

ASX ANNOUNCEMENT

30 April 2009

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

LETTER TO SHAREHOLDERS

As you are probably aware, on 8 April 2009 Blaze Asset Pty Ltd ("**Blaze**"), a company jointly owned by Advance Energy Limited (**ASX: AVD**) and Odin Energy Limited (**ASX: ODN**), announced its intention to make a hostile and unsolicited off market takeover offer for Target Energy Limited (**ASX: TEX**). The offer is on the basis of one cent cash (\$0.01) for every TEX share and three AVD shares for every four TEX shares. The offer does not extend any consideration to Target option holders.

You will shortly receive in the post an offer document from Blaze (i.e. Blaze's Bidder's Statement).

NO ACTION IS REQUIRED BY TEX SHAREHOLDERS ON RECEIPT OF BLAZE'S BIDDER'S STATEMENT

The Target Board is currently preparing a formal response to the Blaze offer (i.e. TEX's Target's Statement), which will include an independent technical report and an independent valuation report prepared by Grant Thornton Australia determining a fair value for TEX's and AVD's shares and a formal recommendation to Target shareholders from your Directors. The Target Board expects to be in a position to release its Target's Statement within the next fortnight, but no later than 15 May 2009. Until this formal response is released, and you are fully informed, the Target Board urges all TEX shareholders to **TAKE NO ACTION** in relation to the Blaze offer and to ignore all communications from Blaze.

There is no need for TEX shareholders to take any action in relation to Blaze's offer before receiving TEX's Target's Statement.

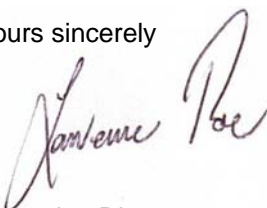
Target is a financially sound company with cash at bank, cash flow from oil & gas production, strong deal flow, prudent and respected directors and management, proven oil & gas reserves in the ground and very importantly, no debt. By contrast, AVD has interest bearing loans and borrowings of \$15.7 million and a working capital deficiency of \$5.3 million. AVD's own auditors have noted the existence of a material uncertainty which may cast significant doubt over AVD's ability to continue as a going concern (AVD 2008 Annual Report, page 77).

Target continues to enjoy strong support from our shareholders, large and small, and we are extremely grateful and appreciative of the many calls and letters of support received from our shareholders since the Blaze bid was announced. Be assured that we will continue to act in the best interests of all of our shareholders and are committed to maximizing shareholder value.

As recently announced, drilling is scheduled to commence at the Snapper A-3 well in late May, which will test up to six potential pay zones with a risked recoverable potential of up to 4.2 Billion cubic feet of gas and 331,000 barrels of oil. Target will earn up to a 25% working interest in Snapper A-3, which is close to the Snapper A-1 and Snapper A-2 wells, which have gross combined production to date of 1064.6 million cubic feet of gas. Target is also anticipating a boost in oil production from its planned East Chalkley oil appraisal well later this year, which will further add to Target's cash flow.

Shareholders seeking more information on the Blaze takeover offer are encouraged to contact me directly. In the meantime, the Board of Target reiterates its advice for shareholders to **TAKE NO ACTION** until TEX's Target's Statement is released.

Yours sincerely



Managing Director