



**TITAN**  
ENERGY LTD

ABN: 53 109 213 470

31 Ord Street West Perth  
Western Australia 6005

Po Box 198 West Perth  
Western Australia 6872

Telephone: +61 08 9322 6955  
Facsimile: +61 08 9322 6722

Email: [info@titanenergy.com.au](mailto:info@titanenergy.com.au)  
[www.titanenergy.com.au](http://www.titanenergy.com.au)  
ASX: TTE

## **TITAN ENERGY LTD MARCH 2012 QUARTERLY ACTIVITIES REPORT**

### **HIGHLIGHTS:**

- Farmed-in for an 87.5% working interest (WI) in 344 acre section of the Allen Dome salt dome in southern Texas.
- Acquired an 81% WI in the Franklin Prospect area of Midyett South Development Project in Illinois.
- Farmed-in for a 40% WI in the 1360 acre Sodbuster Prospect in Colorado.
- Finalised firm commitments for the raising of A\$2.33m for exploration funding.
- Planning continued into a drilling program in Perth Basin permit DR11.
- Negotiations continued for a proposed JV well in Perth Basin permit EP455.

Western Australian-based oil and gas explorer Titan Energy Ltd (ASX: **TTE**) is pleased to report on its activities for the period January 1, 2012 through to March 31, 2012.

### **US PROJECT ACQUISITIONS**

In a very active period, the Company significantly expanded its exploration portfolio by:

#### **Allen Dome Prospect**

- Entering into a Participation Agreement (PA) for an option to farm-in for an 87.5% working interest (WI) in the historic, oil producing Allen Dome area in Texas. Under the agreement Titan Energy, through its wholly owned US subsidiary, paid an initial sum of US\$100,000 for an exclusive 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.

Other conditions under the PA included:

1. Titan could exercise the option by tendering a further sum of US\$140,000 to finalise the full payment of US\$240,000; and
2. Subject to certain conditions, Titan Energy committed to drilling three initial test wells on leases within the Prospect Area or lands pooled therewith.

Subsequent to the end of the reporting period, Titan announced that it had exercised the farm-in option for the 87.5% Allen Dome WI and had paid a further US\$140,000. 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.

#### **Franklin Prospect**

- Signed a Participation Agreement to acquire an 81% WI in the Franklin Prospect area of the Midyett South Development Project in Franklin County, Illinois. Under the agreement Titan Energy paid lease fees of US\$96,000 for the 81% working interest. Subsequent to the end of the reporting period Titan Energy earned an 81% interest in exploration well Midyett #8-1 which was drilled to a Total Depth (TD) of 3500 feet by paying 96% of the drilling costs. The well intersected the target Aux Vases zone and lower St. Louis Limestone as forecast in pre-drill planning, but it was found to be dry and was plugged and abandoned. Titan Energy is undertaking in-depth studies of well data to assess future activities for the project area.

- **Sodbuster Prospect**

- Signed a Participation Agreement to farm-in for a 40% WI in the 1360 acre Sodbuster Prospect in Logan County, Colorado, for an initial payment of US\$75,000 to cover 50% of lease costs. Titan will also be required to pay 50% of the cost to drill and complete an initial well within the Prospect area to test the J Sandstone Formation, which is forecast to be located at a Total Vertical Depth (TVD) of 5000 feet (approximately 1524m) to earn a 40% WI. The forecast “dry hole” cost for the well is US\$237,000.

The company also agreed to:

- i. Participate in the drilling of up to 9 follow-up wells on an “at costs” basis;
- ii. Participate for 40% in all subsequent wells drilled in the Prospect Area; and
- iii. Acquire 40% in any additional Areas of Mutual Interest (AMIs) acquired in the Sodbuster Prospect area.

#### **Oversubscribed Fund Raising**

Titan Energy was also successfully received firm commitments during the quarter for raising A\$2.33 million to fund its ongoing exploration programs.

