

ASX ANNOUNCEMENT

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

Gas Production Commences at Snapper A-1

Target Energy Limited ("Target") (ASX Code: TEX) is pleased to report gas production has now commenced from its Snapper A-1 discovery well in St Martin Parish, Louisiana, USA. The well is initially flowing at a rate of 1.04 million cubic feet of gas per day (mmcfgd), with the operator, Cypress Productions LLC, planning to increase the flow rate up to approximately 2 mmcfgd within the next two months.

Drilled in April 2007, Snapper A-1 is located within the "Section 28" oil and gas field area approximately 25 kilometres east of the city of Lafayette in southern Louisiana. The well intersected approximately 11.9 metres of potential pay in four separate zones. The well is currently producing only from the deepest of the four zones with the shallower zones to be completed and produced at a future date.

Target Energy's Managing Director Laurence Roe said the commencement of production at Snapper A-1 was yet another significant achievement for the Company.

"This is the second of our discoveries to come on-line – in just over eight months from listing on the ASX we already have two of our three discoveries in production with the third not far behind. We have another six wells planned to drill before the end of the year of which four will be in the Section 28 field area. This is an exciting time for a young company."

Mr. Roe added, "Target is a focused and active explorer. We are building up a strong presence in the US market and are looking for opportunities to leverage ourselves into oil and gas projects that can be commercialised quickly and generate sufficient cashflow to contribute to further exploration."

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.