



STRATEGIC ENERGY RESOURCES LIMITED
ACN 051 212 429

October 23, 2015

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Quarterly Report to September 30, 2015

HIGHLIGHTS FOR THE QUARTER:

- **Ionic Industries, through its researchers at Monash University, has the leading micro planar supercapacitor in the world as measured by four parameters**
- **The significant results were presented in high impact journal and was awarded the cover**
- **Ionic team advancing and improving the efficiency of the planned pilot plant and upscaling the production of graphene oxide nano filtration membranes**

Strategic Energy Resources Limited (ASX Code: SER) has successfully demerged Ionic Industries Ltd from the group and is the major shareholder in Ionic. SER holds numerous mineral exploration assets and holds equity interests in Valence Industries (which owns the Uley graphite mine near Port Lincoln, South Australia), Oil Basins Ltd and Magnum Gas & Power. Mineral exploration licences are held in South Australia, Western Australia and Victoria.

IONIC INDUSTRIES

IONIC UPDATE

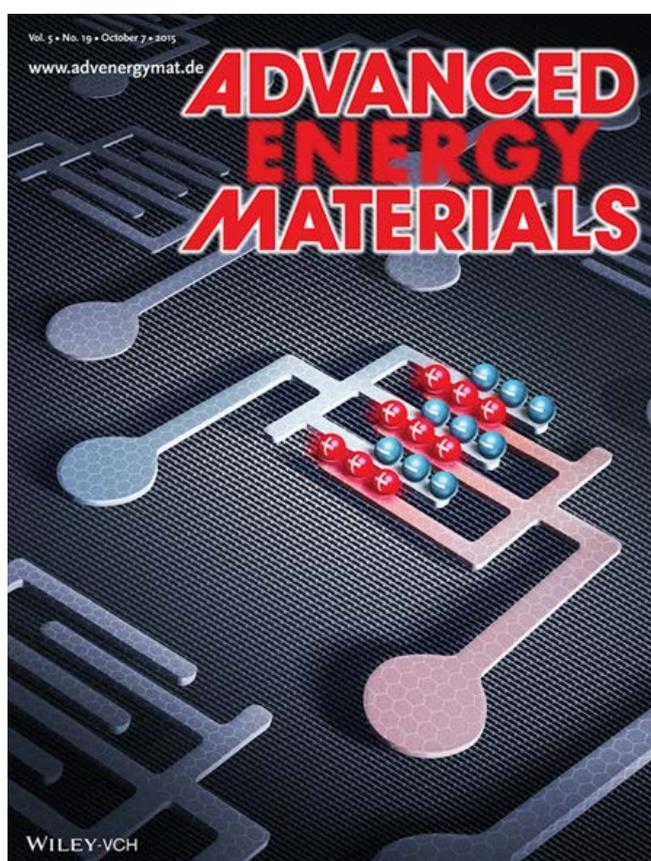
Ionic Industries continues to forge ahead in the development of graphene-based nano-filtration and energy storage technologies.

Ionic is currently in negotiations with several major international companies regarding the upscaling and production of graphene oxide nano filtration membranes and super-capacitors.

Ionic has made significant advances in its plans for graphene oxide production. As a result of its research, the Ionic technical team has significantly reduced the energy and materials required, boosted efficiency and reduced costs, increased the production capacity of the planned pilot plant, reduced waste and the high costs of waste disposal, making the whole process more cost effective, as well as greener. The redesigned pilot plant will be able to supply sufficient high quality graphene oxide to support the next stages of product development and customer engagement in each of the planned product lines.

The Monash research team, led by Associate Professor Mainak Majumder, has continued their success, building on the work achieved under successive Australian Research Council linkage grants with a string of significant, peer-reviewed publications, including the latest and potentially most significant:

“Miniaturized Super-capacitors: Focused Ion Beam Reduced Graphene Oxide Super-capacitors with Enhanced Performance Metrics”, published in *Advanced Energy Materials*, 2015.



Current Edition Cover Featuring Ionic Industries' Research

The work and results presented in the journal are the culmination of the research undertaken in our first ARC Linkage grant, which commenced in 2010/11. The results presented in the journal shows Ionic has the leading micro planar super-capacitor in the world – as measured by 4 parameters:

- Energy density (can sustain high power for longer)
- Response time (rapid power surge and faster charging)
- Capacitance (more energy in same volume)
- Resistance (less losses)

Preparation for the listing of Ionic is progressing well. Ionic is waiting on some key information and announcements on relationships that will be presented to the market via the SER ASX platform. Further announcements will be made in due course.

MINERAL EXPLORATION

SPENCER JOINT VENTURE (SER 75%) EL 5010 SOUTH AUSTRALIA

The Spencer area comprises 321 km² and is located on the west coast of Spencer Gulf on the Olympic Dam trend. This same trend is the home to some exceptional discoveries including Olympic Dam, Carrapateena, Prominent Hill, Mount Gunson, Wallaroo, Moonta and Hillside.

Access is granted till 12 September 2016 and can be further extended in line with future permit extensions.

