

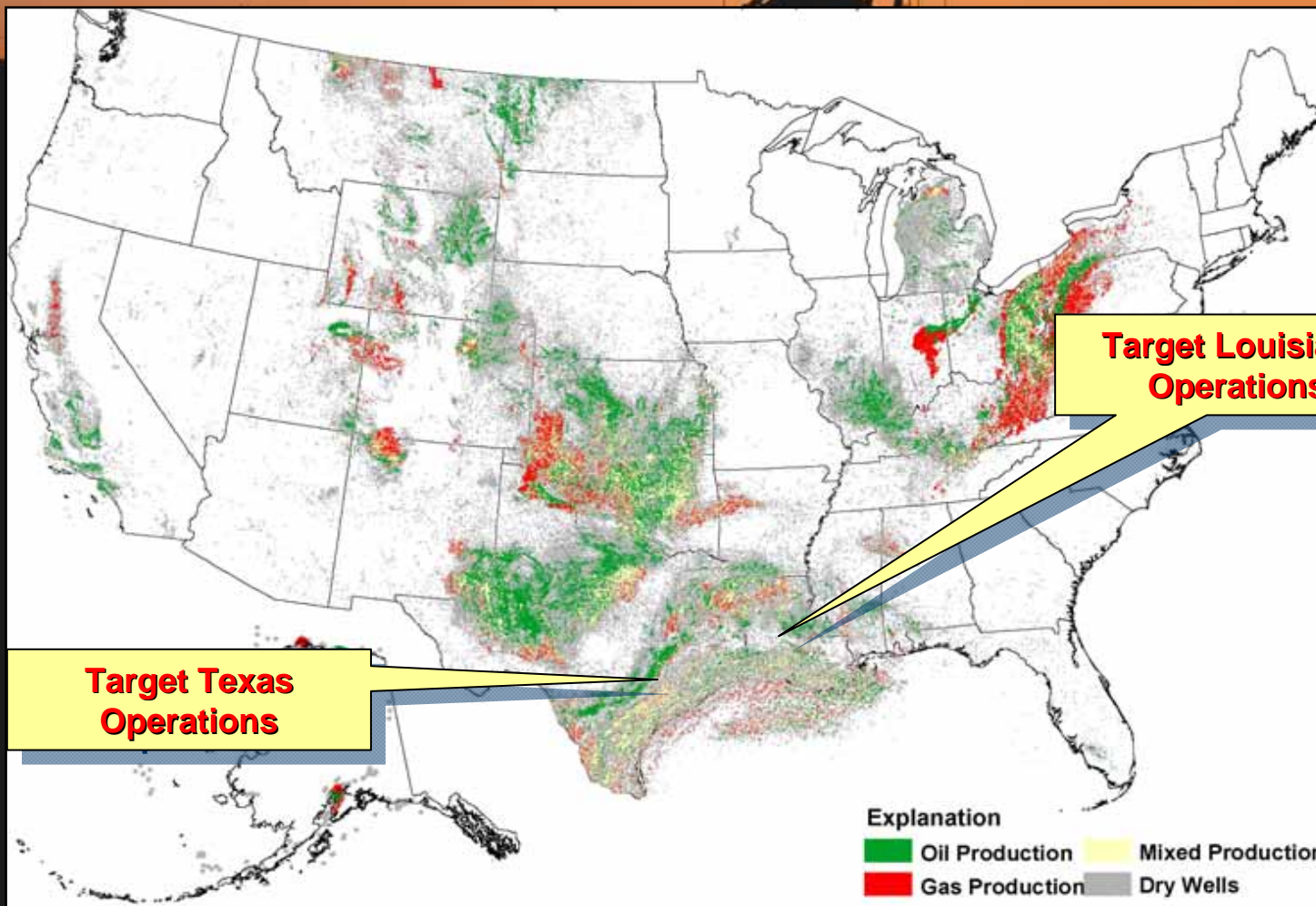


2007 Annual General Meeting



- **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**
- **We have had 3 discoveries in our first four wells**
- **All discoveries are on already on production**
- **Six more wells to be drilled by the end of the year.**

We are drilling in active,
prospective regions...



...with an 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 – now on production
June 2007	Garwood	Texas	25%	Discovery – now on production
Oct 2007	Snapper A-2	Louisiana	25%	
Nov 2007	Bayou Berard	Louisiana	15%	
Nov 2007	Teche	Louisiana	10%	
Nov 2007	Bandito	Louisiana	15%	
Q4 2007	Parks North	Louisiana	10%	
Dec 2007	Snapper A-3	Louisiana	25%	
TBA	Berwyn	Louisiana	10%	

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

Portfolio balances risk and reward

Prospect	Potential Recoverable Volumes (Unrisked)	Potential Net Target Value A\$ cents per share	Potential Recoverable Volumes (Risky)	Potential Net Equivalent Value to Target 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 Bcf	12	11.3 Bcf	6
Bandito	42.3 Bcf	23	20.3 Bcf	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.



