



ASX Announcement

21 April 2011

Buffalo Project - Update

US-focussed oil and gas exploration and production company, Target Energy Limited (**ASX:TEX**), is pleased to advise that work continues at its Buffalo Project in South Texas.

Following the fracture stimulation ("frac") at the initial well, the well has been flowing back and to date has recovered approximately 38% of the load water (over 11,800 barrels of water were pumped into the formation during the operation). Minor gas and a trace of oil have been noted in recent days.

Tubing is presently being run into the borehole ahead of the well being put on pump to accelerate the recovery of the load water.

Buffalo Project

Target will earn a 100% working interest in the relevant zone in the initial borehole until pay-out with Target's working interest to revert to 50% thereafter. It will also earn an option to frac a second well under similar terms, which in turn will earn Target an option to drill and complete a new horizontal well in the project area on the same terms. Following the drilling of the new well, should Target then elect to undertake more work in the project area, it will be assigned a 50% working interest in the entire leasehold (approximately 13,000 acres) and be assigned operatorship of the entire project.

For and on behalf of
TARGET ENERGY LIMITED

Laurence Roe
Managing Director

Corporate information

ASX Code

TEX
TEXOB

Board of Directors

Chris Rowe, Chairman
Laurence Roe, Managing Director
Graham Riley, Director
Stephen Mann, Director
Ralph Kehle, Chairman TELA
(USA)

Rowan Caren, Company Secretary

ABN Number

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Overview of activities

Target is exploring and producing a suite of highly prospective oil and gas projects in the USA.

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

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