

ASX ANNOUNCEMENT



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

SITE WORK TO COMMENCE AT SNAPPER A-3

Targeting 4.2 Bcf gas and 331,000 Barrels of Oil

Target Energy Limited ("Target") (ASX Code: TEX) has been informed by the Operator that location site work will begin shortly at the St Martin Land #A-3 ("Snapper A-3") well in St Martin Parish, Louisiana, which is targeting up to 4.2 Bcf of recoverable gas and 331,000 barrels of oil.

To be operated by Cypress Drilling of Azle, Texas, the Snapper A-3 well is located on the north-eastern flank of the Section 28 salt-dome, approximately 25 km east of Lafayette. The operator has cash-called the funds for the well and drilling operations are expected to commence in late May.

On the basis of subsurface control, 3D seismic data and recent drilling results, the proposed well is designed to test a known fault segment for proven bypassed gas pay in the Hackberry A-1 and A-4 Sands. The bottom-hole location of the well is programmed to be at a measured depth of 3,277 metres, approximately 300 metres north-north-east of the Target's Snapper A-1 producing well (TEX WI: 25%).

The well is considered to be a **low-risk development well for multiple proven and by-passed pay zones**. It will directly offset a well that tested gas in the Hackberry A-1 and Hackberry A-2 Sands, but was never produced, target two zones that have logged pay in the Snapper A-1 well and also test two possible zones (1st and 2nd Marg Tex) that pinched out down-dip from that well.

In total, the well is expected to penetrate up to six pay zones, testing a prospective fault segment that has risked recoverable potential of up to 4.2 Billion cubic feet of gas and 331,000 barrels of oil (unrisked recoverable potential up to 5.4 Billion cubic feet of gas and 461,000 barrels of oil).

Managing director Laurence Roe said, "Based on our previous success at the Snapper A-1 and A-2 wells, we are confident that Snapper A-3 will boost Target's reserves and production base. It is an excellent low-risk prospect and thanks to our existing production, we already have the necessary pipeline infrastructure available to us. In the event of a discovery, we expect to bring Snapper A-3 into production in about 30 days."

Snapper A-3 is expected to take approximately four weeks to drill to its programmed Total Depth of 3,277 metres (10,750 ft). Target Energy will earn a 25% Working Interest in zones above the Hackberry sands and a 21.625% Working Interest in the Hackberry sands.

In addition to the Snapper A3 well, Target Energy intends to participate in the Beyt #1A well later in the year. The well will be sidetracked from the Beyt #1 borehole to test 1st, 2nd and 3rd Marg Tex sands that were faulted out in the original well. These zones have an aggregate potential of 1 million barrels of oil with 0.4 billion cubic feet of gas (unrisked, recoverable). Target will have a 15% Working Interest.

ENDS

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Shareholders

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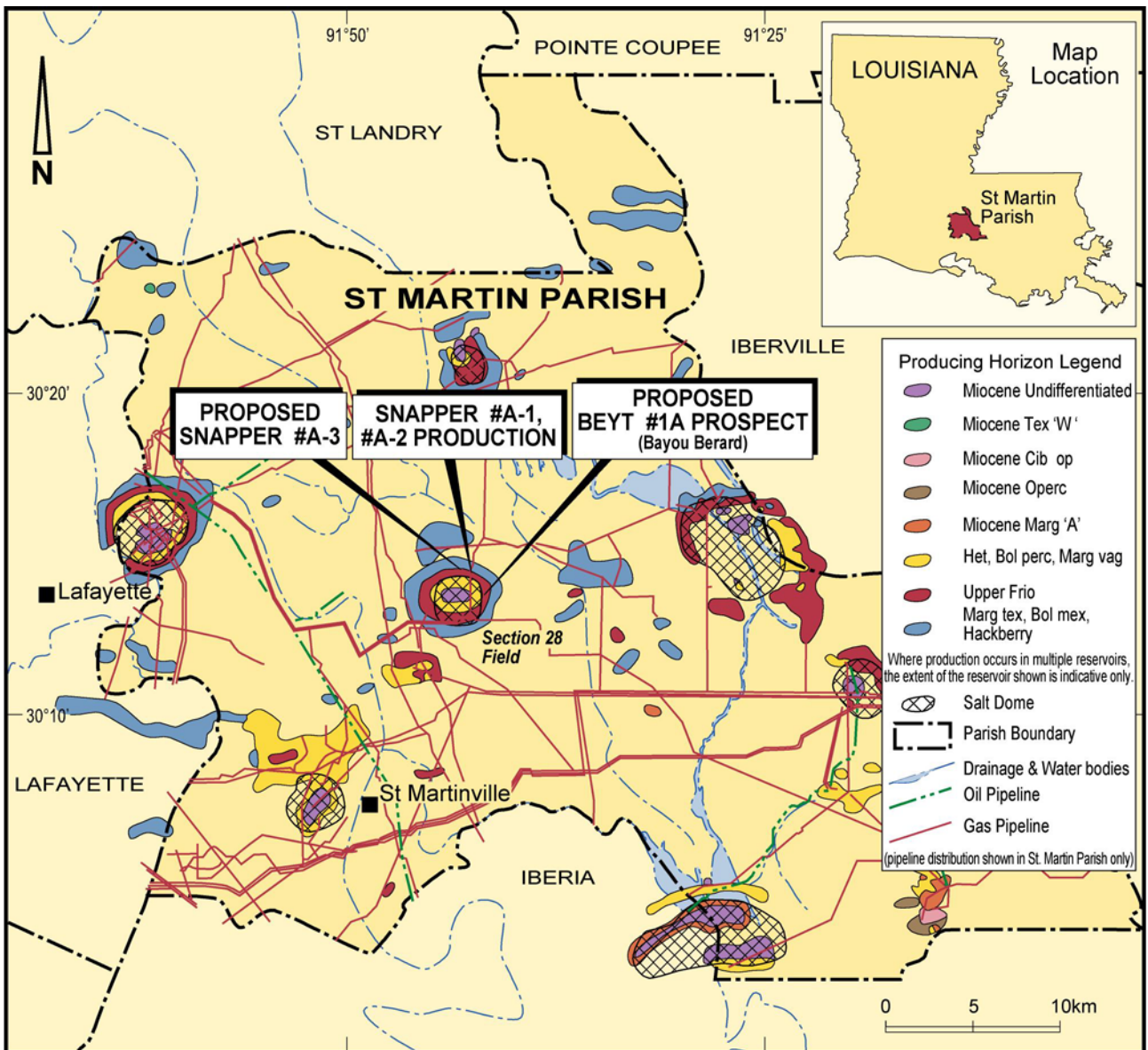
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NOTE: In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information in this report has been reviewed and signed off by Mr Laurence Roe, B.Sc. Managing Director of Target Energy, who is a member of
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the 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 Snapper A-3 well



Attachment 2: Cross-section diagram (not to scale) through the proposed location, showing its location relative to the SML (Snapper A1) well and detailing the (unrisked) potential recoverable hydrocarbon volumes.

