

Notice of Annual General Meeting and Explanatory Statement

to be held at
2.30pm (WST) on
25 November 2016 at
The Vic Boardroom, 226 Hay Street
Subiaco, Western Australia, 6008.

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. Shareholders in doubt as to how they should vote should seek advice from their professional advisers.

If you are unable to attend the Annual General Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on that form.

Notice of Annual General Meeting

The 2016 Annual General Meeting of Target Energy Limited will be held at 2.30pm (WST) on 25 November 2016 at The Vic Boardroom, 226 Hay Street, Subiaco, Western Australia. The Explanatory Statement which forms part of this Notice of Annual General Meeting describes the various matters to be considered. Shareholders are asked to refer to the Glossary at the end of the Explanatory Statement which contains definitions of the terminology used in this Notice of Annual General Meeting and the Explanatory Statement.

Business of the General Meeting

Financial Statements and Reports

To receive and consider the financial statements, declaration of the Directors, Directors' Report, Remuneration Report and Auditor's Report for the financial year ended 30 June 2016.

Note: A copy of the Company's 2016 Annual Report, including the Financial Statements declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for the year ended 30 June 2016, may be accessed by visiting the Company's website at www.targetenergy.com.au.

Resolution 1: Re-election of Stephen Mann as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That Stephen Mann, being a Director of the Company, who retires by rotation in accordance with clause 11.3 of the Company's constitution and for all other purposes, and being eligible, is re-elected as a Director of the Company."

Resolution 2: Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2016 (as set out in the Company's 2016 Annual Report) be adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

A vote on Resolution 2 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on Resolution 2 if either:

- (a) both of the following apply:
 - (i) the voter does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
 - (ii) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above; or
- (b) all of the following apply:
 - (iii) the voter is the Chairman of the meeting; and
 - (iv) the Chairman does so as a proxy appointed by writing that does not specify the way the Chairman is to vote on this Resolution; and

- (v) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above; and
- (vi) the member(s) on whose behalf the Chairman is acting expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman of the meeting intends to vote all available proxies in favour of the adoption of the Remuneration Report.

Resolution 3: Approval of Additional Placement Capacity

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed (and any associates of those persons).

However, a person described above may cast a vote on Resolution 3 if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

At the date of this Notice, the Company has not approached any persons to participate in an issue of Equity Securities. No existing Shareholder’s votes will therefore be excluded under the voting exclusion in this Notice.

Voting eligibility:

For the purposes of determining voting entitlements at the Annual General Meeting the Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4pm WST on 23 November 2016.

Voting in Person

To vote in person, attend the Meeting at the time, date and place set out in this Notice.

Proxies:

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Please note that:

- (a) each Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder of the Company; and
- (c) a Shareholder of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder’s votes, each proxy may exercise one-half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- (a) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- (b) if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- (c) if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting; or
 - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with Section 250D of the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative.

Enquiries

Shareholders who have any queries relating to this Notice and the accompanying documents should contact the Company Secretary, Rowan Caren on +61 (08) 9476 9000.

Signed in accordance with a resolution of the Directors



Rowan Caren
Company Secretary
Dated 20 October 2016

Explanatory Statement

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions. This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Shareholders are asked to refer to the Glossary at the end of the Explanatory Statement which contains definitions of the terminology used.

Financial Statements and Reports

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.targetenergy.com.au.

Resolution 1: Re-election of Stephen Mann as a Director

1.1 Background

Clause 11.3 of the Constitution provides that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

Clause 11.4 states that a retiring director is eligible for re-election. Additionally, clause 11.5 states that the director to retire at any general meeting must be the director that has been in office the longest since their last election, but, as between persons who became directors on the same day, those to retire must be determined by lot.

The Company currently has three Directors and, in accordance with the Company's Constitution, one must retire.

Stephen Mann, the Director longest in office since his last election, retires by rotation and seeks re-election. Stephen Mann has served as a Director since 23 March 2011 and was last re-elected at the Company's 2014 annual general meeting of Shareholders, held 21 November 2014.

1.2 Director Qualifications

Stephen Mann is a Fellow of Chartered Accountants of Australia and New Zealand and has more than 30 years' experience as a chartered accountant prior to his retirement from private practice in 2003.

1.3 Other Directorships

During the last three years, Mr Mann has also served as a director of the following listed company: - Pegasus Metals Limited (resigned 22 August 2014).

1.4 Directors recommendation in relation to Resolution 1

Chris Rowe and Laurence Roe (being all the Directors other than Stephen Mann) recommend that Shareholders vote in favour of Resolution 1.

