



Excellence in Oil & Gas 2008

Target Energy Limited

**ASX Symbol: TEX
TEXO**

Board & Management

**Didier Murcia
Laurence Roe
Mike Martin
Paul Lloyd
Ron Krenzke**

**Chairman
Managing Director
Director
Director & Company Secretary
Manager – North America**

Corporate Structure

Shares on issue (TEX):	78,200,000
Options:	
Listed (TEXO) 25c; exp 11/09	44,200,000
Unlisted 20c; exp 06/11	6,000,000
Share Price (19 May):	18c
Market Cap (19 May):	\$14.1m

What we've done recently...

Listed on ASX	27 Nov 2006
First well drilled	29 Dec 2006
First discovery	Mar 2007
First production	June 2007

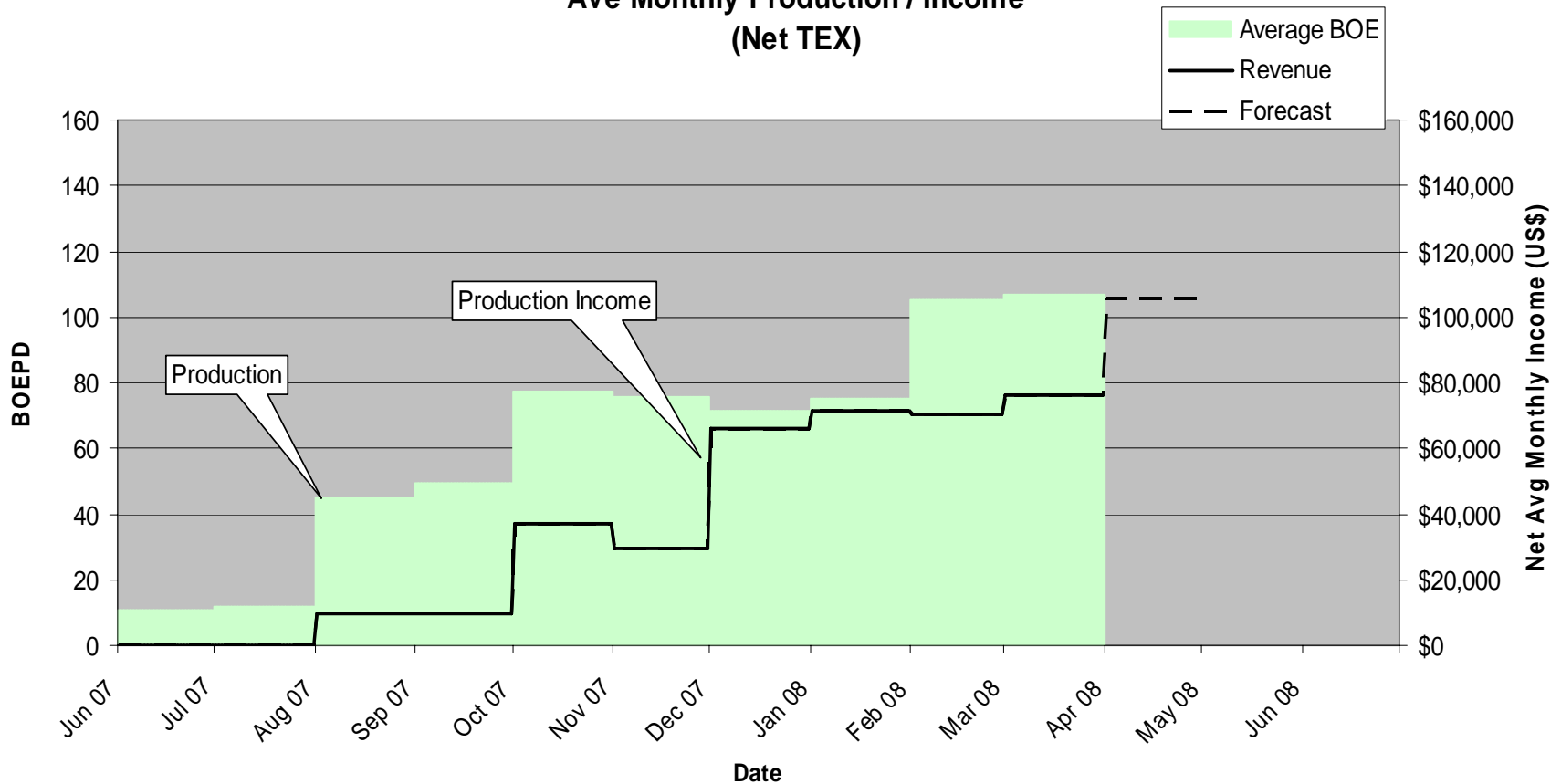
7 wells drilled – 5 producers

plus

**at least 4 more exploration wells in 2008
calendar**

Established Production & Income

Ave Monthly Production / Income
(Net TEX)



Active Drilling Schedule

Estimated Timing	Prospect	Location	Target Working Interest^	
Dec 06	Kant	Texas	25%	Sub-commercial gas shows
March 07	Thoroughbred	Texas	25%	On production
April 07	Snapper A-1	Louisiana	25%	On production
June 2007	Garwood	Texas	25%	On production
Oct 2007	Snapper A-2	Louisiana	25%	On production
Dec 2007	Bayou Berard	Louisiana	15%	On production
Mar 2008	Teche	Louisiana	10%	P & A
May 2008	East Chalkley	Louisiana	25%	
May 2008	Bandito	Louisiana	15%	
Q3 2008	Catapult 3	Louisiana	15%	
Q3 2008	Snapper A-3	Louisiana	25%	
Q3 2008	Parks North	Louisiana	10%	
TBA	Bayou Berard ST	Louisiana	15%	

