

ASX ANNOUNCEMENT

24 December 2009

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

HIGHWAY 71 COMPLETION UPDATE

MERTA #1 (HIGHWAY 71 PROSPECT)

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to advise that preparations are underway for the completion and flow testing of the Merta #1 well at the Highway 71 prospect.

The work is presently scheduled to commence in the first week in January 2010. Heavy rain in the region delayed the removal of the last of the drilling rig equipment; this equipment should be moved off the site this week and the location will be readied for the completion operations in the first week of January. The meter site easement and pipeline Right of Way are being secured and should be ready by the time testing commences at the well. Only 300 metres of new pipeline will be required to tie the well in to the local gathering system.

The Operator, Hollimon Oil Company, expects to have all necessary surface equipment installed prior to the testing program in order to flow the well directly to sales after the well is completed.

Target Energy has a 25% Working Interest in Highway 71

ENDS

For and on behalf of
TARGET ENERGY LIMITED



Laurence Roe
Managing Director

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.