

24 March 2011

Company Announcements Office  
ASX Limited  
Level 8  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000

**APPENDIX 3B**

Dear Sir

Please find attached an Appendix 3B in respect of 67,500,000 shares and 67,500,000 options to be issued following approval at yesterday's shareholder meeting.

Shareholders also yesterday approved the issue of 6,666,666 shares and 23,499,999 options referred to in an Appendix 3B lodged on 23 December 2010, the issue of which were described as being subject to shareholder approval.

Yours faithfully  
**Target Energy Limited**



**Rowan Caren**  
Company Secretary

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<br>(ii) Options to acquire ordinary shares<br>(iii) Options to acquire ordinary shares<br>(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) 67,500,000<br>(ii) 22,500,000<br>(iii) 22,500,000<br>(iv) 22,500,000  |
| 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) | (i) Ordinary shares.<br>(ii) Options to acquire ordinary shares at an exercise price of 5 cents on or before 31 March 2012.<br>(iii) Options to acquire ordinary shares at an exercise price of 7 cents on or before 31 March 2013.<br>(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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(i) Yes, TEX ordinary shares.</p> <p>(ii) No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.</p> <p>(iii) No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.</p> <p>(iv) No, however shares issued upon the exercise of the options will rank pari passu with existing shares on issue.</p>						
<p>5 Issue price or consideration</p>	<p>(i) \$0.03 per share.</p> <p>(ii) Nil</p> <p>(iii) Nil</p> <p>(iv) Nil</p>						
<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>	<p>(i) 1 April 2011</p> <p>(ii) 1 April 2011</p> <p>(iii) 1 April 2011</p> <p>(iv) 1 April 2011</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 1213 878 1241">Number</th> <th data-bbox="883 1213 1273 1241">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="722 1247 878 1274">248,307,454</td> <td data-bbox="883 1247 1273 1295">Fully paid ordinary shares</td> </tr> <tr> <td data-bbox="722 1302 878 1329">52,986,275</td> <td data-bbox="883 1302 1273 1354">Options exercisable at 10 cents on or before 31 October 2012</td> </tr> </tbody> </table>	Number	+Class	248,307,454	Fully paid ordinary shares	52,986,275	Options exercisable at 10 cents on or before 31 October 2012
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248,307,454	Fully paid ordinary shares						
52,986,275	Options exercisable at 10 cents on or before 31 October 2012						

+ 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
	30,333,333	Options exercisable at 5 cents on or before 31 March 2012
	30,333,333	Options exercisable at 7 cents on or before 31 March 2013
	30,333,333	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.

## 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

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)

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

**Quotation agreement**

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+ See chapter 19 for defined terms.

- 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:



Secretary

Date: 24 March 2011

Print name: Rowan Caren

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