

**ASX Announcement
17 January, 2011**

Drilling at Uley commences

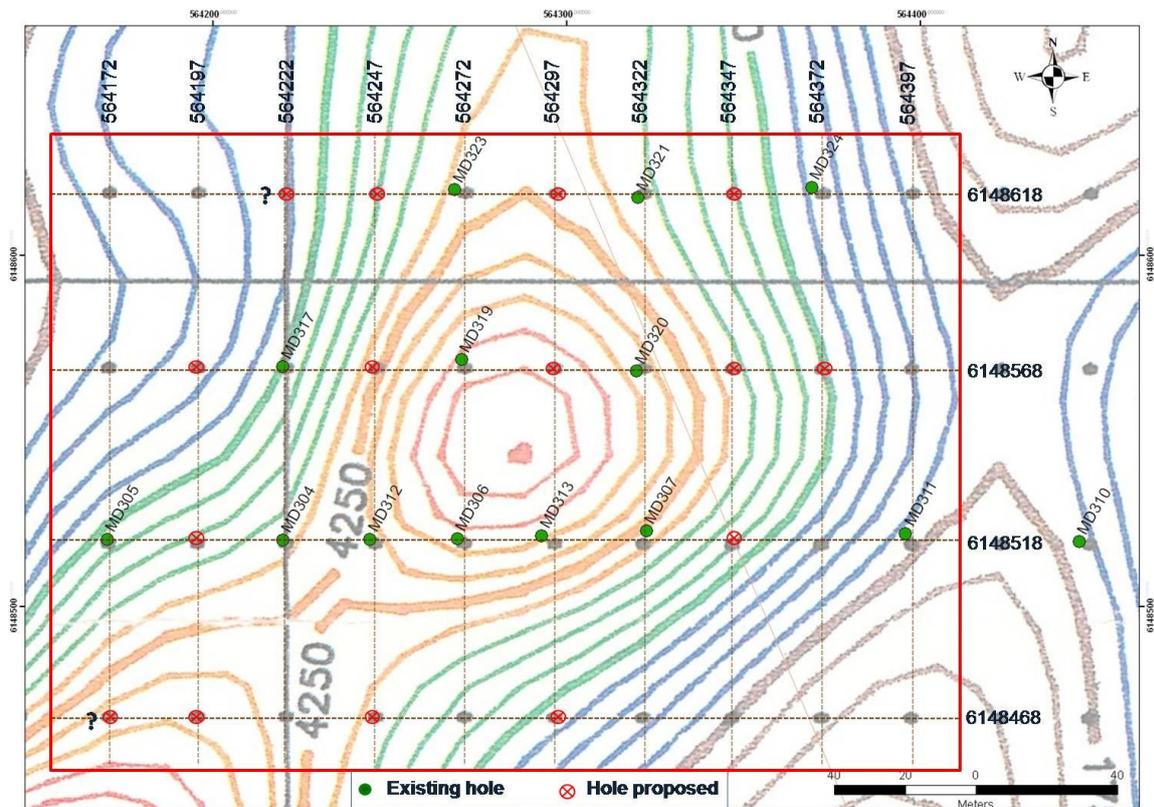
Strategic Energy Resources Limited (ASX: SER) is pleased to announce that on Saturday the 15th of January drilling commenced at our Main Road deposit. The drilling had been delayed several months by the weather. It is anticipated that the drilling program will take approximately two weeks.

A program of at least 10 diamond drill holes will be undertaken and the results will be available during the first quarter. The purpose of the drilling is to confirm the shape of the current Main Road resource.

It is expected that there will be an upgrade of the resource as well as the opportunity to undertake pit design, which will feed into the mining information for the feasibility study.

Coffey Mining is assisting SER in planning and the drilling and will review both the resource figures and pit designs.

In order to expedite production of graphite, SER is fully focussing on the Main Road deposit.



It has been reported that the sumps for the drill hole at N6148618 and E564247 have encountered massive graphite at surface, similar to that found in the dugout section at Main Roads. See picture below.



For further information:

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