ASX ANNOUNCEMENT

24 January 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 (TECHE PROSPECT)

Report Date:	9:00 pm 23/01/08 (Western Aust Daylight Time) / 6:00 am 23/01/08 (USA Central Standard Time)
Current Depth:	3,511.6 metres RT
Progress:	Run back in hole to 3,477.5m; circulate and spot lost circulation material (LCM), test OK. Pull out of hole, run in hole to drill ahead - bit plugged with cement - pull out of hole and clean plugged bit. Run in hole, bit plugged, pull out of hole.
Hydrocarbon Indications	Hydrocarbon shows will only be reported after wireline logs have been run and evaluated at the Total Depth of the well. The well will take approximately four weeks to drill to the programmed Total Depth of 3,810 metres (12,500 feet).
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 have had small remnants of cement in the drill pipe (from a previous job) break loose and plug the bit. This has happened on three occasions. As the cement can be difficult to detect visually, the decision has been taken to replace the entire drill string, a 36 hour process. We will then drill ahead – it is estimated by the operator we are approximately 60 metres above the first of our target sands.

Target Energy will earn a 10% Working Interest in the well (subject to completion of earning phase).

BEYT #1 (BAYOU BERARD PROSPECT) – FINAL REPORT

Report Date:	9:00 pm 22/01/08 (Western Aust Daylight Time) / 6:00 am 22/01/08 (USA Central Standard Time)
Current Depth:	3,251.6 metres RT (Total Depth)
Progress:	Complete dipmeter logging. Run 127mm (5") production casing to 3,048m RT. Rig down. Rig released at 12:00 hrs 21/01/08 (CST).
Comment	The well will now be completed in the Marg Vag sand (2,892m RT) which the operator estimates may hold up to 1.8 Bcf of recoverable gas. The operator has advised that a Completion rig should be mobilised to the site within a month.

Target has a 15% Working Interest in the Beyt #1 well.

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.