STRATEGIC ENERGY RESOURCES LIMITED
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July 27, 2015

Quarterly Report to June 30, 2015

HIGHLIGHTS FOR THE QUARTER:

- **Successful demerger of Ionic Industries from SER**
- **Marketing study identified significant commercial potential for SuperSand**
- **Royal Society address by Associate Professor Mainak Majumder on graphene membranes**
- **Graphene Oxide Pilot Plant study completed**
- **Ionic signs exclusive worldwide licence to commercialise graphene membrane IP**

Strategic Energy Resources Limited (ASX Code: SER) has successfully demerged Ionic Industries Ltd from the group and is the major shareholder in Ionic. SER holds numerous mineral exploration assets and holds equity interests in Valence Industries (which owns the Uley graphite mine near Port Lincoln, South Australia), Oil Basins Ltd and Magnum Gas & Power. Mineral exploration licences are held in South Australia, Western Australia and Victoria.

IONIC INDUSTRIES

DEMERGER of IONIC INDUSTRIES

During the quarter Ionic Industries Limited (Ionic) has been successfully demerged from the SER group. SER currently holds 20% of the issued capital of Ionic.

MARKETING and ENGINEERING STUDIES COMPLETED

Ionic has now released the results of a marketing and engineering scoping study for its planned pilot plant. Taken together these studies confirm the economic viability of the planned pilot scale graphene oxide and SuperSand facility.

Ionic is setting itself up to be a leading manufacturer of specialised graphene based products for major sectors of the economy. An independent engineering group, was commissioned to examine the feasibility of a pilot plant to produce graphene oxide (GO) and multiple SuperSand products using Ionic's innovative technology, in order to move forward on the positive findings of the Freedonia Custom Research Inc marketing report which identified niches where SuperSand could compete in the global activated carbon market.

Graphene is not of itself a bulk commodity, but can be incorporated into smart bulk products tailored for specific applications, such as in Ionic's planned first product line, SuperSand. The Freedonia report identified extensive potential for customised SuperSand products to replace activated carbon products. SuperSand consists of an inert substrate, coated with a small amount of graphene oxide - around one percent by weight in current trials.

The unique properties of graphene oxide can also be exploited in many other applications. Ionic will be concentrating on two areas where its research and development team have already made significant advances: graphene based high performance energy storage devices, and filtration in various industries for environmental pollutant decontamination and resource extraction.

ROYAL SOCIETY PRESENTATION

Associate Professor Mainak Majumder, a director of Ionic, presented at a Royal Society conference in London. Associate Professor Majumder from the Department of Mechanical and Aerospace Engineering at Monash University and is the Group Leader of the Nanoscale Science and Engineering Laboratory (NSEL),

The scientific meeting, titled *'Nanostructured carbon membranes for breakthrough filtration applications: advancing the science, engineering and design'*, featured talks by the leading researchers on filtration from the UK, France, USA, Switzerland, Germany, South Korea and Australia.

Associate Professor Majumder spoke on *'Graphene-based fluidic systems: From compact micro/nano-fluidic devices to large area filtration membranes'.*

The world's oldest and most prestigious scientific society, presided over by the likes of Sir Isaac Newton and Sir Joseph Banks, The Royal Society presents a world attention-calling platform for the important topics of the age. In this case the concern was water purity and the way that carbon based membranes can efficiently desalinate seawater and treat wastewater. Associate Professor Majumder's team has made considerable advances in this area.

EXCLUSIVE WORLDWIDE LICENCE TO COMMERCIALISE GRAPHENE MEMBRANE IP

Ionic entered into an exclusive worldwide licence to the commercialise the Intellectual Property (IP) generated by Associate Professor Mainak Majumder, from the Department of Mechanical and Aerospace Engineering, Monash University, in the field of graphene membrane for separation. The IP generated has already been developed under Ionic's second Australian Research Council grant (ARC) between Ionic and Monash University. CSIRO and the University of Kentucky are collaborating partners in this exciting research.

The IP generated by this project is captured under a Provisional Patent application – 2014904644, titled 'Graphene oxide membranes and methods related thereto'.

As previously advised, Ionic is involved in a collaboration with Monash University. It has entered into an agreement under which it will have the first right to fund graphene research undertaken by Associate Professor Mainak Majumder's team at Monash and then licence any IP generated by that research with a view to commercialisation**.**

IONIC UPDATE

Preparation for the listing of Ionic is progressing well. Ionic is waiting on some key information and announcements on relationships that will be presented to the market via the SER ASX platform. Further announcements will be made in due course.

