

23 October 2007

Greg Coulson  
Australian Securities Exchange Ltd  
Level 8, Exchange Plaza  
2 The Esplanade  
Perth, WA 6000

Dear Greg

## PRICE QUERY

We refer to your inquiry in relation to an increase in the Company's share price from 20 cents on 19 October 2007 to a high of 30 cents today, and respond in the same order:

1. The Company is not aware of any information concerning it, that has not been announced and which, if known, may reasonably be regarded as an explanation for recent trading in the Company's securities.
2. Not applicable.
3. The Company does not have an explanation for the price change in the securities of the Company.
4. The Company confirms that it is in compliance with ASX Listing Rules and, in particular, Listing Rule 3.1 (immediate notification of material information).

The Company is about to commence the Snapper A-2 well in Louisiana USA. The bottom-hole location of the well is programmed to be approximately 450 metres east-north-east of the Snapper A-1 discovery, targeting an adjacent fault compartment. Snapper A-2 will test six potential pay zones, with a potential of up to 1 million barrels of oil and 1.46 billion cubic feet of gas (unrisked, recoverable). The Company is awaiting notification from the operator of the Snapper A-2 well, that drilling has commenced. The Company will inform the market as soon as the operator notification is received.

In addition, the Company has recently obtained press coverage due to a broker review of the Company's operations and the aggressive 6 well exploration program over the next 4 months. There is no material information included in the broker review that has not been previously released to the ASX. The broker review is available on the Company's website at [www.targetenergy.com.au](http://www.targetenergy.com.au) or by telephone +618 9476 9000.

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For further information please contact:

Shareholder Enquiries  
Laurence Roe  
Tel: (08) 9476 9000  
Email: [admin@targetenergy.com.au](mailto:admin@targetenergy.com.au)

Media Enquiries  
Tony Dawe  
Tel: 041 3322 110

*NOTE: In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information in this report has been reviewed and signed off by Mr Laurence Roe, B Sc, Managing Director of Target Energy, who is a member of the Society of Exploration Geophysicists and has at least 5 years experience in the sector. He consents to that information in the form and context in which it appears.*



ASX Limited  
ABN 98 008 624 691  
Level 8  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000

GPO Box D187  
Perth WA 6840

Telephone 61 9224 0017  
Facsimile 61 (08) 9221 2020  
Internet <http://www.asx.com.au>

23 October 2007

Paul Lloyd  
Company Secretary  
Target Energy Limited  
PO Box 717  
Balcatta WA 6914

By Facsimile: 9476 9099

Dear Paul

**Target Energy Limited (the "Company")**

**RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from \$0.20 on 19 October 2007 to \$0.30 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, 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?
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?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

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?
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 by e-mail at [gerg.coulson@asx.com.au](mailto:gerg.coulson@asx.com.au) or by facsimile on **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

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 half an hour before the start of trading (ie before 7.30 a.m. W.S.T.) on Wednesday, 24 October 2007**.

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.

For personal use only

### 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.

### Trading halt

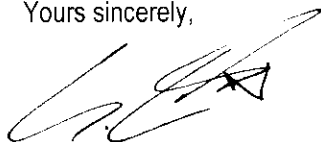
If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please contact me on 9224 0035.

Yours sincerely,



Greg Coulson  
**Adviser, Issuers (Perth)**