



**ASX Announcement**  
**1 October 2013**

## **Strategic Graphite Limited – Media Release**

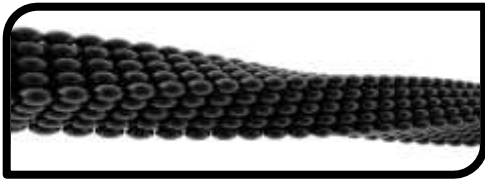
Strategic Energy Resources Limited (ASX: SER) is pleased to announce the attached media release which it has received from Strategic Graphite Limited.

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

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Further Information:

Mark Muzzin  
Managing Director



# STRATEGIC GRAPHITE LIMITED

strategicgraphite@outlook.com  
60 Hindmarsh Square, Ground Floor  
Adelaide South Australia 5000  
AUSTRALIA

30 September 2013

[#Name#]  
[#Title#]  
[#Company#]  
[#Address#]

Dear Shareholder

## PROGRESS TOWARDS ASX LISTING AND GRAPHITE PRODUCTION

We are delighted to provide you with an update on our progress towards our 2013 targets of listing on the ASX and commencing graphite production and sales.

The restructured Board now consists of Graham Spurling as Chairman and Christopher Darby as Managing Director & CEO. Together with the Chairman of Strategic Energy Resources (SER), Glenister Lamont, our major shareholder, and Ian Schache providing significant metallurgical and management expertise, your new Board has extensive experience in manufacturing, production and marketing of industrial materials to global markets. Profiles of our directors and senior management are set out on the other side of this letter.

Strategic Graphite has the three pillars required for success in production and sale of graphite:

<b>Pillar 1</b> High-grade flake graphite resource	<b>Pillar 2</b> Experienced graphite engineering and metallurgy capabilities	<b>Pillar 3</b> Knowledgeable graphite marketing and management team
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Strategic Graphite owns Australia's largest previously operating graphite mine with an indicated and inferred resource of 6.6 million tonnes at 8.7% graphite (JORC 2004\*\*). We have established power, water and production infrastructure on site 22km south of Port Lincoln on the Eyre Peninsula in South Australia and we own the land on which we are operating.

Strategic Graphite has completed a detailed scoping study, metallurgical testing and engineering reports that confirm the ability to produce and sell high quality flake graphite. The scoping study indicates the ability to produce 50,000 tonnes p.a. at a mining and processing cost below A\$550/tonne with average selling price across a good range of graphite products of USD\$1,400/tonne.

Through the end of 2013, we plan to commence processing for sale of graphite from existing stockpiles which contain over 8,000 tonnes of graphite with expected revenues of A\$12 million over the next year. During 2014, we aim to commence production and sales from a new open pit and processing facility to increase production to 50,000 tonnes a year.

We have recently completed a small capital raising, which provides funding to further advance technical studies and rapidly prepare for and complete a listing on the ASX. It will also allow us to reimburse SER for its recent studies and site costs.

Preparation for an ASX listing and an associated capital raising are well advanced. We will soon provide you with further information on the capital raising and a shareholder meeting to approve a share consolidation required prior to the ASX listing.

We are sure you will share in the excitement of your Board for your Company's prospects. We are determined to recommence production of graphite and secure an ASX listing before the end of this year, and to drive significant and sustained growth in shareholder value during 2014 and beyond.

We look forward to keeping you informed as our progress unfolds and to your continued participation in an exciting future of growth. In the interim, please feel free to contact us if you have any questions.

Your sincerely,

Graham Spurling  
Chairman  
Strategic Graphite Ltd.

Christopher S. Darby  
Managing Director & CEO  
Strategic Graphite Ltd.

**Introducing the Board & Senior Management**  
of  
**STRATEGIC GRAPHITE LIMITED**

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**Graham Spurling AM, Chairman**

(B.Tech (Mech. Eng.), Masters in Mech. Eng.)

Graham is a qualified mechanical engineer and former Managing Director & CEO of Mitsubishi Motors Australia. He has significant knowledge of both the foundry and battery industries directly relevant to graphite, a deep understanding and experience in global markets and in delivering productivity in manufacturing. Mr Spurling served as Chairman of Phoenix Copper Limited until November 21, 2012.

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**Christopher S. Darby, Managing Director & CEO**

BA (Anthropology & Int. Politics) , LLB, GAICD, GDM(AGSM)

Chris is a globally experienced executive and consultant on engineering, processing, marketing and sales of industrial minerals including Graphite for Strategic Graphite, MEGA Graphite, Poddar Industries, Archer Exploration and Lincoln Minerals as well as customers across the Asia Pacific, Europe and North America. With more than 20 years work on significant engineering, mining and construction projects he has worked on industrial minerals, hard rock, oil and gas projects form \$5 million to \$600 million in value.

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**Glenister Lamont, Non-Executive Director**

BEng Mining (Hons), MBA (IMD Switzerland) FAICD, FFin.

An experienced director, equity and mining analyst, Glenister started his career as an engineer. He brings detailed knowledge of the Australian resources sector underlined by his role as Chairman of Strategic Energy Resources Ltd, Director Golden Rim Resources Limited and as former GM of Ashton Mining Ltd. He has been an Executive Director at UBS Warburg, conducting financial, technical and strategic evaluation of mining companies.

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**Ian Schache, Non-Executive Director**

B.Sc (Met.), B.Econ Qld

Ian has over 40 years' experience across a diverse range of development, operations and production activities in the mining industry. Ian has served as executive General Manager for Bemax Resources Ltd, Senior VP and COO for Tiomin Resources Inc., and executive General Manager Operations for Westralian Sands / Iluka Resources Ltd. His prior experience includes 16 years in engineering and management roles with Mount Isa Mines Ltd.

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**Jaroslav (Jarek) Kopias, Chief Financial Officer & Company Secretary**

B.Com (Acc), CPA, ACIS, ACSA

Jarek worked in numerous financial roles for public and private companies, specialising in the resource sector. This includes 5 years at WMC's Olympic Dam operations, 5 years at Newmont Mining Corporation, 5 years at oil and gas producer and explorer Stuart Petroleum Limited (prior to its merger with Senex Energy Limited).

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**David J. Salari, Chief Operating Officer**

BASc (Metallurgy & Material Science), P. Eng.

David is a highly capable metallurgical engineer with more than 30 years mining and mineral processing experience including engineering and manufacturing graphite processing plant and equipment. He is recognised for timely delivery of solutions that increase production and sales in the industrial minerals space.

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\*\* As previously released by Strategic Energy Resources Limited (ASX:SER) in 2011. The information in this letter 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 reports released by ASX:SER 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.