



**ASX Announcement
31 January, 2011**

DRILLING AT MYALL CREEK COPPER PROJECT COMMENCES

Strategic Energy Resources Limited (ASX: SER) is pleased to announce that on Saturday the 29th of January drilling commenced at Myall Creek . The drilling had been delayed several months due to the weather. It is anticipated that the drilling program will take approximately one week. SER holds a 50% interest in this project.

A program of 3 drill holes will be undertaken and the results will be available during the first quarter.

The Myall Creek Copper Project (EL3538) covers an area of 381 km² and is located on the southern Stuart Shelf between Whyalla and Port Augusta (Figure 1) a highly prospective part of the eastern margin of the Gawler Craton. The license area is immediately west of the Torrens Hinge Zone and close to the sites of the Hiltaba granites. Copper and base metal mineralisation has been delineated over a wide area and in a range of the Proterozoic host rocks in this region.

The exploration programme is focused on a prospect named Honeymoon Dam. The Honeymoon Dam Prospect programme is for three 150m holes along a dirt road (Figure 2). The Honeymoon Dam Prospect is 2.5km south of the known Myall Creek mineralisation zone. Depths to the mineralisation zones in the area are in the range of 50-150m.

For personal use only

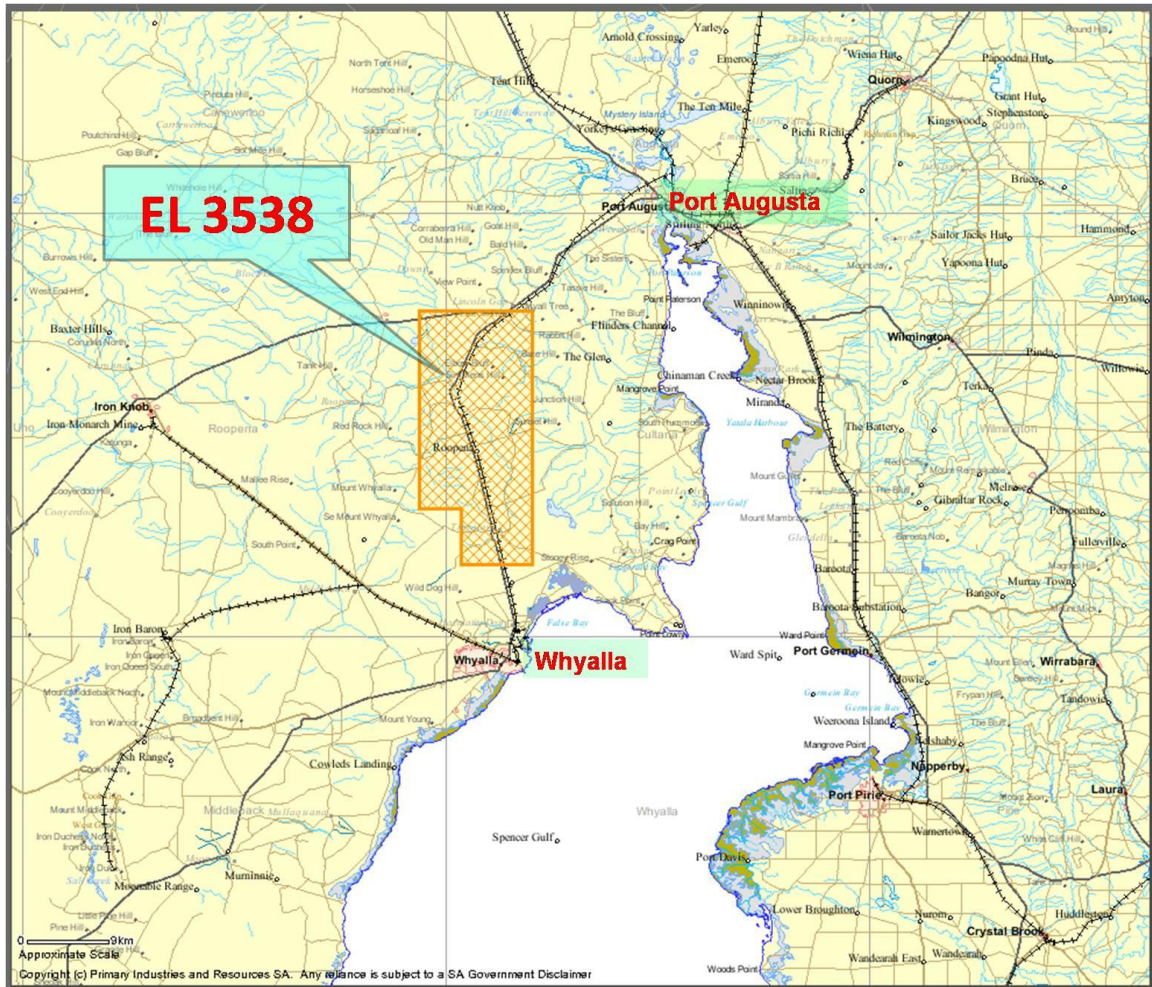


Figure 1. Index map shows Myall Creek Copper Project (EL 3538).

