



ASX Announcement

26 March 2010

Completion Program Continuing at Highway 71

US-focused oil and gas exploration and production company, Target Energy ("Target") (ASX:TEX) is continuing its completion program at the Merta #1 well at its 25%-owned Highway 71 prospect in Wharton County, Texas.

Completion Program – Merta #1 well

Following the perforation of the Upper Wilcox sand, additional pressure data has been acquired and a diagnostic fracture injection test (DFIT) completed.

In the next few days, the well will be "swabbed" to reduce the amount of fluid in the borehole. This will reduce the hydrostatic head and provide a better indication as to the zone's ability to recover or flow gas.

The results of the swabbing will be incorporated into the Operators recommendation regarding the next step in the Completion program - ie whether to pursue a fracture treatment at the Upper Wilcox sand or whether to move uphole to complete the Cook Mountain interval, where 9 metres of potential net pay has previously been identified.

New Ventures

Target also advises that it is presently investigating a number of New Ventures opportunities, both in the USA and elsewhere internationally. It is the view of the Board that at the Company's current market capitalisation, its assets are substantially undervalued and the Board is therefore advancing strategies to allow the value of these assets to be leveraged in accelerating the Company's participation in new projects.

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.

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Corporate information

ASX Code

TEX

Board of Directors

Chris Rowe, Chairman
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Overview of activities

Target is exploring and producing a suite of highly prospective oil and gas projects in the USA.

Target has interests in producing assets in its East Chalkley oil field and Section 28 Project.