



March 2007

Current Status

- ✓ **Listed on ASX on 27 November 2006**
- ✓ **IPO was fully subscribed (including over-subscriptions).**
- ✓ **50 million shares issued at 20 cents – A\$10 million raised**

- ✓ **ASX Code: **TEX****
- ✓ **68 million shares on issue**
- ✓ **Recent price is 22 - 25 cents – Market Cap of \$13.2 - \$15 million**
- ✓ **Cash position at 31/1 was approx A\$8.2million**
- ✓ **Non-renounceable rights issue (“Loyalty Options”) underway**
- ✓ **Drilling in both Texas and Louisiana to commence in March**

Our Objectives

- ☑ **Create an ASX listed company with the potential for a \$50 million market cap within 2 years**

Target Energy listed on 27 November 2006

- ☑ **Explore in active, prospective areas with successful operators**

Focus on onshore USA - Texas and Louisiana - reputable operators, good track records

- ☑ **Assemble a solid, balanced portfolio with quality prospects**

Eight wells - from 1.3 Bcf to around 300Bcf - all mapped on 3D, close to production and infrastructure

- ☑ **Active drilling program**

One well already drilled, 7 more to be drilled by August

- ☐ **Early production and positive cash-flow**

Watch this space...

Methodology

- ✓ **Target identified proven, productive areas in USA with substantial infrastructure**
- ✓ **In those areas, Target then selected proven, experienced operators with good track record**
- ✓ **From Operator's prospect inventories, Target then selected best prospects - all mapped on 3D seismic**
- ✓ **Substantial infrastructure will fast-track production to delivery early cash flow**
- ✓ **Potential 100% reserves: 4.2 million barrels oil, 341 billion cubic feet gas equivalent**

Didier Murcia, B.Juris, LLB – Chairman (Non Executive)

- Senior Partner of Murcia Pestell Hillard, leading Perth legal firm.
- Honorary Consul for the United Republic of Tanzania in Western Australia
- Director of Aminex PLC, a company listed on the London Stock Exchange
- Director of Gryphon Minerals Limited and Gindalbie Metals Limited, both listed on the ASX.

Laurence Roe, B.Sc – Managing Director

- Petroleum explorationist - over 25 years experience in Australian and international projects.
- Former Exploration Manager, Magellan Petroleum Australia
- Former Managing Director and Exploration Manager of Bounty Oil & Gas.
- Exploration Consultant – clients include Hardman Resources, Santos, Strike Oil, Icon, Norwest
- Experience encompasses Australia, USA, NZ, Africa, Canada, Indonesia, Belize and Argentina.

Michael Martin, B.Sc (Hons) – Executive Director

- Petroleum exploration geologist – over 25 years experience
- co-founder of Flare Petroleum N.L.
- Former director of Canadian listed Chariot Resources Ltd and Franklin Resources Ltd
- Experience in Australia, Middle East, Western Mediterranean, North Sea, USA.

Paul Lloyd, B.Bus CA – Non Executive Director, Company Secretary

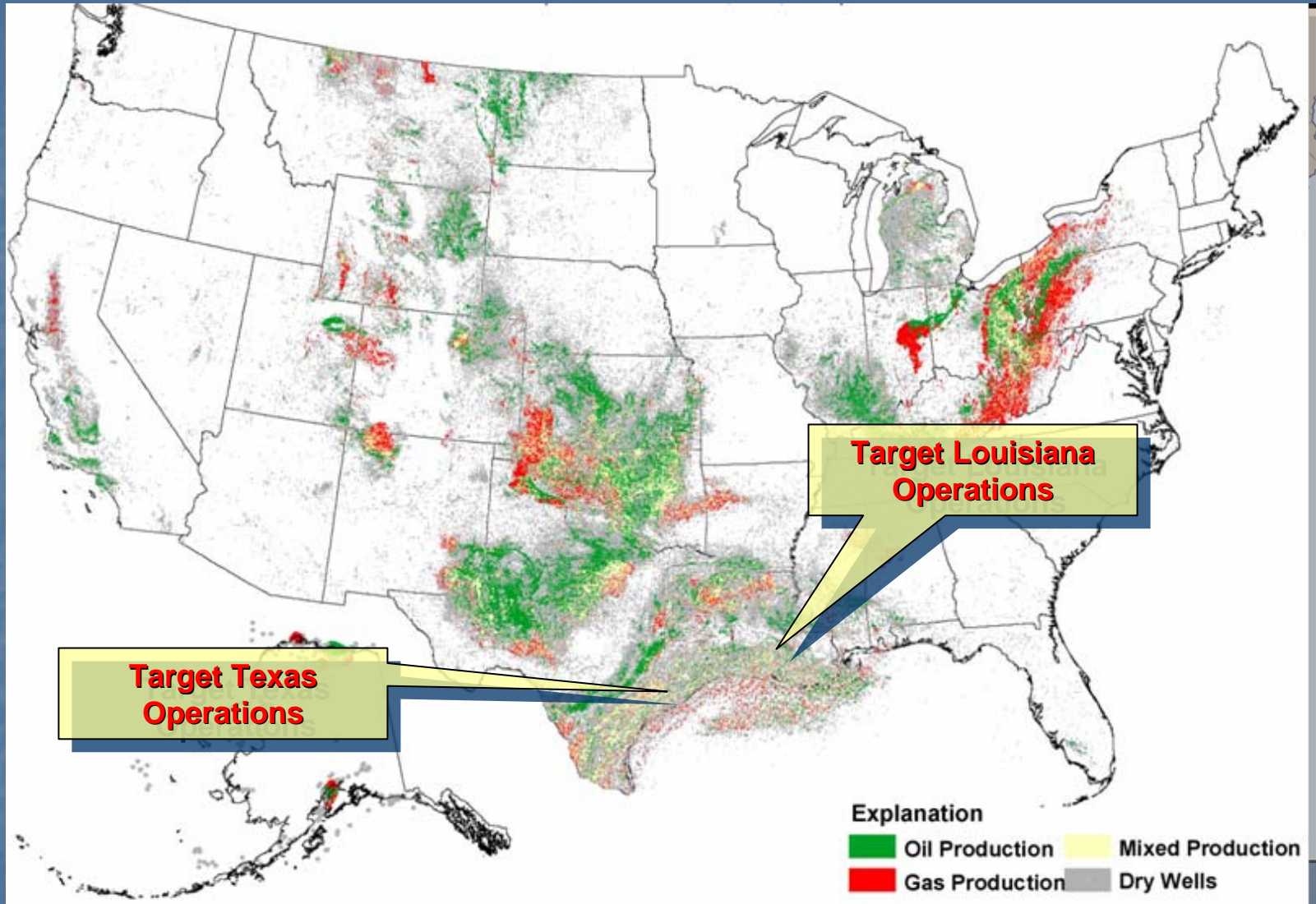
- Chartered Accountant with over 20 years commercial experience
- Former General Manager of Finance at DrillCorp Ltd.
- Experienced public company director
- Extensive experience in the resource industry in Australia and Africa

