
TITAN ENERGY LTD

ACN 109 213 470

NOTICE OF GENERAL MEETING

TIME: 4:00 pm (WST)

DATE: 29 June 2012

PLACE: 31 Ord St, West Perth WA 6005, Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9322 6955.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 4:00 pm (WST) on 29 June 2012 at:

31 Ord St, West Perth WA 6005, Australia

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5:00 pm on 27 June 2012.

VOTING IN PERSON

To vote in person, attend the General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Titan Energy Ltd, 31 Ord Street, West Perth, Western Australia 6005; or
- (b) facsimile to the Company on facsimile number (+61 8) 9322 6722,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and

- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

1. RESOLUTION 1 – ISSUE OF SHARES TO CITIES ENERGY LLC

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 25,000,000 Shares to Cities Energy LLC (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – ISSUE OF OPTIONS TO CITIES ENERGY LLC

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 35,000,000 Options to Cities Energy LLC (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO ALLEN DOME EXPLORATION LLC

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 15,000,000 Options to Allen Dome Exploration LLC (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. **RESOLUTION 4 – ISSUE OF SHARES AND OPTIONS TO ALLEN DOME EXPLORATION LLC**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 10,000,000 Shares and 20,000,000 Options to Allen Dome Exploration LLC (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. **RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CLIENTS OF PURSUIT AND PENDULUM**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 98,000,000 Shares to clients of Pursuit Capital Pty Ltd and clients of Pendulum Capital Pty Limited on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. **RESOLUTION 6 – PLACEMENT OF SHARES TO CLIENTS OF PURSUIT AND PENDULUM**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 80,000,000 Shares to clients of Pursuit Capital Pty Ltd and clients of Pendulum Capital Pty Limited on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – ISSUE OF SHARES TO DIRECTOR - PAUL GARNER

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue up to 20,000,000 Shares to Paul Garner (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Paul Garner (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) *the proxy is either:*
 - (i) *a member of the Key Management Personnel; or*
 - (ii) *a Closely Related Party of such a member; and*
- (b) *the appointment does not specify the way the proxy is to vote on this Resolution.*

However, the above prohibition does not apply if:

- (c) *the proxy is the Chair of the Meeting; and*
- (d) *the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

8. RESOLUTION 8 – ISSUE OF SHARES TO DIRECTOR – DARREN LEVY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue up to 20,000,000 Shares to Darren Levy (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Darren Levy (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 – SECTION 195 APPROVAL

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to and conditional on the passing of Resolutions 6 and 7 inclusive, for the purposes of Section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Company to complete the transactions as contemplated in this Notice of Meeting.”

Short Explanation: Approval of Resolutions 6 and 7 may result in the Directors having a “material personal interest” in the matters referred to in this Notice. In the absence of this Resolution 8, the Directors may not be able to form a quorum at any meetings necessary to carry out the transactions contemplated by this Notice.

10. RESOLUTION 10 – ISSUE OF OPTIONS TO PURSUIT CAPITAL PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 6,000,000 Options to Pursuit Capital Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. **RESOLUTION 11 – ISSUE OF OPTIONS TO PENDULUM CAPITAL PTY LIMITED**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 4,680,000 Options to Pendulum Capital Pty Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. **RESOLUTION 12 – ISSUE OF LISTED OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 30,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. **RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO NORTHGOLD PTY LTD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 2,000,000 Options to Northgold Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. RESOLUTION 14 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purpose of Section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

DATED: 22 MAY 2012

BY ORDER OF THE BOARD

**JACK TOBY
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. RESOLUTION 1 – ISSUE OF SHARES TO CITIES ENERGY LLC

1.1 General

On 6 March 2012 the Company announced to ASX that it had signed a Participation Agreement for an option to farm-in for an 87.5% working interest in the Allen Dome area in Texas (**Allen Dome Acquisition**). Resolution 1 seeks Shareholder approval for the allotment and issue of 25,000,000 Shares to Cities Energy LLC in consideration for Cities Energy LLC acting as facilitators for the Allen Dome Acquisition (**Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

1.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 25,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Shares will be issued for nil consideration in satisfaction of facilitation services provided by Cities Energy LLC to the Company in relation to the Allen Dome Acquisition;
- (d) the Shares will be allotted and issued to Cities Energy LLC (or its nominee), which is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the Placement as the Shares are being issued in consideration for facilitation services provided by Cities Energy LLC in relation to the Allen Dome Acquisition.

