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Company Announcements Platform
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SYDNEY NSW 2000

TARGET ENERGY RECEIVES SUPPLEMENTARY BIDDER'S STATEMENT FROM BLAZE ASSET PTY LTD

- Target Energy has today received a supplementary Bidder's Statement from Blaze Asset Pty Ltd with a Revised Offer.
- The Target Energy Board continues to advise its Shareholders to **REJECT** the Offer
- **TAKE NO ACTION** in relation to the Revised Offer and await further advice.
- Target Energy will consider the Revised Offer carefully and provide its shareholders with a supplementary Target's Statement shortly.
- Almost 95% of Target Energy Shareholders have rejected the Offer to date

The Board of Target Energy Limited (**Target Energy**) has today received a Supplementary Bidder's Statement from Blaze Asset Pty Ltd (**Blaze**), which, as previously announced, on 16 April 2009 made an unsolicited takeover offer for all of the shares in Target Energy (**Offer**).

The Supplementary Bidder's Statement indicates an increase to the takeover consideration offered by Blaze for Target Energy Shares, from 1 cent and 0.75 of a share in Advance Energy Limited (**Advance Energy**), to 1 cent and 1.0 Advance Energy Share, and an extension of the offer period to 19 June 2009 (**Revised Offer**).

The Directors of Target Energy will consider carefully the Revised Offer but at this stage continue to believe the Revised Offer does not represent an attractive proposition for Target Energy Shareholders on the basis that:

- Grant Thornton, the Independent Expert, has determined in its report dated 12 May 2009 that the fair value of a Target Energy Share is in the range of 10 cents and 13.8 cents per share, with a midpoint value of 11.9 cents per share. Based on a 30 day VWAP for Advance Energy Shares for today of 6.9 cents, the Revised Offer represents an implied value of 7.9 cents per Target Energy Share, representing a 33.6% discount to the Independent Expert's midpoint valuation of Target Energy Shares; and
- the increased consideration in the Revised Offer is comprised solely of shares in Advance Energy, a company in which Target Energy has previously noted a number of serious concerns as set out in its Target's Statement dated 14 May 2009.

Blaze Asset's Offer has now been open for more than 7 weeks and the level of acceptance of the Offer has been poor. Shareholders have overwhelmingly supported the recommendations of the Target Energy Board, with almost 95% of Target Energy Shareholdings rejecting the Offer.

The Target Energy Board continues to be committed to deriving maximum value for shareholders through a clear strategy of exploration and development of oil and gas opportunities in the US. With this in mind, it is the view of the Board of Target Directors that Target shareholders should continue to **REJECT** the Offer, **TAKE NO ACTION** in relation to the Revised Offer and await further advice.

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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.