MINERAL EXPLORATION

SPENCER JOINT VENTURE (SER 75%) EL 5010 SOUTH AUSTRALIA

The Spencer area comprises 321 km² and is located on the west coast of Spencer Gulf on the Olympic Dam trend. This same trend is the home to some exceptional discoveries including Olympic Dam, Carrapateena, Prominent Hill, Mount Gunson, Wallaroo, Moonta and Hillside.

Access is granted till 12 September 2016 and can be further extended in line with future permit extensions.

MYALL CREEK (SER 50%) EL 5011 SOUTH AUSTRALIA

The Myall Creek Copper Project (EL5011) covers an area of 381 km² and is located on the southern Stuart Shelf between Whyalla and Port Augusta, a highly prospective part of the eastern margin of the Gawler Craton. The Myall Creek Project includes a 15 kilometre zone with anomalous copper shown in historic drilling.

Previous work indicates that mineralization is controlled by a lithological/chemical redox contrast which exists between the base of the Tapley Hill formation and an underlying unconformable contact between the two sedimentary/volcanic units. This unconformity continues to have a strong potential for high grade prospects.

The licence area is immediately west of the Torrens Hinge Zone.

Technical assessment of the prospectively of the Myall Creek project for both Zambian style copper mineralization and the potential of Olympic Dam style IOCG mineralization at depth is ongoing.

With the recent $2m target development to the north of Myall Creek by the Department of State Development for the Deep Targets Task Force, SER is awaiting the findings from this work and will be looking to gauge the impact the work has on regional exploration and targeting and specifically the Myall Creek project.

CASTERON (SER 5%) EL 5040
VICTORIA

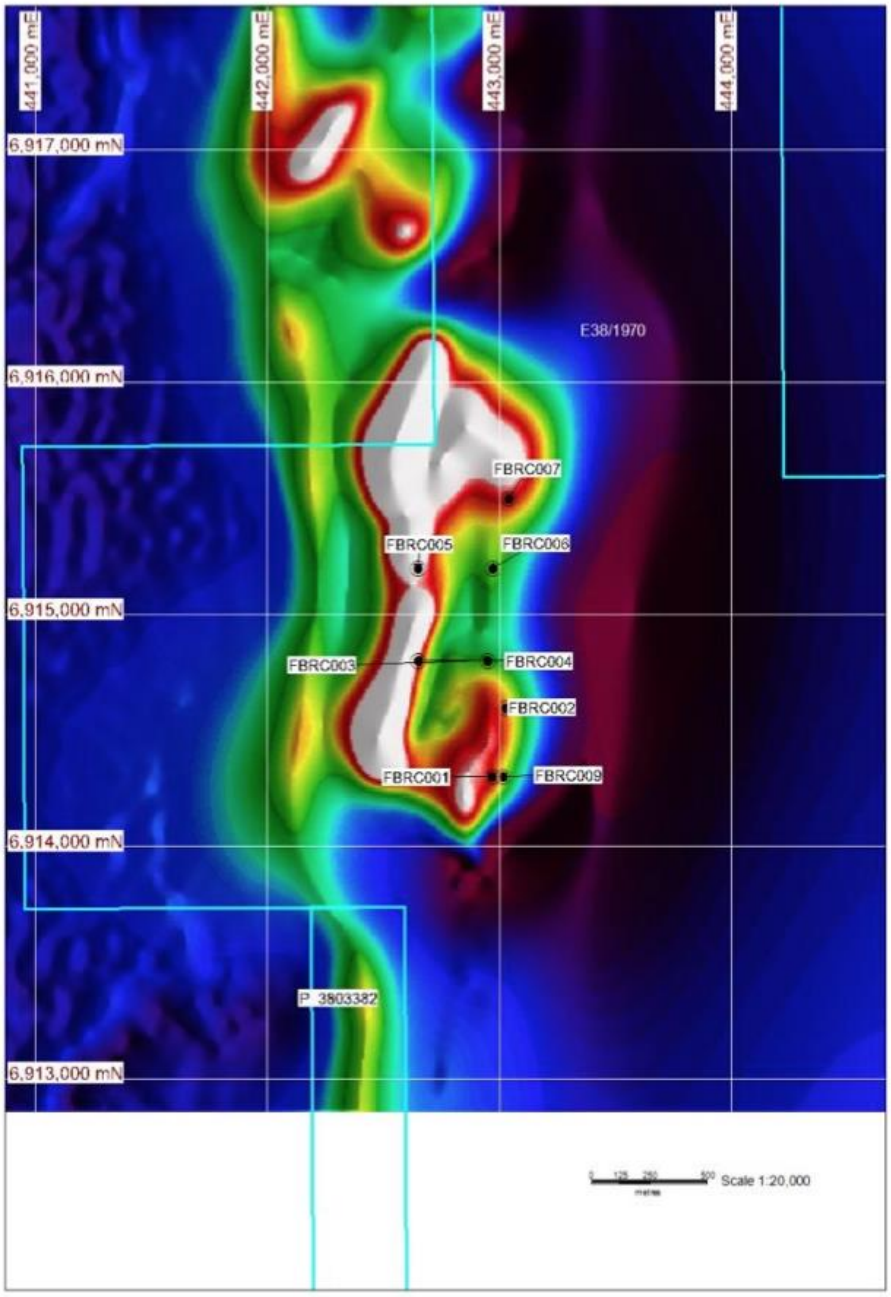
As reported on 29 October 2009, SER entered into a sale and operating agreement with Encounter Minerals Pty Ltd. SER sold a 95% interest in the exploration licence for a 5% free carried interest for the first 5 years of the permit or the first $600,000 of expenditure on the work program, whichever occurs first.

