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**TITAN ENERGY LTD**

**ACN 109 213 470**

**NOTICE OF GENERAL MEETING**

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**TIME:** 10:30am (WST)

**DATE:** 14 June 2013

**PLACE:** 31 Ord Street  
West Perth  
Western Australia 6005

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9322 6955.*

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## **IMPORTANT INFORMATION**

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### **TIME AND PLACE OF MEETING**

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Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:30am (WST) on 14 June 2013 at:

31 Ord Street  
West Perth  
Western Australia 6005

### **YOUR VOTE IS IMPORTANT**

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The business of the Meeting affects your shareholding and your vote is important.

### **VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 12 June 2013.

### **VOTING IN PERSON**

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To vote in person, attend the Meeting at the time, date and place set out above.

### **VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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1. **RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF OPTIONS IN PART PAYMENT OF UNDERWRITING FEE**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 9,951,758 Options to Pendulum Capital Pty Limited on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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2. **RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES AND FREE ATTACHING OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 42,360,000 Shares and 14,120,000 Options to clients of Pendulum Capital Pty Limited on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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3. **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES AND FREE ATTACHING OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,333,333 Shares and 2,777,778 Options to clients of Pendulum Capital Pty Limited on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES AND FREE ATTACHING OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 73,000,000 Shares and 24,333,332 Options to clients of Pendulum Capital Pty Limited on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Options to clients of Pendulum Capital Pty Limited on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Options to clients of Pendulum Capital Pty Limited on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,174,603 Shares to clients of Pendulum*

*Capital Pty Limited on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 123,325,397 Shares to clients of Pendulum Capital Pty Limited on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 9. RESOLUTION 9 – PLACEMENT OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 32,500,000 Shares to clients of Pendulum Capital Pty Limited on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 10. RESOLUTION 10 – PLACEMENT OF FREE ATTACHING OPTIONS TO SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue 80,000,000 Options to clients of Pendulum Capital Pty Limited on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need

not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**11. RESOLUTION 11 – PLACEMENT OF OPTIONS IN PART PAYMENT OF FUNDING AGREEMENT FEE**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 9,600,000 Options to Pendulum Capital Pty Limited or their nominees on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**12. RESOLUTION 12 – PLACEMENT OF OPTIONS IN RELATION TO CORPORATE SERVICES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 6,441,600 Options to Pendulum Capital Pty Limited or their nominees on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**13. RESOLUTION 13 – PLACEMENT OF OPTIONS TO EMPLOYEES AND CONTRACTORS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 5,000,000 Options to employees and/or consultants of the Company or any of its subsidiaries on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote,

in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**DATED: 7 MAY 2013**

**BY ORDER OF THE BOARD**

**JACK TOBY  
COMPANY SECRETARY**



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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. BACKGROUND TO RESOLUTION 1

#### 1.1 Underwriting of Listed Options

On 19 December 2012, the Company announced that it had entered into an underwriting agreement with Pendulum Capital Pty Limited (**Pendulum**) for the underwriting of \$1,800,000 of the option exercise proceeds (**Initial Underwritten Amount**) for the exercise of options at \$0.015 each and expiring on 31 December 2012 (**Listed Options**) (**Underwriting Agreement**).

The underwriting consisted of an issue of Shares to clients of Pendulum at \$0.015 each for the shortfall (if any) between the Initial Underwritten Amount and the amount raised subsequent to 19 December 2012 pursuant to the exercise of the Listed Options.

#### 1.2 Increase in Initial Underwritten Amount

On 31 December 2012, the Company announced that Pendulum had agreed to increase the Initial Underwritten Amount to \$2,487,939 (**Underwritten Amount**). If each of the Company's 165,862,633 Listed Options were to be exercised, the exercise proceeds would equal the Underwritten Amount.

#### 1.3 Underwriting Fee

In consideration of Pendulum agreeing to fully underwrite the Listed Options, the Company agreed to pay Pendulum (or its nominees) a fee comprising:

- (a) \$10,000 cash;
- (b) an amount equal to 6% of the Underwritten Amount; and
- (c) the issue of 9,951,758 Options exercisable at \$0.03 each and expiring on 31 October 2015,

(**Underwriting Fee**).

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### 2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF OPTIONS IN PART PAYMENT OF UNDERWRITING FEE

#### 2.1 General

On 21 January 2013, the Company issued 9,951,758 Options in part payment of the Underwriting Fee.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**). At the time of issue, ASX Listing Rule 7.1 was not breached.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month

period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 9,951,758 Options were issued;
- (b) the Options were issued for nil cash consideration and in part satisfaction of the Underwriting Fee;
- (c) the Options were granted on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to nominees of Pendulum, and to persons who are not related parties of the Company; and
- (e) no funds were raised from this issue as the Options were issued in consideration for services provided to the Company.

