

Annual General Meeting

Nov 2008



STRATEGIC ENERGY RESOURCES



Progress Since Last Meeting

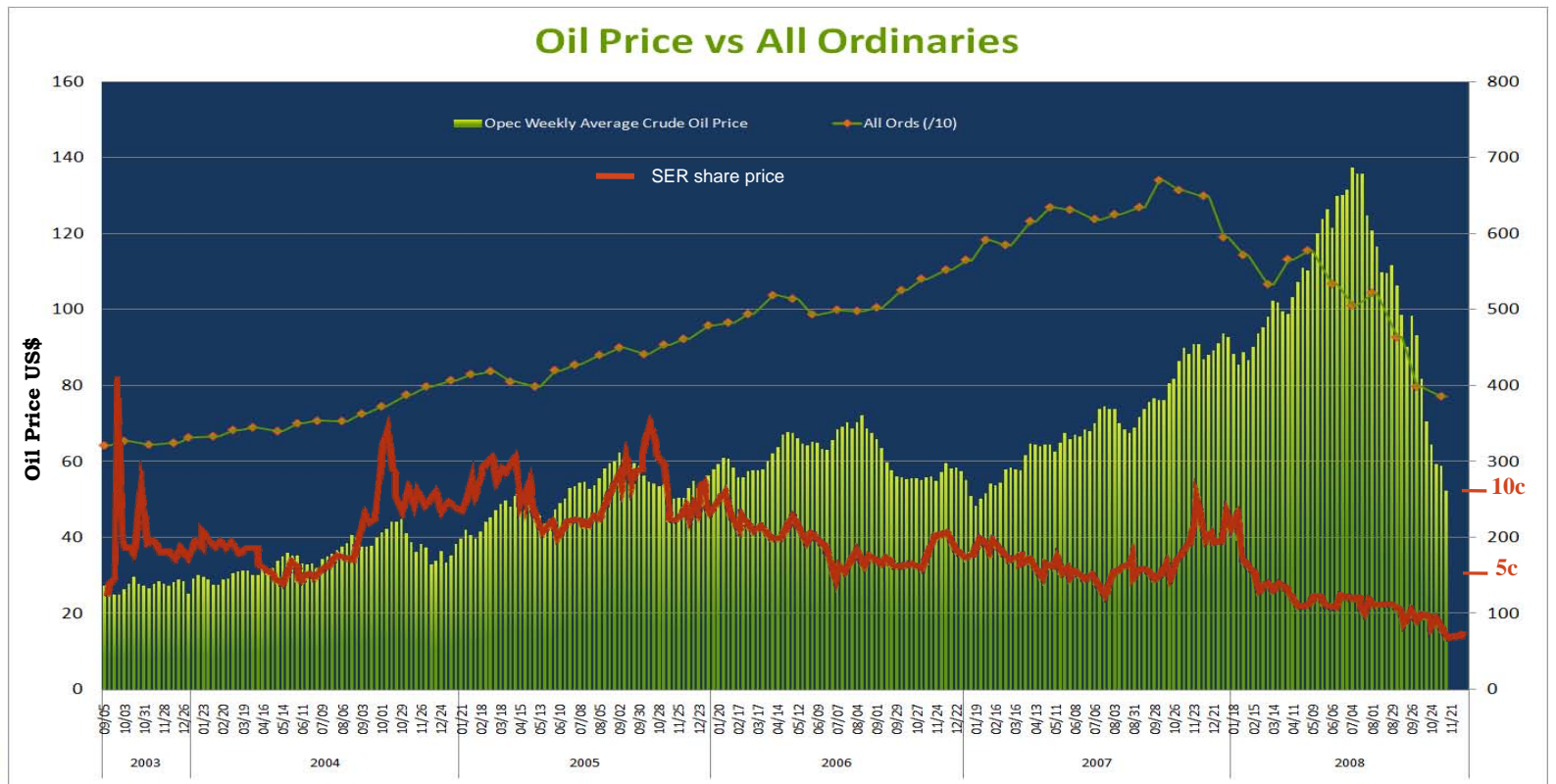
SER has been seeking new growth opportunities, including:

- Corporate mergers
- Potential new projects in Australia and Overseas
- Concentration on the graphite asset
- Purchase of producing assets
- Divestment of selected assets

SER continues to work on these options.

