



ASX Announcement

29 September 2011

FAIRWAY PROJECT OPERATIONS UPDATE

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to provide the following operations update. All reported depths are measured depths below the Rotary Table (RT) on the rig floor.

BOA 12 #1 (Fairway Project, Howard County, Texas)

Report Date: 7:00 pm 28/09/11 (Western Aust Standard Time) /
6:00 am 28/09/11 (USA Central Daylight Time)

Current Depth: 2,008.7 metres RT.

Progress: Run in hole with new bit. Drill ahead to 1,603.3m. Pull out of hole, run in with directional tools to correct deviation issues. Drill ahead to 1,838.3m – deviation back to less than 0.5 deg. Pull out of hole, lay down directional equipment. Run in hole with new bottom-hole assembly – drill string stuck at 1,604m. Free drill string, pull out of hole, ream hole at sticking point. Run back in hole, drill ahead to 2,008m.

Hydrocarbon Indications: Hydrocarbon shows will only be reported after wireline logs have been run and evaluated at the Total Depth of the well.

Primary and Secondary Targets: The primary targets are the Wolfberry and Fusselman sections. The Wolfberry has the potential to recover up to 180 mBOE per well and the Fusselman up to 80 mBO.

Target Energy is earning a 60% Working Interest in the Fairway project. Drilling is expected to take two weeks to drill to the programmed Total Depth of 3,170 metres (10,400 feet).

While operations are underway, the company will issue routine releases every Thursday or at any such time that material matters require an earlier release.

ENDS

For and on behalf of TARGET ENERGY LIMITED

Laurence Roe
Managing Director

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Corporate information

ASX Code

TEX

TEXOB

Board of Directors

Chris Rowe, Chairman
Laurence Roe, Managing Director
Graham Riley, Director
Stephen Mann, Director
Ralph Kehle, Chairman TELA (USA)

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Overview of activities

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

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 over 30 years' experience in the sector. He consents to that information in the form and context in which it appears.