Resolution 2: Adoption of Remuneration Report

2.1 General

In accordance with Section 250R of the Corporations Act the Company submits to Shareholders for consideration and adoption its Remuneration Report for the year ended 30 June 2016. However, such a resolution is advisory only and does not bind the Company or the directors of the Company.

The Remuneration Report is set out in the Directors Report contained within the Company's Annual Report. The Annual Report is available on the Company's website at www.targetenergy.com.au. The Remuneration Report contains:

- (a) information about the Board's policy for determining the nature and amount of remuneration of Directors and Key Management Personnel of the Company;
- (b) details of the remuneration of, and options held by, Directors and Key Management Personnel of the Company; and
- (c) a summary of the terms of any contract under which any Director or Key Management Personnel is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following restrictions placed on certain proxies:

Proxy being appointed	Directed Votes	Undirected Votes
Key Management Personnel (other than the Chair) ¹	Can vote directed votes	Cannot vote undirected votes ³
Chair ²	Can vote directed votes	Can vote at discretion of Proxy ⁴
Other third party	Can vote directed votes	Can vote at discretion of Proxy

Notes:

- 1) Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
- 2) Refers to the Chair (where he is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

- 3) *Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.*
 - 4) *The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions. The Proxy Form states that by appointing the Chair as a proxy (or where the Chair becomes proxy by default) the Shareholder gives the Chair express authority to exercise the proxy on Resolution 2 (except where indicated differently) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.*
-

Resolution 3: Approval of Additional Placement Capacity

3.1 Background

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company is an Eligible Entity.

The Company is now seeking Shareholder approval by way of a special resolution to give it the ability to issue Equity Securities under the 10% Placement Capacity during the period of up to 12 months following the passing of Resolution 3.

If Shareholders approve Resolution 3, the exact number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 3.2 below).

The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

3.2 Description of Listing Rule 7.1A

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice of Meeting, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$2,062,413 based on the closing price of the Company's ordinary shares quoted on ASX on 19 October 2016, being 0.2 cents.

Any Equity Securities under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue two classes of quoted Equity Securities, being the Shares (ASX Code: TEX) and listed Options (ASX Code: TEXO).

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A × D) - E

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - (iv) less the number of Shares cancelled in the previous 12 months;
- D** is 10%; and
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under Listing Rule 7.1 or 7.4.

3.3 Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Capacity as follows:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) **Date of Issue**

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the below table.

The table below shows the dilution of existing shareholders on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice, calculated in accordance with the formula in Listing Rule 7.1A(2).

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity. The number of Shares on issue (Variable A in the formula) may increase as a result of the issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders meeting.

Variable 'A' in Listing Rule 7.1A.2	Issue Price (per Share)	Dilution		
		\$0.001 50% decrease in Issue Price	\$0.002 Issue Price	\$0.003 50% Increase in Issue Price
1,031,206,428 Current Variable 'A'	Shares issued - 10% voting dilution	103,120,643	103,120,643	103,120,643
	Funds raised	\$103,121	\$206,241	\$309,362
1,546,809,642 50% increase in current Variable 'A'	Shares issued - 10% voting dilution	154,680,965	154,680,965	154,680,965
	Funds raised	\$154,681	\$309,362	\$464,043
2,062,412,856 100% increase in current Variable 'A'	Shares issued - 10% voting dilution	206,241,286	206,241,286	206,241,286
	Funds raised	\$206,241	\$412,483	\$618,724

The table has been prepared on the following assumptions:

- (a) There are currently 1,031,206,428 existing Shares on issue as at the date of this Notice of Meeting;
- (b) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity;
- (c) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1;
- (d) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into ordinary shares before the date of the issue of the equity securities;
- (e) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (f) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (g) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (h) The table shows only the dilution effect of issuing the Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity the Company has under Listing Rule 7.1;
- (i) The issue price is \$0.002 being the closing price of the Shares on 19 October 2016; and

- (j) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the annual general meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) as cash consideration. In such circumstances, the Company intends to allocate the funds towards workovers of its existing assets, general working capital and for the costs of any issue of securities.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon the issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined at the date of this Notice but may include existing Shareholders and/or new investors who are not related parties of the Company.

The identity of the recipients of Equity Securities under the 10% Placement Capacity will be determined having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) alternative methods of raising funds that are available to the Company at that time, including but not limited to, rights issues or other offers in which existing Shareholders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
- (v) advice from corporate, financial and broking advisors (if applicable).

