



July 2007



- **Target Energy Limited is an Oil and Gas Exploration and Production Company based in Perth, Western Australia**
- **Target listed on the ASX on 27 November 2006 with the stock code: **TEX****
- **68 million shares are currently on issue along with 34,000,000 25c options**
- **Cash position at 30/6 was approx A\$6.2 million**
- **We have fully funded drilling campaigns underway in both Texas and Louisiana**
- **We have had 3 discoveries in our first four wells**
- **Our first discovery, Thoroughbred, commenced production on 5 June**



Target's 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 deliver early cash flow**



Experienced Board and Management

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, (listed on the London Stock Exchange), Gryphon Minerals Limited and Gindalbie Metals Limited (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.
- Experience encompasses Australia, USA, NZ, Africa, Canada, Indonesia, Belize and Argentina.

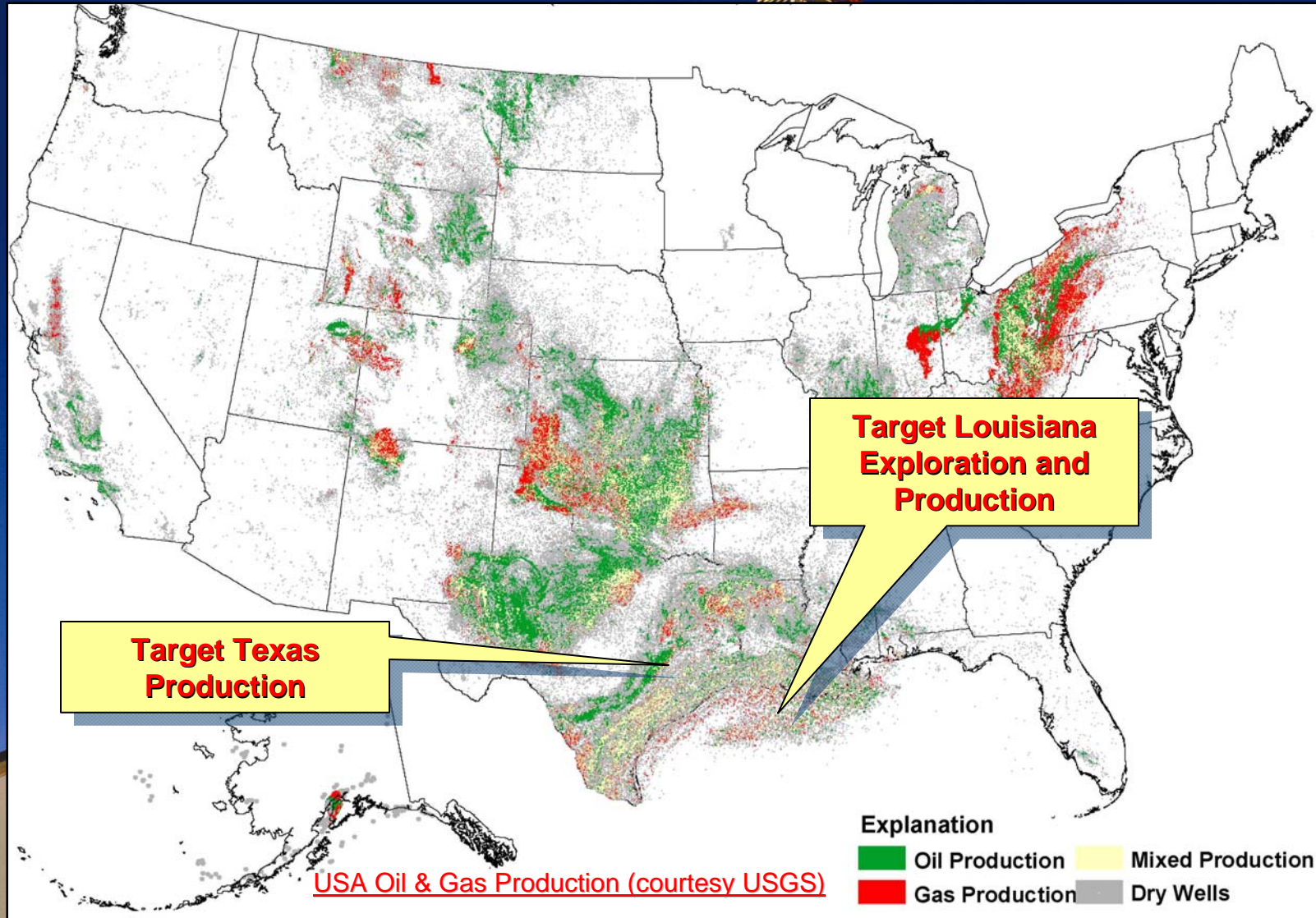
Michael Martin, B.Sc (Hons) – Director

- 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
- Executive Chairman – Beacon Minerals Limited
- Former General Manager of Finance at DrillCorp Ltd.
- Extensive experience in the resource industry in Australia and Africa

