TARGET ENERGY LIMITED

Gold Coast Resources Showcase - June 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 31/4 was approx A$6.6 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

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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 delivery early cash flow
- Potential 100% reserves: 3.6 million barrels oil, 341 billion cubic feet gas equivalent

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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

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What we do…

Oil and Gas Exploration & Production

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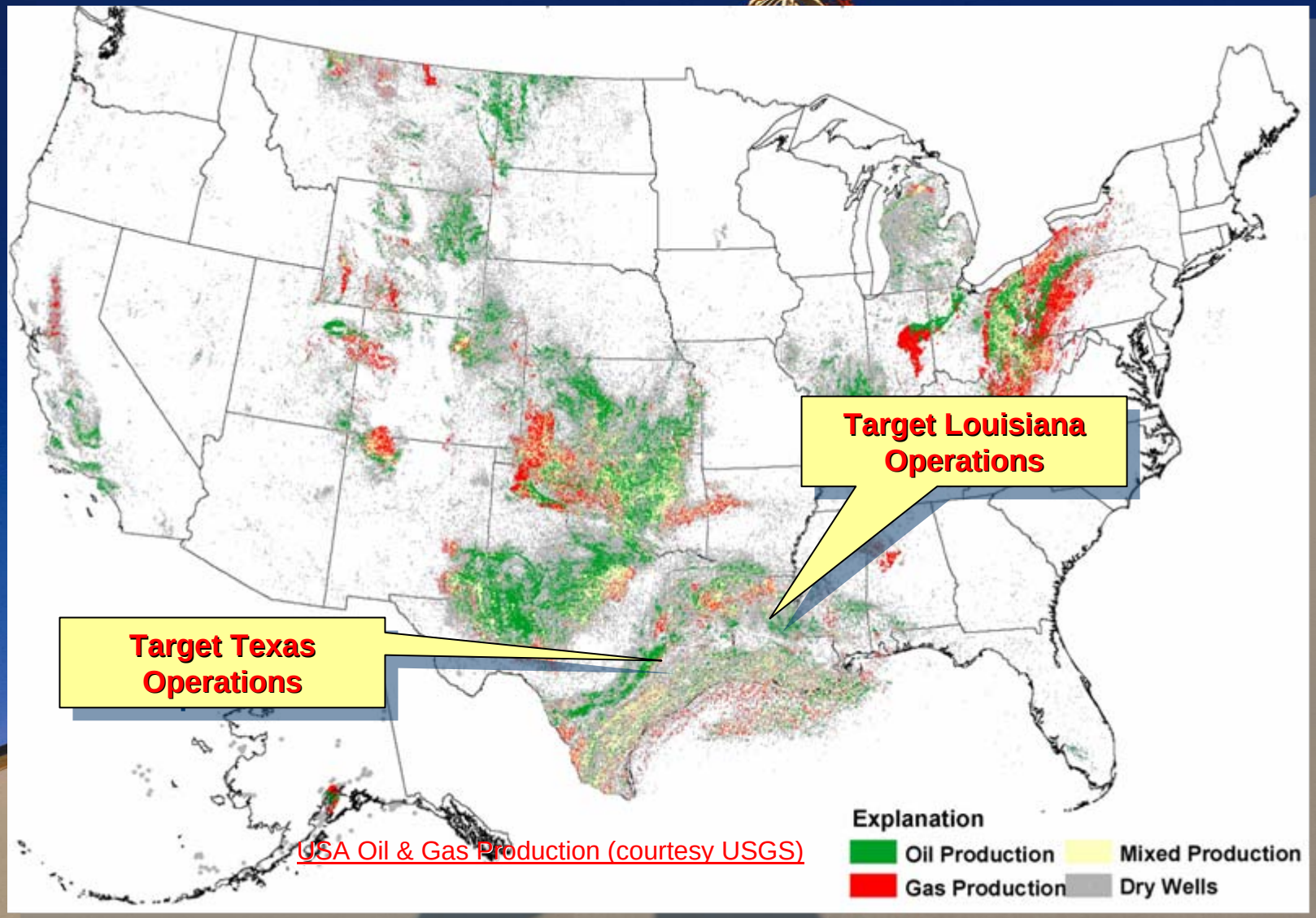
We drill in active, prospective regions



USA Oil & Gas Production (courtesy USGS)

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…with an active (and successful) drilling schedule

Estimated Timing	Prospect	Location	Target Working Interest^	
Dec 06	Kant	Texas	25%	Sub-commercial gas shows
Mar 07	Thoroughbred	Texas	25%	Discovery – now on production
Apr 07	Snapper A-1	Louisiana	25%	Discovery
June 2007	Garwood	Texas	25%	Discovery
Q3 2007	Snapper A-2	Louisiana	25%	
Q3 2007	Bayou Berard	Louisiana	15%	
Q3 2007	Parks North	Louisiana	10%	
Q3 2007	Berwyn	Louisiana	10%	

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

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

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Portfolio

Prospect	Potential Recoverable Reserves (Unrisked)	Potential Net Target Value A$ cents per share	Potential Recoverable Reserves (Risked)	Potential Net Target Value A$ cents per share
✓Discovery Thoroughbred	1.3 Bcf	2	0.6 Bcf	1
✓Discovery Snapper A1	0.61 mmBO 2.25 Bcf	11	0.61 mmBO 2.25 Bcf	11
✓Discovery Garwood	3 Bcf	4	1 Bcf	2
Snapper A2	1 mmBO 1.45 Bcf	15	0.77 mmBO 1.1 Bcf	12
Bayou Berard	1.8 mmBO 0.72 Bcf	15	0.9 mmBO 0.4 Bcf	7
Parks North	25.7 Bcf 0.15 mmBO	47	16.5 Bcf 0.10 mmBO	47
Berwyn	305 Bcfe	163	115 Bcfe	62
Total A$ per share		*$2.57*		*$1.42*

17 cps

14 cps

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

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 reserves.
All figures are best estimates only and may vary.