2. RESOLUTION 2 – ISSUE OF OPTIONS TO CITIES ENERGY LLC

2.1 General

As referred to in Section 1.1, Cities Energy LLC acted as facilitator in the Allen Dome Acquisition. Resolution 2 seeks Shareholder approval for the allotment and issue of 35,000,000 Options, also in consideration for the facilitation services Cities Energy LLC provided to the Company in relation to the Allen Dome Acquisition (**Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.1.

The effect of Resolution 2 will be to allow the Directors to issue the Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Options to be issued is 35,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will be issued for nil consideration in satisfaction of facilitation services provided by Cities Energy LLC to the Company in relation to the Allen Dome Acquisition;
- (d) the Options will be issued to Cities Energy LLC (or its nominee), who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the Placement as the Options are being issued in consideration in consideration for facilitation services provided by Cities Energy LLC in relation to the Allen Dome Acquisition.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO ALLEN DOME EXPLORATION LLC

3.1 General

Resolution 3 seeks Shareholder approval for the allotment and issue of 15,000,000 Options to Allen Dome Exploration LLC (**Placement**). Allen Dome Exploration LLC has been appointed as consultants to the Company and will take an active role in the management of the Company's various projects in the United States. The issue of these options is intended to provide Allen Dome Exploration LLC with an additional incentive and reward for their future services.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1.

The effect of Resolution 3 will be to allow the Directors to issue the Options pursuant to the Placement during the period of 3 months after the Meeting (or a

longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Options to be issued is 15,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will be issued for nil consideration;
- (d) the Options will be issued to Allen Dome Exploration LLC (or its nominee), who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the Placement as the Options are being issued as an additional incentive and reward Allen Dome Exploration LLC's future consultancy services in the United States.

4. RESOLUTION 4 – ISSUE OF SHARES AND OPTIONS TO ALLEN DOME EXPLORATION LLC

4.1 General

The Company announced to ASX on 2 May 2012 that it has taken up an option to acquire a 100% interest in 276 acres on the northern flank of the Allen Salt Dome in Brazoria County, Texas from Seacoast Oil & Gas Inc (**Salt Dome Option**). Allen Dome Exploration LLC facilitated this arrangement and assisted the Company in securing the Salt Dome Option.

Resolution 4 seeks Shareholder approval for the allotment and issue of 10,000,000 Shares and 20,000,000 Options to Allen Dome Exploration LLC (or its nominee) subject to the Salt Dome Option being exercised and the acquisition completed.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1.

The effect of Resolution 4 will be to allow the Directors to issue the Shares and Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 10,000,000 and the maximum number of Options to be issued is 20,000,000;
- (b) if the Salt Dome Option is exercised and the acquisition completed, the Shares and Options will be issued no later than 3 months after the date

of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

- (c) the Shares and Options will be issued for nil cash consideration in recompense for Allen Dome Exploration LLC facilitating the Salt Dome Option and assisting in the due diligence process, and to incentivise Allen Dome Exploration LLC to assist the Company to secure additional acquisitions in the United States in the future;
- (d) the Shares will be allotted and issued to Allen Dome Exploration LLC (or its nominee), who is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 2;
- (g) no funds will be raised from the issue of the Shares and Options as they are being issued in recompense for Allen Dome Exploration LLC facilitating the Salt Dome Option and to incentivise Allen Dome Exploration LLC to assist the Company to secure additional acquisitions in the United States in the future.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CLIENTS OF PURSUIT AND PENDULUM

5.1 General

On 28 March 2012 the Company announced to ASX that it had received commitments from sophisticated investors to raise \$1,225,000 via a placement of 98,000,000 Shares at an issue price of 1.25 cents per Share. The 98,000,000 Shares were subsequently issued on 4 April 2012.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 98,000,000 Shares were allotted;

- (b) the issue price was 1.25 cents per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to clients of Pursuit Capital Pty Ltd and Pendulum Capital Pty Limited. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used towards the Company's exploration activities, administration costs and working capital .

