

An oil pumpjack is visible in the lower-left quadrant of the image, set against a vast field of golden wheat under a bright blue sky with scattered white clouds. The pumpjack is a large, black, mechanical structure used for extracting oil from a well.

target

TARGET ENERGY LIMITED

Good Oil Conference 2009

Disclaimer

This Presentation is provided on the basis that none of the Company nor its respective officers, shareholders, related bodies corporate, partners, affiliates, employees, representatives and advisers make any representation or warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the Presentation and nothing contained in the Presentation is, or may be relied upon as, a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law.

The Presentation contains prospective financial material which is predictive in nature and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties, and may differ materially from results ultimately achieved.

All persons should consider seeking appropriate professional advice in reviewing the Presentation and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of the Presentation nor any information contained in the Presentation or subsequently communicated to any person in connection with the Presentation is, or should be taken as, constituting the giving of investment advice to any person.

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 at least 5 years experience in the sector. He consents to that information in the form and context in which it appears.

Investment Highlights

- Target Energy listed in late 2006
- Successful and active explorer and producer
- Active drilling program planned
- Excellent exploration and production upside
- Quality management

Corporate



Corporate

Objective

“To create shareholder wealth through building a world-class independent exploration and production company.”

Strategy

Balance low risk opportunities alongside high risk-high reward prospects.

Explore in known active, producing areas close to producing infrastructure.

Partner with successful explorers and producers.

Use technology to reduce exploration risk.

Corporate Snapshot

Shares on issue (TEX)	104.3m
Listed options (TEXO)	62.8m
Share price (31/08)	7.9c
Market Cap	A\$8.2m
Cash (31/07/09)	A\$2.5m

Directors & Management

Didier Murcia	Chairman
Laurence Roe	Managing Director
Mike Martin	Non Executive Director
Paul Lloyd	Non Executive Director
Gerry McGann	Non Executive Director
Rowan Caren	Company Secretary
Stephen Morris	Development Advisor

Corporate Activity

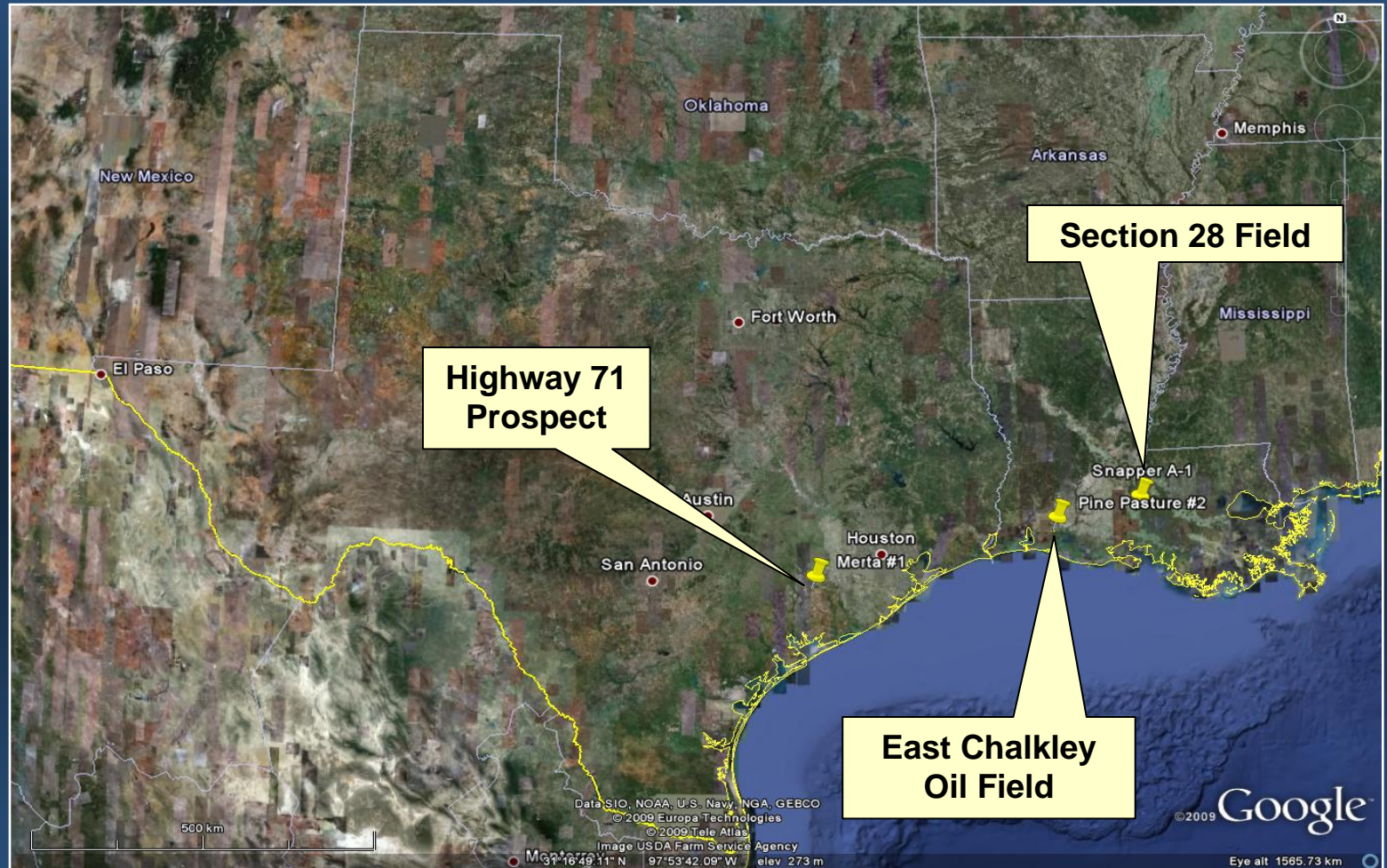
- **Successfully defended hostile take-over bid**
- **Appointed Gerry McGann to Target Energy Board (July)**
 - **Strong technical and corporate experience**
 - **Over 30 years experience in the upstream oil and gas industry.**
 - **Associated with oilfield discoveries totalling more than 200 million barrels in Australia, Middle East and the North Sea.**
 - **One of only four Chief Scientists in the 30,000 strong Baker Hughes group.**
 - **Founding shareholder and Managing Director of Incremental Petroleum.**
 - **Identified and purchased the seminal Selmo Oilfield in SE Turkey in 2005, increasing the production from 1,500 bopd to almost 2,000 bopd by the time the field was sold in March 2009.**

