



ABN: 53 109 213 470

31 Ord Street West Perth
Western Australia 6005

Po Box 198 West Perth
Western Australia 6872

Telephone: +61 08 9322 6955
Facsimile: +61 08 9322 6722

Email: info@titanenergy.com.au
www.titanenergy.com.au

ASX: TTE

3 October 2013

Notice of Annual General Meeting

Australian oil and gas company **Titan Energy Ltd** (ASX: **TTE**) (Titan Energy or the Company), Titan Energy Ltd (ASX: TTE) announces a 1 for 10 consolidation of its shares as a significant step in the restructuring of the Company and creating value-adding opportunities for investors.

The consolidation is dependent on receiving shareholder approval at the Company's Annual General Meeting to be held at on 6 November 2013. The Notice of Annual General Meeting is attached below.

Titan Energy currently has more than 1.5 billion shares and almost 600 million options on issue. For a relatively young company of this size, this is an excessively large number of securities to have on issue, and the Company acknowledges it is impeding its ability to attract new investors. Advice from brokers and the investing community indicates that the options carry the potential for a significant dilutionary effect and overhang the market for the Company's shares. This combined with the large number of shares on issue effectively creates a barrier to significant and professional cornerstone investors.

Consequently, Titan Energy will seek shareholder approval to cancel up to 496,887,459 listed and up to 70,000,000 unlisted Options, in consideration for the issue of approximately 141,721,865 Shares (on a pre-consolidation basis) on the basis of an offer of 1 Share for every 4 options cancelled.

Titan Energy Managing Director, Paul Garner, said: "Titan Energy needs a smaller, simpler share register to make ourselves more attractive to potential investors and allow us to bring our capital structure in line with our industry peers.

"Supported by corporate and institutional input, the Titan Energy Board strongly believes that consolidating the number of its shares and options will help transform the Company from a speculative explorer to a long-term institutional-grade investment.

"Over the past few years Titan Energy has successfully transformed itself from an explorer to small, but growing oil producer. The share consolidation and options cancellation is part of this transformation process.

"As part of its transformation, the Company has elected to place a major focus in the near term on its Allen Dome oil project in Texas where we are very confident we can add to the drilling success to date.

"We have particularly high hopes for our recently acquired Perry Ranch assets on the eastern flank of the Allen Dome salt dome along with the potential to follow up targets we identified with our JT Reese #S2 exploration well on the northern flank of the dome."

"At the same time we are buoyed by the news that AWE Limited is progressing with its plans for the drilling of the Drover-1 well in the onshore Perth Basin WA in which we have an 18.5% interest and are carried through the first \$7.5M of project expenditure, and the positive results AWE Limited and Norwest Energy NL are achieving at the nearby Arrowsmith-2 well."

Jack Toby
Company Secretary

TITAN ENERGY LTD

ACN 109 213 470

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:30 am (WST)

DATE: 6 November 2013

PLACE: 31 Ord St, West Perth WA 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

Time and place of Meeting

Notice is given that the Meeting will be held at 31 Ord St, West Perth WA 6005 on 6 November 2013 at 10:30 am (WST).

Your vote is important

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

Voting eligibility

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 5:00 pm (WST) on 4 November 2013.

Voting in person

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

Voting by proxy

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 in the Proxy Form.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder 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.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 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 are 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 (ie 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 (ie 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 (ie 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; or
 - 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.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2013.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PAUL GARNER

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

“That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Paul Garner, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. **RESOLUTION 3 – ELECTION OF DIRECTOR – MR COLIN SANDELL-HAY**

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

“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Colin Sandell-Hay, a Director who was appointed as an additional Director on 26 July 2013, retires, and being eligible, is elected as a Director.”

4. **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES AND 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 70,000,000 Shares and 110,000,000 Options 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.

5. **RESOLUTION 5 – 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 40,000,000 Shares 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.

6. **RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – 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 10,000,000 Options 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.