Active in prospective regions



Active drilling schedule

Estimated Timing	Prospect	Location	Target Working Interest [^]	
Dec 06	Kant	Texas	25%	Sub-commercial gas shows
March 07	Thoroughbred	Texas	25%	Discovery – now on production
April 07	Snapper A-1	Louisiana	25%	Discovery – flow tested 2.1 mmcfgd + 16 BOPD
June 2007	Garwood	Texas	25%	Discovery
Q3 2007	Snapper A-2	Louisiana	25%	
Q3 2007	Bayou Berard	Louisiana	15%	
Q3 2007	Teche	Louisiana	10%	
Q4 2007	Bandito	Louisiana	15%	
Q4 2007	Parks North	Louisiana	10%	
Q4 2007	Snapper A-3	Louisiana	25%	
TBA	Berwyn	Louisiana	10%	

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

MCF = Thousand cubic feet MMB = Million Barrels
 MMCF = Million cubic feet
 BCF = Billion cubic feet

Portfolio

Prospect	Potential Recoverable Volumes (Unrisked)	Potential Net Target Value A\$ cents per share	Potential Recoverable Volumes (Risky)	Potential Net Target Value A\$ cents per share	
✓ Discovery	Thoroughbred	0.75 Bcf	1	0.75 Bcf	1
✓ Discovery	Snapper A1	0.61 mmBO 2.25 Bcf	11	0.61 mmBO 2.25 Bcf	11
✓ Discovery	Garwood	1.25 Bcf	2	1.25 Bcf	2
	Snapper A2	1 mmBO 1.45 Bcf	15	0.77 mmBO 1.1 Bcf	12
	Teche	22.4	12	11.3	6
	Bandito	42.3	23	20.3	16
	Bayou Berard	1.8 mmBO 0.72 Bcf	15	0.9 mmBO 0.4 Bcf	7
	Parks North	25.7 Bcf 0.15 mmBO	14	16.5 Bcf 0.10 mmBO	9
	Snapper A-3	0.7 mmBO 4 Bcf	15	0.6 mmBO 3.2 Bcf	12
	Berwyn	305 Bcfe	163	115 Bcfe	62
Total A\$ per share			\$2.71		\$1.38

14 cps

Assumptions: 68 million shares on issue

Oil netback is US\$40/barrel. Gas netback is US\$4/mcf. A\$/US\$ exchange rate is \$0.80c.

Unrisked figures are operators upside estimates and represent total prospect or field potential

– additional drilling may be required to fully recover volumes.

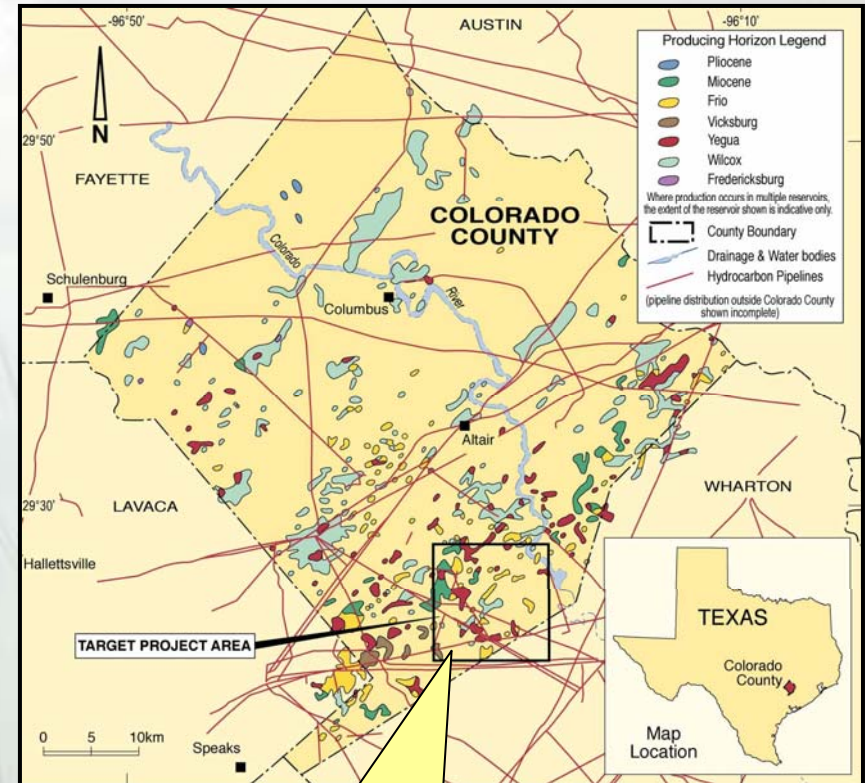
All figures are best estimates only and may vary.