Our projects...

Drilling Rig - Colorado County, Texas

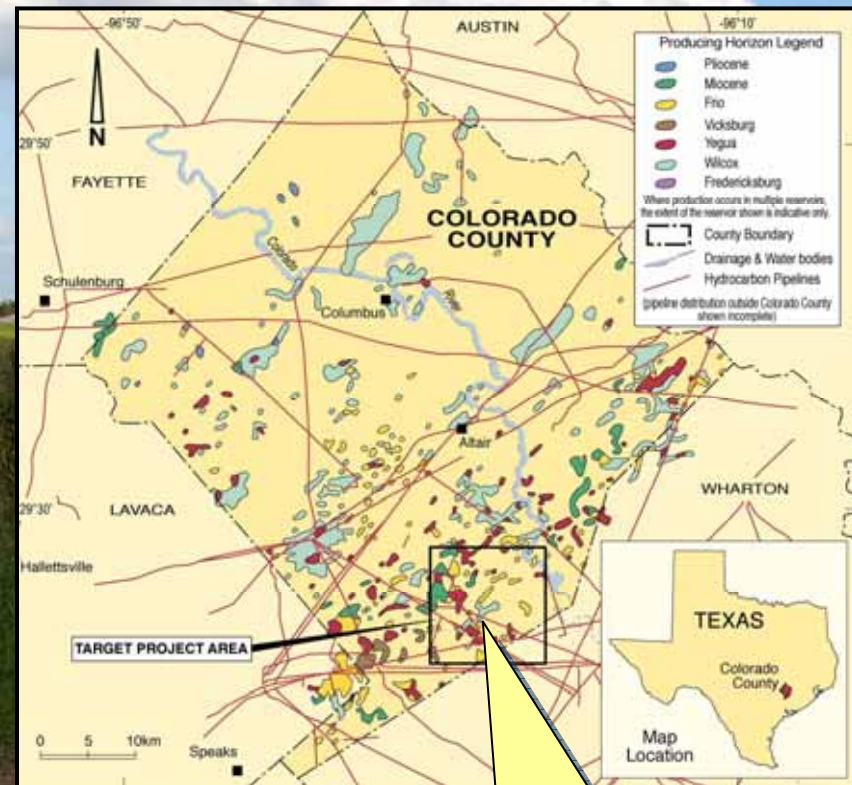
target
TARGET ENERGY LIMITED

Texas Shallow Gas

Colorado County Program
Target Energy – 25% WI

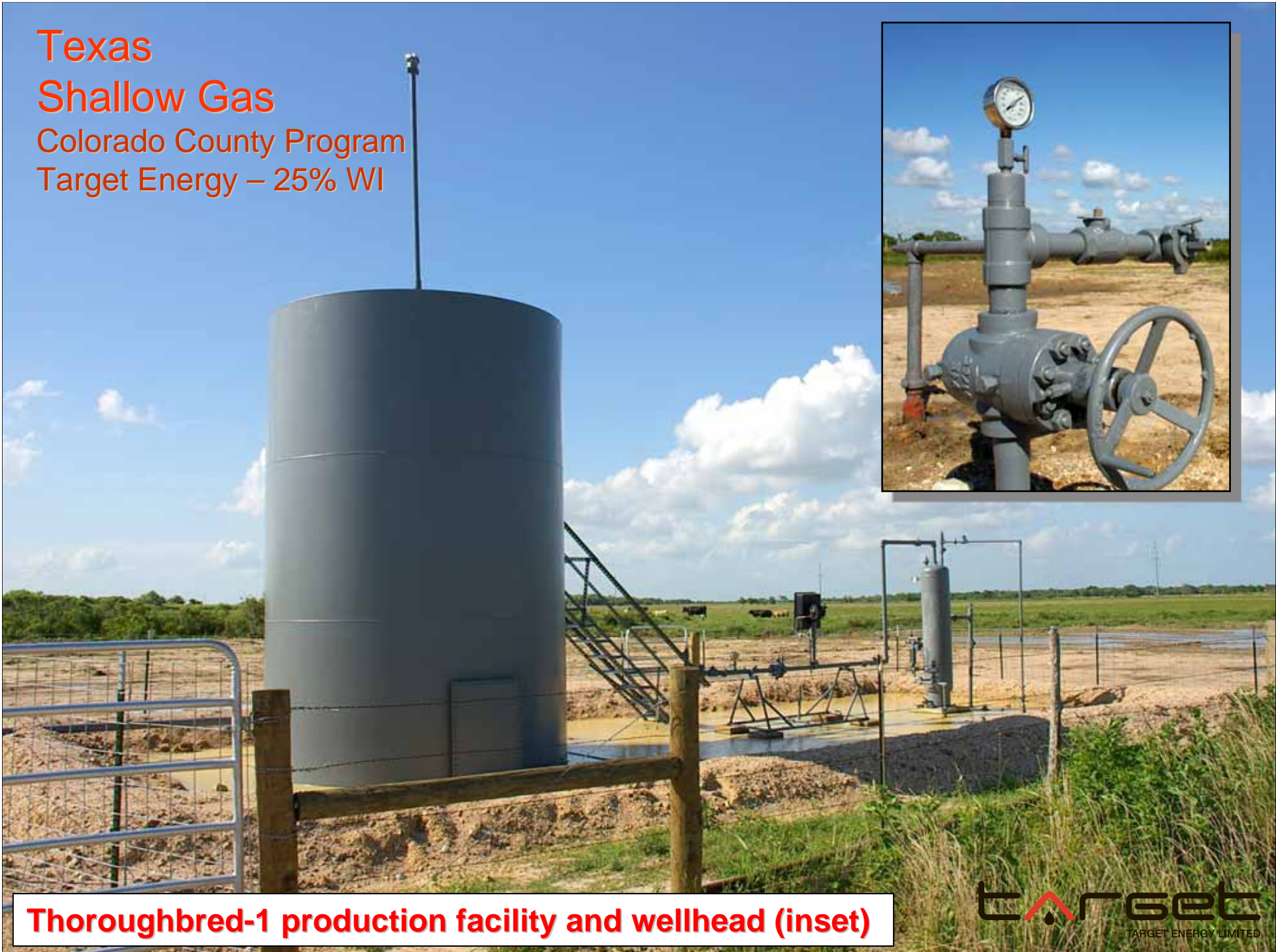
Thoroughbred-1 (.75 Bcf potl. recov.)
Drilled 3/07 – discovery. Commenced
production on 5 June.

