



**ASX Announcement**  
**9 November 2012**

## **MEGA GRAPHITE DEAL LAPSES**

On 3 October 2012 we informed the market:

“The SER and Tarcoola boards have asked MEGA to provide a firm agreement for:

- Initial funding of approximately \$5 million, to be made available to Tarcoola; and
- Further future funding for amounts sufficient to effect Tarcoola’s development plan in respect of the Uley mine in the short to medium term; in both cases, at a valuation that SER and Tarcoola believe shareholders will find reasonable. “

MEGA has not provided a firm agreement nor any funding and this has not been rectified. Consequently the Merger Implementation Deed has been terminated.

MEGA still has an Agreement on Operations in relation to the Uley Mine and SER and Tarcoola are in the process of bringing this Agreement to an end as well.

SER and Tarcoola are now free to solicit interest in a merger deal from other parties as well as pursuing their own contacts.

MEGA, of course, is still free to submit proposals to SER and Tarcoola for future co-operation but now on a non-exclusive basis.

Further information:

Melanie Leydin  
Company Secretary