

03 December 2009

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

HIGHWAY 71 OPERATIONS UPDATE (FINAL)

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.

MERTA #1 (HIGHWAY 71 PROSPECT)

Report Date: 8:00 pm 02/12/09 (Western Aust Standard Time) /
6:00 am 02/12/09 (USA Central Daylight Time)

Current Depth: 4,125.2 metres RT (Total Depth).

Progress: Complete running and cementing 114mm (4.5") casing to TD. Rig released 18:00 hrs 01 December 2009 local US time.

Hydrocarbon Indications

Formation

Comments

Cook Mountain	9 metres of net gas pay
Upper Wilcox	4.9 metres of net gas pay
1 st Meek Sand	gas charged sand - appears tight
1 st Meek "B" Sand	6.4 metres of net gas pay
2 nd Meek Sand	22.9 metres of lower permeability hydrocarbon-bearing reservoir (with possible water cut)

The well is expected to be completed for production within the month and brought on-line before the end of January. Further analysis of the wireline log data and design of a suitable completion program is underway.

Target Energy has a 25% Working Interest in the Highway 71 prospect.

This is the final release for this program.

ENDS

For and on behalf of
TARGET ENERGY LIMITED



Laurence Roe
Managing Director

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.