



ASX Announcement

1 April 2011

Buffalo, Fairway Project Updates

US-focussed oil and gas exploration and production company, Target Energy Limited (**ASX:TEX**), is pleased to provide the following updates.

Buffalo Project, South Texas

Work to prepare the well for the fracture program is complete, with the frac crew currently scheduled to be on site in mid-April.

The frac is planned to be undertaken in 2 stages with a 30 day interval between the deeper first stage and the shallower second stage.

Target will earn a 100% working interest in the relevant zone in the borehole until pay-out with Target's working interest to revert to 50% thereafter. It will also earn an option to frac a second well under similar terms, which in turn will earn Target an option to drill and complete a new horizontal well in the project area on the same terms. Following the drilling of the new well, should Target then elect to undertake more work in the project area, it will be assigned a 50% working interest in the entire leasehold (approximately 13,000 acres) and be assigned operatorship of the entire project.

Fairway Project, Howard County, Texas

We have been advised by the operator, Trilogy Operating, Inc, that the completion of title issues will delay the commencement of the proposed drilling program. Target has been offered a slightly larger acreage position with Trilogy on the same trend in the same County and on the same terms, with drilling expected to commence within 90 days. Target has accepted this offer.

At such time as the title issues in the original Fairway area are resolved, Target expects to be offered the opportunity to participate on the original terms.

The new Fairway project comprises approximately 1,500 acres in the highly prospective Wolfberry Oil Resource Play in the Permian Basin in West Texas. The project area is situated approximately 64 km northwest of Midland in Howard County.

Target will earn a 60% working interest in the project by paying acreage costs and participating in two wells.

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Corporate information

ASX Code

TEX
TEXOB

Board of Directors

Chris Rowe, Chairman
Laurence Roe, Managing Director
Graham Riley, Director
Ralph Kehle, Chairman TELA
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Overview of activities

Target is exploring and producing a suite of highly prospective oil and gas projects in the USA.

NOTE: In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information in this report has been reviewed and signed off by Mr Laurence Roe, B Sc, Managing Director of Target Energy, who is a member of the Society of Exploration Geophysicists and has at over 30 years' experience in the sector. He consents to that information in the form and context in which it appears.



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For and on behalf of
TARGET ENERGY LIMITED

A handwritten signature in black ink, appearing to read "Laurence Roe".

Laurence Roe
Managing Director