

ASX ANNOUNCEMENT

20 March 2008

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

OPERATIONS UPDATE

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

RIVIANA FOODS #1 ST (TECHE PROSPECT)

Report Date: 9:00 pm 19/03/08 (Western Aust Daylight Time) /
6:00 am 19/03/08 (USA Central Standard Time)

Current Depth: 4,105.1 metres RT (Total Depth).

Progress: Run in to 3,389.1 mRT with LWD tools (Logging While Drilling). Log to 3,711.0 mRT; penetration slowed. Pull out of hole, change bottom-hole assembly, run back in hole to complete logging program.

Hydrocarbon Indications Hydrocarbon shows will only be reported after wireline logs have been run and evaluated at the Total Depth of the well.

Primary and Secondary Targets Drilling at the Teche prospect will target up to 22.4 Bcfe of potential recoverable gas and condensate in Oligocene age "Bol mex 2" sands. Additional potential is recognised in a number of other sands which will also be tested in an optimal position.

Comment: We are logging the well using a "logging while drilling" technique, where the logging sensors are integrated into the drill string.

At approximately 3,688 mRT, the process slowed and it appeared that the assembly had deviated out of the existing borehole and was in effect creating it's own sidetrack hole. We have pulled the equipment out and are running back in with a different bottom-hole assembly designed to locate the original hole and complete the logging program.

Target Energy will earn a 10% 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.

ENDS

For further information please contact:

Shareholders

Laurence Roe
Tel: (08) 9476 9000
Email: admin@targetenergy.com.au.

Media

Tony Dawe
Tel: 041 3322 110
Email: tony.dawe@bigpond.com

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.