

## ASX ANNOUNCEMENT

19 January 2010

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

### Target advances Highway 71 Project towards production

#### Highlights

- **Completion and flow testing operations commence at 1<sup>st</sup> Meek “B” sand in Merta #1 well;**
- **Construction of production facilities at Merta #1 underway;**

Completion and flow testing operations at Target Energy Limited’s (“Target”) (**ASX:TEX**) 25%-owned Highway 71 prospect in Wharton County, Texas are underway.

Construction of production facilities to tie the Merta #1 well into local gathering system commenced on the 8th of January.

#### Completion/Flow testing – Merta #1 well

Completion operations have started at Merta #1, with the pre-frac program for the 1<sup>st</sup> Meek “B” sand now concluded and fracture stimulation (“frac”) treatment for this zone scheduled to commence within a week. The well is presently shut-in to acquire additional pressure data.

Earlier testing of an interval over the deeper 2<sup>nd</sup> Meek Sand showed that zone to be tight.

Target’s managing director, Laurence Roe, said that operations were proceeding satisfactorily.

“We anticipated the need to fracture-stimulate zones in this well to optimise their ability to flow - this is not uncommon in the region. We understand that the fracing operations for the 1<sup>st</sup> Meek “B” sand are expected to start around the end of this week. Should the post-frac flow prove to be commercial, we will go straight into production from this zone, leaving the shallower Upper Wilcox and Cook Mountain pay sands to be completed and tested at a later date.”

ENDS

---

For and on behalf of  
TARGET ENERGY LIMITED



**Laurence Roe**  
**Managing Director**

*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 30 years experience in the sector. He consents to that information in the form and context in which it appears.*