



ASX Announcement
17 December, 2010

Indicative Agreement for Uley Development

Highlights

- **JV partner will fund USD\$32,500,000 for a 51% stake**
- **USD\$1,000,000 payment for studies on signing a definitive agreement**
- **Plant capacity 45,000 TPA**
- **Envisaged development time frame of two years**

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.

Strategic Energy Resources Limited (ASX: SER) is pleased to announce we have signed a non-binding, non-exclusive term sheet with a North American minerals group for the development of the Uley graphite project. It is envisaged the term sheet will form the basis of a detailed contract to be concluded in approximately three months, and after the conclusion of due diligence and engineering studies by both parties.

On signing of the definitive joint venture agreement, SER will receive USD\$1,000,000, with the proceeds to be applied to the base engineering, planning , permitting , etc, for the proposed 45,000 TPA processing facility.

The incoming group will also commit USD\$32,500,000 on an “as needs basis” during the refurbishment stages in 2011.

SER will also be entitled to a 1.5% revenue royalty on top of their retained 49% stake in the project.

The parties will also retain their respective marketing rights, but SER will contract its rights to the incoming party for a period yet to be agreed.

For further information:

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