



Demerger Notice of General Meeting

Strategic Energy Resources Limited (ASX: SER) is pleased to announce the attached Notice of General Meeting in relation to the proposed demerger of the Company's wholly owned subsidiary, Ionic Industries Limited, which is a technology driven business.

The general meeting is scheduled to be held at 11:00am on Tuesday 9 June 2015.

For further information or enquiries, please contact:

Glenister Lamont
Chairman
Strategic Energy Resources Limited
T: +61 (0)3 9692 7222

ABN 14 051 212 429

ASX Ticker:

SER

Contact Details:

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South Melbourne VIC 3205

Contact:

Phone: +61 3 9692 7222

Email: info@strategicenergy.com.au

Board of Directors:

Glenister Lamont (Non-Exec Chairman)
Anthony Rechner (Executive Director)
Peter Armitage (Non-Exec Director)

Chief Executive Officer:

Mark Muzzin

Company Secretary:

Melanie Leydin

Securities on Issue:

348.6M fully paid ordinary shares

27M unlisted options

Website:

www.strategicenergy.com.au

5 May 2015

Dear Shareholder,

Proposed demerger of Ionic Industries Limited

The Company has recently announced its intention to spin-off its wholly owned subsidiary Ionic Industries Limited (**Ionic**) which is a technology and research driven business.

Through past, current and future collaboration with Monash University and one of its key researchers, Dr Mainak Majumder, Ionic expects to be at the forefront of research and commercial development in the field of graphene and selected potential commercial applications.

The Company has previously disclosed to the market its view on the commercial potential of its graphene and graphene based technologies, which it considers significant.

Ionic is party to a collaboration agreement with Monash University (**Collaboration Agreement**).

Under the Collaboration Agreement:

- (a) A research committee has been established, populated by Monash and Ionic management, whose goal is to identify potential new areas of research within the graphene field that show commercial potential and present funding proposals to Ionic.
- (b) Ionic will have the first right to fund any new research undertaken by Dr Mainak Majumder or his team at Monash in the graphene field.
- (c) Where Ionic elects to fund such research, Ionic will have the first right to take an exclusive worldwide licence to commercialise any IP generated by the research.

The Collaboration Agreement represents the formalisation of a relationship that has been developed over several years. Ionic is confident that the Collaboration Agreement will provide a pipeline of potentially valuable IP generated by a world-leading research team in the field of graphene and intends to make full use of the right to fund research with identifiable commercial potential.

As previously advised to the market, the Ionic business is currently focussed on the following initiatives:

- (a) completion of the joint Monash-Ionic bench-scale facility for graphene production;
- (b) furthering Ionic's capacity to produce graphene oxide on a commercial scale through the development of a pilot plant facility; and
- (c) progression and development of an existing pipeline of graphene applications, being:
 - (i) "SuperSand" water filtration technology;

- (ii) graphene membranes for the purpose of water purification and removal of heavy contaminants; and
- (iii) super-capacitor technology (focused ion beam) including the completion of a working prototype of a basic planar super-capacitor.

SER is proposing to demerge Ionic to facilitate its maturation by:

- (a) creating an independent entity focussed on the continued collaboration with Monash and commercialisation of graphene IP and graphene applications;
- (b) enhance the ability of Ionic to raise capital for its business in its own right, by presenting a single purpose corporate entity and management team and an opportunity for investors to understand and value Ionic as a stand-alone entity; and
- (c) enable SER to continue to concentrate on its core business of minerals exploration and further incubation opportunities.

Subject to Shareholder approval of the Resolution in the attached notice of meeting, the Demerger will be completed by way of the Company distributing 80% of its shares in Ionic (**Demerger Shares**) to the Company's Shareholders as at the Record Date on a pro-rata basis, with Shareholders to receive one Demerger Share for every one Share held on the Record Date, rounded down to the nearest whole number.

Shareholders will not have to make any financial payment to the Company to receive the Demerger Shares.


Following the Demerger, the Company will retain 20% of the total issued shares in Ionic.

The attached Explanatory Statement contains the details regarding the proposed demerger. Your Board considers the demerger to be in the best interests of Strategic Energy Shareholders by allowing future investors the opportunity to separately value the Ionic Industries business.

I encourage Shareholders to read the Explanatory Statement in full and vote at the General Meeting IN FAVOUR of the Resolution. I intend to vote all proxies over which I have discretion IN FAVOUR of the Resolution for which I act as Chairman.

If you are unable to attend the General Meeting please complete and lodge your Proxy Form in accordance with the enclosed instructions.

Yours sincerely,



Glenister Lamont
Chairman



Notice of General Meeting and Explanatory Memorandum

A General Meeting of

STRATEGIC ENERGY RESOURCES LIMITED

ACN 051 212 429

*Will be held at
11.00am (AEST) on Tuesday 9 June 2015*

At

*Institute of Chartered Accountants
Level 3, 600 Bourke Street, Melbourne, Victoria*

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.

STRATEGIC ENERGY RESOURCES LIMITED

ACN 051 212 429

Registered office: Level 4, 100 Albert Road, South Melbourne VIC 3205

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Members of Strategic Energy Resources Limited (SER or the Company) will be held at the offices of the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne, Victoria at 11.00am on Tuesday 9 June 2015 (AEST).

AGENDA

The Explanatory Memorandum and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Memorandum and the proxy form in their entirety.

Resolution 1: Approval of capital reduction and demerger

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purpose of section 256C of the Corporations Act and for all other purposes:

- a) the issued share capital of the Company be reduced without cancelling any shares by an amount equal to the market value (as assessed by the directors of the Company) of 80% of the fully paid ordinary shares on issue in Ionic Industries Limited (ACN 168 143 324) (**Demerger Shares**); and*
- b) the reduction of capital described in paragraph (a) above be effected by the Company making a pro-rata in specie distribution of the Demerger Shares to the holders of ordinary shares in the Company on the Distribution Date in the ratio of one Demerger Share for every one SER share held as at the Record Date and as further detailed, and on the terms and conditions set out, in the Explanatory Memorandum accompanying this Notice of General Meeting and otherwise as determined by the directors of the Company.*

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders of **Strategic Energy Resources Limited** ACN 051 212 429 (**SER** or the **Company**) in connection with the business to be transacted at a General Meeting of the Company to be held on Tuesday 9 June 2015 (**Meeting**).

