

ASX Announcement

29 December 2016

Corporate Update

US-focused oil and gas producer, Target Energy Limited (“Target”) provides the following update:

Fairway Divestment

Earlier in the year Target Energy Limited engaged global investment bank Canaccord Genuity (“Canaccord”) as adviser to the divestment of the Fairway Project (“Fairway”) in the Permian Basin, Texas. The Fairway properties were later included in a larger combined package, improving the overall marketability of the aggregated properties.

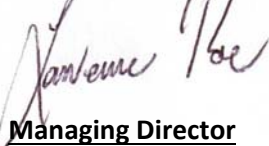
There has been a high level of transactions in the Permian Basin recently and a number of new potential bidders have been in contact with Canaccord regarding the properties. Discussions with the interested parties are ongoing, with the divesting partners confident of receiving additional bids for the properties.

Legal

Target is also pleased to advise that in regard to the ongoing legal action by Target subsidiary TELA Garwood LP against Victory Energy Corporation and Aurora Energy Partners, the legal action has been resolved to Target’s satisfaction. Terms of the settlement are confidential.

ENDS

For and on behalf of TARGET ENERGY LIMITED



Managing Director

Corporate information

ASX Code: TEX
OTCQX Code: TEXQY

Board of Directors

Chris Rowe, Chairman
Laurence Roe, 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.