



ASX Announcement

18 February 2016

Fairway Update

US-focused oil and gas producer, Target Energy Limited ("Target") is pleased to provide the following updates:

- **Up to 95% of lease extensions obtained for Robb lease**

As part of the Company's recent sale of its Homar well and associated leases, a provision was included whereby the buyer agreed to pay additional consideration for those leases in the Robb Tract which the Operator could obtain an 18 month extension to the primary term of the lease (prior to 1 April 2016).

The sale closed on 31 December 2015 and included additional consideration for 25% of the Robb leases for which lease extensions had already been secured.

Lease extensions for 95% of the Robb leases have now been obtained, generating a further US\$268,800 (before costs) for the Company. These will be applied in the first instance to remaining amounts outstanding to the operator.

- **Divestment Advisor appointed for Fairway Sale**

Target Energy Limited has engaged global investment bank Canaccord Genuity ("Canaccord") as adviser to the divestment of the Fairway Project ("Fairway") in the Permian Basin, Texas.

Canaccord will work with Target and its partners to market Fairway and negotiate with counterparties.

Target's Managing Director, Laurence Roe, commented: "We are pleased to be working with Canaccord as we proceed with a divestment of our Fairway asset. Given their credentials in marketing similar sized asset packages, I believe they are well qualified to advise Target and its partners on this strategic divestiture while also maximising value through a targeted and competitive process."

ENDS

For and on behalf of TARGET ENERGY LIMITED

Managing Director

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NOTE: In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information contained in this report is based on and fairly represents information and supporting documentation prepared by or under the supervision of Mr Laurence Roe, B Sc, Managing Director and an employee of Target Energy Limited, who is a member of the Society of Exploration Geophysicists and has over 30 years experience in the sector. He consents to the reporting of that information in the form and context in which it appears. Note also that Target reports a thermal equivalent when combining gas and oil production, where 1 BOE = 6 mcf.