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TITAN TAKES UP OPTION TO ACQUIRE SALT DOME OIL PROJECT IN TEXAS

HIGHLIGHTS:

- Titan makes final payment to acquire 87.5% working interest in proven 344 acre oil producing salt dome area in Texas.
- Numerous potential targets identified in re-processed 3D seismic.
- Initial three well development drilling program planned Q3 2012.

Australian oil and gas company **Titan Energy Ltd** (ASX: TTE) (**Titan Energy or the Company**) is pleased to announce it has elected to take up an option to farm-in for an 87.5% working interest (WI) in a section of the Allen Dome salt dome project area in Texas - as previously announced on March 6, 2012.

Titan has exercised the option by tendering a further sum of US\$140,000 to finalise the full payment of US\$240,000 to farm-in to leasehold interests covering 344 gross acres (316 net mineral acres) located on the southern side of the Allen Dome in south western Brazoria County, Texas.

The Company took the decision to proceed following positive reviews of re-processed 3D seismic and other data which has identified a number of potential drilling targets.

Titan has also committed to commence drilling a three well programme on the leases within the Prospect Area, or lands pooled therewith, in Q3 2012.

Titan Energy Managing Director, Stephen Thomas, said the Company was excited by the potential opportunities identified at Allen Dome to date.

“Our detailed assessment of the 3D seismic and historic drilling data from the area has highlighted a number of locations for us to follow up with drilling,” Mr Thomas said.

Allen Dome

Titan believes there is similar prospectivity within its southern farm-in area above 5000 feet as the 1926 discovery well for Allen Dome, Roxana-Allen Bernard, which is located on the south-east flank of the dome.

The Allen Dome area is considered to be significantly underexplored compared to similar salt domes in south-east Texas, with the last serious exploration and development activities undertaken there in the 1980s.

Salt Dome fields are the most prolific producers in south-east Texas, with more than 2.5 billion barrels of oil produced since their discovery in the early 1920s. These Salt Dome areas have been the subject to a major increase in exploration activity in recent years, with the use of modern exploration and production technology successful in commercialising previously unrecovered oil pools.

Allen Dome is considered to be similar geologically to the Maverick Drilling & Exploration-operated Blue Ridge Dome Field, located approximately 55 km to the north. Maverick has reported independent net oil reserves estimates in its Blue Ridge Dome leases of 12.4 million barrels at the 1P level and 52.4 million barrels at the 2P level.

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 internationally.

Titan Energy recently completed the 25km Warradarge Seismic Survey in Perth Basin permit DR11. Analysis of the processed seismic data will be used to help 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 Limited (AWE) which has farmed in for a 90 per cent equity share in an area known as Eneabba South (EP455) in the North Perth Basin.

On the international front Titan Energy entered into a Participation Agreement (PA) in March 2012 for an option to farm-in for an 87.5% working interest (WI) in the historic, oil producing Allen Dome area in Texas.

It subsequently entered into an agreement to acquire an 81% interest in the Franklin Prospect area of the Midyett South Development Project and in the same month entered into a separate agreement to farm-in for a 40% Working Interest (WI) in the 1360 acre Sodbuster Prospect in Logan County, Colorado. The Sodbuster 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 Company has also acquired approximately 17,000 acres of prospective shale properties in the US state of Nevada. The areas of interest are located in the Cretaceous Sevier thrust belt, which holds some of North America's most productive oil and gas fields.

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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.