Business model focuses on near term drilling

- Earn non-operating working interest in US acreage where prospects are ready to drill in the short to medium term (within 12 months). Generally aim for around 25% WI; with emphasis on **low-risk opportunities defined by 3D seismic**. Take smaller interest (10%) in selected **higher risk/higher reward prospects that have “company maker” potential**.
- Acreage to be located in regions that are proven producing areas and where there is ready access to market.
- Acreage is held by experienced and successful operators.
- Multiple drilling targets are available. Engage local consultants to screen and evaluate drilling opportunities.
- Develop relationship with local operators.

In other words, hit the ground running with high level of drilling activity in areas with historically high levels of success

Target drilling in active, prospective regions



Current Drilling Schedule

First well drilled in Dec 06

Kant-1 P&A'd after intersecting non-commercial shows of gas

Two low risk gas wells in Texas on 3D seismic

First of four oil and gas wells to be drilled on Louisiana salt dome with 3D seismic to commence soon

One 305 BCFe, high risk company maker well in Louisiana on 3D seismic

Estimated Timing	Prospect	Location	Target Working Interest [^]	Potential Recoverable Reserves*
<i>Dec 06</i>	<i>Kant</i>	<i>Colorado Co, Texas</i>	<i>25%</i>	<i>P & A (non-commercial shows)</i>
Drilling imminent	Thoroughbred	Colorado Co, Texas	25%	1.3 BCF
March 2007	Garwood	Colorado Co, Texas	25%	3 BCF
March 2007	Snapper A1	St Martin Parish, La	25%	450 KBO; 4.2 BCF
May 2007	Snapper A2	St Martin Parish, La	25%	1.49 MMBO; 0.9 BCF
June 2007	Parks North	St Martin Parish, La	10%	150 KBO; 25.7 BCF
June 2007	Bayou Berard	St Martin Parish, La	15%	1.8MMBO; 0.72 BCF
Q3 2007	Berwyn	Assumption Parish, La	10%	305 BCFe

**Figures are operators unrisked estimates and represent total prospect or field potential – additional drilling may be required to fully recover reserves.*

[^]Subject to finalisation of farm-in and/or unitisation agreements

Drilling Schedule

Current

Dec-06	Jan-07	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Kant												
			Snapper A1 (15/3)									
					Snapper A2		Parks North					
						Bayou Berard						Bayou Berard Updip (Contingent)
	Heavy January rain in Texas delays drilling		Thorough bred									
			Garwood									
							Berwyn					Berwyn Accel'n Well (Cntgnt) 2008?