The accompanying Notice asks Shareholders to consider a resolution authorising the Board to complete the proposed demerger of SER's wholly-owned subsidiary Ionic Industries Limited (**Ionic**)¹ by way of an in-specie distribution of shares to Shareholders, effected by way of capital reduction (**Demerger**).

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to Shareholders in deciding whether or not to pass the Resolution. It explains the Resolution and identifies the Board's reasons for putting it to Shareholders. The Explanatory Memorandum should be read in conjunction with the accompanying Notice. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

Having considered the advantages and disadvantages of the Demerger, the Directors believe that the Demerger is in the best interests of Shareholders and unanimously recommend that Shareholders vote in favour of the Resolution.

2. BACKGROUND

2.1 The Ionic Business

The Ionic Business is a technology and research driven business. Through past, current and future collaboration with Monash University and Dr Mainak Majumder, Ionic expects to be at the forefront of research and commercial development in the field of graphene and its potential commercial applications.

SER has previously disclosed to the market its view on the commercial potential of graphene and graphene based technologies, which it considers significant.

Ionic is party to a collaboration agreement with Monash University (**Collaboration Agreement**). Under the Collaboration Agreement:

- (a) A research committee has been established, populated by Monash and Ionic management, whose goal is to identify potential new areas of research within the graphene field that show commercial potential and present funding proposals to Ionic.
- (b) Ionic will have the first right to fund any new research undertaken by Dr Mainak Majumder or his team at Monash in the graphene field.
- (c) Where Ionic elects to fund such research, Ionic will have the first right to take an exclusive worldwide licence to commercialise any IP generated by the research.

The Collaboration Agreement represents the formalisation of a relationship that has been developed over several years. Ionic is confident that the Collaboration Agreement will provide a pipeline of potentially valuable IP generated by a world-leading research team in the field of graphene and, subject to capital constraints, intends to make full use of the right to fund research with identifiable commercial potential.

As previously advised to the market, the Ionic Business is currently focussed on the following initiatives:

¹ Please note that Ionic Industries Pty Ltd is currently undertaking the process of conversion from a proprietary company to a public company. The conversion will be completed prior to implementation of the Demerger.

- (a) completion of the joint Monash-Ionic bench-scale facility for graphene production;
- (b) furthering Ionic's capacity to produce graphene oxide on a commercial scale through the development of a pilot plant facility; and
- (c) progression and development of an existing pipeline of graphene applications, being:
 - (i) "SuperSand" water filtration technology;
 - (ii) graphene membranes for the purpose of water purification and removal of heavy contaminants; and
 - (iii) super-capacitor technology (focused ion beam) including the completion of a working prototype of a basic planar super-capacitor.

Where Monash generates IP through Ionic-sponsored research, that Ionic considers could contribute to commercial graphene applications, Ionic will seek to take an exclusive licence to exploit that IP. Ionic holds an exclusive licence to exploit the Ionic-Monash super-capacitor technology and is entitled to take an exclusive licence to commercialise future IP generated under the Collaboration Agreement. With respect to super sand and graphene membranes, Ionic is in the process of formalising arrangements with Monash.

The terms under which Ionic licences or will licence graphene IP from Monash entitle Ionic to utilise the IP to develop and manufacture products and either:

- (a) pursue product sales direct to market; or
- (b) appoint sub-licensees and generate royalties from sub-licensee sales; or
- (c) transfer rights to the licensed IP to third parties (subject to the consent of Monash, which is not to be unreasonably withheld).

Such rights give Ionic optionality in commercialising licensed IP and bringing it to market on a worldwide basis.

Notwithstanding the commercial potential of graphene and the graphene based technologies to which Ionic has access, there is no certainty that the Ionic Business will successfully commercialise existing or future commercial applications for graphene nor is there certainty as to the marketability or economics of such commercial applications. The Ionic Business does not at present generate revenue or positive cashflows and will be reliant on the capital markets (whether debt or equity) to fund its operations for the foreseeable future and to repay the loan provided by SER.

2.2 **Reasons for the Demerger**

SER is proposing to demerge Ionic to facilitate its maturation by:

- (a) creating an independent entity focussed on the continued collaboration with Monash and commercialisation of graphene IP and graphene applications;
- (b) enhance the ability of Ionic to raise capital for its business in its own right, by presenting a focussed corporate entity and management team and an opportunity to understand and value Ionic as a stand alone entity; and
- (c) enable SER to continue to focus on its core business of minerals exploration and further incubation opportunities.

The timetable for the Demerger is set out in section 8.1 below.

2.3 Internal steps to implement Demerger

No transfer of Demerger assets or other corporate restructure required

Except as noted below, there is no need for any other corporate restructuring action or transfer of assets or people prior to implementing the Demerger. Ionic and its wholly-owned subsidiaries hold all assets necessary to conduct the Ionic Business and will, on completion of the Demerger, be capable of carrying on the Ionic Business on a stand-alone basis.

Conversion of Ionic to a public company

As at the date of this notice of meeting, Ionic is a proprietary company.

Section 113 of the Corporations Act provides that a proprietary company must have no more than 50 non-employee shareholders and is prohibited from making an offer to the public for the purpose of raising capital and within the meaning of Chapter 6D of the Corporations Act.

Accordingly, Ionic is in the process of converting to a public company under Part 2B.7 of the Corporations Act and SER, as the sole shareholder in Ionic, has passed a special resolution authorising the conversion and Ionic will procure that the necessary ASIC lodgements are made.

