



**VALENCE
INDUSTRIES**

ASIA PACIFIC | EUROPE | NORTH AMERICA

ASX ANNOUNCEMENT

**ASX: VXL
ASX: VXLO**

28 March 2014

SALE OF FOREIGN HOLDINGS

Valence Industries Limited (ASX: VXL & VXLO) (“Valence” or “the Company”) announces that the sale of foreign holdings resulting from the demerger of the Company from its former parent, Strategic Energy Resources Limited (ASX : SER) has been completed – Valence was named Tarcoola Gold Limited at that time.

The shares of holders not registered in Australia or New Zealand were held by a custodian as required under the demerger scheme booklet and as advised via ASX announcement by SER on 9 December 2011.

A total of 1,553,931 shares were sold during March 2014 to complete the process and net proceeds will be paid to the foreign holders in the coming week. The shares were sold for an average price of 35.7 cents per share, before costs.

The average number of shares traded per day during the sale process, including the foreign shares sold, was 884,350 shares per day and the foreign shares sold accounted for 12.6% of the average daily sales volume.

For further information, please contact:

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About Valence Industries

Valence Industries (ASX:VXL) is the owner and operator of the only graphite manufacturing facilities in Australia located at Uley in South Australia near the regional centre of Port Lincoln. The Company is bringing existing infrastructure into production with a focus on global markets across multiple graphite product ranges. Graphite production will commence in early 2014, with plans for expanded production by the end of 2014.

Located only 23 kilometres from Port Lincoln, the regional centre for the Lower Eyre Peninsula in South Australia, Valence Industries' Uley Graphite project is recognised as a significant area of graphite mineralisation, and one of the largest coarse flake graphite deposits in the world. The deposit contains disseminated, high-grade flake graphite and the mineralisation is near surface, with the final manufactured graphite products recognised and purchased by many customers for its high quality.

The company holds two existing Mining Licences and two associated Retention Licences, along with an extensive Exploration Licence, for the conduct of its operations. In addition Valence Industries is in the fortunate position of owning the land on which its current and proposed expanded operations are conducted along with the extensive existing infrastructure.

Manufacturing A New Carbon Future

The Company operates as an industrial manufacturer of high-grade flake graphite products for distribution and sale to global markets. Valence Industries owns established processing facilities and infrastructure to manufacture a wide range of graphite product lines for multiple applications and multiple industries. The Company produces and sells its graphite products from its Uley Graphite facilities in regional South Australia for delivery to diversified markets for graphite in the Asia Pacific, Europe and North America.

As a vertically integrated manufacturer of specialist graphite product ranges Valence Industries' branded products are designed to meet current and future customer demand. This program includes development of a significant VXL High Purity Graphite Facility program and a range of future Graphene applications.