**Timetable is tentative and based on advice from operators. Actual program and spud dates may vary.*

Low Risk Drilling Opportunity

Everest Resource Company
Onshore Texas

Thoroughbred Prospect
Garwood Prospect

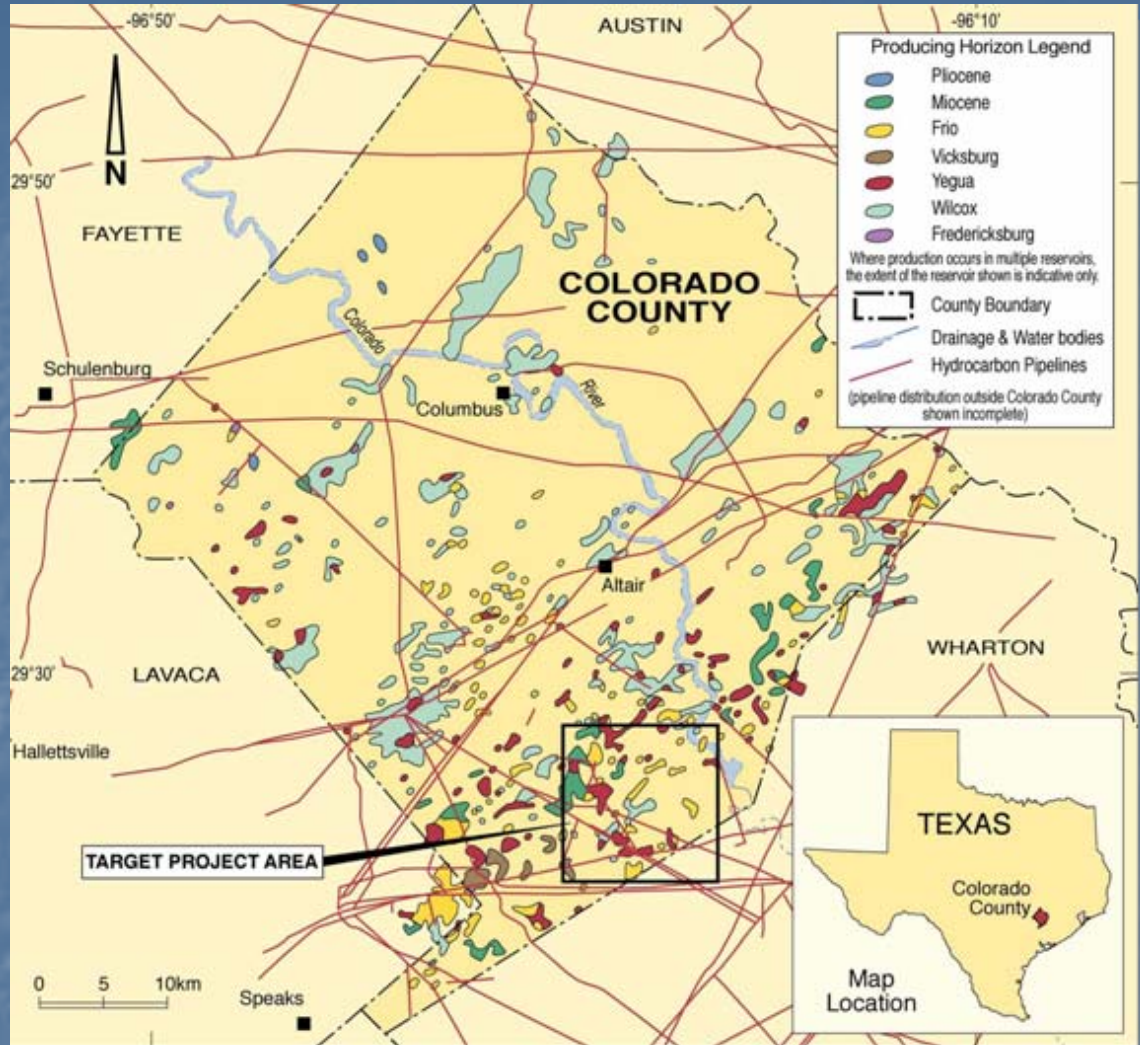
Target 25% WI

High Side Reserve Potential

- 1.34 Bcf (Thoroughbred)
- 3 Bcf (Garwood)

Approx 80% POS

Additional Frio/Miocene Potential



Low Risk Drilling Opportunity

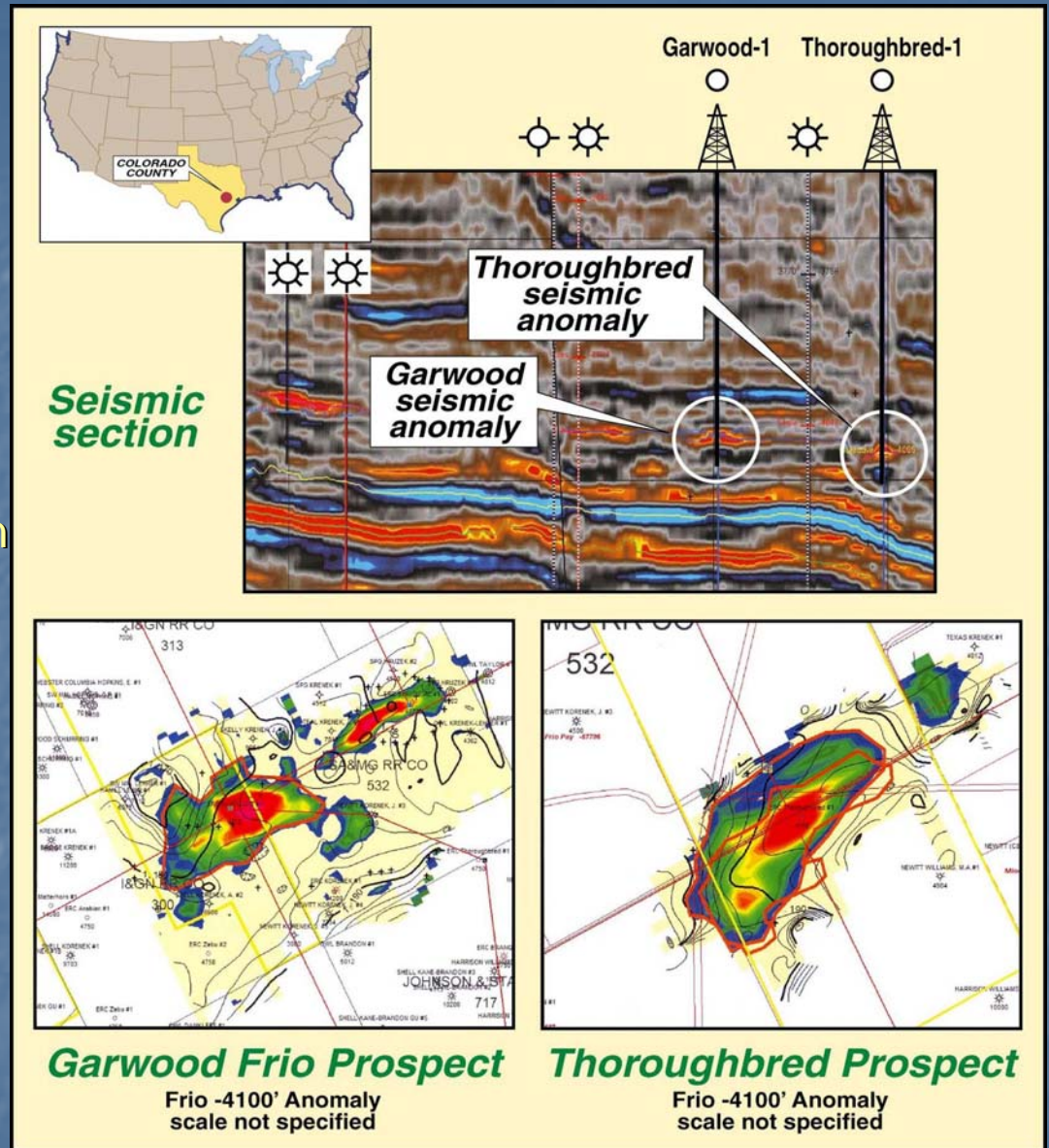
Everest Resource Company
Onshore Texas

Thoroughbred Prospect
Garwood Prospect

Shallow gas prospects identified on
3D seismic

Thoroughbred imminent, Garwood
in late March.

Discoveries can be brought
onstream around 30 days from
completion.



