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TITAN ENERGY PREPARES TO INCREASE PRODUCTION AT ALLEN DOME PROJECT

HIGHLIGHTS:

- Titan takes over as operator of Allen Dome North Project
- Three initial test well locations identified
- Modern 3D identifies multi zone production potential

Australian oil and gas company **Titan Energy Ltd** (ASX: TTE) (Titan Energy or the Company) is pleased to announce it has officially taken up operatorship of the Allen Dome North salt dome oil project in Brazoria County, Texas.

As announced on August 3, 2012, the Company has concluded a Purchase Agreement to acquire 276 acres of producing interests on the northern flank of the Allen Dome Salt Dome, including related production equipment. Since that announcement Titan Energy continues to refine its initial program for re-completing a number of historic wells to significantly increase production from the current moderate average level of 12 barrels of oil per day from those wells. Titan Energy will seek to manage initial exploration activity to mitigate any potential hurdles of acquiring any additional leases in the area that may be desired.

Following an in-depth analysis of historic well data and modern 3D seismic data, Titan Energy will identify a number of new zones within these producing wells which have the potential to provide an increase in production from the project.

The new zone targets include sands which have had good oil shows on historic well logs but have not been adequately tested by any wells drilled across the Allen Dome structure.

This initial work will also include running a wireline operation in the currently abandoned 4C well to obtain information that will assist us in evaluating potential regarding completion operations in nearby producing wells.

Titan Energy has engaged Total Energy Services as its contract operator to oversee the re-completion program, which is expected to commence shortly and expected to provide additional production by the end of September 2012.

Total Energy Services has also been contracted to drill an initial exploration well on the north flank. Depending on rig availability, that well is expected to spud by late September.

Titan Energy has identified three initial potential locations from 3D Prestack Depth Migration (PSDM) data and historic well logs that are being considered as future test wells.

An initial test well is expected to be drilled to a proposed Total Depth of 5,200 feet and to test a number of zones, including three well log documented productive oil sand intervals and several other potential oil sand intervals noted in other drillers logs oil shows.

Titan Energy Managing Director, Steve Thomas, said this was an important chapter in the young life of Titan Energy Ltd.

“Moving from being a pure explorer to an explorer with some production revenue is an important step for the Company as it not only brings in cash flow but shows the Company’s qualities and expertise in being able to operate a project in a high profile oil and gas location.

“With the amount of study work we have done and the introduction of newly processed 3D seismic data, we are confident we can lift current production rates significantly through re-completions in historic wells and the drilling of new exploration wells.”

Allen Dome background

The Allen Dome salt dome is located approximately 80 km south of Houston, Texas in Brazoria County.

Oil production from the dome flanks began in the 1920’s with cumulative oil production over 800,000 barrels to date from less than 20 wells. Less than 50 wells have been drilled on the dome flanks, all of which were located utilising subsurface well information.

Titan Energy is confident that modern exploration and drilling technology will lead to a significant increase from the moderate current production levels.

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.

The Company is actively searching for oil and gas in the highly prospective onshore Perth Basin in Western Australia and in proven international hydrocarbon producing areas.

Titan Energy's Warradarge Seismic Survey in North Perth Basin permit DR11 has been used to define the location of two wells proposed for drilling by the Company in 2012. Titan Energy is also participating in a Joint Venture with AWE which has farmed in for an 81.5 per cent equity share in an area known as Eneabba South (EP455) in the North Perth Basin.

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

- Acquire an 87.5% interest in 344 gross acres on the southern side of the Allen Dome Salt Dome in Brazoria County, Texas;
- Acquired a 100% interest in 276 acres of productive acreage on the northern 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 110 acre Greathouse Prospect within the South Lake Charles oil and gas field in Louisiana.
- Acquire an 81% interest in the Franklin Prospect area of the Midyett South Development Project in the Illinois Basin; and
- Acquire approximately 17,000 acres of prospective shale properties in the US state of Nevada.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Competent Person's Statement:

Information in this report that relates to Hydrocarbon Reserves and or Resources 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.