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

SML (Snapper) A2 well head

Strong News Flow

Date		Corporate	Drilling	Production	Project Cash flow
	Nov	Listed 26/11			
	Dec	Raise \$10mm	Kant Spud		
2007	Jan		Kant P&A		
	Feb				
	Mar		Thoroughbred Spud & Discovery Snapper A-1 spud		
	Apr		Snapper A-1 Discovery		
	May			Thoroughbred flow tested	
	Jun		Garwood Spud; Garwood Discovery	Thoroughbred On-line	
	Jul			Snapper A-1 flow tested	
	Aug			Snapper A-1 On-line	Thoroughbred first cash
	Sep			Garwood On-line	
	Oct		Snapper A-2 spud		
	Nov		Teche Spud		Garwood first cash Snapper A1 first cash
	Dec	Raise \$2.5mm	Snapper A-2 Discovery Bayou Berard Spud		
2008	Jan			Snapper A-1 flow tested	
	Feb			Snapper A-2 On-line	
	Mar		Teche P&A	Bayou Berard flow tested	
	Apr				Snapper A2 first cash
	May		? Bandito Spud	Bayou Berard On-line	
	Q2		? East Chalkley Spud		
	Q3		? Catapult Spud		Bayou Berard first cash
	Q3		? Snapper A3 Spud ? Parks North Spud		

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	14	0.61 mmBO 2.25 Bcf	14
✓ Discovery Garwood	1.25 Bcf	2	1.25 Bcf	2
✓ Discovery Snapper A2	1 mmBO 1.4 Bcf	20	1 mmBO 1.4 Bcf	20
✓ Discovery Bayou Berard (Marg Vag)	0.1 mmBO 1.0 Bcf	2	0.1 mmBO 1.0 Bcf	2
East Chalkley	2.5 mmBO 1 Bcf	43	0.46 mmBO	8
Snapper A-3	0.7 mmBO 4 Bcf	19	0.6 mmBO 3.2 Bcf	15
Bandito	42.3 Bcf	40	20.3 Bcf	19
Catapult 3	10 mmBO 204 Bcf	304	2.5 mmBO 50 Bcf	75
Parks North	25.7 Bcf 0.15 mmBO	17	16.5 Bcf 0.10 mmBO	11
Bayou Berard (Marg Tex)	1 mmBO 0.44 Bcf	12	0.5 mmBO .25 Bcf	6
Total A\$ per share		\$4.74		\$1.73

39 cps

Assumptions: 78.2 million shares on issue. Oil netback is US\$70/barrel. Gas netback is US\$6/mcf. A\$/US\$ exchange rate is \$0.90c. Unrisked figures are operators upside estimates and represent total prospect or field potential – additional drilling may be required to fully recover volumes.

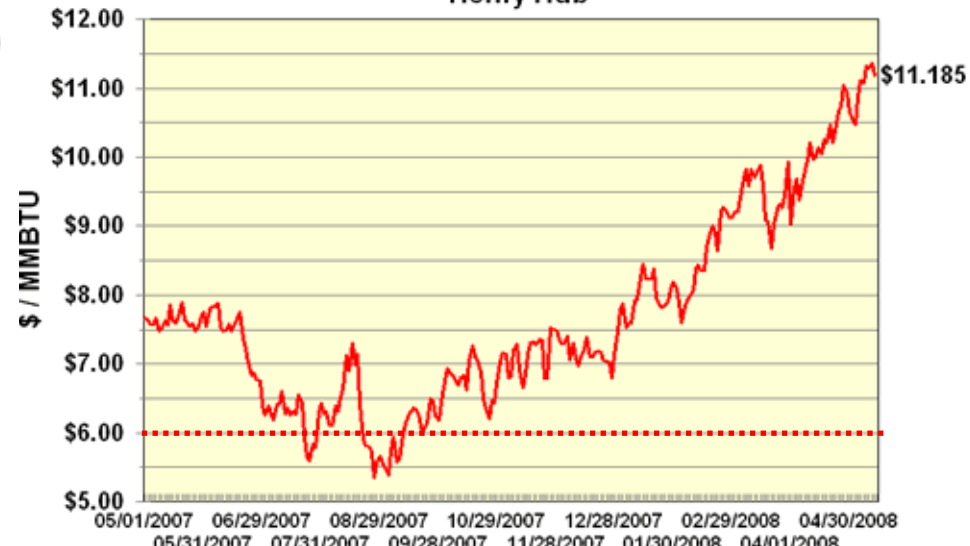
All figures are best estimates only and may vary.

Spanish Moss in swamp near Bayou Berard

...underpinned by strong commodity prices

Crude Oil Spot
WTI Cushing

Natural Gas Spot
Henry Hub



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..... Netback price used in TEX economics



Successful Drilling In Texas

Colorado County Program
Target Energy – 25% WI

Thoroughbred,
Garwood
production

Thoroughbred-1 (.75 Bcf potl. recov.)

Drilled 3/07 – discovery.