In April 2012, the Company raised A\$1,225,000 by a placement of 98,000,000 fully paid ordinary shares at an issue price of \$0.0125 each. Due to the strong interest received in the oversubscribed placement the Company also received commitments for a further 49,000,000 fully paid ordinary shares at an issue price of \$0.0125. The

issue of these shares will be subject to shareholder approval at which time the Company will also seek shareholder approval for two directors of the Company, Mr Paul Garner and Mr Darren Levy, to each subscribe for 20,000,000 fully paid ordinary shares in Titan Energy at an issue price of \$0.0125 each. These shares will rank equally with the existing shares on issue and will be issued on a date to be determined.

The Company will also seek shareholder approval for the issue of 8,580,000 free options as commission to the parties arranging the funding. The options will be exercisable at \$0.015 and expire on 31 December 2012. These options will rank equally with the existing listed options on issue (ASX Code: TTEO) and will have the same terms and conditions. The options will be issued on a date to be determined.

## **PERTH BASIN ACTIVITIES**

### **Permit DR11 (Titan Energy 100%)**

The Company undertook a review of data acquired in the 25km Warradarge Seismic Survey in Perth Basin permit, DR11 in Q3, 2011. Data from the survey has been processed and found to be of excellent quality and Titan has delineated two locations for the upcoming drilling anticipated for Q3, 2012.

Titan has submitted an application to Drill, while all managing authorities have been liaised with to make for a more fluid approval process. An environmental consultancy has been approached to conduct a Flora Study of the proposed sites as part of the Company's Environmental Management commitment.

These wells are aimed at penetrating the Cadda Formation and Cattamarra Coal measures of the Jurassic sediments within the permit. It is postulated that the shales and siltstones within the Cadda Formation act as a seal to any hydrocarbons which have been generated within the Cattamarra or from lower down in the sedimentary sequence as seen in the discovery well Ocean Hill #1 some three kilometres to the east from DR11.

### **Permit EP455 (Titan Energy 100% - AWE farming in for 90%)**

The Company is 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.

Pursuant to the farmin agreement, AWE will carry TTE through a gross permit expenditure of up to \$7,500,000 after which AWE will pay 90 per cent and TTE 10 per cent of approved work programs and budget expenditure. The estimated expenditure requirements established under the permit for EP455 are \$2,100,000 by 21 June 2012 and a further \$2,000,000 by 21 June 2013.

Titan Energy and AWE maintained close relations throughout the reporting period, with the main focus on detailed studies to locate a suitable well location.

## **CONSULTANT APPOINTMENT**

During the reporting period Titan Energy announced the appointment of John McKnight as an Executive Consultant.

Mr McKnight, who was involved in the review of the Allen Dome project, has significant corporate and industry experience in the USA and will assist the Company to grow its portfolio in that region.

## **ONGOING DEVELOPMENTS**

Titan Energy's directors intend to continue to actively and aggressively grow the Company's oil and gas activities and are investigating opportunities for new potential acquisitions.

Titan Energy Managing Director, Stephen Thomas, said the March Quarter was a company-changing period.

"In a period of a few weeks in March we were able to add three quality assets in proven hydrocarbon producing areas of the US.

"We are particularly excited about the potential of the Allen Dome salt dome prospect and will look to get in and test its prospectivity with the drill bit as soon as possible.

"We are also looking forward to progressing exploration activities in our Perth Basin assets. Our relationship with AWE regarding future activities in EP455 remains very positive and we look forward to stepping up exploration activities in both EP455 and DR11 in the future.

"We expect interest in those assets to increase as industry activity in the Perth Basin is growing significantly following the decision of Western Australia's Minister of the Environment, Bill Marmion, to reject appeals against Hydraulic Fracture Stimulation and the drilling programs for four separate wells in the onshore Perth Basin.

"The Company now has increased confidence that any similar objections to its upcoming drilling operations within the permits will be given due consideration by the EPA and the Minister."

Ends....

## **FOR FURTHER INFORMATION PLEASE CONTACT:**

### **TITAN ENERGY LTD**

Stephen Thomas

Managing Director

Titan Energy Ltd

T: +61 08 9322 6955

**MEDIA:**

Colin Hay  
Professional Public Relations  
T: +61 8 9388 0944  
E: [colin.hay@ppr.com.au](mailto:colin.hay@ppr.com.au)

**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.