

28 October 2009

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

## LETTER TO HOLDERS OF EXPIRING OPTIONS (TEXO)

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A letter has today been mailed to the holders of TEXO options expiring 26 November 2009, reminding them of the pending expiry of their options.

A copy of the pro forma letter is attached.

For and on behalf of  
TARGET ENERGY LIMITED



**Laurence Roe**  
**Managing Director**

28 October 2009

Dear Option Holder

**LISTED OPTIONS EXPIRING 26 NOVEMBER 2009**

The Company wishes to remind you that you are the holder of xxx listed options (ASX Code: TEXO) in Target Energy Limited ("Target Energy") which are exercisable on or before 26 November 2009 at A\$0.25 (twenty five cents) each, entitling you to xxx fully paid ordinary shares ("Shares") in Target Energy.

The highest and lowest closing market sale prices of the Shares on ASX during the 3 months immediately preceding the date of this letter and the respective dates of those sales were A\$0.083 on 1 September 2009 (highest) and A\$0.048 on 27 October 2009 (lowest). The latest available market sale price of the Shares on ASX immediately before the date of issue of this letter was A\$0.05 on 28 October 2009.

Should you wish to exercise any or all of your options, please take the following steps by 26 November 2009:

1. Complete the application form that forms part of your option certificate.
2. Attach a cheque for A\$xxx payable, or such lesser amount as is derived by multiplying the number of options you wish to exercise by \$0.25, to Target Energy Limited and crossed Not Negotiable.
3. Lodge the application form and cheque at the Company's Registry, Advanced Share Registry Services Pty Limited, to reach that office no later than 5.00pm WST, 26 November 2009.

Should you not exercise all or part of your options, those options not exercised will expire and will be of no further value. In accordance with ASX Listing Rules quotation of the options will end on 19 November 2009.

We would like to take this opportunity to thank you for your continued support.

Yours sincerely

**Rowan Caren**  
Company Secretary