Activity



Projects

Texas & Louisiana



Projects - Exploration

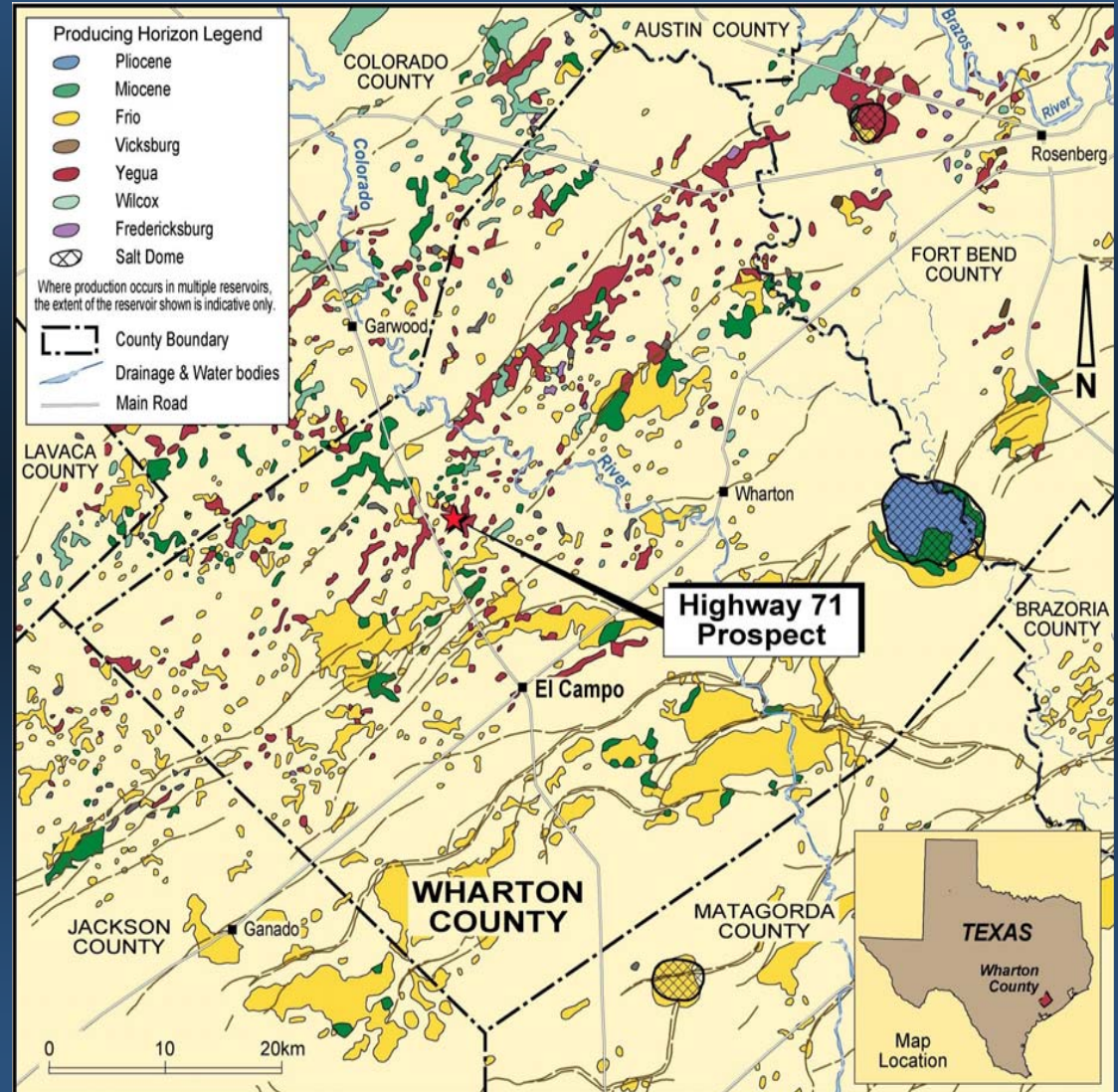
Texas - Highway 71 Prospect, Wharton County

