

ASX ANNOUNCEMENT



18 September 2009

Company Announcements Platform
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

PLACEMENT AND FULLY UNDERWRITTEN RIGHTS ISSUE

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to announce a capital raising to raise approximately \$2.9 million (before issue costs) via a placement and a fully underwritten renounceable rights issue.

The placement will raise approximately \$400,000 via the issue of 7.4 million shares and 7.4 million free attaching options at a price of 5.5 cents per share. The rights issue will raise approximately \$2.5 million and will be offered on the basis of two new shares and two free attaching options for every five shares held, also at an application price of 5.5 cents per share. The free attaching options have an exercise price of 10 cents each and will expire on 31 October 2012.

The Company will apply for quotation of the new shares and the new options on ASX.

Patersons Securities Limited has been appointed as Lead Manager to the Placement and Underwriter to the Rights Issue.

The funds raised will be used principally to continue the Company's exploration and development programs, as well as to pursue potential acquisitions and for working capital.

The Prospectus relating to this Rights Issue is expected to be lodged with ASIC and ASX on Monday, 21 September 2009 and will be available after lodgement on the ASX website www.asx.com.au and also on the Company's website www.targetenergy.com.au.

Details of the timetable will be announced in due course. Should you have any questions in relation to the above matters, please contact the undersigned on (08) 9476 9000 or at admin@targetenergy.com.au.

For and on behalf of
TARGET ENERGY LIMITED

Laurence Roe
Managing Director