

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) 23,499,999 (ii) 7,833,333 (iii) 7,833,333 (iv) 7,833,333
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.

+ See chapter 19 for defined terms.

<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>Working capital and to continue the company's exploration and development programs and to pursue potential acquisitions</p>								
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<table border="1"> <tr> <td>(i)</td> <td>22 December 2010.</td> </tr> <tr> <td>(ii)</td> <td>Pursuant to shareholder approval to be sought in February 2011.</td> </tr> <tr> <td>(iii)</td> <td>Pursuant to shareholder approval to be sought in February 2011.</td> </tr> <tr> <td>(iv)</td> <td>Pursuant to shareholder approval to be sought in February 2011.</td> </tr> </table>	(i)	22 December 2010.	(ii)	Pursuant to shareholder approval to be sought in February 2011.	(iii)	Pursuant to shareholder approval to be sought in February 2011.	(iv)	Pursuant to shareholder approval to be sought in February 2011.
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<p>8 Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>⁺Class</th> </tr> </thead> <tbody> <tr> <td>180,807,454</td> <td>Fully paid ordinary shares</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	180,807,454	Fully paid ordinary shares	52,986,275	Options exercisable at 10 cents on or before 31 October 2012		
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180,807,454	Fully paid ordinary shares								
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+ See chapter 19 for defined terms.

	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
	7,833,333	Options exercisable at 5 cents on or before 31 March 2012
	7,833,333	Options exercisable at 7 cents on or before 31 March 2013
	7,833,333	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

N/A

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 – (i) Shares 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 gaining of shareholder approval.

Tick to indicate you are providing the information or documents

+ See chapter 19 for defined terms.

- 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

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
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- 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)
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+ See chapter 19 for defined terms.

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

Number	+Class

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.

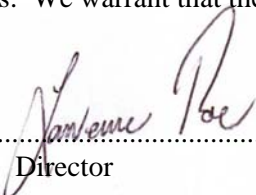
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) 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: 15 December 2010
 Director

Print name: Laurence Roe

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+ See chapter 19 for defined terms.

NOTICE GIVEN UNDER SECTION 708A(5) OF THE CORPORATIONS ACT

This notice is given by the Company under section 708A(5)(e) of the Corporations Act in relation to the grant of 23,499,999 fully paid ordinary shares by the Company without disclosure to investors under Part 6D.2 of the Corporations Act.

As at the date of this notice, the Company has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- (b) section 674 of the Corporations Act.

The Company confirms that, as at the date of this notice, there is no information that:

- (a) has been excluded from a continuous disclosure notice given to ASX in accordance with the ASX Listing Rules; and
- (b) investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to fully paid ordinary shares,

to the extent to which it would be reasonable for investors and their professional advisers to expect to find such information in a disclosure document.

+ See chapter 19 for defined terms.