MYALL CREEK (SER 50%) EL 5011 SOUTH AUSTRALIA

The Myall Creek Copper Project (EL5011) covers an area of 381 km² and is located on the southern Stuart Shelf between Whyalla and Port Augusta, a highly prospective part of the eastern margin of the Gawler Craton. The Myall Creek Project includes a 15 kilometre zone with anomalous copper shown in historic drilling.

Previous work indicates that mineralization is controlled by a lithological/chemical redox contrast which exists between the base of the Tapley Hill formation and an underlying unconformable contact between the two sedimentary/volcanic units. This unconformity continues to have a strong potential for high grade prospects. The licence area is immediately west of the Torrens Hinge Zone.

Technical assessment of the prospectively of the Myall Creek project for both Zambian style copper mineralization and the potential of Olympic Dam style IOCG mineralization at depth is ongoing.

With the recent \$2m target development to the north of Myall Creek by the Department of State Development for the Deep Targets Task Force, SER is awaiting the findings from this work and will be looking to gauge the impact the work has on regional exploration and targeting and specifically the Myall Creek project.

CASTERON (SER 5%) EL 5040 VICTORIA

EL 5040 comprises 486 graticular sections and is located some 350 kilometres west of Melbourne, Victoria. Encounter Minerals has completed detailed reviews of the geophysics geology and geochemistry of the target area and are in preliminary planning for further drilling'

FALCON BRIDGE (SER 95%) E38/1970 WESTERN AUSTRALIA

The Falcon Bridge tenement EL 38/1970 covers an area of 138.1 km² in the north eastern corner of Western Australia's Archaean Yilgarn Craton. The Falconbridge Ni sulphide project has undergone a significant review from geological, geochemical and geophysical perspective.

Located some 48km along/en echelon to an ultra-mafic bulge where recent drilling by others has encountered nickel sulphides. SER holds a 95% interest in E38-1970 on which is located a bulge in the ultramafic rock units (the TORO GRANDE anomaly). As a result of data reviews by independent consulting geologists/geophysicists a model of the Toro Grande mineralisation was published in SERs June 2014 quarterly and shows, stylized theoretical channel thermally eroded into underlying basalts resting on the ultramafic sequence. These erosional channel allow for emplacement of Komatatic nickel sulphides elsewhere in Western Australia, however the presence of massive nickel sulphides at Toro Grande is unproven and remains an exploration target. Previous drilling at Toro Grande included published results for 7 holes with intersected down hole widths of 12-39m with grades between .41 to .69% Ni which are clearly not massive sulphides.

SER is currently looking at Joint Venture opportunities.

CORPORATE UPDATE

The Company is well placed to receive substantial financial benefit from the demergers of Ionic Industries and the Uley Graphite project. SER is the major shareholder of Ionic Industries Ltd and holds 87,155,625 shares (20% of the issued capital) of Ionic. SER also is the major shareholder in Valence Industries Ltd (ASX: VXL) with 21,788,907 shares, escrowed till January 2016.

SER will also benefit from a 1.5% royalty from any graphite sales of Uley graphite by Valence Industries.

SER also holds investments in Oil Basins Limited (ASX:OBL) 13,000,000 shares and Magnum Gas & Power Limited (ASX:MPE) 20,000,000 shares.

The Company continues to evaluate potential new projects.

INTERESTS IN MINING TENEMENTS

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/farm-in during the quarter	Interest disposed/farm-out during the quarter
EL 5010	South Australia	75%	-	-
EL 5011	South Australia	50%	-	-
E38/1970	Western Australia	95%	-	-
EL 5040	Victoria	5%	-	-



Mark Muzzin
CEO

Risk Factors

Various statements in this release constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, expectations, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.

Furthermore, exploration for minerals is speculative, expensive and subject to a wide range of risks. Individual investors should consider these matters in light of their personal circumstances (including financial and taxation affairs) and seek professional advice from their accountant, lawyer or other professional advisor as to the suitability for them of an investment in the Company.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

STRATEGIC ENERGY RESOURCES LIMITED

ABN

14 051 212 429

Quarter ended ("current quarter")

30 SEPTEMBER 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(79)	(79)
(b) development	-	-
(c) employment	(61)	(61)
(d) administration	(73)	(73)
(e) bank guarantee	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Demerger Implementation Fees	-	-
Net Operating Cash Flows	(209)	(209)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects (including deposits received)	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(20)	(20)
1.11 Loans repaid by other entities	-	-
1.12 Research and Development – Monash University	-	-
Net investing cash flows	(20)	(20)
1.13 Total operating and investing cash flows (carried forward)	(229)	(229)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(229)	(229)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(229)	(229)
1.20	Cash at beginning of quarter/year to date	997	997
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	768	768

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	131
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Director's fees and consulting fees paid during the September 2015 quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	70
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	170

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	768	997
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	768	997

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number issued	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	348,622,501	348,622,501	FP	FP
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.7 Options (description and conversion factor)	27,000,000	-	<i>Exercise price</i> \$0.0232	<i>Expiry Date</i> 25 December 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Cancelled during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 23 OCTOBER 2015

Print name: MELANIE LEYDIN
(Company Secretary)

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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