

## ASX ANNOUNCEMENT



5 June 2008

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

Dear Sir

### **FULLY UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE**

Target Energy Limited ("Target Energy" or the "Company") is pleased to announce a renounceable rights issue ("Rights Issue") to raise approximately \$3.4 million before costs. The Rights Issue offers one new share and one free attaching option for every three shares held at an application price of 13 cents per share. The free attaching options have an exercise price of 25 cents each and expire on 26 November 2009. The Company will apply for the quotation of new shares and new options on the ASX.

The Rights Issue is fully underwritten by Patersons Securities Limited and Target Energy has incorporated a top up facility whereby eligible shareholders may apply for additional shares and options in excess of their entitlement at the issue price. Additional shares and options will only be available to the extent that other eligible shareholders do not take up their entitlements.

The funds raised will be used to continue the Company's drilling program. We have enjoyed success in our drilling program to date and established production and cash flow. We have an ongoing and active drilling program planned for Louisiana with two exploration wells drilling in June and a further three wells scheduled to be drilled later this year, including the 200 Bcf and 10 mmBO potential Catapult prospect expected to spud in late July.

The Prospectus relating to this Rights Issue has been lodged with ASIC and ASX on Thursday, 5 June 2008 and will be available after lodgement on the ASX website [www.asx.com.au](http://www.asx.com.au) and also on the Company's website [www.targetenergy.com.au](http://www.targetenergy.com.au).

Should you have any questions in relation to the above matters, please contact the undersigned on telephone (08) 9476 9000.

For and on behalf of  
TARGET ENERGY LIMITED

**Laurence Roe**  
**Managing Director**