Everest Resource Company
Onshore Texas



Everest Rig, Feb 07

Low Risk Drilling Opportunity

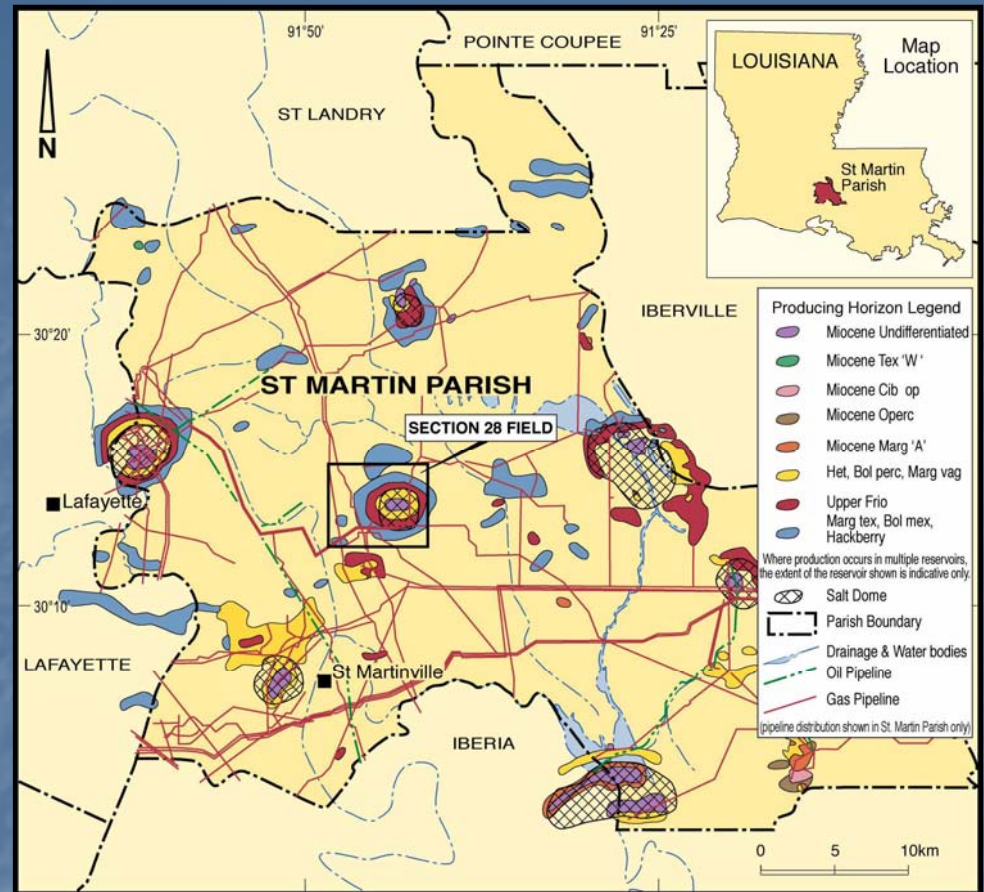
Cypress Productions, LLC
St Martin Parish, Louisiana

Section 28 Field - salt dome
with 3D seismic coverage.

Cypress have drilled 11 wells
at this field - 8 oil producers
and 3 dry holes.

4 wells scheduled - drilling
planned to commence at first
well later this month

Wells can be onstream in 2 to 4
months after completion



Snapper #A-1 0.337 MMBO + 3.8 BCF gas

Snapper #A-2 1.130 MMBO + 0.5 BCF gas

Parks North 0.102 MMBO + 16.5 BCF gas

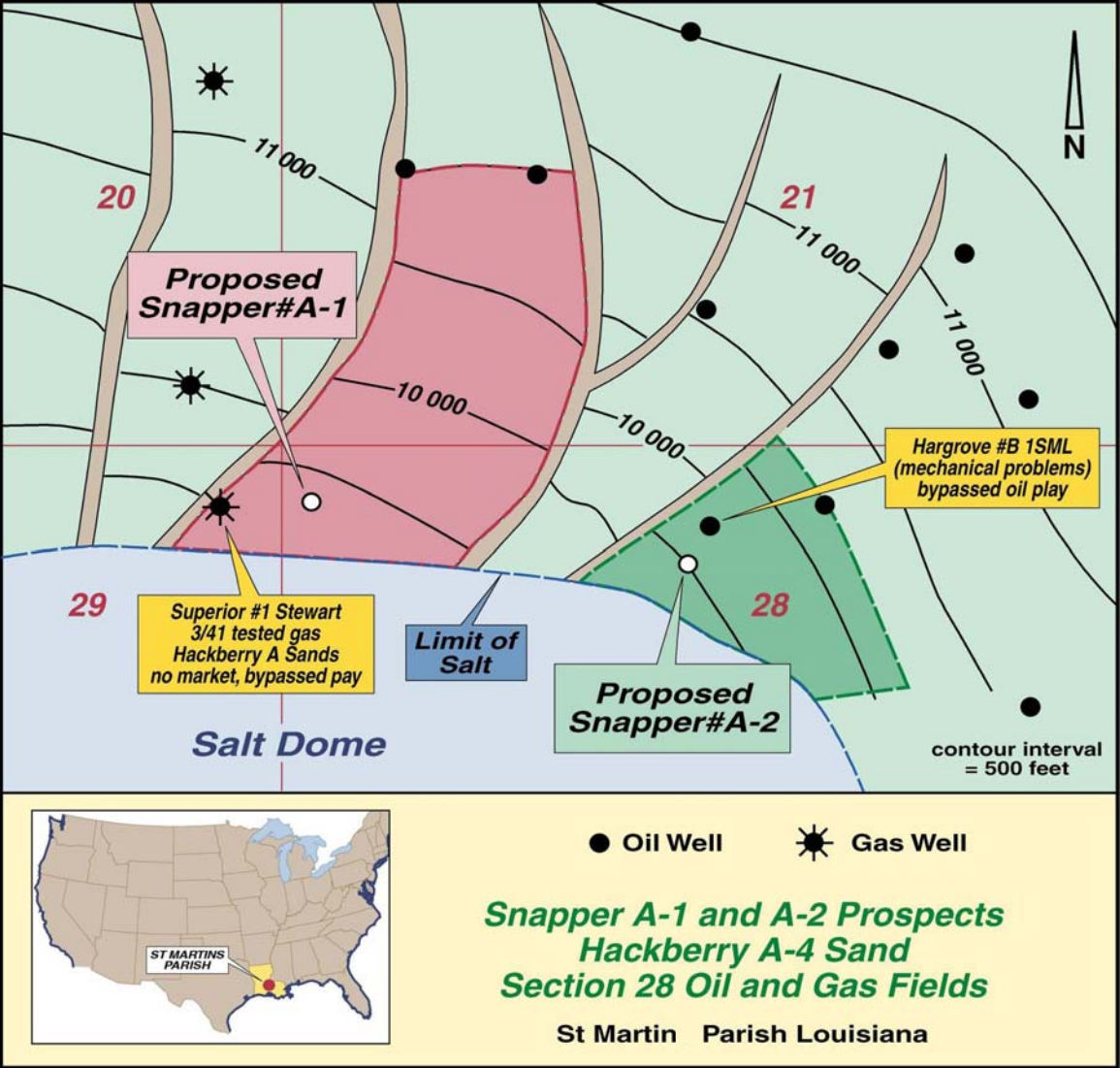
Bayou Berard 0.900 MMBO + 0.4 BCF gas

Total 2.469 MMBO + 21.2 BCF (risked)