Low Risk Drilling

Shallow Gas - Onshore Texas
Colorado County Program
Operator: Everest Resources
Target Energy – 25% WI

Thoroughbred-1 (.75 Bcf potl. recov.)
Drilled 3/07 – **discovery**. Commenced
production on 5 June.

Garwood Prospect (1.25 Bcf potl. recov.)
Drilled 6/07 – **discovery**. Multiple pay
zones.



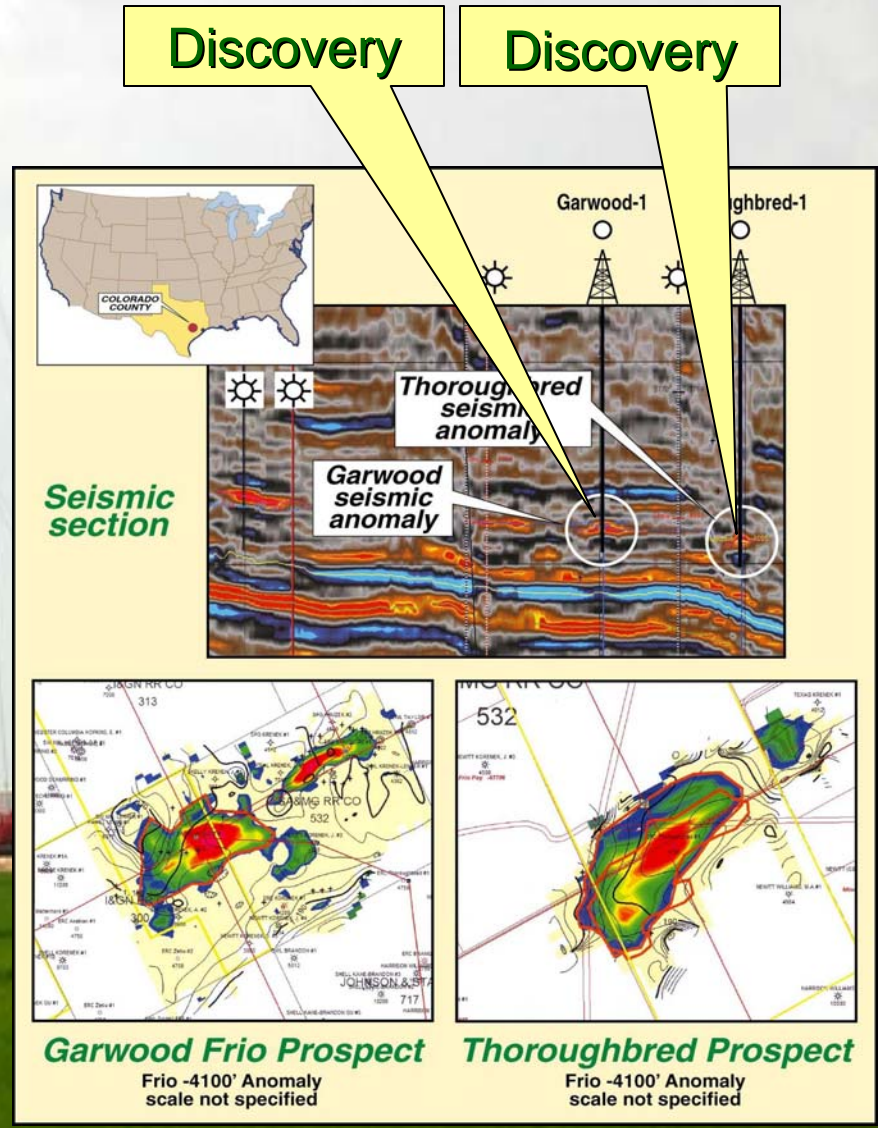
**Thoroughbred & Garwood
Discoveries**

Low Risk Drilling

