

## ASX ANNOUNCEMENT

5 July 2007

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

### Oil and Gas flow at Snapper A-1

Target Energy Limited ("Target") (ASX Code: TEX) is pleased to advise that its Snapper A-1 well in St Martin Parish, Louisiana has been successfully completed for production and flow-tested and is now awaiting hook-up to a sales line.

A Completion rig was mobilized to the well site on 21 June 2007. The "4<sup>th</sup> Marg Tex" sand was subsequently perforated from 2,879.8m to 2882.2m and flowed gas and oil at rates up to 2.1 million cubic feet of gas per day (mmcf/d) and 16 barrels of oil per day.

The 4<sup>th</sup> Marg Tex is the deepest of the four zones previously identified on wireline logs in the well as potentially hydrocarbon bearing:

Measured Depth (metres)	Zone	Net Pay
2,754.0	Marg Howie	4.3 metres
2,773.7	1st Camerina	0.6 metres
2,860.6	3 <sup>rd</sup> Marg Tex	5.2 metres
2,879.8	4 <sup>th</sup> Marg Tex	1.8 metres
Total		11.9 metres

In accordance with the operator's program, only the 4<sup>th</sup> Marg Tex is being completed at this time - the shallower zones will be completed at a future date.

The operator will now lay flowlines to hook Snapper A-1 up to a sales line with the well expected to be online in about a month.

Managing Director Laurence Roe said: "This is more good news for Target Energy shareholders. The well has been successfully completed and tested with a good flow of gas and oil from the 4<sup>th</sup> Marg Tex sand. We expect to have the well on production by the end of the month."

Target Energy has a **25% Working Interest** in the well.

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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.*