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

EAST CHALKLEY OIL RATES INCREASE

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to provide the following operations update.

PINE PASTURE #2 (EAST CHALKLEY) – WELL TESTING

- Report Date:** 7:00 pm 5/08/08 (Western Aust Standard Time) /
6:00 am 5/08/08 (USA Central Daylight Time)
- Progress:** Continue flow testing. During the week the well has been pumped at rates up to 405 barrels of fluid (oil and water) per day. Oil cut has ranged from 20% to 50%.

The well is presently shut-in undergoing a pressure buildup test.
- Comment:** Managing Director Laurence Roe said, "Total fluid production has increased and there has been a significant increase in the proportion of oil to water. It appears that the rate of oil production in the initial flow testing phase may have been under-reported. Production testing will continue after the buildup test is complete. It is worth noting that East Chalkley has always been expected to produce both oil and water and that this has been factored into the appraisal and development plans.

"East Chalkley is expected to boost our operating cash flows and earnings per share, however we will be in a better position to quantify the impact once flow testing has been completed.

"At this time Target has a cash backing of over 5 cents per share, ongoing production revenue and three more wells to be drilled this year – all fully funded - including the 204 Bcf / 10 mmBO potential Catapult prospect. Combined with the encouraging results at East Chalkley, Target remains well positioned for the future".

This will be the last report until testing is complete and the well put into production.

Target has a 25% Working Interest in the Pine Pasture #2 well.

ENDS

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Shareholders

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Media

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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.