

ASX ANNOUNCEMENT

29 October 2009

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

Gas and oil flow at Snapper A3

Target Energy Limited ("Target") (ASX Code: TEX) is pleased to announce that its SML (Snapper) #A-3 well ("Snapper A3") in St Martin Parish, Louisiana has been completed for production from the Hackberry A-4 sandstone. The zone flowed on test at rates up to 0.84 million cubic feet of gas per day (mmcfgd) and 5 – 10 barrels of oil per day, with wellhead pressures increasing during the testing period.

The Hackberry A-4 sandstone was perforated over an 8.6 metre gross interval, from 3,105.3m to 3,113.9 m. It is the deepest of four potential pay zones previously identified on wireline logs:

Measured Depth (metres)	Zone	Potential Net pay
2,937.7	1 st Camerina	4.3 m
2,972.5	3rd Marg Tex	3.6 m
2,982.2	Lower 3 rd Marg Tex	3.0 m
3,105.3	Hackberry A-4	4.3 m
Total		15.2 metres

Managing Director Laurence Roe said, "To complete our earning obligations in the deeper section and in accordance with the operator's program, the deepest pay sand - the Hackberry A-4 – was the first zone to be completed for production. Shallower pay zones will be completed at a later date.

"This additional production will further underpin our reserves and cash-flow position. With our recent purchase of additional interest in our East Chalkley Oil Field and also the commencement of drilling this week at our high potential Highway 71 prospect, Snapper A3 adds to a strong month for Target Energy."

Snapper A3 will now be tied into the nearby Snapper A1 and A2 production facilities, and is expected to be online within a month.

Target Energy has a 25% Working Interest in the well.

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 at least 5 years experience in the sector. He consents to that information in the form and context in which it appears.