

17 November 2011

Ms Jenny Cutri  
Advisor, Listings  
ASX Compliance Pty Limited  
Level 8  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Ms Cutri

### PRICE AND VOLUME QUERY

We refer to your letter dated 17 November 2011 referring to recent changes in the market price and volume of trading of shares in Target Energy Limited ("Target" or "the Company").

In response to your queries we advise as follows:

1. *Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?*

The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.

On 5 October 2011, the Company announced that it had struck oil with its first well at the Fairway Prospect in west Texas, BOA #12-1. The well has encountered potential oil and gas pay zones in all primary and secondary targets. These preliminary results have given Target sufficient confidence to complete BOA 12 #1 as a producing well.

Target is earning a 60 per cent stake in the Fairway Project.

The Company has announced that the partners are proceeding with design and scheduling of a fracture stimulation ("frac") program for the Wolfberry zone. At that time it was estimated that the frac would take place in two to three weeks time and would test the entire Wolfberry section from approximately 1,920m to 3,000 metres, including the Mississippian and Strawn formations.

Fracture stimulation of all eleven (11) separate zones (or "stages") in the Wolfberry section, from 1,874m to 2,987m depth, has now been successfully completed. **The flow testing has not yet commenced. Work is underway to initiate testing and it is anticipated that results will be available within the next week to ten days.**

The partners are contemplating the drilling of a shallow "twin" well to independently test the potentially productive Clear Fork and San Andres sections that were also identified in the BOA 12 #1 well.

This is a highly significant well for the Company. Therefore the market may reasonably be expected to focus on Target Energy given the pending results at BOA #12-1.

2. *If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?*

Not Applicable.

3. *Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?*

No.

4. *Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.*

Confirmed. The Company considers that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours sincerely



**LAURENCE ROE**  
**Managing Director**

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17 November 2011

Mr Rowan Caren  
Company Secretary  
Target Energy Limited  
Level 2 46 Ord Street  
WEST PERTH WA 6005

*By email: [rowan.caren@targetenergy.com.au](mailto:rowan.caren@targetenergy.com.au)*

Dear Rowan

Target Energy Limited (the "Company")

#### PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from a closing price of 8 cents on Friday, 11 November 2011 to an intra-day high of 13 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?
3. Is there any other explanation that the Company may have for the price change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me on **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office or by email.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 12:00pm (WST) today 17 November 2011**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

If you have any queries regarding any of the above, please do not hesitate to contact me.

Yours sincerely

*[sent electronically without signature]*

Jenny Cutri

**Assistant Manager, Listings (Perth)**