Garwood Prospect (1.25 Bcf potl. recov.)
Drilled 6/07 – discovery. Multiple pay
zones. Commenced production on 20
September.



Thoroughbred, Garwood
discoveries

Texas
Shallow Gas
Colorado County Program
Target Energy – 25% WI



Thoroughbred-1 production facility and wellhead (inset)

Texas

Shallow Gas

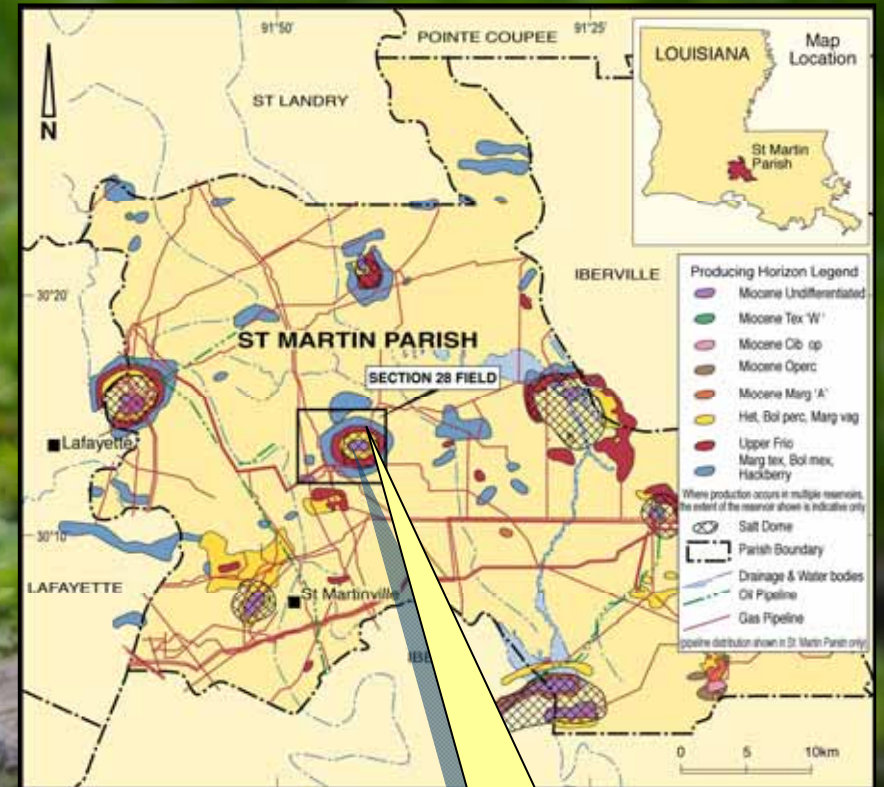
Colorado County Program

Target Energy – 25% WI



Running wireline logs – Garwood-1 discovery, June 07

Louisiana
Gas and oil/condensate
“Section 28” Program
Target’s Working Interest 10 - 25%



