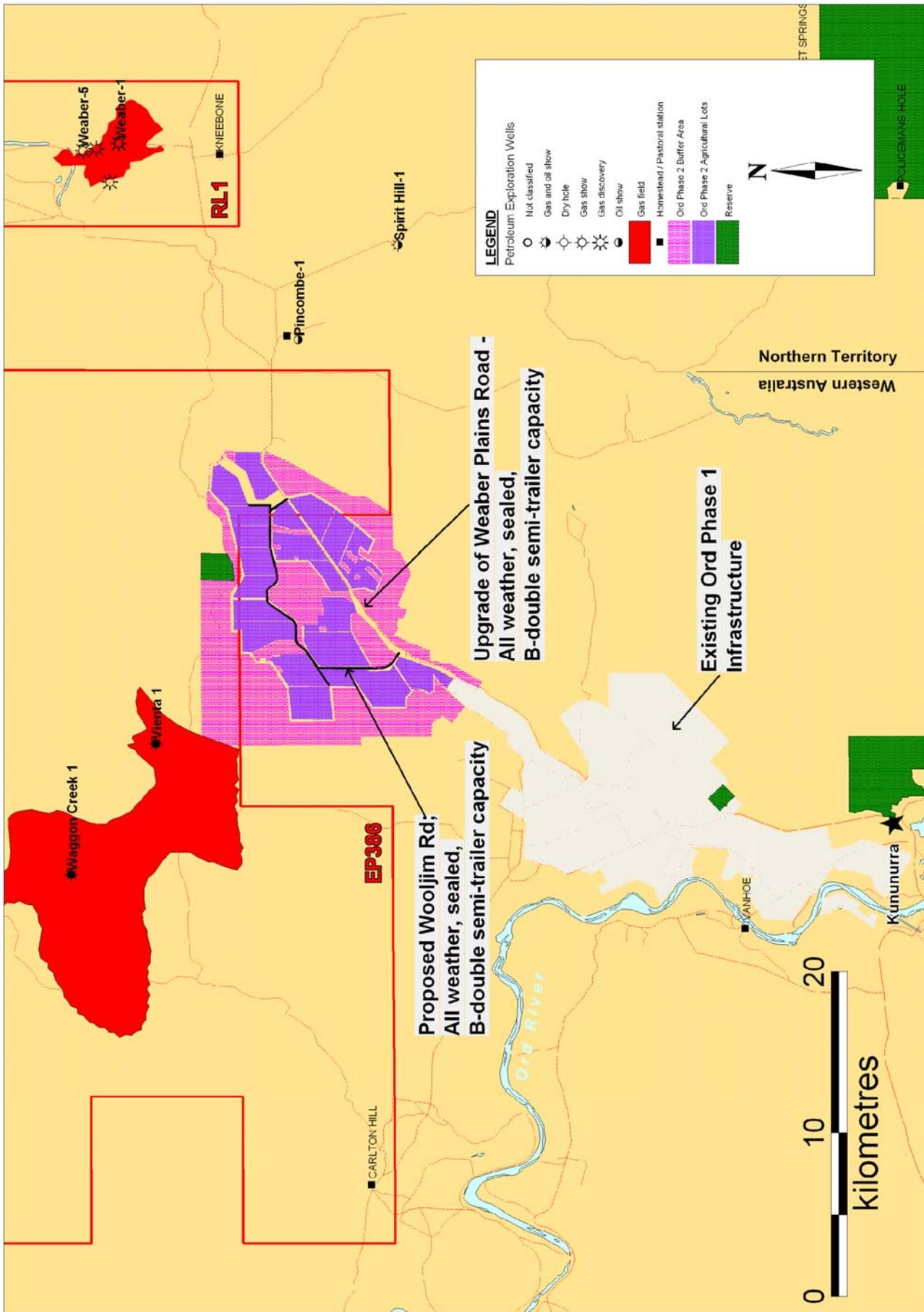
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Location of Advent's 100% owned EP386 and RL1 permits



Bonaparte Basin Exploration Permits Subject to Beach Petroleum's Farmin Agreement with Territory Oil and Gas.



Map showing proximity of the Ord development to Advent's 100% owned Vienta and Waggon Creek discoveries and Weaber Gas Field.