

ASX ANNOUNCEMENT

5 July 2007

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

Oil and Gas flow at Snapper A-1

Target Energy Limited ("Target") (ASX Code: TEX) is pleased to advise that its Snapper A-1 well in St Martin Parish, Louisiana has been successfully completed for production and flow-tested and is now awaiting hook-up to a sales line.

A Completion rig was mobilized to the well site on 21 June 2007. The "4th Marg Tex" sand was subsequently perforated from 2,879.8m to 2882.2m and flowed gas and oil at rates up to 2.1 million cubic feet of gas per day (mmcf/d) and 16 barrels of oil per day.

The 4th Marg Tex is the deepest of the four zones previously identified on wireline logs in the well as potentially hydrocarbon bearing:

Measured Depth (metres)	Zone	Net Pay
2,754.0	Marg Howie	4.3 metres
2,773.7	1st Camerina	0.6 metres
2,860.6	3 rd Marg Tex	5.2 metres
2,879.8	4 th Marg Tex	1.8 metres
Total		11.9 metres

In accordance with the operator's program, only the 4th Marg Tex is being completed at this time - the shallower zones will be completed at a future date.

The operator will now lay flowlines to hook Snapper A-1 up to a sales line with the well expected to be online in about a month.

Managing Director Laurence Roe said: "This is more good news for Target Energy shareholders. The well has been successfully completed and tested with a good flow of gas and oil from the 4th Marg Tex sand. We expect to have the well on production by the end of the month."

Target Energy has a **25% Working Interest** in the well.

For further information please contact:

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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.