Snapper A-1
Discovery

“Locals” in swamp near Snapper Location

Louisiana

Gas and oil/condensate

“Section 28” Program

Target’s Working Interest 10 - 25%



Snapper A-1 well head and tank battery

Louisiana

Gas and oil/condensate

“Section 28” Program

Target’s Working Interest 10 - 25%

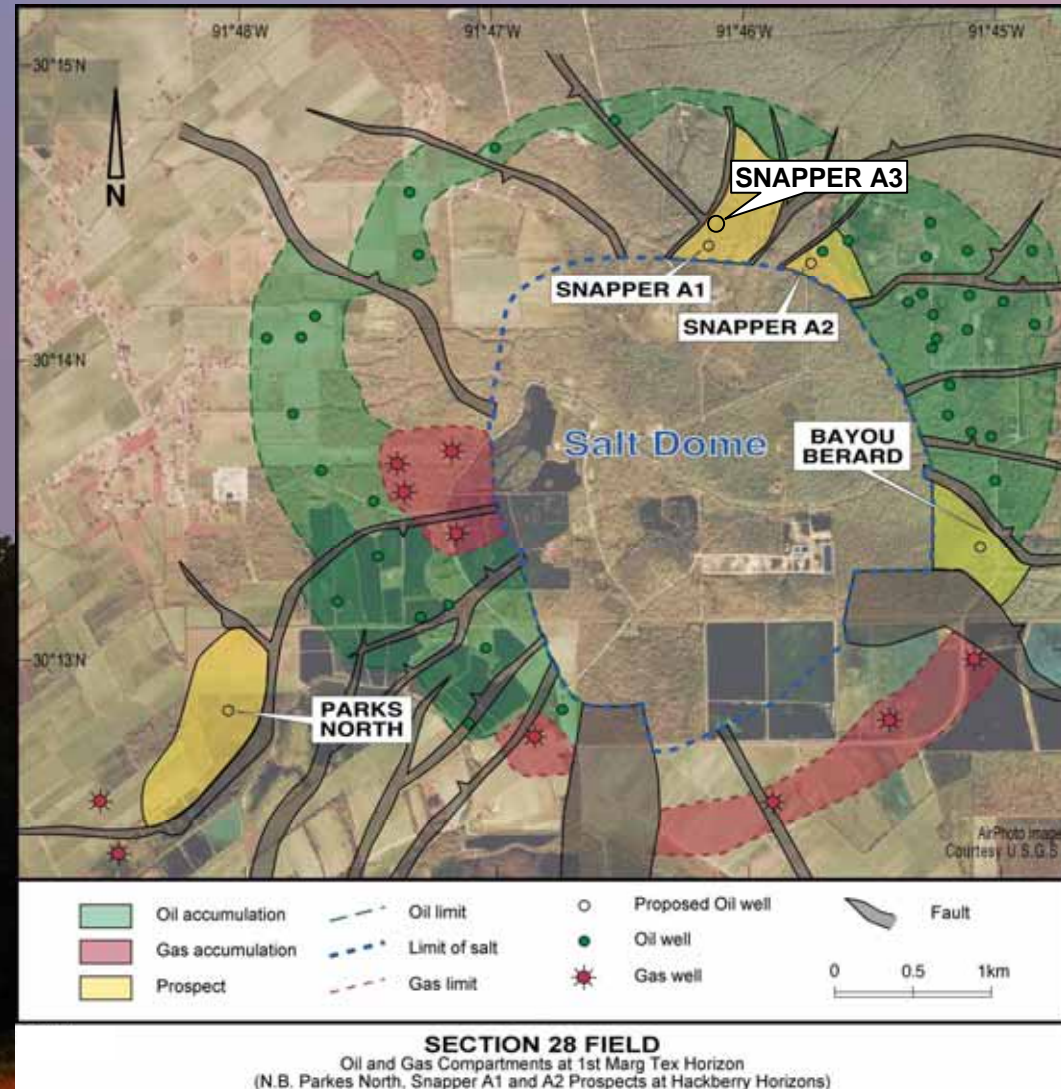


Gas flaring at Snapper A-1

Louisiana
Gas and oil/condensate
"Section 28" Program
Target's Working Interest 10 - 25%

