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Target Energy

USA Feature

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## Catapult remains on Target

Target Energy Limited (ASX Code: TEX) has an impressive track record of onshore oil and gas exploration success in the US Gulf States of Louisiana and Texas, and remains on target to drill its “company making” 205 Bcf gas and 10.2 million barrel oil Catapult 3 project, early in 2009.

Target Managing Director Laurence Roe describes the Catapult project as a high risk/ high reward target. “Our 15% working interest in Catapult gives us a big stake in its future success, but it also represents our single largest investment to date. The project area is thoroughly mapped by 3D seismic, the geology is well known and the project sits right next to two producing wells, so we feel we have de-risked this project as much as possible while ensuring there is enough upside to attract investor support.”

“Catapult fits perfectly into our growth strategy, and assuming it’s successful, it will elevate Target into a company with strong cash flow in US dollars and the capacity to fund its future exploration programs from recurrent earnings.”

Target’s Pine Pasture #2 (East Chalkley) oil well in Cameron Parish, is producing 120 BOPD as part of it’s extended flow testing, adding to production from its other Snapper A1, Snapper A2 and Garwood production wells .

In the next few months, Target is planning to drill its Bayou Berard ST and Snapper A3 wells in St Martin Parish Louisiana, targeting a combined 1.7 million barrels of condensate and 4.44 Bcf of gas.

The first quarter of 2009 promises to be a very active time for Target.

“In addition to Catapult, Target will be drilling multiple target zones at Parks North in the first quarter of next year, where we are targeting potential un-risked recoverable hydrocarbon volumes of 25.7 Bcf of gas and 150,000 barrels of oil.”

“The US Gulf Coast remains our preferred destination for oil and gas exploration. Despite occasional hurricanes, we’ve enjoyed a high exploration success rate and have built up a very good understanding of local geology and geophysical conditions as well as establishing very strong relationships with other explorers in the region. We have done this in the two short years since listing on the ASX.”

The next 12 months should see Target increase its level of exploration activity and growth.

“Target continues to review a number of growth opportunities and we are currently in discussions with various parties to acquire interests in large oil and gas projects in the Gulf Coast. I’m confident that we will continue to provide our investors with a compelling story and strong earnings growth. Oil and gas prices are predicted to recover over the coming months and this will further bolster our cash flow from production.

Target offers investors a proven track record of exploration success, excellent upside potential and a strong management team focused on delivering earnings growth.”