

ASX ANNOUNCEMENT



29 September 2009

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

HIGHWAY 71 OPERATIONS UPDATE

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to announce that it has been advised by the operator of the Highway 71 prospect that site preparation is expected to commence this week (weather permitting).

Target is earning a 25% working interest in the Highway 71 prospect, situated in Wharton County Texas, approximately 100 kilometres west-southwest of Houston.

Drilling is presently planned to commence later in October and is expected to take six weeks to drill to the programmed Total Depth of 4,115 metres (13,500 feet). The well is to be drilled on a "turn-key" contract. The rig is scheduled to mobilise to the Highway 71 prospect directly after its current well.

The prospect has the potential to recover up to 67.5 Billion cubic feet (Bcf) of gas and 1.1 million barrels of condensate/light oil from its primary and secondary targets. In the event of success, the effect of encountering reserves of such magnitude would increase Target's current net reserves/resources position by over 330%.

For and on behalf of
TARGET ENERGY LIMITED

Laurence Roe
Managing Director