



**ASX Announcement
22 November 2013**

Valence Industries Ltd (Strategic Graphite Ltd) Release of Prospectus

Strategic Energy Resources Limited (ASX:SER) would like to inform both SER and Valence Industries shareholders (formerly known as Strategic Graphite) of the release of the Valence Industries prospectus. See attached announcement to shareholders from Valence Industries.

“We are pleased to see the prospectus finally released to the market and the impending listing of a burgeoning graphite producer. SER is in a great position with a substantial shareholding and 1.5% royalty over sales from the world class Uley Graphite project” Mark Muzzin, Managing Director SER, stated.

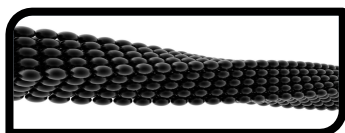
SER is the major shareholder of Valence with 21,788,906 shares (post consolidation) with a nominal value of 20 cents per share.

“It’s satisfying to see a strategy implemented some time ago coming to fruition. We have all been waiting a long time to see this important past producing asset receive the financial support needed to get back into production. I know some of the past customers are very excited that Uley graphite will again be available in the market place”, concluded Mr Muzzin.

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Further Information:

Mark Muzzin
Managing Director



ANNOUNCEMENT

VALENCE INDUSTRIES LIMITED

(formerly Strategic Graphite Limited)

PROSPECTUS ISSUED

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- Strategic Graphite Limited (ACN 008 101 979) (now Valence Industries Limited) has issued a replacement Prospectus on 7 November 2013 for the issue of securities and for the purpose of listing the company on the Australian Stock Exchange (ASX). (**Prospectus**)**
 - The Prospectus has been issued including for:
 - **Non-Renounceable Rights Issue:** A non-renounceable rights issue offer of up to 43,200,000 shares at \$0.20 per share on the basis of 3 shares for every 8 shares held with 1 free attaching option for every share subscribed up to approximately \$8,640,000; and
 - **Shortfall:** A public offer of shortfall shares at \$0.20 per share with 1 free attaching option for every shortfall share issued; and
 - **Placement:** A placement of up to 7,500,000 shares at \$0.20 per share up to \$1,500,000 with 1 free attaching option for every share subscribed.
 - The Rights Issue and Placement have been underwritten by Patersons Securities Limited to the minimum subscription amount of \$6,500,000 subject to the conditions expressed in the Prospectus.
 - Rights Issue **closes 5 December 2013**.
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Valence Industries (formerly Strategic Graphite) is pleased to announce that it is engaged in the process of sending to all shareholders the Prospectus which is intended to raise up to \$10 million. The Prospectus is also available to the public for download at the Company's website **www.valenceindustries.com**.

This capital raising is a very positive step for the Company and will precede the listing of Valence Industries Limited (VXL) on the Australian Securities Exchange (ASX), scheduled for this December.

"Once we have raised the capital and are listed on the ASX we have an exciting program to implement for the company. The first step in the program is the recommencement of graphite production and sales from the Uley Graphite Mine in South Australia in the first quarter of 2014." said Christopher Darby, MD & CEO.

The proceeds from the capital raising will ensure that the Company can pursue Phase 1 processing of existing graphite stockpiles at Uley, which is intended to provide early graphite sales and revenue in preparation for our proposed Phase 2 full-scale mining and production, increasing production from late 2014 to between 50,000 and 60,000 tonnes of graphite per year.

The Company appreciates the ongoing support of its shareholders and looks forward to creating significant shareholder value as it commences and grows graphite production in the near-term.

The Directors believe the Rights Issue offers an attractive opportunity for shareholders to invest in the Company prior to the ASX Listing.

Please note the Rights Issue closes on **5 December 2013**. We ask that you please consult your financial adviser if you have any questions on the offer.

For additional information, please visit our website **www.valenceindustries.com**.

****Important Information** - The Prospectus is an important document that should be read in its entirety. If you do not understand it you should consult your professional adviser without delay.