

## ASX ANNOUNCEMENT

31 January 2008

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

### OPERATIONS UPDATE

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

#### RIVIANA FOODS #1 (TECHE PROSPECT)

<b>Report Date:</b>	9:00 pm 30/01/08 (Western Aust Daylight Time) / 6:00 am 30/01/08 (USA Central Standard Time)
<b>Current Depth:</b>	3,533.6 metres RT
<b>Progress:</b>	Pick up new drill pipe. Run back in hole. Drill ahead to 3,533.6 m RT; pipe stuck. Back off pipe at 3,244m RT. Jar on stuck pipe. Run in hole with washover pipe.
<b>Hydrocarbon Indications</b>	Hydrocarbon shows will only be reported after wireline logs have been run and evaluated at the Total Depth of the well. The well will take approximately four weeks to drill to the programmed Total Depth of 3,810 metres (12,500 feet).
<b>Primary and Secondary Targets</b>	Drilling at the Teche prospect will target up to 22.4 Bcfe of potential recoverable gas and condensate in Oligocene age "Bol mex 2" sands. Additional potential is recognised in a number of other sands which will also be tested in an optimal position.
<b>Comment</b>	Advice from the operator subsequent to the last report is that they are making preparations to sidetrack the well. We will then drill approx 30m past the depth where we originally lost circulation, set a liner and then drill ahead.

Target Energy will earn a 10% Working Interest in the well (subject to completion of earning phase).

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

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For further information please contact:

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#### Media

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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.*