7. RESOLUTION 7 – PLACEMENT – SHARES IN CONSIDERATION OF SERVICES PROVIDED

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 issue up to 1,650,000 Shares 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.

8. RESOLUTION 8 – CONSOLIDATION OF CAPITAL

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

“That, subject to all other Resolutions in this Notice being passed, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

(a) every 10 Shares be consolidated into 1 Share; and

(b) every 10 Options be consolidated into 1 Option,

and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be).”

9. RESOLUTION 9 – CANCELLATION 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 Rules 6.23.2 and 7.1 and for all other purposes, approval is given for the Company to cancel up to 496,887,459 listed and up to 70,000,000 unlisted Options, in consideration for the issue of approximately 141,721,865 Shares (on a pre-consolidation basis) on the basis of an offer of 1 Share for every 4 options held by Optionholders and cancelled, and otherwise on the terms and conditions set out in the Explanatory Statement.”

Directors are excluded from participating in this offer.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any eligible Optionholder who may participate in the proposed offer 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.

10. RESOLUTION 10 – ISSUE OF CONVERTIBLE NOTES

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 issue up to 2,000,000 Convertible Notes 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.

11. RESOLUTION 11 – ISSUE OF CONVERTIBLE NOTES TO RELATED PARTY

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

“That, subject to the passing of Resolution 10, for the purposes of, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Convertible Notes to Mr Paul Garner (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Paul Garner (and his nominee) and any of their associates. 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: 1 October 2013

By order of the Board

**Jack Toby
Company Secretary**

EXPLANATORY STATEMENT

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.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.titanenergy.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PAUL GARNER

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 13.2 of the Constitution provides that at the Company's annual general meeting in every year, one-third of the Directors for the time being shall retire from office. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. A Director who retires by rotation under clause 13.2, is eligible for re-election

The Company currently has three Directors and accordingly one must retire.

Mr Paul Garner, the Director longest in office since his last election, retires by rotation and seeks re-election.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR COLIN SANDELL-HAY

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Colin Sandell-Hay, having been appointed on 26 July 2013 will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

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

5.1 General

On 17 June 2013, the Company raised \$1,100,000 through the issue of 110,000,000 Shares at an issue price of \$0.01 per Share together with one free attaching Option for every one Share subscribed for and issued (**Capital Raising**).

The Company issued the 70,000,000 Shares and 110,000,000 Options the subject of the Capital Raising without prior Shareholder approval out of its 15% annual placement capacity and 40,000,000 Shares the subject of the Capital Raising without prior Shareholder approval out of its 10% additional annual placement capacity approved at its 2012 annual general meeting. Resolution 5 concerns the ratification of the 40,000,000 Shares issued out of 10% additional annual placement capacity.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those 70,000,000 Shares and 110,000,000 Options the subject of the Capital Raising (**Ratification**). Resolution 5 concerns the ratification of the 40,000,000 Shares issued out of 10% additional annual placement capacity.

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 its 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) 70,000,000 Shares and 110,000,000 Options were issued;
- (b) the issue price per Share was \$0.01 and the issue price of the Options was nil as they were issued free attaching with the Shares on a one for one basis;
- (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) 80,000,000 Options were issued on the terms and conditions set out in Schedule 1;
- (e) 30,000,000 Options were issued on the terms and conditions set out in Schedule 2;
- (f) the Shares and Options were issued to clients of Pendulum Capital Pty Ltd. None of these subscribers are related parties of the Company; and
- (g) the funds raised from this issue were to be applied to exploration expenses on the Allen Dome prospect and administration expenses.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES

6.1 General

As noted in 5.1 above, the Company completed the Capital Raising. Of the 110,000,000 Shares issued under the Capital Raising, 40,000,000 Shares were issued without prior Shareholder approval out of its 10% additional annual placement capacity approved at its 2012 annual general meeting.

