

ASX ANNOUNCEMENT



16 October 2009

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

RIGHTS ISSUE REMINDER

Dear Shareholder,

Target Energy Limited's ("Target") (ASX CODE: TEX) rights issue closes at 5pm WST on Monday, 19 October 2009.

The one for one free attaching option is now listed under the ASX code TEXOB and last traded at 1 cent (closing price on 16 October 2009).

As per the announcement issued by the Company on 13 October 2009, Target has agreed to purchase additional interest in its East Chalkley oil field, thereby increasing its net reserves and resources to 1.237 mmBOE.

As advised to the market today, the Company expects to commence drilling at the exciting Highway 71 prospect - which will target up to 67.5 Billion cubic feet of gas and 1.1 million barrels of condensate/light oil - in about 10 days time, on or about 26 October. Target will earn a 25% working interest in this prospect.

We strongly encourage you to participate in the rights issue and share in the company's future.

Shareholders can apply for entitlement and additional shares via BPay (using the biller code and reference on their personal entitlement form). If paying via BPay, you are not required to mail the entitlement form. Please note that BPay must be submitted by 5pm WST on Monday, 19 October 2009.

For and on behalf of
TARGET ENERGY LIMITED

A handwritten signature in dark ink, appearing to read "Laurence Roe".

Laurence Roe
Managing Director

NOTE: In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information in this report has been reviewed and signed off by Mr Laurence Roe, B Sc, Managing Director of Target Energy, who is a member of the Society of Exploration Geophysicists and has at least 5 years experience in the sector. He consents to that information in the form and context in which it appears.