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"Company-maker" Program

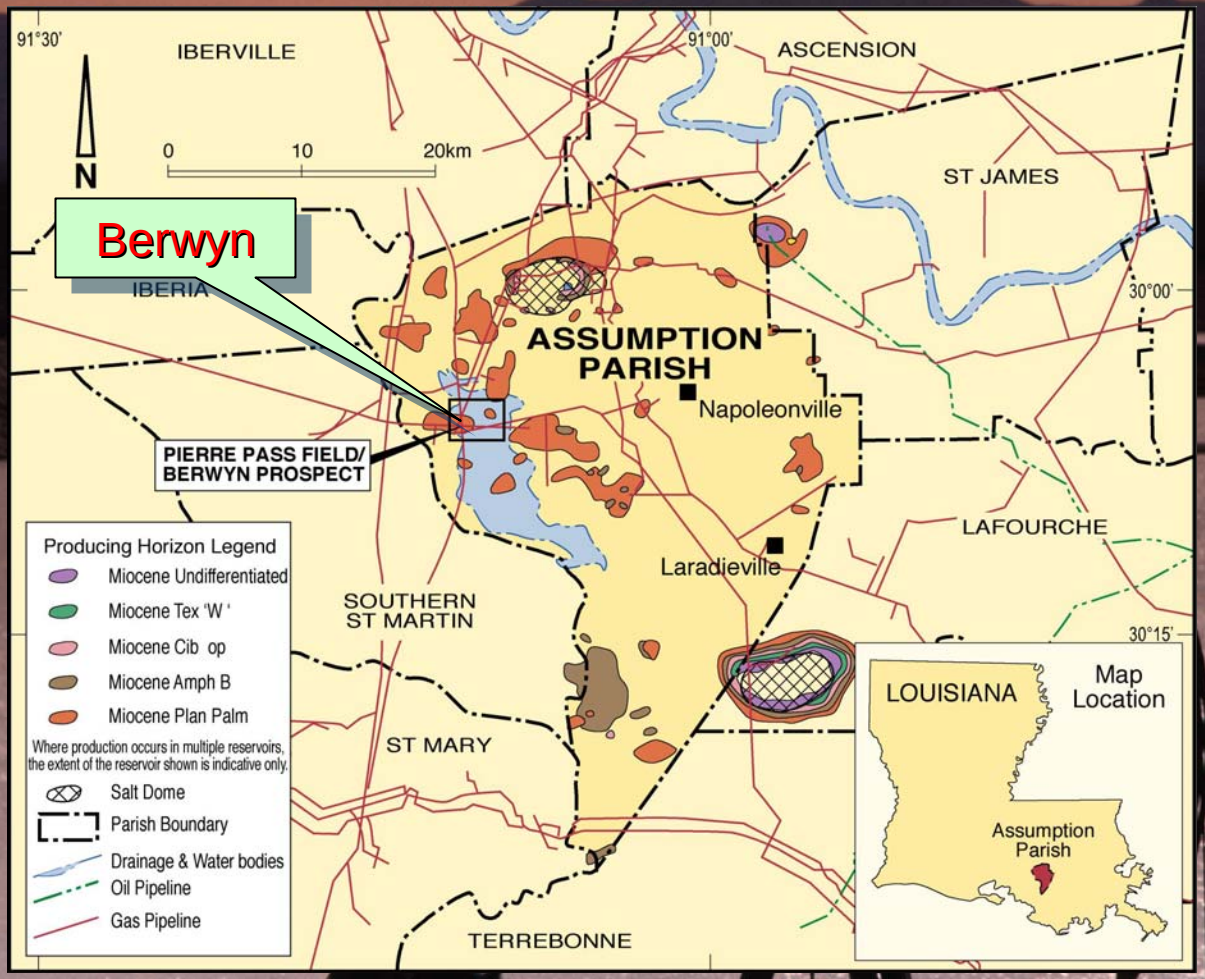
Deep Gas & Condensate
Inland waters, Louisiana

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).

Discovery can be brought onstream as early as 60 days from completion.



Pogo Producing Company is a US$2.7 billion company listed on the New York Stock Exchange.

Pogo explores for, develops and produces oil and natural gas. It has extensive acreage in major oil and gas provinces in North America, with interests in New Zealand and in Vietnam.

