

23 January 2014

## U.S. OIL & GAS EXPLORATION AND PRODUCTION RESERVES AND RESOURCES UPDATE

Titan Energy (ASX: TTE) (“the Company”) is pleased to provide this update on its U.S oil & gas exploration and production activities, specifically Titan’s current held interests and resources in the USA. This update has been prepared in accordance with the ASX Listing Rules and the new ASX reserves and resources reporting requirements for oil and gas companies, introduced on December 1, 2013. The information provided in this announcement is current and supersedes that of previous announcements released on 11 and 12 December 2013.

The **Allen Dome North** acreage in Brazoria County, Texas totals 276 production acres, of which Titan Energy holds a 94% Working Interest. There are three producing wells in this project area: JT Reese #S2, #2A, and #3a. In an 11-month period to November 2013, the field has produced 28,300 Bbls of oil earning gross revenue of US\$2,942,000. No reserve estimates have been produced at this time. An independent assessment is currently being prepared for the Allen Dome North acreage by Energy Recovery Concepts, LLC. The work focus for this area currently is to maintain steady production.

The **Allen Dome South** acreage in Brazoria County, Texas totals 344 gross mineral acres, of which Titan Energy holds an 84% Working Interest. The Company is currently assessing the low-cost, shallow appraisal drilling targets of the cap-rock atop the salt intrusion. No Prospective Resource estimates have been produced at this time. An independent assessment is currently being prepared for the Allen Dome North acreage by Energy Recovery Concepts, LLC.

**Allen Dome East (Perry Ranch)** consists of 302 gross mineral acres, of which Titan Energy holds a 100% Working Interest. The prospect has independently assessed Net Prospective Resources of 1.225 MMBO (Best). The probabilistic method was used for determination of Prospective Resources. Energy Recovery Concepts, LLC reviewed processed 3-D seismic, contour structure maps, and log data on surrounding wells for the assessment. The prospect is drill ready and will target four zones between 2,200, and 5,200 feet. The Company is currently seeking a partner to acquire between 25% to 50% of its 100% Working Interest before progressing with the Perry #1 well.

The estimated quantities of petroleum that may potentially be recovered from Perry Ranch by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

### Titan Energy Ltd

Western Australian-based global oil and gas explorer with growing assets in Australia and the United States.

Actively searching for oil and gas in the onshore Perth Basin and internationally, where it has active exploration and production in the USA.

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### Management

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Colin Hay  
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Jack Toby  
*Company Secretary/CFO*



Titan Energy's most recent acquisition is **Holcomb Ranch**. The Holcomb Ranch asset totals 4350 gross mineral acres, of which Titan holds a 11.6% non-operating Working Interest. The prospect has independently assessed Net Prospective Resources of 1.33 MMBO (Best), and 0.92 MMBOE. The Deterministic Method was used to calculate Prospective Resources. Energy Recovery Concepts, LLC reviewed geological data, and historical log data on proximate wells to produce the report. The Operator is currently engaging with contractors to secure a suitable horizontal drilling rig. A successful case for a 23 well program has been established if the initial confirmation well is a success.

The estimated quantities of petroleum that may potentially be recovered from Holcomb Ranch by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The **Sargent Ranch** acreage in Brazoria County and Matagorda County, Texas totals 337 gross mineral acres, of which Titan hold a 100% Working Interest. The Company is in discussions with Magnolia Energy LLC to swap 50% of its interest in the Sargent Ranch Project leases for 50% of Magnolia's interests in the Poole #2 and #3 infrastructure. This arrangement will allow the Company to move forward aggressively with the Poole #3 re-entry. The Sargent Ranch prospect has independently assessed 2C Net Contingent Resources of 0.253 MMBO, and 1.311 MMBOE. The Deterministic method was used in assessing remaining Contingent Resources. In reaching its determination, ERC reviewed: Interpreted maps of 3-D seismic, contour structure maps, log data on Poole 2 and 3, production records, and previous reserves estimates using P/Z vs Cumulative Production. Titan Energy USA and its consultants have completed a workover procedure which fits the complexities of the Poole #3 re-entry. The Company will be able to announce a proposed commencement date for the re-entry once finalised.

The Company's **Greathouse** prospect sits in the South Lake Charles Oil and Gas Field in Calcasieu Parish, Louisiana. Titan Energy hold a 50% Working Interest in 252 gross acres with an option over a further 92 gross acres. The prospect has independently assessed Net Prospective Resources of 0.485 MMBO (Best). The Deterministic Method was used to calculate Prospective Resources. Energy Recovery Concepts, LLC reviewed historical data, and log data on surrounding wells to produce the report. Titan Energy and its partner explorers are currently designing a step off well, which will test the Hayes Sand unit at approximately 10,540 ft.