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.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 40,000,000 Shares issued out of 10% additional annual placement capacity. **(Ratification)**.

A summary of ASX Listing Rule 7.4 is set out in section 5.1 above.

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.

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) 40,000,000 Shares were issued;
- (b) the issue price was \$0.01 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 Capital Pty Ltd. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were to be applied to exploration expenses on the Allen Dome prospect and administration expenses.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – OPTIONS

7.1 General

On 17 June 2013, the Company issued 10,000,000 Options at an issue price of \$0.001 per Option to raise \$10,000.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 5.1 above.

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) 10,000,000 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 Capital Pty Limited. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were to be applied to exploration expenses on the Allen Dome prospect and administration expenses.

8. RESOLUTION 7 – PLACEMENT – SHARES IN CONSIDERATION OF SERVICES PROVIDED

8.1 General

Resolution 7 seeks Shareholder approval for the issue of 1,650,000 Shares in consideration for corporate services provided in relation to the placement of the Shares the subject of Resolutions 4 and 5 (**Placement**).

In the event that Resolution 7 is passed, the Shares subject of the Placement will be issued on a pre-consolidation basis.

A summary of ASX Listing Rule 7.1 is set out in section 5.1 above.

The effect of Resolution 7 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.

8.2 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 1,650,000 (on a pre-consolidation basis);

- (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 of the Shares will occur on the same date;
- (c) the Shares will be issued for nil consideration in satisfaction of the corporate services;
- (d) the Shares will be issued to Pendulum Capital Pty Limited or their nominee, who is not a related party of the Company;
- (e) the Shares 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) no funds will be raised from the Placement as the Shares are being issued in consideration for corporate services.

9. RESOLUTION 8 – CONSOLIDATION OF CAPITAL

9.1 Background

If Resolution 8 is passed and excluding any Securities issued pursuant to the other Resolutions, the number of:

- (a) Shares on issue will be reduced from 1,595,217,910 to approximately 159,521,791 (subject to rounding); and
- (b) Options on issue will be reduced from 596,887,459 to approximately 59,688,746 (subject to rounding).

The Company will announce the record date at least 7 days prior to the record date occurring.

9.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

9.3 Fractional entitlements

Not all Security Holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 10. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

9.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and the Company does not accept any responsibility for the individual taxation implications arising from the Consolidation.

9.5 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

9.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure, subject to rounding discrepancies, is set out in the table below.

Capital Structure	Shares	Convertible Notes	Listed Options ¹	Unlisted Options ¹
Pre-Consolidation Securities	1,595,217,910	Nil	496,887,459	100,000,000
Post Consolidation of Securities (Resolution 8) ¹	159,521,791	Nil	49,688,746	10,000,000
Issued on a post-consolidation basis pursuant to Resolutions 7, 9, 10 and 11 ²	138,434,365	2,000,000	(47,713,746)	(7,000,000)
Completion of all Resolutions	297,956,156	2,000,000	1,975,000	3,000,000

1. The terms of these Options are set out in the table below.
2. Assumes that Resolutions 7, 9, 10 and 11 are passed and that all Optionholders, except Directors (who hold 19,750,000 listed options), will be eligible and will accept the offer pursuant to Resolution 9.

The effect the Consolidation will have on the terms of the Options is as set out in the tables below:

Options – Pre Consolidation

Terms	Number
Options exercisable at \$0.0275 by 31 October 2013	30,000,000
Options exercisable at \$0.02 by 31 July 2014	35,000,000
Options exercisable at \$0.015 by 30 August 2014	30,000,000
Options exercisable at \$0.05 by 31 July 2015	5,000,000
Options exercisable at \$0.03 by 31 October 2015	496,887,459
Total	596,887,459

Options – Post Consolidation

Terms	Number
Options exercisable at \$0.275 by 31 October 2013	3,000,000
Options exercisable at \$0.20 by 31 July 2014	3,500,000
Options exercisable at \$0.15 by 30 August 2014	3,000,000

