ASX Announcement
26 October, 2010

Research Grant Using Uley Graphite Approved

SER is pleased to announce that our application, in collaboration with Monash University, for an Australian Research Council grant using Uley graphite has been approved. As previously announced, SER has formed a strategic alliance with Monash University to develop a technological base for the utilization of graphite in high-tech applications, such as the energy sector. The energy sector is a growing market for the use of graphite and SER is focussed on becoming a participant. The Company is also aware of the vast advances nanotechnology is making to utilize graphite based materials for electronic, energy, and environmental applications. We believe creating an intellectual knowledge-base is an important element of our business plan that will maximise the potential of our Uley graphite project.

With limited resources for undertaking research and development, SER is partnering Monash University to explore opportunities in a cost effective manner. This collaboration will enable us to develop a long term relationship and thereby create additional opportunities in developing the Uley graphite deposit. While SER will make small cash and in-kind contribution to the research over three years, Monash is expected to receive over $200,000 from the Australian Research Council. Past production at Uley produced +50, +80 and +100 mesh product. Graphite measured at minus 150 microns, referred to as 'fines' were discarded. SER and the team from Monash University are attempting to utilize these 'fines' to create value added products. Our research project will be specifically aimed at reclamation of 'fines'and the generation of intellectual property for converting these fines into high-value products for super-capacitor and battery applications.

The team from Monash is headed by Dr Mainak Majumder, an esteemed researcher in the area of nanoscale science and engineering. Dr Ravi Prakash Jagadeeshan, a leader in computer simulations and Associate Professor Raman Singh, an electrochemistry expert, are also a part of the team from Monash. The project will also receive inputs from two renowned scientists from Rice University (Houston, Texas, USA), namely Professors Matteo Pasquali and Pulickel Ajayan. Professor Pasquali is a world-leader in liquid phase processing of nanomaterials, while Professor Ajayan is a leading-light in nano-carbon material science.

The next step in our collaboration with Monash University is for the Research Agreement to be signed and the funding from ARC and the project will commence in January 2011.

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About Linkage Projects

Linkage Projects supports research and development projects which are collaborative between higher education researchers and other parts of the national innovation system, which are undertaken to acquire new knowledge, and which involve risk or innovation.

Proposals for funding under *Linkage Projects* must involve a Partner Organisation from outside the higher education sector. The Partner Organisation must make a significant contribution in cash and/or in kind, to the project that is equal to, or greater than, the ARC funding.

Under the *Linkage Projects* scheme, the ARC provides opportunities for postgraduate and postdoctoral researchers to engage in industry-oriented research training and enables postdoctoral researchers to pursue internationally competitive research opportunities in collaboration with industry.

The objectives of *Linkage Projects* are to:

- encourage and develop long-term strategic research alliances between higher education organisations and other organisations, including with industry and other end-users, in order to apply advanced knowledge to problems and/or to provide opportunities to obtain national economic, social or cultural benefits;
- enhance the scale and focus of research in National Research Priorities;
- foster opportunities for postdoctoral researchers to pursue internationally competitive research in collaboration with organisations outside the higher education sector, targeting those who have demonstrated a clear commitment to high-quality research;
- provide outcome-oriented research training to prepare high-calibre postgraduate research students; and
- produce a national pool of world-class researchers to meet the needs of the broader Australian innovation system.

For further information:

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