# ASX Announcement

5 December 2011

## OPERATIONS UPDATE

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to provide the following operations update.

### BOA 12 #1 (Fairway Project, Howard County, Texas)

Flow back from the Wolfberry frac program continues at the BOA 12 #1 well. At this time approximately 30% of the load water has been recovered with the well continuing to flow unassisted. The recovered load water contains a 5% oil cut and associated gas - the oil flow is considered encouraging as Wolfberry wells typically do not recover oil or gas immediately following the frac.

It is expected that the post-frac flow rates will continue to decline and it is planned to then put the well on pump. Again this is typical with Wolfberry wells and the pumping equipment is already on site. Once the well is on pump, stabilised and representative oil and gas flow rates will be established.

Target Energy is earning a 60% Working Interest in the Fairway project.

### Shepard's Channel Prospect, La Fourche Parish, Louisiana

Site preparation at the Shepard's Channel location commenced on 28 November and is now complete. The rig contracted for the recompletion and testing program is completing operations on another well site and will mobilise to Shepard's Channel immediately thereafter.

Target Energy has a 10.33% Working Interest in Shepard's Channel.

Managing Director Laurence Roe commented on the programs. "We were not expecting to see oil appear so soon with the flow back of the load water at the BOA well. The advice we have is that you normally need to get the well on pump before you start seeing the oil, so we are encouraged with what we have seen so far. It's probably going to be another week or two before we get it on pump and get some idea of the well's real potential.

"At Shepard's Channel, we have prepared the site and wellhead for the commencement of operations. We planned to have the rig on site this past weekend, but it's still working on another well and will mobilise to our site as soon as it is finished there."

ENDS

## Corporate information

**ASX Code**
TEX

TEXOB

**Board of Directors**
Chris Rowe, Chairman
Laurence Roe, Managing Director
Graham Riley, Director
Stephen Mann, Director
Ralph Kehle, Chairman TELA (USA)

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**Overview of activities**
Target is exploring and producing a suite of highly prospective oil and gas projects in the USA.

*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 over 30 years' experience in the sector. He consents to that information in the form and context in which it appears.*

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For and on behalf of TARGET ENERGY LIMITED

**Laurence Roe**
**Managing Director**