



## **ASX Announcement**

**31 October 2011**

# **MEGA Graphite Transaction Update**

Strategic Energy Resources Ltd (SER, ASX: SER) is pleased to announce that it has today signed an Agreement on Operations for MEGA Graphite Inc. ('MEGA') to begin refurbishment and production from the Company's Uley graphite facility. It is intended that this agreement will be in force until the completion of the second scheme and is a sign of both parties desire to progress to production as rapidly as possible to benefit from the strong graphite market. As previously announced MEGA is very confident that they will have the mill functioning before the end of 2011, with full production in Q1 2012.

MEGA will provide all the funding for the progressive refurbishment of the plant and manage the regulatory, operational and financial issues. Initial production will provide material to allow MEGA to progress marketing discussions.

SER has signed a revised Merger Implementation Deed, including all annexures, with a date of March 31, 2012 for MEGA to complete its TSX listing or contemplated merger with a listed entity. After the expected lengthy preparation period, it is planned that the first scheme booklet will be in the hands of shareholders prior to Christmas. The Company has recently received legal advice that, with the Court summer recess, completion of both schemes should occur no later than 31 March 2012. The Board wishes to draw shareholders attention to the fact that while matters of compliance over two continents are being finalised, the essential nature of our agreement with MEGA is continuing as further demonstrated by the interim Agreement on Operations for Uley.

### **For further information:**

Melanie Leydin  
Company Secretary

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](http://www.strategicenergy.com.au)