

24 April 2009

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

**Shareholder Update
in relation to
Unsolicited and Hostile Takeover Bid from Blaze Asset Pty Ltd**

- **The Board recommends that shareholders “TAKE NO ACTION” and ignore all communication from Blaze until they are fully advised by Target Energy.**
- **Target Energy is well advanced in its preparation of its Target Statement.**
- **The Target Energy Board is committed to maximizing shareholder value through retaining a diverse portfolio of producing and exploration oil and gas assets in the US. The Company has a strong management and technical team and is in excellent financial condition with no debt and as at 31 December 2008, had cash of \$4.7 million and a working capital surplus of \$4.9 million.**
- **On the other hand, Advance at 31 December 2008, had cash of \$2.4 million, interest bearing and total debt of \$15.7 million and a working capital deficit of \$5.3 million.**
- **The Blaze offer is 1 cent cash plus 0.75 Advance shares for every one Target share. Advance’s auditors have noted the existence of a material uncertainty which may cast significant doubt over Advance’s ability to continue as a going concern.**

As previously announced, Target Energy Limited (“**Target Energy**”) (ASX: TEX) has received a hostile unsolicited off-market takeover offer from Blaze Asset Pty Ltd (“**Blaze**”), a company jointly and equally owned by Advance Energy Limited (“**Advance**”) (ASX:AVD) and Odin Energy Ltd (“**Odin**”) (ASX:ODN).

Target Energy and its advisers are well advanced in its review of the takeover offer and are currently preparing a detailed response (i.e. the Target Statement).

The Board of Target Energy is unanimously committed to deriving the best value for Target Energy shareholders and continues to recommend that you “**TAKE NO ACTION**” until it has formally responded to Blaze’s offer in its Target Statement. This document will be available in a timely manner so that you are fully and fairly informed before you make a decision. It will objectively examine Blaze’s offer in detail, the prospects of your Company versus those of Advance and will present appropriate recommendations from your Board.

It will also contain an expert’s report to provide Target Energy shareholders with an independent assessment of the fair value of Target Energy’s shares.

Target Energy has received wide ranging support from its shareholders for which it is grateful. It looks forward to your continuing support and can assure you that its Board is committed to working hard to maximise shareholder value.

ENDS

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