Subdivision of Ionic shares

In order to facilitate the Demerger, Ionic will subdivide its existing share capital following the Record Date to ensure that there is a sufficient number of shares on issue in Ionic to enable the distribution of the Demerger Shares on a 1 for 1 basis to Shareholders and for SER to retain the Retained Shares.

Section 254H of the Corporations Act enables a company to subdivide its shares provided the decision is made by ordinary resolution of its shareholders.

Assignment of ARC Linkage Research Agreement for graphene membranes

The project 'green manufacturing of graphene from indigenous natural graphite and graphene-based nanofiltration membranes' (which describes the graphene membrane IP being developed by Monash with the support of SER/Ionic) has been awarded an Australian Research Council (**ARC**) grant.

The ARC grant application pre-dated the existence of Ionic and therefore names SER as the relevant party.

Accordingly, the research agreement currently being finalised with Monash (which will grant SER a first option to take an exclusive licence to commercially exploit IP generated by the project, on terms to be agreed), will initially be entered into by SER.

Following execution, SER and Monash will cooperate to assign the rights of SER under the research agreement to Ionic. If such assignment does not occur prior to the Demerger, SER will hold the agreement for the benefit of Ionic pending such assignment.

Bridge finance provided by SER

SER has agreed to provide an unsecured loan of up to \$500,000 that will carry a commercial rate of interest (7% per annum) and be available for drawdown by Ionic and due for repayment on 31 December 2015. The SER bridge finance will enable Ionic to fund its short term operating costs following the Demerger, and prior to the completion of any capital raising by way of initial public offering or otherwise.

2.4 Distribution of Demerger Shares to Shareholders

Subject to Shareholder approval of the Resolution, the Demerger will be completed by way of the Company distributing 80% of its shares in Ionic (**Demerger Shares**) to the Company's Shareholders as at the Record

Date on a pro-rata basis, with Shareholders to receive one Demerger Share for every one Share held on the Distribution Date, rounded down to the nearest whole number.

SER's constitution empowers it to undertake a capital reduction or dividend by distributing shares in another body corporate (in this case, Ionic), in which case each Shareholder will be deemed to have consented to become a member of that body corporate.

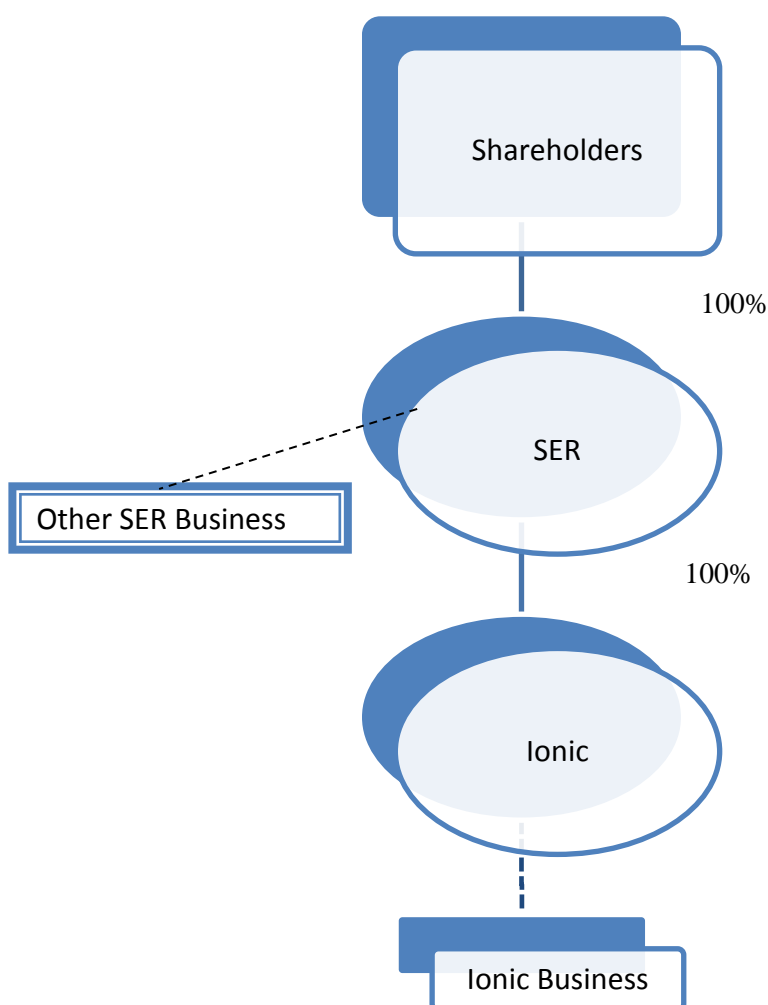
Shareholders will not have to make any financial payment to the Company to receive the Demerger Shares.

Following the Demerger, the Company will retain 20% of the total issued shares in Ionic (**Retained Shares**).

3. PROPOSED STRUCTURE

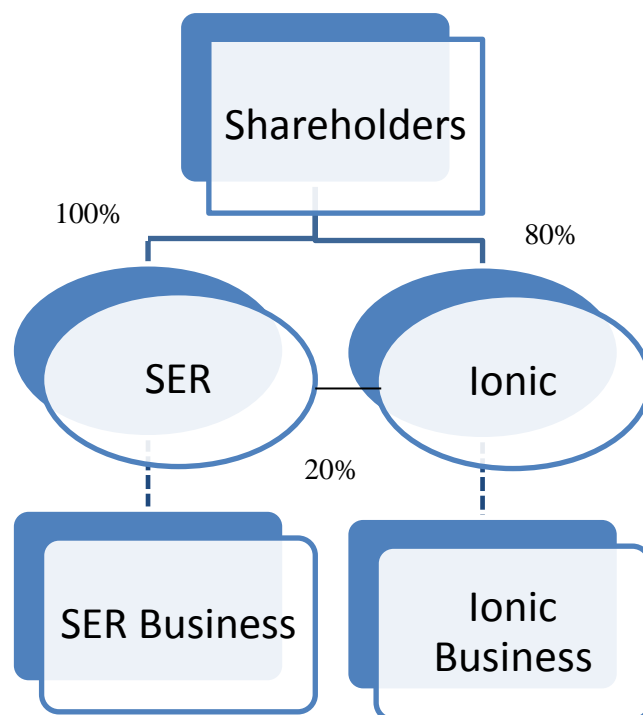
3.1 Current structure

The current structure of Shareholders' interests in the Company and Ionic are as follows:



3.2 Structure on completion of the Demerger

If the Demerger is approved by Shareholders and completed, the structure of Shareholders' interests in the Company and Ionic immediately following completion of the Demerger will be as follows:



4. FUTURE OPERATIONS OF IONIC

4.1 Commercialisation

Following the Demerger, Ionic intends to pursue the commercialisation of the graphene IP and graphene applications to which it has access.