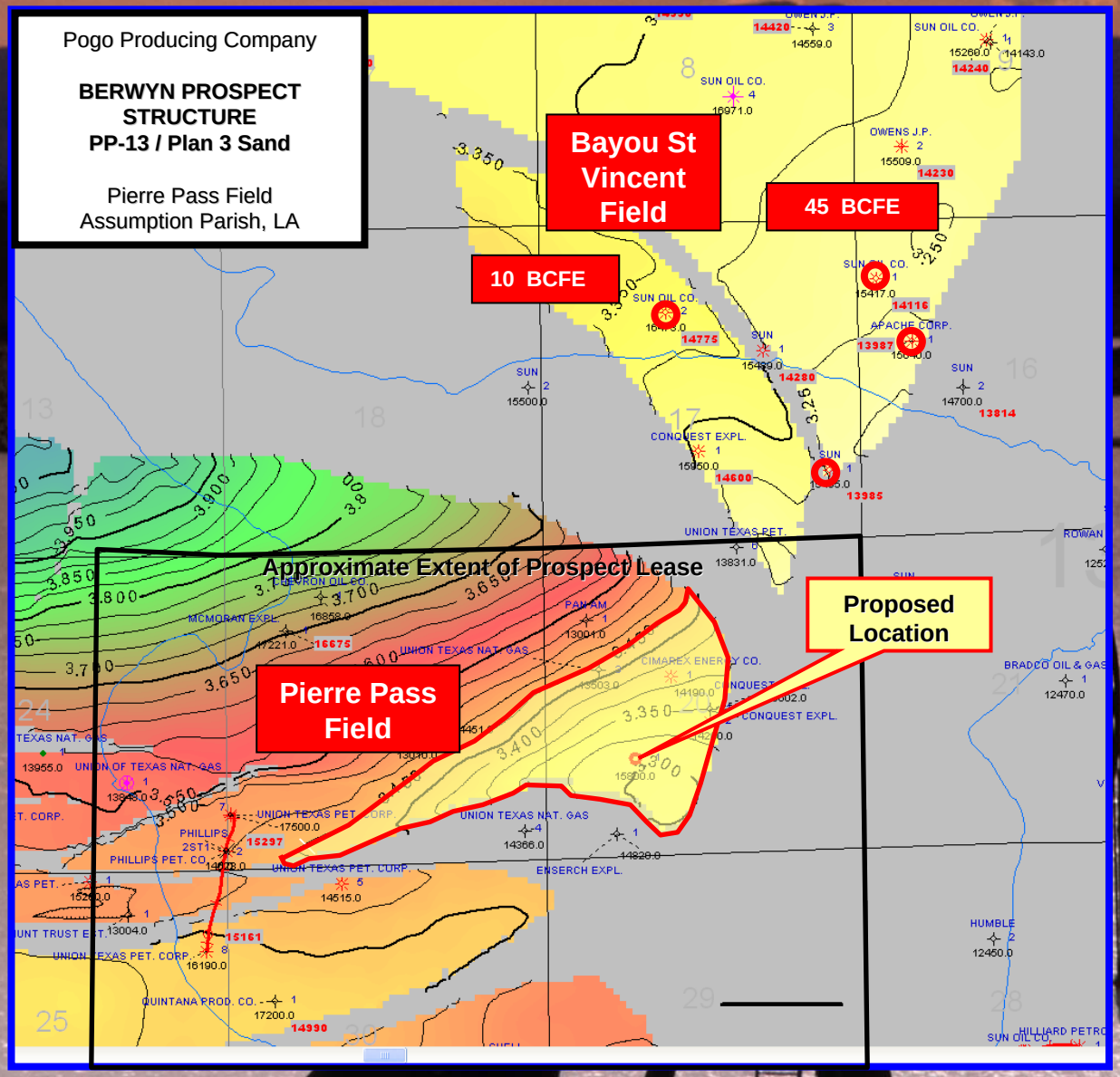
"Company-maker" Program

Deep Gas & Condensate Inland waters, Louisiana

Berwyn Prospect

PP-13 objective sand has produced 55 Bcfe at Bayou St. Vincent Field, approx 2 km to the north.

All objective sands (PP-13 through PP-20) produced 115 Bcfe at Bayou St. Vincent.



Berwyn Prospect – PP13 Structure Map (TWT)

