

ASX Announcement

16 June 2014

Corporate Update

US focused oil and gas producer Target Energy Limited (“Target”) is pleased to provide the following corporate update.

Sale of 10% Interest in Fairway Project to Victory Energy

- As announced on 9 May 2014, Target has agreed to sell a 10% working interest in the Fairway Project to Victory Energy Corporation (OTCQX: VYEY) for A\$6.5 million. The sale was subject to Noteholder approval (which was gained on 28 May 2014), completion of due diligence and execution of a Purchase and Sale Agreement.
- A Purchase and Sale Agreement is well advanced; it is anticipated that the deal will close on 30 June 2014.
- Partial redemption offers will be issued to Noteholders upon completion of the sale.

Substantial Shareholder Selective Buy-Back

- Target’s largest shareholder is Investmet Pty Limited.
- Investmet’s shareholders met on Wednesday 11 June 2014 and approved a selective buy-back of Investmet shares from Investmet shareholders (the Investmet Buy-Back).
- The Investmet Buy-Back involved the transfer of securities in several listed and unlisted entities to those Investmet shareholders whose Investmet shares are being bought back (Participating Investmet Shareholders), including 113,727,137 shares in Target Energy at a deemed price of \$0.045 per share. Investmet will retain 4,047,863 Target Energy shares following completion of the Investmet Buy-Back.
- Investmet anticipates that the Investmet Buy-Back will be completed on or around 16 June 2014.
- Each Participating Investmet Shareholder has signed an agreement with Investmet which includes a voluntary escrow arrangement under which the Participating Investmet Shareholder must not, without the prior written consent of Investmet:
 - (a) Dispose of any of the Target Energy shares for a period of 6 months from the date of completion of the Investmet Buy-Back; and
 - (b) Dispose of more than 50% of the Target Energy shares for the 6 month period commencing on the date which is 6 months after the date of completion of the Investmet Buy-Back.

Corporate information

ASX Code: TEX
OTCQX Code: TEXQY

Board of Directors

Chris Rowe, Chairman
Laurence Roe, Managing Director
Stephen Mann, Director
Ralph Kehle, Chairman TELA (USA)

Rowan Caren, Company Secretary

ABN

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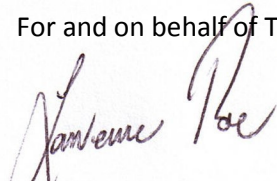


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For and on behalf of TARGET ENERGY LIMITED



Managing Director