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Low Risk Drilling

**Shallow Gas - Onshore Texas
Colorado County Program**



**Thoroughbred
production facility**

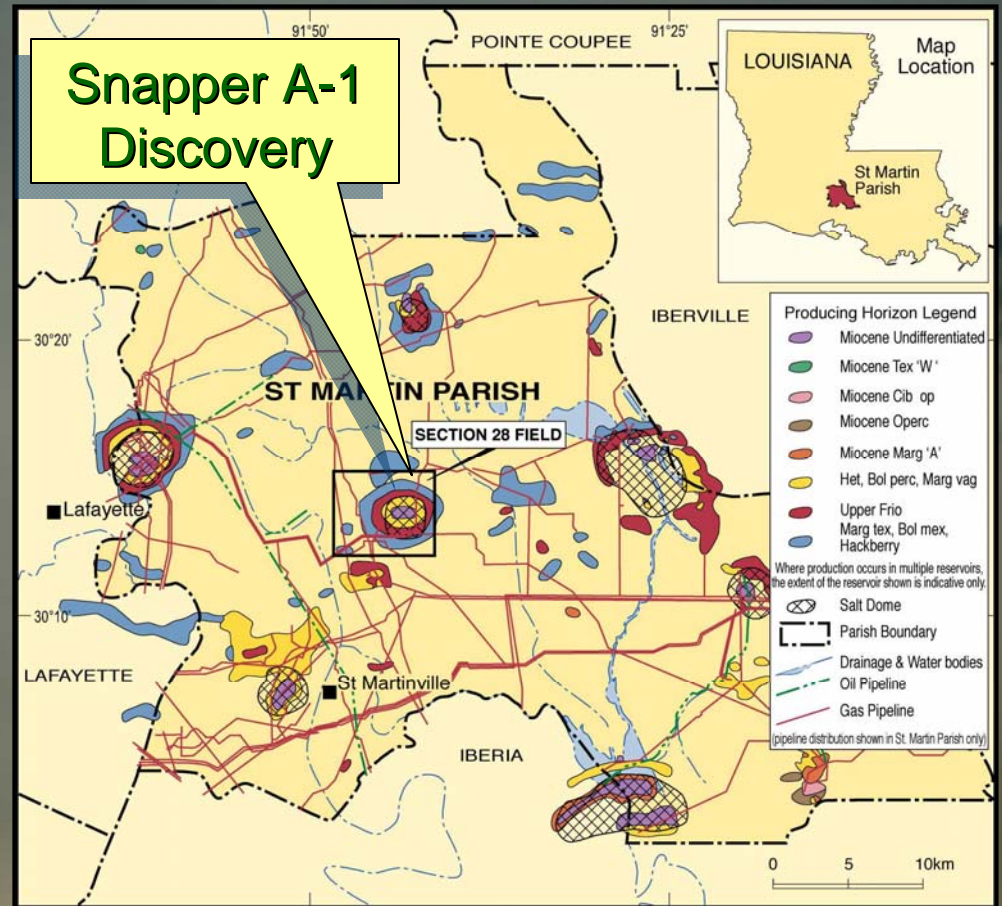
Everest Resources Drilling Rig

**Garwood Discovery
Colorado County, June 07**

Low-Med Risk Drilling

Gas and oil/condensate
Onshore Louisiana

“Section 28” Program
Operator: Cypress Productions
Target’s Working Interest 10 - 25%

