

ASX ANNOUNCEMENT



7 June 2007

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

Garwood-1 Operations Update

Target Energy Limited ("Target") (ASX Code: TEX) is pleased to provide the following update on operations at the Garwood-1 well in Colorado County, Texas.

- Report Date:** 07:00 pm 06/06/07 (WA Standard Time) /
06:00 am 06/06/07 (USA Central Standard Time)
- Current Depth:** 1,025.9 metres (Reported depths are below the Rotary Table on the rig floor).
- Progress:** Well commenced drilling on 3 June 2007. Drill to 155.7 metres; set surface casing; drill ahead to 1,025.9 metres.
- Hydrocarbon Indications:** Hydrocarbon shows will only be reported after wireline logs have been run and evaluated at the Total Depth of the well.
- Primary and Secondary Targets:** The primary targets are Oligocene age sandstones (Frio sands) at a depth of approximately 1,250 metres. The well will be drilled to a total depth of 1,448 metres to test additional Miocene and Frio potential.

Garwood prospect Working Interest holders (subject to completion of earning phase):

Everest Resource Company	25.00% (Operator)
Target Energy Limited	25.00%
Rosetta Resources Operating Company LP	50.00%

While operations are underway, the Company will issue routine releases every Thursday or at any such time that material matters require an earlier release.

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.