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## 3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES AND FREE ATTACHING OPTIONS

### 3.1 General

On 15 March 2013, 42,360,000 Shares at an issue price of \$0.0125 per Share together with 14,120,000 free attaching Options were issued to clients of Pendulum.

The Company issued the Shares and Options without prior Shareholder approval out of its 15% annual placement capacity.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options (**Ratification**). At the time of issue, ASX Listing Rule 7.1 was not breached.

A summary of ASX Listing Rules 7.1 and 7.4 are set out in section 2.1 above. If the Company in general meeting ratifies the issue of securities pursuant to ASX Listing Rule 7.4 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 42,360,000 Shares and 14,120,000 Options were issued;
- (b) The issue price of:
  - (i) the Shares issued was \$0.0125 per Share;
  - (ii) the issue price of the Options was nil as they were issued free attaching with the Shares;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options will be issued on the terms and conditions set out in Schedule 1;
- (e) the Shares and Options were issued to clients of Pendulum. None of these subscribers are related parties of the Company; and
- (f) the funds raised from this issue are to be applied to exploration expenditure on the Warradarge drilling in DR11.

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## 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES AND FREE ATTACHING OPTIONS

### 4.1 General

On 22 March 2013, the Company issued to clients of Pendulum 8,333,333 Shares at an issue price of \$0.015 per Share together with 2,777,778 free attaching Options.

The Company issued the Shares and Options without prior Shareholder approval out of its 15% annual placement capacity.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options (**Ratification**). At the time of issue, ASX Listing Rule 7.1 was not breached.

A summary of ASX Listing Rules 7.1 and 7.4 are set out in section 2.1 above. If the Company in general meeting ratifies the issue of securities pursuant to ASX Listing Rule 7.4 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 8,333,333 Shares and 2,777,778 Options were issued;

- (b) The issue price of the Shares issued was \$0.015 per Share and the issue price of the Options was nil as they were issued free attaching with the Shares;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on the terms and conditions set out in Schedule 1;
- (e) the Shares and Options were issued to clients of Pendulum. None of these subscribers are related parties of the Company; and
- (f) the funds raised from this issue are to be applied to exploration expenditure on the Warradarge drilling in DR11.

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## 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES AND FREE ATTACHING OPTIONS

### 5.1 General

On 22 March 2013, the Company issued to clients of Pendulum 73,000,000 Shares at an issue price of \$0.0125 per Share together with 24,333,332 free attaching Options.

The Company issued the Shares and Options without prior Shareholder approval out of its 15% annual placement capacity.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options (**Ratification**). At the time of issue, ASX Listing Rule 7.1 was not breached.

A summary of ASX Listing Rules 7.1 and 7.4 are set out in section 2.1 above. If the Company in general meeting ratifies the issue of securities pursuant to ASX Listing Rule 7.4 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 73,000,000 Shares and 24,333,332 Options were issued;
- (b) The issue price of the Shares issued was \$0.0125 per Share and the issue price of the Options was nil as they were issued free attaching with the Shares;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Options were issued on the terms and conditions set out in Schedule 1;
- (e) the Shares and Options were issued to clients of Pendulum. None of these subscribers are related parties of the Company; and
- (f) the funds raised from this issue are to be applied to exploration expenditure on the Warradarge drilling in DR11.

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## **6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS**

### **6.1 General**

On 15 March 2013, 1,000,000 Options at an issue price of \$0.001 per Option were issued to clients of Pendulum.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**). At the time of issue, ASX Listing Rule 7.1 was not breached.

A summary of ASX Listing Rules 7.1 and 7.4 are set out in section 2.1 above. If the Company in general meeting ratifies the issue of securities pursuant to ASX Listing Rule 7.4 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **6.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 1,000,000 Options were issued;
- (b) the issue price was \$0.001 per Option;
- (c) the Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to clients of Pendulum. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue are to be applied to exploration expenditure on the Warradarge drilling in DR11.

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## **7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF OPTIONS**

### **7.1 General**

On 22 March 2013, 5,000,000 Options at an issue price of \$0.001 per Option were issued to clients of Pendulum.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**). At the time of issue, ASX Listing Rule 7.1 was not breached.

A summary of ASX Listing Rules 7.1 and 7.4 are set out in section 2.1 above. If the Company in general meeting ratifies the issue of securities pursuant to ASX Listing Rule 7.4 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 7.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 5,000,000 Options were issued;
- (b) the issue price was \$0.001 per Option;
- (c) the Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to clients of Pendulum. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue are to be applied to exploration expenditure on the Warradarge drilling in DR11.

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## 7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES

### 7.1 General

On 18 April 2013, the Company issued 4,174,603 Shares to clients of Pendulum at an issue price of \$0.0126 per Share.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**). At the time of issue, ASX Listing Rule 7.1 was not breached.