Cypress Productions, LLC
St Martin Parish, Louisiana

Snapper A-1
0.337 MMBO
3.8 BCF gas

Snapper A-2
1.13 MMBO
0.5 BCF gas



Bayou Berard prospect

**1.35 MMBO
0.54 BCF gas**

**Bayou Berard
Untested Fault
Segment**

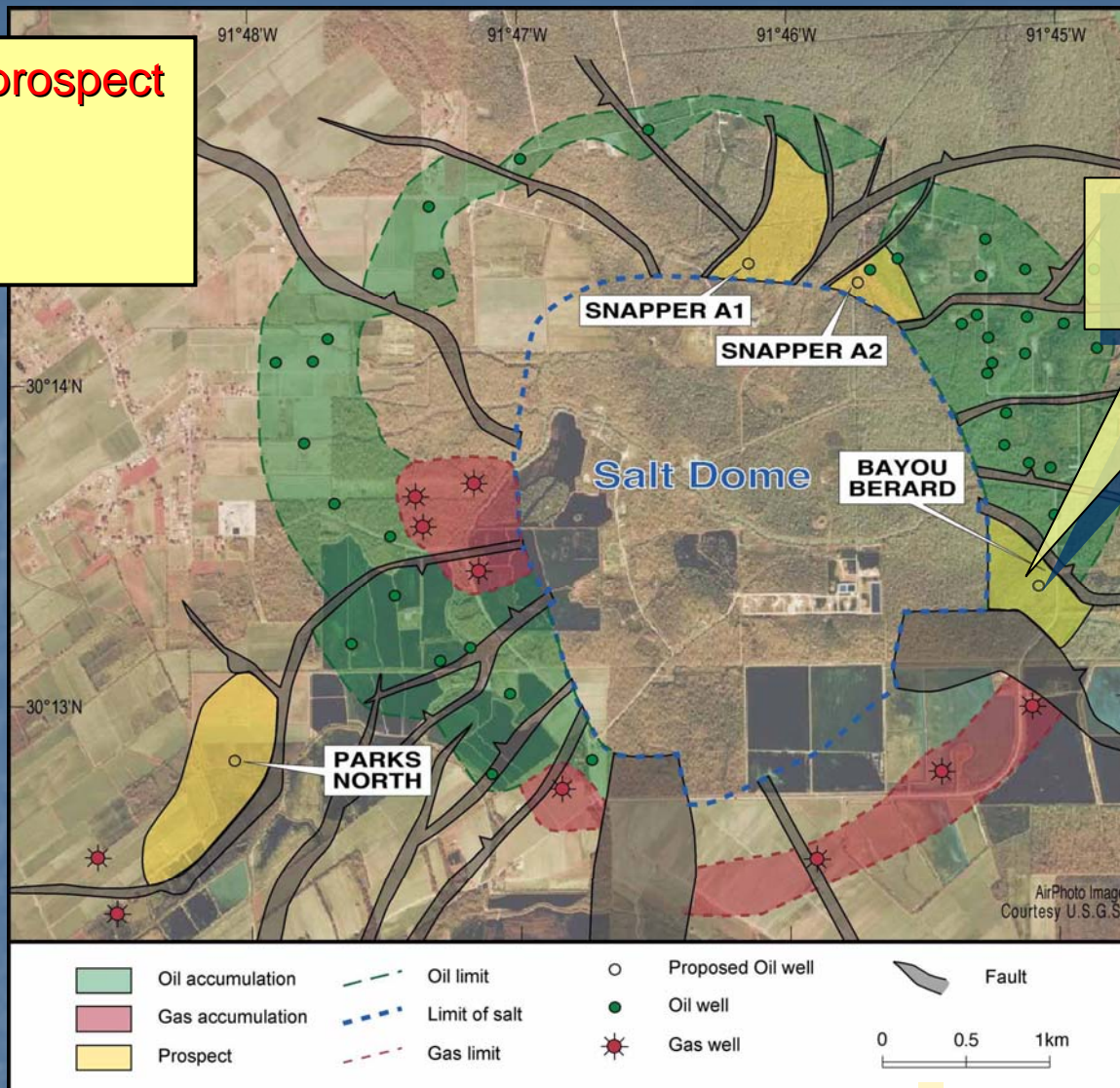


Figure 4

SECTION 28 FIELD
Oil and Gas Compartments at 1st Marg Tex Horizon
(N.B. Parkes North, Snapper A1 and A2 Prospects at Hackberry Horizons)

Parks North prospect

16.5 BCF + 0.102 MMBO

**Section 28
410 BCFGE**

MARTIN

**Lake Larose
79 BCFGE**

**Broussard
350 BCFGE**

LOC

**KCS #1 St. Martin Land
Hackberry "A"
17 MMCFGPD + 600 BCPD**

**3D SEISMIC SHOOT
(34 Square Miles)
Red Outline**

**St. Martinville
300 BCFGE**



Mancla Drilling Rig
(shown here on a barge)



