

ASX Announcement

1 December 2014

Fairway Project Operations Update

US focused oil and gas producer Target Energy Limited (“Target”) provides the following updates for its Fairway Project in West Texas.

- Drilling at **Darwin #4** commenced on 20 November 2014. The well is presently drilling ahead at 768m (Table 1). Darwin #4 is situated approximately 1,800 ft south of the Company’s 2012 Darwin #1 discovery well and will target both Fusselman and Wolfberry intervals; the well will be drilled to a planned depth of approximately 3,048m (10,000 ft). Target has a 60% Working Interest (“WI”).
- A fracture stimulation was performed at the **Taree 193 #1** well in Glasscock County on 21 November 2014. The seven stage program covered a gross interval of 780m using approximately 23,700 barrels of load water. The well is presently flowing back load water with increasing oil and gas. Target has a 50% WI in Taree 193 #1 which is situated approximately 2 km south east of the Ballarat 185 #1 well.
- Completion operations remain underway at **BOA North #5** (Target WI: 50%)

Managing Director Laurence Roe commented, “The stimulation program at Taree 193 #1 went well, with oil and gas shows appearing on the third day of flow-back. Encountering oil that early in the flow-back period is quite encouraging.

“At Darwin 4, we are drilling ahead at 768m (2,520 ft). We lost some time during the week after encountering loose gravels in the shallow section of the borehole, which in conjunction with a 30 minute loss of power at the rig, caused us to get stuck. We have since freed the pipe and we are back to drilling.

“At BOA North #5 some channeling in the cement behind pipe has prevented any definitive testing (the channels provide a conduit for water from deeper zones). We are preparing a cement squeeze to block off these channels and to allow the testing program to proceed.”

ENDS

Corporate information

ASX Code: TEX
OTCQX Code: TEXQY

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Laurence Roe, Managing Director
Stephen Mann, Director
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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. Note also that Target reports a thermal equivalent when combining gas and oil production, where 1BOE = 6 mcf.

Well Reporting Summary – Darwin #4

Name and Type of Well	Darwin #4, Oil Development Well
Well Location	Howard County, Texas
Lease Description	S44 S/2, Block 33, T-1S, A-1292, T&P RR Survey
TEX Working Interest	60%
Report Date	8:00 pm 30/11/14 (Western Aust Standard Time) / 6:00 am 30/11/14 (USA Central Daylight Time)
Current Depth:	768.0m. All reported depths are measured below the Rotary Table (RT) on the rig floor.
Progress	Spud well at 0330 hrs 20 Nov 2014. Drill ahead to 753.2m (2,471 ft). Bit stuck, lose power. Restore power, recover drill pipe, leave bottom-hole assembly (BHA) in hole. Recondition and widen hole down to 526m (1,726 ft). Recover BHA. Drill ahead to 768m (2,520 ft).

Table 1