Further if the Company is successful in acquiring new resources, assets or investments, it is possible that the recipients under the 10% Placement Capacity may include vendors of the new resources, assets or investments.

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 20 November 2015 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

In the 12 months preceding the date of the 2016 Annual General Meeting, the Company has not issued any Equity Securities under any other purpose.

(g) **Compliance with Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

3.4 Voting Exclusion

A voting exclusion statement is included in this Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in an issue of Equity Securities under Listing Rule 7.1A. No existing shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

3.5 Directors recommendation in relation to Resolution 3

All the Directors recommend that Shareholders vote in favour of Resolution 3.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 3.1 of the Explanatory Statement.

Annexure means an annexure to this Explanatory Statement.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the board of Directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Target Energy Limited (ACN 119 160 360).

Corporations Act means the Corporations Act 2001 (Cth).

Director means a Director of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or option, an option, a convertible security and any security that ASX decides to classify as an Equity Security.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

Resolution means a resolution proposed pursuant to the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Variable A means "A" as set out in the calculation in section 3.2 of the Explanatory Statement.

WST means Australian Western Standard Time.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'x') should advise your broker of any changes.

Form of Proxy

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

PLEASE NOTE: This proxy is solicited on behalf of Target Energy Limited ABN 73 119 160 360 (the "Company") for use at the meeting of the shareholders of the Company to be held at The Vic Boardroom, 226 Hay Street Subiaco, Western Australia 6008 on Friday 25 November 2016 at 2.30pm (WST) or any adjournment thereof (the "Meeting").

I/We being a member/s of Target Energy Limited hereby appoint

the Chairman
of the meeting

OR

PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions at the Meeting and at any adjournment of that meeting.

If you have not appointed the Chairman of the Meeting as your proxy and you are appointing a second proxy please complete the following: Proxy 1 is appointed to represent _____% of my voting right and Proxy 2 is appointed to represent _____% of my total votes. My total voting right is _____ shares.

PLEASE NOTE: If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 2 (except where I/we have indicated a different voting intention below) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

With respect to any amendment or variations to the matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting, I/we confer discretionary authority on the person voting on behalf of me/us to vote as that person sees fit. At the time of printing this Form of Proxy, management knows of no such amendment, variation or other matter.

STEP 2 Items of Business



PLEASE NOTE: If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and your votes will not be counted in computing the required majority on that item.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

FOR AGAINST ABSTAIN

	FOR	AGAINST	ABSTAIN
Item 1 - Re-election of Stephen Mann as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 – Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no choice is specified, the shareholder is conferring discretionary authority on the proxy to vote at his or her discretion. However, the Chairman intends to vote FOR each of the resolutions. The Chairman intends to vote all undirected proxies in favour of item 2.

SIGN Signing by member

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Member 1

Sole Director and Sole
Secretary

Member 2 (if joint holding)

Director/Company
Secretary

Member 3 (if joint holding)

Director

/ /

Date



ABN 73 119 160 360

Lodge your vote:



By Mail:

Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909

Alternatively you can fax your form to
Facsimile: +61 (0) 8 9262 3723

For Online Vote
www.advancedshare.com.au

For all enquiries call:

Telephone: +61 (0) 8 9389 8033
Email: admin@advancedshare.com.au

Proxy Form

Instructions

1. Every shareholder has the right to appoint some other person or company of their choice, who need not be a shareholder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the Chairman, please insert the name of your proxyholder(s) in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name that appears on the proxy.
4. If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
5. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
6. To be effective, proxies must be delivered by shareholders as follows:
Shareholders must deliver their proxies prior to 2.30pm (WST) on 23 November 2016 by mail to PO Box 1156, Nedlands, 6909, Western Australia or by facsimile at +61 (0) 8 9262 3723 or deliver to the Share Registry of the Company at 110 Stirling Hwy, Nedlands, Western Australia, 6009 or vote online at www.advancedshare.com.au.
7. For the purposes of Regulation 7.11.37 of the Corporations Regulations the Company determines that shareholders holding shares at 4.00pm (WST) on 23 November 2016 will be entitled to attend and vote at the Meeting.
8. The Chairman intends to vote in favour of all resolutions set out in the Notice of Meeting.
9. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.
10. This proxy should be read in conjunction with the accompanying documentation provided by management of the Company.
11. The shares represented by this proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for, and if the shareholder has specified a choice in respect of any matter to be acted upon, the shares will be voted accordingly.

Turn over to complete the form →



CHECK OUT OUR WEBSITE at
www.advancedshare.com.au

- Check all holdings by using HIN/SRN
- Update your holding details
- Reprint various documents online