Options exercisable at \$0.50 by 31 July 2015	500,000
Options exercisable at \$0.30 by 31 October 2015	49,688,746
Total	59,688,746

10. RESOLUTION 9 – CANCELLATION OF OPTIONS

10.1 General

The Company proposes to make offers to holders of:

- (a) 496,887,459 listed Options exercisable at \$0.03 by 31 October 2015;
- (b) 35,000,000 unlisted Options exercisable at \$0.02 by 31 July 2014;
- (c) 30,000,000 unlisted Options exercisable at \$0.015 by 30 August 2014;
- (d) 5,000,000 unlisted Options exercisable at \$0.05 by 31 July 2015,

to cancel them in consideration for the issue of one Share (on a pre-consolidation basis) for every four Options (rounded up to the nearest whole number of Shares in the case of a fractional entitlement) (**Offer**).

Directors are excluded from participating in the Offer.

At the date of this Notice, Mr Paul Garner, a Director has an interest in 13,750,000 Options exercisable at \$0.03 by 31 October 2015 and Mr Darren Levy, a Director has an interest in 6,000,000 Options exercisable at \$0.03 by 31 October 2015. Directors are excluded from participating in the Offer and if the directors continue to hold the same number of Options at the date of the Offer then this would reduce the number of listed Options for which the Offer will be available.

The purpose of Resolution 9 is to seek Shareholder approval under ASX Listing Rules 6.23.2 and 7.1.

ASX Listing Rule 6.23.2 provides that options can only be cancelled for consideration if Shareholder approval has been obtained. Accordingly, the Company is seeking Shareholder approval under ASX Listing Rule 6.23.2 to allow it to cancel up to 496,887,459 listed Options and up to 70,000,000 unlisted Options and issue up to 141,721,865 Shares (on a pre-consolidation basis) as consideration for the cancellation of the Options.

A summary of ASX Listing Rule 7.1 is set out in section 5.1 above.

The effect of Resolution 9 will be to allow the Company to issue the Shares pursuant to the Offer 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 Offer:

- (a) the maximum number of Shares to be issued is approximately 141,721,865 (on a pre-consolidation basis) subject to rounding;

- (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 issue of the Shares will occur on the same date;
- (c) the Shares will be issued in consideration for Options on a one for four basis;
- (d) the Shares will be issued to Optionholders, who are not a related party 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) no funds will be raised from the Offer as the Shares are being issued in consideration for Options.

11. RESOLUTION 10 – ISSUE OF CONVERTIBLE NOTES

11.1 General

Resolution 10 seeks Shareholder approval for the issue of up to 2,000,000 Convertible Notes at an issue price of \$1.00 each (**Issue**).

The term of the Convertible Notes will be one year from the date of issue and interest is payable on an 8% per annum basis. Schedule 3 contains a summary of the key terms and Conditions of the Convertible Notes.

The Convertible Notes will be issued to clients of Pendulum Capital Pty Limited and the Company will pay Pendulum Capital Pty Limited a commission of 6% of the amount raised by the Issue.

A summary of ASX Listing Rule 7.1 is set out in section 5.1 above.

The effect of Resolution 10 will be to allow the Company to issue the Convertible Notes during the period of 3 months after the Meeting (or a longer period, if allowed by ASX) and issue the Shares on conversion of the Convertible Notes 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 Placement:

- (a) the maximum number of Convertible Notes to be issued is 2,000,000;
- (b) the Convertible Notes 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 issue of the Convertible Notes will occur progressively;
- (c) the issue price will be \$1.00 each;
- (d) the Convertible Notes will be issued to clients of Pendulum Capital Pty Limited) on the terms and conditions detailed in Schedule 3;
- (e) the Convertible Notes issued will be convertible to fully paid ordinary shares in the capital of the Company at an issue price of \$0.01 per Share (on a pre-

consolidation basis) or at the Noteholder's election, the 5 day VWAP. The Shares will be on the same terms and conditions as the Company's existing Shares; and

- (f) the Company intends to use the funds raised from the Issue towards exploration expenses on the Allen Dome prospect, exploration expenses on EP455 and DR11, administration expenses and general working capital.

