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30 July 2009

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Quarterly Activity Report to 30 June 2009

HIGHLIGHTS FOR THE QUARTER:

- **Preliminary contact with a number of parties interested in a potential joint venture at our Uley Graphite mine**
- **Major international oil company reviewing data in Vic/P65**
- **Progressing exploration program at Falcon Bridge**
- **Administration costs reduced further**

Strategic Energy Resources Limited (ASX Code: SER) holds a number of interests in oil and mineral exploration assets and the Uley graphite mine at Port Lincoln, South Australia (presently under care and maintenance). These include significant interests in four offshore petroleum exploration permits in the Gippsland Basin, Victoria, and an interest in one onshore petroleum exploration block in the Cooper Basin, South Australia. We hold mineral exploration licences in South Australia, Western Australia and Victoria.

1. MINERAL EXPLORATION

1.1 ULEY GRAPHITE MINE (SER 100%) PORT LINCOLN, SA

During the quarter the project review was completed. The project review is based on the historical geological estimates and we have updated the operating costs for parties interested in joint venturing the project. Consultants were appointed to examine the work required to produce a Mineral Resource Statement at Uley that conforms to JORC guidelines.

Preliminary contact with a number of parties interested in a potential joint venture has been made and our project review has been circulated, under confidentiality agreements.

The interest in Uley has been sparked by graphite prices well above those realised when

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the mine last operated in 1993. The February edition of Mineral Price Watch in Industrial Minerals quoted prices for the two of the grades produced at Uley. Uley also produced a higher grade +50 Mesh. These three grades were produced in approximately equal amounts. These prices are show in the table below compared with the prices being received at the time of the mine closure.

Grade of Graphite	Current Price range	Prices Receive Jan 93
	US\$/tonne	US\$/tonne
94-97% Graphite +100 to -80 Mesh	1200-1300	500-531
94-97% Graphite +80Mesh	1000-1350	560-630

The board considers this project to be the jewel in our asset base and our focus is currently on extracting the maximum value out of this project for our shareholders.

Also, historic work on Uranium potential in our Uley blocks is being collected and is being independently reviewed.

**1.2 CULTANA (SER 75%) EL 3547
MYALL CREEK (TREGALANA) (SER 50%) EL 3538
SOUTH AUSTRALIA**

The agreement with U Energy Pty Ltd has lapsed under the terms of the agreement. The Company remains in discussion with U Energy. In addition, the board is reviewing other options with regards to these tenements.

**1.3 FALCON BRIDGE (SER 100%) E38/1970, P38/3382, P38-3383-4
WESTERN AUSTRALIA**

The Falcon Bridge licence area is located some 330 kilometres north-northeast of Kalgoorlie, 80 kilometres north of Laverton, over the south-eastern corner of the Duketon greenstone belt.

The nickel price has risen considerable since December 2008 and we are investigating a possible nickel exploration program, including drilling. We have identified drill locations and are assessing if any further technical work is warranted prior to drilling.