“Company-maker” Prospect

Pogo Producing Company
Inland waters - Louisiana

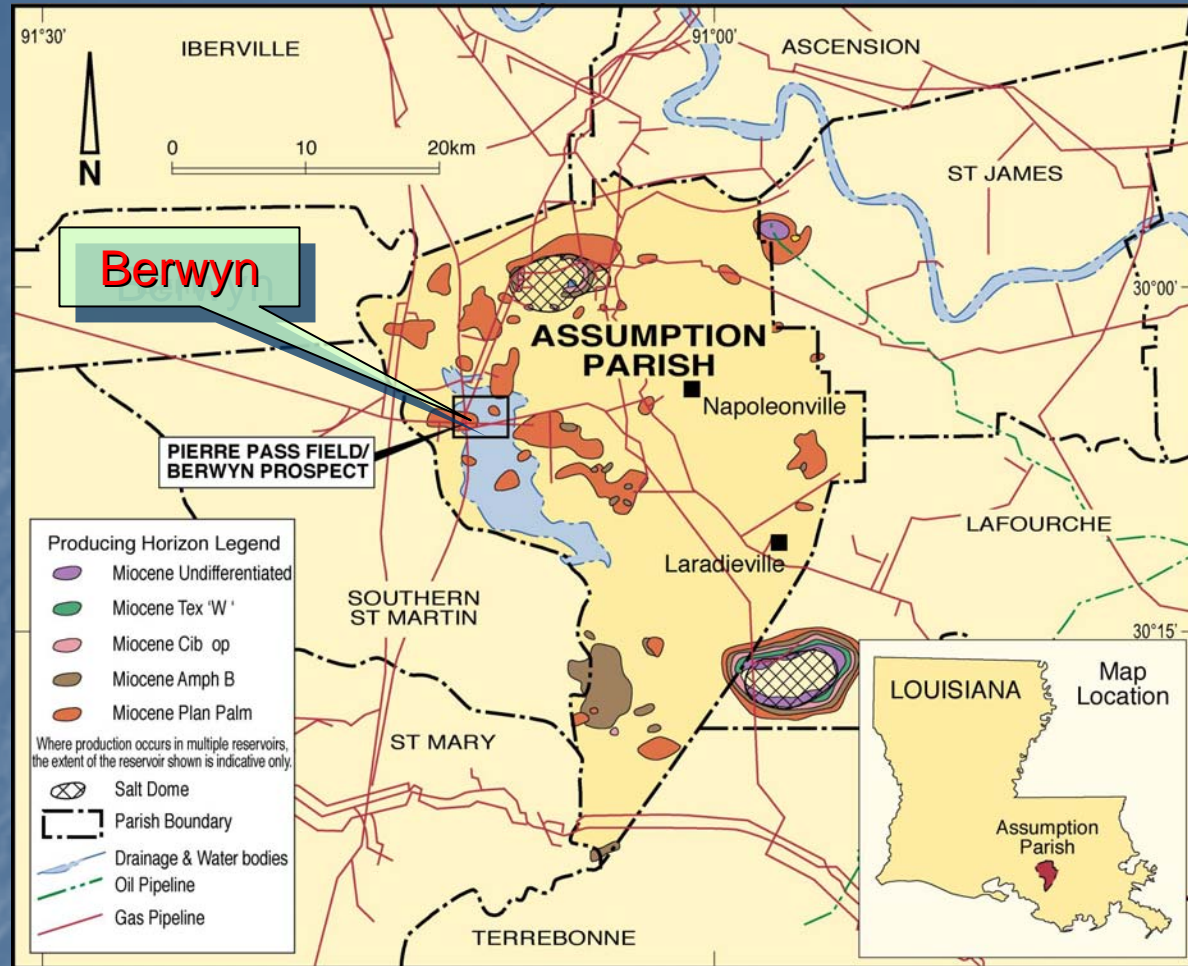
Berwyn Prospect
Target 10% WI

15,800 ft (4815m) well,
targetting up to 305 BCFe rec
gas.

Well is a deeper pool test of
existing 68 Bcf field (Pierre
Pass).

Identified as part of major
regional review of over 500
sq mi of 3D.

Discovery can be brought
onstream around 60 days
from completion.