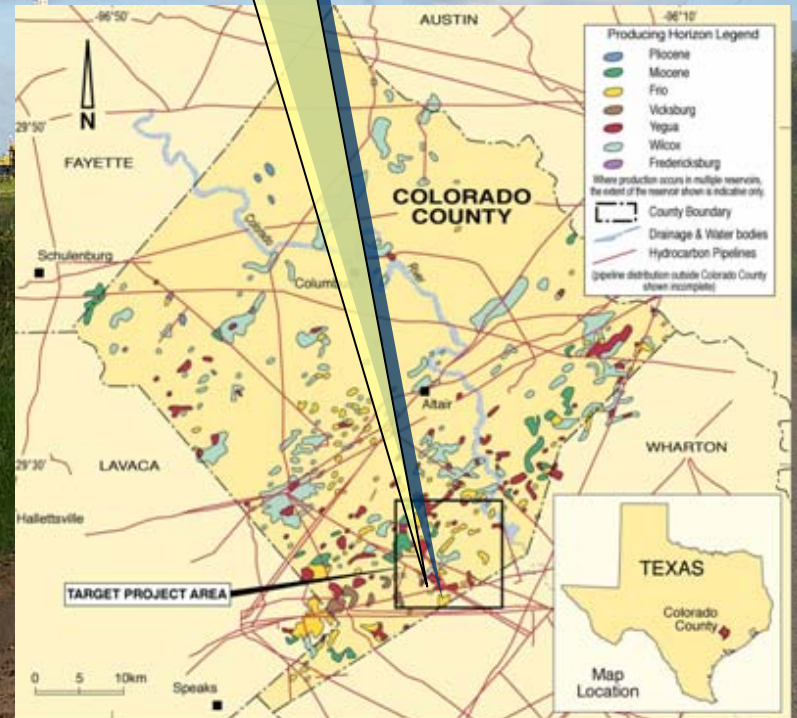
Commenced production in June 07.

Garwood Prospect (1.25 Bcf potl. recov.)

Drilled 6/07 – discovery. Multiple pay zones.

Commenced production in Sept 07.

Both wells currently shut-in for workover.



Successful Drilling In Louisiana

Section 28 Program
Target Energy – 15/25% WI

SML (Snapper) A1 (2.25 Bcf + 0.6MMBO potl. recov.)

Drilled 4/07 – discovery. Commenced production in 2 August, 2007.

SML (Snapper) A2 (1.45 Bcf + 1.0MMBO potl. recov.)

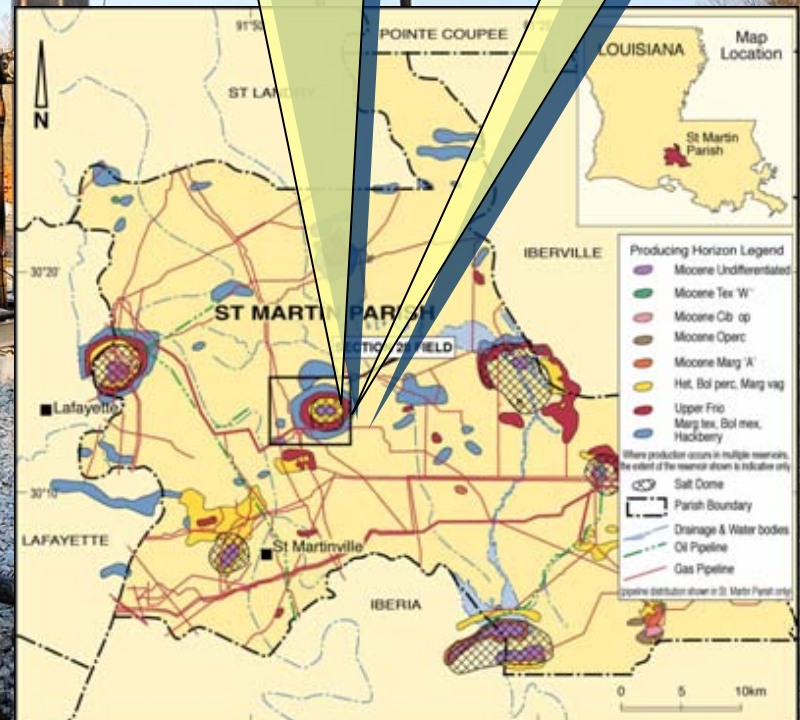
Drilled 11/07 – discovery. Commenced production 10 February, 2008.

Beyt #1 (Bayou Berard) (1 Bcf + condensate potl. recov.)

Drilled 1/08 – Marg Vag discovery. Commenced production 2 May, 2008.

Snapper A-1 production.
Snapper A-2 production.

Bayou Berard
Marg Vag
discovery.



Upcoming Drilling



Exploration Gas and oil/condensate Louisiana

“Company-Maker”

