

ASX ANNOUNCEMENT

12 March 2008

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



OIL FLOW-RATE EXCEEDS EXPECTATIONS

BAYOU BERARD ONLINE WITHIN A MONTH

CASH FLOWS BOLSTERED

Target Energy Limited ("Target") (ASX Code: TEX) is pleased to announce that its Beyt #1 well (Bayou Berard prospect) (TEX: 15%) in St Martin Parish, Louisiana has been completed and flow-tested at rates up to 1.1 million cubic feet of gas per day (mmcfgd) and up to 104 barrels of oil (condensate) per day, significantly above expectations.

Following the mobilisation of a Completion rig to the Beyt #1 well location, a single interval was perforated in the Marg Vag sand (2,984.4m to 2,898.1m). The well was flow tested and has now been shut-in, pending it's tie in to into local gathering systems and production facilities. It is expected to be online within a month.

Managing Director Laurence Roe said, "The condensate flow rate from Bayou Berard is well above our expectations, and with oil prices currently above US\$100 per barrel, this will bolster Target's cash flows. Target now has four oil and gas wells in production (Thoroughbred, Garwood, Snapper A1, Snapper A2) and is operating cash flow positive. With Bayou Berard to be in production within a month and our largest targets – Bandito and Catapult, to be drilled later this year, Target is well positioned to deliver strong earnings growth this year."

Target Energy has a **15% 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.