



**ASX Announcement
27 December 2012**

LETTER TO UNMARKETABLE PARCEL HOLDERS

Strategic Energy Resources Limited (ASX: SER) would like to advise that further to the announcement made on 19 December 2012, the letter to unmarketable parcel holders has now been despatched to eligible shareholders and a copy of both the letter and retention form are attached.

It is also noted that below is an updated indicative timetable for the sale of the Unmarketable Parcels:

Record date to determine non marketable parcels	Tuesday, 18 December 2012
Divestment notice mailing date	Thursday, 27 December 2012
Closing Date	Tuesday, 26 February 2013
Selling of non marketable parcels commences	Wednesday, 27 February 2013
Remittance of proceeds of sales to participants	10 business days after the last sale

For further information, please contact:

Melanie Leydin
Company Secretary



27 December 2012

Dear Shareholder,

SALE OF SMALL HOLDINGS

As you may be aware, Strategic Energy Resources Limited (“the Company”) has announced that it proposes to implement a procedure to sell, on-market, holdings of 12,500 or less fully paid ordinary shares (‘small holdings’) on behalf of shareholders who do not wish to retain their shares in the Company.

The Company has a large percentage of shareholders holding less than marketable parcels. By divesting non small holding, the Company reduces its administration and share registry costs.

The Company has announced a record date of 7.00pm AEDT on 18 December 2012 (“Record Date”) to determine those shareholders who hold a ‘small holding’. As a shareholder within this category as at the Record Date, you are eligible to have your shares sold by the Company under this procedure. The advantage in authorising the Company to sell your shares in this way is that the Company will bear all transaction costs, including brokerage, associated with the sale of your shares. The proceeds of any sale of your ‘small holding’ will be paid to you within 10 business days of the settlement of these sales.

You have six (6) weeks from the date of this notice to elect whether to allow the Company to sell your shares. Please be aware that you are not obliged to sell your shares under this procedure; the choice is entirely up to you. However, if you **DO NOT** wish to sell you **MUST** notify the Company immediately and, in any event, by no later than 26 February 2013.

If you **DO NOT** wish your shares to be sold, please complete and return the enclosed **Retention Slip (“Slip”)** to the address noted on this Slip, so that it is received by the registry by no later than 26 February 2013. If you **DO NOT** return the completed Slip by this date your shares will be sold on your behalf.

THIS IS AN IMPORTANT DOCUMENT. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT THEN YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISER.

Yours faithfully
Strategic Energy Resources Limited

A handwritten signature in black ink, appearing to read 'Melanie Leydin', written over a horizontal line.

Melanie Leydin
Company Secretary



Strategic Energy Resources Limited
ABN 14 051 212 429

27 December 2012

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
ASX Code: SER
Website: www.linkmarketservices.com.au



SRN/HIN:

Number of Shares held as at
the Record Date, 7:00pm (ADST)
on 18 December 2012:

Dear Shareholder

IMPORTANT NOTICE – Sale of your Strategic Energy Resources Limited (“SER”) shares.

I am writing to advise you that SER is putting in place a share sale facility for holders of shares valued at less than \$500 as at 18 December 2012. SER is offering this facility to assist holders of unmarketable parcels of shares to sell them without brokerage costs and to reduce the expense to the company of maintaining almost 2,000 shareholders with unmarketable parcels.

Unless you advise SER that you want to retain your shares as set out below, your shares will be sold and you will be sent the sale proceeds.

The share sale facility is being established in accordance with SER’s constitution and the ASX Listing Rules.

If you want to sell your shares under the facility – you need take no action.

Your shares will be sold on your behalf after 27 February 2013. You will not need to appoint a broker nor pay the brokerage and handling costs associated with the sale of shares under the facility. Any tax consequences from the sale of your shares will be your responsibility.

If you wish to retain your Shareholding in SER you must detach this retention slip and return it to SER’s Registry, so that it is received no later than 5:00pm (ADST), on 26 February 2013.

If you require further information, please contact SER on (03) 9692 7222 (within Australia) or +61 3 9692 7222 (from outside Australia) between 8:30am and 5:30pm (ADST) Monday to Friday.

If you are in any doubt, or if you require information regarding possible taxation implications from participating in the facility, please consult your legal, financial or taxation adviser.

Yours sincerely

Melanie Leydin
Company Secretary

RETENTION SLIP

If you wish to retain your Shareholding in SER you must detach this retention slip and return it to SER’s Registry, so that it is received no later than 5:00pm (ADST), on 26 February 2013.

The slip can be returned using any of the methods set out on the reverse of this slip.

SRN/HIN:



DO NOT SELL MY SHARES

SER RSS001

MORE INFORMATION ON THE FACILITY

1. When will my shares be sold?

It is intended that any shares sold under the facility will be sold as soon as practicable after 27 February 2013.

2. What is an unmarketable parcel of shares?

A parcel of shares valued at less than \$500.

3. What price will I receive for shares sold under the facility?

The price that you receive for your shares under the facility will be the volume weighted average price of all SER shares sold in the ordinary course of trading on the Australian Stock Exchange on the day (or over the days) of sale. This price will depend on a number of factors, including market conditions at the time, and you will not have control over the time at which your shares are sold. The price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day, and may not be the best price on the day that your shares are sold.

4. What is the price of SER shares?

The last sale price of SER shares on 18 December 2012 was A\$0.041. The share price changes frequently and more recent prices are available in newspapers and from the ASX website (www.asx.com.au) under the ASX code "SER".

5. When will the proceeds from the sale of shares be sent to me?

Payment will be sent to you within 10 business days after the last sale under the facility. Payment will be made in Australian dollars by cheque. Link Market Services Limited will notify you, by way of a transaction confirmation statement, of the number of your shares sold and the price and total sale proceeds you have received. The transaction confirmation statement (and cheque) will be sent by post, at your risk, to your address as shown on the register.

6. If I buy more shares, will I retain my holding?

Yes, we will treat any movement in your Shareholding as an indication that you do not want your shares to be sold under the facility. For a purchase to be an effective notification that you wish to retain your shares, any additional shares must be registered by 5:00pm (ADST), on 26 February 2013 under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

7. Where can I get further information?

If you require further information, please contact the Strategic Energy Resources Limited Information Line on (03) 9692 7222 (within Australia) or +61 3 9692 7222 (from outside Australia) between 8:30am and 5:30pm (ADST) Monday to Friday.

8. Important notes

SER reserves the right to change any of the dates referred to in this letter by notice to the ASX.

This letter does not constitute advice nor a recommendation to buy, sell or hold shares nor that the facility is the best way to sell SER shares.

If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.

RETENTION SLIP

Mailing Address

Strategic Energy Resources Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Strategic Energy Resources Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138 (**Do not use this address for mailing purposes**)

This form must be received by SER's Registry no later than 5:00pm (ADST), on 26 February 2013, or your shares will be sold.