



ASX Announcement

10 November 2014

More Oil Flows at Fairway Project Operations Update

US focused oil and gas producer Target Energy Limited ("Target") provides the following operations update for its Fairway Project in West Texas.

- In Glasscock County, **Ballarat 185 #1** (Target WI: 50%) was put on pump on 5 November 2014. Initial production in the following three days averaged 117 BOPD and 253 BW with "strong gas" reported (Table 1). The well still has approximately 18,400 BW to recover.
- Completion of the Fusselman carbonate is underway at **BOA North #5** in Howard County (Target WI: 50%). A completion rig was mobilized to the site on 6 November 2014.
- At the **Taree 193 #1** well in Glasscock County (Target WI: 50%), a fracture stimulation program has been scheduled for 20 November 2014. Potentially productive pay zones in the Ellenburger and Fusselman zones will be tested prior to the stimulation program.
- Drilling at the proposed **Darwin #4** well in Howard County (Target WI: 60%) is expected to commence within two weeks. The well is situated approximately 1,800 ft south of the Company's 2012 Darwin #1 discovery well and will target both Fusselman and Wolfberry intervals.

Managing Director Laurence Roe noted, "Work is progressing at a number of our wells. The initial oil production at the Ballarat 185 #1 well is promising and we will continue to monitor the flow rate there. We have also started work at the BOA North #5 well to complete it for production from the Fusselman section and also expect to progress the completion and testing at Taree 193 #1 in the next few weeks.

"At Darwin #4 we are just waiting on the rig and will commence drilling as soon as we can mobilise it to the site. We should have a result there by early December – with its proximity to Darwin #1 we believe that Darwin #4 - in addition to the Wolfberry section - has a particularly strong chance of having a productive Fusselman Carbonate."

ENDS

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

ABN

73 119 160 360

Contact details

6 Richardson St, Suite 5
West Perth WA 6005
Tel: +61 8 9476 9000

1900 St James Place, Suite 425
Houston Tx 77056
USA
Tel: +1 713 275 9800

E: admin@targetenergy.com.au

W: www.targetenergy.com.au
www.targetenergyusa.com

Media Inquiries:

Australia

Ross Dinsdale
Business Development Manager (Perth)
+61 8 9476 9000 office
+61 429 702 970 mobile
ross.dinsdale@targetenergy.com.au

USA

Bradley Holmes
Target Investor Relations (Houston)
+1 713 304 6962 cell
+1 713 654 4009 direct
brad.holmes@targetenergyusa.com



ASX Announcement

10 November 2014

For and on behalf of TARGET ENERGY LIMITED

Managing Director

Well Reporting Summary – Ballarat 185 #1

Name and Type of Well	Ballarat 185 #1, Oil & Gas producer
Well Location	Glasscock Co, Texas
Lease	S185, Bl 28, A-815 and A-A483, Waco & Northwestern Survey
TEX Working Interest	50%
Geological Rock Type	Wolfberry – carbonates, shales and minor sandstone
Depth of Zones Tested	2,168 – 2,909m
Type of Tests Undertaken	Ongoing flow-back after fracture stimulation
Duration of Tests Undertaken	Well put on pump 5 November 2014
Hydrocarbon Phases Recovered	Oil and Gas
Other recovery	Load Water (total load now recovered: 35%)
Choke Size Used	On pump
Flow Rates	117 BOPD + 253 BWPD + “strong gas” (not measured). Rates are average 6 – 8 Nov 14)
Number of Fracture Stimulations	9 zones stimulated
Material Volumes of Non-Hydrocarbon Gases	Nil

Table 1

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. Note also that Target reports a thermal equivalent when combining gas and oil production, where 1BOE = 6 mcf.