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TITAN ENERGY LTD MARCH 2013 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS:

- First full quarter of production from Allen Dome
- Oil and gas discovery announced on Northern flank of Allen Dome
- Company continues to increase its Allen Dome interests
- First well in North Perth Basin permit DR11 spudded

Titan Energy Limited (ASX: TTE) ("Titan Energy" or "the Company") is pleased to provide this report on its operations during the three month period ending March 31 2013.

FINANCIAL HIGHLIGHTS

Total oil production of 6,141.1 barrels for the quarter ended March 31, 2013.

PRODUCTION

All of the increased production for the quarter came via re-completed wells at the Allen Dome oil field in Texas, USA. Production rates lowered gradually throughout the quarter from approximately 100 bopd to 60 bopd due to natural decline of the historic workover wells.

Titan Energy is pleased to note that the workover wells have already paid for themselves and should continue to bring in important cash flow for the immediate future.

ACTIVITY REVIEW - USA

TEXAS

Allen Dome

Titan Energy's activities at Allen Dome in the Quarter were highlighted by its first exploration drilling programme and in particular, the oil and gas discovery at the JT Reese #S2 well on the Northern flank of the Texan oil field.



Spudded on February 25, JT Reese #S2 was drilled to a Total Depth (TD) of 4333' .The Company elected not to drill to the pre-drill planned TD of 5200' after a pressure kick was detected, resulting in loss of circulation. The Company and its contractors then chose to log the well to a depth of 4150'.

While the well was unable to test its primary target, the 5200' sand, interpretation of logging showed that the well intersected four separate zones with hydrocarbon indications, including one very significant section from 3045' to 3114'.

Testing indicated that the top section of this interval, known as the 3050' sand, contains gas, with logs suggesting a lower section between 3066' to 3102' contains high gravity light oil and a section from 3102' to 3114' contains black oil.

Titan Energy's US team, following discussions with external consultants, declared the find a commercial discovery and immediately began plans to bring the 3050' sand section on stream.

This involved the construction and insertion of a "gravel pack" for sand control over a perforated 17' section of the well between the depths of 3080' and 3097' total vertical depth (tvd). After consultation with external consultants it was concluded that this 17 foot interval would allow the Company to access the high value light oil seen in logging and sampling of the well, while also restricting water and gas influx into the production mix.



Titan Energy also built an approximately 100 foot long flowline from the JT Reese #S2 well site to its oil storage facilities at Allen Dome and increased the size of those facilities to take the increased production from the discovery as required.

Subsequent to the end of the quarter, production at JT Reese #S2 had steadily increased to rate of approximately 331 bopd and natural gas at an average rate of approximately 196 Mcfd on an 18/64" choke. The choke was subsequently further adjusted to 14/64" to additionally restrict the flow rate to 300 barrels of liquids per day as part of the well management programme.

The Company is in discussions for the potential sale of that gas, with the project benefitting from its proximity to a gas pipeline.

Titan Energy is also in discussions regarding the potential to obtain reserves certification for the 3050' sand discovery after the well has been in stabilised production for a few months.

The Company is also finalising negotiations on its Net Revenue Interest (NRI) covering the JT Reese #S2 well, currently estimated to be approximately 70%.

JT Reese #S2 was one of three exploration/recompletion wells completed by the Company at Allen Dome during the quarter.

Titan Energy announced on January 22 that it had elected to suspend drilling activities at the J T Reece #10 well due to drill string becoming stuck in the hole after drilling to a depth of approximately 1,800 feet. Despite a number of "jarring" attempts, the rig operator was unable to free the bottom hole tools. The Company elected to plug and abandon the JT Reese ##10 as the well did not reach the targeted "zone of interest".

The JT Reese #S1 well was successfully drilled by Rotary Exploration, Inc., with support from Houston-based well-site specialists HTK Consultants, Inc., to its planned Total Depth (TD) of 1400 feet.

Logging and coring activities were then conducted over the “zone of interest”, but there were no hydrocarbon indications observed.

Titan Energy is confident the 1400’ sand is prospective for oil and it is likely it will further assess its potential at other locations at Allen Dome in the future.

On February 28, Titan Energy announced that it had reached an agreement with an independent oil company to acquire its Working Interest (WI) in the Northern flank of Allen Dome, which has seen the Company’s WI increase in the 276 acres on the Northern flank to approximately 94%. The cost of the additional WI was US\$30,000 and proportion plugging responsibilities.

Subsequent to the end of the quarter, Titan Energy successfully increased its working interest in 344 acres on the Southern flank, the main focus being the Poole tract (130 acre drill site lease) from 72.5% to approximately 85% for a cost of US\$80,000 and also acquired a 100% Working Interest (WI) in 302 acres on the eastern side of the Allen Dome oil field for approximately A\$93,000.



10#10

Titan Energy now holds interests in a combined 922+ acres on the northern, southern and eastern sides of the Allen Dome.

Known as the “Perry Ranch” leases, the new 302 acre holding on the eastern flank of Allen Dome salt dome is covered by 3D seismic and Titan Energy is currently negotiating to acquire that data with the aim of beginning drilling there in the second half of 2013.

The Company is waiting for final permitting for the proposed drilling of its next well at Allen Dome, Poole #1, to be located on the Southern flank of the oil field.

Spudding of Poole #1 is being targeted for June 2013 with current planning for the exploration well to be drilled to a depth of 5,200' to test three primary objectives.

COLORADO

Sodbuster II Prospect

Subsequent to the end of the quarter the Company announced it expects to receive a permit from the Government of the State of Colorado to proceed with the drilling of a well in the Sodbuster II Prospect in Logan County where the Company is Farming-in for an 80% Working Interest (WI) in the 1360 acre prospect.

