

ASX ANNOUNCEMENT

27 October 2009



Company Announcements Platform
ASX Limited
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SYDNEY NSW 2000

TARGET COMPLETES PURCHASE OF ADDITIONAL INTEREST IN EAST CHALKLEY OIL FIELD

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to advise that it has now completed the purchase of additional interest in its East Chalkley oil field in Cameron Parish, Louisiana. The purchase, from Magnum Hunter Resources, has an effective date of 1 November 2009. The cost of the acquisition was US\$500,000.

The transaction will elevate Target's working interest across the field to 35%.

As previously advised, the increase will augment the Company's existing reserves and production associated with the field by 40% and represents an approximate 27% increase in Target Energy's total net reserves and resources - from 0.977 million barrels of oil equivalent (mmBOE)(31/12/08 audit) to 1.237 mmBOE.

Audited Reserves* ('000 BOE)	Proved & Probable	Possible	Contingent (Best Estimate)	Contingent (High Estimate)	Prospective Resources	Total
As at 31/12/08	282.8	143.9	157.6	312.4	80.6	977.2
Additional East Chalkley Interest	38.6	33.7	63.0	124.9	0.0	260.3
Total	321.4	177.6	220.6	437.3	80.6	1237.5

* Figures are net to Target Energy's working interest and net revenue interest at 31/12/08; Source: Target Energy Target's Statement 14 May 2009. No allowance has been made for current year production.

Managing Director Laurence Roe stated, "We were very pleased to be able to further consolidate our position in this oil field, with our Pine Pasture #2 well continuing to produce very consistently. After some operational and weather delays, we now expect to have a rig on site in early November to drill our water disposal well. Along with the currently strong oil prices, this will further improve our production economics. Following the completion of the disposal well, the partners will be discussing the location and timing of the next development well."

For and on behalf of
TARGET ENERGY LIMITED

A handwritten signature in blue ink, appearing to read "Laurence Roe".

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.