



ASX Announcement
11 July 2013

Spencer JV Project Update

HIGHLIGHTS

- **HeliTEM geophysical survey completed and data received, final interpretation pending**
- **Initial drill targets defined**
- **Department of Defence access granted for drill program**

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.

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Strategic Energy Resources Limited (ASX:SER) as Operator of the 'Spencer Joint Venture' (SER 75% and Kingston Resources Ltd (ASX:KSN) 25%) has identified a series of 20 drill targets at EL 5010, Cultana, located within the Olympic Copper Gold Province.

A preliminary review of the new HeliTEM geophysical data supports previously defined geophysical targets from the BHP Billiton (BHPB) Falcon survey.

The Department of Defence has granted access for a drill program which is now planned to start in the second half of 2013, subject to operational requirements.

Mark Muzzin, Managing Director, SER stated: "The Spencer Project is proceeding exceptionally well. We are currently analysing this latest HeliTEM data together with the historical Falcon data set and detailed geochemistry to locate coincident anomalies and potential drill targets."

"Our initial review has already highlighted multiple targets which will be defined and prioritised when modelling is complete".

About the Survey

The HeliTEM survey flown over the licence earlier in the year was designed to find anomalism coincident to the anomalies identified by the BHPB Falcon gravity/magnetics survey recorded in 2004 and copper geochemistry.

About Spencer Project

The project is 321 square kilometres and is located on the west coast of Spencer's Gulf. It remains one of the few areas along the Olympic Dam trend that has not been the subject of significant modern exploration techniques. This same trend is the home to some exceptional discoveries including: Olympic Dam, Carrapateena, Prominent Hill, Mount Gunson, Wallaroo, Moonta and Hill Side.

Favourable geology is clearly evident within the Spencer Project area including the outcrops of the Hiltaba granite and Moonabie formation, the age equivalent host of a number of IOGC style deposits throughout the Olympic Dam trend.

The deeper response (channel 25) of the HeliTEM survey is displayed in Fig 1 together with the lease boundary and restricted access areas of Native Heritage and the Impact Zone. The plan shows a conductive north-south corridor (whose western boundary is coincident with gravity defined intrusive faulting) with a north-east bifurcation towards the middle of the survey area. Large areas of conductive anomalism to the north-east, south-west and south-east are thought to be conductive salt water intrusions from the ocean and/or salt flats.

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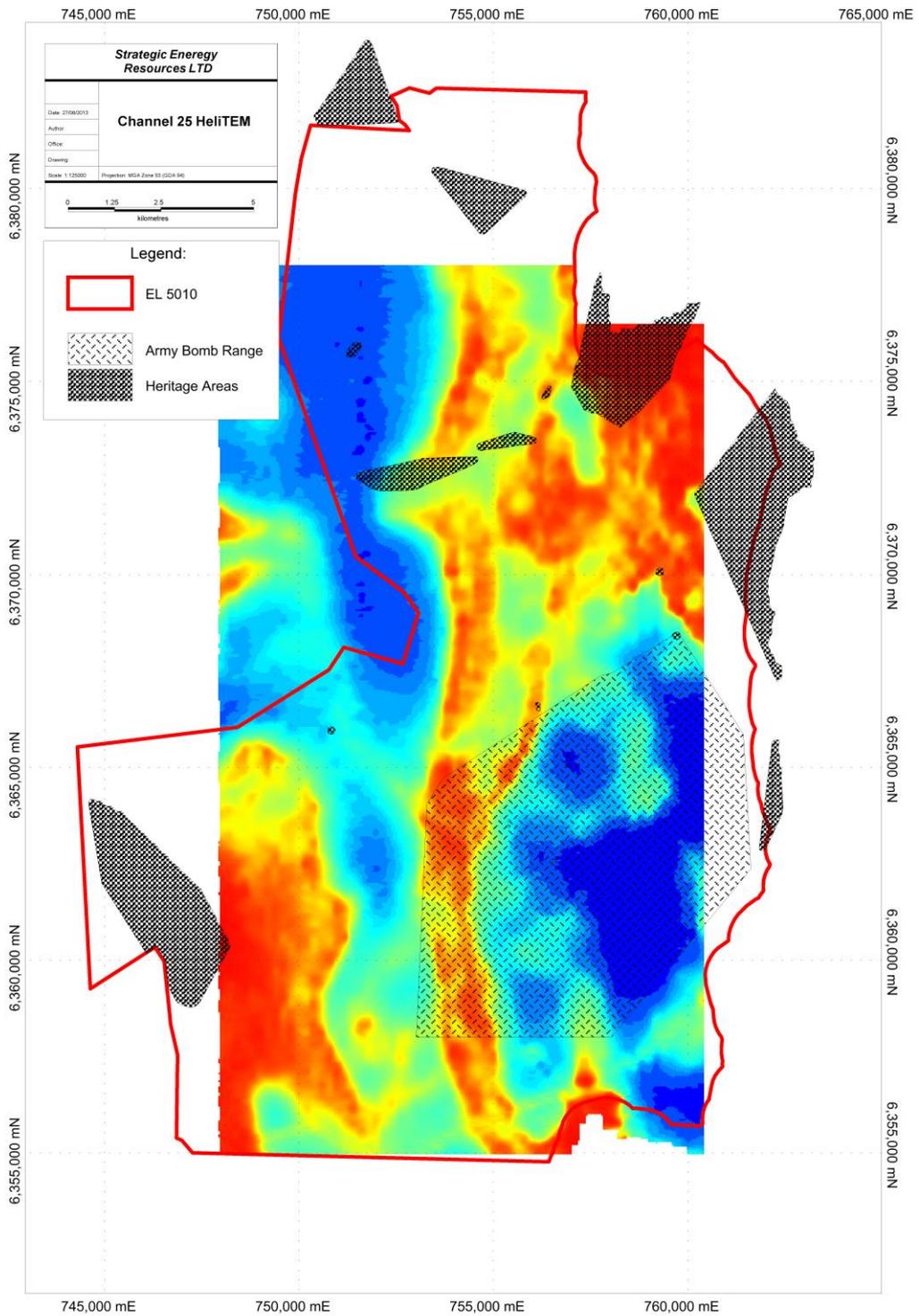


Fig 1. Channel 25 of HeliTEM survey with restricted access areas shown

Next Steps

Review and analysis of the data is expected to be completed in early August. The drill program will then be put to tender.

“The large number of drill targets identified from the preliminary review of the new data is another step forward in releasing the potential for what we believe is our biggest asset,” concluded Mr Muzzin.

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Further Information:

Mark Muzzin
Managing Director

Competent Persons Statement

The information in this report related to Exploration is based on information compiled by Mr Adrian Dellar who is a member of the Australasian Institute of Mining and Metallurgy. Mr Dellar is working in the role of Senior Geologist for Strategic Energy Resources. Mr Dellar has sufficient experience, which is relevant to the style of mineralization and deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resource and ore reserves” Mr Dellar consents to the inclusion in the report for the matters on his information in the form and context which it appears.

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