

## ASX ANNOUNCEMENT

30 June 2008

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

### TARGET STRIKES OIL AT EAST CHALKLEY

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to advise that the drilling at East Chalkley (TEX 25%) has reached Total Depth at 2,974.9 metres and wire line logging indicates the presence of oil pay.

MD Laurence Roe stated, "With oil over US\$140/barrel, success at East Chalkley will be very positive for Target's cash flow and earnings per share. We'll provide further guidance to the market once the well at East Chalkley (Pine Pasture #2) has been flow tested and the results analysed."

Initial log analysis has identified approximately 9.5 metres of net oil pay in the Alliance W2 sand at 2,923.0 metres (measured depth), which is in line with our pre-drill expectations. Additional potential pay has also been recognised in the above-lying Alliance W1 sands.

Measured Depth (metres)	Zone	Net pay
2,890.1	Alliance W1	3.4 metres
2,923.0	Alliance W2	9.5 metres

The well is to be completed as an oil producer from the W2 sand, with completion and flow-testing of the well expected to be underway in approximately two weeks.

Subject to the results of the flow testing and a geologic and engineering review, we will design an appraisal program to delineate the extent of the oil accumulation, which is estimated on current mapping to have a 'most likely' recoverable volume of approximately 2.4 million barrels, but will require additional drilling to confirm.

Mr Roe said: "We identified East Chalkley as a project with excellent recovery potential – which is why we took a 25 per cent working interest. Once we've put the well on production and had a chance to see how it performs, we'll start looking at how best to appraise the extent of the field.

"Results from drilling at our Bandito prospect, where we are targeting up to 42 billion cubic feet (Bcf) of gas equivalent, are expected within a couple of weeks.

In the Third Quarter, we will be drilling the Catapult prospect, where we are targeting 200 Bcf of gas and 10 million barrels of oil. With East Chalkley, Bandito and Catapult all progressing over the next few months, we anticipate a very busy time ahead and a strong flow of news to keep investors updated."

**ENDS**

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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.*