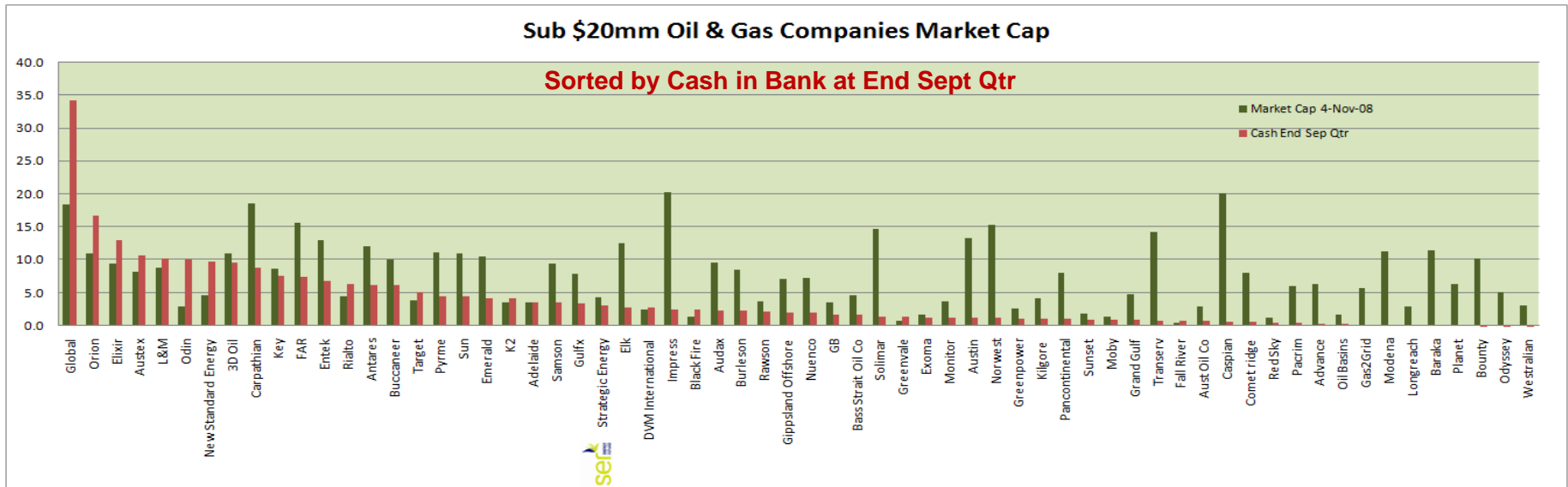
Current Industry Situation

- Severe restrictions on capital raising
- Falling oil price
- Increased cost base, particularly in the offshore
- Companies market cap less than asset value