- Recently added

WEST

71
TEXAS

696



Projects – Exploration

Highway 71 Prospect, Wharton County, Texas

- Total potential of 67.5 Bcf + 1.1 million BC
- TEX working interest is 25%
- 52.5 Bcf + 367,000 BC - primary target (1st and 2nd Meek Sst)
- 15.0 Bcf + 750,000 BC - secondary target (Upper Wilcox Sst)
- 13,500 ft (4,110m) vertical well
- Turnkey drilling contract
- Drilling scheduled to commence in October

Projects – Exploration

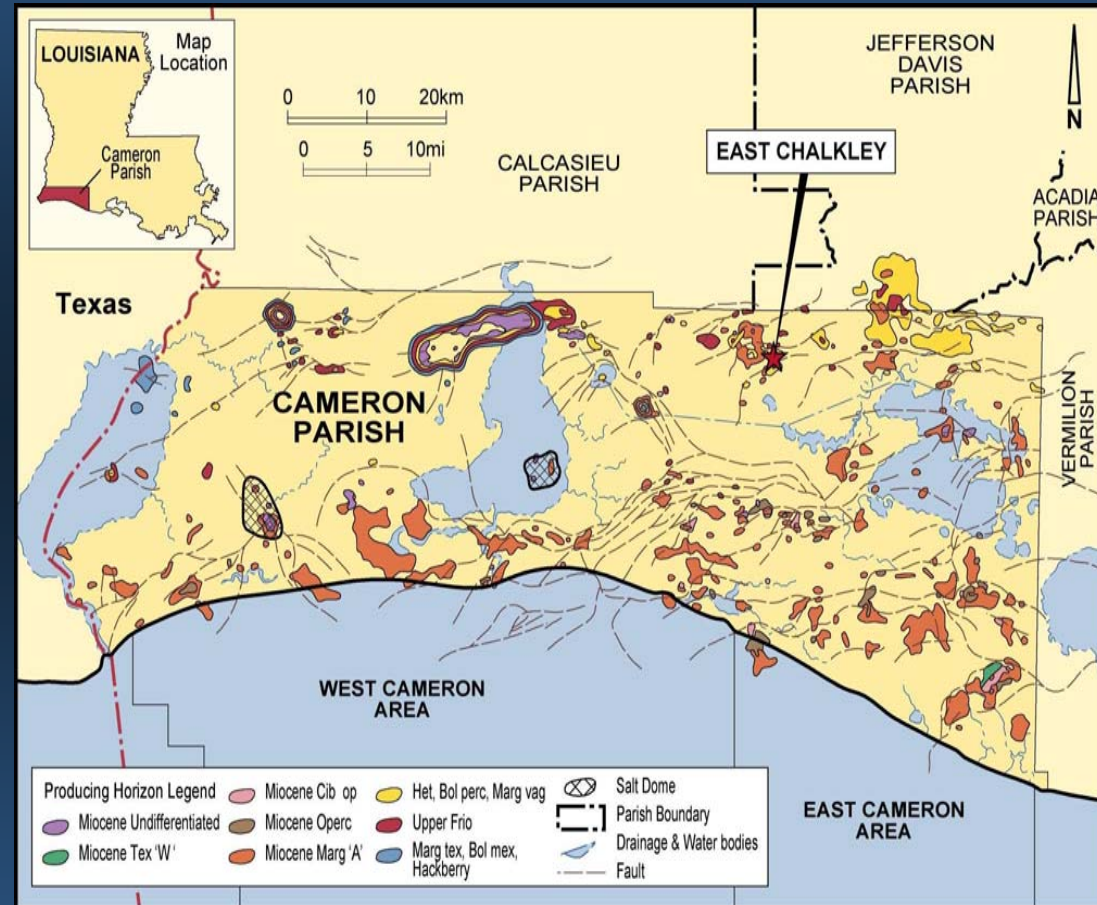
Highway 71 Prospect, Wharton County, Texas

- **Total potential of 67.5 Bcf + 1.1 million BC**
- **Highly experienced and successful local operator (Hollimon Oil Company)**
- **Prospect mapped on Hollimon proprietary 3D**
- **On trend with other Meek Sandstone Fields, including 25 Bcf/400,000 BC New Taiton Field**
- **Three kilometres west of 40 Bcf/1.7 million BC Upper Wilcox Jones Creek Field (which began as a Hollimon prospect)**
- **Drilling scheduled to commence in October**



Projects – Appraisal & Development

East Chalkley Field, Cameron Parish, Louisiana



Projects – Appraisal & Development

East Chalkley Field, Cameron Parish, Louisiana

- Target Energy Working Interest 25%
- Successful Pine Pasture #2 well drilled in 2008
- RISC report assesses 2P reserves of **1.7 MMBO** with mean recoverable reserves of **2.1 MMBO** with an upside (P10) estimate of **4 MMBO**
- Plans now underway for water disposal well to allow enhanced production
- Appraisal and development plans being progressed – new well Q4 (post hurricane season)



