

01 May 2008

Company Announcements Platform
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

TARGET ACQUIRES 25% INTEREST IN APPRAISAL & DEVELOPMENT PROJECT TARGETING 2.4M BARRELS OF OIL

Highlights

- **Target acquires 25% interest in East Chalkley oil project**
- **Targeting 2.4 million barrels of potential recoverable oil**
- **Drilling scheduled to commence in May 2008**

Target Energy Limited ("Target") (ASX Code: TEX) is pleased to announce it has reached agreement with Centurion Exploration Company of Houston, Texas ("Centurion"), to acquire a 25% interest in the East Chalkley Project, an oil appraisal and development project in Louisiana, targeting up to 2.4 million barrels of potential recoverable oil.

The East Chalkley project is a low-risk oil field appraisal and development program, approximately 33 kilometres southeast of the town of Lake Charles in Cameron Parish, Louisiana. The oil accumulation, on the east flank of the Chalkley Field, is a previously unidentified down-dip oil leg associated with the gas field. The structure is mapped on 3D seismic and is already producing oil from a single well.

Managing Director Laurence Roe said, "This is an outstanding growth opportunity for Target. The presence of oil at East Chalkley is already confirmed, so the exploration and financial risks are substantially reduced. Work to date suggests that the 'most likely' recoverable volume of oil is approximately 2.4 mmBO."

The initial plan is to drill a well slightly updip from the existing oil producer and complete it as a gravel-packed, high volume, hydraulic pumped well, designed to produce up to 400 barrels of oil per day. Following this initial well, and subject to a geologic and engineering review, we will design an appraisal program to delineate the extent of the oil accumulation. This will be followed by an appropriate development program to upgrade the production and water treatment facilities and continue the pressure maintenance program.

While each phase will be contingent on the success of the preceding stage, the program is designed to be scalable and will allow the project to be customised appropriately as it progresses.

Drilling is expected to commence in May 2008.

Mr Roe added, "This is a relatively low-risk, low-cost opportunity for Target, with significant potential upside in the event of even modest success. In a time of record high oil prices, the East Chalkley project has the potential to substantially boost our production revenues and add real value to Target Energy."

ENDS

For further information please contact:

Shareholder Enquiries
 Laurence Roe
 Tel: (08) 9476 9000
 Email: admin@targetenergy.com.au

Media Enquiries
 Tony Dawe
 Tel: 041 3322 110

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 least 5 years experience in the sector. He consents to that information in the form and context in which it appears.

Attachment 1 – East Chalkley Location Map

