



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

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TITAN ENERGY PREPARING TO SPUD CAPROCK WELLS AT ALLEN DOME

Highlights:

- First Allen Dome “cap rock” well on target to spud this week
- Final stages of preparations in place for drilling Company’s first “Sodbuster II” well
- Potential for multi-well follow up program at Sodbuster II
- Fast-track plan in place for re-entering historic oil and gas well in new Krotz Spring project in Louisiana
- Krotz Spring well has potential production of up to 200 bopd and 4 mmcf/and Estimated Ultimate Recovery (EUR) of 600,000 bbls of condensate and 12 bcf of gas

Australian oil and gas company **Titan Energy Ltd** (ASX: **TTE**) (Titan Energy or the Company) is pleased to provide an update on its activities in the USA where it is currently planning to potentially spud four wells in four weeks.

Allen Dome - Texas

Titan Energy reports that it has contracted a suitable rig and expects to spud the first of two “cap rock” exploration wells at its producing Allen Dome oil field in Texas by the end of June.

A local drilling company has been contracted to drill the Poole C-1 “cap rock” well on the southern portion of the Allen Dome salt dome (TTE approximately 85% WI).

The two proposed wells have pre-drill programmes to be drilled to a Total Depth (TD) of 850 feet at a turnkey authority for expenditure (AFE) of US\$95,000 per well.

If successful, each well has the potential to add a further 20 barrels of oil per day (bopd) to Titan Energy’s Allen Dome production.

While “cap rock” wells are major oil producers on salt dome fields throughout the USA, Poole C-1, and the proposed follow-up well Poole C-2, are considered “rank wildcats” as there is no known recent history of “cap rock” exploration at Allen Dome.

Titan Energy's US Managing Partner, John McKnight, said the two proposed "cap rock" wells offered a low cost opportunity to increase oil production at Allen Dome, while also potentially opening up a whole new play at the historic oil field.



Sodbuster II – Colorado

Titan Energy is also pleased to report it is preparing to drill the Hettinger #1 - 15 well at its Sodbuster II prospect in Logan County, Colorado.

Current planning, depending on rig arrival to the well location, is to commence drilling within the third quarter 2013.

The Company is Farming-in for an 80% Working Interest (WI) in the 1360 acre Sodbuster II prospect which is located approximately 160 km north east of Denver.

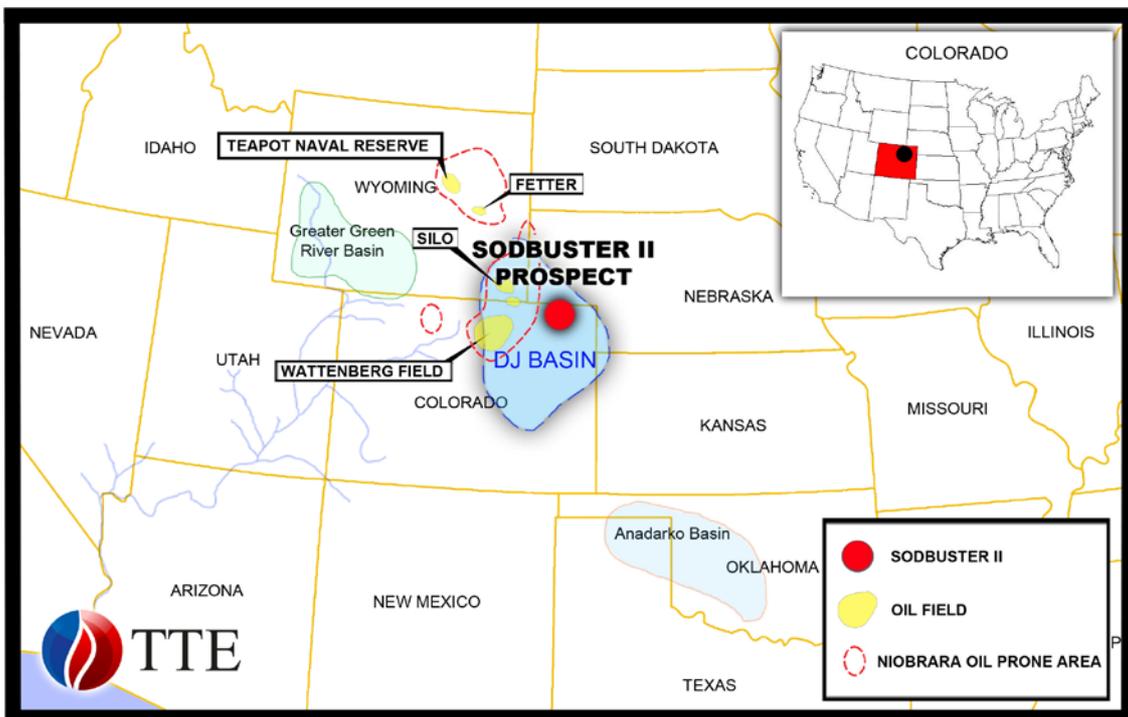
An AFE has been received from a local drilling company to drill a test of the proven Cretaceous J Sandstone Formation, which is forecast to be located at a Total Vertical Depth (TVD) of 5,000 feet. A turnkey AFE has been agreed at a total "dry hole" cost of US\$335,000.