1.4 CASTERTON EL5040 (SER 100%) – VICTORIA

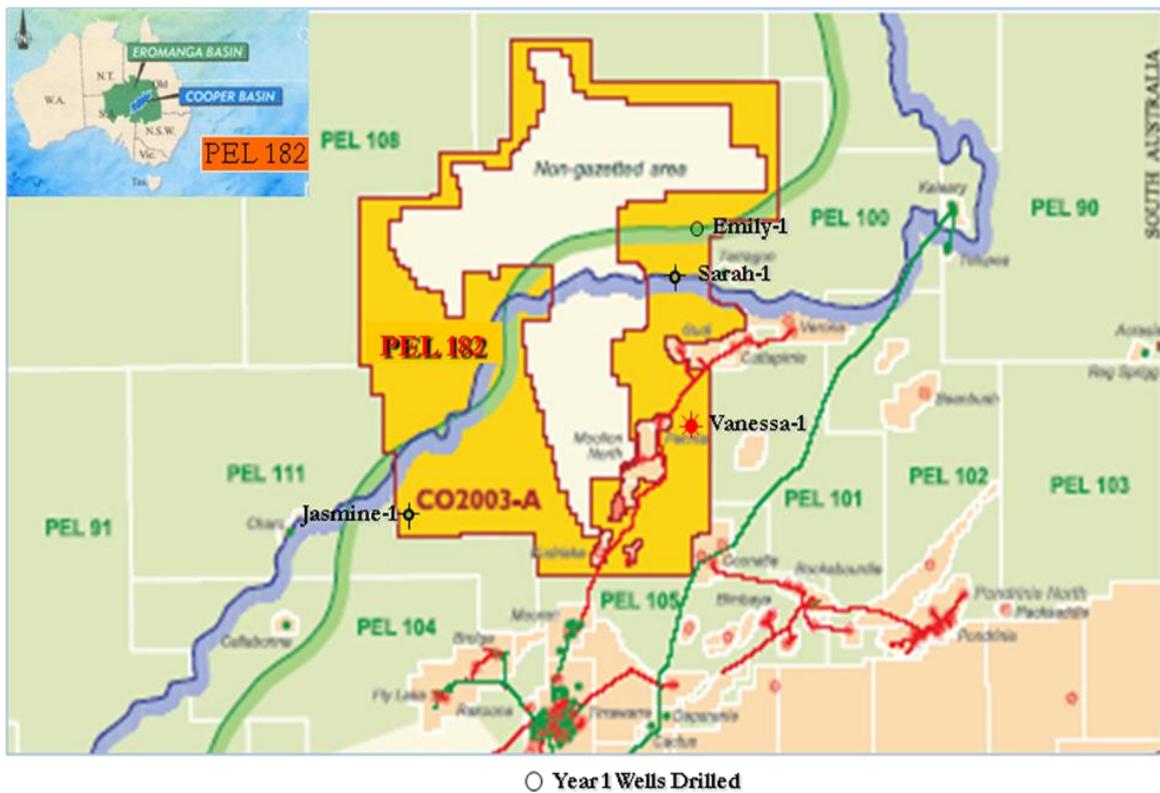
EL5040 is awaiting award. The Company has decided to transfer our interest in this block. There is a party interested in taking over EL5040 at Casterton. However, the arrangement will unlikely proceed until some of the issues with the granting of the block are resolved. We anticipate that this will be resolved during the next quarter.

2. OIL AND GAS EXPLORATION

**2.1 PEL-182 - (SER 37.6%)
ONSHORE PETROLEUM EXPLORATION – COOPER BASIN, SA**

During the quarter the operator produced a prospects and leads inventory for the block. Further technical review is currently underway.

We have a dispute with a joint venture participant, Australian Oil Company No.2 Pty Ltd, with respect to its compliance with the terms of its farmin agreement with our Company, and hope this can be resolved using the appropriate joint venture procedures.