Rig at Pine Pasture #2; wellheads and tanks

Projects – Appraisal & Development

East Chalkley Field, Cameron Parish, Louisiana

Potential Development Scenarios (RISC 2009 Report)

Developmt scenario - 2: P50 (2C) case

Initial Reserves, Mstb	594	2P
Ultimate Recoverable Resource, Mstb	1700	P50 (2C)

Development scenario - 3: P10 (3C) case

Initial Reserves, Mstb	1087	3P
Ultimate Recoverable Resource, Mstb	4000	P10 (3C)

Developmt scenario - 2: P50 (2C) case

Remaining Resource, Mstb	1106	Incremental
Oil Recovery, Mstb	500	Well average
Well Initial rate, bopd	300	Well average
Prod Wells	2	Horizontal
Dry hole	1	Horizontal
Injector	1	Horizontal
Total Wells drilled	4	Additional

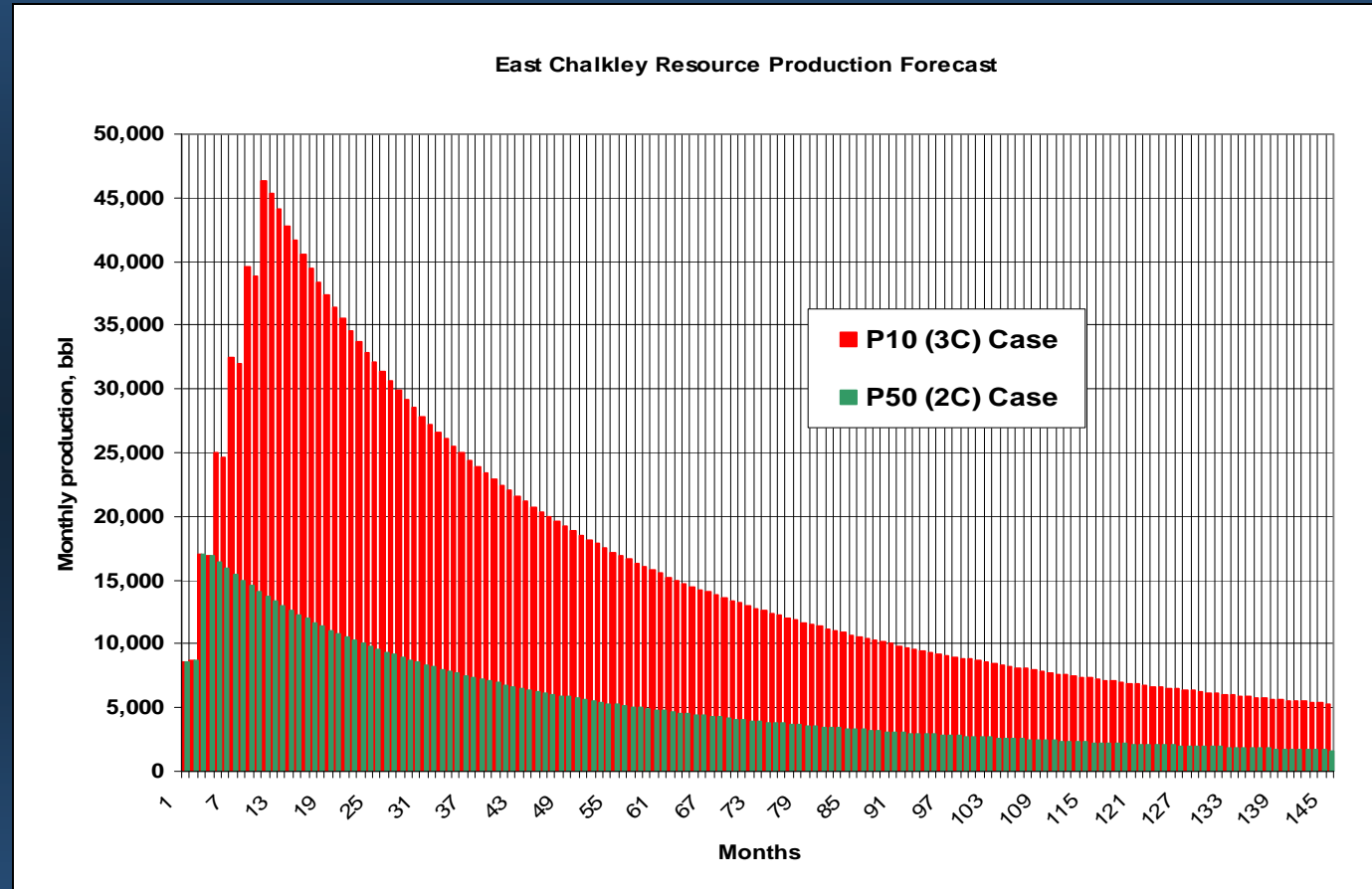
Development scenario - 3: P10 (3C) case

Remaining Resource, Mstb	2913	
Oil Recovery, Mstb	500	Well average
Well Initial rate, bopd	300	Well average
Prod Wells	6	Horizontal
dry holes	2	Horizontal
Injectors	2	Horizontal
Incremental Wells drilled	10	Additional