6. RESOLUTION 6 – PLACEMENT OF SHARES TO CLIENTS OF PURSUIT AND PENDULUM

6.1 General

As announced to ASX on 28 March 2012, due to the strong interest in the placement the subject of Resolution 5, the Company received commitments for a further 49,000,000 Shares at an issue price of 1.25 cents per Share. The Company is seeking Shareholder approval for the placement of 80,000,000 Shares so that the Company will have the capacity to issue up to an additional 31,000,000 Shares if required. The Company may or may not use this additional capacity. Resolution 6 seeks Shareholder approval for the allotment and issue of up to 80,000,000 Shares at an issue price of 1.25 cents per Share to raise up to \$1,000,000 (**Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 6 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 80,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be 1.25 cents per Share;
- (d) the Shares will be allotted and issued to clients of Pursuit Capital Pty Ltd and Pendulum Capital Pty Limited. None of these subscribers are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

- (f) the Company intends to use the funds raised from the Placement towards the Company's exploration activities, administration costs and working capital.

7. RESOLUTIONS 7 AND 8 – ISSUE OF SHARES TO DIRECTORS – PAUL GARNER AND DARREN LEVY

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 40,000,000 (**Related Party Shares**) to Messrs Paul Garner and Darren Levy (**Related Parties**) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Related Party Shares constitutes giving a financial benefit and Messrs Garner and Levy are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Shares to the Related Parties.

7.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Shares:

- (a) the related parties are Messrs Paul Garner and Darren Levy and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Shares (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 20,000,000 Related Party Shares to Paul Garner (or his nominee); and
 - (ii) 20,000,000 Related Party Shares to Darren Levy (or his nominee);

- (c) the Related Party Shares will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Shares will be issued on one date;
- (d) the Related Party Shares will be granted for cash consideration of 1.25 cents per Share, and a total of \$500,000 will be raised if the Related Parties subscribe for 20,000,000 Related Party Shares each;
- (e) the Company intends to use the funds raised from the issue of the Related Party Shares towards the Company's exploration activities, administration costs and working capital
- (f) the value of the Related Party Shares is \$500,000. The value of the Related Party Shares has been determined by multiplying 40,000,000 (20,000,000 Related Party Shares for each Related Party) by the issue price of \$0.0125, giving a total of \$500,000;
- (g) the relevant interests of the Related Parties in securities of the Company, excluding those Shares proposed to be issued under Resolutions 7 and 8, are set out below:

Related Party	Shares	Options
Paul Garner	22,055,716	17,750,000 ¹
Darren Levy	20,000,000	11,000,000 ²

¹ 10,000,000 Options exercisable at 1.5 cents each on or before 31 December 2012; 7,750,000 Options exercisable at 3 cents each on or before 31 October 2015.

² 10,000,000 Options exercisable at 1.5 cents each on or before 31 December 2012; 1,000,000 Options exercisable at 3 cents each on or before 31 October 2015.

- (h) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Paul Garner	\$202,000	N/A ¹
Darren Levy	\$130,500	N/A ²

¹ Paul Garner was appointed as a Director on 19 July 2011, subsequent to the previous financial year.

² Darren Levy was appointed as a Director on 8 July 2011, subsequent to the previous financial year.

- (i) If Resolutions 7 and 8 are passed, a total of 40,000,000 Related Party Shares will be allotted and issued. This will increase the number of Shares on issue from 882,644,979 to 922,644,979 (assuming that no Options are exercised and no shares other than those contemplated by the Resolutions in this Notice are issued) with the effect that the shareholding of existing Shareholders would be diluted by 4.34%.