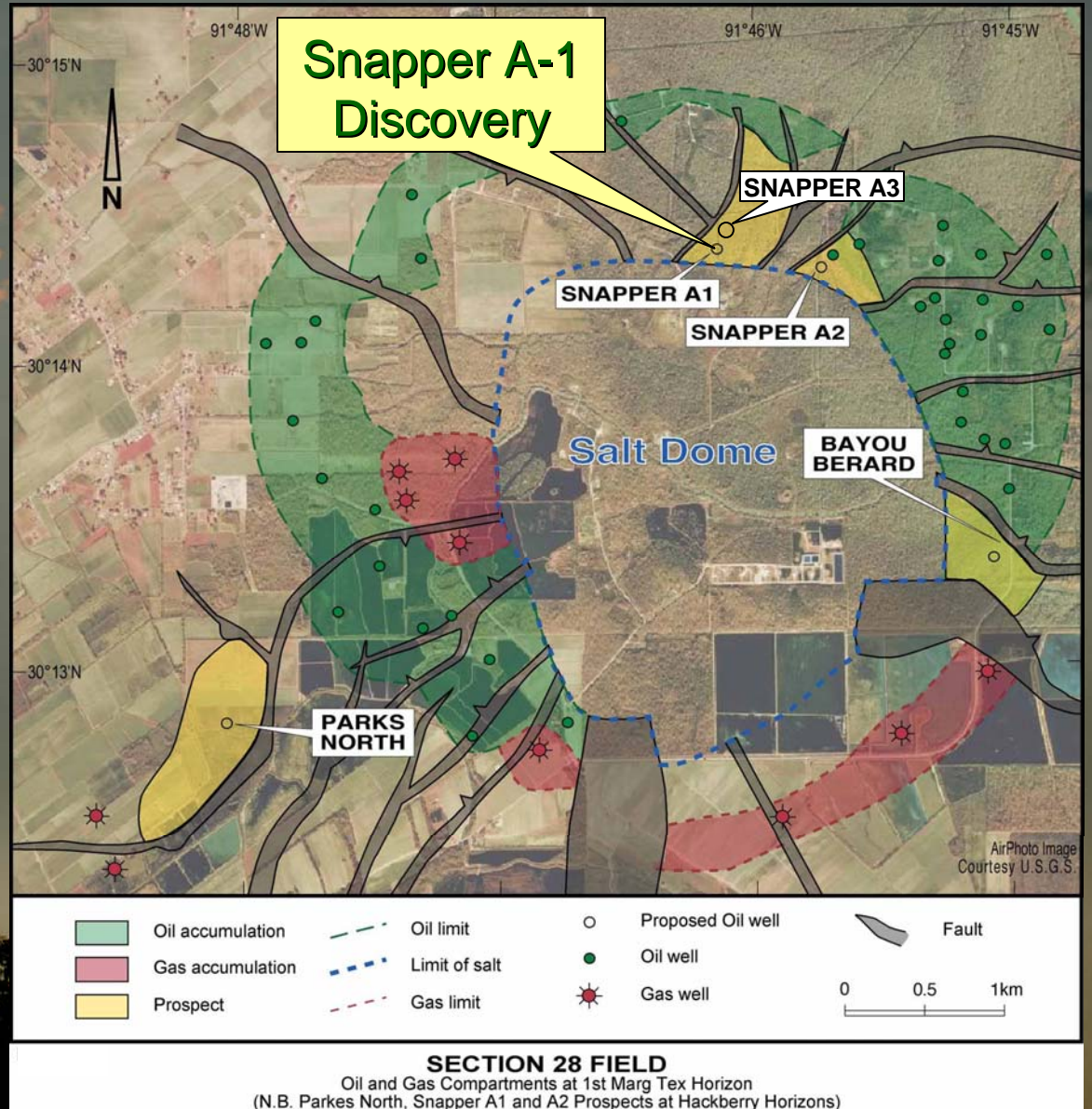


Gas flaring at Snapper A-1

Low-Med Risk Drilling

Gas and oil/condensate
Onshore Louisiana

“Section 28” Program



Gas flaring at Snapper A-1

Low-Med Risk Drilling

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Drilling Program – Risked Potential Recov. Volumes

Snapper A-1	0.6 mmBO + 2.3 Bcf - Discovery
Snapper A-2	0.8 mmBO + 1.1 Bcf - Q3 2007
Bayou Berard	0.9 mmBO + 0.4 Bcf - Q4 2007
Parks North	0.1 mmBO + 16.5 Bcf - Q4 2007
Snapper A-3	0.6 mmBO + 3.2 Bcf - Q4 2007
<u>Total</u>	<u>3.0 MMBO+ 23.5 Bcf (risked)</u>

Med Risk Drilling

Gas and condensate Onshore Louisiana

“Evangeline” Program

Operator: Aspect Energy, LLC
Target Energy – 10% & 15% WI

Potential recoverable volumes:

