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ASX: TTE

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## **TITAN ENERGY PREPARING TO SPUD FIRST WELL IN NEWLY ACQUIRED US PROJECT AREA**

### **HIGHLIGHTS:**

- **Preparations well advanced on spudding of Company's first well in Franklin Prospect in Illinois.**
- **Well comes within weeks of signing agreement for 81% interest in project located in a multi-billion barrel, hydrocarbon producing region of the USA.**
- **Well to test shallow oil target estimated to have the potential to contain upwards of 1.22 mmbo Oil In Place (OIP).**
- **Location near infrastructure offers opportunity for quick commercialisation of a drilling success.**

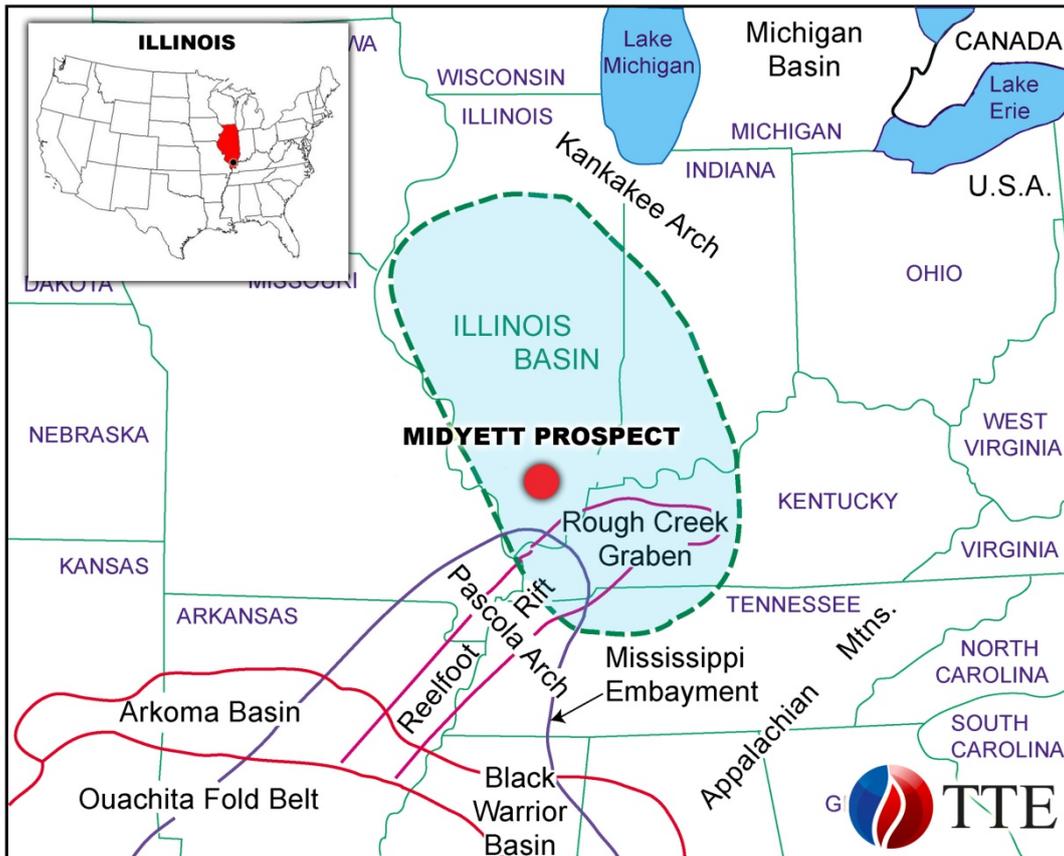
**Australian oil and gas company Titan Energy Ltd (ASX: TTE) (Titan Energy or the Company)** is pleased to announce that preparations are well advanced for the drilling of the first well in its recently acquired interest in the Midyett South Development Project area in Franklin County, Illinois.

Titan Energy announced on March 9, 2012 that it had signed an agreement to acquire an 81% interest in the Franklin Prospect area of the Midyett South Development Project. It is earning an 81% interest in the Midyett #8-1 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 is operator of the Franklin Prospect project. It has contracted Illiana Energy to drill its initial well into the Franklin Prospect to a depth of 3150 feet (approximately 960 m). The contractor, which has received relevant state permitting for the well, is currently acquiring equipment to support the drilling programme and is targeting spudding the Midyett #8-1 well within the new few weeks.

The well is planned to be completed in the Aux Vases and McClosky zones for a conventional test of the Midyett South Aux Vases sandstone oil reservoir.

Titan Energy’s US based consultants have reported a forecast potential Oil In Place for the Midyett South Development Project is 1.22 million barrels of oil. 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 Oil since its initial discovery in 1985.



Titan Energy Managing Director, Stephen Thomas, said the Company was excited to be drilling its first well at Franklin so soon after agreeing to acquire an interest in the prospect area.

“We have backed up our statements when we acquired this project that Franklin was ready to drill and we are excited that we can provide our shareholders with the opportunity to participate in the start of what could be a multiple well drilling program.

“We view this well as a low cost, low risk opportunity to take Titan Energy from being an explorer to a producer in a remarkably short time.” Mr Thomas said.

## **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.

It subsequently entered into an agreement to acquire an 81% interest in the Franklin Prospect area of the Midyett South Development Project and in the same month entered into a separate agreement to farm-in for a 40% Working Interest (WI) in the 1360 acre Sodbuster Prospect in Logan County, Colorado. The Sodbuster Prospect is anchored by three wells in the Sodbuster Field which produced in excess of 360,000 barrels of oil in the first 17 years after discovery (342,000 barrels of the total came from the nearest two wells).

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.

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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.