

## ASX ANNOUNCEMENT

24 September 2007

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

### Target Energy Adds To Production in Texas

Target Energy Limited ("Target") (ASX Code: TEX) is pleased to advise that gas production has now commenced at the Garwood No. 1 well in Texas, USA.

Garwood is located approximately 112 kilometres west south west of Houston in Colorado County, Texas. The field was discovered in June 2007 when the Garwood No. 1 exploration well encountered a number of gas-charged sands.

Three zones were identified as gas-bearing and flowed dry gas during formation testing:

- Zone 1 (1125.0 – 1127.2 metres) flowed dry gas from a test at 1126.6 m.
- Zone 2 (1137.5 – 1140.6 metres) flowed dry gas from a test at 1138.7 m.
- Zone 3 (1293.6 – 1296.6 metres) flowed dry gas from a test at 1294.2 m

A fourth zone (1078.4 – 1079.0 metres) recovered gas and water from a test at 1078.7 metres.

The lowermost of these gas-charged sands has now been completed for production. The well has been tied into the local gathering system and is producing to sales at a rate of 270 thousand cubic feet of gas per day.

The remaining identified gas sands will be completed at a later date.

Managing Director Laurence Roe noted that the commencement of production at Garwood was another step forward for the company.

"Within ten months of our listing on the ASX, we have all three of our discoveries on production generating income for the Company." Mr. Roe said. "We are very pleased with this progress and we are looking forward to the commencement our next drilling campaign in Louisiana."

Target Energy Limited has a 25% Working Interest in the Garwood No. 1 well.

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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.*