The Company is now planning to meet with the landowner of the area to negotiate "Surface Use" terms.

Once negotiations are concluded, Titan Energy will look to begin activities at Sodbuster II as soon as practicable. Current plans are to test the proven Cretaceous J Sandstone Formation with the drilling of the Hettinger #1 - 15 well. This 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.

LOUISIANA

Greathouse Prospect

Titan Energy has operatorship and a 50% interest on a ground floor basis in the 148 acre project area, also has an option over a further 209 acres. The company continues to undertake negotiations with a third party to farm-out some of its interest.

Titan Energy's first well into the Greathouse Prospect is currently scheduled to be a re-entry and sidetrack of the Jordan Schultz well, which will target the Hayes sand at a Total Depth of 10,150 feet (approximately 3,093 metres).

The Greathouse Prospect, which is located within the historic South Lake Charles oil and gas field, is estimated to have the capacity to contain 1.35 million barrels of oil equivalent (mmbœ) within the Hayes sand, with the re-entry well forecast to have the potential to flow at rates of up to 300 barrels of oil per day (bopd).

ILLINOIS

KINMUNDY PROJECT

Titan Energy continues to assess the potential to drill exploration wells in the Kinmundy project in Marion County, Illinois in 2013.

The Ritter #1 and Carpa Sands #1 exploration wells are both currently proposed to be drilled to a depth of 3,650 feet to test the Carpa Sand at their respective locations. The two low cost wells have been estimated to each have the capacity to achieve production levels of 50 bopd with the potential for a follow-up multi well development programme.

Subsequent to the end of the quarter, Titan Energy announced it had successfully increased its land holdings at Kinmundy from 441 acres to 594.5 acres.

ACTIVITY REVIEW - AUSTRALIA

DR11 North Perth Basin (TTE: 100%)

The Company spudded its first well in high profile North Perth Basin permit DR11 to the north of Perth on 27 March 2013.

Subsequent to the end of the quarter, Titan Energy announced it was plugging & abandoning the Warradarge-1 well. The well was drilled to a Total Depth of 1,560m, with two sets of wireline logs run, while a number of samples were collected. The well successfully intersected the targeted Cadda Formation and Cattamarra Coal measures of the Jurassic sediments, however, no hydrocarbons were noted.

The Company will now study all parts of the Warradarge-1 drilling programme as part of its permit wide assessment of DR11 and any proposal to drill the Warradarge-2 exploration well.

Drilling at Warradarge-1 took longer than anticipated as Titan Energy had to incorporate a number of actions to meet strict government guidelines.

The Company is still awaiting final environmental approval before being granted a Drilling Permit for the Warradarge-2 well after the authorities elected to separately consider environmental approvals for Warradarge-1 and Warradarge-2. The Company is currently considering a deeper drilling programme for Warradarge-2, approximately 4 kilometres north east of Warradarge-1.

EP455 North Perth Basin (TTE: 18.5%)

Titan Energy's farm-in partner AWE Limited continues to refine its plans for a proposed exploration well, to be known as Drover-1.

A spud date for Drover-1 remains subject to approvals and rig and equipment availability.

MYANMAR INVITATION

Subsequent to the end of the quarter Titan Energy was notified by the Ministry of Energy of the Government of the Republic of the Union of Myanmar that it had qualified to participate in an international, competitive bidding round that is being held for 18 onshore blocks.

After being invited to make technical and financial criteria presentations to the Ministry of Energy, Titan Energy has been selected to participate in an overview of the geology of the 18 onshore blocks and representative data to be presented by the Geological/Geophysical Team of the Myanmar Oil & Gas Enterprise (MOGE) on May 9, 2013. Bids for the blocks are expected to be accepted shortly afterwards.

Myanmar is considered to be highly prospective for oil and gas and the onshore blocks have attracted some of the world's biggest oil and gas companies, with 59 companies qualifying to bid, including 12 from Australia.

Titan Energy has formed a Joint Venture in Myanmar with a local company, which it has been working closely with for some time, the local Joint Venture partner will hold a minority stake in the JV bid.

CORPORATE Financial

Subsequent to the end of the Company announced it would undertake a capital raising to support drilling activities in the USA and Australia.

Supported by Pendulum Capital the capital raising is a Share and Option Placement to raise approximately \$2 million.

With additional cash flow from the Allen Dome fields in Texas, Titan Energy had cash-on-hand at the end of the quarter of A\$2,462,000 and raised additional capital after the quarter of \$1,606,500.

MANAGEMENT OUTLOOK

Titan's directors intend to continue to investigate opportunities for potential project acquisitions.

The Company is looking forward to a very active period, with a number of wells planned to follow up the exciting JT Reese #S2 discovery at Allen Dome and the Warradarge-1 well in the North Perth Basin in Western Australia.

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Competent Person's Statement:

Information in this report that relates to Hydrocarbon Reserves and or Resources in the United States of America 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 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.

Information in this report that relates to Hydrocarbon Reserves and or Resources in Australia is based on information compiled by Mr Stephen Thomas, Director of Titan Energy Ltd who has consented to the inclusion of that information in the form and context in which it appears.

Mr Thomas has over 30 years' experience in petroleum geology and in oil and gas exploration and production, both in Australia and internationally, as either an employee or consultant to oil companies operating in the upstream petroleum industry. Mr Thomas reviews the Company's operations with the help of various professional consultants, appropriately qualified and experienced in their respective fields within the upstream petroleum industry. He is also a member of AusIMM, a fellow of the Royal Geological Society of London and has a BSc (Hons) in geology from the University of South Wales.