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

TARGET ACQUIRES 25% OF HIGHWAY 71 PROSPECT TARGETING 67 BCF GAS/ 1.1 MILLION BARRELS CONDENSATE

Highlights

- **Targeting 67 Billion cubic feet of gas & 1,100,000 barrels of condensate (oil)**
- **Drilling on turnkey contract - scheduled to commence in October 2009**
- **Prospect covered by proprietary 3D seismic**

Following Target Energy Limited's ("Target Energy"; ASX:TEX) recent successful Snapper A3 well, the Company is pleased to announce it has reached agreement with J. Charles Hollimon ("Hollimon") of San Antonio, Texas to acquire a 25% working interest in the "Highway 71" gas and condensate prospect, which is scheduled to be drilled by Hollimon in October 2009.

Located in Wharton County Texas, approximately 100 kilometres west-southwest of Houston, Highway 71 has the potential to recover up to 52.5 Billion cubic feet (Bcf) of gas and 367,000 barrels of condensate/light oil (BC) from its primary target, with a shallower secondary target holding the potential to recover up to 15 Bcf of gas and 750,000 BC.

Managing Director Laurence Roe said, "Highway 71 is an excellent growth opportunity for Target, and fits with our strategy of participating in quality projects with large upside potential. The prospect is well mapped on Hollimon's proprietary 3D seismic and is located in the vicinity of a number of producing oil and gas fields. Through our extensive network of contacts in the U.S. we were able to identify, review and secure this exciting opportunity before it was made available to other players."

The Highway 71 prospect is close to the Jones Creek, New Taiton and South Porters Creek oil and gas fields. The primary objectives at Highway 71 are the 1st and 2nd Meek (Middle Wilcox) sands, with the shallower Upper Wilcox sand as a secondary target.

The New Taiton Field, five kilometres northeast of Highway 71 on the same structural trend, produced 25 Bcf and 400,000 BC from the 1st Meek sand. The South Porters Creek field just 1.5 kilometres to the southwest has produced 4.3 Bcf and 31,500 BC since 2006 from the 1st and 2nd Meek Sands. Seismic mapping suggests that the South Porters Creek Field may be part of the same structure as the Highway 71 prospect.

Three kilometres to the east of the prospect is the Jones Creek Field (which was initially identified by Hollimon) and which has produced 40 Bcf gas with 1.7 million BC from the Upper Wilcox sand. The Upper Wilcox Sand is a secondary target at Highway 71, where the seismic indicates a slight structural feature.

Drilling is presently scheduled to commence in October 2009 and is expected to take six weeks to drill to the programmed Total Depth of 4,115 metres (13,500 feet). The well will be drilled on a "turn-key" contract.

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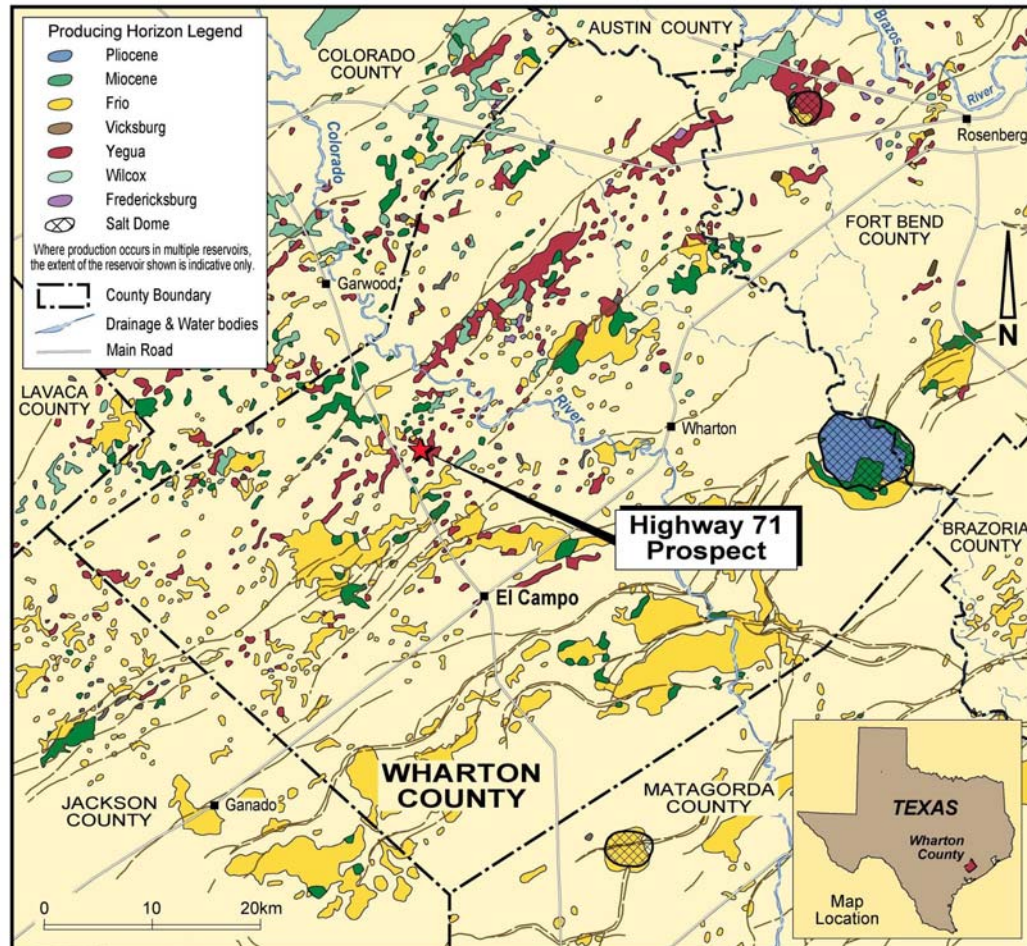
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WHARTON COUNTY, TEXAS
Showing producing horizons, and location of the Highway 71 Prospect