

ASX ANNOUNCEMENT

26 June 2009

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

DRILLING TO COMMENCE AT SNAPPER A-3

Targeting 4.2 Bcf gas and 331,000 Barrels of Oil

Target Energy Limited ("Target") (ASX Code: TEX) has been informed by the Operator (Cypress Drilling) that:

- The drilling rig has mobilised to the Snapper A-3 location;
- Rigging up is underway; and
- Drilling is expected to commence early next week.

Snapper A-3, located approximately 300 metres from Target's Snapper A-1 producing well (TEX WI: 25%) in St Martin Parish, Louisiana, is considered to be a **low-risk development well for multiple proven and by-passed pay zones**.

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 MD Laurence Roe said, "This is an exciting low risk well for Target, and we are confident of success. With an expected measured depth of 3,277 metres, drilling at Snapper A-3 is expected to take approximately four weeks. A positive result will add significantly to our daily production."

Target Energy will earn a 25% Working Interest in zones above the Hackberry sands and a 21.625% Working Interest in the Hackberry sands.

ENDS

For further information please contact:

Shareholders

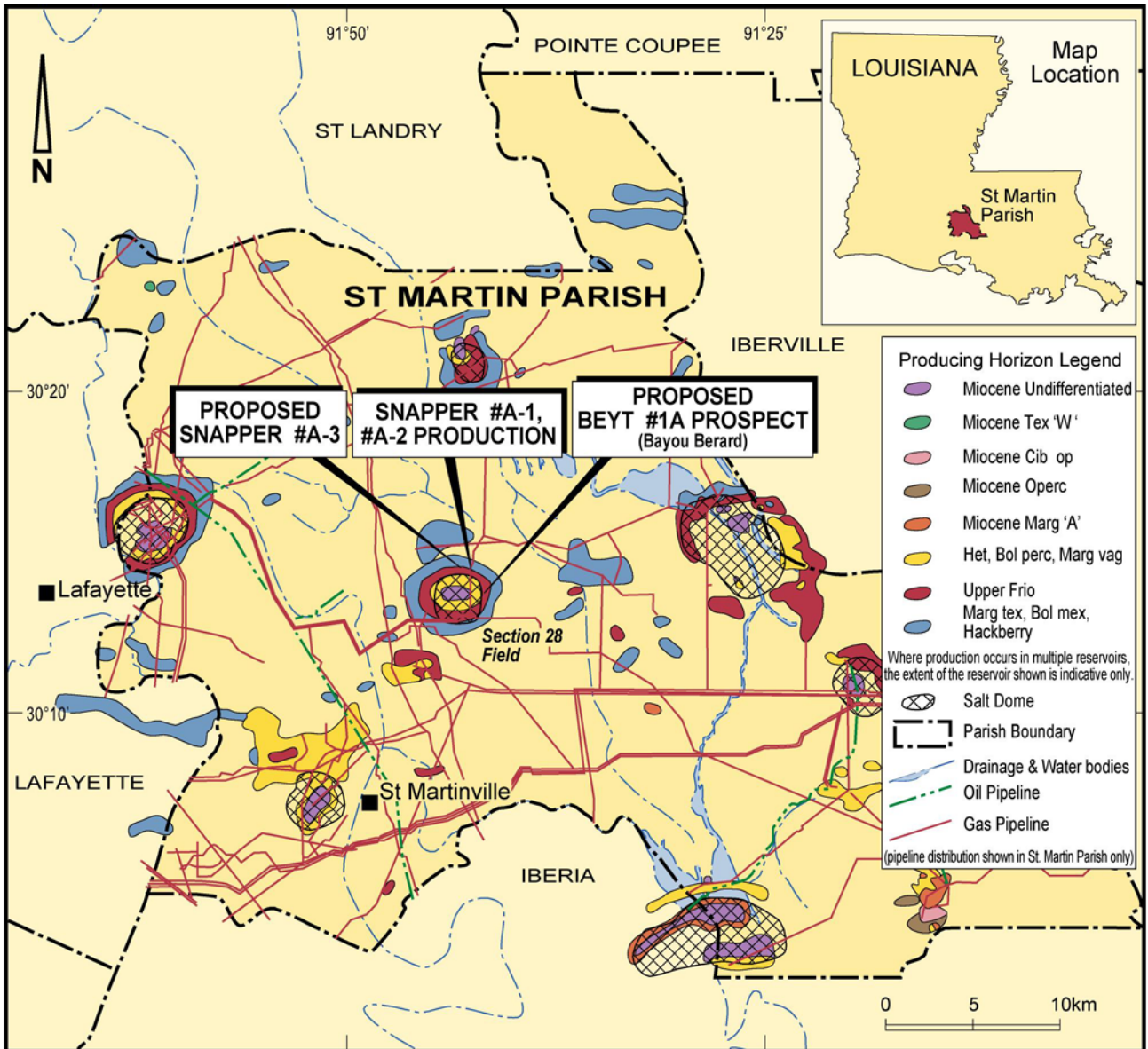
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NOTE: In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information in this report has been reviewed and signed off by Mr Laurence Roe, B Sc, Managing Director of Target Energy, who is a member of the Society of 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.

Attachment 1: Location of Snapper A-3 well



Attachment 2: Cross-section diagram (not to scale) through the proposed location, showing its location relative to the SML (Snapper A1) well and detailing the (unrisked) potential recoverable hydrocarbon volumes.

