

**ASX ANNOUNCEMENT**

16 March 2007

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

**DRILLING COMMENCES AT SNAPPER No A-1**

Target Energy Limited ("Target") (ASX Code: TEX) has been informed by the Operator that drilling commenced at the St Martins Land No A-1 (Snapper) well in Louisiana USA at 4:00am (WDT) on 14th March 2007.

At 9:00pm, 14 March (WDT), the well was reported to be drilling ahead at a depth of 432.8 metres.

Operated by Cypress Drilling of Azle, Texas, the Snapper No A-1 well is located on the north-eastern flank of the Section 28 salt-dome, approximately 25 km east of Lafayette. The Snapper No A-1 well is targeting tested and interpreted bypassed gas from the Hackberry A-1 and A-2 Sands, as well as attic oil updip to proven production. The high quality Hackberry sands can be prolific producers of oil and/or gas.

Managing director Laurence Roe said, "The major advantage of exploring in Louisiana is that when we make a discovery, we have the necessary pipeline infrastructure right on our doorstep. This enables a well to be connected to the grid and brought into production in a short period of time, generating cashflow quickly at a relatively low cost."

The Snapper No A-1 well will test potential reserves of up to 4.2 BCF (billion cubic feet) of gas and 0.45 million barrels of oil (recoverable) and will take approximately four weeks to drill to the programmed Total Depth of 3,050 metres (10,000 ft).

Target Energy will earn a 25% Working Interest in the well (subject to completion of earning phase).

**ENDS**

Attachment 1: Map showing location of Snapper No A-1 well

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For further information please contact:

**Shareholders**

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**Media**

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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.*

Attachment 1: Location of Snapper #A-1 well

