

ASX ANNOUNCEMENT

17 December 2007

Company Announcements Platform
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Share Placement

Target Energy Limited (ASX:TEX) is pleased to announce that agreement has been reached to make a placement of 10.2 million ordinary fully paid shares at \$0.25 per share plus one attaching \$0.25 option for every four shares. The placement is to be issued to sophisticated investors and will raise \$2.55 million less costs of the issue.

The share placement will be made immediately under Target's existing placing capacity, with the issue of the options subject to shareholder approval. A Notice of General Meeting and Explanatory Memorandum will be dispatched to shareholders as soon as possible. As the shares will be placed with institutional and sophisticated investors no disclosure document will be lodged.

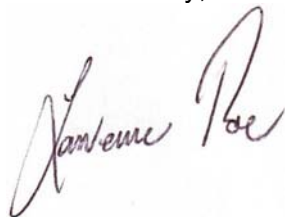
Target Energy has a strong record of success since listing in late 2006, with four out of its first five wells being completed for production. The Company is presently participating in two wells being drilled in Louisiana and is scheduled to participate in a further three in the first quarter of 2008. Target Energy is continuing to evaluate additional projects for drilling in 2008.

The proceeds from the placement will principally be applied to the expansion of Company's drilling and exploration activities in the United States.

The shares issued under the placement rank equally with existing shares and, following quotation, Target's total issued share capital will be 78,200,000 shares.

The placement has been managed in part by Intersuisse Limited.

Yours faithfully,



Laurence Roe
Managing Director