

ASX ANNOUNCEMENT

27 March 2008

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

OPERATIONS UPDATE

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to provide the following operations update. All reported depths are below the Rotary Table (RT) on the rig floor.

RIVIANA FOODS #1 ST2 (TECHE PROSPECT)

Report Date: 9:00 pm 26/03/08 (Western Aust Daylight Time) /
6:00 am 26/03/08 (USA Central Standard Time)

Current Depth: 4,020.4 metres RT (New Total Depth).

Progress: Run in hole with LWD (logging while drilling) equipment to 3,739.3 mRT - unable to re-enter original hole to complete logging. Pull LWD out of hole. Drill new hole (sidetrack) from 3,736.9 m RT to 4,020.4 m (TD). Run back in hole to complete logging program.

Hydrocarbon Indications Hydrocarbon shows will only be reported after wireline logs have been run and evaluated at the Total Depth of the well.

Primary and Secondary Targets Drilling at the Teche prospect 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.

Comment: We were unable to re-enter the original borehole below 3,688m. Rather than continue to attempt to re-enter, it was considered prudent to extend the new hole to TD. This has been done and we are going back in the hole with the logging equipment to complete the program.

Target Energy will earn a 10% Working Interest in the well (subject to completion of earning phase).

While operations are underway, the company will issue routine releases every Thursday or at any such time that material matters require an earlier release.

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.