



ASX Announcement

03 March 2010

Completion Program Continuing at Highway 71

US-focused oil and gas exploration and production company, Target Energy ("Target") (**ASX:TEX**) is continuing its completion program at the Merta #1 well at its 25%-owned Highway 71 prospect in Wharton County, Texas.

Completion/Flow testing – Merta #1 well

Following the fracture-stimulation ("frac") of the 1st Meek B sand, the well was flow tested and then shut-in for a pressure build-up survey. Subsequent analysis of the pressure data has indicated that the 1st Meek B sand appears to be a permeable channel sand with limited width and unknown length. The configuration of this sand means that an attempt to re-frac the zone would not be economically viable, and the 1st Meek B zone has been abandoned.

Approximately 4.9 metres of potential pay in the Upper Wilcox sandstone were also identified on wireline logs. The Upper Wilcox sand was perforated on the 2nd of March, and the well flowed back, recovering a portion of the load water with a light blow of gas. The well is now shut in, with pressures being monitored.

Ongoing work

A further 9 metres of potential net pay has previously been identified at Merta #1 well in shallower Cook Mountain sands - these will be completed and tested at a later date.

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.

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Corporate information

ASX Code

TEX

Board of Directors

Chris Rowe, Chairman
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Overview of activities

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

Target has interests in producing assets in its East Chalkley oil field and Section 28 Project.

The Company currently produces approx 135 BOEPD net to its working interests.