

## ASX Announcement

10 December 2013

### Fusselman Exceeds Expectations As Sydney #2 Well Reaches Total Depth

- Fusselman Carbonate superior to that in Sydney #1
- Fusselman structurally high, thicker than anticipated
- Sydney #2 expected to be good Fusselman producer

Target Energy Limited ("Target") is pleased to advise that drilling operations have successfully concluded at the Sydney #2 well at its Permian Basin Fairway Project, West Texas (operations report below).

The Fusselman Formation was intersected 13 metres (42 feet) updip to that of the nearby Sydney #1 oil well. Preliminary log analysis further confirms that the Fusselman in the Sydney #2 well is significantly thicker and more porous than at the Sydney #1 well.

Target's Managing Director Laurence Roe commented: "This looks like an excellent well and could just be our best producer yet."

"The Fusselman in Sydney #2 is substantially updip to the Sydney #1 - our best Fusselman well to date - and is thicker with better porosity and permeability.

"We also noticed good oil and gas shows whilst drilling through the Wolfberry section.

"All the indications for this well are very positive. We will continue our review of the log data and proceed to run production casing; we plan to complete Sydney #2 for production early in the new year."

The Sydney #2 well reached its Total Depth at 3,040.4 metres (9,975 feet) on 7 December 2013. Wireline log data is presently being analysed. The well is located approximately 800 metres east of the Sydney #1 well (Fig 1).

#### Sydney #2 Operations Update

**Target WI:** 60%  
**Well Type:** Step-out / Appraisal (Oil)  
**Location:** Glasscock Co, Texas  
**Lease Description:** NW/4 & E/2 S 188 Block 29 A-170 W&NW Survey

All reported depths are measured below the Rotary Table (RT) on the rig floor.

**Report Date:** 8:00 pm 8/12/13 (Western Aust Standard Time) /  
6:00 am 8/12/13 (USA Central Standard Time)  
**Current Depth:** 3,040.4m (9,975ft) (Total Depth)  
**Progress:** Run surface casing to 343m (1,425 ft). Drill to 3,040m (9,975 ft). Run Wireline Logs. Prepare to run casing.

#### Corporate information

**ASX Code:** TEX  
**OTCQX Code:** TEXQY

#### Board of Directors

Chris Rowe, Chairman  
Laurence Roe, Managing Director  
Stephen Mann, Director  
Ralph Kehle, Chairman TELA (USA)

Rowan Caren, Company Secretary

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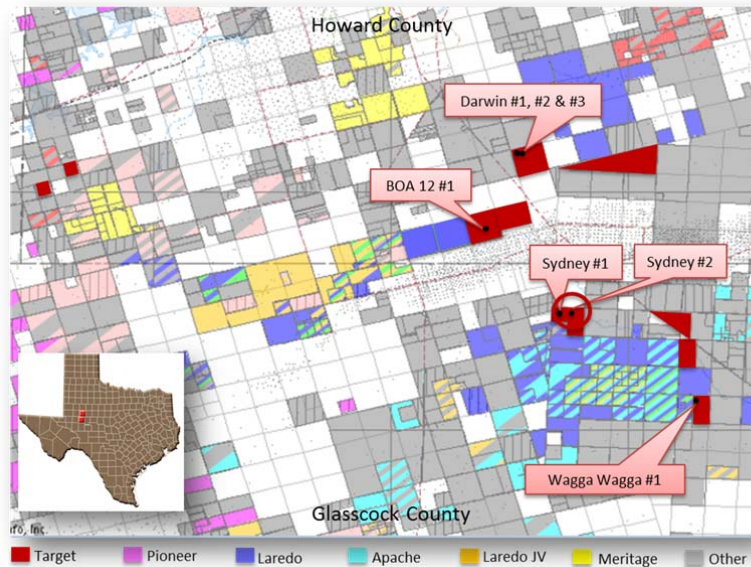
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**Figure 1: Fairway Project lease-holdings, showing Sydney #2 well location.**

ENDS

For and on behalf of TARGET ENERGY LIMITED

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