The Sodbuster II Prospect is anchored by three wells in the Sodbuster Field which produced in excess of 360,000 barrels of oil in the first 17 years after discovery (342,000 barrels of the total came from the nearest two wells). The trap at the Sodbuster Field is stratigraphic, with separated point bar sands crossing a structural axis and the productive reservoir sand environment is interpreted to extend south

west along the structural axis and to be thickening as the lower delta plain is approached.

This NE-SW trending system parallels a distributary system about one mile west where three producing fields were located. The nearest, the Merino Field (discovered in 1950), is reported to have produced approximately 4.2 million barrels of oil from 25 wells during the first 30 years of production.

Hettinger #1 - 15 could potentially be the first of a multi-well program in the Sodbuster II Prospect area, which has been estimated to have the capacity to contain between 1.2 million and 1.5 million barrels of oil equivalent (boe) in place.



Krotz Spring - Louisiana

Titan Energy is pleased to announce it is farming in for a 50% interest in 595 acres of production rights in the historic Krotz Springs oil and gas field in Louisiana.

On completion of the farmin, the Company's wholly-owned subsidiary Sunset Energy LLC will become operator of a JV to be drilled by a local drilling company. The project will be managed by HTK Drilling Management L.C.

Planning is currently underway for a re-entry of the Joy Lawler #1 well for a workover of a 9,600 foot sand within the next three to four weeks, dependent on equipment availability. This would involve drilling to a Total Depth of 9,700 feet, setting a packer at a depth of 9,600 feet and perforating a targeted section between 9,610 feet and 9,696 feet. The 8/8ths cost of drilling the well is US\$265,000.

Pre-drill estimates are that a successful workover of this section could produce upwards of 3 to 4 million standard cubic feet per day (mmcf/d) of gas and between 150 and 200 barrels per day of condensate.

The Estimated Ultimate Recovery for the prospect is of 600,000 barrels of condensate and 12 billion cubic feet (bcf) of gas.

“This is another opportunity for Titan Energy and its shareholders to take up a low-cost, fast-track opportunity to add to our US production,” John McKnight said.

“With our ongoing exploration drilling program at Allen Dome and other new opportunities to drill into proven fields in Texas, Colorado and Louisiana, we have a very exciting and active period ahead of us,” he said.



ABOUT TITAN ENERGY

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

It holds a 100% interest in onshore North Perth Basin permit DR11 and an 18.5% interest in North Perth Basin permit EP455, where AWE has farmed in.

The Company has also built up a significant onshore presence in the USA with completed agreements to:

- Acquire Working Interest (WI) in 344 gross acres on the southern side of the Allen Dome Salt Dome in Brazoria County, Texas;
- Acquire an approximate 94% WI in 276 acres of productive acreage on the Northern flank of the Allen Dome;

- Acquire an approx.100% WI in 302 acres on the eastern flank of the Allen Dome;
- Farm-in for an 80% Working Interest (WI) in the 1360 acre Sodbuster Prospect in Logan County, Colorado;
- Acquire a 50% interest in the “ready-to-drill” approximately 252 acre Greathouse Prospect, plus an option over an additional 92 acres, within the South Lake Charles oil and gas field in Louisiana;
- Farm-in for 50% interest in the proven Krotz Springs oil and gas field in Louisiana, with an early opportunity identified to re-enter the historic Joy Lawler #1 well.
- Acquire 594.5 acres in the Kinmundy Prospect area in the Illinois Basin; and
- Acquire approximately 17,000 acres of prospective shale properties in the US state of Nevada.
- Acquire a 100% WI in the 344 acre Sargent Ranch oil and gas field in Brazoria County, Texas.

The Company continues to review additional projects that satisfy the Company’s strategic objectives.

FOR FURTHER INFORMATION PLEASE CONTACT:

TITAN ENERGY LTD

Darren Levy
Chairman
Titan Energy Ltd
T: +61 08 9322 6955

MEDIA

Colin Hay
Professional Public Relations
T: +61 8 9388 0944
E: colin.hay@ppr.com.au

US Office:

John McKnight
Titan Energy Inc
Suite 5004, 5120 Woodway Drive
Houston , Texas 77056, USA
Office: +1-713-429-1832
Cell: +1-832-236-7053
Email: jmcknight@titanenergy.com.au

Competent Person’s Statement:

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

Mr McKnight has over 20 years experience in the application of engineering to the petroleum industry 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