Catapult Prospect

Operator: Legend Petroleum

Target’s Working Interest 15%

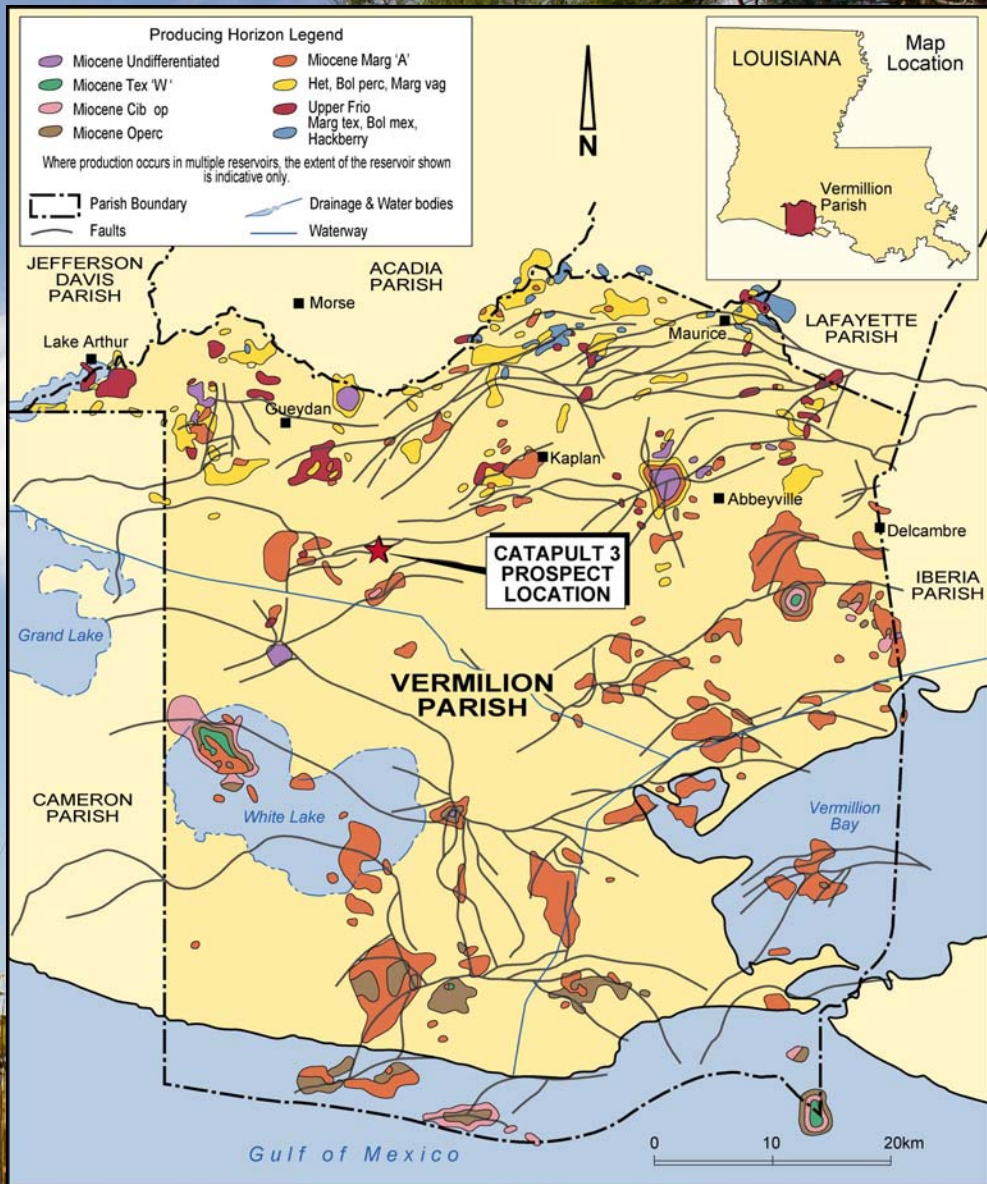
Potential recoverable volumes:

