

ASX ANNOUNCEMENT

16 October 2009

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

HIGHWAY 71 OPERATIONS UPDATE

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to announce that it has been advised by the operator of the Highway 71 prospect that the date for the commencement of drilling operations at this well is expected to be on or about 26 October.

The drilling rig is scheduled to be mobilised to the Highway 71 well site next week following the completion of drilling operations at its current location. Site preparations at the proposed well location are continuing.

Target is earning a 25% working interest in the Highway 71 prospect, situated in Wharton County Texas, approximately 100 kilometres west-southwest of Houston. The prospect has the potential to recover up to 67.5 Billion cubic feet (Bcf) of gas and 1.1 million barrels of condensate/light oil from its primary and secondary targets.

Drilling is expected to take six weeks to drill to the programmed Total Depth of 4,115 metres (13,500 feet). The well is to be drilled on a "turn-key" contract.

For and on behalf of
TARGET ENERGY LIMITED



Laurence Roe
Managing Director