

30 May 2008

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

BANDITO DRILLING COMMENCES TARGETING 42 BCF GAS

Target Energy Limited ("Target") (ASX: TEX) announces that the Vincent #1 well at the Bandito prospect in Acadia Parish, Louisiana was spudded at 11:00 hrs on 29 May 2008, USA CDT (00:00 hrs on 30 May 2008, Aust WST).

The Bandito prospect is targeting up to 42.4 Bcf (Billion cubic feet) of potential recoverable gas in Oligocene age "Bol mex" sands, and will be drilled to a depth of 3,932 metres (12,900 feet).

Target will earn a 15% Working Interest in the Bandito prospect.

MD Laurence Roe said, "If successful, Bandito has the potential to significantly boost our second half cash flows. It's a well defined prospect covered by quality 3D seismic."

"Bandito leads us into the 2.5 million barrel potential East Chalkley Project (Target 25%) which will be drilling soon and then Catapult (Target 15%), which will be drilled in the third quarter. Catapult has the potential to host up to 200 Bcf recoverable gas and 10 million barrels of oil (condensate) and make Target a significantly richer company".

Drilling at Bandito is expected to take approximately five weeks.

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 Bandito Prospect

