

ASX ANNOUNCEMENT

13 June 2008

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

DRILLING COMMENCES AT EAST CHALKLEY 2.4 MILLION BARREL OIL POTENTIAL

Target Energy Limited ("Target") (ASX: TEX) is pleased to advise that drilling has commenced at the East Chalkley project in Cameron Parish, Louisiana.

The Operator, Centurion Exploration Company, has advised that drilling of the Pine Pasture #2 well at the East Chalkley oil project commenced at 08:00 hrs on 12 June 2008 USA Central Daylight Time.

The East Chalkley project is an oil field appraisal and development program, approximately 33 kilometres southeast of the town of Lake Charles in Cameron Parish, Louisiana. The oil accumulation, on the east flank of the Chalkley Field, is a previously unidentified down-dip oil leg associated with the gas field. The structure is mapped on 3D seismic and is already producing oil from a single well. The Pine Pasture #2 well is to be drilled slightly updip from the existing oil producer and it is planned to complete it as a gravel-packed, high volume, hydraulic pumped well. Subject to the results of the well, a field appraisal and development program are planned to follow. Work to date suggests that the 'most likely' recoverable volume of oil is approximately 2.4 million Barrels.

The Pine Pasture #2 well is expected to take 2.5 weeks to drill to its programmed total depth of 2,975m (9,760 ft).

Managing director Laurence Roe said, "This is an excellent project for Target, with low-risk drilling and the opportunity to appraise and potentially develop a field with multi-million barrel oil potential."

Target Energy will earn a 25% Working Interest in the East Chalkley project.

ENDS

For further information please contact:

Shareholders

Laurence Roe
Tel: (08) 9476 9000
Email: admin@targetenergy.com.au.

Media

Tony Dawe
Tel: 041 3322 110
Email: tony.dawe@bigpond.com

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.

Attachment 1: Location of East Chalkley Project