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	2.2 cents	30 March 2012 and 2 April 2012
Lowest	0.7 cent	22 December 2011, 29 December 2011 and 10 January 2012
Last	1.2 cents	21 May 2012

- (k) the primary purpose of the grant of the Related Party Shares to the Related Parties is for the Related Parties to acquire further Shares in the Company at the same price at which Shares are being offered under the Placement the subject of Resolution 6;
- (l) Paul Garner declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Shares in the Company should Resolution 7 be passed. However, in respect of Resolution 8, Mr Garner recommends that Shareholders vote in favour of the Resolution for the following reasons:
- (i) the Related Party Shares will be issued to the Related Parties at the same issue price as the Shares being offered under the Placement the subject of Resolution 5; and
- (ii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Shares upon the terms proposed;
- (m) Darren Levy declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Shares in the Company should Resolution 8 be passed. However, in respect of Resolution 7, Mr Levy recommends that Shareholders vote in favour of this Resolution for the reasons set out in subparagraphs (l)(i) and (l)(ii);
- (n) with the exception of Paul Garner and Darren Levy, no other Director has a personal interest in the outcome of Resolutions 7 and 8;
- (o) Stephen Thomas recommends that Shareholders vote in favour of Resolutions 7 and 8 for the reasons set out in subparagraphs (l) and (l)(i); and
- (p) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7 and 8.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Shares to the Related Parties as approval is being obtained under

ASX Listing Rule 10.11. Accordingly, the issue of Related Party Shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTION 9 – SECTION 195 APPROVAL

Approval of Resolutions 7 and 8 may result in the Directors having a “material personal interest” in the matters referred to in this Notice. In the absence of this Resolution 9, the Directors may not be able to form a quorum at any meetings necessary to carry out the transactions contemplated in this Notice.

Accordingly, Shareholder approval is being sought to allow the Directors to form a quorum to implement the transactions contemplated by Resolutions 7 and 8 in this Notice.

9. RESOLUTION 10 – ISSUE OF OPTIONS TO PURSUIT CAPITAL PTY LTD

9.1 General

Resolution 10 seeks Shareholder approval for the allotment and issue of up to 6,000,000 Options in consideration for management services provided by Pursuit Capital Pty Ltd (**Pursuit**) in relation to the Share issues the subject of Resolution 5 and Resolution 6 (**Placement**).

The commission payable to Pursuit Capital Pty Ltd pursuant to their mandate includes that number of Options which equates to 6% of the number of Shares issued by the Company pursuant to the capital that Pursuit have raised in relation to Resolutions 5 and 6. The total number of Options to be issued as commission will be split between Pursuit and Pendulum Capital Pty Limited.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 10 will be to allow the Directors to issue the Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

9.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Options to be issued is 6,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will be issued for nil cash consideration in satisfaction of management services provided by Pursuit Capital Pty Ltd;
- (d) the Options will be issued to Pursuit Capital Pty Ltd (or its nominee), who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 3; and

- (f) no funds will be raised from the Placement as the Options are being issued in consideration for management services provided by Pursuit Capital Pty Ltd.

10. RESOLUTION 11 – ISSUE OF OPTIONS TO PENDULUM CAPITAL PTY LIMITED

10.1 General

Resolution 11 seeks Shareholder approval for the allotment and issue of up to 4,680,000 Options in consideration for management services provided by Pendulum Capital Pty Limited (**Pendulum**) in relation to the Share issues the subject of Resolution 5 and Resolution 6 (**Placement**).

The commission payable to Pendulum Capital Pty Limited pursuant to their mandate includes that number of Options which equates to 6% of the number of Shares issued by the Company pursuant to the capital that Pendulum have raised in relation to Resolutions 5 and 6. The total number of Options to be issued as commission will be split between Pendulum and Pursuit Capital Pty Limited.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 11 will be to allow the Directors to issue the Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

10.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Options to be issued is 4,680,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will be issued for nil cash consideration in satisfaction of management services provided by Pendulum Capital Pty Limited;
- (d) the Options will be issued to Pendulum Capital Pty Limited (or its nominee), who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) no funds will be raised from the Placement as the Options are being issued in consideration for management services provided by Pendulum Capital Pty Limited.

11. RESOLUTION 12 – ISSUE OF LISTED OPTIONS

11.1 General

Resolution 12 seeks Shareholder approval for the allotment and issue of up to 30,000,000 Options at an issue price of \$0.001 per Option to raise up to \$30,000 (**Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 12 will be to allow the Directors to issue the Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

11.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Options to be issued is 30,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.001 per Option;
- (d) the Directors will determine to whom the Options will be granted and these persons will not be related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) the Company intends to use the funds raised from the Placement towards the Company's exploration activities, administration costs and working capital.

12. RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO NORTHGOLD PTY LTD

12.1 General

On 1 November 2011, the Company issued 2,000,000 Options to Northgold Pty Ltd at an issue price of \$0.002 per Option to raise \$4,000.

Resolution 13 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above and a summary of ASX Listing Rule 7.4 is set out in Section 5.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

12.2 Technical

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 2,000,000 Options were allotted;
- (b) the issue price was \$0.002 per Option;

- (c) the Options were issued on the terms and conditions set out in Schedule 3;
- (d) the Options were allotted and issued to Northgold Pty Ltd. Northgold Pty Ltd is not a related party of the Company; and
- (e) the funds raised from this issue were used for administration costs and the general working capital of the Company.

13. RESOLUTION 14 – REPLACEMENT OF CONSTITUTION

13.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 14 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating the name of the Company to that adopted in October 2011;
- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer; and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

It is not practicable to list all of the changes to the Constitution in this Explanatory Statement and Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, a copy of the proposed new constitution is available for review by Shareholders at the General Meeting and at the office of the Company.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company or **TTE** means Titan Energy Ltd (ACN 109 213 470).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option entitles the holder to subscribe for one (1) Share upon the payment of 1 cent per Share subscribed for.
- (b) The Options will lapse at 5.00pm, Western Standard Time on 31 March 2013.
- (c) The Options may not be listed for official quotation on the ASX, however, the Company may, in its absolute discretion, apply for the Options to be listed for official quotation on the ASX in the future. The Company is under no obligation to apply for the Options to be listed for official quotation on the ASX. In the event that the Options are listed for official quotation on the ASX in the future, the Company is under no obligation to maintain the listing and may take any action that may result in the delisting of the Options on the ASX.
- (d) The Option holder must not offer any of the Options, or the Shares issued on exercise of the Options, for sale to any person (Secondary Offer) within 12 months from the respective date of issue of those Options or Shares (as applicable) unless:
 - (i) the Secondary Offer does not require disclosure as a result of sections 707 or 708 of the Corporations Act (excluding section 708(1) of the Corporations Act);
 - (ii) the Secondary Offer does not require disclosure as a result of section 708A or ASIC Class Order 04/671 or any variation or replacement of such Class Order;
 - (iii) the Secondary Offer is made pursuant to a disclosure document in accordance with the Corporations Act; or
 - (iv) the Secondary Offer is received by a person outside Australia.

For the avoidance of doubt, paragraph (d)(iii) does not create any obligation on the Company to issue a disclosure document (whether at its cost or otherwise).

- (e) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option.
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (g) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option Certification and payment to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by them.
- (h) The notice of exercise of Options may be deemed by the Company to be received at the end of the calendar month in which it is actually received and

the Company shall comply with the ASX Listing Rules with respect to the allotment of resultant Shares and the issue of a statement of shareholding.

- (i) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (j) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (k) If there is a bonus share issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (l) There is no right to change the exercise price of the Options nor the number of underlying Shares over which the Options can be exercised, if the Company completes a pro rata issue.

SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option entitles the holder to subscribe for one (1) Share upon the payment of 2 cents per Share subscribed for.
- (b) The Options will lapse at 5.00pm, Western Standard Time on 31 July 2014.
- (c) The Company may, in its absolute discretion, apply for the Options to be listed for official quotation on the ASX in the future. The Company is under no obligation to apply for the Options to be listed for official quotation on the ASX. In the event that the Options are listed for official quotation on the ASX in the future, the Company is under no obligation to maintain the listing and may take any action that may result in the delisting of the Options by the ASX.
- (d) The Option holder must not offer any of the Options, or the Shares issued on exercise of the Options, for sale to any person (Secondary Offer) within 12 months from the respective date of issue of those Options or Shares (as applicable) unless:
 - (i) the Secondary Offer does not require disclosure as a result of sections 707 or 708 of the Corporations Act (excluding section 708(1) of the Corporations Act);
 - (ii) the Secondary Offer does not require disclosure as a result of section 708A or ASIC Class Order 04/671 or any variation or replacement of such Class Order;
 - (iii) the Secondary Offer is made pursuant to a disclosure document in accordance with the Corporations Act; or
 - (iv) the Secondary Offer is received by a person outside Australia.

