



ASX Announcement

22 June 2017

Recapitalisation Funding Update

Further to previous announcements by Target Energy Limited ("Target"; "the Company") in regard to its Recapitalisation program in association with InvestMet Limited ("InvestMet"), the Company notes that all requisite approvals have been received and all relevant Agreements have been completed and executed.

The InvestMet funding package includes a debt facility secured by an equal first ranking interest over the Company's interest in the petroleum project located in Howard County and Glasscock County, Texas USA, known as the Fairway Project ("Fairway").

Subsequent to the completion of the transaction agreement and in accordance with the terms and conditions of the funding package, Target has called upon approximately \$1.4m of funding from InvestMet and a further \$200,000 from parties to be introduced by InvestMet. The funds are required to pay creditors, outstanding monies owed to the operator of the Fairway project, Trilogy Operating, Inc ("Trilogy") and for working capital.

Target has received a portion of the funding to date and continues to work with InvestMet who have assured the Company that the balance of the funds will be provided to Target within five working days.

Trilogy has advised Target that it is suspending Target's rights under the Fairway Operating Agreement and that it is contemplating legal action to recover monies owed by Target. While Trilogy has previously verbally agreed not to immediately enforce their rights, Target remains exposed to this potential legal action.

InvestMet's completion of this funding program will allow Target to make payment in full to Trilogy and will ensure that Target remains in good standing with Trilogy and other creditors.

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For and on behalf of TARGET ENERGY LIMITED


Laurence Roe
Managing Director

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Corporate information

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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.