

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

TARGET ENERGY LIMITED

ABN

73 119 160 360

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | (i) Ordinary shares
(ii) Options to acquire ordinary shares
(iii) Options to acquire ordinary shares
(iv) Options to acquire ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (i) 31,038,432
(ii) 10,346,144
(iii) 10,346,144
(iv) 10,346,144 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (i) Ordinary shares.
(ii) Options to acquire ordinary shares at an exercise price of 5 cents on or before 31 March 2012.
(iii) Options to acquire ordinary shares at an exercise price of 7 cents on or before 31 March 2013.
(iv) Options to acquire ordinary shares at an exercise price of 10 cents on or before 31 March 2014. |

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<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<table border="1"> <tr> <td>(i)</td> <td>Yes, TEX ordinary shares.</td> </tr> <tr> <td>(ii)</td> <td>No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.</td> </tr> <tr> <td>(iii)</td> <td>No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.</td> </tr> <tr> <td>(iv)</td> <td>No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.</td> </tr> </table>	(i)	Yes, TEX ordinary shares.	(ii)	No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.	(iii)	No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.	(iv)	No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.
(i)	Yes, TEX ordinary shares.								
(ii)	No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.								
(iii)	No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.								
(iv)	No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.								
<p>5 Issue price or consideration</p>	<table border="1"> <tr> <td>(i)</td> <td>\$0.03 per share.</td> </tr> <tr> <td>(ii)</td> <td>Nil</td> </tr> <tr> <td>(iii)</td> <td>Nil</td> </tr> <tr> <td>(iv)</td> <td>Nil</td> </tr> </table>	(i)	\$0.03 per share.	(ii)	Nil	(iii)	Nil	(iv)	Nil
(i)	\$0.03 per share.								
(ii)	Nil								
(iii)	Nil								
(iv)	Nil								
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The purpose of the Rights Issue is, after meeting the expenses of the Rights Issue, to raise funds for working capital to continue exploration of the Fairway and Buffalo Projects.</p>								
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>Despatch date of the uncertificated holdings will be on or about 10 May 2011.</p>								
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>⁺Class</th> </tr> </thead> <tbody> <tr> <td>279,345,886</td> <td>Fully paid ordinary shares assuming no existing options are exercised.</td> </tr> <tr> <td>52,986,275</td> <td>Options exercisable at 10 cents on or before 31 October 2012</td> </tr> </tbody> </table>	Number	⁺ Class	279,345,886	Fully paid ordinary shares assuming no existing options are exercised.	52,986,275	Options exercisable at 10 cents on or before 31 October 2012		
Number	⁺ Class								
279,345,886	Fully paid ordinary shares assuming no existing options are exercised.								
52,986,275	Options exercisable at 10 cents on or before 31 October 2012								

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	
	6,000,000	Options exercisable at 20 cents on or before 30 June 2011
	750,000	Options exercisable at 12 cents on or before 7 August 2011
	650,000	\$1 Convertible Notes each convertible into 20 shares at a conversion price of \$0.05 per share on or before 24 months from the date of issue
	40,679,477	Options exercisable at 5 cents on or before 31 March 2012
	40,679,477	Options exercisable at 7 cents on or before 31 March 2013
	40,679,477	Options exercisable at 10 cents on or before 31 March 2014

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company currently has no dividend policy.
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-Renounceable.
13	Ratio in which the +securities will be offered	One new share for every eight ordinary shares held on the record date. Each new share subscribed is entitled to one free attaching option
14	+Class of +securities to which the offer relates	Fully paid ordinary shares and options to acquire fully paid ordinary shares.
15	+Record date to determine entitlements	11 April 2011.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A.
17	Policy for deciding entitlements in relation to fractions	Rounded up to nearest whole number.

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<p>18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	<p>UAE, United Kingdom, Hong Kong, Netherlands, Switzerland, USA, Vietnam</p>
<p>19 Closing date for receipt of acceptances or renunciations</p>	<p>N/A</p>
<p>20 Names of any underwriters</p>	<p>Investmet Limited</p>
<p>21 Amount of any underwriting fee or commission</p>	<p>5% of the total amount to be raised under the Rights Issue, being approximately \$46,500. Further, the Company must reimburse the Underwriter for all out of pocket expenses and disbursements incurred by the Underwriter in connection with the Rights Issue.</p>
<p>22 Names of any brokers to the issue</p>	<p>See 20 above</p>
<p>23 Fee or commission payable to the broker to the issue</p>	<p>See 21 above</p>
<p>24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺security holders</p>	<p>N/A.</p>
<p>25 If the issue is contingent on ⁺security holders' approval, the date of the meeting</p>	<p>N/A.</p>
<p>26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled</p>	<p>13 April 2011.</p>
<p>27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders</p>	<p>25 March 2011.</p>
<p>28 Date rights trading will begin (if applicable)</p>	<p>N/A</p>
<p>29 Date rights trading will end (if applicable)</p>	<p>N/A</p>

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30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	10 May 2011.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1, shares included in section 1(i) only

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Information will be provided upon completion of the rights issue.

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

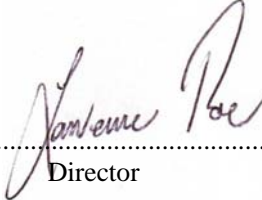
	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 25 March 2011
Director

Print name: Laurence Roe

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