The Ionic Business has matured to a stage where there is an opportunity to leverage its 'first mover advantage' and be first to market with certain graphene commercial applications.

In order to unlock potential value, Ionic requires more capital. New capital will enable Ionic to invest in:

- (a) production expertise and capacity;
- (b) market research and feasibility studies for specific graphene applications;
- (c) ultimately, bringing graphene applications to market.

4.2 Collaboration with Monash

Ionic will continue to work with Monash under the umbrella of the Collaboration Agreement for the duration of its five year term (which may be extended by agreement).

Ionic will continue to develop existing technologies and graphene applications and will seek to identify new fields of graphene research with potential commercial applications and fund those opportunities that are compelling.

The Ionic-Monash collaboration has also proved capable in gaining access to Australian Research Council (**ARC**) grants, with the most recent example being the award of an ARC Linkage Grant (the second such grant awarded to Ionic-Monash by ARC) to assist with the project 'green manufacturing of graphene from indigenous natural graphite and graphene-based nanofiltration membranes'.

The Collaboration Agreement provides a capital-efficient platform from which Ionic can continue to innovate and grow.

4.3 Funding

The short term funding requirements of Ionic will initially be covered by the short term bridge finance facility to be made available by SER (see section 2.3 above).

As referred to above, funding new and existing research by Monash under the Collaboration Agreement does not involve large capital commitments or funding sources.

However, the commercialisation process for IP generated under the Collaboration Agreement will require access to greater amounts of capital than Ionic currently enjoys.

After completion of the Demerger, Ionic's directors will consider the options available to Ionic to meet its long term funding requirements. This may include seeking private investment in the form of pre-IPO fundraising and an expected initial public offering within 6 months of the Demerger.

SER is of the view that to fully exploit the opportunities afforded by the collaboration with Monash, Ionic may from time to time require the ability to raise capital direct from the market. It is expected that the Demerger and a successful initial public offering should both enable Ionic to fund its short to mid-term goals to commercialise existing graphene IP and graphene applications and allow Ionic access to liquid capital markets.

4.4 Board of directors and management of Ionic

The board of directors of Ionic will initially be as follows:

Name	Position
Dr Mainak Majumder	Non-Executive Director
Dr Anne-Marie Grisogono	Non-Executive Director
Robert Riebolge	Non-Executive Director (Chair)
Mark Muzzin	CEO/Managing Director

Details of each Directors' experience and other directorships can be found in Annexure A.

Mr Mark Muzzin will act as Chief Executive Officer and Managing Director of Ionic. Mr Muzzin has been involved in the establishment of Ionic and collaboration with Monash since its inception and brings commercial expertise, in particular operational and capital-raising experience, to Ionic.

Mr Muzzin will be closely supported on the Board by Dr Majumder of Monash University, who is a leading researcher in the field of graphene. Dr Grisogono and Robert Riebolge both bring extensive academic and practical expertise to Ionic.

4.5 IPO

It is proposed that Ionic will undertake an initial public offering with a view to being listed on the ASX within 6 months of the Demerger.

Notwithstanding these plans, the Demerger is not conditional upon the completion of any initial public offering or other successful capital raising.

4.6 SER holding in Ionic

As detailed above, following the Demerger, SER will continue to hold the Retained Shares.

5. EFFECT OF THE DEMERGER

5.1 Effect on the Company

SER's shareholding in Ionic is not currently recognised in its statement of financial position. Further, Ionic does not contribute income to SER's income statement or distribute cash dividends to SER. SER does record expenditures associated with the Ionic Business in its statement of profit or loss and comprehensive income. Accordingly, the Demerger is not expected to impact SER's book value, and is not expected to materially impact the reported retained earnings or cashflows of SER in the immediate term.

Notwithstanding the fact that SER's shareholding in Ionic is not currently recognised in the Company's statement of financial position (and accordingly, does not contribute to its book value), the Board is aware that the market attributes value to the Ionic Business that is reflected in the market capitalisation of SER. The Board expects that the Demerger will result in a reduction in the value of SER as attributed by the market and reflected by SER's market capitalisation and a reduction in the market value of the Shares accordingly.

The Board of SER notes that while expenses associated with the development of the Ionic Business have not been capitalised and reflected in the SER statement of financial position, those expenses have been incurred based on an expectation that they will generate positive future returns. Assuming the Demerger is completed, SER will only benefit from any future returns generated by the Ionic Business indirectly by way of the capital appreciation of, or distributions on, the Retained Shares.

A pro-forma statement of financial position showing the impact of the Demerger on the Company is included in Annexure B to this Explanatory Memorandum. The pro-forma balance sheet is drawn from the accounts of the Company as at 31 December 2014, adjusted for the impact of the Demerger.

5.2 Effect on Shareholders

Under the Demerger, Shareholders will receive, for no cost, a pro-rata distribution of Demerger Shares on the basis of one Demerger Share for every one Share held on the Record Date (rounded down to the nearest whole number).

SER Shareholders will maintain their same economic exposure to the Ionic Business both directly, via Demerger Shares and indirectly via their SER Shares.

5.3 Effect on creditors

The Demerger involves a reduction in the Company's paid up share capital (contributed equity). However, in the opinion of the Directors, this will not materially prejudice the Company's ability to pay its creditors.

