

## ASX ANNOUNCEMENT

13 October 2009



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

## TARGET INCREASES INTEREST IN EAST CHALKLEY OIL FIELD

### HIGHWAY 71 SCHEDULED TO DRILL IN OCTOBER

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to advise that it has agreed to purchase additional interest in its East Chalkley oil field in Cameron Parish, Louisiana, subject only to the finalisation of a Sale Purchase Agreement. As a result of the transaction, Target will increase its working interest to 35% across the field.

This increase from the Company's current 25% working interest will augment its existing reserves and production associated with the field by 40% and represents an approximate 27% increase in Target Energy's net reserves and resources from 0.977 million barrels of oil equivalent (mmBOE)(31/12/08 audit) to 1.237 mmBOE.

Audited Reserves* ('000 BOE)	Proved & Probable	Possible	Contingent (Best Estimate)	Contingent (High Estimate)	Prospective Resources	Total
As at 31/12/08	282.8	143.9	157.6	312.4	80.6	977.2
Additional East Chalkley Interest	38.6	33.7	63.0	124.9	0.0	260.3
<b>Total</b>	<b>321.4</b>	<b>177.6</b>	<b>220.6</b>	<b>437.3</b>	<b>80.6</b>	<b>1237.5</b>

\* Figures are net to Target Energy's working interest and net revenue interest at 31/12/08; Source: Target Energy Target's Statement 14 May 2009. No allowance has been made for current year production.

Current field production, from the Pine Pasture #2 well, is approximately 83 barrels of oil per day (BOPD); additional field appraisal and development operations are planned for later in 2009.

The cost of the acquisition is US\$500,000. The effective date for this purchase will be 1 November 2009.

Managing Director Laurence Roe commented, "This is an important step forward for us in consolidating our reserves and cash flow position from the East Chalkley Oil Field. We believe the field has a lot to offer and we are looking forward to progressing our appraisal and development campaigns in the near future.

In the meantime, we note that drilling at our exciting Highway 71 prospect remains scheduled to commence later this month, with the rig planned to move to our prospect after finishing at its current well. If successful, Highway 71 has the potential to recover up to a gross 67.5 Bcf of gas with 1.1 million barrels of condensate. This is equivalent to 12.35 mmBOE, of which Target Energy's net interest would be to 2.27 mmBOE which would add substantially to our net hydrocarbon position."

For and on behalf of  
TARGET ENERGY LIMITED

A handwritten signature in dark ink, appearing to read "Laurence Roe".

**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.