EL 5040 comprises 486 graticular sections and is located some 350 kilometres west of Melbourne, Victoria. Encounter Minerals is currently developing an extensive exploration program for the block.

FALCON BRIDGE (SER 95%) E38/1970
WESTERN AUSTRALIA

The Falcon Bridge tenement EL 38/1970 covers an area of 138.1 km² in the north eastern corner of Western Australia's Archaean Yilgarn Craton. The Falconbridge Ni sulphide project has undergone a significant review from geological, geochemical and geophysical perspective.

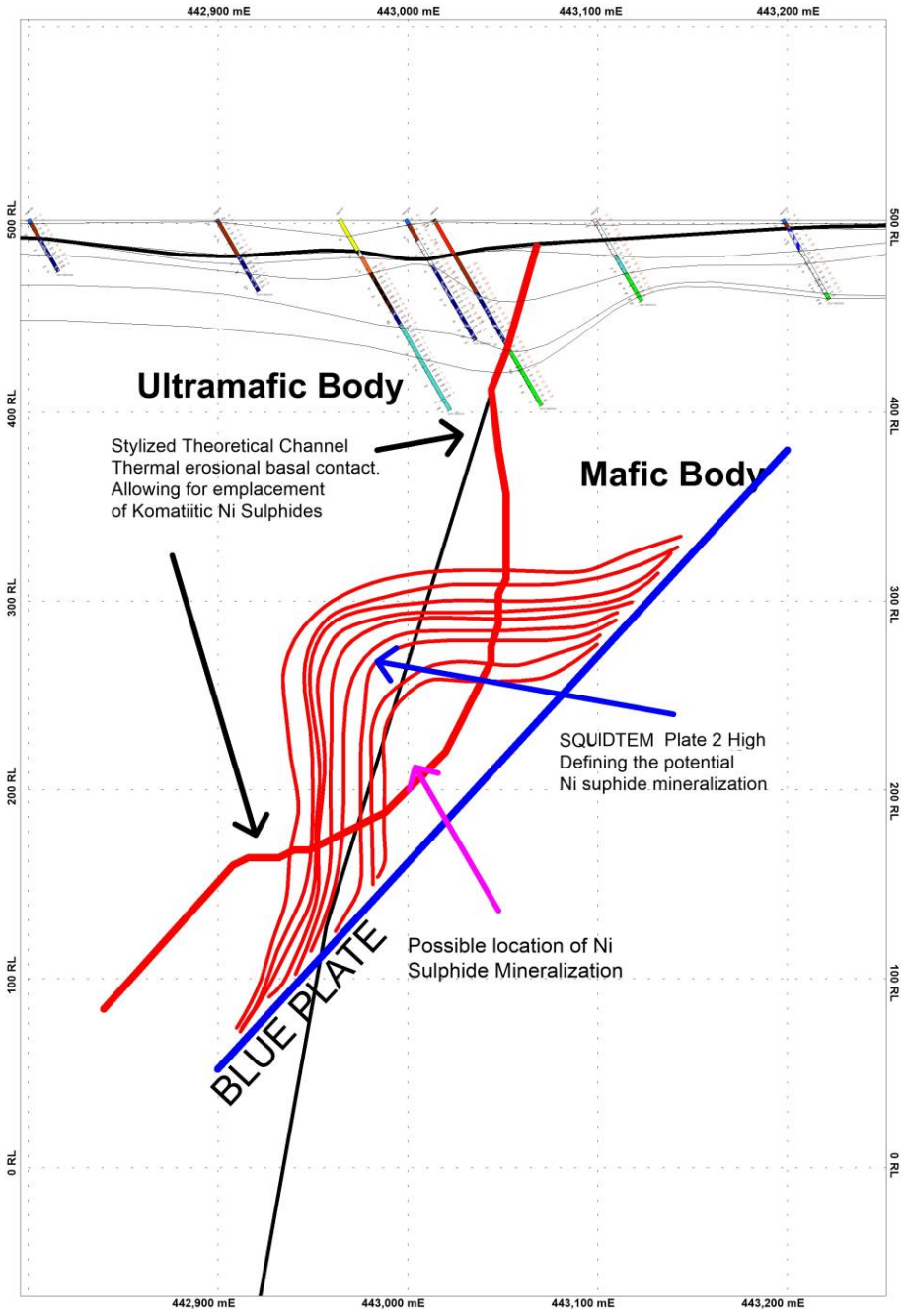
Located some 48km along/en echelon to an ultra-mafic bulge where recent drilling by others has encountered nickel sulphides. SER holds a 95% interest in E38-1970 on which is located a bulge in the ultramafic rock units (the TORO GRANDE anomaly) and shown on the below transient electromagnetic image (TEM).