The Demerger will not involve the payment by the Company of any cash amounts (other than the loan funding provided to Ionic for Ionic's short term funding requirements) and, in the opinion of the Directors, the Company will have sufficient cash reserves to pay its creditors after the Demerger.

5.4 Effect on capital structure

As at the date of this Notice, the Company had the following securities on issue:

- (a) 348,622,501 fully paid ordinary shares; and
- (b) 27,000,000 Unlisted options.

The Demerger will have no effect on the total number of Shares or Options on issue in the Company.

Immediately following the Demerger, the number of Options on issue in the Company will remain the same, but the exercise price of each Option shall be reduced by an amount equal to the capital amount returned in relation to each Share.

6. **ADVANTAGES AND DISADVANTAGES OF THE DEMERGER**

The Board considers that the advantages of the Demerger *outweigh* the disadvantages.

6.1 **Advantages**

The Directors believe the principal advantages of the Demerger are that:

- (a) it will allow SER to focus on its core business and Ionic to focus on the Ionic Business;
- (b) it will allow SER and Ionic to allocate their capital in accordance with their strategic goals;
- (c) it will provide greater Shareholder flexibility as Ionic and SER will each focus on different strategies and have different risk profiles given the nature of their underlying assets, and are therefore likely to attract different types of investors. By separating the two businesses, Shareholders will be able to make investment decisions in relation to their investments independently and in line with their individual risk profiles and investment preferences. In addition, the separation of Ionic and SER under the Demerger may attract investors to Ionic who were reluctant to invest in SER due to its perception as an exploration company. The separation of Ionic may attract investors who want to invest in a technology company, particularly with graphene technologies;
- (d) SER will retain a substantial interest in Ionic, and therefore Shareholders who do not wish to retain a direct exposure to Ionic may retain an indirect and reduced exposure via their Shares;
- (e) no payment is required from Shareholders for the in specie distribution of Demerger Shares to them under the Demerger; and
- (f) all Shareholders will retain their current percentage shareholding in SER.

6.2 **Disadvantages**

The Directors believe the principal disadvantages of the Demerger are:

- (a) the Demerger will result in two separate companies, each with its own running costs and management, resulting in additional costs being incurred;
- (b) the nature of the Ionic Business means that Ionic is exposed to commercial and legal risk with respect to its right to exploit the intellectual property that forms its core asset. Ionic is reliant upon its contractual arrangements with Monash University and could suffer loss should Monash not meet its obligations under the Collaboration Agreement or any licence for IP generated under the Collaboration Agreement. Further, third parties may claim that Ionic is infringing their intellectual property rights and may hold patents in markets outside of Australia that will effectively prevent Ionic from earning revenue in those markets;
- (c) subject to any proposed capital raising (the results of which are not certain), the Ionic balance sheet is not robust. The Ionic Business is not yet cashflow positive, and therefore the lack of liquid or cash flow generating assets of Ionic will mean that Ionic will initially be wholly reliant on SER bridge finance and subsequently the capital markets to remain viable;
- (d) there is no guarantee that Ionic will become a listed public company after the Demerger and, in the absence of Ionic obtaining a listing of its securities on a securities exchange, there may be no ready market for the sale or purchase of Ionic shares. Further, even where Ionic does become listed on the ASX, there can be no assurance that Ionic will trade at a desirable price;
- (e) given the considerations in sub-paragraphs 6.2(b), 6.2(c), and 6.2(d) above, the risks associated with the Ionic Business (which, in the case of balance sheet and intellectual property risk, currently exist

within SER) may be concentrated where the Ionic Business is made separate from the other businesses of SER and where Shareholders do not have a liquid market for Ionic Shares;

- (f) there are costs associated with the implementation of the Demerger, which will be incurred by SER;
- (g) there is a small but identifiable risk that taxation consequences may arise in respect of the distribution of the Demerger Shares to Shareholders. Details of the general taxation effect of the Demerger are set out in section 9 of this Explanatory Memorandum; and
- (h) as a result of the Demerger, Ionic's shares will be widely held and any acquirer would be required to comply with the takeovers provisions of the Corporations Act which may act as a deterrent.

7. REGULATORY REQUIREMENTS

7.1 Corporations Act

Shareholder approval for equal capital reduction

The Demerger will be implemented by way of an "equal capital reduction" in accordance with section 256B(2) of the Corporations Act. Pursuant to Section 256C of the Corporations Act, an equal capital reduction must be approved by an ordinary resolution passed at a general meeting of the Company.

Under section 256B of the Corporations Act, the Company may only reduce its share capital if the reduction:

- (a) is fair and reasonable to the Shareholders as a whole;
- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by Shareholders under section 256C of the Corporations Act.

Subject to the Resolution being passed and for the reasons identified above, the Directors consider that each of the above requirements is met in respect of the Demerger.

Disclosure requirements for Demerger Shares

Chapter 6D of the Corporations Act restricts:

- (a) the Company from inviting Shareholders to vote on the Demerger without the Company issuing a prospectus providing disclosure in respect of the Demerger Shares to be distributed to Shareholders under the Demerger; and
- (b) if the Demerger Shares are transferred to Shareholders without a prospectus, Shareholders from on-selling the Demerger Shares transferred to them under the Demerger within the first 12 months after receiving them from the Company.

The Directors are of the view that the disproportionately high costs involved in the Company preparing a prospectus for the transfer of the Demerger Shares are not justified, and considers that these costs outweigh any benefit to Shareholders in receiving a prospectus. The Company has therefore submitted an application to ASIC for relief from the requirement to issue a prospectus in respect of the Demerger Shares.

ASIC has granted the relief, allowing the Company to issue this Notice of Meeting without the need to also issue a separate prospectus.

7.2 Listing Rules

Chapter 11

Chapter 11 of the Listing Rules governs corporate proposals which result in a change to the nature and/or scale of a listed entity's activities. If a transaction results in a substantial change to the nature or scale of an entity's activities, ASX can require the entity to seek shareholder approval for the change and may also require the entity to re-comply with the listing requirements in Chapters 1 and 2 of the Listing Rules.