12. RESOLUTION 11 – ISSUE OF CONVERTIBLE NOTES AND SHARES TO RELATED PARTY

12.1 General

Pursuant to Resolution 11 and subject to the passing of Resolution 10, the Company is seeking Shareholder approval for the issue of up to 1,000,000 Convertible Notes at an issue price of \$1.00 each. The terms and conditions of the Convertible Notes are detailed in section 11.1 and Schedule 3.

Director, Mr Paul Garner wishes to participate in the Convertible Notes issue.

Resolution 11 seeks Shareholder approval for the in the issue of up to 1,000,000 Convertible Notes to Mr Paul Garner (or his nominee) arising from his participation in the Convertible Note (**Participation**).

Outstanding loan amounts owed by the Company to Ohio Holdings Pty Ltd or Ohio Enterprises Pty Ltd, both companies associated with Mr Paul Garner (see Company's announcement of 9 August 2013), may be offset against subscription monies for the issue of Convertible Notes to Mr Paul Garner (or his nominee).

12.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Mr Paul Garner is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Paul Garner who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Mr Paul Garner on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

12.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose

relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Participation involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

12.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Convertible Notes will be issued to Mr Paul Garner (or his nominee) on the terms and conditions detailed in Schedule 3;
- (b) the maximum number of Convertible Notes to be issued is 1,000,000;
- (c) the Convertible Notes will be issued no later than 1 month 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 issue of the Convertible Notes will occur progressively;
- (d) the issue price will be \$1.00 each;
- (e) the Convertible Notes issued will be convertible to fully paid ordinary shares in the capital of the Company at an issue price of \$0.01 per Share (on a pre-consolidation basis) or at the Noteholder's election, the 5 day VWAP. The Shares will be on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Convertible Note as set out in section 11.2 of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Mr Paul Garner (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

5 Day VWAP means the 5 day volume weighted average price per Share.

\$ means Australian dollars.

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

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

Constitution means the Company's constitution.

Convertible Note means a convertible note to subscribe for one Share, the subject of either Resolution 10 or 11 and the terms and conditions in Schedule 3.

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.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and

responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Noteholder means the holder of a Convertible Note.

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.

Optionholder means a holder of an Option.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2013.

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 registered holder of a Share.

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

SCHEDULE 1-OPTION TERMS

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

- (a) Each Option entitles the holder to subscribe for one (1) Share upon the payment of 3 cents (\$0.03) per Share subscribed for.
- (b) The Options will lapse at 5.00pm, Western Standard Time on 31 October 2015.
- (c) 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.
- (d) 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).

- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) 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.

- (j) 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.
- (k) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (l) 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.
- (m) 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.

SCHEDULE 2-OPTION TERMS

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

- (a) Each Option entitles the holder to subscribe for one (1) Share upon the payment of 1.5 cents (\$0.015) per Share subscribed for.
- (b) The Options will lapse at 5.00pm, Western Standard Time on 30 August 2014.
- (c) The Company may, in its absolute discretion, apply for the Options to be listed for official quotation on the ASX in the future. The Company is under no obligation to apply for the Options to be listed for official quotation on the ASX. In the event that the Options are listed for official quotation on the ASX in the future, 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.
- (d) The Option holder 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).

- (e) 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.
- (f) 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.
- (g) 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 Option holder 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 Option holder to the balance of the Options held by them.
- (h) 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.