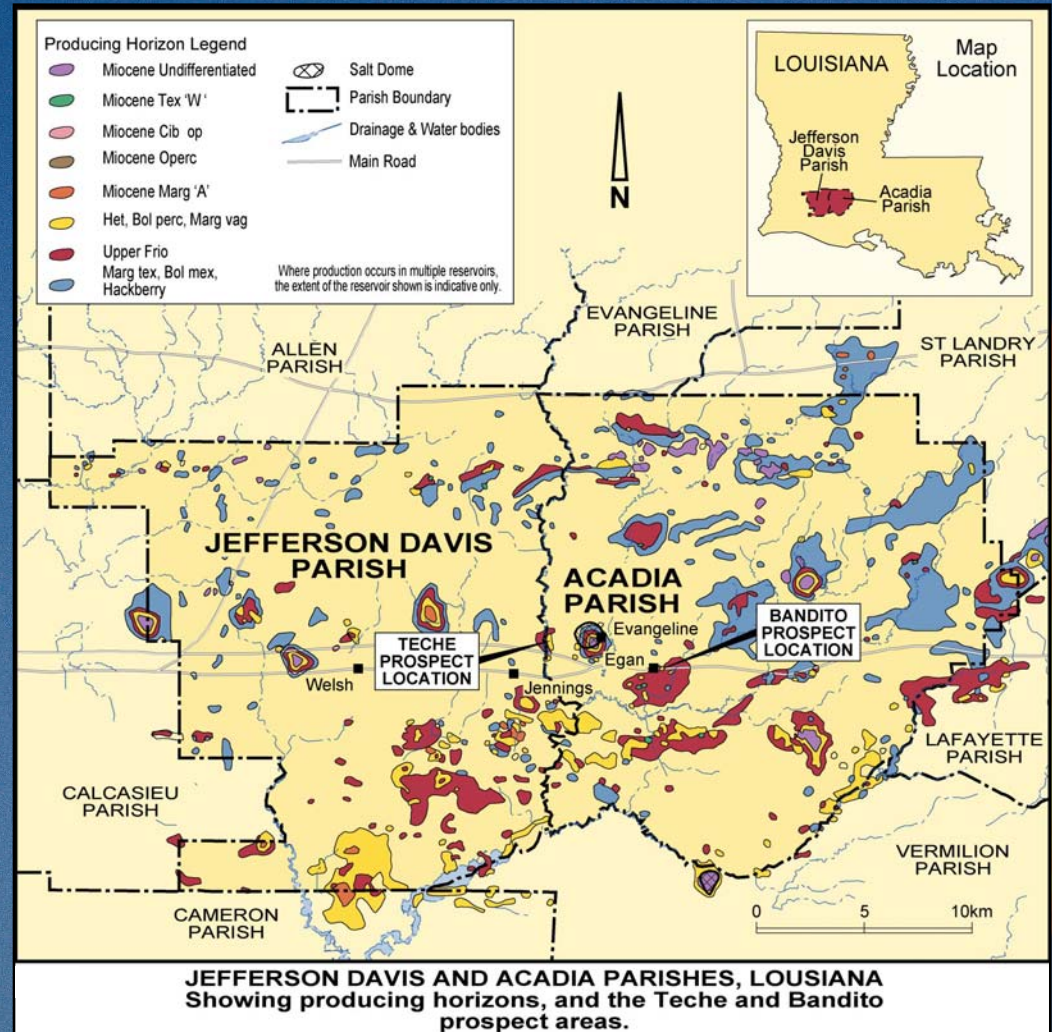
Teche Prospect

11.3 Bcfe (P50) - 22.4 Bcfe (P10)

Bandito Prospect

20.3 Bcfe (P50) – 42.3 Bcfe (P10)

Prospects developed by Aspect Energy on a 1,424 km² recently reprocessed and merged 3D seismic data set consisting of ten separate proprietary and speculative surveys.



Aspect holds one of the largest contiguous onshore 3D seismic databases in North America, with over 31,000 km² of 3D seismic data covering the prolific upper Texas and Louisiana Gulf Coast region.

From 1998 to 2006, Aspect and its partners spent US\$540 million to drill over 318 wells, with a success rate of 61%, finding 437 Bcfe - worth US\$1.25 billion (PV10).

