



ASX Announcement
18 May 2012

MERGER IMPLEMENTATION DEED – UPDATE

First tranche of further cash payments from MEGA Graphite received by SER

SER wishes to update SER and Tarcoola shareholders on the Merger Implementation Deed (**MID**) with the Canadian company MEGA Graphite Inc. (**MEGA Graphite**).

The MID with MEGA Graphite requires the payment of CAD\$3 million to SER in the period up to the listing of MEGA Graphite on 31 August 2012. In accordance with the requirements under the MID the first tranche of those payments has been received by SER from MEGA Graphite.

The payment of the first tranche of funds to SER by MEGA Graphite has been made pursuant to the arrangements being made by MEGA Graphite with its Canadian investment fund and with the ongoing assistance of MEGA Graphite's financial advisors, Macquarie Capital, Canada. The Board of SER are pleased to see the commitments made by MEGA Graphite being met and the progress being made towards the required completion under the MID.

Further announcements will follow over the next weeks, on the MID and operational updates.

Further Information

For further information contact:

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