

26 November 2007

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

SML (SNAPPER) A-2 OIL AND GAS DISCOVERY

DRILLING COMMENCES AT TECHE PROSPECT TARGETING 22.4 BCF GAS POTENTIAL

SML (SNAPPER) A-2

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to advise that wireline logging has indicated the presence of 94 feet (28.7 metres) of net oil and gas pay in seven sands in the St Martin Land (Snapper) A-2 well presently being drilled in St Martin Parish, Louisiana.

Report Date: 9:00 pm 25/11/07 (Western Aust Daylight Time) /
 6:00 am 25/11/07 (USA Central Standard Time)

Current Depth: 3,078.5 metres RT (Total Depth)

Progress: Drill ahead from 2,737.7mRT to 3,031.3mRT. Attempt wireline logs – tool failure. Run back in hole, drill ahead to 3,078.5mRT (Total Depth). Run wireline logs. Prepare to run 127mm (5") casing.

Hydrocarbon Indications: Seven potential oil and gas pay zones have been identified on the wireline logs. The operator's initial log analysis indicates the following potential pay:

Measured Depth (metres)	Zone	Net pay
2,779.8	Marg Howie	3.7 metres
2,807.2	1 st Camerina	2.7 metres
2,882.2	3rd Marg Tex	4.0 metres
2,905.4	4 th Marg Tex	1.8 metres
2,948.1	Hackberry A-1	9.1 metres
3,023.7	Hackberry A-4	6.1 metres
3,048.3	Hackberry A-5	1.2 metres
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Total		28.7 metres

Comments A very encouraging result. The well is being cased for oil and gas production. The next step will be to release this rig and bring a workover rig on site to complete the well (ie to prepare it for production) and to conduct flow tests.

Target has a 25% Working Interest in the SML (Snapper) A-2 well.

TECHE PROSPECT

Target Energy is also pleased to advise that drilling has commenced at the Teche prospect in Jefferson Davis Parish, Louisiana.

The Operator, Aspect Energy LLC, has advised that drilling of the Riviana Foods Inc. #1 well to test the Teche prospect commenced at 16:00 hrs on 24 November 2007 USA Central Standard Time. At the time of reporting the well was drilling ahead at a depth 126.5m.

Located approximately 57 kilometres west of Lafayette in Jefferson Davis Parish, Louisiana, the Teche prospect will be directionally drilled to a measured depth of 3,810 metres (12,500 feet) and will target up to 22.4 Bcfe of potential recoverable gas and condensate in Oligocene age "Bol mex 2" sands. Additional potential is recognised in a number of other sands which will also be tested in an optimal position. Drilling is expected to take approximately four weeks.

Target Energy will earn a 10% Working Interest in the Teche prospect.

Managing director Laurence Roe commented on the drilling, "This is the first of two wells we will be drilling with Aspect Energy. The Teche prospect is well-defined by good-quality 3D and is located in a known hydrocarbon production region. With up to 22 Bcfe gas potential, a discovery in this well will have a very positive impact on our cash flow.

"With the wireline logs at Snapper A-2 indicating a very good discovery there, we remain on target for an exciting and successful conclusion to our first year."

ENDS

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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.

Attachment 1: Location of Teche Prospect

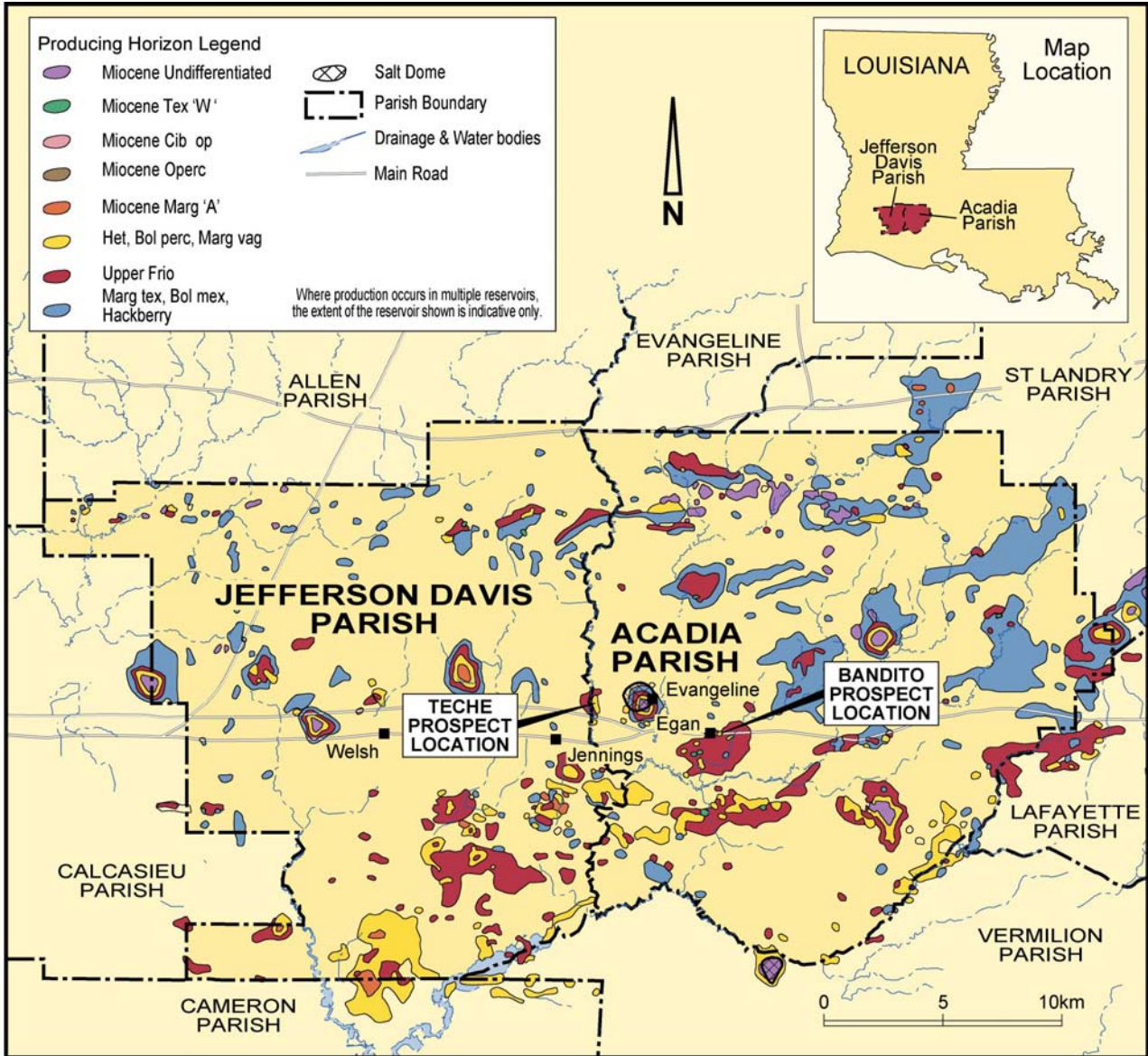


Figure 1

**JEFFERSON DAVIS AND ACADIA PARISHES, LOUISIANA
Showing producing horizons, and the Teche and Bandito
prospect areas.**