The licence area is located between the eastern Cultana Inlier and western Roopena highlands and has been explored using IP, aeromagnetic and gravity surveys and exploratory drilling (Figure 2). The exploration has been promoted by a recent deep seismic survey conducted by Geoscience Australia. Interpretation of the seismic data suggests that the west-dipping reverse faults (Delamerian Orogeny) were closely related to the Cu-Pb-Zn mineralisation in the Myall Creek area.

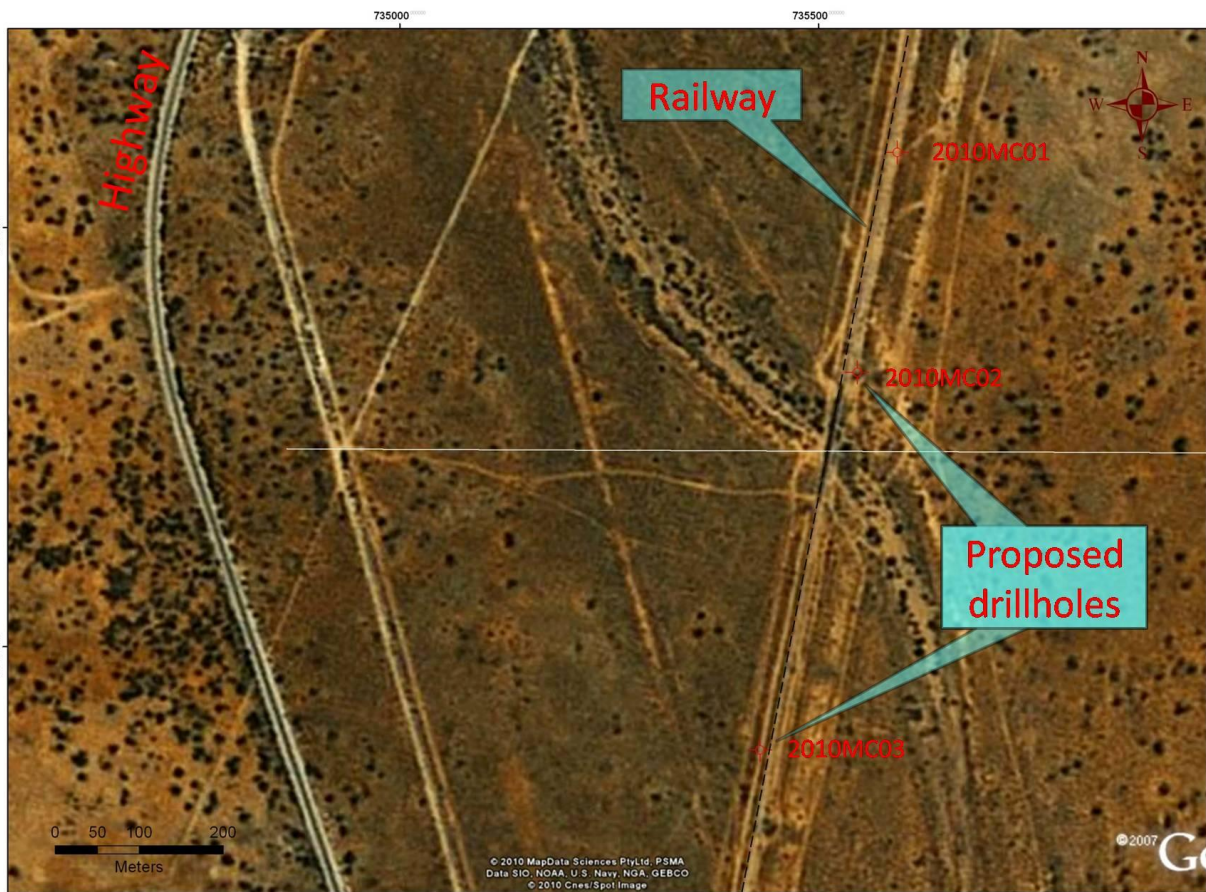


Figure 2, Proposed drillhole sites.

For further information:

Mark Muzzin
Managing Director
Strategic Energy Resources

As noted in SER's 2010 Annual Report, U Energy Pty Ltd, a company associated with SER's Managing Director, has advised that on 10 August 2010 it completed the acquisition of Minotaur Exploration Limited's interest in EL3538 – Myall Creek (50%). During the December quarter U Energy Pty Ltd was sold to a public company Fleurieu Mines NL. SER's Mr Muzzin is no longer a director of U Energy, but is a director and shareholder in Fleurieu Mines NL.

The technical information in this announcement is based on information compiled by SER's chief consultant, Dr Wenlong Zang. Dr Zang is engaged by SER, is a qualified person as defined under the ASX Listing Rules and has consented in writing to the inclusion of information in this release.