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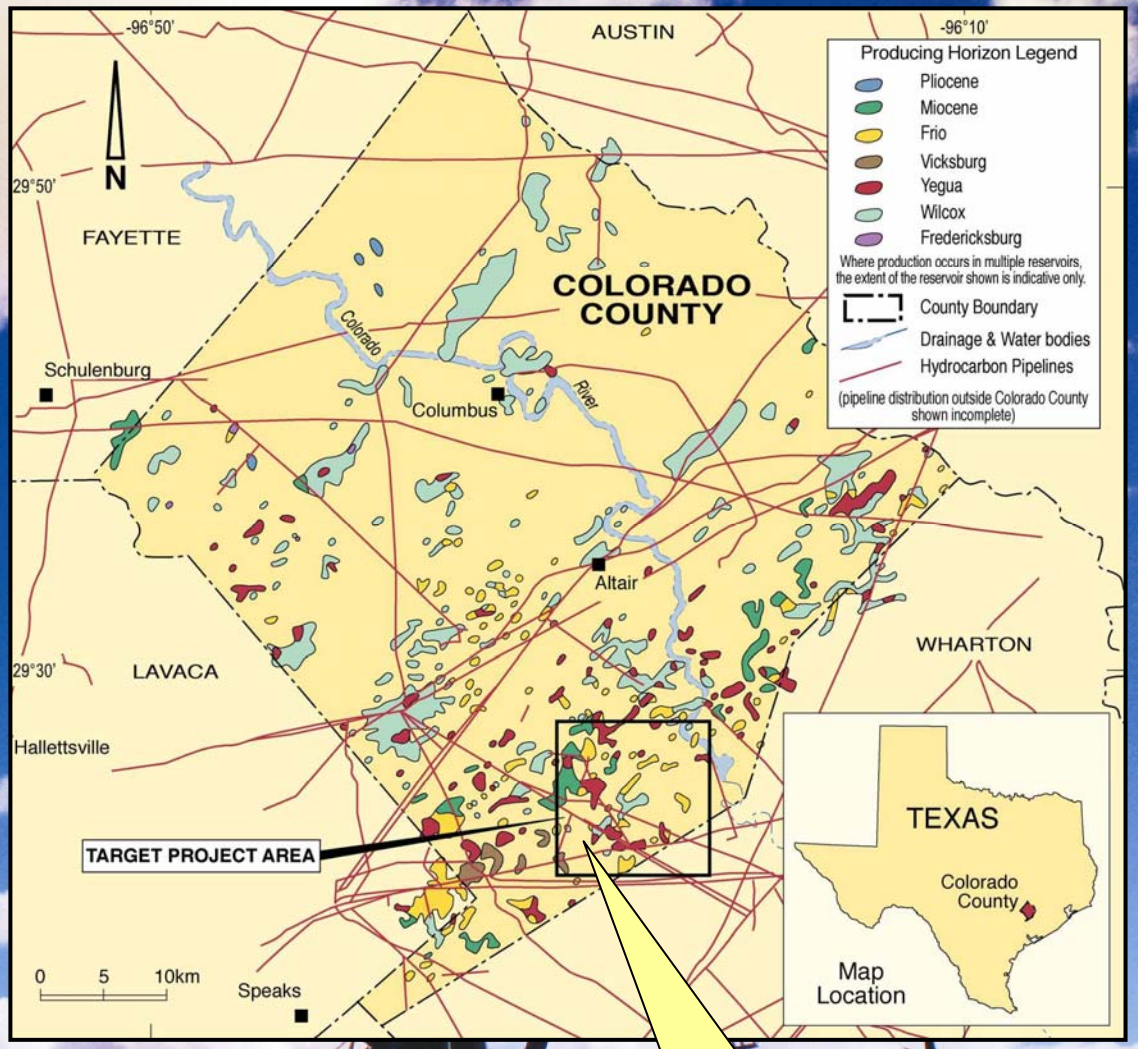
Low Risk Drilling

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

- Wells <1,500 metres depth
- Prospects identified on 3D seismic
- Low cost, low risk



Thoroughbred Discovery

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Low Risk Drilling

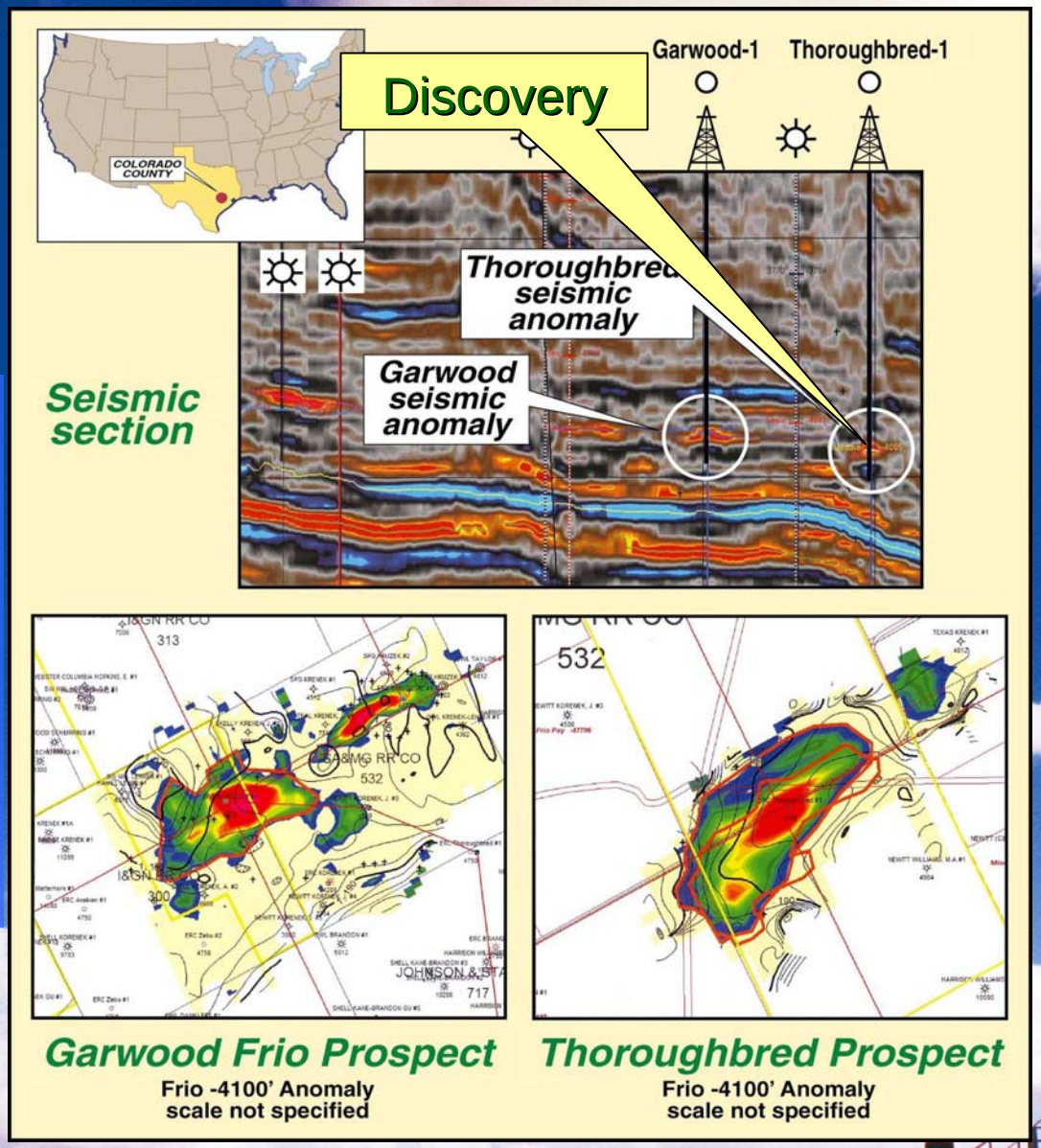
Shallow Gas - Onshore Texas
Colorado County Program