“Company-maker” Program

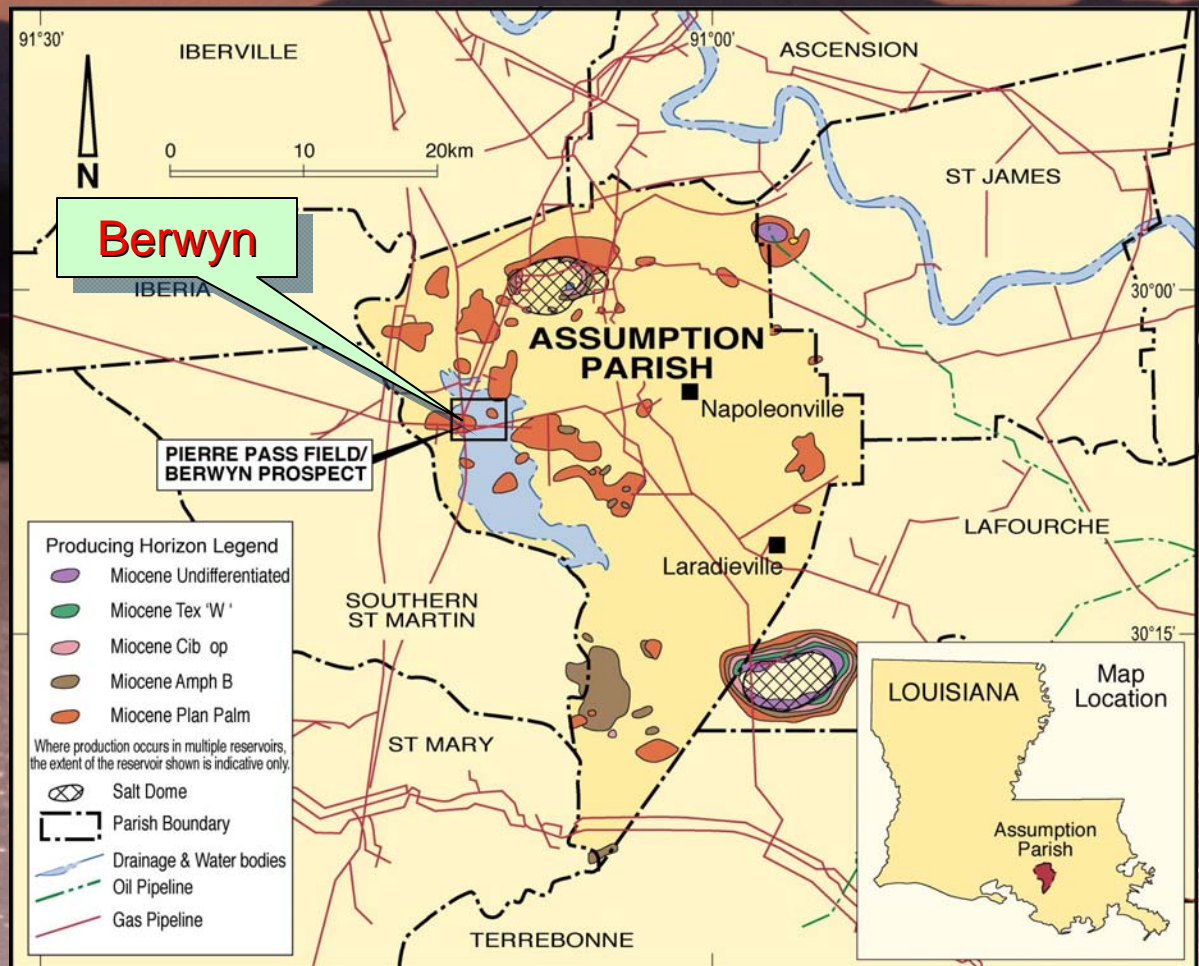
Deep Gas & Condensate
Inland waters, Louisiana

Berwyn Prospect
Operator: Pogo Producing
Target's WI - 10%

The operator, Pogo Producing Company, will keep a 50% interest in Berwyn.

Berwyn will drill to 15,800 ft (4,815m), targeting up to 305 Bcfe rec gas. It is a deeper pool test of an existing 68 Bcf field (Pierre Pass).