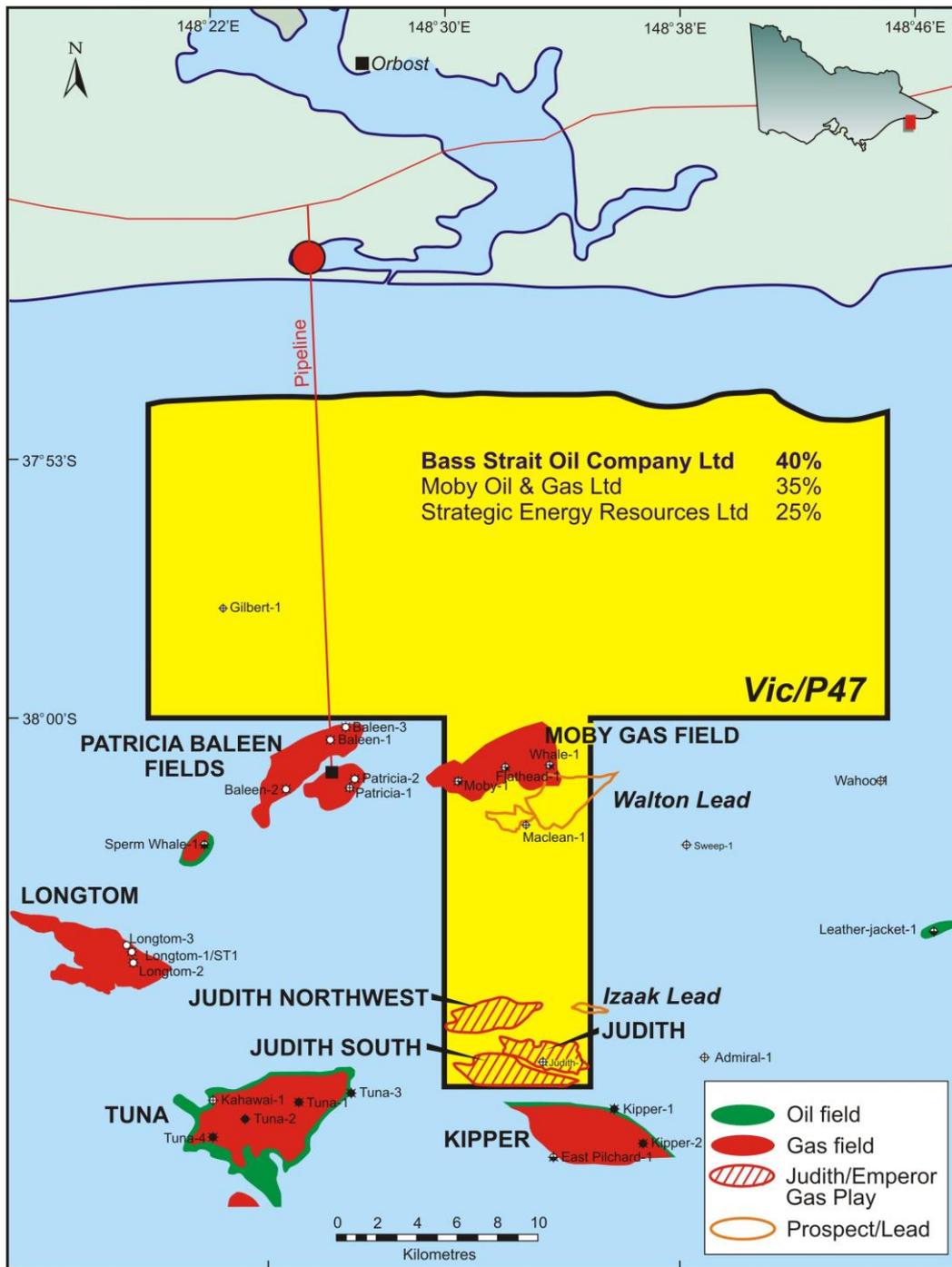
2.2 VIC/P47 – (SER 25%) OFFSHORE GIPPSLAND BASIN

Vic/P47 is located in the offshore Gippsland Basin, approximately 5 km offshore, south of the Victorian town of Orbost. Water depths range from 20 to 80 metres and the permit covers an area of approximately 718 square kilometres.

Vic/P47 joint venture has met or exceeded all permits commitments during the first six year permit term. The permit is currently undergoing the renewal and relinquishment process and it is anticipated that this will result in a new five year permit term in which the permit would be reduced. The Joint Venture expects that all prospective blocks within the original permit area will be retained.

The permit contains the Judith Gas Discovery, which was drilled by Shell in 1989, but not production tested or appraised. During June 2008, consultants Gaffney, Cline & Associates (GCA) completed an independent resource certification of the Judith Gas Discovery and associated prospects in Vic/P47. GCA reported that a gross gas column of 290 metres can be interpreted from Judith-1 electric log data and GCA's petrophysical analysis indicated 135.5 metres of net gas pay in the Judith-1 well. GCA's certification provides independent confirmation that, subject to successful appraisal, the Judith Gas Discovery has the resource volume potential to underpin a commercial development.

The Vic/P47 joint venture is currently seeking farmin parties to fund the forward exploration programme in this permit.



**2.3 VIC/P41 – (SER 25%)
OFFSHORE GIPPSLAND BASIN
Possibly diluting to 17.5% - Potentially Free Carried for the drilling of the first well**

Vic/P41 is located in the offshore Gippsland Basin, approximately 40 km south of the eastern Victorian coast.

