



## ASX Announcement

15 April 2011

### Buffalo Project - Frac Underway

US-focussed oil and gas exploration and production company, Target Energy Limited (**ASX:TEX**), is pleased to advise that work has commenced at its Buffalo Project in South Texas.

As previously advised, Target has planned to fracture stimulate ("frac") the initial well in two stages with an approximately one month interval between the deeper first stage and the shallower second stage.

The frac crew mobilised to the well site on 13 April (US CDT) to undertake the first stage frac. The job was completed without incident and the load water is presently being flowed back, with approximately 15% recovered so far (over 11,800 barrels of water were pumped into the formation during the operation).

The well will continue to flow back load water for a number of days – it may be up to one week before oil or gas is observed. The Company will provide a further update in due course.

#### Buffalo Project

Target will earn a 100% working interest in the relevant zone in the initial borehole until pay-out with Target's working interest to revert to 50% thereafter. It will also earn an option to frac a second well under similar terms, which in turn will earn Target an option to drill and complete a new horizontal well in the project area on the same terms. Following the drilling of the new well, should Target then elect to undertake more work in the project area, it will be assigned a 50% working interest in the entire leasehold (approximately 13,000 acres) and be assigned operatorship of the entire project.

For and on behalf of  
TARGET ENERGY LIMITED

**Laurence Roe**  
Managing Director

### Corporate information

#### ASX Code

TEX  
TEXOB

#### Board of Directors

Chris Rowe, Chairman  
Laurence Roe, Managing Director  
Graham Riley, Director  
Stephen Mann, Director  
Ralph Kehle, Chairman TELA  
(USA)

Rowan Caren, Company Secretary

#### ABN Number

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#### Contact details

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#### Overview of activities

Target is exploring and producing a suite of highly prospective oil and gas projects in the USA.

*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 over 30 years' experience in the sector. He consents to that information in the form and context in which it appears.*