

ASX ANNOUNCEMENT

23 July 2009

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 measured depths below the Rotary Table (RT) on the rig floor.

SML (SNAPPER) #A-3

Report Date: 7:00 pm 22/07/09 (Western Aust Standard Time) /
6:00 am 22/07/09 (USA Central Daylight Time)

Current Depth: 2,857.5 metres RT.

Progress: Drill ahead in 225mm (8 7/8") hole from 2,589.6 m to 2,857.5m. Run and cement 194 mm (5 7/8") intermediate casing to 2,857.5m. Prepare to drill ahead.

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 well is designed to test a known fault segment for proven bypassed gas pay in the Hackberry A-1 and A-4 Sands, target two zones that have logged pay in the Snapper A-1 well and also test two possible zones (1st and 2nd Marg Tex) that pinched out down-dip from that well. In total, the well is expected to penetrate up to six pay zones, testing a prospective fault segment that has risked recoverable potential of up to 4.2 Billion cubic feet of gas and 331,000 barrels of oil (unrisked recoverable potential up to 5.4 Billion cubic feet of gas and 461,000 barrels of oil).

Target Energy will earn a 25% Working Interest in zones above the Hackberry sands and a 21.625% Working Interest in the Hackberry sands. With a planned Total Depth of 3,277 metres, drilling at Snapper A-3 is expected to take approximately four weeks.

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

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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.