Alliance Sands 82.4 Bcf + 4.1 mmBO

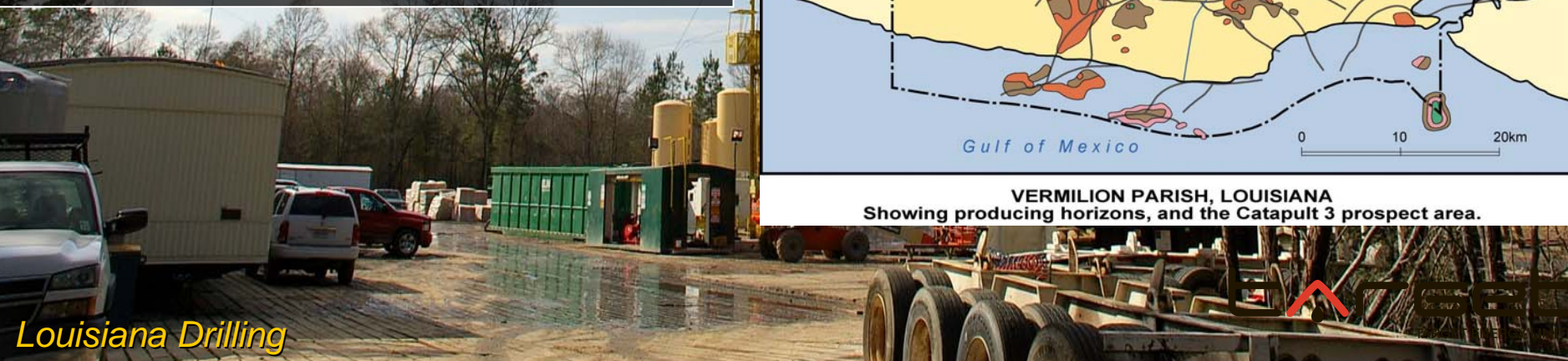
Trahan Sands 37.5 Bcf + 1.9 mmBO

Mulvey Sands 85.0 Bcf + 4.2 mmBO

Total 204.8 Bcf + 10.2 mmBO

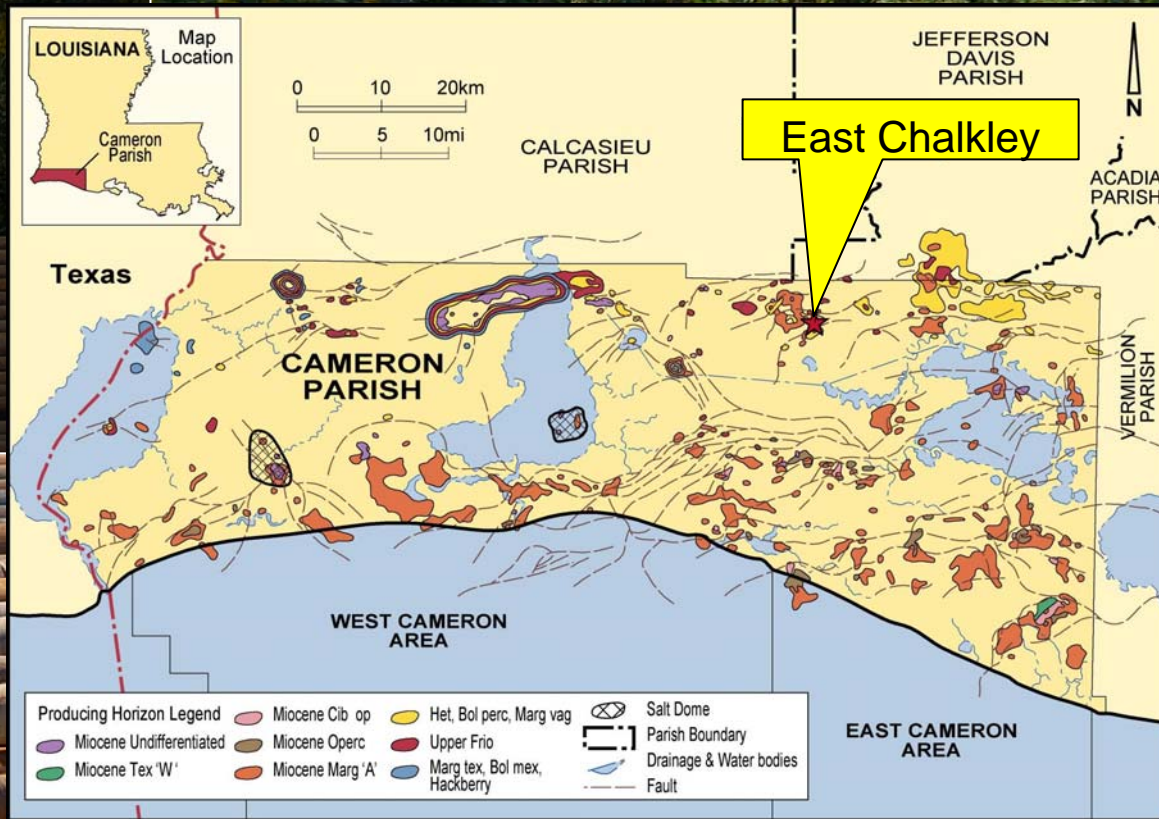


VERMILION PARISH, LOUISIANA
Showing producing horizons, and the Catapult 3 prospect area.



Exploration Gas and oil/condensate Louisiana

“East Chalkley” Project
Operator: Centurion Exploration
Target’s Working Interest 25%

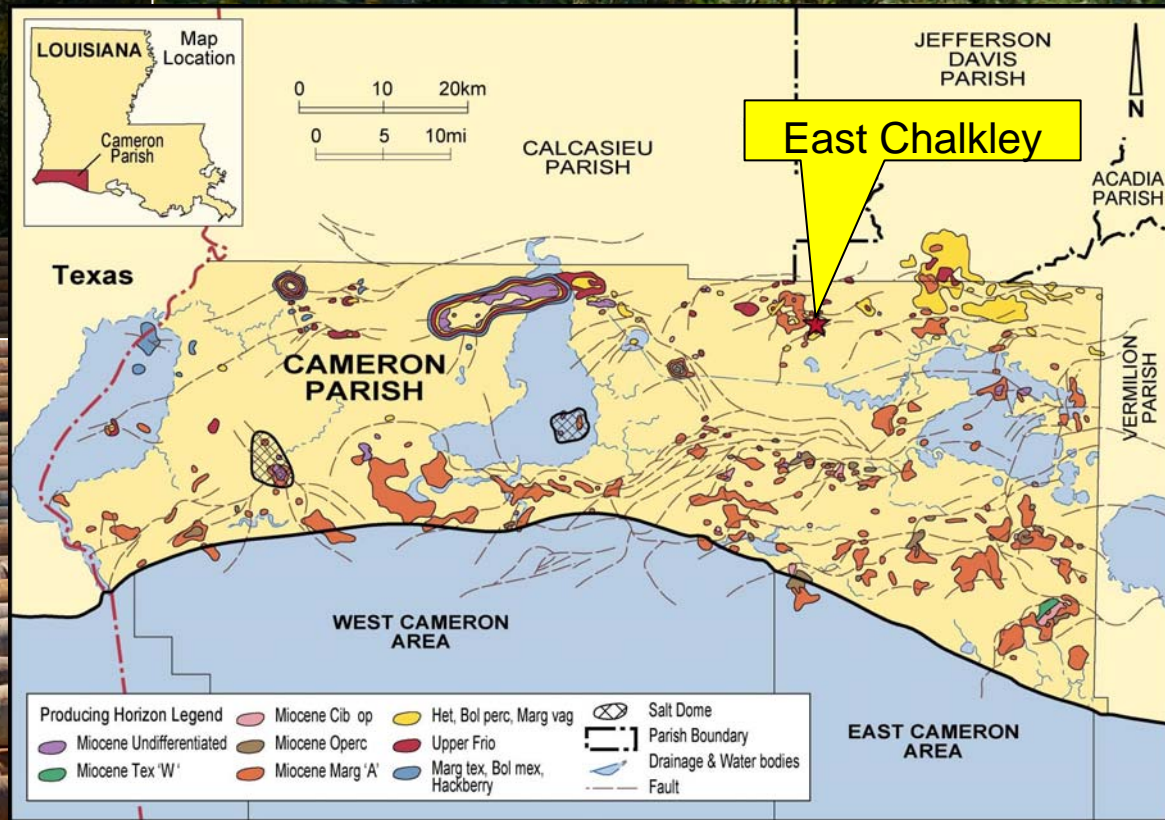


Oil Appraisal/development project

- Drilling scheduled at end of May (site prep underway)
- Updip from existing producer
- Appraisal and development project
- Potential recoverable volumes: **2.5 mmBO**