Magnetics with RC Collar Map

As a result of data reviews by independent consulting geologists/geophysicists the following model of the Toro Grande mineralisation was published in SERs June 2014 quarterly (see map below) and shows, current drilling, the Squid TEM contours in red, the blue target plate defined by modelling the Squid contours and a stylized theoretical channel thermally eroded into underlying basalts by the overlying ultramafic sequence. This erosional channel allows for emplacement of Komatatic nickel sulphides elsewhere in Western Australia, however the presence of massive nickel sulphides at Toro Grande is unproven and remains an exploration target. Previous drilling at Toro Grande included published results for 7 holes with intersected down hole widths of 12-39m with grades between .41 to .69% Ni which are clearly not massive sulphides.

SER is currently looking at Joint Venture opportunities and discussions with parties are on-going.



CORPORATE UPDATE

The Company is well placed to receive substantial financial benefit from the demergers of Ionic Industries and the Uley Graphite project. SER is the major shareholder of Ionic Industries Ltd and holds 20% of the issued capital of Ionic Industries. SER also is the major shareholder in Valence Industries Ltd (ASX: VXL) with 21,788,907 shares, escrowed till January 2016.

SER will also benefit from a 1.5% royalty from any graphite sales of Uley graphite by Valence Industries.

SER also holds investments in Oil Basins Limited (ASX:OBL) 13,000,000 shares and Magnum Gas & Power Limited (ASX:MPE) 20,000,000 shares.

The Company continues to evaluate potential new projects.

INTERESTS IN MINING TENEMENTS

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/farm-in during the quarter	Interest disposed/farm-out during the quarter
EL 5010	South Australia	75%	-	-
EL 5011	South Australia	50%	-	-
E38/1970	Western Australia	95%	-	-
EL 5040	Victoria	5%	-	-

Mark Muzzin
CEO

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 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

STRATEGIC ENERGY RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
14 051 212 429	30 JUNE 2015

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (12 months) $A'000
Cash flows related to operating activities				
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	(12)	(268)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(217)	(659)
		(e) bank guarantee	-	-
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		11	65
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Demerger Implementation Fees		-	-
	Net Operating Cash Flows		**(218)**	**(862)**
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a) prospects	-	-
		(b) equity investments	-	(200)
		(c) other fixed assets	-	7
1.9	Proceeds from sale of:	(a) prospects (including deposits received)	-	-
			-	-
		(b) equity investments	-	-
		(c) other fixed assets		
1.10	Loans to other entities		(73)	(73)
1.11	Loans repaid by other entities		-	-
1.12	Research and Development – Monash University		(112)	(316)
	Net investing cash flows		**(185)**	**(582)**
1.13	Total operating and investing cash flows (carried forward)		(403)	(1,444)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(403)	(1,444)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	**-**	**-**
	Net increase (decrease) in cash held	**(403)**	**(1,444)**
1.20	Cash at beginning of quarter/year to date	1,400	2,441
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**997**	**997**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	95
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Director's fees and consulting fees paid during the June 2015 quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	50
4.2	Development	-
4.3	Production	-
4.4	Administration	150
	Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	997	300
5.2	Deposits at call		1,100
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	997	1,400

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Number issued	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	348,622,501	348,622,501	FP	FP
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
				Exercise price	***Expiry Date***
7.7	**Options** *(description and conversion factor)*	27,000,000	-	$0.0452	25 December 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Cancelled during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 27 JULY 2015

Print name: MELANIE LEYDIN
(Company Secretary)

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 Ac**counting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.