

ASX ANNOUNCEMENT

23 October 2009

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

OPERATIONS UPDATE

SML (Snapper) #A-3

Target Energy Limited ("Target") (ASX CODE: TEX) is pleased to advise that a completion rig has been mobilised to the SML #A-3 location. Completion operations are presently underway.

Highway 71

The operator, Hollimon Oil Company, has advised that the Orion Hercules drilling rig is expected to commence mobilising to the Highway 71 prospect location on Saturday 24 October, weather permitting.

The date for the commencement of drilling operations at this well is expected to be on or about 26 October.

Target is earning a 25% working interest in the Highway 71 prospect, which has the potential to recover up to 67.5 Billion cubic feet (Bcf) of gas and 1.1 million barrels of condensate/light oil from its primary and secondary targets.

Drilling is expected to take six weeks to drill to the programmed Total Depth of 4,115 metres (13,500 feet). The well is to be drilled on a "turn-key" contract.

For and on behalf of
TARGET ENERGY LIMITED



Laurence Roe
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 at least 5 years experience in the sector. He consents to that information in the form and context in which it appears.