Given that:

- (a) the assets and business of Ionic do not feature in the Company's balance sheet;
- (b) Ionic does not contribute earnings or cashflow to the Company; and
- (c) that the Company is predominantly now, and will remain after completion of the Demerger, a minerals exploration company,

the Company does not consider that the Demerger involves a substantial change to the nature or scale of the Company's activities.

Listing Rule 7.22

The Demerger includes a return of capital and requires a reorganisation of the Options in a manner consistent with Listing Rule 7.22.3.

Listing Rule 7.22.3 requires that in a return of capital, the Options are reorganised such that the number of Options must remain the same, but the exercise price of each Option must be reduced by the same amount as the amount returned in relation to each Share.

The Board of the Company will notify each Option holder of the reduced exercise price for the Options following the Demerger.

Listing Rule 7.25

ASX has provided a waiver in respect of the application of Listing Rule 7.25 to the extent of the possible impact of the Demerger on the Company's share price. Listing Rule 7.25 provides that a company must not reorganise its capital if the effect of doing so would be to decrease the price in its shares to an amount less than 20 cents. Strategic currently trades at a price less than 20 cents. While it is not possible to calculate the impact of the Demerger on the Company's share price, it is possible that it may be more difficult for the share price to recover to the 20 cents level.

8. ADDITIONAL INFORMATION FOR SHAREHOLDERS

8.1 Timetable for the Demerger

The Demerger will be effected in accordance with the following timetable. The Directors reserve the right to amend this timetable, as required, in accordance with the Listing Rules and the Corporations Act.

Event	Date
Shareholder meeting held and ASX announcement of results of meeting	Tuesday 9 June 2015
Last day of trading of Shares on a "cum" basis	Wednesday 10 June 2015

Trading of Shares on an "ex" basis commences	Thursday 11 June 2015
Record Date to determine entitlement of Shareholders to Demerger Shares (Record Date)	Monday 15 June 2015
Distribution of Demerger Shares to Shareholders (Distribution Date)	Monday 22 June 2015

Following the Distribution, SER will send to Shareholders statements of their Ionic holdings and advice of the cost base adjustment to their existing Shares for taxation purposes.

8.2 Overseas Shareholders

Distribution of the Demerger Shares to Shareholders under the Demerger will be subject to legal and regulatory requirements in the relevant jurisdictions. If the Company decides, in its sole discretion, that the offer or distribution of Demerger Shares to an overseas Shareholder would impose an undue obligation or burden on the Company:

- (a) the Demerger Shares to which the relevant Shareholder is entitled will be sold by the Company on their behalf as soon as practicable after the implementation of the Demerger; and
- (b) the Company will then account to the Shareholder for the net proceeds of sale after deducting costs and expenses of the sale.

As the Demerger is being represented and satisfied by the distribution to Shareholders of Demerger Shares, and the price of Demerger Shares may vary from time to time (assuming a liquid market is available), the net proceeds of sale may be more or less than the notional value of the Demerger identified in this Explanatory Memorandum.

It will be the responsibility of each Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

9. TAX IMPLICATIONS OF THE DEMERGER

9.1 Introduction and Scope

This section outlines the likely Australian income tax implications of the Demerger for certain Shareholders.

The information outlined in this section is limited solely to the Australian income tax implications of the Demerger for Australian residents who hold their Shares on capital account. This section does not provide information relevant to:

- (a) Shareholders who hold their Shares on revenue account (for example, Shareholders who are share traders and certain institutional investors);
- (b) Shareholders whose Shares are subject to the employee share acquisition scheme tax rules and Shareholders who are not the beneficial owners of their Shares;
- (c) Shareholders who are not residents of Australia for income tax purposes; and
- (d) Shareholders who acquired their Shares prior to 20 September 1985.

The information outlined in this section is based on the income tax law at the date of this Notice. Any changes in the tax law or interpretation of the tax law subsequent to the date of this Notice may alter the information contained in this section.

This information is not intended to provide an exhaustive or definitive statement as to all the possible tax outcomes for Shareholders. Accordingly the income tax implications for a particular Shareholder may differ from those detailed in this section, depending on their individual circumstances. Shareholders should not rely on the information outlined in this section as it is only general in nature. **Neither the Company, nor any of its officers or advisers, accepts liability or responsibility with respect to the taxation consequences of the Demerger or the reliance by any Shareholder on any part of the following summary contained in this section 9.**

It is recommended that all Shareholders should, in considering the implications of the Demerger to them, obtain independent tax advice specific to their circumstances.

9.2 Summary of transactions

Shareholders are being asked to approve the Demerger. Under the Demerger, Shareholders will

- (a) keep their existing Shares; and
- (b) receive one Demerger Share for every one Share they own on the Record Date (rounded down to the nearest whole number).

From a taxation perspective, the Demerger will be implemented by way of a demerger distribution (the **Demerger Entitlement**) consisting of a return of share capital component (the **Capital Reduction Entitlement**) and possibly a dividend component (the **Demerger Dividend Entitlement**). The amount of the Demerger Entitlement of each Shareholder will be one Demerger Share for every one Share.

9.3 Demerger Tax Relief

The board of SER considers that the Demerger should satisfy the requirements for demerger tax relief under Division 125 of the Income Tax Assessment Act 1997. Accordingly, the board of SER considers that the Demerger should not result in a Shareholder being subject to a current income tax cost as a result of the Demerger.

SER does not intend to apply for a class ruling from the Australian Taxation Office (**ATO**) on the Demerger.

9.4 Overview of Australian Income Tax Implications

The following is an overview of the Australian income tax implications that should arise as a consequence of the Demerger, for an Australian resident Shareholder who holds Shares on capital account.

