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Company Announcements Platform  
Australian Securities Exchange Limited  
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20 Bridge Street  
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## GAS RESERVOIRS INTERSECTED AT HIGHWAY 71

Perth-based oil and gas exploration and production company, Target Energy Limited ("Target") (ASX: TEX) has identified potentially commercial gas reservoirs at its key 'high-impact' exploration prospect, Highway 71, located in Wharton County, Texas.

Strong gas shows were noted while drilling through "Yegua/Cooktown" sands from 2,347 to 2,405 metres depth, with wireline log and formation test data subsequently indicating the presence of approximately 9 metres of potential net gas pay within three zones.

Target Energy's managing director, Laurence Roe, believes these results will be welcomed by shareholders.

"We are going to continue to drill down to test our primary and secondary objectives in the deeper Wilcox and Meek sands knowing that we have already intersected potentially commercial gas," said Mr Roe.

"The intersection of these shallower gas sands is extremely encouraging – they are prolific producers in the area with some individual wells in the region recovering up to 12 Billion cubic feet (Bcf) of gas.

"Based on the information gathered to date, the operator considers that the sands intersected in our well should be capable of producing at commercial rates," said Mr Roe.

### Drilling information: Merta #1 (Highway 71 Prospect)

.All reported depths are measured depths below the Rotary Table (RT) on the rig floor.

**Report Date:** 8:00 pm 11/11/09 (Western Aust Standard Time)  
6:00 am 11/11/09 (USA Central Daylight Time)

**Current Depth:** 2,429.3 metres RT.

**Progress:** Drill ahead from 1,685m to 2,429.3m (intermediate casing point). Run wireline logs. Run formation test tool. Run sonic log. Run and cement 244.5mm (9 5/8") casing.

**Hydrocarbon Indications** Strong gas shows were noted in Yegua/Cooktown sands in the interval 2,347 - 2,405 metres. Wireline log data confirmed the presence of approximately 9 metres of potential reservoir sands within three zones from 2,343.3 to 2392.1 metres. A Formation Test tool was subsequently run to obtain fluid and pressure samples. Dry gas was recovered from a test point at 2,354.8m.

#### Primary and Secondary Targets

The primary targets are the 1<sup>st</sup> and 2<sup>nd</sup> Meek Sands which have the potential to recover up to 52.5 Bcf of gas with 367,500 barrels of condensate. The secondary target is the Upper Wilcox Sandstone, which has the potential to recover up to 15 Bcf plus 750,000 barrels of condensate.

Target Energy has a 25% Working Interest in the Highway 71 prospect. Drilling is expected to take six weeks to drill to the programmed Total Depth of 4,115 metres (13,500 feet).

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For and on behalf of  
TARGET ENERGY LIMITED

A handwritten signature in black ink, appearing to read 'Laurence Roe', written in a cursive style.

**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.*