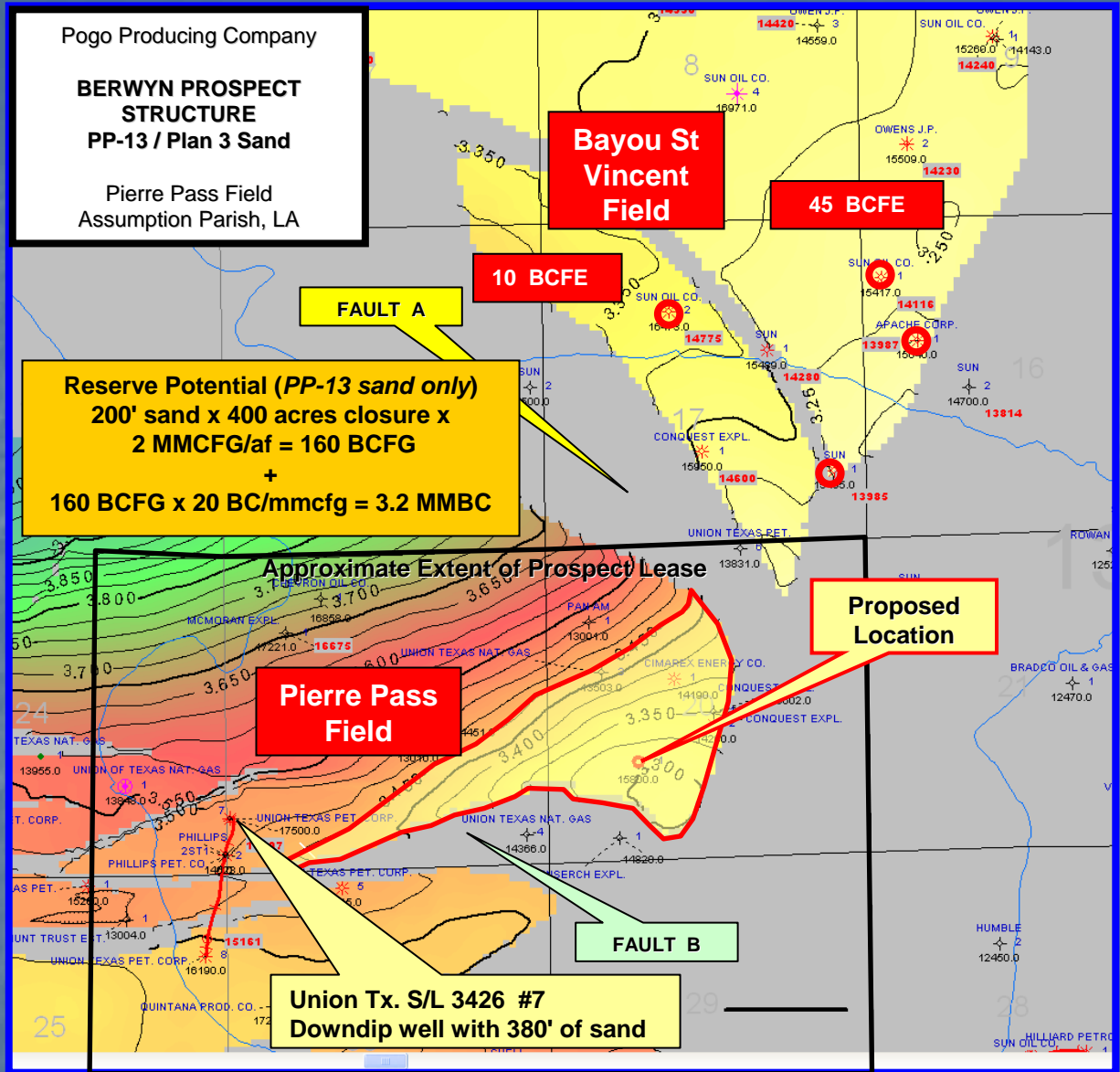


The Operator, Pogo Producing Company, is a US\$2.7 billion company. It explores for, develops and produces oil and natural gas. Pogo owns approximately 4,800,000 gross leasehold acres in major oil and gas provinces in North America, with interests in New Zealand and in Vietnam. Pogo is listed on the NYSE (“PPP”).

Pogo Producing Company

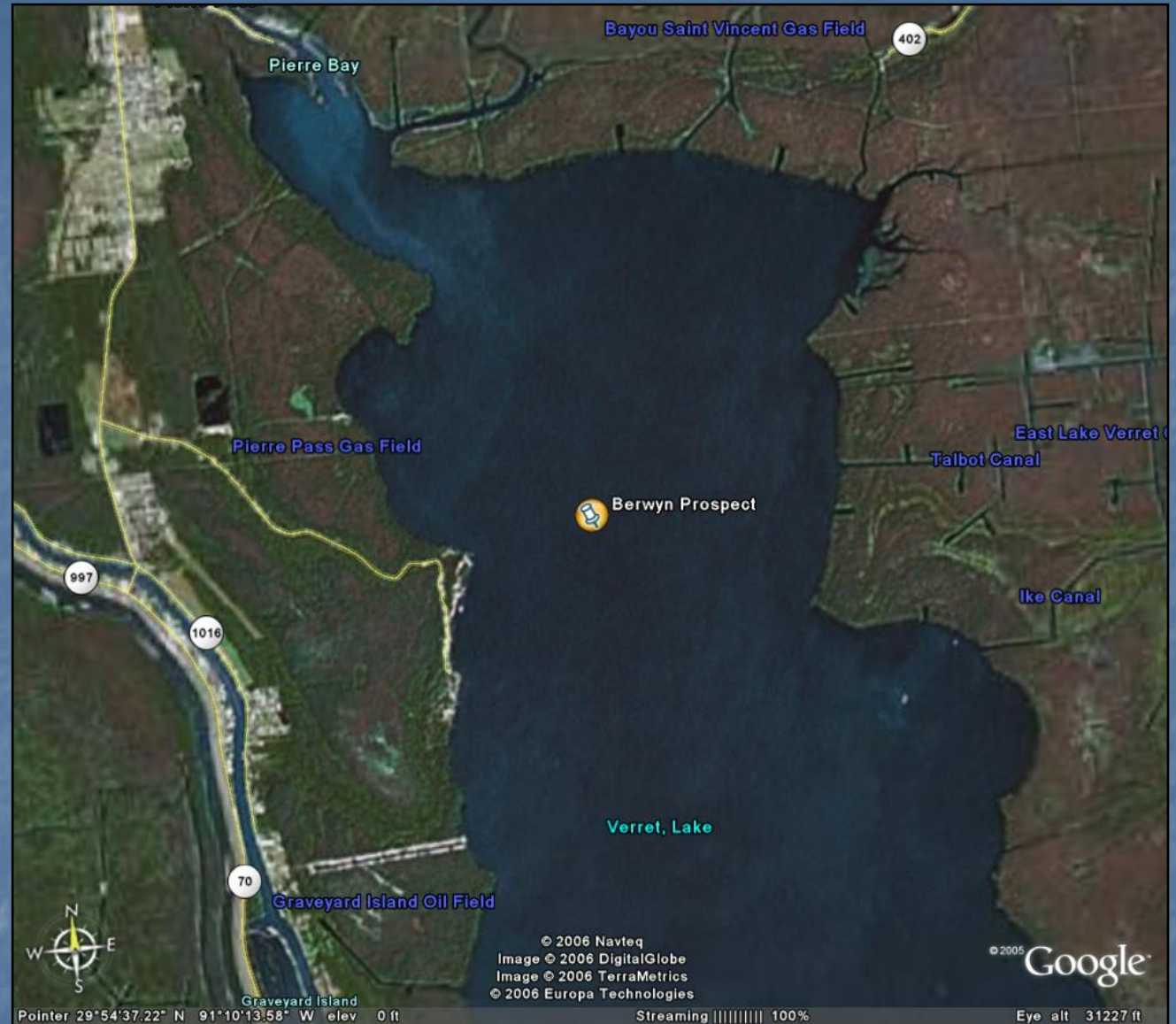
Proposed location on the Pierre Pass structure, updip to the thick sands seen in the Union Texas S/L 3426 #7.

The PP-13 objective sand has produced 55 BCFE at Bayou St. Vincent Field, to the north. All objective sands (PP-13 through PP-20) produced 115 BCFE at Bayou St. Vincent.



Proposed location
on the Pierre Pass
structure.

Local fields and
infrastructure
evident.