Capital Gains Tax	<p>A capital gain will arise for a Shareholder as a result of the return of capital under the Demerger, to the extent that the Capital Reduction Entitlement for a Share exceeds the capital gains tax (CGT) cost base of that Share. A capital loss will not arise.</p> <p>Demerger tax relief should be available for the Demerger.</p> <p>In these circumstances, if a Shareholder chooses to obtain capital gains tax rollover relief for the Demerger, then any capital gain discussed above will be disregarded.</p> <p>This means no income tax should be payable on any capital gain that might otherwise arise under the Demerger if this</p>
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	choice is made.
CGT Cost Base	<p>Demerger tax relief should be available in respect of the Demerger.</p> <p>In these circumstances, the CGT cost base and reduced cost base of a Share will be apportioned between the Share and the Demerger Share on the basis of the relative market value of the Share and the Demerger Share immediately after the Demerger happens.</p>
Dividend	<p>Demerger tax relief should be available in respect of the Demerger.</p> <p>In these circumstances, no part of the Demerger Entitlement arising under the Demerger (including the Demerger Dividend Entitlement) should be an assessable dividend to Shareholders, for income tax purposes.</p>

9.5 ATO determination

As stated above, SER considers that the Demerger should satisfy the requirements for demerger tax relief.

The income tax legislation includes a provision for the ATO to determine that some or all of the Demerger Entitlement is a dividend for income tax purposes. This determination can be made if the ATO resolve the circumstances relating to the Demerger are such that the Dividend Entitlement is paid to a Shareholder in whole or part in substitution for a taxable dividend. This is despite the Demerger otherwise satisfying the requirements for demerger tax relief.

SER considers the circumstances relating to the Demerger do not support a conclusion that any Dividend Entitlement will be paid to a Shareholder in whole or part in substitution for a taxable dividend, if the Demerger is approved by Shareholders.

Notwithstanding this view, Shareholders are advised of the potential for the ATO to make such a determination.

9.6 Stamp duty

There will be no stamp duty payable by Shareholders as a result of the receipt of Demerger Shares.

10. DIRECTORS' INTERESTS AND RECOMMENDATIONS

10.1 Directors Interests

The following table sets out the Directors' interests in Shares as at the date of the Notice and the number of Demerger Shares which they (or their associated parties) will receive pursuant to the Demerger, in their capacity as Shareholders, if Shareholder approval of the Resolution is obtained:

Director	Shares Held*	Options Held*	Demerger Shares Entitlement*
Mr Glenister Lamont	100,000	3,000,000	100,000
Mr Peter Armitage	200,560	3,000,000	200,560
Mr Tony Rechner	26,525,880	10,000,000	26,525,880

*Please note that in the event that a Director exercises Options between the date of this Notice and the Record Date, the number of Shares he holds together with his entitlement to receive Demerger Shares will increase accordingly,

10.2 **Directors' Recommendation**

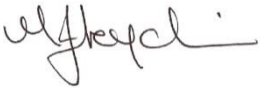
Having considered the advantages and disadvantages of the Demerger, the Directors believe that the Demerger is in the best interests of Shareholders and unanimously recommend that Shareholders vote in favour of the Resolution.

Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

DATED this 4th day of May 2015 at Melbourne.

By order of the Board



Melanie Leydin
Company Secretary

PROXY AND VOTING INSTRUCTIONS

1. For the purposes of the Corporations Act, the Company has determined that all securities of the Company recorded on the Company's register as at 7.00 pm (AEDST) on the date 48 hours before the date of the Annual General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.
2. The details of the Resolution contained in the Explanatory Memorandum accompanying this Notice should be read together with, and forms part of this Notice.
3. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
4. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.
5. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
6. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
7. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
8. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice.
9. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person excluded from voting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
10. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office or Link Market Services Limited in accordance with the instructions set out in the proxy form by no later than 11:00 am (AEST) on Sunday 7 June 2015.

GLOSSARY

The following terms have the following meanings in this Explanatory Memorandum:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

AEDST means Australian Eastern Daylight Savings Time.

Board means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors.

Collaboration Agreement has the meaning given to it in section 4.2.

Company means Strategic Energy Resources Limited (ACN 051 212 429).

Corporations Act means the Corporations Act 2001 (Cth).

Demerger Shares has the meaning given to it in section 2.4.

Director means a Director of the Company.

Distribution Date means Monday 22 June 2015.

Ionic means Ionic Industries Limited (ACN 168 143 324).²

Ionic Business means the business currently conducted by Ionic, consisting primarily of the identification and funding of graphene-related research under the Collaboration Agreement with Monash University and the commercialisation of IP relating to graphene and graphene applications (arising from that research or otherwise).

IP means intellectual property.

Listing Rules means the Listing Rules of the ASX.

Notice means the Notice of Meeting accompanying this Explanatory Memorandum.

Options means the unlisted options having an exercise price of \$0.0452 (4.52 cents) and an expiry date of 25 December 2016 that were issued pursuant to a shareholder resolution approved at the Company's Annual General Meeting held on 24 October 2013.

Record Date means Monday 15 June 2015.

Retained Shares has the meaning given to it in section 2.4.

Share means an ordinary share in the capital of the Company.

Shareholder means any holder of Shares in the Company.

² Name subject to successful conversion of the Company with ACN 168 143 324 from a proprietary company to a public company.

Mr Mark Muzzin – CEO and Managing Director

Mr Mark Muzzin has had more than 20 years of commercial experience working with both Australian and international public and private companies. After obtaining a Bachelor of Arts degree from La Trobe University in Melbourne, Australia, he began his career in a London stockbroking firm. Mr Muzzin has consulted for two of the big four Australian banks in the share custodian area, and has been involved in numerous capital raisings for resource companies. He has also acted as consultant to many junior and mid cap energy and minerals companies. Mr Muzzin has served as General Manager for a number of public companies and has held the position of CEO for ASX-listed company Strategic Energy Resources (SER) since December 2008. SER's focus has been on early stage exploration, with projects where value has been added through exploration, either being sold or spun out. These include the cash sale of Cooper Basin acreage and the Uley graphite deposit located in South Australia, which Mr Muzzin successfully spun out of SER and has since become ASX listed Valence Industries Ltd, providing value for all SER shareholders. During his time of advancing the Uley graphite project Mr Muzzin concentrated on the high tech application for graphite and focused on battery technology and spent many years dealing with global Li-ion battery manufacturers. SER, under Mr Muzzin's leadership, has also for the last five years been supporting IP development in graphene.

