



21 July 2017

The Manager, Companies  
Australian Securities Exchange  
10<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**WITHDRAWAL OF STATUTORY DEMAND – UPDATE ON DISPUTE WITH MMR**

BPH Energy Limited (**BPH**) confirms that the statutory demand issued by MEC Resources Ltd (**MMR**) on 3 July 2017 has been withdrawn.

A settlement conference will be held between the representatives of BPH and MMR in the immediate short term to seek a global resolution of the matters between Grandbridge Limited, BPH and MEC (and their respective associates).

The claims between each of BPH and MMR have been temporarily suspended to determine if the disputes can be resolved in an informal setting to save significant legal costs.

MMR has made clear that the withdrawal of the statutory demand should not be construed as MMR resiling from the amounts it alleges are owed to it.

A copy of MMR's announcement being made at the same time as this announcement is attached.

Yours sincerely

A handwritten signature in black ink, appearing to read "D. Breeze".

David Breeze  
Chairman

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21 July 2017

Australian Securities Exchange  
10<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

via e-lodgement

Dear Sir/Madam

**UPDATE ON DISPUTE WITH BPH AND GBA**

MEC Resources Ltd (ASX: MMR, ACN 113 900 020) (“**MEC**” or “**the Company**”) confirms that a settlement conference will be held between the Company, BPH Energy Ltd (ASX: BPH) and Grandbridge Ltd (ASX: GBA) to seek to achieve global resolution of the respective legal disputes (**Conference**).

MEC has withdrawn its Statutory Demand issued to BPH Energy Ltd on 3 July 2017 to enable discussions in good faith with BPH Energy Ltd and Grandbridge Ltd to occur. The Statutory Demand was issued to BPH Energy Ltd in relation to alleged default on repayment by BPH Energy Ltd under the terms of a formal loan agreement entered into in 2014.

Furthermore, the claims between each of BPH Energy Ltd, Grandbridge Ltd and MEC have been temporarily suspended to determine if the disputes can be resolved in an informal setting at the Conference with a view to saving the Company significant legal cost.

BPH Energy Ltd, Grandbridge Ltd and MEC have each agreed to attend the Conference for this purpose.

The withdrawal of the Statutory Demand by MEC should not be construed as MEC resiling from the amounts it alleges are owed to it.

BPH Energy Ltd and Grandbridge Ltd are to provide information supporting their claims of outstanding monies purportedly owed to them by the Company and its related bodies corporate prior to the Conference.

Yours faithfully

A handwritten signature in blue ink, appearing to read "D Ambrosini", is written over a faint, light blue circular stamp.

Deborah Ambrosini  
Director and Company Secretary

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