A summary of ASX Listing Rules 7.1 and 7.4 are set out in section 2.1 above. If the Company in general meeting ratifies the issue of securities pursuant to ASX Listing Rule 7.4 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

### 7.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 4,174,603 Shares were issued;
- (b) the issue price was \$0.0126 per Share;

- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to clients of Pendulum. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue are to be applied to Allen Dome exploration and administration expenses.

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## **8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES**

### **8.1 General**

At the Company's Annual General Meeting on 8 November 2012, the Shareholders approved an additional 10% capacity to issue equity securities under ASX Listing Rule 7.1A.

ASX Listing Rule 7.1A provides that the Company as an eligible entity may seek Shareholder approval at its Annual General Meeting to allow it to issue equity securities up to 10% of its issued capital. This is in addition to the 15% capacity to issue equity securities available under ASX Listing Rule 7.1.

On 18 April 2013, the Company issued 123,325,397 Shares to clients of Pendulum at an issue price of \$0.0126 per Share.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**). At the time of issue, ASX Listing Rule 7.1A was not breached.

A summary of ASX Listing Rules 7.1 and 7.4 are set out in section 2.1 above. If the Company in general meeting ratifies the issue of securities pursuant to ASX Listing Rule 7.4 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1A.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future under 10% annual placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

### **8.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 123,325,397 Shares were issued;
- (b) the issue price was \$0.0126 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to clients of Pendulum. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue are to be applied to Allen Dome exploration and administration expenses.

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## 9. RESOLUTION 9 – PLACEMENT OF SHARES

### 9.1 General

Resolution 9 seeks Shareholder approval for the issue of 32,500,000 Shares to clients of Pendulum at an issue price of \$0.0126 per Share to raise up to \$409,500 (**Placement**).

Subject to the Shareholder approval of Resolutions 7, 8 and 9, the Shares issued under Resolutions 7, 8 and 9 complete the \$2,000,000 capital raising announced by the Company on 8 April 2013.

A summary of ASX Listing Rules 7.1 is set out in section 2.1 above.

The effect of Resolution 9 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 9.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 32,500,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur on the same date;
- (c) the issue price will be \$0.0126 per Share;
- (d) the Shares will be issued to clients of Pendulum. None of these subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds for new acquisitions in the US, exploration expenditure and administrative expenses.

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## 10. RESOLUTION 10 – PLACEMENT OF FREE ATTACHING OPTIONS TO SHARES ISSUED

### 10.1 General

Resolution 10 seeks Shareholder approval for the issue of 80,000,000 Options for nil cash consideration to subscribers of Shares on the basis of one Option for every two Shares subscribed for and issued (**Attaching Option Placement**).

The Attaching Option Placement relates to the agreement with Pendulum announced on 12 April 2013 and the Shares to be ratified under Resolution 7 and 8 and issued under resolution 9.

A summary of ASX Listing Rules 7.1 is set out in section 2.1 above.



The effect of Resolution 10 will be to allow the Company to issue the Options pursuant to the Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 10.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Options to be issued is 80,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur on the same date;
- (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Attaching Option Placement;
- (d) the Options will be issued to clients of Pendulum on the basis of one Option for every two Shares subscribed for and issued. None of these subscribers will be related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the Attaching Option Placement as the Options are being issued for nil cash consideration.

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## 11. RESOLUTION 11 – PLACEMENT OF OPTIONS IN PART CONSIDERATION OF FUNDING AGREEMENT FEE

### 11.1 General

Resolution 11 seeks Shareholder approval for the issue of 9,600,000 Options in consideration for part payment of the funding fee announced on 12 April 2013, in relation to Shares and Options issued under Resolutions 7, 8 and 9 (**Funding Agreement Option Placement**).

A summary of ASX Listing Rules 7.1 is set out in section 2.1 above.

The effect of Resolution 11 will be to allow the Company to issue the Options pursuant to the Funding Agreement Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 11.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Underwriter Option Placement:

- (a) the maximum number of Options to be issued is 9,600,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver

or modification of the ASX Listing Rules) and it is intended that the issue will occur on the same date;

- (c) the Options will be issued for nil cash consideration and in part satisfaction of the Funding Agreement Fee;
- (d) the Options will be issued to Pendulum or their nominees, who are not related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the Funding Agreement Option Placement as the Options are being issued in consideration for services provided to the Company.

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## **12. RESOLUTION 12 – PLACEMENT OF OPTIONS IN RELATION TO CORPORATE SERVICES**

### **12.1 General**

Resolution 12 seeks Shareholder approval for the issue of 6,441,600 Options in consideration for corporate services provided in relation to the issue of Shares under Resolutions 2, 3 and 4 to clients of Pendulum (**Option Placement**).

A summary of ASX Listing Rules 7.1 is set out in section 2.1 above.