Current Bright Spots

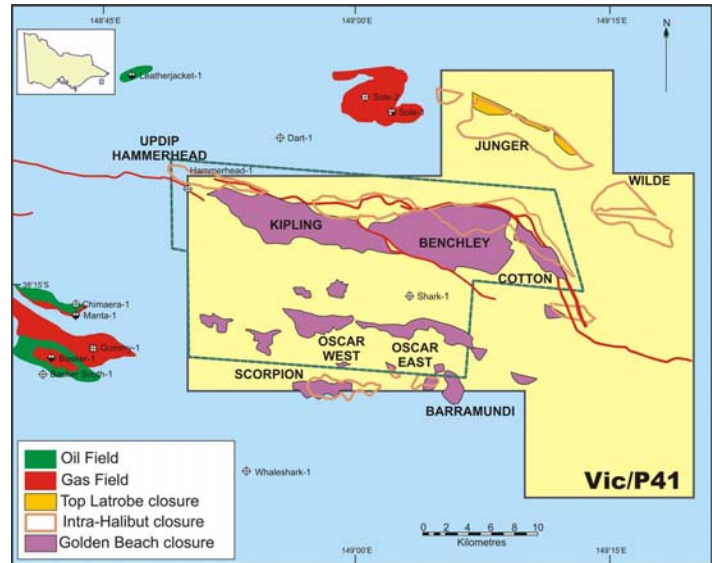
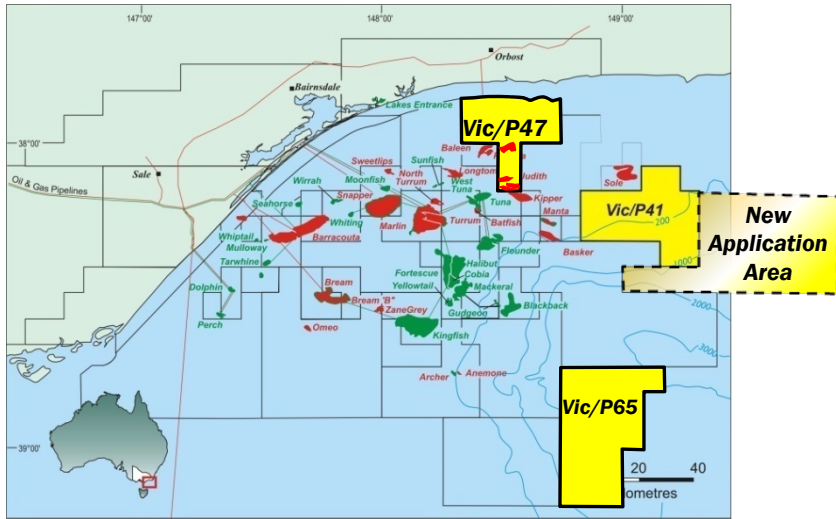
- Sufficient cash at bank
- Inherent value in the asset base
- The potential of the graphite project over the medium term.



Planning For The Future - Value Creation

- SER has appointed a team of industry expert advisors from within Patersons Corporate Finance to assist in determining the optimal way forward. SER is working closely with the Patersons team, and has been reviewing its current asset base along with merger, acquisition and divestment possibilities.
- The arrangement provides SER with access to many more opportunities than could be sourced internally, and provides additional rigour to project review.

Gippsland Basin Offshore : Vic/P41 (17.5%), Vic/P47 (25%), Vic/P65 (100%), New Application (23%)

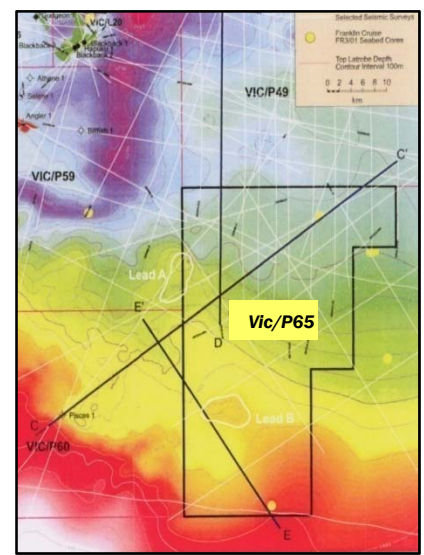
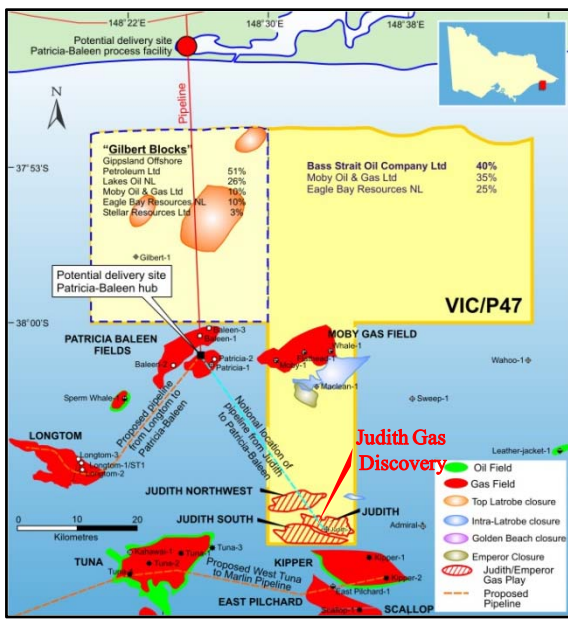


❖ In Vic/P47 the Judith gas discovery now has a resource accreditation letter from a major independent consulting house. It still requires a farmin partner to take it to the next stage of appraisal drilling. The Gilbert Block JV has been disbanded. Renewal of the permit term along with the relinquishment of 4 graticular blocks is due to occur.