Projects – Appraisal & Development

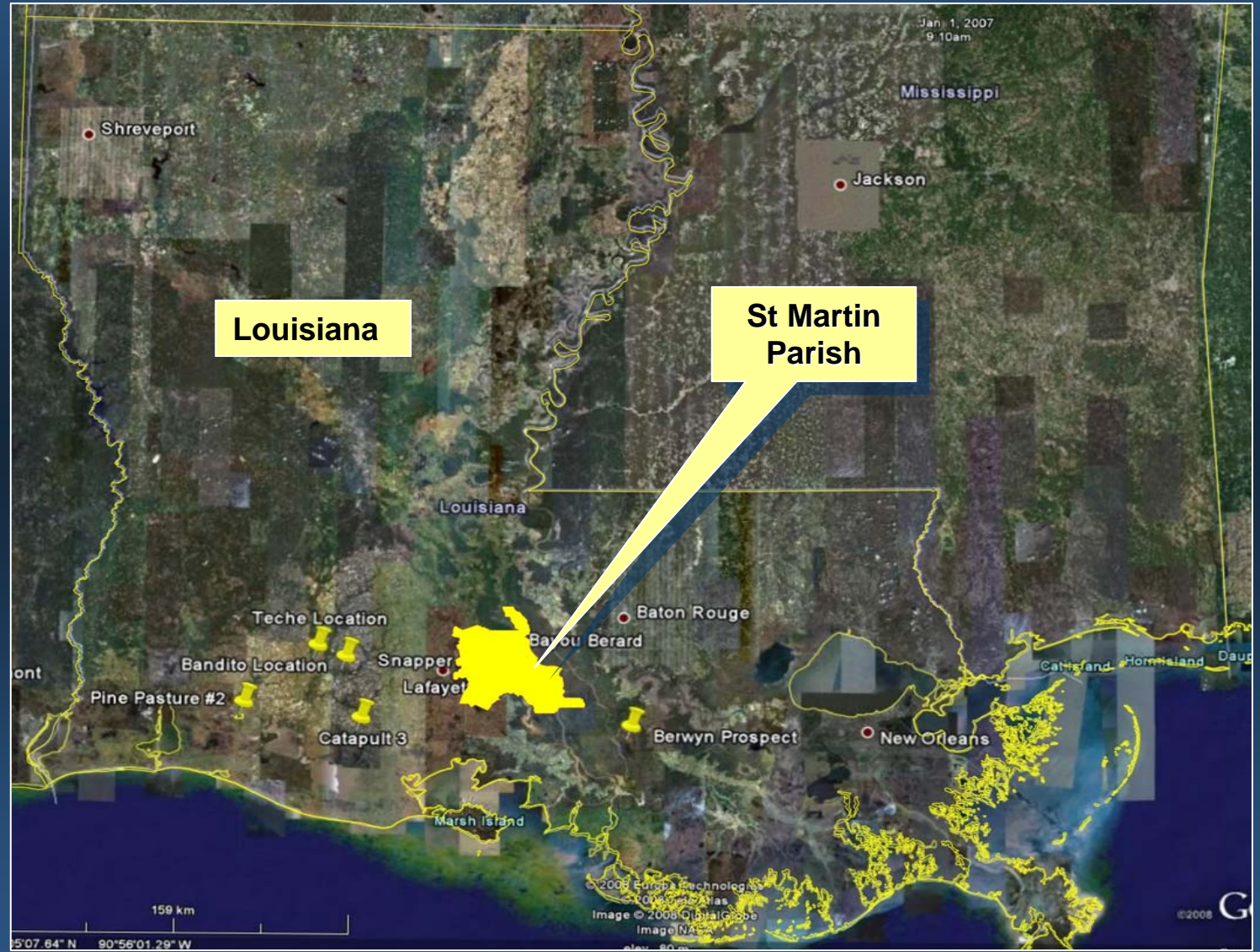
East Chalkley Field, Cameron Parish, Louisiana



Potential Development 2P/3P Production Forecasts (RISC report)