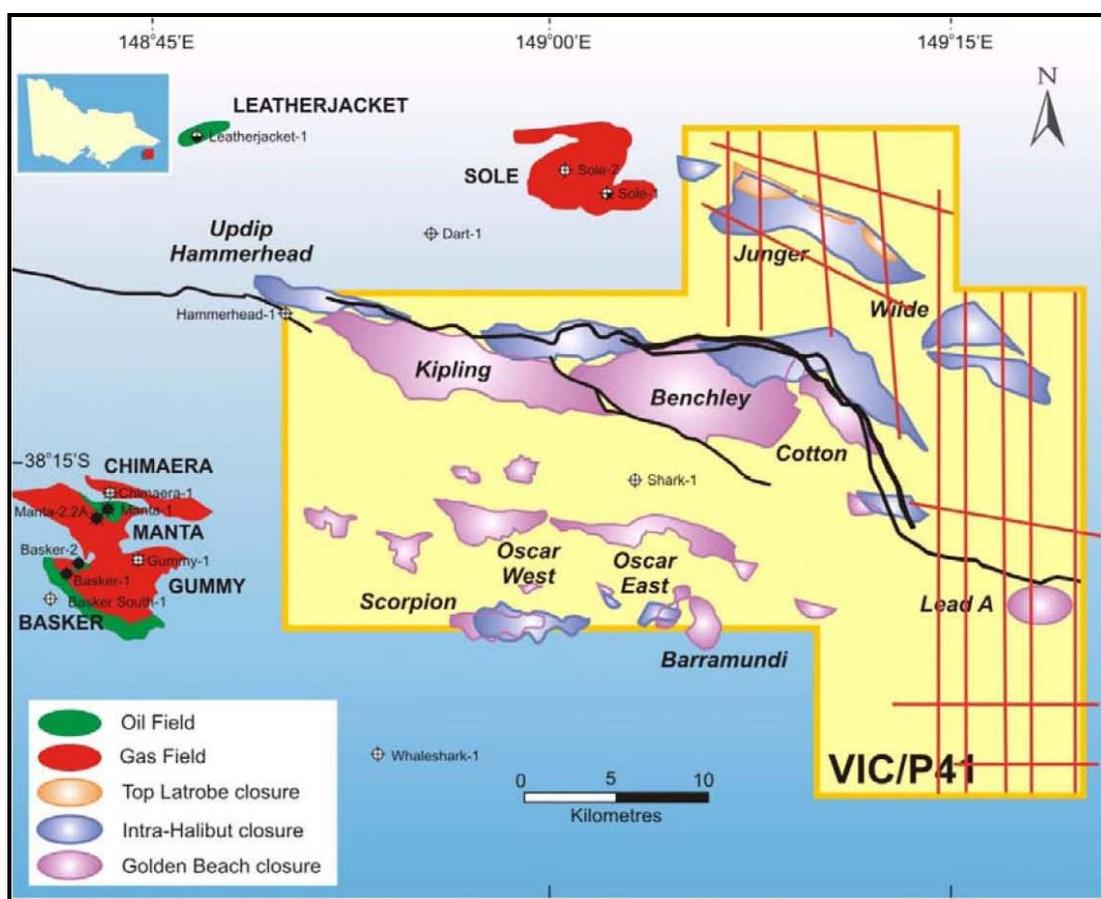
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The Vic/P41 joint venture has invested in both 2D and 3D seismic over the last several years. It contains a number of large prospects defined on modern 3D seismic notably Kipling, Benchley and Oscar. 2D seismic recorded last year has confirmed the potential of eastern area of the Vic/P41 permit and pointed to further potential in the adjacent Vic/P66 permit. The Lead A, Junger and Wilde features, previously defined only on sparse older data, all demonstrate structural closure based on the updated mapping.

Significantly, Lead A also exhibits anomalous amplitude responses that may be indicative of hydrocarbons and which warrant further investigation. Lead A is also interpreted to extend in to Vic/P66 and it is planned that this feature will become a focus of future work in that permit.

The Vic/P41 joint venture is currently seeking farmin parties to fund the forward exploration programme in that permit.