Drilling deferred pending a reduction in drilling costs



Portfolio

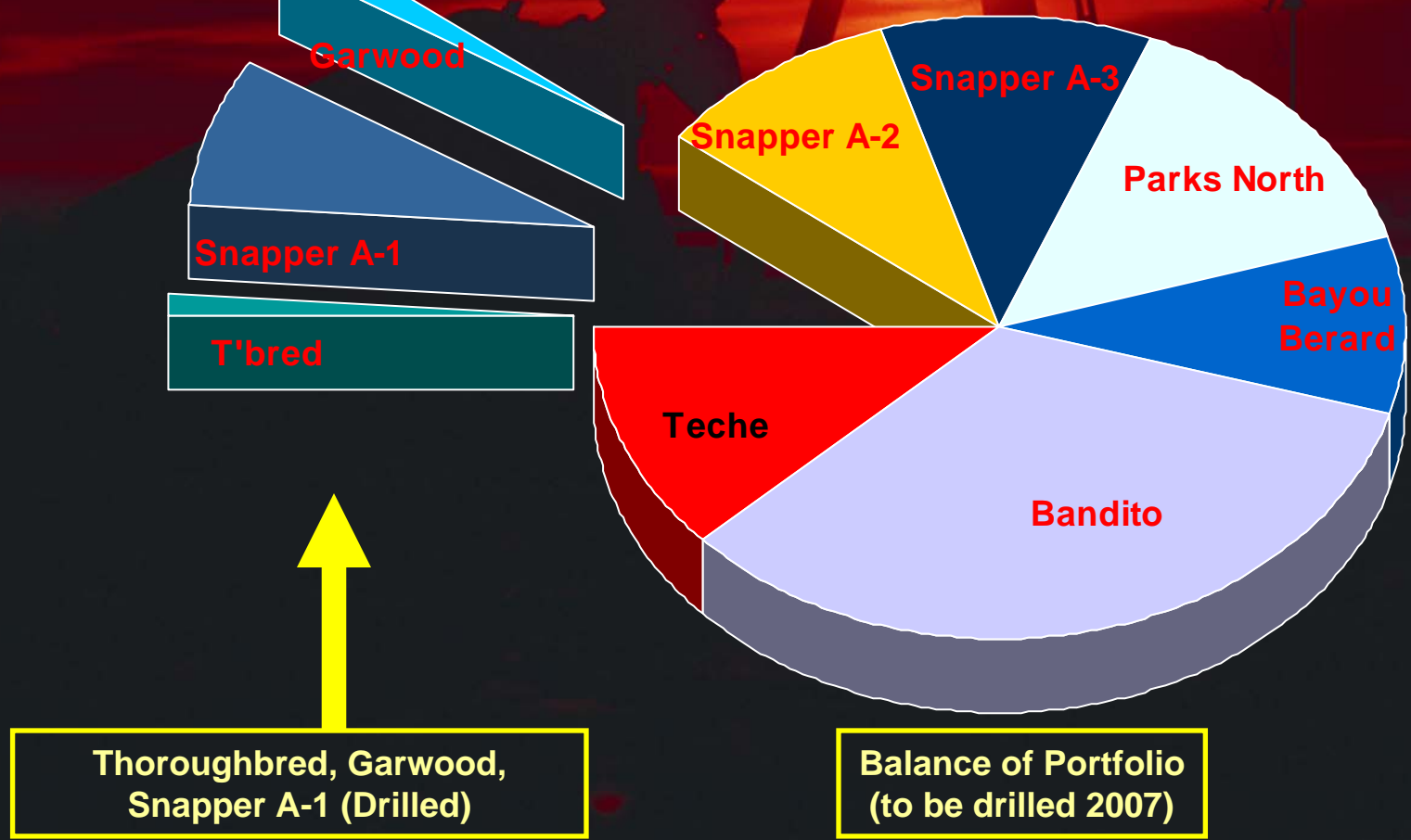
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Portfolio Relative Potential (Unrisked Bcfe Net to Target WI)



Thoroughbred, Garwood, Snapper A-1 (Drilled)

Balance of Portfolio (to be drilled 2007)

Cash backing (A\$6.2 million on 30/6)	=	9.1 cents/share
Estimated asset backing (Thoroughbred, Snapper A-1, Garwood)	=	<u>14.0 cents/share</u> 23.1 cents/share
Value of balance of portfolio	=	?

We are delivering...

Target Energy - delivers results to shareholders

- ✓ **Fully funded drilling campaigns underway in both Texas and Louisiana**
- ✓ **4 wells drilled within seven months of listing**
- ✓ **3 out of the 4 wells are discoveries and are to be completed as producers**
- ✓ **First discovery already on production and generating cash-flow**
- ✓ **6 more wells planned to be drilled in 2007**
- ✓ **Remaining wells in 2007 to test an aggregate 97 Bcfe + 3.65 mmBO**
- ✓ **Company aggressively pursuing new opportunities**



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