Exploration Gas and oil/condensate Louisiana

“East Chalkley” Project



Oil Appraisal/development project

- Phase 1 – drill new well updip from existing producer
- Phase 2 – appraisal wells (2); injector (1)
- Phase 3 – development program – additional injectors; upgrade production and water handling facility
- Potential recoverable volume: 2.5 mmBO

Exploration Gas and oil/condensate Louisiana

Bandito Prospect

Operator: Aspect Energy LLC

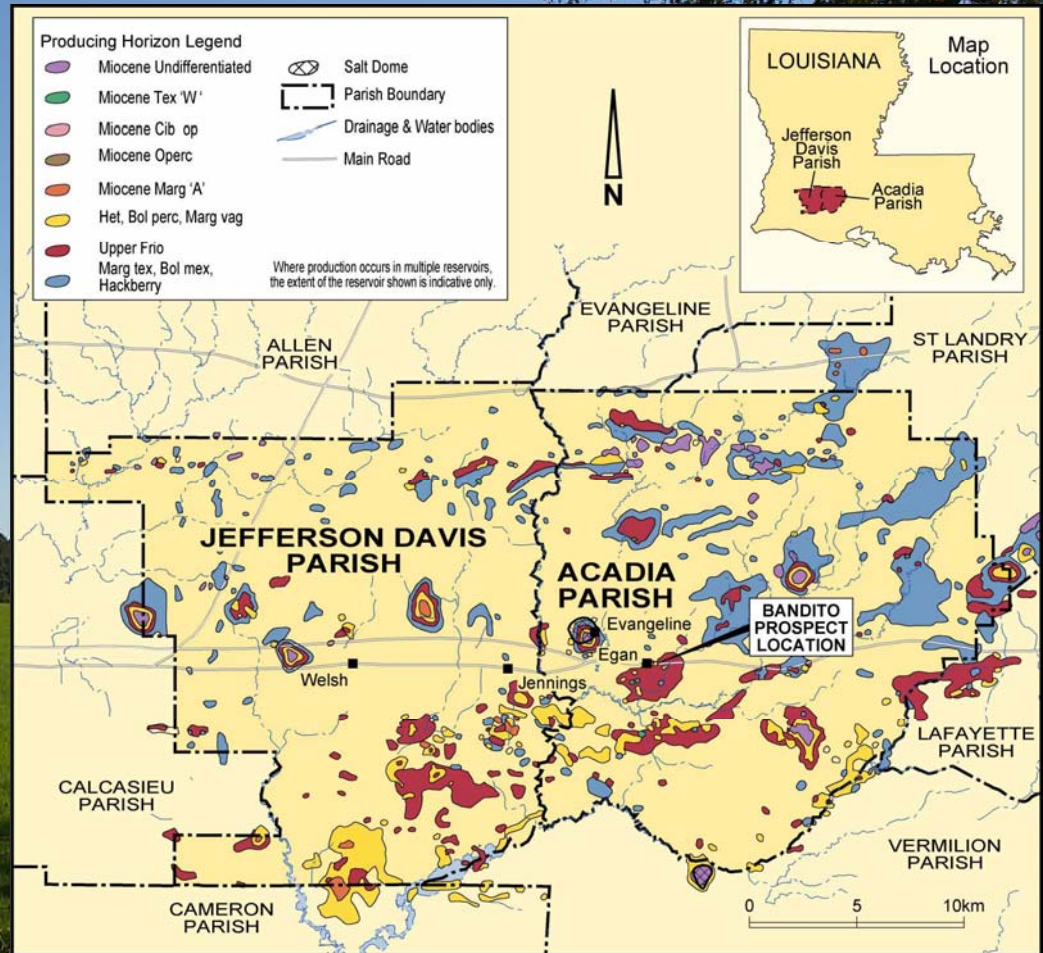
Target's Working Interest 15%

Aspect retaining 50% WI

Potential recoverable volumes:

20.3 Bcfe (P50) – 42.3 Bcfe (P10)

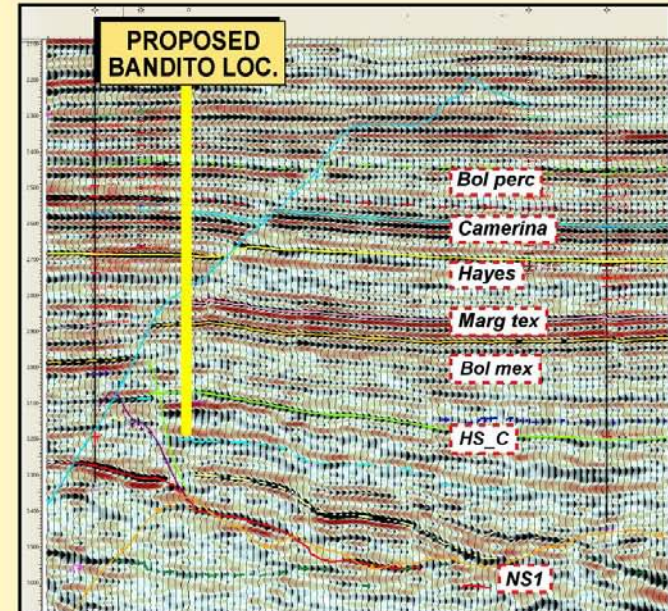
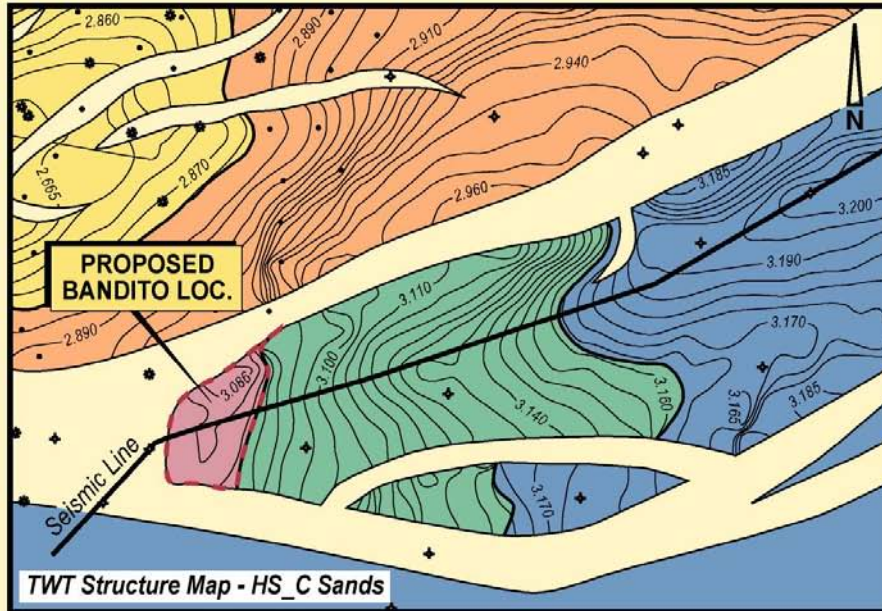
Currently rigging up – expect
spud prior to 30 May



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).

Exploration Gas and oil/condensate Louisiana



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

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



Exploration Gas and oil/condensate Louisiana

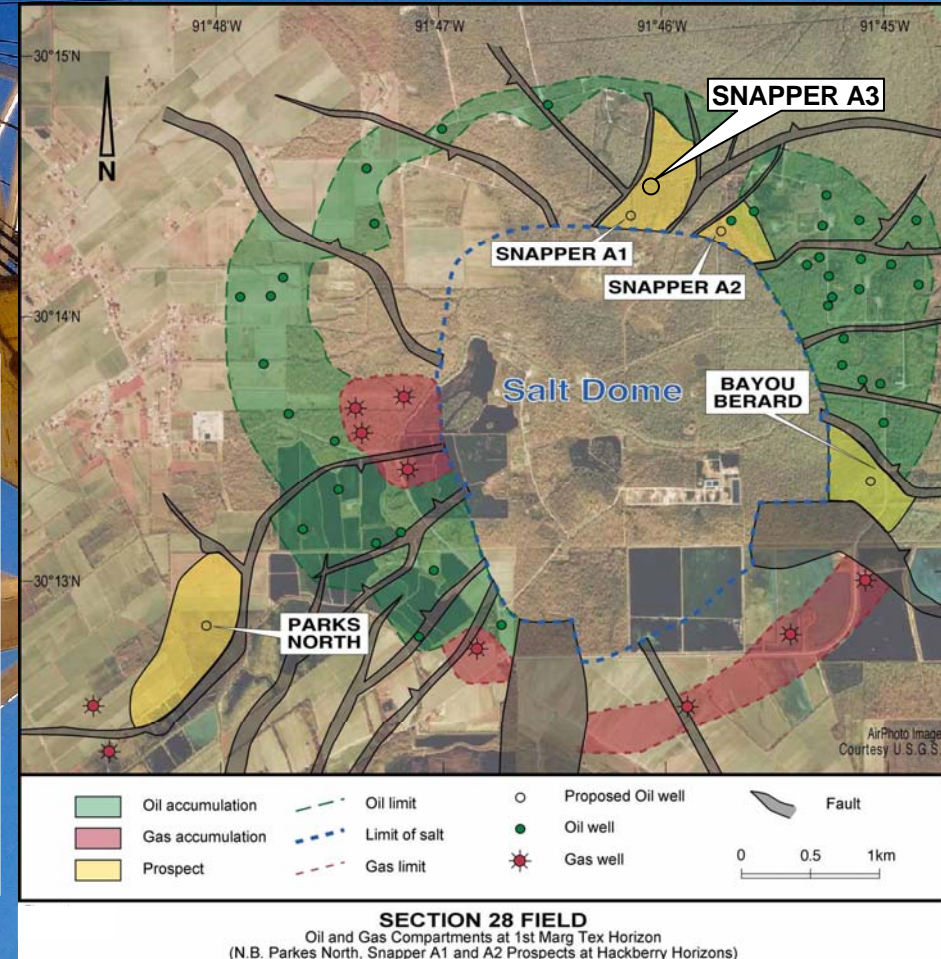
“Section 28” Program
Operator: Cypress Productions
Target’s Working Interest 10 - 25%