Mr Muzzin is a non-executive director of ASX-listed gold and base metals explorer Ishine International Resources Ltd (a predominately Chinese owned and managed company) and a number of other public and private Australian companies.

Dr Anne-Marie Grisogono – Director

Dr Anne-Marie Grisogono is a physicist with over 30 years experience in applied research and development and research management, including 15 years as a Research Leader in the Defence Science and Technology Organisation (DSTO). She has led scientific support for the Army's acquisition of the Tiger armed reconnaissance helicopter, worked with Army Headquarters to reframe the Army's approach to strategic planning and R&D prioritisation and management, and has held national and international leadership roles within DSTO in the fields of simulation, systems engineering and systems science, human sciences and complexity science. She is currently on the Australian Research Council's College of Experts, and now holds a visiting researcher position in the Melbourne Business School at Melbourne University and an adjunct professorial appointment in the Faculty of Computer Science, Engineering and Mathematics at Flinders University.

Dr Mainak Majumder - Director

Dr Mainak Majumder is a Senior Lecturer in the Department of Mechanical and Aerospace Engineering at Monash University and is the Group Leader of the Nanoscale Science and Engineering Laboratory (NSEL). He holds a Master's degree from Institute of Technology-Banaras Hindu University and was a staff scientist at CSIR, India from 2001-03. He obtained his PhD in 2007 from the University of Kentucky, USA and obtained postdoctoral training at Rice University, Texas USA on carbon nanomaterials.

Robert Riebolge – Director (proposed Chairman)

Mr Riebolge read engineering at Adelaide University gaining a BE (Hons) and continued post graduate studies at the City University, London obtaining an MSc (Distinction) and fulfilling part requirements for a PhD. Mr Riebolge is a Fellow of the Institution of Engineers, Australia, has been a Member of the Academic Board of the Australian Institute of Management, SA Chapter and has been an Adjunct Lecturer in the MBA programmes of the University of Adelaide and the University of South Australia. Mr Riebolge has delivered tailored courses in Project Appraisal, Cost Benefit Analysis, Project Management and Contract Management in Australia, Fiji, Hong Kong, Malaysia, Samoa and Singapore.

Mr Riebolge is an international expert in the optimal economic configuration of electricity systems with a large proportion of renewables and storage in their energy mix having undertaken cost benefit studies of hydro electric schemes in Burundi, Iceland, Indonesia, Rwanda, Surinam, Tanzania and Turkey. Recently, Mr Riebolge completed the documentation of nearly 10 years of trialling the transformation of legacy electricity grids to smart grids and beyond that employs evolving technology, demand side participation methodologies and techniques and distributed generation and storage. In carrying out this work, Mr Riebolge undertook system simulation and scenario modelling of the electricity grid with an energy mix that included a significant proportion of renewables (photovoltaics and wind) and distributed storage (in home batteries, grid storage and electric vehicles). The work gives an invaluable insight of the likely future of electricity grids and how graphene can play a pivotal role in their transformation.

ANNEXURE B

Pro forma financial statements

Strategic Energy Resources Limited
(Consolidated)

Pro-Forma Consolidated Statement of Financial Position

31 December 2014

	Consolidated	Pro forma adjustment 1	SER - ex Ionic
	31-Dec-14	31-Dec-14	31-Dec-14
	\$	\$	\$
Current Assets			
Cash and cash equivalents	1,566,637	-	1,566,637
Trade and other receivables	20,240	-	20,240
Other assets	20,474	-	20,474
Total current assets	1,607,351	-	1,607,351
Non-current assets			
Property, Plant & Equipment	25,000	(25,000)	-
Available-for-sale financial assets	11,996,954	-	11,996,954
Other Receivables - Loan Ionic Industries	-	114,935	114,935
Exploration & Evaluation	1,710,686	-	1,710,686
Other Non-current assets	21,717	12	21,729
Total non-current assets	13,754,357	89,947	13,844,304
Total assets	15,361,708	89,947	15,451,655
Current liabilities			
Trade and other payables	73,800	-	73,800
Employee Benefits	3,801	-	3,801
Total current liabilities	77,601	-	77,601
Non-current liabilities			
Employee Benefits	10,420	-	10,420
Total non-current liabilities	10,420	-	10,420
Total liabilities	88,021	-	88,021
Net assets	15,273,687	89,947	15,363,634
Equity			
Issued capital	28,833,224	12	28,833,236
Reserves	(15,898,908)	-	(15,898,908)
Accumulated losses	2,339,371	89,935	2,429,306
Total equity	15,273,687	89,947	15,363,634

Ionic Industries Pty Ltd
Pro-Forma Statement of Financial Position
31 December 2014



31-Dec-14

\$

Current Assets

Cash and cash equivalents	12
Trade and other receivables	-
Other assets	-
Total current assets	12

Non-current assets

Property, Plant & Equipment	25,000
Total non-current assets	25,000

Total assets **25,012**

Current liabilities

Trade and other payables	-
Total current liabilities	-

Non-current liabilities

SER Loan Payable	114,935*
Total non-current liabilities	114,935

Total liabilities **114,935**

Net assets **(89,923)**


Equity

Issued capital	12
Reserves	-
Accumulated losses	(89,935)
Total equity	(89,923)


* It is noted that the loan balance as at the date of this notice is \$277,982.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Strategic Energy Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Strategic Energy Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11:00am on Tuesday, 9 June 2015 at the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.


VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Approval of capital reduction and demerger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 2

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

STEP 3

SER PRX501A



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Sunday, 7 June 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Strategic Energy Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**