

29 October 2007

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

DRILLING UPDATE

DRILLING COMMENCES AT SNAPPER A-2

Target Energy Limited ("Target") (ASX Code: TEX) has been informed by the Operator that drilling commenced at the St Martin Land #A-2 (Snapper) well in Louisiana USA on 28 October 2007.

Operated by Cypress Productions of Azle, Texas, the Snapper A-2 well is located on the north-eastern flank of the Section 28 salt-dome, approximately 25 km east of Lafayette.

The bottom-hole location of the well is programmed to be approximately 450 metres east-north-east of the Snapper A-1 discovery, targeting an adjacent fault compartment. Snapper A-2 will test six potential pay zones, including updip attic oil from the 3rd Marg Tex and Hackberry A-1 sands as well as possible gas and oil in the Marg Howie, 1st Camerina, 1st Marg Tex and Hackberry A-4 sands. The high quality Hackberry sands can be prolific producers of oil and/or gas.

The well will test a potential of up to 1 MMBO and 1.46 BCF of gas (unrisked, recoverable).

Managing director Laurence Roe said, "Based on our success at the Snapper A-1 well, we are excited about Snapper A-2. Not only is it a good prospect, but as we will be drilling from the same surface location as the Snapper A-1 well, we already have the necessary pipeline infrastructure available to us. In the event of a discovery, we would expect to be on production in about 30 days."

Snapper A-2 will take approximately four weeks to drill to its programmed Total Depth of 3,090 metres (10,140 ft).

Target Energy will earn a 25% Working Interest in the well (subject to completion of earning phase).

SITE WORKS COMMENCE AT TECHE PROSPECT

Target has been advised by the Operator (Aspect Energy, LLC) that site-works are underway at the Teche prospect in Jefferson Davis Parish, Louisiana. Drilling is expected to commence in late November and will target up to 22.4 Bcfe of potential recoverable gas and condensate in Oligocene age "Bol mex 2" sands.

Target will earn a 10% working interest in the Teche prospect

ENDS

For further information please contact:

Shareholders

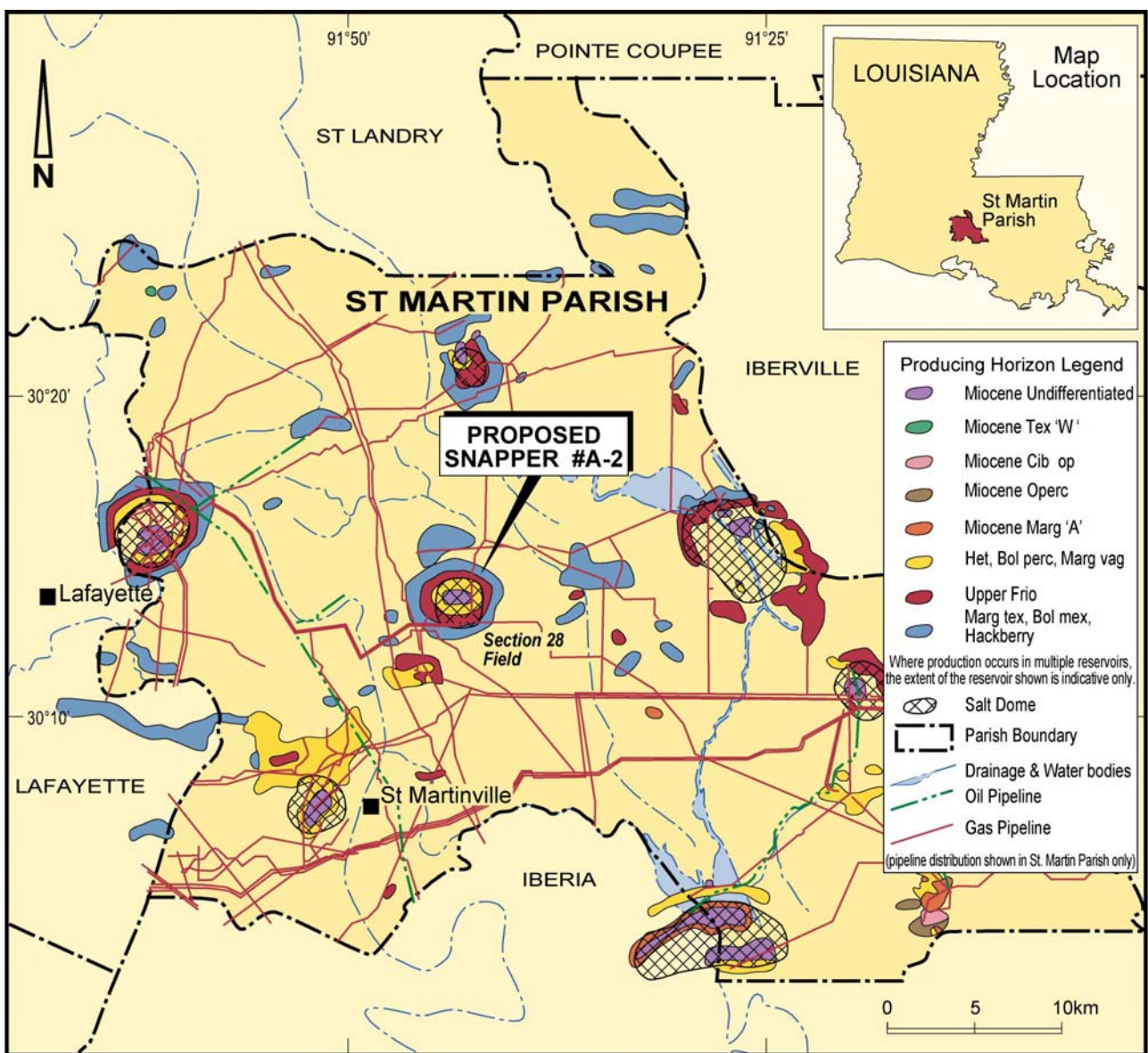
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NOTE: In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information in this report has been reviewed and signed off by Mr Laurence Roe, B Sc, Managing Director of Target Energy, who is a member of the Society of 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-2 well



ST MARTIN PARISH, LOUISIANA
 Showing producing horizons, large diameter oil and gas pipeline network and the Section 28 Field prospect area.