

ASX ANNOUNCEMENT

22 March 2007

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

SNAPPER No. A-1 – OPERATIONS UPDATE

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to provide the following update on drilling at the Snapper No. A-1 well in Colorado County, Texas.

Report Date:	08:00 pm 21/03/07 (Western Aust Daylight Time) / 06:00 am 21/03/07 (USA Central Standard Time)
Current Depth:	1,870.5 metres (Reported depths are below the Rotary Table (RT) on the rig floor).
Progress:	Well commenced drilling at 4:00pm on 14 March 2007 (WDT). The well is presently at 1,870.5 m RT and is drilling ahead of schedule.
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	The Snapper No. A-1 well is targeting tested and interpreted bypassed gas from the Hackberry A-1 and A-2 Sands, as well as attic oil updip to proven production. The high quality Hackberry sands can be prolific producers of oil and/or gas.

The Snapper No. A-1 well will test potential recoverable reserves of up to 4.2 BCF (Billion Cubic Feet) of gas and 450,000 barrels of oil, and is expected to take four weeks to drill to the programmed depth of 3,050 metres (10,000 feet).

Target Energy will earn a **25% 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.

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.