Four more wells
scheduled in 2007

Snapper A-2 expected to
spud on Oct 13



Louisiana

Gas and oil/condensate

“Evangeline” Program

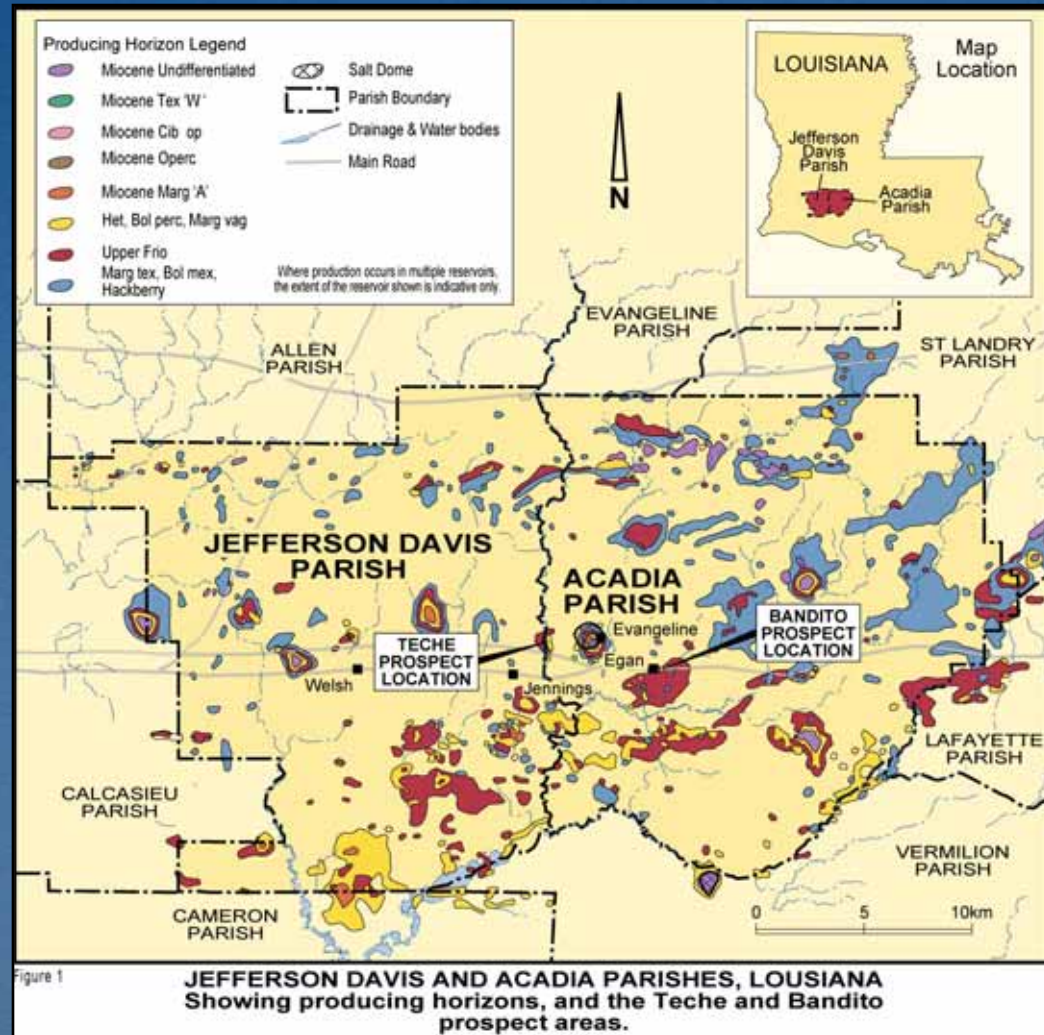
Target Energy – 10% & 15% WI

Potential recoverable volumes:

Teche Prospect
11.3 Bcfe (P50) - 22.4 Bcfe (P10)

Bandito Prospect
20.3 Bcfe (P50) – 42.3 Bcfe (P10)

