



ASX Announcement

29 January 2015

Fairway Divestment

US focused oil and gas producer Target Energy Limited ("Target") advises that following discussions with Scotia Waterous, the decision has been taken to defer the planned divestment of the Fairway asset until such time as there is a meaningful recovery in oil prices.

Managing Director Laurence Roe commented, "I believe this is a sensible decision and I expect that most of our shareholders will agree. At this time the oil and gas industry is still trying to assess the full impact of the collapse in oil prices. We are seeing lay-offs and severe curtailments of operational activities both here in the US and globally. There is no doubt in my mind that an asset brought to market in this environment – and certainly at the current commodity prices – would not attract suitable offers.

"It is Target's view that deferring the sale until such time as prices recover and when we can expect competitive bids for our Permian Basin asset remains the best course of action.

"In the meantime, we will be reviewing work-over options on our existing wells where we can add to production at a minimal cost. Plans to drill new wells at Fairway remain on hold pending an appropriate recovery in prices."

ENDS

For and on behalf of TARGET ENERGY LIMITED

Managing Director

NOTE: In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information in this report has been reviewed and signed off by Mr. Laurence Roe, B Sc, Managing Director of Target Energy, who is a member of the Society of Exploration Geophysicists and has over 30 years' experience in the sector. He consents to that information in the form and context in which it appears. Note also that Target reports a thermal equivalent when combining gas and oil production, where 1 BOE = 6 mcf.

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

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