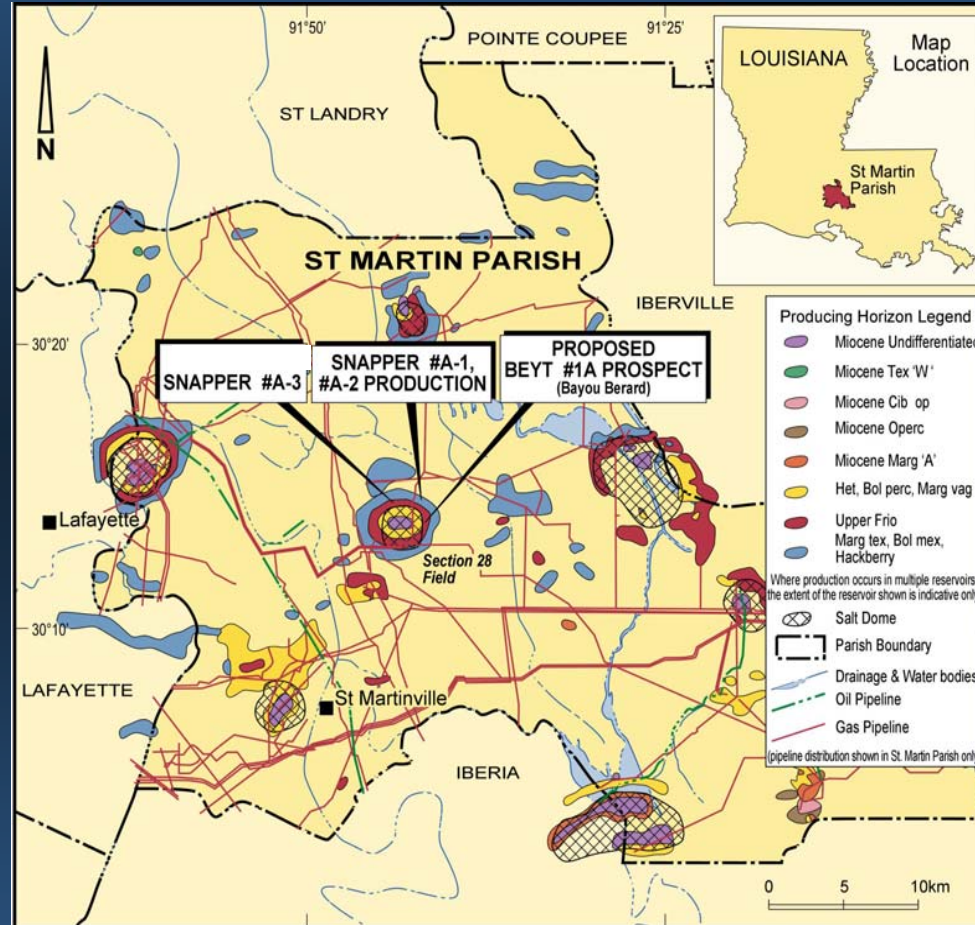
What's coming up

Louisiana – Section 28 Program, St Martin Parish



Projects – Exploration & Production

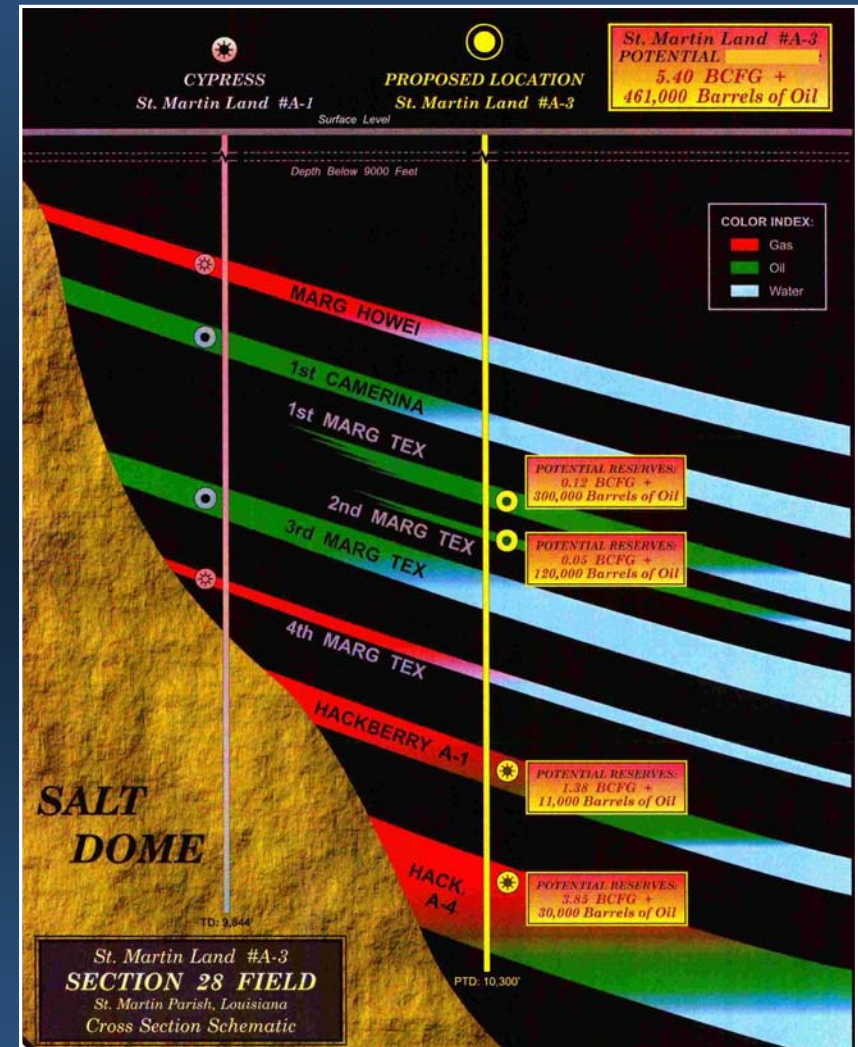
Section 28 Program, St Martin Parish, Louisiana



Projects – Exploration & Production

Section 28 Program, St Martin Parish, Louisiana

- Snapper A-3 drilled in August 2009
- Well encountered approx 30m gross pay in multiple zones
- Current plan to initially produce oil from Lower 3rd Marg Tex
- Well to be completed and put into production in late September
- TEX WI 21.625 - 25%.



