



ASX Announcement

15 May 2013

Drilling Commences at East Chalkley

Target Energy Limited is pleased to advise that drilling has commenced at the Pine Pasture #3 well in the Company's East Chalkley Oil Field in Cameron Parish, Louisiana.

Drilling is expected to take approximately three weeks to reach the programmed Total Depth of 3,000m (9,842 feet). The well is being drilled from existing production facilities with the bottom-hole to be approximately 272 metres south of the Pine Pasture #2 bottom-hole location. Estimated recoverable reserves for Pine Pasture #3 range between 250,000 and 450,000 barrels of oil.

Independent Reserve studies undertaken for Target have indicated that the field may have up to 1.7 million barrels of P50 ("most likely") technically recoverable reserves and resources, with a P10 or upside estimate of 4 million barrels of oil.

Pine Pasture #3 Operations Update

Target WI: 35%

All reported depths are measured below the Rotary Table (RT) on the rig floor.

Report Date: 7:00 pm 14 May 2013 (Western Aust Standard Time) /
6:00 am 14 May 2013 (USA Central Daylight Time)

Current Depth: 31.7m (104 ft)

Progress: Well spudded at 0300 hrs on 14 May 2013 (US Central Daylight Time). Currently drilling ahead.

ENDS

For and on behalf of TARGET ENERGY LIMITED

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

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Corporate information

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TEX

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