NON-RENOUNCEABLE RIGHTS ISSUE OF OPTIONS

As indicated in the Initial Public Offering Prospectus dated 9 October 2006 the directors have resolved to offer all shareholders a non-renounceable offer to purchase one option for every two shares held. Each option will be offered at an issue price of one cent each and each option issued will have an exercise price of 25 cents and expire on 26 November 2009.

A prospectus for the issue of options is being prepared. Key dates in respect of the offer, including the record date for shareholders to participate in the options issue are proposed as follows:

<i>Lodgement of Prospectus with ASX and ASIC</i>	<i>9 March 2007</i>
<i>Notice sent to Shareholders containing information required by Appendix 3B</i>	<i>14 March 2007</i>
<i>Shares commence trading ex entitlement</i>	<i>15 March 2007</i>
<i>Record Date for determining entitlements</i>	<i>21 March 2007</i>
<i>Prospectus despatch date and Opening Date</i>	<i>26 March 2007</i>
<i>Closing Date of the Offer</i>	<i>11 April 2007</i>
<i>Issue of Options & despatch of holding statements</i>	<i>19 April 2007</i>

Target Energy's current activities

- Monitoring progress of existing projects
- Developing next phase of exploration (Q4 07 through 2008)
- Reviewing numerous prospects derived from North American Prospect Expo in February

Project Number	Region	State	Objective	Control	No wells	Depth ft	Timeline
07.001	California	Ca	Monterey Shale	Subsurface	1	6,500	
07.002	California	Ca	Blewett Sand	2D	5	5,500	
07.003	California	Ca	Stevens	3D	3	9,000	
07.004	GOM	La	Abbeville/Cris R	3D	1	14,500	Q2
07.005	GOM	Tx	Frio Wilcox	3D	1	15,000	Q2
07.006	GOM	Tx	Frio Wilcox	3D	2	7200;14000	
07.007	GOM	Tx	Miocene?	3D	2	11,750	
07.008	GOM	Tx	Miocene?	3D	1	6,500	
07.009	GOM	Tx	Miocene?	3D	1	11,000	
07.010	GOM	Tx	Mid Miocene Big hum	3D	1	10,500	
07.011	GOM	Tx	Lentic/Mid Mioc	3D	1	7,000	
07.012	GOM	Tx	Pliocene	3D	1	11,500	Q2
07.013	GOM	La	Cib Carst	3D	1	16,500	Nov
07.014	GOM	La		3D	2	11,200	Asa
07.015	GOM	La	Textularia X	3D	1	9,000	
07.016	Rockies	Wy	Minnelusa	3D	1	6,400	
07.017	Rockies	Wy	Dakota Channels	3D	1	5,100	
07.018	Rockies	Mt	Upper Miss Sun River	Subsurface	1	9,000	
07.019	Rockies	Co	Lewis, Mesa Verde	Subsurface	2	7,100	
07.020	Rockies	Wy	Dakota Channels	Subsurface			
07.021	MidContinent	Mi	Ordovician Prairie du Chien	2D			Q2
07.022	Gulf Coast	La	Marg A; Rob L	3D	1	9,120	
07.023	Gulf Coast	Tx	Hackberry, Vicksburg Yegua		?	14,500	
07.024	Gulf Coast	La	Big Hum N and P Sands	3D	1	12,100	
07.025	Gulf Coast	La	Planulina P2, P6, P8	3D	1	15,350	
07.026	Gulf Coast	La	Alliance (Mulvey - Cib Jeff)	3D	1		Q1
07.027	Gulf Coast	La	Alliance (Mulvey - Cib Jeff)	3D	1	17,000	Q1
07.028	Gulf Coast	La	Tuscaloosa Fm				
07.029	Gulf Coast	Tx	L1 Sands	3D	1	17,500	Q2
07.030	Gulf Coast	Tx			1		Q2
07.031	Gulf Coast	Tx	Wilcox		1		Q3
07.032	Gulf Coast	Tx	Wilcox		1		Q4
07.033	Gulf Coast	Tx	Upr Landa to Sweeney 6	3D	1	10,500	
07.034	Gulf Coast	Tx	Marks, Sweeney	3D	1	13,500	
07.035	Gulf Coast	Tx	Upper Wilcox	3D	1	15,500	
07.036	Gulf Coast	Tx	Upper Wilcox	3D	1	14,200	
07.037	Gulf Coast	Tx	Upper Wilcox	3D	1	17,000	
07.038	Gulf Coast	La	Krumbhar, KK	3D	1	14,000	
07.039	Gulf Coast	La	Marg Tex	3D	1		
07.040	Gulf Coast	La	Camerina Sand	3D	1	13,200	
07.041	Gulf Coast	La		3D	1	2,600	
07.042	Gulf Coast	Tx	Wilcox	3D	1	13,100	
07.043	Gulf Coast	La	Lower Cris	2D	1	10,700	Q4
07.044	Gulf Coast	La	SD; Planulina sands	3D	1	15,100	Q2
07.045	Gulf Coast	Tx	Travis Peak (Hosston)		1	11,500	
07.046	Gulf Coast	La	Alliance, Mulvey HET-2	3D	1	12,300	Q2
07.047	Gulf Coast	Tx	Edwards	2D			
07.048	Gulf Coast	Tx		3D	1	12,000	
07.049	Gulf Coast	La	Seismic	3D			
07.050	Gulf Coast	Tx	Yegua	3D		10,500	
07.051	Gulf Coast	La	Planulina, Marg Vag	3D		17,700	
07.052	Gulf Coast	La	Planulina; D Sands	3D		16,750	
07.053	GOM	Tx	Miocene Rob C	3D		7,700	
07.054	GOM	Tx	Miocene	3D		8,000	
07.055	GOM	Tx	Miocene Rob L	3D		9,480	
07.056	Gulf Coast	Tx	Frio Bright Spot	3D		6,250	
07.057	Gulf Coast	Tx	Yegua	3D		12,700	
07.058	Gulf Coast	Tx	Wilcox	2D			
07.059	GOM	Tx		3D		1,000	
07.060	Gulf Coast	La		3D		11,700	Q3
07.061	Gulf Coast	La		3D		10,360	Q2
07.062	Gulf Coast	La		3D		10,000	Q2
07.063	Gulf Coast	La		3D		11,850	Q2

target
TARGET ENERGY LIMITED