SW-NE Cross-section from salt dome through SML A1 and A3

Projects – Exploration & Production

Section 28 Program, St Martin Parish, Louisiana

- Beyt #1 Side-track expected to drill in Q4. TEX WI 15%.
 - Original Beyt #1 well flowed gas and condensate from Marg Vag sandstone
 - Beyt #1A will sidetrack to test deeper Marg Tex sands
 - RISC Pty Ltd estimates up to 750,000 BO recoverable
 - High quality sands have potential to flow at rates up to 1,500 BOPD
 - At US\$60/bbl, 1,500 BOPD would net TEX over A\$10,600 per day*

**net to our WI, after royalties and after state severance tax; A\$/US\$ = 80c*

Production & Revenue



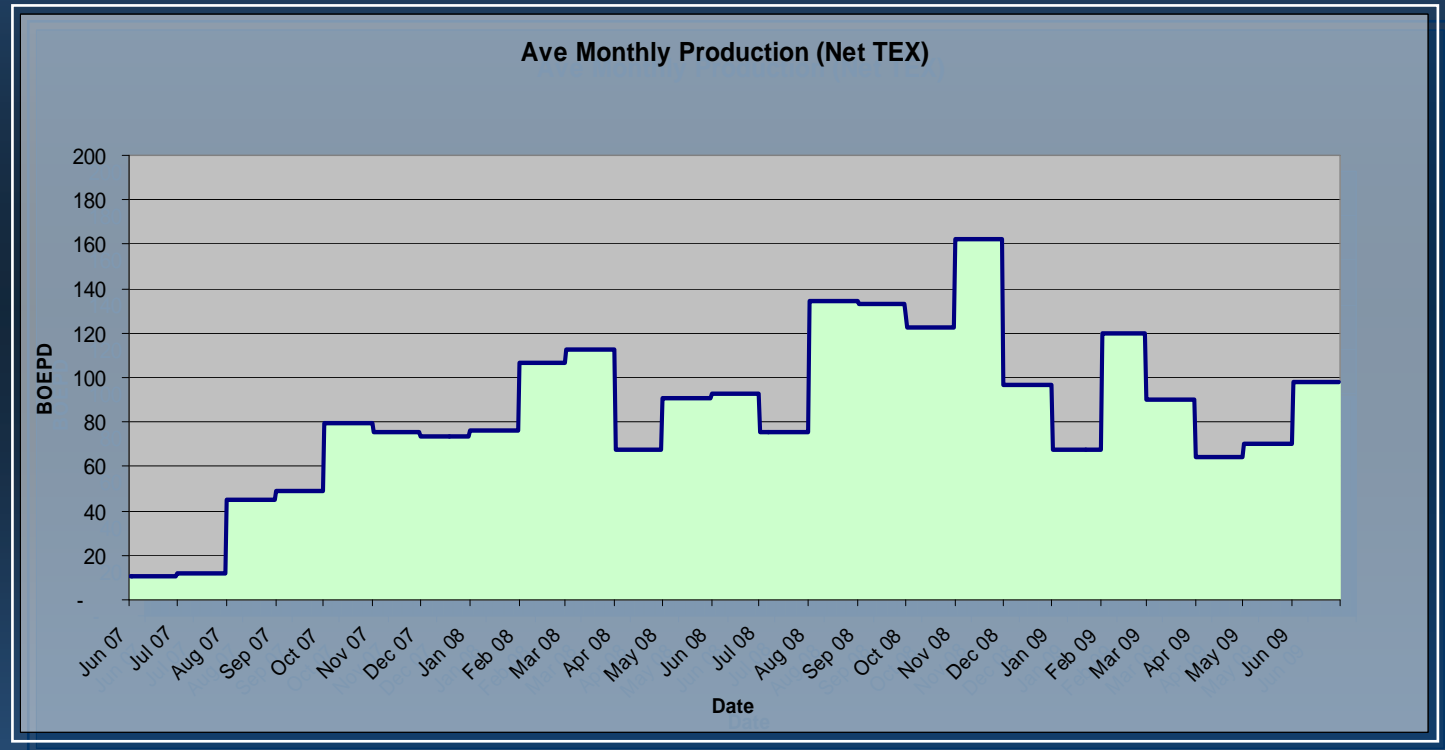
Production and Revenue

Sales Revenue 1/7/08 to 30/06/09

A\$1.7m

Production (net WI) currently average

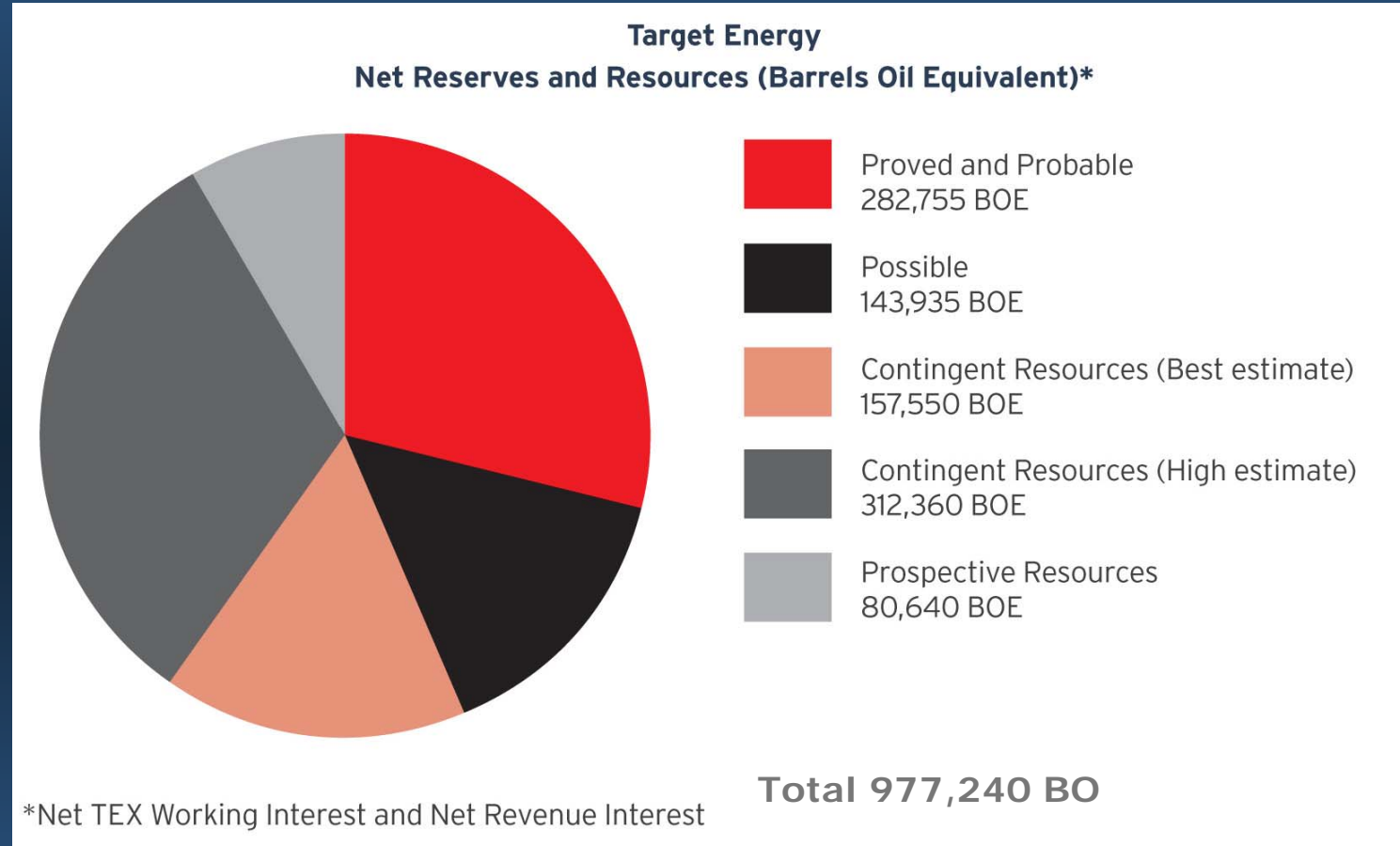
98 BOEPD



Target Energy production (BOEPD, net TEX WI)

Production and Revenue

Audited Reserves (31/12/08)



Production and Revenue

Audited Reserves & Exploration Potential (net WI and NRI)

Audited Reserves	Proved & Probable	Possible	Contingent (Best Estimate)	Contingent (High Estimate)	Prospective Resources	Total
Total	282.8	144.0	157.6	312.4	80.6	977.2

Highway 71 potential recoverable volume adds 1.667 mmBOE

Highway 71					1667.4	1667.4
					1796.4	2644.6

Looking Forward





What's coming up for Target Energy

High potential exploration well

Highway 71 Prospect (October)

More drilling in Section 28 program area:

Beyt #1 Sidetrack

East Chalkley Oil Field Development:

Appraisal/Development Drilling (Q4)

Continue evaluation of new opportunities:

Corporate

Technical

Target Energy Limited

- ✓ Ongoing production that covers our running costs
- ✓ Exciting High Potential prospect (up to 67 Bcf + 1.1 million barrel condensate) scheduled to drill in Texas in October
- ✓ Ongoing appraisal and development program at East Chalkley oil field.
- ✓ Ongoing oil and gas production in the Section 28 area

An oil pumpjack is visible in the foreground on the left, set against a vast field of golden wheat under a bright blue sky with scattered white clouds. The pumpjack is a large, black, mechanical structure used for extracting oil from the ground. The field extends to the horizon, and the sky is filled with fluffy white clouds.

target

TARGET ENERGY LIMITED

Level 2, 46 Ord Street, West Perth WA 6005

Ph 08 9476 9000 Fax 08 9476 9099

www.targetenergy.com.au