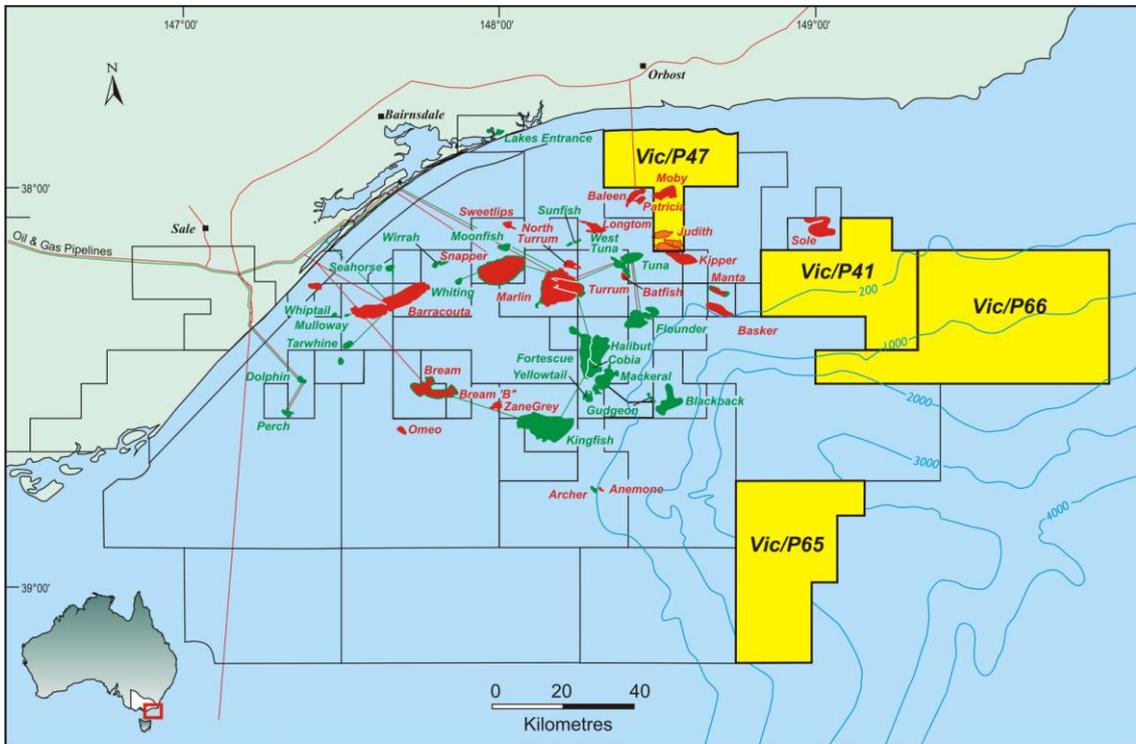
Vic/P41 Areas of Interest and New 2D Seismic Lines

2.4 VIC/P65 (SER 100%) OFFSHORE GIPPSLAND BASIN

Vic/P65 is located in the offshore Gippsland Basin, and covers an area of approximately 1,348 square kilometres.

Interpretation of a 150 line kilometre 2D seismic survey acquired under a multi-operator 'group shoot' in June 2008 is continuing. The major target in the block is a large structure located in deep water. During the quarter a major international oil company

has shown interest. The data is currently being reviewed by them. Our request for a suspension and extension is still under review by the Victorian Department of Primary Industry.



2.5 VIC/P66 (SER 23%) OFFSHORE GIPPSLAND BASIN

The Vic/P66 permit covers an area of 2,160 square kilometres, approximately 50 kilometres offshore in the eastern Gippsland Basin. It spans water depth from 200 metres to over 2,000 metres all within established deepwater exploration technical limits.

The eastern area of the Gippsland containing Vic/P66 has been targeted for significant exploration in the past. Distance from established fields and infrastructure and increasing water depths are two factors that likely limited earlier exploration.

The Vic/P66 group believes that this new permit provides early-stage exploration exposure to the potential for extensions of proven Gippsland Basin plays and also for

the development of new play concepts. Given the relative lack of modern seismic data and recent exploration studies in the area, the planned Vic/P66 exploration programme consists of data collection and studies in the first two years, in preparation for 2D seismic acquisition in the third permit year.

The Vic/P66 participants have interests in Vic/P41, where similar geological concepts are being pursued.

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3.0 CORPORATE MATTERS

We have continued to reduce costs throughout the quarter, and in our current quarterly cash flow report it should be noted that a \$38,000 payment was due to a commercial obligation of the previous board.



Mark Muzzin
Managing Director

Risk Factors

Various statements in this release constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, expectations, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.

Furthermore, exploration for oil, gas and minerals is speculative, expensive and subject to a wide range of risks. Individual investors should consider these matters in light of their personal circumstances (including financial and taxation affairs) and seek professional advice from their accountant, lawyer or other professional advisor as to the suitability for them of an investment in the Company.

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