

## ASX ANNOUNCEMENT

8 January 2007

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

### Kant No. 1 to be plugged and abandoned

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Target Energy Limited advises that the Kant No. 1 well is presently being plugged and abandoned.

Located in Colorado County, Texas, Kant No. 1 reached its programmed Total Depth of 1,448 metres (4,750 feet) on 6 January 2007. Wireline logs were then run in the well and while preliminary evaluation of the logs suggested the presence of hydrocarbon bearing reservoir sands in the well, the relevant sands were thin and were judged by the partners to not be capable of yielding economic reserves. Accordingly the decision was taken to plug and abandon the well.

Target Energy Managing Director, Laurence Roe, commented that the results at Kant, while disappointing, did not adversely impact the rest of its drilling campaign in Texas. "While we were keen to have a success with Target Energy's inaugural well, we remain very enthusiastic about our upcoming wells at the Garwood Frio and Thoroughbred prospects. They should be drilling by early February - they are high quality prospects in a proven producing area.

"Target has an exciting drilling program in Texas and Louisiana this year with another seven wells to be drilled."

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

Everest Resource Company et al	25.00% (Operator)
<b>Target Energy Limited</b>	<b>25.00%</b>
Pantheon Resources plc	18.75%
Day Star Drilling & Development, Inc	12.75%
Anderson Oil Ltd	10.00%
Jeff Nesmith	4.50%
Jupiter Energy LLC	4.00%

For further information please contact Laurence Roe on 08 9240 1900 or contact the company at [admin@targetenergy.com.au](mailto:admin@targetenergy.com.au).

Yours sincerely,



**Laurence Roe**  
**Managing Director**

*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.*