



ASX Announcement
15 June, 2011

Significant resource upgrade for Uley Main Road Graphite Project

Highlights

- resource upgrade for Uley Main Road completed - total of 6.6 Mt @ 8.7 % graphitic carbon
 - indicated up 95.5% from 2.2 Mt to 4.3 Mt
 - inferred up 27.7% from 1.8 Mt to 2.3 Mt
- excellent grade average – upgrade from 8.1% to 8.7%
- graphite price buoyant
- visit of executives from Mega Graphite

Based in Melbourne Victoria, Strategic Energy Resources (SER) is a versatile explorer working on a diversified portfolio of exploration assets including the world class Uley Graphite Project. The company aims to create shareholder value through the systematic exploration of our tenements with the aim of becoming a producer.

ACN: 051 212 429
Level 1, 500 Collins Street Melbourne VIC 3000 Australia, 3000
Telephone: (03) 9629 2330 Facsimile: (03) 9629 2332
www.strategicenergy.com.au

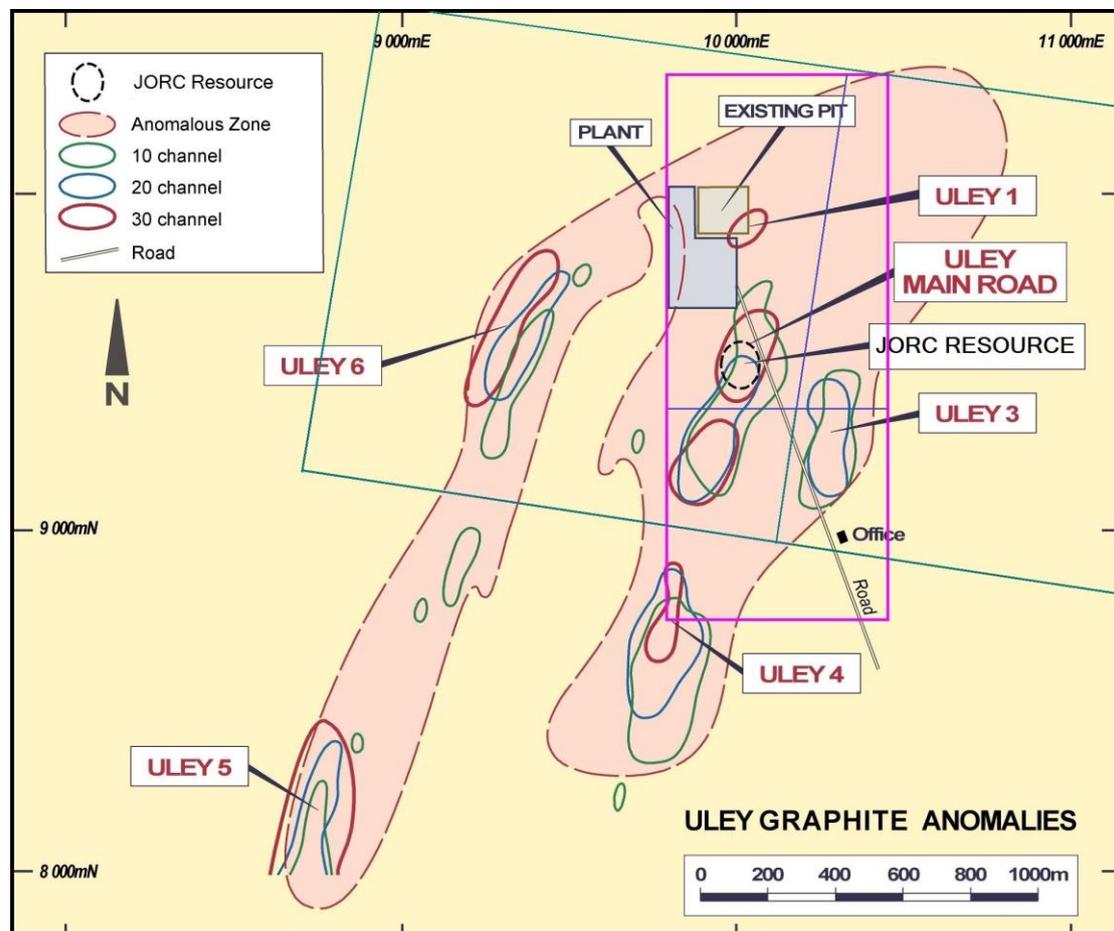
Strategic Energy Resources (SER) is pleased to report a significant resource upgrade for Uley Main Road Graphite Project.

Main Road Deposit JORC Upgrade

The work, undertaken by Coffey Mining, was commissioned to support the development of the Uley Graphite Project and Main Road ore body.

Analysis of approximately 1200 metres of infill drilling at the Uley Main Road deposit in late January has delivered an important resource upgrade for the project as well as highlighted the resource's high grade graphitic carbon.

Uley Main Road Project			
Lower Grade Cutoff of 3.8% Graphite - Whole Rock Grades Reported Ordinary Kriged Estimate using a Parent Block of 4mN by 10mE and 4mRL			
Resource Classification	Lower Cutoff Grade (Graphitic Carbon %)	Tonnage (Mt)	Average Grade (Graphitic carbon %)
Indicated	3.8	4.3	9.4
Inferred	3.8	2.3	7.5
Total		6.6	8.7



Pricing & Market Update

The price for graphite continues to increase as demand is strong and supply, particularly from China, remains constrained due to winter closures and ongoing limits to exports. May pricing is listed in the table below.

Grade	94 – 97 % C	90 % C
Large (+80 mesh)	\$2275 – 3,000	n/a
Medium (+100 -80 mesh)	\$1800 – 2,200	\$1300 - 1450
Fine (-100 mesh)	\$1800 – 2,200	n/a

All prices in USD/t, CIF European port

The combination of these factors and the promise of new battery technologies are seeing projects with much lesser grades being reactivated. There is a project in North America which is being reactivated with an average carbon content of approximately 2.4%.

Uley's Main Road project with 8.7% average grade is well positioned to be a key future development and graphite supplier.

Mega Update

Finalisation of the Implementation Deed is progressing well and is consistent with the transaction timetable.

Mega Graphite Inc executives have recently visited the mine site, consulted with PIRSA and various contractors.

For further information:

Mark Muzzin
Managing Director

The information in this report 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 has consented to the inclusion in the report 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.

{{signed electronically – A G Thamm}}