

ASX ANNOUNCEMENT

9 March 2007

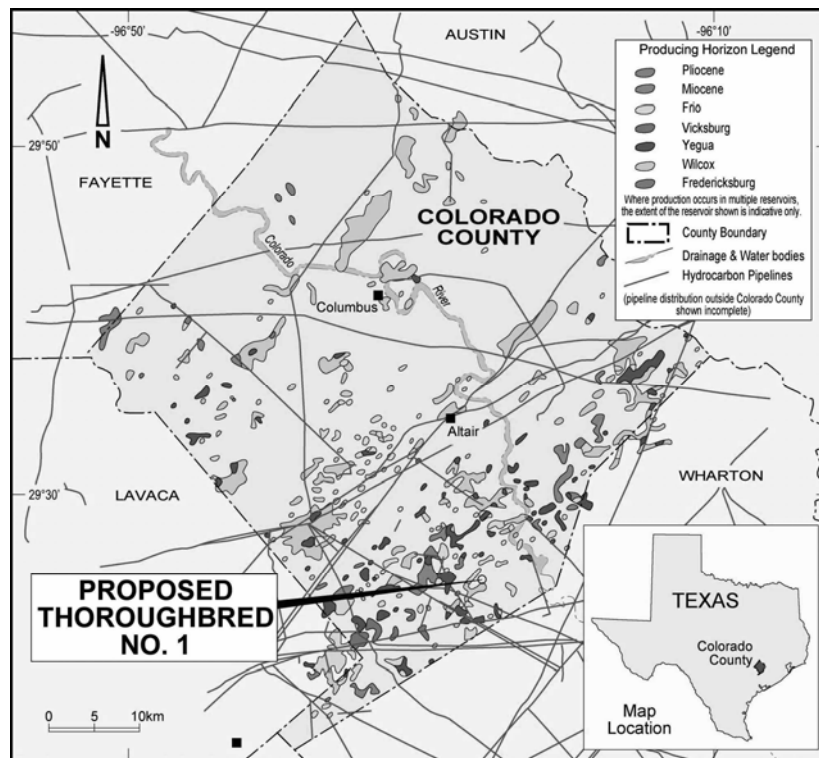
Company Announcements Platform
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Target Energy US Operations Update

1. Rig on site at Thoroughbred No. 1 location

Target Energy Limited (“Target”) advises that it has been informed by the Operator that the Progress Drilling Rig No. 2 has arrived at the Thoroughbred site and is presently rigging up. Drilling operations are expected to commence within 24 hours; it is anticipated that the well will then take approximately one week to drill to the programmed Total Depth of 4,750 ft (1,448 metres).

Thoroughbred No. 1 is located approximately 112 kilometres west south west of Houston in Colorado County, Texas and is programmed to test an Oligocene age seismic amplitude anomaly at a depth of approximately 4,100 feet (1,250 metres). Potential recoverable reserves (as defined by the seismic anomaly) range up to 1.34 billion cubic feet (Bcf) of gas. The well will be drilled to a total depth of 4,750 feet (1,448 metres) to test additional Miocene and Frio potential.



Thoroughbred is located on trend with other local Frio gas discoveries and is within 1.6 km of existing gas pipelines. It is the second of three gas exploration wells in Colorado County that Target will participate in. The remaining well, Garwood Frio, is currently scheduled to be drilled in late March 2007.

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

Everest Resource Company et al	50.75% (Operator)
Target Energy Limited	25.00%
Day Star Drilling & Development, Inc	12.75%
Anderson Oil Ltd	10.00%
A & H Investments	1.50%

2. Current Indicative Drilling Schedule

Table 1 below details the current drilling schedule (timing is indicative only and may be subject to change):

Estimated Timing	Prospect	Location	Target^ Working Interest	Potential Recoverable Reserves*
29 Dec 2006	Kant	Colorado Co, Texas	25%	Total Depth 6 Jan 07; P & A
Drilling Now	Thoroughbred	Colorado Co, Texas	25%	1.34 BCF
Late Mar	Garwood Frio	Colorado Co, Texas	25%	3 BCF
Mid March	Snapper A-1	St Martin Parish, La	25%	0.45 MMBO; 4.2 BCF
Mid May	Snapper A-2	St Martin Parish, La	25%	1.49 MMBO; 0.9 BCF
Mid June	Bayou Berard	St Martin Parish, La	15%	1.800 MMBO; 0.72 BCF
Mid June	Parks North	St Martin Parish, La	10%	0.150 MMBC; 25.7 BCF
Q3 07	Berwyn	Assumption Parish, La	10%	305 BCFe

**Figures are operators unrisks estimates and represent total prospect or field potential – additional drilling may be required to fully recover reserves. ^Subject to finalisation of farm-in and/or unitisation agreements.*

Table 1

For further information on the Company please contact Laurence Roe on 08 9476 9000 or at admin@targetenergy.com.au. In addition, a copy of our current corporate presentation may be viewed or downloaded from our website (www.targetenergy.com.au/news).

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.