The estimated quantities of petroleum that may potentially be recovered Greathouse by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The **Sodbuster II** prospect in Logan County, Colorado totals 1360 gross mineral acres where Titan Energy holds an 80% Working interest. The prospect has independently assessed Net Prospective Resources of 1.4 MMBO (Best). The probabilistic method was used for determination of Prospective Resources. Energy Recovery Concepts, LLC reviewed contour structure maps, cross sections, and log data on surrounding wells for the assessment. The Company is currently seeking a partner explorer to acquire a 50% interest of its 80% WI. Following the signing of a partnership, preparations to drill the Hettinger 1-15 well will commence.



The estimated quantities of petroleum that may potentially be recovered from Sodbuster II by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The **Kinmundy** acreage in Marion County, Illinois totals 441 gross mineral acres, of which Titan Energy holds an 90% Working Interest. The Company is currently seeking a partner explorer to acquire a portion of its 90% WI. Following a partnership, the Ritter #1 and Carper Sands #1 exploration wells are proposed to be drilled to a depth of 3,650 feet. The wells will intersect and test the Carper Sand unit at their respective locations. No Prospective Resource estimates have been produced at this time. An independent resource assessment is currently being prepared for the Kinmundy acreage by Energy Recovery Concepts, LLC.

Titan Energy holds 17,000 acres of highly prospective oil and gas leases in the Eastern Great Basin, Nevada. An independently assessed resource report is currently being prepared for the **Railroad Valley**, and **Lake Valley** acreage by Energy Recovery Concepts, LLC. Titan Energy is seeking an operator for its Nevada assets.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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## NET TO TITAN ENERGY

PETROLEUM RESOURCES		TTE		Energy Recovery Concepts, LLC. Domestic US and International			
<b>Net Contingent Resources</b>							
Asset	Interest	Unit	Net Contingent Resource			Evaluator (Evaluation Date)	Estimation Method
			1C	2C	3C		
<i>Texas</i>							
Sargent Ranch (Poole Wells)	100%	MMbbl (oil)	0.184	0.252	0.481	Energy Recovery Concepts LLC (2013)	Deterministic
Sargent Ranch (Poole Wells)	100%	MMboe (Gas Equivalent*)	0.948	1.310	1.879	Energy Recovery Concepts LLC (2013)	Deterministic
<b>Net Prospective Resources</b>							
Asset	Interest	Unit	Net Prospective Resource			Evaluator (Evaluation Date)	Estimation Method
			Low Estimate	Best Estimate	High Estimate		
<i>Texas</i>							
Allen Dome East (Perry Ranch)	100%	MMbbl	1.1	1.225	1.3	Energy Recovery Concepts LLC (2014)	Probabilistic
Holcomb Ranch	11.60%	MMbbl (oil)	1.20	1.33	1.5	Energy Recovery Concepts LLC (2014)	Probabilistic
Holcomb Ranch	11.60%	MMboe (Gas Equivalent*)	0.83	0.92	0.10	Energy Recovery Concepts LLC (2014)	Probabilistic
<i>Colorado</i>							
Sodbuster	80%	MMbbl	1.2	1.4	1.6	Energy Recovery Concepts LLC (2014)	Probabilistic
<i>Louisiana</i>							
Greathouse	50%	MMbbl	0.363	0.485	0.606	Energy Recovery Concepts LLC (2014)	Probabilistic
MMbbl = million barrels of oil MMboe = million barrels of oil equivalent			100 mcf = 17.2 BOE 1 bcf = 172,455 BOE *5.81 mcf = 1 BOE				

### Qualified Petroleum Reserves and Resources Evaluators

All of the technical information, including information in relation to petroleum reserves, contingent resources and prospective resources provided in this announcement, and preceding announcements released on 11 and 12 December 2013 is based on, and fairly represents information and supporting documentation and/or compiled by the Company's technical advisor, Richard W. Pomrenke, Owner - Manager of Energy Recovery Concepts (ERC) and Mr John McKnight, US Chairman of Titan Energy LLC.

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

Mr McKnight has over 20 years' experience in oil and gas exploration and production, as either an employee or consultant to oil companies operating in the petroleum industry. Mr McKnight reviews the Company's operations with the help of various professional consultants, appropriately qualified and experienced in their respective fields within the petroleum industry. He is also a Professional Member of the Society of Petroleum Engineers (SPE).

Mr Pomrenke and Mr McKnight have reviewed the results, procedures and data contained in this announcement and they consent to the inclusion in this announcement, and in the investor presentation released to the ASX on 12 December 2013, of the matters based on the information in the form and context in which it appears.

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

## **SPE Definitions for Proved, Probable, Possible Reserves and Prospective Resources**

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

**Probable Reserves** are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.

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

**Prospective Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

**Contingent Resources** are those quantities of hydrocarbons which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable.

**Undiscovered Oil-In-Place** is that quantity of oil which is estimated, on a given date, to be contained in accumulations yet to be discovered. The estimated potentially recoverable portion of such accumulations is classified as Prospective Resources, as defined above.