



29 December 2010

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

NEW SEACLEM-1 PROGRESS REPORT No. 5

Key Points:

- **Ran and cemented 9 5/8" casing at 395mRT**
- **Drilled through Cainozoic target zones**
- **Currently drilling to TD in section interpreted as Triassic geological sequence**

MEC Resources (ASX:MMR) investee company Advent Energy Ltd (Advent) has advised on the current progress of the drilling activity at New Seaclem-1.

Since the last report progress has been as follows:

- Open (widen) the hole to 12 ¼" to approximately 395 metres BRT
- Set and cement 9 5/8" casing at 395 metres
- Drill out casing shoe and conduct pressure tests
- Drill ahead with controlled drilling
- At 0600 AEDST on 29 December 2010 the well was at 581 metres.
- The well did not encounter gas or other hydrocarbons in the Great White or Marlin target intervals, however wireline logging will be run through this section for verification.
- The well appears to have drilled through the interpreted base Cainozoic unconformity at 590 metres, 30 metres higher than the prognosed depth of 620 metres.
- The well is currently drilling in what is interpreted as the Triassic geological sequence at 715 metres.

Commenting on the drilling to date, Advent Energy Managing Director David Breeze said:

"The New Seaclem 1 well is the first ever exploration well to be drilled for gas offshore New South Wales. Our initial targets, the Great White and Marlin prospects were shallow gas targets and haven't demonstrated the presence of hydrocarbons in the drilling information received at this stage. Drilling is continuing ahead in the interpreted Triassic geological sequence to evaluate the secondary well objective. The information gleaned in the interpreted Triassic section will be invaluable to assist Advent's exploration efforts for its numerous deeper structural targets that exist in the very large PEP11 permit."

Mr Breeze said that although the company was disappointed that this first well had not yet encountered hydrocarbons in the Great White and Marlin prospects, the operation had provided very important data to assist the future exploration of PEP 11 as well as show that an offshore well could be operated without issue to the local community on the central coast of NSW.

Advent Energy has elected to deepen the well to gain an understanding of the pre Cainozoic age section. After completion of the well, the joint venture will carry out detailed micropalaeontological studies to determine the exact ages of this section. This work will assist mapping of the very extensive potentially gas charged sequences in the offshore Sydney Basin and prepare for future exploration programs in PEP 11.

As has been demonstrated previously by the Company, gas is being generated in other parts of the permit and there a number of seismically mapped deeper targets with major gas potential in the Permo-Triassic age sediments. Both Advent and Bounty will remain active participants in the entire permit, with forward programs to consider additional seismic surveying and another exploration well. The joint venture participants remain very positive on the potential for PEP11 to contribute a major gas discovery for New South Wales.

Further details and updates on the schedule and activities will be announced in due course.

PEP11 Participants	Equity
Asset Energy Pty Ltd* A wholly owned subsidiary of Advent (Major shareholders of Advent include: MEC Resources (ASX: MMR), BPH Energy(ASX: BPH), Grandbridge (ASX: GBA) and Talbot Group Investments)	25% [#]
Bounty Oil & Gas (ASX: BUY)	75% [#]

* Asset Energy is Operator for the Joint Venture

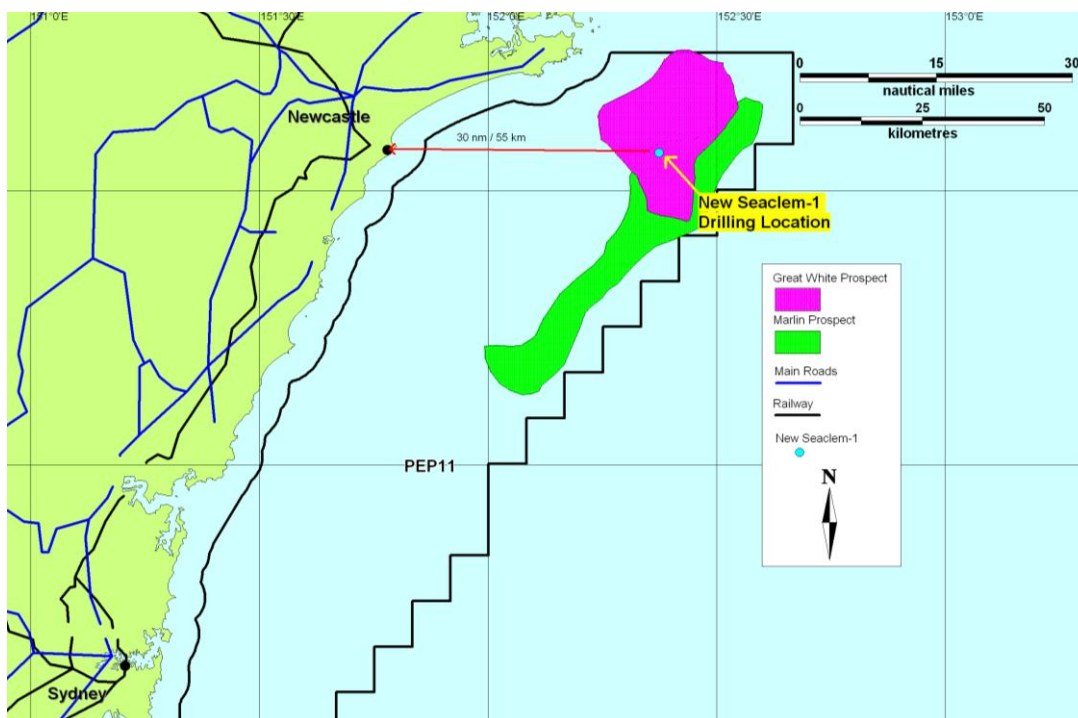
Asset Energy is increasing its interest in PEP11 to 85% on completion of the New Seaclem-1 well. Bounty Oil & Gas will thereby reduce to 15%.

Yours sincerely,



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Location of New Seaclem-1 relative to Great White and Marlin Prospects and PEP11

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.

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

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has been used. Unless otherwise stated all resource and reserve reporting complies with the relevant standards. Resources quoted in this report equal 100% of the resource and do not represent MEC's investees' equity share.

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