

ASX ANNOUNCEMENT

18 August 2009

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

SNAPPER A3 TO BE COMPLETED AS OIL & GAS PRODUCER

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to provide the following operations update. All reported depths are measured depths below the Rotary Table (RT) on the rig floor.

SML (SNAPPER) #A-3

Report Date: 7:00 pm 17/08/09 (Western Aust Standard Time) /
6:00 am 17/08/09 (USA Central Daylight Time)

Current Depth: 3,198.3 metres RT (Total Depth).

Hydrocarbon Indications

We have spent the last few days managing circulation issues - the borehole has now been stabilised and wireline logs are being run.

Preliminary log assessment indicates that **approximately 30 metres of gross oil and gas pay** has been intersected in the Camerina, Lower 3rd Marg Tex and Hackberry A1 & A4 sands.

The operator has confirmed that the **well is to be completed as an oil and gas producer**. Following the completion of logging, a production liner will be run to 3,185m.

Target Energy will earn a 25% Working Interest in zones above the Hackberry sands and a 21.625% Working Interest in the Hackberry sands.

ENDS

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.