

10 June 2009

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

Exploration Update

Target Energy Limited (“Target”; ASX:TEX) is continuing to progress activities on its exploration and development programs, with a number of projects scheduled to get underway. If successful, planned wells at SML (Snapper) #A-3, Pine Pasture #3 and Beyt #1A have the potential to add (net to Target’s working interest) up to 379 barrels of oil equivalent per day (BOEPD) to the company’s existing production of approx 90 BOEPD – this would represent a five-fold increase and have a substantial impact on cash-flow. A summary of planned activities is set out below.

Well	TEX WI	Potential Flow Rate (Gross BOEPD)	Potential Flow Rate (Net TEX BOEPD)
Snapper #A-3	25%	417	104
Pine Pasture #3	25%	200	50
Beyt #1A	15%	1,500	225
Aggregate Potential		2,117	379
Current Production			90
Total			469

Section 28 Program, St Martin Parish, Louisiana

SML (Snapper) #A-3

SML (Snapper) #A-3, a follow up to the 2007 discovery at the SML (Snapper) #A-1 well, is a low-risk well that will target sands that have already shown to be productive in our Snapper #A-1 as well as deeper sands that were not intersected in that first well.

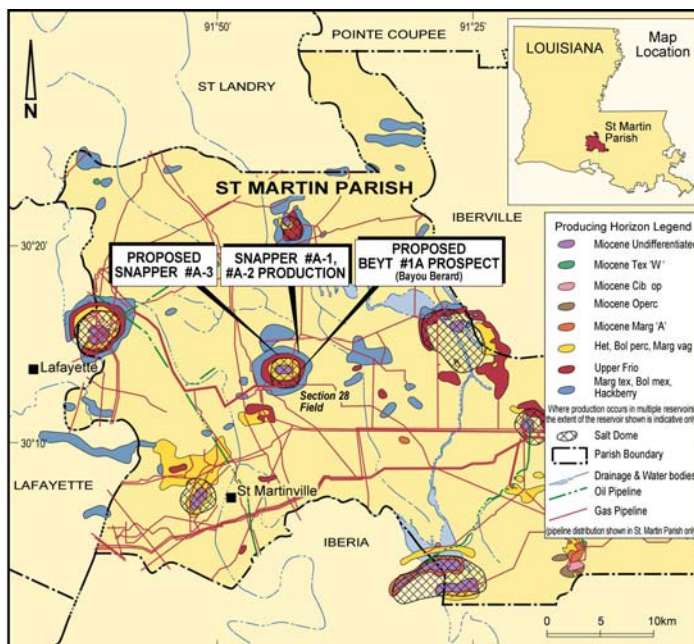
The operator’s risked potential for the well is **4.2 Billion cubic feet of gas (Bcf) plus 330,000 Barrels of Oil (BO)**. The targeted Hackberry sands have the potential to flow at rates up to 2.5 million cubic feet of gas per day.

The operator has advised that wireline logging operations at the rig’s present location are expected to be underway on 18 June, with the rig then moving to the Snapper #A-3 location a few days after - around 22 June.

Target has a 21.625%-25% working interest in Snapper #A-3.

Beyt #1 A Sidetrack

The Beyt #1A sidetrack, scheduled for late Q3, will test the potential oil bearing sands that were not intersected in the original Beyt #1 well. Risked potential, as determined by independent technical specialist RISC Pty Ltd, for the well is **750,000 BO**.



Excellent Marg Tex sand quality in the area means that a successful well here could initially flow at rates up to 1,500 BOPD (i.e. 225 BOPD net to Target's working interest).

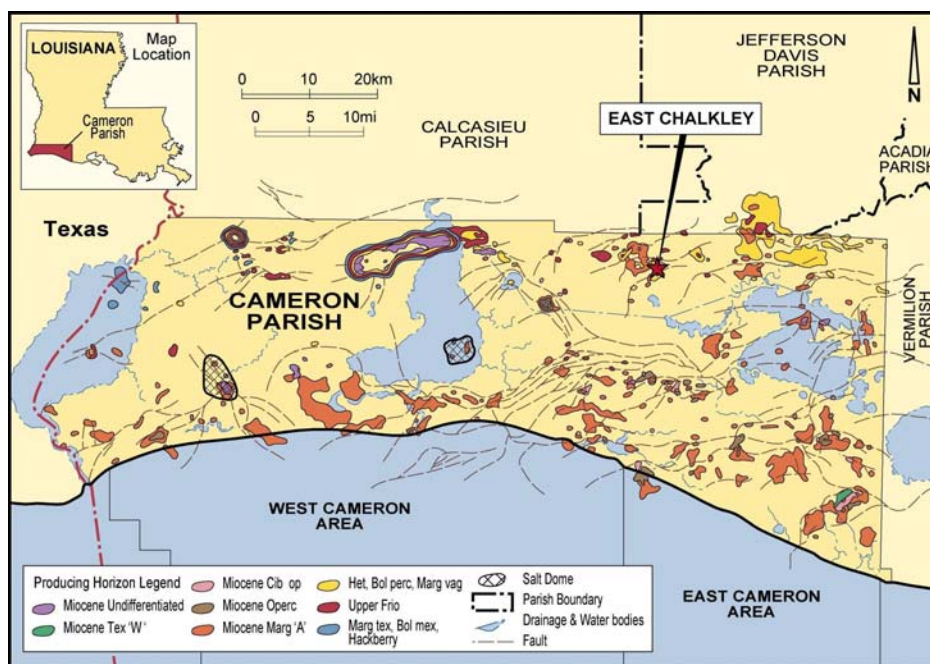
Target has a 15% working interest in the Beyt prospect.

East Chalkley Oil Field, Cameron Parish, Louisiana

Independent technical specialist RISC Pty Ltd has estimated that the East Chalkley Oil Field has mean recoverable reserves of **2.1 million BO, with an upside (P10) of 4 million BO.**

Appraisal and development plans continue to be progressed:

- A salt water disposal well will be drilled shortly to reduce water disposal costs
- Further drilling is scheduled for Q3/Q4. Upcoming wells have the potential to flow at rates up to 200 BOPD (ie up to 50 BOPD net to Target's working interest)
- Further development will follow.



Target has a 25% working interest in the East Chalkley Oil Field.

ENDS

For further information please contact:

Shareholders

Laurence Roe
Tel: (08) 9476 9000
Email: admin@targetenergy.com.au

Media

Tony Dawe
Tel: 041 3322 110
Email: tony.dawe@bigpond.com

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. This announcement may contain forward looking statements which are predictive in nature and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties, and may differ materially from results ultimately achieved. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause the actual results to differ materially.