Thoroughbred-1 (1.3 Bcf)

Drilled March 2007 – discovery. Flow tested up to 450 mcfgd. Commenced production on 5 June at 350 mcfgd.

Garwood Prospect (3 Bcf)

Commenced drilling 3 June - discovery.



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Low Risk Drilling

Shallow Gas - Onshore Texas
Colorado County Program

Everest Resources
Drilling Rig

Colorado County, Feb 07

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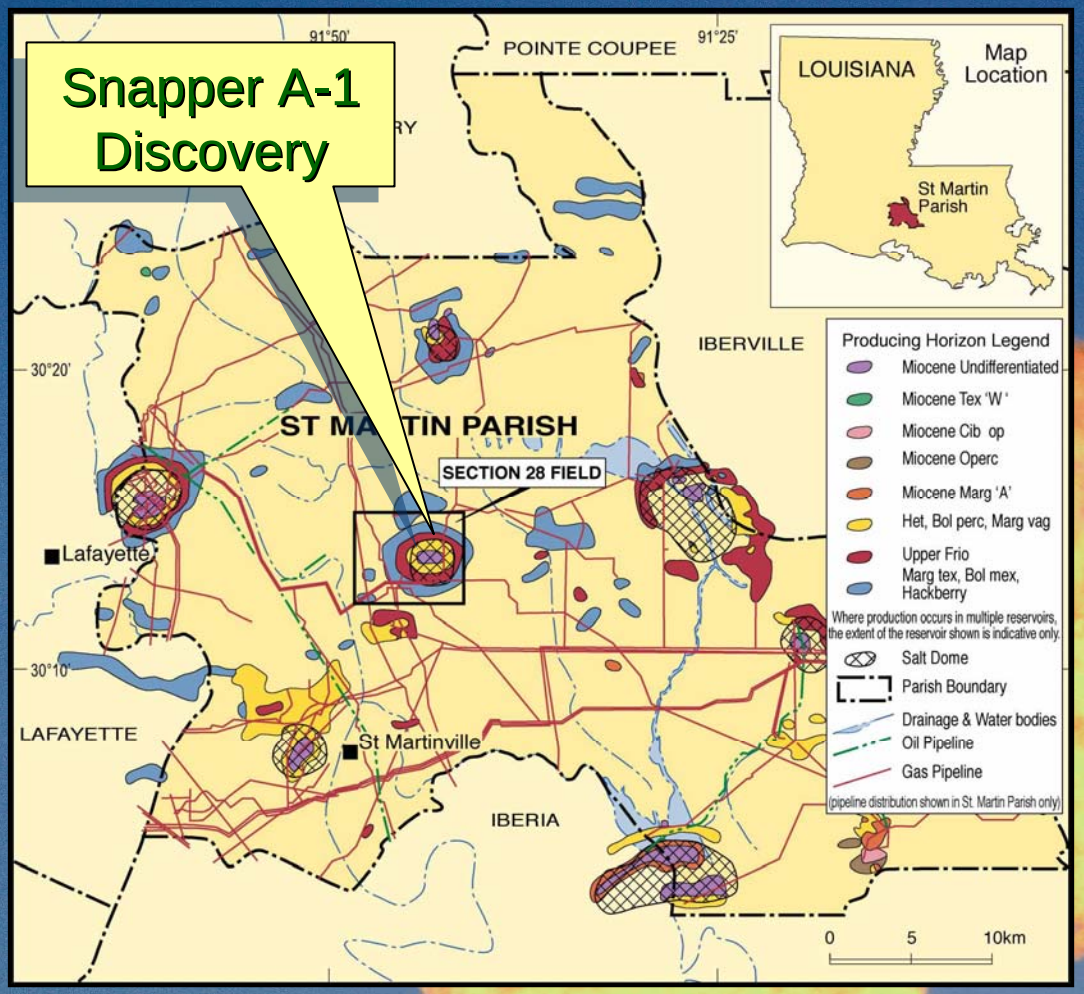
Low-Med Risk Drilling