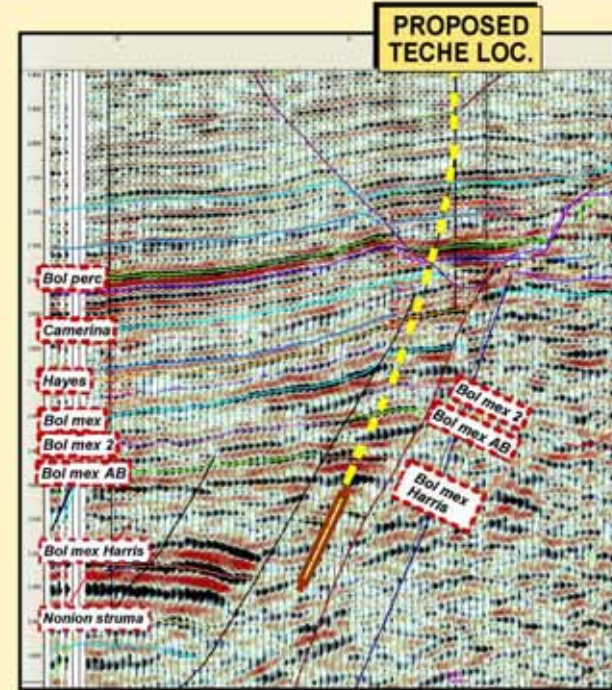
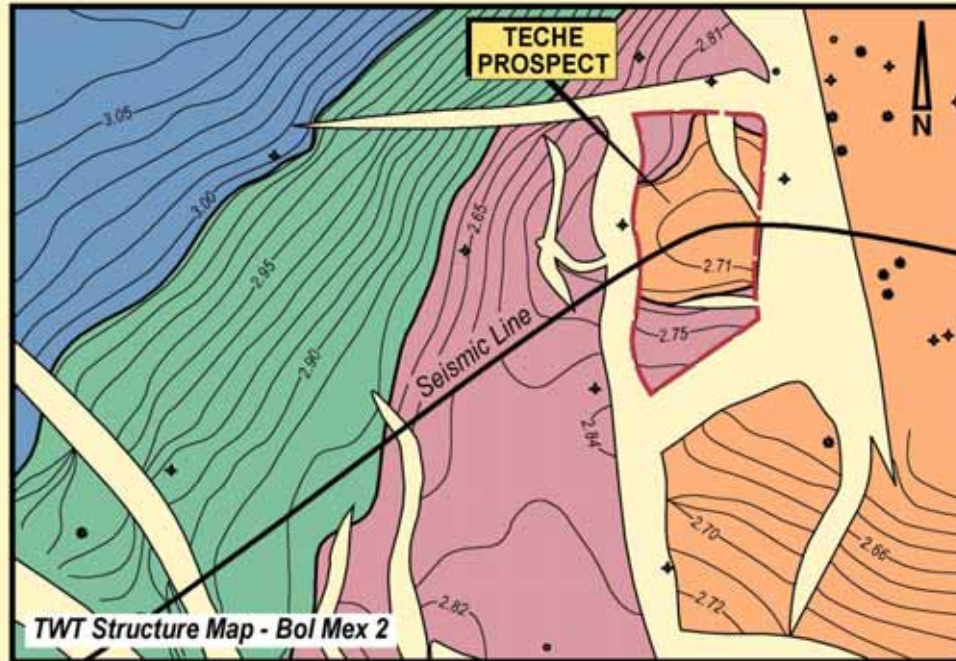
Prospects developed by Aspect Energy on a 1,424 km² recently reprocessed and merged 3D seismic data set consisting of ten separate proprietary and speculative surveys.



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).

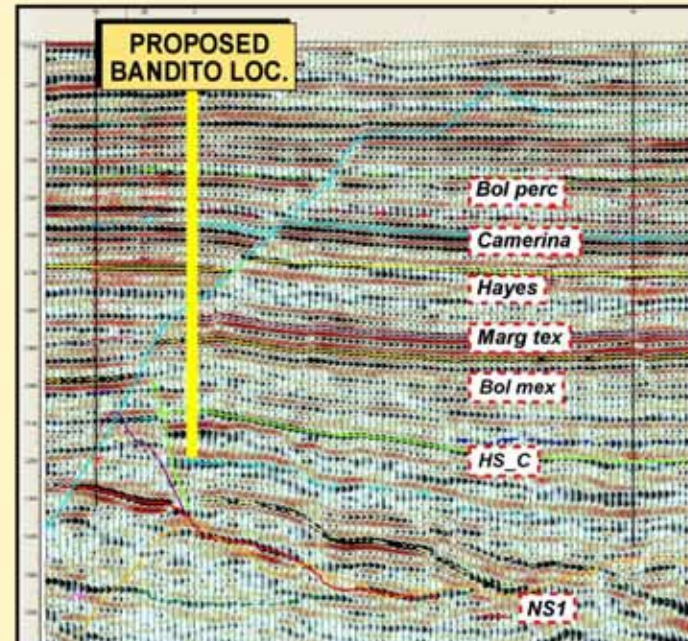
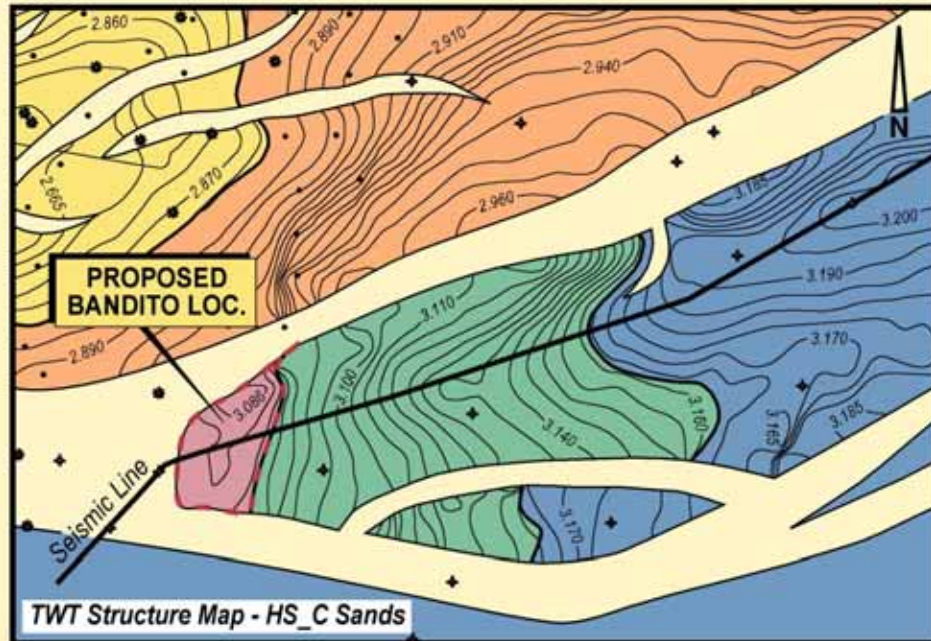
Louisiana Gas and oil/condensate