✓ Two discoveries at Snapper prospects

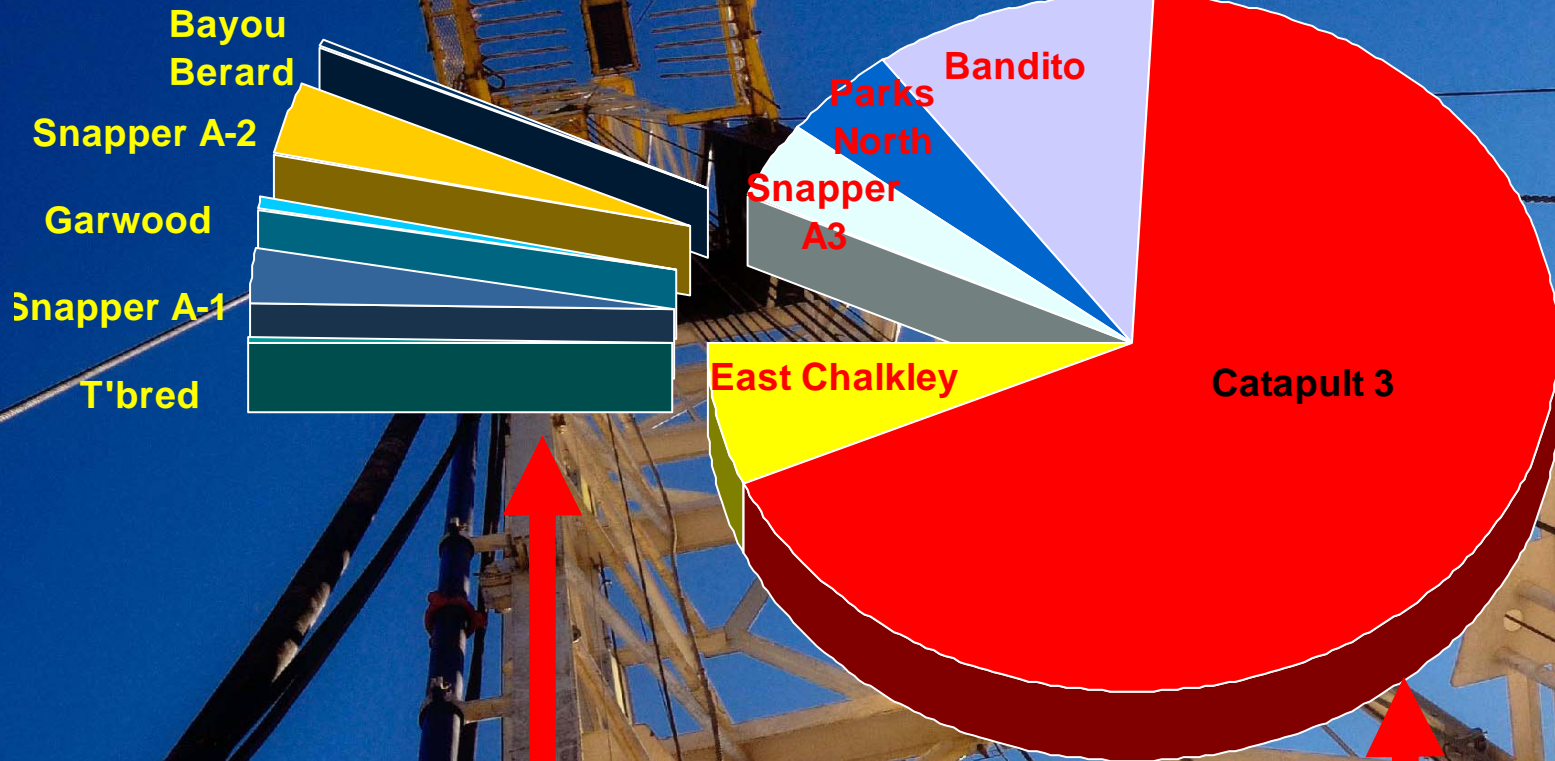
✓ Bayou Berard on production

More wells scheduled:

- Snapper A-3 (4 Bcf/0.7mmBO) to spud Q3
- Parks North (25 Bcf) planned Q3
- Bayou Berard Side-track (1.1 mmBO)



Portfolio Relative Potential (Unrisked Bcfe Net to Target WI)



Producing Assets
 Thoroughbred, Garwood, Snapper A-1,
 Snapper A-2; Bayou Berard (Marg Vag)

Balance of Drilling Portfolio

Cash backing (app A\$4.3 million; 30 April)	=	5.5 cents/share
Estimated potential net equivalent value of producing assets	=	<u>39.0 cents/share</u>
Value of balance of portfolio	=	44.5 cents/share
	=	?

Target Energy delivers...

- ✓ Success and Activity
- ✓ Results for Shareholders
 - ✓ Ongoing drilling campaign in Louisiana – Bandito expected to spud this week; East Chalkley site preparation underway
 - ✓ 7 wells drilled or commenced in first year from listing;
 - ✓ 5 producers from the 7 wells;
 - ✓ Production generating approx US\$100K/mo cash-flow
 - ✓ Company aggressively pursuing new opportunities
 - ✓ Next three wells:
 - will test an aggregate 248 Bcf + 12.6 mmBO
 - total potential Net Equivalent Value to TEX up to A\$3.87 per share*

**as per unrisksed reserve calculations on slide 8*

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