For the avoidance of doubt, paragraph (d)(iii) does not create any obligation on the Company to issue a disclosure document (whether at its cost or otherwise).

- (e) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option.
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (g) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option Certification and payment to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by them.
- (h) The notice of exercise of Options may be deemed by the Company to be received at the end of the calendar month in which it is actually received and

the Company shall comply with the ASX Listing Rules with respect to the allotment of resultant Shares and the issue of a statement of shareholding.

- (i) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (j) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (k) If there is a bonus share issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (l) There is no right to change the exercise price of the Options nor the number of underlying Shares over which the Options can be exercised, if the Company completes a pro rata issue.

SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option entitles the holder to subscribe for one (1) Share upon the payment of 1.5 cents per Share subscribed for.
- (b) The Options will lapse at 5.00pm, Western Standard Time on 31 December 2012.
- (c) The Options may not be listed for official quotation on the ASX, however, the Company may, in its absolute discretion, apply for the Options to be listed for official quotation on the ASX in the future. The Company is under no obligation to apply for the Options to be listed for official quotation on the ASX. In the event that the Options are listed for official quotation on the ASX in the future, the Company is under no obligation to maintain the listing and may take any action that may result in the delisting of the Options on the ASX.
- (d) The Option holder must not offer any of the Options, or the Shares issued on exercise of the Options, for sale to any person (Secondary Offer) within 12 months from the respective date of issue of those Options or Shares (as applicable) unless:
 - (i) the Secondary Offer does not require disclosure as a result of sections 707 or 708 of the Corporations Act (excluding section 708(1) of the Corporations Act);
 - (ii) the Secondary Offer does not require disclosure as a result of section 708A or ASIC Class Order 04/671 or any variation or replacement of such Class Order;
 - (iii) the Secondary Offer is made pursuant to a disclosure document in accordance with the Corporations Act; or
 - (iv) the Secondary Offer is received by a person outside Australia.

For the avoidance of doubt, paragraph (d)(iii) does not create any obligation on the Company to issue a disclosure document (whether at its cost or otherwise).

- (e) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option.
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (g) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option Certification and payment to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by them.
- (h) The notice of exercise of Options may be deemed by the Company to be received at the end of the calendar month in which it is actually received and

the Company shall comply with the ASX Listing Rules with respect to the allotment of resultant Shares and the issue of a statement of shareholding.

- (i) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (j) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (k) If there is a bonus share issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (l) There is no right to change the exercise price of the Options nor the number of underlying Shares over which the Options can be exercised, if the Company completes a pro rata issue.

PROXY FORM

**APPOINTMENT OF PROXY
TITAN ENERGY LTD ACN 109 213 470**

GENERAL MEETING

I/We

of

being a member of Titan Energy Ltd entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 4:00 pm (WST), on 29 June 2012 at 31 Ord St, West Perth WA 6005, Australia, and at any adjournment thereof.

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 7 to 9** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 7 to 9 and that votes cast by the Chair of the General Meeting for Resolutions 7 to 9 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 7 to 9 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 7 to 9.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Issue of Shares to Cities Energy LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Issue of Options to Cities Energy LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of Options to Allen Dome Exploration LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Issue of Shares and Options to Allen Dome Exploration LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ratification of Prior Issue of Shares to Clients of Pursuit and Pendulum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Placement of Shares to Clients of Pursuit and Pendulum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Issue of Shares to Director – Paul Garner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Issue of Shares to Director – Darren Levy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Issue of Options to Pursuit Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – Issue of Options to Pendulum Capital Pty Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 – Issue of Listed Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13 - Ratification of Prior Issue of Options to Northgold Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14 – Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s): _____ **Date:** _____

Individual or Member 1

Member 2

Member 3

**Sole
Secretary**

Director/Company

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

**TITAN ENERGY LTD
ACN 109 213 470**

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at a General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Titan Energy Ltd, 31 Ord Street, West Perth WA 6005; or
 - (b) facsimile to the Company on facsimile number +61 8 9322 6722,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.