❖ Vic/P41 holds multiple prospects ready to drill analogous to Basker and Kipper Fields. Farmin partners are being sought.

❖ In Vic/P65, 2D seismic has been acquired and is being interpreted prior to a farmout campaign.

❖ In a new application area, SER has a 23% interest. This block is a follow up to leads and prospects in Vic/P41.

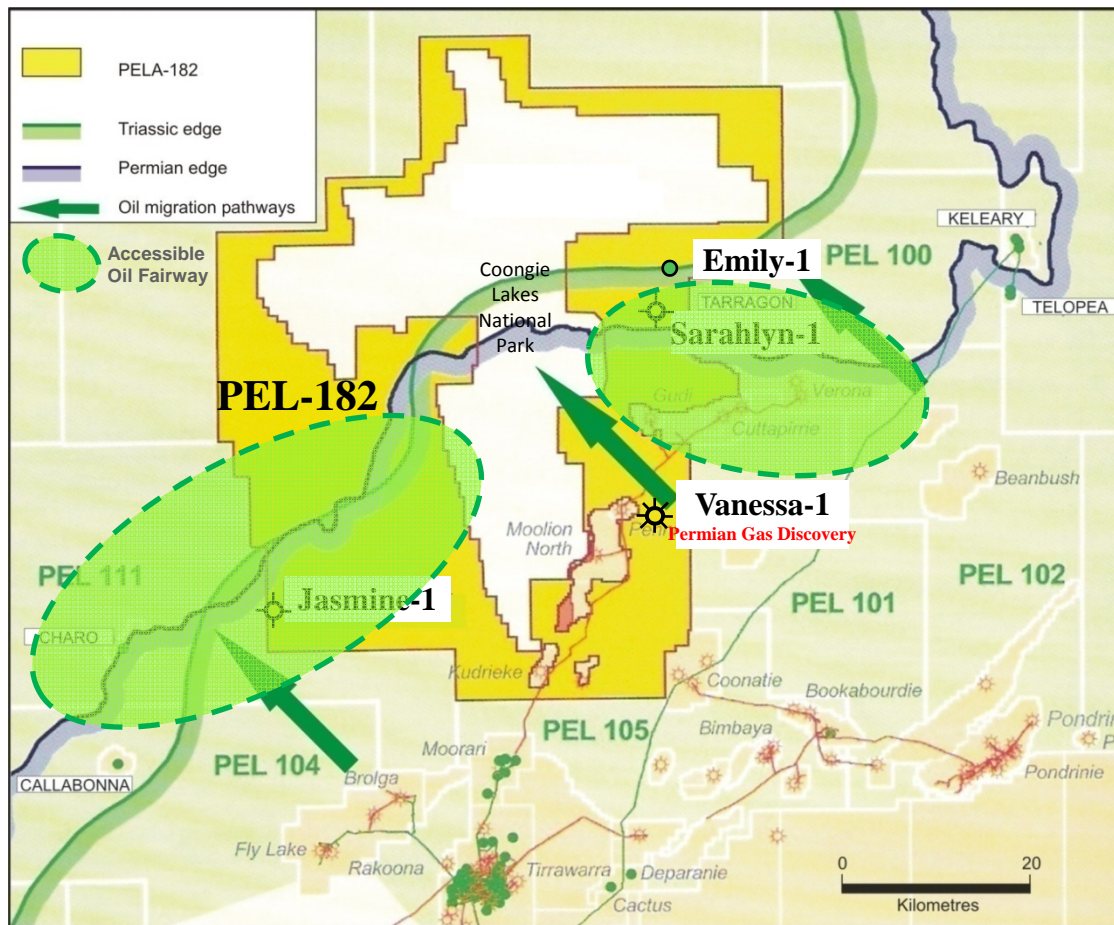


GCA Resource Statement for Judith Gasfield

| | Best Estimate | High Estimate |
|--|---------------|---------------|
| ▪Contingent Recoverable Gas | 194 | 934 |
| ▪Prospective Recoverable Gas | 210 | 801 |
| ▪Total Resource Potential (discovered and undiscovered) | <u>404</u> | <u>1735</u> |

cf Nexus' Longtom quoted 2P gross reserves 350 PJ (equiv to approx 330 BCF)

PEL-182 Cooper Basin : (37.6% interest)



4 wells drilled to date

Vanessa-1 June 2007

Gas Discovery – cased

Emily-1 Jan 2006

Oil Recovery – cased

Sarahlyn-1 May 2007

Dry P&A

Jasmine-1 Dec 2007

Dry P&A



Under new operator, Audax Resources, the proposed 3D survey is to be replaced with new 2D seismic. Audax is reviewing options for the gas discovery at Vanessa (the marketing of gas is a major issue) and the oil recovery at Emily.

The block is very well situated for discovery of small conventional pools and possible larger stratigraphic pools of Jurassic oil, similar to the success being recorded in blocks to the west and the east.

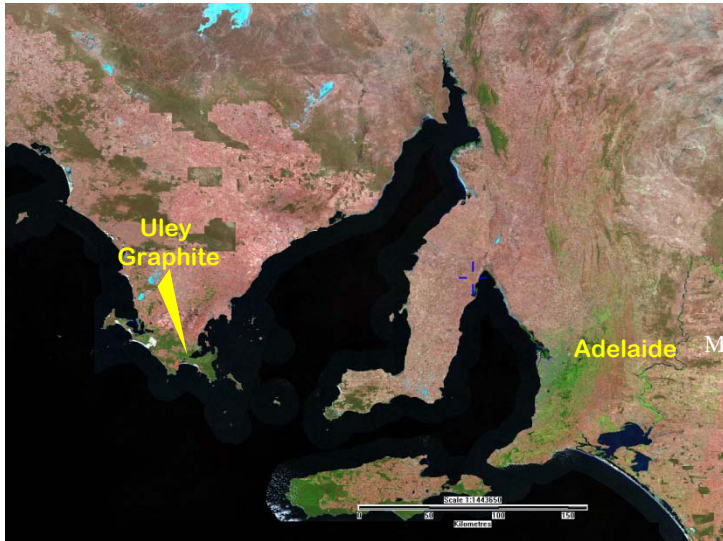
Mineral Assets



Three key tenements (Tregalana, Cultana and Whyalla) in South Australia have been sold to an unrelated group for shares. The sale is subject to the group achieving a new float in early 2009 and gaining access to a Department of Defence training site. The sales price is consistent with an independent valuation of the tenements. The farmin group has made significant advances in gaining access rights and the sale is viewed as the best way to progress the project and remain locked into the upside.

SER's current plan is to dispose of all non-graphite minerals tenements, if possible in the current market. If not, the assets will remain on the "back-burner" with minimal to zero expenditure.

Uley Graphite Mine Port Lincoln, SA : (100%, diluting to 25% free carried interest)



The Uley Graphite project contains a world class resource of high grade flake graphite. High purity graphite has the capacity to store heat (energy) for many days, providing storage for heat energy collected from any energy source and this is seen as a new use for the product. It also has an increasing demand in fuel cells and electric cars. Ultra pure graphite will demand a very large premium in the market.



The Uley project has been farmed out to a private group with exclusive rights to a process treatment to produce ultra pure graphite. The group intends to exercise its option to earn 75% interest in the project by paying all costs through to commercial production. The option date has been extended til 9 Feb 2009, and the group has paid the option fee of \$290,000 to be held in a trust account. SER is reviewing options for further involvement in the project.