Gas and oil/condensate Onshore Louisiana

"Section 28" Program
Operator: Cypress Productions
Target's Working Interest 10 - 25%

- Section 28 Field - salt dome with 3D seismic coverage.
- Cypress have drilled 11 wells at this field - 8 oil producers and 3 dry holes.
- We will participate in drilling four wells here.
- First well, Snapper A-1, already drilled – discovery
- Remaining three wells to be drilled in third quarter
- Wells can be onstream in 2 to 4 months after completion



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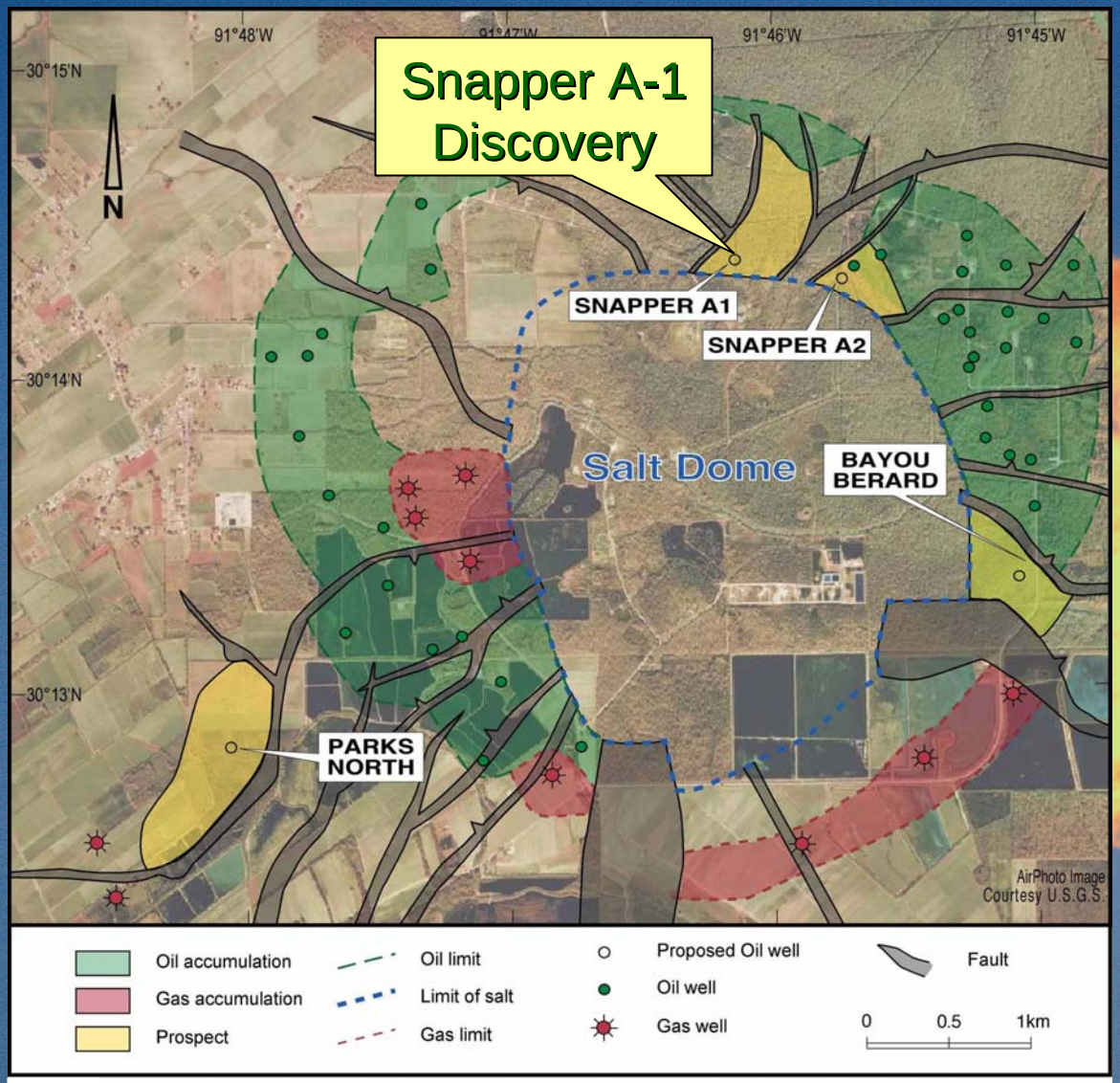
Low-Med Risk Drilling

