

ASX ANNOUNCEMENT

17 April 2007

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

SNAPPER OIL & GAS DISCOVERY

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to advise that wireline logging has indicated the presence of over 30 feet of net oil and gas pay in two sands in the St Martin Land (Snapper) A-1 well presently being drilled in St Martin Parish, Louisiana.

Initial indications from the Operator suggest that the discovery at Snapper is already sufficient to complete the well as a producer.

The Snapper A-1 well is the third of a fully-funded eight well drilling campaign being conducted by Target Energy throughout Texas and Louisiana. Snapper A-1 spudded on 14th March.

- Report Date:** 07:00 pm 16/04/07 (WA Standard Time) /
06:00 am 16/04/07 (USA Central Standard Time)
- Current Depth:** 2,891 metres (Reported depths are below the Rotary Table (RT) on the rig floor).
- Progress:** Complete reaming hole from 2518.9m to 2835.8m. Drill ahead to 2891.1m. Pull out of hole, run wireline logs and take sidewall cores. Will run casing to 2,888m. Presently waiting on casing.
- Hydrocarbon Indications**
The operator's preliminary analysis of the wireline logs indicates a net 4.3 metres of gas pay in the "Marg Howe" sand at 2,754.2 m and 5.2 metres of net oil and gas pay in the 3rd Marg Tex sand at 2860.6m.
- Primary and Secondary Targets**
The Snapper 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.
- Comment:**
At this time there is a further 152.4m (500 feet) to drill to test the well's Hackberry Sand targets. The decision to run 7 inch casing at 9485 feet (2,891.1m) was taken to ensure the integrity of the bore-hole in the light of higher than expected pressures.

The indication on logs of hydrocarbon pay in the 3rd Marg Tex sand confirms our prognosis and is very encouraging for the deeper Hackberry Sand targets. The additional presence on the logs of a hydrocarbon charged sand at the Marg Howe level is a bonus.

The Operator has confirmed that the pay indicated on the logs thus far is already sufficient to complete the well as a producer.

Target Energy managing director Laurence Roe said "the discovery of oil and gas at Snapper was very encouraging, and the pay zones identified have the potential to host a significant quantity of oil and gas. On the back of our recent gas discovery at the Thoroughbred well, Target is generating excellent exploration momentum."

The Snapper A-1 well will test potential recoverable reserves of up to 4.2 BCF (Billion Cubic Feet) of gas and 450,000 barrels of oil, and is expected to take four weeks to drill to the programmed depth of 3,050 metres (10,000 feet).

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

While operations are underway, the Company will issue routine releases every Thursday or at any such time that material matters require an earlier release.

For further information please contact:

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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.