**Onshore Louisiana
"Evangeline" Program
Operator: Aspect Energy, LLC**

**Teche Prospect
Target Energy - 10% WI
11.3 Bcfe (P50) - 22.4 Bcfe (P10)**

Louisiana Gas and oil/condensate



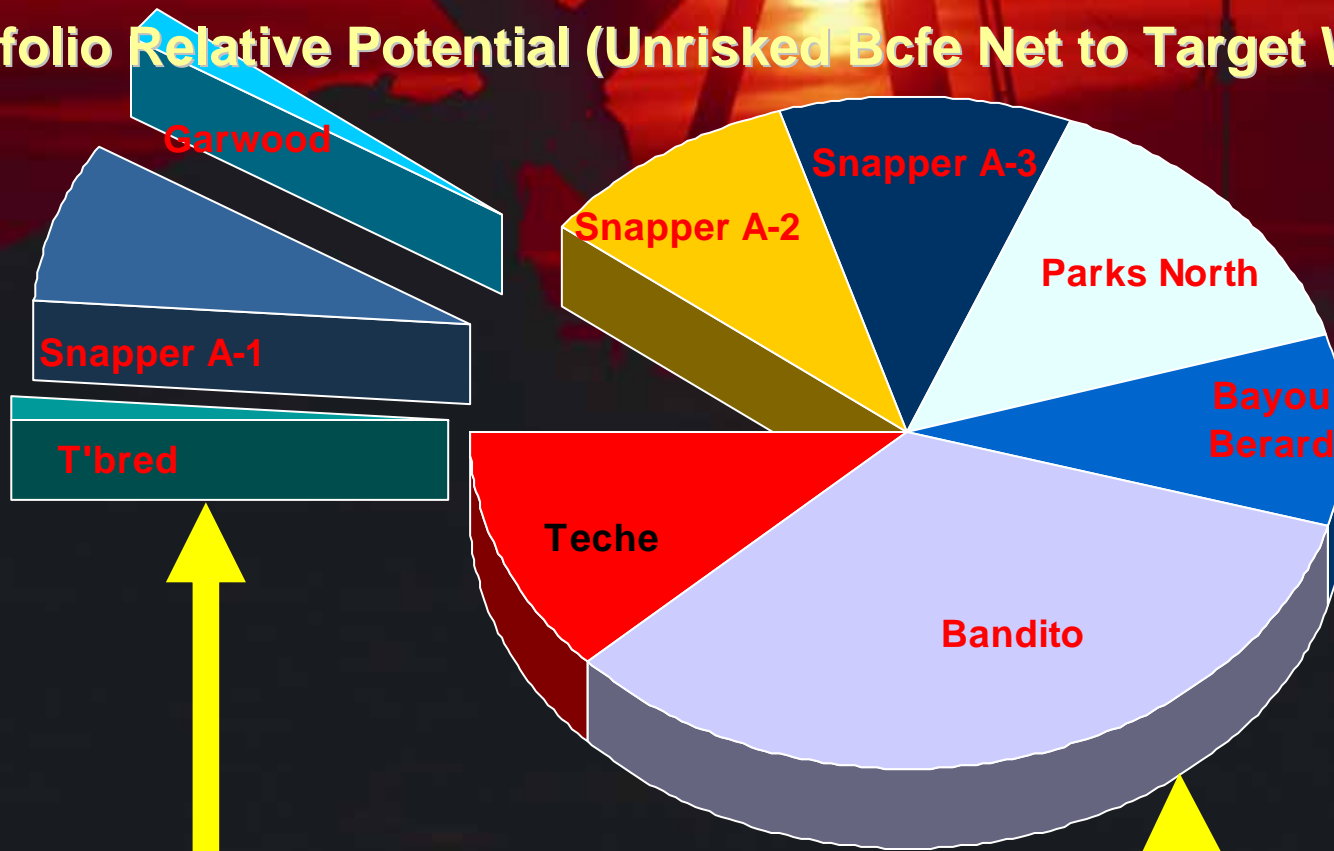
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**Onshore Louisiana
"Evangeline" Program
Operator: Aspect Energy, LLC**

