

ASX ANNOUNCEMENT

29 November 2006

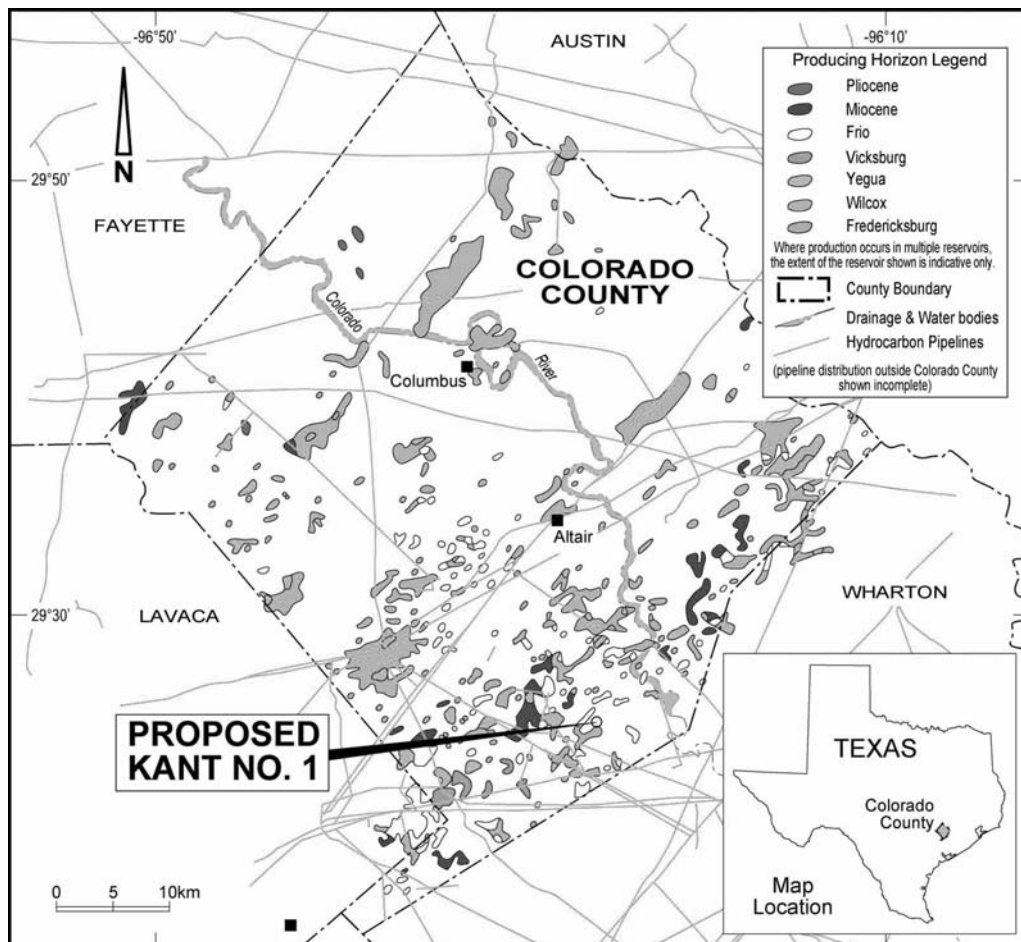
Company Announcements Platform
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

US Drilling Scheduled to Commence in December

Target Energy Limited ("Target") is pleased to advise that drilling is scheduled to commence at the Kant No. 1 well in the week beginning 10 December 2006.

Located approximately 112 kilometres west south west of Houston in Colorado County, Texas, Kant No. 1 is programmed to test an Oligocene age seismic amplitude anomaly at a depth of approximately 3,240 feet (988 metres). Potential recoverable reserves (as defined by the seismic anomaly) range up to 2 billion cubic feet (Bcf) of gas. The well will be drilled to a total depth of 4,750 feet (1,448 metres) to test additional Miocene and Frio potential.



Kant is located on trend with other local Frio gas discoveries and is within 1.6 km of existing gas pipelines. It is the first of three gas exploration wells in Colorado County that Target will participate in. The remaining wells, Thoroughbred and Garwood, are scheduled to be drilled in early first quarter of 2007.

Managing Director Laurence Roe noted that this was a fast start for a company that has only just commenced trading, "We expect to commence drilling this well within two weeks of our listing on the ASX. If the well is a discovery, we could be producing gas as early as January 2007. We then have two more wells to drill in this area in the first quarter of 2007, both of which are targeting relatively shallow gas and in the event of discoveries, can be brought onto production very quickly."

Kant prospect Working Interest holders (subject to completion of earning phase):

Everest Resource Company et al	25.00% (Operator)
Target Energy Limited	25.00%
Pantheon Resources plc	18.75%
Day Star Drilling & Development, Inc	12.75%
Anderson Oil Ltd	10.00%
Jeff Nesmith	4.50%
Jupiter Energy LLC	4.00%

For further information on the Company please contact Laurence Roe on 08 9240 1900 or at admin@targetenergy.com.au.

Yours sincerely,



Laurence Roe
Managing Director

NOTE: In accordance with ASX listing requirements, the geological information supplied in this report has been based on information provided by geologists who have had in excess of five years experience in their field of activity.