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

TARGET WITHDRAWS FROM CATAPULT AND PARKS NORTH PROJECTS AFTER LONG DELAYS

Target Energy Limited (ASX Code: TEX) ("Target") advises that it has withdrawn from Participation Agreements covering the Catapult 3 and Parks North prospects due to lengthy ongoing delays and uncertainty over the commencement of drilling and the capacity of other project partners to secure requisite funding to drill these projects.

Managing Director Laurence Roe said, "Target has been ready and willing to drill these prospects for some time now, however we have been unable to secure a firm drilling timetable from the Operators and it remains unclear if or when drilling will commence. Target considered the lack of certainty over the drilling schedule and project financing to be unacceptable and under the terms of the Participation Agreements, exercised its right to withdraw without penalty and receive a full refund for all its expenses incurred on both projects. This will repatriate around US\$290,000 back to the Company and free up a further US\$1.75 million of funds presently allocated to these projects.

"By formally withdrawing from Catapult 3 and Parks North, Target will recoup all of its investment in these prospects and we intend to redeploy our cash into new oil and gas exploration and production projects that have a better likelihood of proceeding in the short to medium term. It will also allow us to take advantage of opportunities to acquire interests in new projects that may result from the sale of assets in the U.S."

Mr. Roe added, "Target will continue to actively explore for and develop oil and gas production projects in the U.S., and we believe that the economic conditions in the U.S. will create opportunities for us to acquire interests in quality projects that we simply could not afford if we'd drilled Catapult 3 and Parks North. Withdrawing from these projects allows us to preserve our funds at a time when cash is at a premium, and position ourselves for further growth at a time when many other US explorers and producers are being forced to sell their assets."

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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