

ASX ANNOUNCEMENT

18 March 2007

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

THOROUGHbred No.1 DISCOVERY

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to announce the Thoroughbred No.1 well has discovered gas in Colorado County, Texas.

The Thoroughbred No.1 well is the second of a fully funded eight well drilling campaign being conducted by Target Energy throughout Texas and Louisiana. The third well – Snapper A-1 was spudded on the 14th March 2007 in St Martin Parish, Louisiana.

Report Date: 9:00 pm 18/03/07 (Western Aust Daylight Time) /
7:00 am 18/03/07 (USA Central Standard Time)

Progress: Well commenced wireline logging at 3:00am on 17th March 2007 (WDT).
Wireline formation testing commenced at midday 17th March 2007 (WDT).

The well is presently at 1,450.8m RT – it has been completed with a 2 7/8" casing string which has been run and cemented with 1690 sacks cement.

Hydrocarbon Indications

The shallower of the two zones, between 1,288.6 – 1,289.5 metres, produced 20 cubic feet of gas into a sample chamber on wireline testing from a test depth of 1,288.9 metres.

The deeper zone between 1,298 – 1,304.4 metres produced 30 cubic feet of gas into a sample chamber from a test depth of 1,300.5 metres in a 6 minute period.

Target managing director Mr. Laurence Roe said the gas discovery at Thoroughbred was very encouraging.

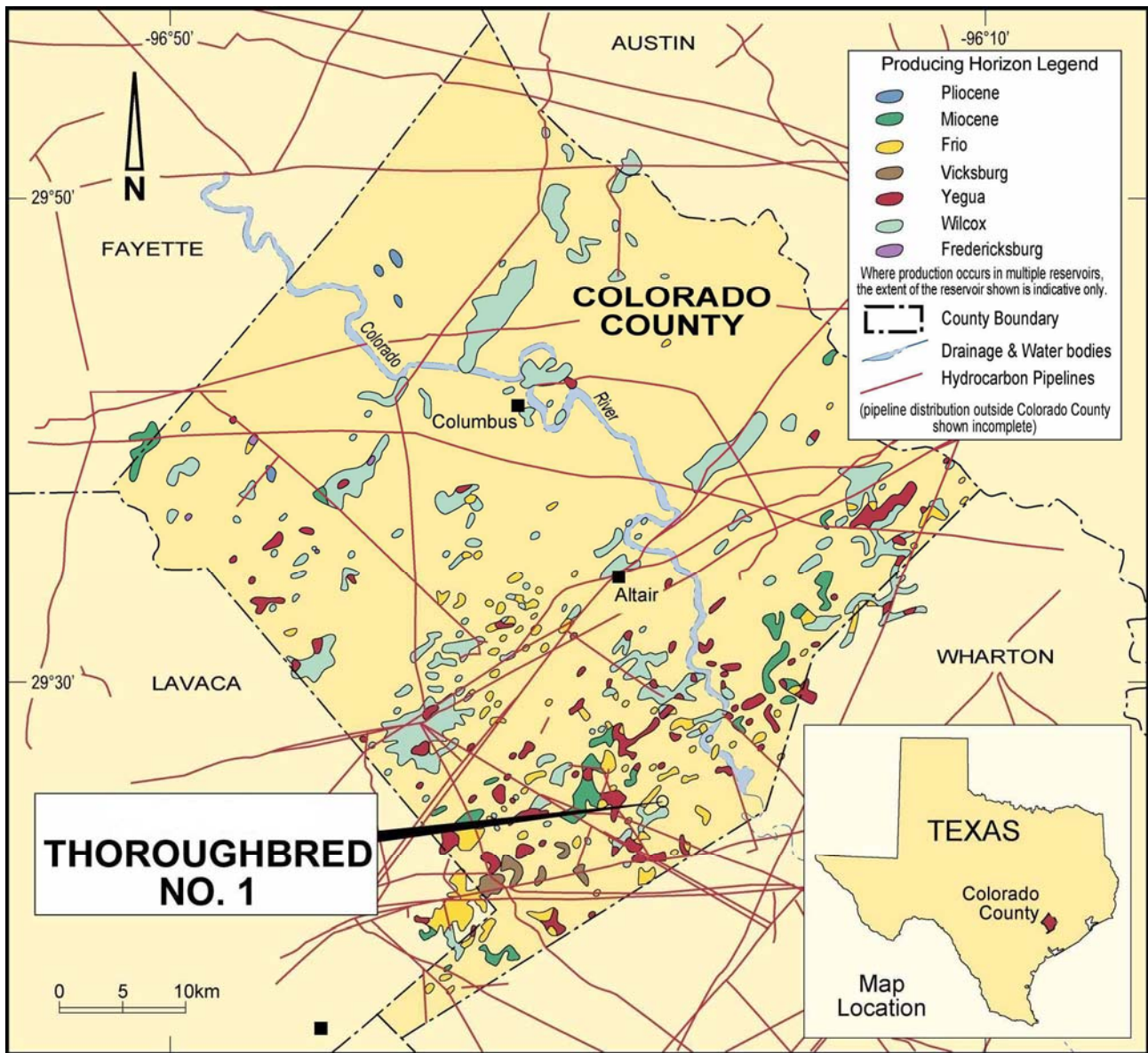
"These two zones of gas observed at Thoroughbred No.1 are interpreted to have encountered a gross hydrocarbon column on the high side of our expectations and validate our exploration strategy. Initial indications suggest Thoroughbred No.1 has the potential to host a significant quantity of gas, and we will be working closely with the operator to determine the best approach to commercialising it.

Hopefully this discovery will lead to early cashflow generation, which in turn will assist Target in funding the acquisition of new oil and gas exploration projects in the United States and elsewhere."

Thoroughbred prospect Working Interest holders (subject to completion of earning phase):

Everest Resource Company et al	50.75% (Operator)
Target Energy Limited	25.00%
Day Star Drilling & Development, Inc	12.75%
Anderson Oil Ltd	10.00%
A & H Investments	1.50%

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



COLORADO COUNTY, TEXAS
 Showing producing horizons, large diameter pipeline network and the location of the Garwood Frio, Thoroughbred and Kant prospect area.

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 M.J. Martin, B Sc, a Director of Target Energy, who is a member of the American Association of Petroleum Geologists and has at least 5 years experience in the sector. He consents to that information in the form and context in which it appears.