

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.

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 | Options to acquire Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 250,000 |
| 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) | Each option entitles the holder to subscribe for one Ordinary Fully Paid Share at an issue price of 12 cents, with an expiry date of 7 August 2011. |

+ See chapter 19 for defined terms.

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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 	<p>No. Shares issued upon the exercise of the options will rank equally with existing fully paid ordinary shares.</p>						
<p>5 Issue price or consideration</p>	<p>Nil</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issue of options as part of a consultancy arrangement</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>16 February 2009</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 data-bbox="722 1360 993 1388">Number</th> <th data-bbox="998 1360 1261 1388">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="722 1394 993 1444">104,321,170</td> <td data-bbox="998 1394 1261 1444">Ordinary Shares</td> </tr> <tr> <td data-bbox="722 1451 993 1583">62,812,164</td> <td data-bbox="998 1451 1261 1583">Options exercisable at 25 cents on or before 26 November 2009</td> </tr> </tbody> </table>	Number	+Class	104,321,170	Ordinary Shares	62,812,164	Options exercisable at 25 cents on or before 26 November 2009
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104,321,170	Ordinary Shares						
62,812,164	Options exercisable at 25 cents on or before 26 November 2009						

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9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		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

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Directors do not anticipate declaring a dividend in the foreseeable future.
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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

(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

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

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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.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided 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:

Company secretary

..... Date: 16/2/2009

Print name:

Rowan Caren

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