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TITAN ENERGY SPUDS FRANKLIN PROSPECT WELL IN USA

HIGHLIGHTS:

- **Drilling commences at first well in Franklin Prospect in Illinois.**
- **Recently signed agreement for 81% interest in project located in a multi-billion barrel, hydrocarbon producing region of the USA.**
- **A number of zones to be tested.**
- **Location near infrastructure offers opportunity for quick commercialisation of a drilling success.**

Australian oil and gas company **Titan Energy Ltd** (ASX: **TTE**) (“Titan” or “the Company”) is pleased to announce it has commenced drilling the first well in its recently acquired interest in the Midyett South Development Project area in Franklin County, Illinois.

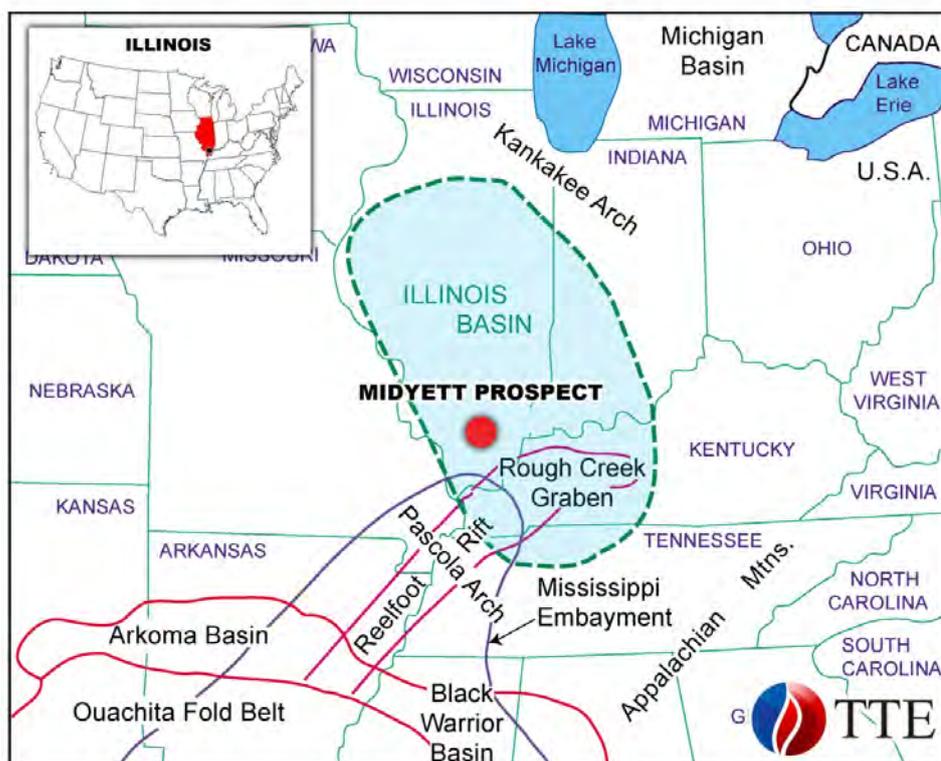
Titan announced on March 9, 2012 that it had signed an agreement to acquire an 81% interest in the Franklin Prospect area of the Midyett South Development Project. It is earning an 81% equity in the Midyett #8-1 exploration well being drilled into the Franklin Prospect by paying 96% of the estimated drilling costs of US\$251,286 up to the point where production casing is run and cemented.

Titan, which is operator of the Franklin Prospect project, has contracted Illiana Energy to drill its initial well into the Franklin Prospect.

The well was initially planned to be drilled to a depth of 3150 feet (approximately 960 m) and completed in the Aux Vases and McClosky zones for a conventional test of the Midyett South Aux Vases sandstone oil reservoir, which has been a significant producer in the nearby Dale/Thompsonville Oil Field Complex.

However, the Company has elected to increase the depth of this well by an additional 450 feet for an additional cost of US\$26,600 to also test the prospective St Louis and Salem Limestones.

It is expected that the well will reach Total Depth, subject to appropriate weather conditions, within 7 days.



Titan Energy Managing Director, Stephen Thomas, said the Company was looking forward to drilling its first well at the Midyett South Development Project.

“We see this is as a relatively low risk opportunity to test for oil in a proven hydrocarbon producing area.”

Pre-drill planning estimates that Midyett #8-1 will reach the top of the Aux Vases and McClosky zones at approximately 2967 ft, with the tops of the St Louis and Salem Limestones intersected at approximately 3133 and 3304 feet respectively. This will give the well a potential Total Depth of up to 3600 ft.

Titan Energy’s US based consultants have reported a forecast potential Oil In Place for the Aux Vases and McClosky zones in the Midyett South Development Project of 1.22 million barrels of oil.

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.

Under that agreement Titan Energy has an option to farm-in to leasehold interests covering 344 gross acres (316 net mineral acres) on the southern side of the Allen Dome salt dome in Brazoria County, Texas. The Company believes the area has the potential to “mirror” the northern flank of the Dome, which has produced an estimated 760 MBO of oil from sands above 5,000 feet.

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, through its wholly-owned subsidiary Titan Energy Nevada LLC, 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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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.