Gas and oil/condensate
Onshore Louisiana

"Section 28" Program



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

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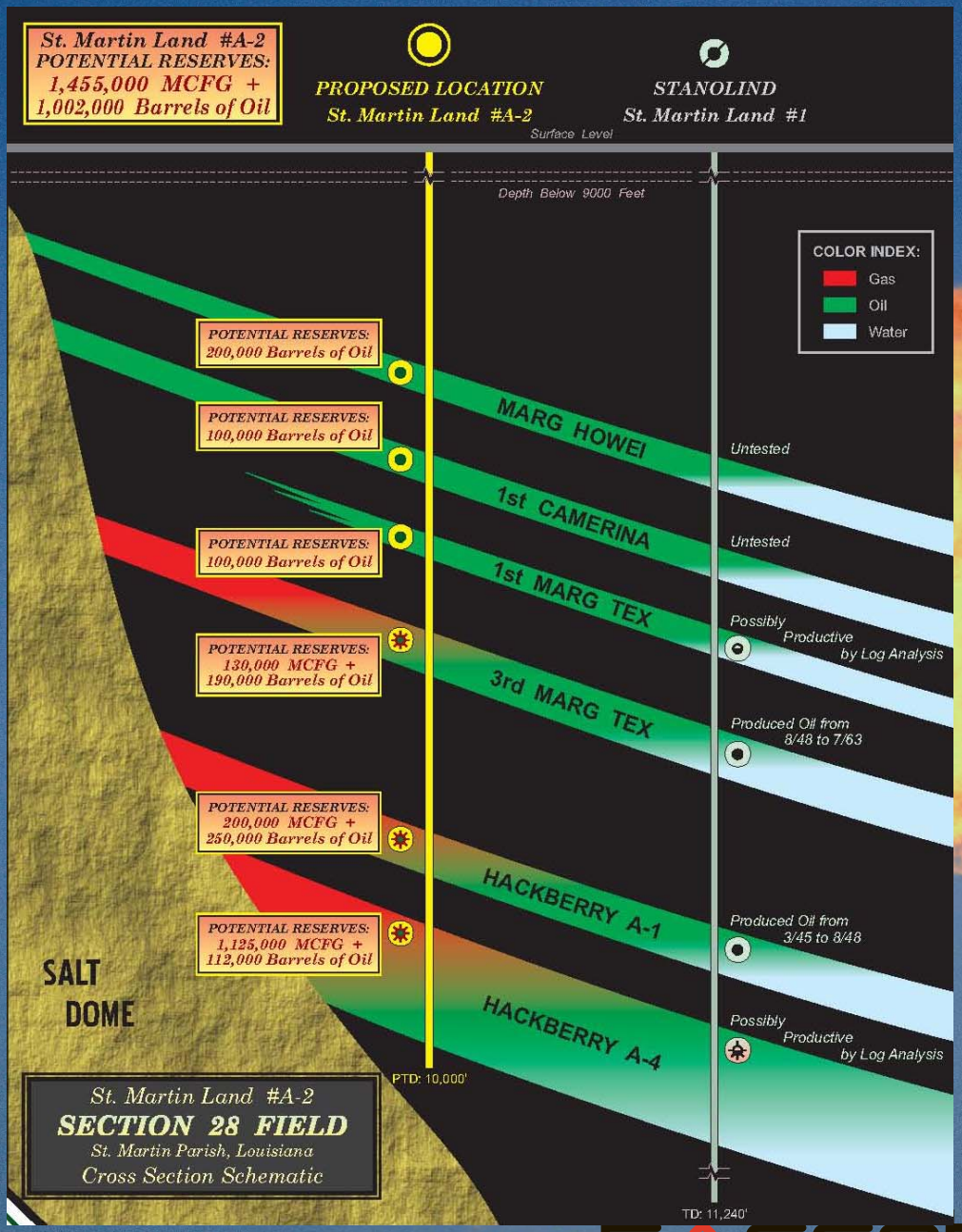
Low-Med Risk Drilling

Gas and oil/condensate
Onshore Louisiana

"Section 28" Program

Prospect schematic (Snapper A-2)



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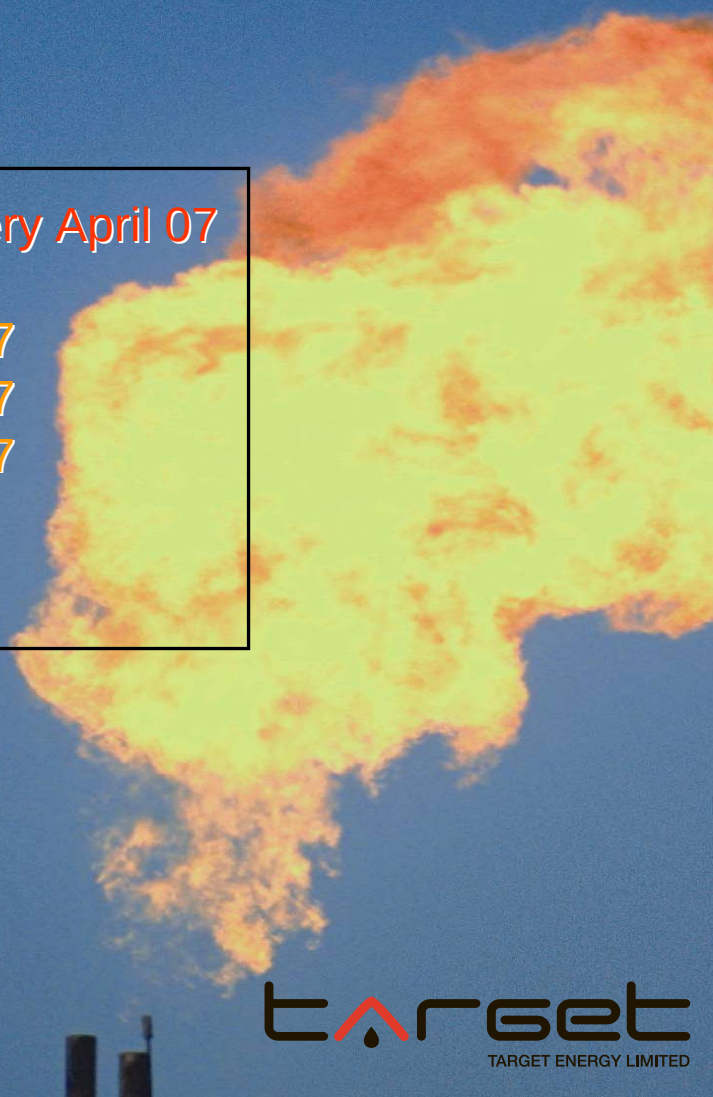
Low-Med Risk Drilling

