



ASX Announcement
25 March 2014

Independent study estimates 389,000 barrels of proved oil reserves in Titan's Allen Dome North Flank

Highlights:

- **3000' zone at Allen Dome North Flank estimated to contain 389,000 barrels of Proved oil reserves**
- **Other producing zones in Allen Dome North are estimated to hold 120,400 barrels of Probable oil reserves**

Titan Energy Ltd (ASX: TTE) is pleased to report it has received the results of its independent Reserves Report for the remaining reserves in the producing Northern Flank (TTE 94%) of its Allen Dome oil field in Texas.

The Independent Technical Specialist's Reserves Report was undertaken by US-based Energy Recovery Concepts, LLC (ERC), a specialist on Texas salt dome fields like Allen Dome.

In its review, ERC noted that the Allen Dome North Flank is a proved producing area of the Allen Dome salt dome, with the last well drilled in the area by Titan Energy, the JT Reese #S2 encountering the 3000 foot zone with 67 feet of oil pay. Cumulative production from the well for the initial 217 days was 12,000 barrels of oil. Four additional wells are also producing on the North flank; JT Reese #2A, JT Reese #3A, JT Reese #5 and JT Reese #6A.

ERC's Report was formulated utilising information from the producing well, interviewing TTE technical staff and reviewing:

- Processed and interpreted maps of 2D and 3D seismic;
- Contour structure maps, log data from the Prospect Area;
- State reported production records, IP records, decline curves, and reported cumulative production; and
- Open hole electric, sonic logs, and SWC's on offset analogous formations with production history.

Utilising all of this historical data, ERC estimated the 3000' sand in the Allen Dome North Flank contains an estimated 389,000 barrels of remaining Proved oil reserves, with net Proved reserves to Titan Energy of 366,000 barrels of oil.

ERC also provided two FNV calculations for the Allen Dome North Flank lease*

- 1) Economic Projection with the drilling of 2 additional wells
 - a) ATCF (After Tax Cash Flow) US\$20.47M
 - b) Discounted 10% (PV10) US\$12.09M

Management

Darren Levy
Executive Chairman
Paul Garner
Executive Director & CEO
Colin Hay
Non-Executive Director
Jack Toby
Company Secretary & CFO

Titan Energy Ltd

ASX: TTE

ABN 53 109 213 470

31 Ord Street
West Perth, 6005
Western Australia

Postal Address
PO Box 198
West Perth, WA 6872

T: +618 9322 6955
F: +618 9322 6722
E: info@titanenergy.com.au

www.titanenergy.com.au



- 2) Economic Projection producing lease to depletion with no additional drilling
 a) ATCF (After Tax Cash Flow) US\$4.87M
 b) Discounted 10% (PV10) US\$2.41M

* The report's author did not calculate severance tax and Federal Corporate tax deductions from cash flow as the author did not have complete details of Titan Energy's corporate liabilities for taxes in Texas and the United States.

Based on historical information from other producing zones at the Allen Dome North Flank, ERC also provided an estimate of 120,400 barrels of remaining Probable oil reserves, 113,000 net to Titan in the producing area.

Allen Dome North – Net Petroleum Reserves (94%)

| Net Reserves | Unit | Proved | | Total 1P Reserves | Probable | Total 2 P Reserves | Possible | Total 3P Reserves |
|--------------|------|---------------------|--------------------|-------------------|----------|--------------------|----------|-------------------|
| | | Developed Producing | Proved Undeveloped | | | | | |
| Oil | Mbbl | 77 | 289 | 366 | 113 | 479 | - | 479 |

1 Mbbl = 1,000 barrels

A Deterministic method of petroleum reserves estimation was used.

Net Reserves are based on the Company's net revenue interest, and are estimated at the gate.

The recovery of the estimated undeveloped petroleum reserves contained in this announcement are based on the drilling of two additional wells in the vicinity of the five existing proven developed producing wells. The timeframe for their development has not yet been determined. Offtake and sales arrangements already exist at Allen Dome North, meaning no additional transportation infrastructure is required to deliver oil to market. All environmental approvals required for development are in place or will otherwise be obtained during the development program as and when required.

Titan Energy's Chairman, Mr. Darren Levy, said:

"The independent assessment by ERC provides a significant valuation for our producing Allen Dome North Project, where we made a quality oil discovery at JT Reese #S2 - one of our first exploration wells in that area.

We expect the 3000 foot zone at JT Reese #S2 to continue to provide cash flow for Titan Energy and its shareholders for a long time to come.

We look forward to undertaking further drilling campaigns in this valuable asset in the future."

For further information please contact:

Darren Levy

Chairman

T: +61 8 9322 6955

M: +61 418 558 485

E: info@titanenergy.com.au

John McKnight

Titan Energy LLC

5120 Woodway Drive, Suite 9020

Houston, Texas 77056

M: +1-713-429-1832

E: jmcknight@titanenergy.com.au

Definitions

The definitions for oil and gas reserves are in accordance with SEC Regulation S-X and in accordance with the guidelines of the Society of Petroleum Engineers (“SPE”). The SPE Reserve definitions can be found on the SPE website at spe.org.

Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.

Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves.

1P reserves refers to proved reserves.

2P reserves refers to 1P (proved reserves) plus probable reserves.

Competent Persons Statement

All of the technical information, including information in relation to petroleum reserves provided in this announcement, is based on, and fairly represents information and supporting documentation and/or compiled by the Company's technical advisor, Richard W. Pomrenke, Owner - Manager of Energy Recovery Concepts (ERC).

Mr Pomrenke (B.S. Petroleum Engineering, Minor in Geology, SPE) has more than 40 years of experience as Petroleum Engineer involved with all aspects of oil and gas operations and analyses, Domestic US and International.

Mr Pomrenke has reviewed the results, procedures and data contained in this announcement and consents to the inclusion in this announcement of the matters based on the information in the form and context in which it appears.