**Bandito Prospect
Target Energy - 15% WI
20.3 Bcfe (P50) - 42.3 Bcfe (P10)**



Portfolio Relative Potential (Unrisked Bcfe Net to Target WI)

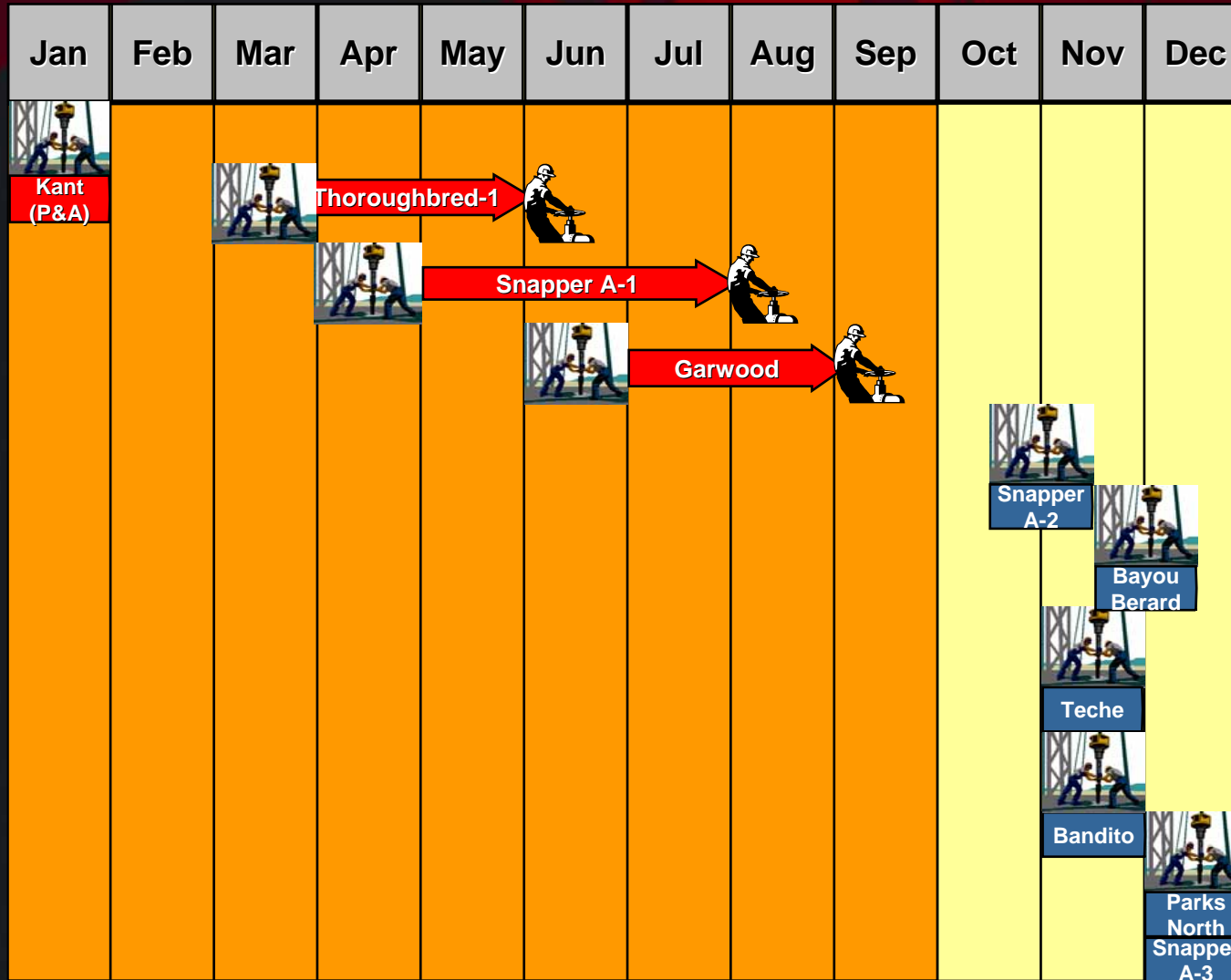


Producing Assets
Thoroughbred, Garwood, Snapper A-1

Balance of Portfolio
(to be drilled 2007)


Cash backing (A\$5.2 million on 31/8)	=	7.6 cents/share
Estimated asset backing (Thoroughbred, Snapper A-1, Garwood)	=	<u>14.0 cents/share</u> 21.6 cents/share
Value of balance of portfolio	=	?

Target Energy - 2007 Activity



We are delivering...

- ✓ **Success and Activity**
- ✓ **Results for Shareholders**
- ✓ **Fully funded drilling campaigns in both Texas and Louisiana**
- ✓ **4 wells drilled within seven months of listing**
- ✓ **3 out of the 4 wells were discoveries**
- ✓ **All 3 discoveries 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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