



ASX Announcement

26 May 2010

Completion Program Continuing at Highway 71

US-focused oil and gas exploration and production company, Target Energy ("Target") (**ASX:TEX**) is continuing its completion program at the Merta #1 well at its 25%-owned Highway 71 prospect in Wharton County, Texas.

Operations have recommenced at the Merta #1 well location to complete the well in the Cook Mountain sands, where strong gas shows were noted while drilling and with wireline log and formation test data subsequently indicating the presence of approximately 9 metres of potential net gas pay.

On 21st May, the well was plugged back to 3,405 metres in anticipation of the completion in the Cook Mountain sands. The rig is scheduled to be on site today to remove the 114.5 mm (4 1/2 inch) casing (and if necessary the liner) above 2,438 m depth prior to proceeding with the perforation and testing program.

Provision has also been made in the program for possible fracture stimulation (fracing) to enhance flows from one or both of the tested intervals.

At this time local operators are experiencing delays in getting fracing equipment and materials for wells due to the very high level of activity in the nearby Eagle Ford shale play. The Operator has been in discussions with a number of fracing companies to minimise any potential delays. However, once the zones are tested, we may put them into production straight away with a view to returning at a later date to frac them.

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 30 years experience in the sector. He consents to that information in the form and context in which it appears.

Corporate information

ASX Code
TEX

Board of Directors
Chris Rowe, Chairman
Laurence Roe, Managing Director
Paul Lloyd, Director
Mike Martin, Director

Rowan Caren, Company Secretary

ABN Number
73 119 160 360

Contact details
Level 2, 46 Ord Street
West Perth WA 6005
Tel: +61 8 9476 9000
admin@targetenergy.com.au

Overview of activities
Target is exploring and producing a suite of highly prospective oil and gas projects in the USA.

Target has interests in producing assets in its East Chalkley oil field and Section 28 Project.