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TITAN ENERGY TO ACQUIRE READY TO DRILL ASSET IN MULTI-BILLION BARREL US HYDROCARBON PRODUCING REGION

HIGHLIGHTS:

- **Titan Energy to earn up to 81% interest in prospective 160 acre Illinois lease area**
- **Modern technology tipped to bring new lease of life to historic producing area**
- **First well to test shallow oil target set to spud in Quarter 2, 2012**
- **Acquisition builds on growing international portfolio**
- **Follows March Texas salt dome agreement**

Australian oil and gas company **Titan Energy Ltd** (ASX: **TTE**) (Titan Energy or the Company) is pleased to announce it has signed an agreement to acquire an 81% interest in a ready to drill prospect in a multi-billion barrel, hydrocarbon producing region of the USA.

Under the Industry Participation Agreement (“Agreement”), Titan Energy will pay lease fees of US\$96,000 to Pharis Petroleum Corporation for an 81% working interest in the Franklin Prospect area of the Midyett South Development Project in Franklin County, Illinois.

Titan Energy will also earn an 81% interest in an upcoming exploration well to be drilled into the Franklin Prospect by paying 96% of the estimated drilling costs of US\$225,750 up to the point where production casing is run and cemented.

Titan Energy, which will become operator of the Franklin Prospect project upon completion of the acquisition, has contracted Illiana Energy to drill its initial well into the Franklin Prospect to a depth of 3150 feet (approximately 960 m).

Titan Energy and its fellow participants are aiming to spud the vertical exploration well in Quarter 2, 2012, with the well planned to be completed in the Aux Vases and McClosky zones for a conventional test of the Midyett South Aux Vases sandstone oil reservoir.

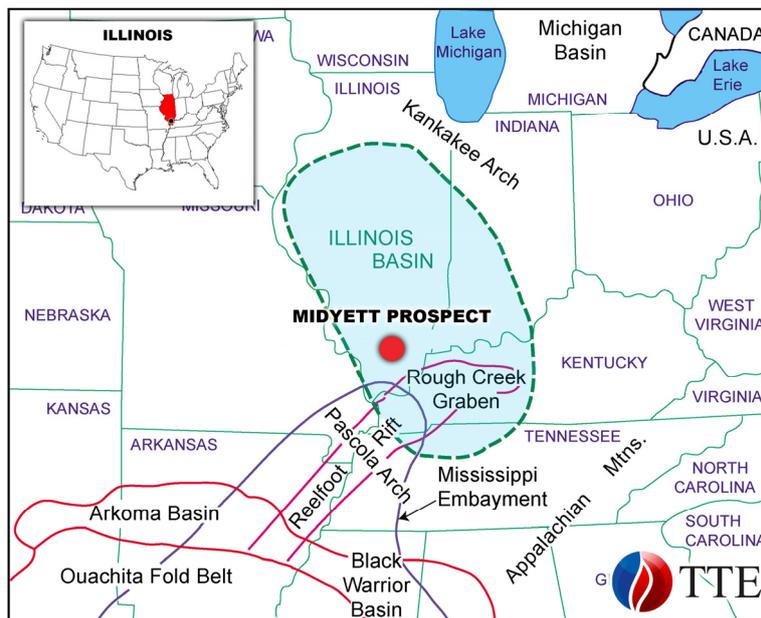
The reservoir is located at the western end of the nearby Dale/Thompsonville Oil Field Complex which has produced an estimated 110 million barrels of crude oil since its initial discovery in 1985.

Early Opportunity

Titan Energy Managing Director, Stephen Thomas, said the Company was delighted to have reached an agreement to participate in a project that could provide Titan Energy’s shareholders with early participation in a potentially low cost/high return well.

“One of the things that really attracted us to this asset is the shallow targets that are available. Additionally, the area has a good record as a consistent, hydrocarbon producer,” Mr Thomas said.

“This acquisition, along with our recently announced agreement to acquire an interest in the high impact Allen Dome project in Texas, is a good example of the capabilities that Titan has to acquire quality, international assets to support our Australian projects.”



Prolific oil producing area

The Midyett South Development Project is located within the Illinois petroleum structural basin, which is comprised of southern Illinois, south western Indiana, and western Kentucky. The basin has produced an estimated 4.5 billion barrels of crude oil from Paleozoic reservoirs.

According to the Energy Information Administration there are more than 100 million barrels of oil in proven reserves in Illinois and a total of 4.1 billion barrels of unrecovered movable oil in the State's reservoirs. Industry specialists have forecast that modern technology will provide significant opportunities for the commercialisation of a large percentage of that latter figure.

Centrally located in the US and the home of well-developed infrastructure, Illinois is also a key transportation hub for crude oil and natural gas moving throughout North America.

ABOUT TITAN ENERGY

Western Australian-based Titan Energy Ltd (ASX: TTE) is a global oil and gas explorer with growing interests in Australia and the United States.

The Company is actively searching for oil and gas in the highly prospective onshore Perth Basin in Western Australia and internationally.

Titan Energy recently completed the 25km Warradarge Seismic Survey in Perth Basin permit DR11. Analysis of the processed seismic data will be used to help define the location of two wells proposed for drilling by the Company in 2012.

Titan Energy is also participating in a Joint Venture with AWE Limited (AWE) which has farmed in for a 90 per cent equity share in an area known as Eneabba South (EP455) in the North Perth Basin.

On the international front Titan Energy entered into a Participation Agreement (PA) in March 2012 for an option to farm-in for an 87.5% working interest (WI) in the historic, oil producing Allen Dome area in Texas.

Under that agreement Titan Energy has an option to farm-in to leasehold interests covering 344 gross acres (316 net mineral acres) on the southern side of the Allen Dome salt dome in Brazoria County, Texas. The Company believes the area has the potential to "mirror" the northern flank of the Dome, which has produced an estimated 760 MBO of oil from sands above 5,000 feet.

The Company has also acquired, through its wholly-owned subsidiary Titan Energy Nevada LLC, approximately 17,000 acres of prospective shale properties in the US state of Nevada. The areas of interest are located in the Cretaceous Sevier thrust belt, which holds some of North America's most productive oil and gas fields.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Competent Person's Statement:

Information in this report that relates to Hydrocarbon Reserves and or Resources is based on information compiled by Mr Stephen Thomas, Director of Titan Energy Ltd who has consented to the inclusion of that information in the form and context in which it appears.

Mr Thomas has over 30 years experience in petroleum geology and in oil and gas exploration and production, both in Australia and internationally, as either an employee or consultant to oil companies operating in the upstream petroleum industry. Mr Thomas reviews the Company's operations with the help of various professional consultants, appropriately qualified and experienced in their respective fields within the upstream petroleum industry. He is also a member of AusIMM, a fellow of the Royal Geological Society of London and has a BSc (Hons) in geology from the University of South Wales.