



**ASX Announcement
21 August 2013**

Strategic Graphite Limited – Media Release

Strategic Energy Resources Limited (ASX: SER) is pleased to announce the attached media release which it has received from Strategic Graphite Limited.

SER has a 20% shareholding in Strategic Graphite Limited following the demerger of its subsidiary as approved by shareholders on 22 March 2012.

-ends-

Further Information:

Mark Muzzin
Managing Director

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Media Release
21 August 2013

Strategic Graphite to restart operations at world class Uley Graphite project

Highlights

- Newly appointed & industry experienced CEO Christopher Darby to lead team
- Plans are in place to re-commence operations at the Uley Graphite mine into early 2014
- Patersons appointed as Corporate Adviser in relation to capital raising and ASX listing
- New ASX listing for Strategic Graphite Limited planned by late 2013

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Strategic Graphite Limited has initiated a revised strategy to fast track the re-commencement of operations at its Uley graphite mine on the Eyre Peninsula in South Australia and the listing of the Company's shares on the ASX.

Strategic Graphite has appointed Patersons Securities Limited, one of Australia's leading stockbroking firms, as corporate adviser in relation to a capital raising and ASX listing.

The Company is developing plans for an ASX listing in late 2013 and for a capital raising. Proceeds from the proposed capital raising will be directed to fund the listing process and to commence the restart of operations from its high-grade flake graphite product lines at the world class Uley Graphite Project in South Australia. Further details of both the capital raising and the proposed ASX listing will be advised to shareholders as soon as plans are finalised.

The Uley plant was Australia's only operating graphite mine and was capable of producing up to 14,000 tonnes of graphite per year. The 20 tonnes per hour processing plant is substantially intact and operable, requiring some refurbishment and supplemental equipment.

Strategic Graphite Limited will be led by Chief Executive Officer, Christopher Darby.

Chris is a globally experienced director, commercial manager and senior lawyer and has worked on and advised boards of public and private companies for over 19 years. In the mining and resources sector he has worked on graphite, coal, iron ore, gold, silver, uranium, rare earths and petroleum projects and in particular has extensive product marketing capability and experience. Chris has an intimate knowledge of the graphite production process, the international market for graphite and the Uley Project.

Chris commented, "Three pillars for success are needed in graphite manufacturing: a high-grade flake graphite resource; an experienced graphite engineering and metallurgy capacity; and a knowledgeable graphite marketing team.

"At Strategic Graphite we have all three pillars in place and we can apply those skills to rapidly lead development. It is a very exciting time and I am looking forward to fast-tracking the Company's return to operations."

A new board will be appointed to support Strategic Graphite and drive the company's emphasis on its manufacturing and production expertise for customers.

Strategic Graphite plans to pursue its development programs aggressively over summer and into the new year. Once the preparations are finalised, a meeting of shareholders will be called where the new direction and plans for the growth of production will be presented. After this, approval for the listing will be sought together with the relevant regulatory approvals. The preparation and release of a prospectus is planned for late September.

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For further media information contact:

**Christopher Darby – Chief Executive Officer
(03) 9692 7222**

Strategic Graphite Limited
ACN: 008 101 979

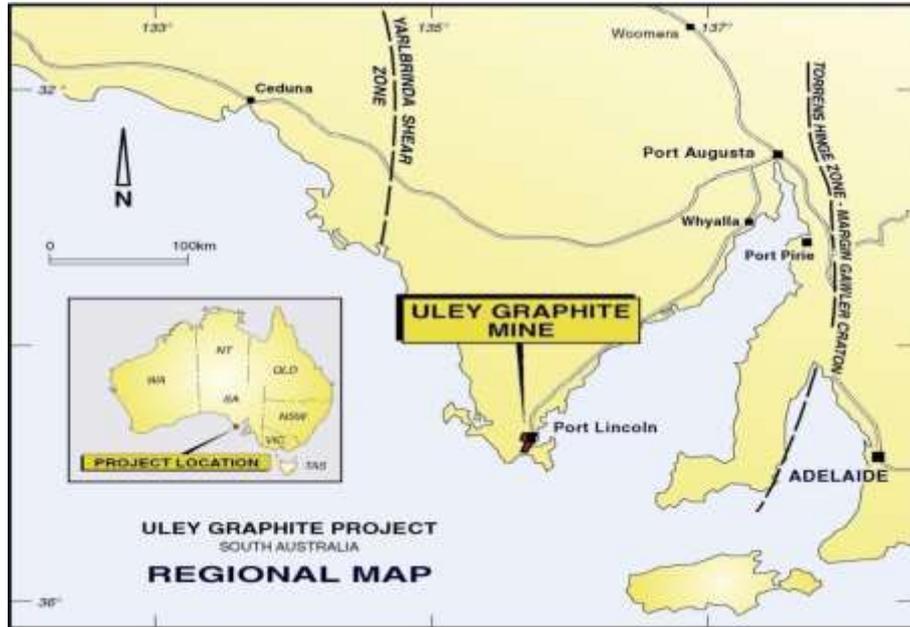
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As previously released by Strategic Energy Resources Limited (SER: ASX) in 2011:

About: Uley Graphite Project

Located 23 kilometres from Port Lincoln, the regional centre for the Lower Eyre Peninsula in South Australia, Uley is recognised as a substantive and significant area of graphite mineralisation, and one of the largest coarse flake graphite deposits in the world.



The deposit contains disseminated, high-grade flake graphite and the mineralisation is near surface, with the graphite produced from the former operation accepted by many traders for its high quality.

A resource upgrade was conducted at the project in January 2011 by Coffey Mining following analysis of approximately 1,200 metres of infill drilling, with an indicated resource estimate of 4.3 million tonnes and inferred resource of 2.3 million tonnes at a grade of 8.7%.



Uley processing plant- capable of producing up to 14,000 tonnes of graphite per year

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JORC Resource Statement

Uley Main Road Project			
Lower Grade Cutoff of 3.8% Graphite - Whole Rock Grades Reported Ordinary Kriged Estimate using a Parent Block of 4mN by 10mE and 4mRL			
Resource Classification	Lower Cutoff Grade (Graphitic Carbon %)	Tonnage (Mt)	Average Grade (Graphitic carbon %)
Indicated	3.8	4.3	9.4
Inferred	3.8	2.3	7.5
Total		6.6	8.7

The information in this report that relates to Resources and Exploration Results is based on information compiled by Albert Thamm who is a Fellow of the Australasian Institute of Mining and Metallurgy. Albert Thamm, who is an employee of Coffey Mining, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. He consented to the inclusion in the report of these matters based on his information in the form and context in which it appears, on 15 June, 2011 in West Perth, Western Australia.

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