The effect of Resolution 12 will be to allow the Company to issue the Options pursuant to the Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **12.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Options to be issued is 6,441,600;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur on the same date;
- (c) the Options will be issued for nil cash consideration and in satisfaction of the corporate services provided;
- (d) the Options will be issued to Pendulum or their nominees, who are not related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the Option Placement as the Options are being issued in consideration for services provided to the Company.

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## 13. RESOLUTION 13 – PLACEMENT OF OPTIONS TO EMPLOYEES AND CONTRACTORS

### 13.1 General

Resolution 13 seeks Shareholder approval for the issue of 5,000,000 Options to employees and/or contractors of the Company, or any of its subsidiaries, for the purpose of incentivising key employees and contractors (**Employee Option Placement**).

A summary of ASX Listing Rules 7.1 is set out in section 2.1 above.

The effect of Resolution 13 will be to allow the Company to issue the Options pursuant to the Employee Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 13.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Employee Option Placement:

- (a) the maximum number of Options to be issued is 5,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur on the same date;
- (c) the Options will be issued for nil consideration;
- (d) the Options will be allotted and issued to employees and/or consultants of the Company or any of its subsidiaries, or their nominees each not being a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the Employee Option Placement.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Company** means Titan Energy Ltd (ACN 109 213 470).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – OPTION TERMS AND CONDITIONS

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The Options will be quoted and entitle the holder to subscribe for Shares on the following terms and conditions:

- 1.1 Each Option entitles the holder to subscribe for 1 Share upon the payment of 3 cents per Share subscribed for.
- 1.2 The Options will lapse at 5.00pm, Western Standard Time on 31 October 2015.
- 1.3 The Company is under no obligation to maintain the listing and may take any action that may result in the delisting of the Options by the ASX.
- 1.4 The Optionholder must not offer any of the Options, or the Shares issued on exercise of the Options, for sale to any person (Secondary Offer) within 12 months from the respective date of issue of those Options or Shares (as applicable) unless:
  - (i) the Secondary Offer does not require disclosure as a result of sections 707 or 708 of the Corporations Act (excluding section 708(1) of the Corporations Act);
  - (ii) the Secondary Offer does not require disclosure as a result of section 708A or ASIC Class Order 04/671 or any variation or replacement of such Class Order;
  - (iii) the Secondary Offer is made pursuant to a disclosure document in accordance with the Corporations Act; or
  - (iv) the Secondary Offer is received by a person outside Australia.

For the avoidance of doubt, paragraph (d)(iii) does not create any obligation on the Company to issue a disclosure document (whether at its cost or otherwise).

- 1.5 There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option.
- 1.6 However Optionholders have the right to exercise their Options prior to the date of determining entitlements to any pro rata capital issues to the then existing Shareholders of the Company made during the currency of the Options, and will be granted a period of at least nine (9) business days before books closing date to exercise the Options.
- 1.7 In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- 1.8 The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option Certification and payment to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Optionholder to the balance of the Options held by them.

- 1.9 The notice of exercise of Options may be deemed by the Company to be received at the end of the calendar month in which it is actually received and the Company shall comply with the ASX Listing Rules with respect to the allotment of resultant Shares and the issue of a statement of shareholding.
- 1.10 Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- 1.11 The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- 1.12 If there is a bonus share issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- 1.13 There is no right to change the exercise price of the Options nor the number of underlying Shares over which the Options can be exercised, if the Company completes a pro rata issue.

**PROXY FORM**

**APPOINTMENT OF PROXY  
TITAN ENERGY LTD  
ACN 109 213 470**

**GENERAL MEETING**

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby

appoint

Name of proxy

OR  the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 31 Ord St, West Perth Western Australia 6005, on 14 June 2013 at 10:30 am (WST), and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

<b>Voting on business of the Meeting</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Ratification of prior issue of Options in part payment of Underwriting Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ratification of prior issue of Shares and free attaching Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ratification of prior issue of Shares and free attaching Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of prior issue of Shares and free attaching Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ratification of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Ratification of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Placement of free attaching Options to Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – Placement of Options in payment of funding agreement fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 – Placement of Options in relation to corporate services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13 – Placement of employee and contractor Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signature of Shareholder(s):** \_\_\_\_\_ **Date:** \_\_\_\_\_

<b>Individual or Shareholder 1</b>	<b>Shareholder 2</b>	<b>Shareholder 3</b>
<input style="width: 250px; height: 25px;" type="text"/>	<input style="width: 250px; height: 25px;" type="text"/>	<input style="width: 250px; height: 25px;" type="text"/>
Sole Director/Company Secretary	Director	Director/Company Secretary

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

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## Instructions for Completing 'Appointment of Proxy' Form

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1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Titan Energy Ltd, 31 Ord Street, West Perth, WA, Australia, 6005; or
  - (b) facsimile to the Company on facsimile number +61 8 9322 6722,so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**