Gas and oil/condensate
Onshore Louisiana

"Section 28" Program

Drilling Program – Risked Reserves

Snapper A-1	0.6 mmBO + 2.3 Bcf gas	- Discovery April 07
Snapper A-2	0.8 mmBO+ 1.1 Bcf gas	- Q3 2007
Parks North	0.1 mmBO+ 16.5 Bcf gas	- Q3 2007
Bayou Berard	0.9 mmBO+ 0.4 Bcf gas	- Q3 2007
Total	2.4 MMBO+ 20.3 Bcf (risked)	



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Section 28 Dome – Cypress' production facilities

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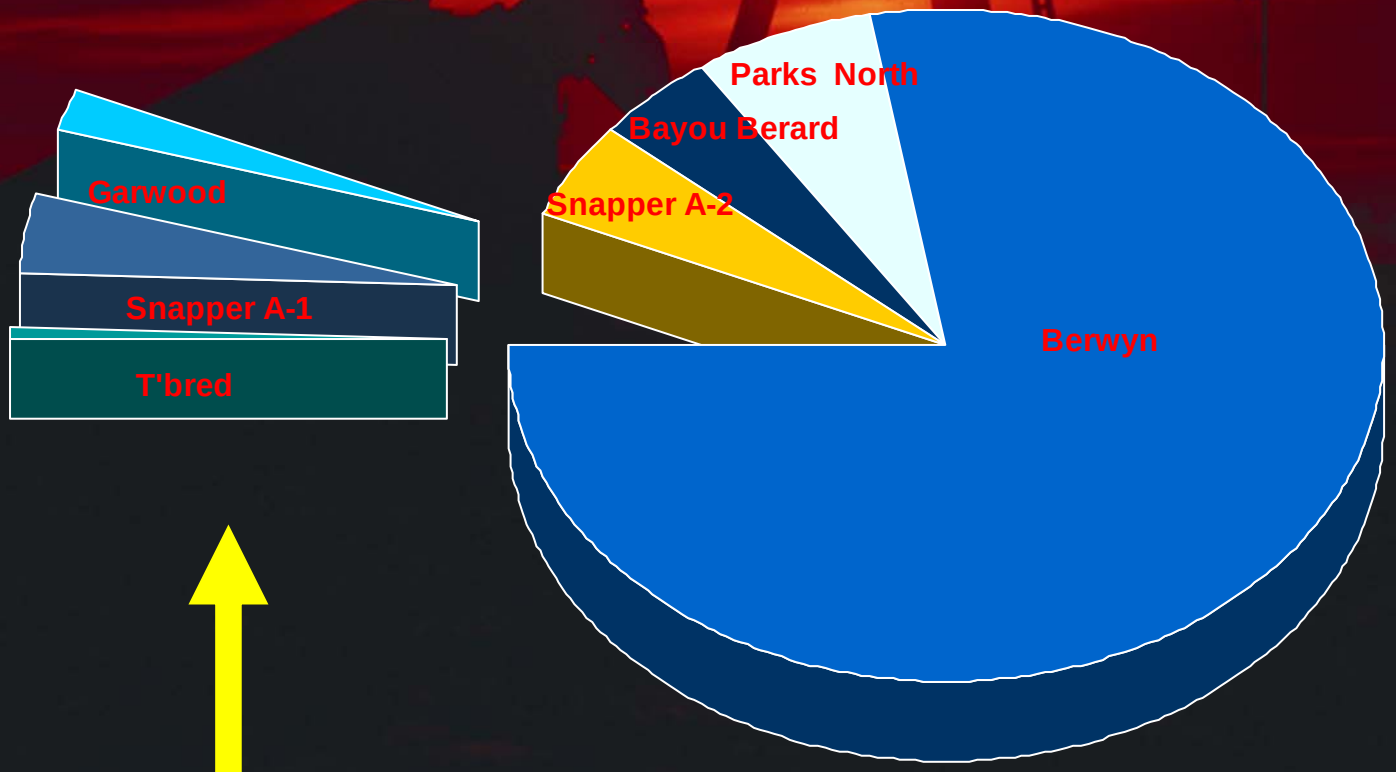
Portfolio Relative Reserves (Unrisked Bcfe Net to Target WI)



Thoroughbred, Garwood, Snapper A-1 (Drilled)

Balance of Portfolio (to be drilled 2007)

Cash backing		
(A$6.6 million on 31/4)	=	9.8 cents/share
Asset backing		
(Thoroughbred & Snapper A-1)	=	14.0 cents/share
		23.8 cents/share
Value of balance of portfolio	=	?

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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
- ✓ 4 more wells planned to be drilled in next two quarters
- ✓ Remaining wells to test an aggregate 332 Bcfe + 3 mmBO
- ✓ Company aggressively pursuing new opportunities

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