- (i) 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.
- (j) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (k) 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.
- (l) 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, including if the Company completes a pro rata issue.
- (m) On the issue of each Share pursuant to the exercise of an Option, the holder will receive an additional free option to subscribe for one Share exercisable at 3 cents each and expiring on 31 October 2015 (**New Option**). The terms and conditions of the New Option will be the same as the existing listed option class exercisable at 3 cents each and expiring on 31 October 2015. For the avoidance of doubt, the number of New Options issued to each holder will be the same as the number of Shares issued to the same holder pursuant to the exercise of this Option. The Company will not issue any of the New Options until all options on issue expiring on 30 August 2014 and exercisable at \$0.015 have been either exercised or are expired in accordance with ASX Listing Rule 2.5, condition 10.

SCHEDULE 3 – CONVERTIBLE NOTE TERMS AND CONDITIONS

The terms and conditions of each Convertible Note are as follows:

Term	Details
Subscription Amount	\$1.00 each
Maturity Date	The date that is 12 months after the Subscription Date.
Interest	Interest accrues on a monthly basis at the rate of 8% per annum on the outstanding Subscription Amount.
Secured / Unsecured	Each Convertible Note will be unsecured and the Noteholders will rank equally with all other unsecured creditors of the Company.
Conversion	<p>The Convertible Notes can only be convertible into Subscription Shares by the Noteholder providing the Company with written notice that the Noteholder elects to convert the Convertible Notes into Subscription Shares, such election made at any time prior to the Maturity Date. On conversion, each Convertible Note will convert into that number of Shares which, when multiplied by the issue price of \$0.01 per Share or at the Noteholder's election, the 5 day VWAP (Issue Price), equals the outstanding Subscription Amount plus (subject to compliance with the ASX Listing Rules) any interest due and payable (Subscription Shares).</p> <p>If, at any time prior to the conversion of the Convertible Note the issued capital of the Company is reorganised, the terms of the Convertible Note (e.g. the conversion rate of Subscription Shares) will be reorganised so as to ensure that the Noteholder will not be disadvantaged by the reorganisation in its position relative to Company shareholders, but at the same time will not receive a benefit that Company shareholders do not also receive.</p> <p>5 Day VWAP means the 5 day volume weighted average price per Share.</p>
Conversion Price	\$0.01 per Share (on a pre-consolidation basis) or at the Noteholder's election, the 5 day VWAP.
Redemption	<p>The Convertible Note can only be redeemed in the following circumstances:</p> <p>(a) upon the Noteholder providing the Company with notice that the Noteholder intends to redeem the Convertible Note; or</p> <p>(b) by repayment in cash automatically on the Maturity Date.</p>
Transferability	The Convertible Notes are transferrable.
Quotation	The Company will not apply for the Convertible Notes to be quoted.
No Participation or Voting Rights	The Noteholder will not have any voting rights prior to Conversion.
Governing Law	Western Australia, Australia.

**PROXY FORM
APPOINTMENT OF PROXY FORM FOR ANNUAL GENERAL MEETING**

TITAN ENERGY LTD ACN 109 2013 470

I/We

of:

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

Name:

OR: the Chair of the Meeting 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 WA 6005, on 6 November 2013 at 10:30am (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

Voting on business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Mr Paul Garner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Director – Mr Colin Sandell-Hay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of prior issue – Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of prior issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of prior issue - Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Placement – Shares in consideration of services provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Consolidation of capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Cancellation of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 Issue of Convertible Notes to Related Party	<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.

Important for Resolution 1

If you have not directed your proxy how to vote as your proxy in respect of Resolution 1 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolution 1 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolution 1 and that votes cast by the Chair for Resolution 1, other than as proxy holder, will be disregarded because of that interest.

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail: YES NO

Instructions for Completing 'Appointment of Proxy' Form

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 Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001;
 - b) facsimile to Computershare Investor Services Pty Ltd on facsimile number (+61 3) 9473 2555;
 - c) post to Titan Energy Ltd, 31 Ord St, West Perth, Western Australia 6005; or
 - d) 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.