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TITAN ENERGY PREPARING TO DRILL COLORADO PROSPECT

HIGHLIGHTS:

- **Company preparing to commence drilling of first well in Sodbuster II Prospect in Colorado.**
- **Signing of well drilling contract follows recent agreement to double interest in project to 80%.**
- **Company planning multi-well campaign into potential 1.5 million barrels of oil equivalent target area.**

Australian oil and gas company **Titan Energy Ltd** (ASX: **TTE**) is pleased to announce it has engaged Peterson Energy Operating Inc. to drill the Hettinger #1-15 exploration well at its Sodbuster II Project area in Colorado.

In preparation for the spudding of the well in the latter part of this Quarter necessary government permitting is being obtained and final negotiations are being undertaken with local surface owners for access to the well site.

Hettinger #1-15 has a pre-drill estimated Total Depth of approximately 5000 feet and will take approximately 5 days to drill. The well has been designed to be a Primary test of the Cretaceous J Sandstone Formation at a depth of approximately 4,850 feet to 4,900 feet and a secondary target in the Niobrara sand at a depth of approximately 3,950 feet to 4,330 feet.

The “dry hole” cost for the well is estimated at US\$237,000.

The Hettinger #1-15 well is potentially the first of a 10 well program in the Sodbuster II Prospect area, which has been estimated to have the capacity to contain between 1.2 million and 1.5 million barrels of oil equivalent (boe) in place.

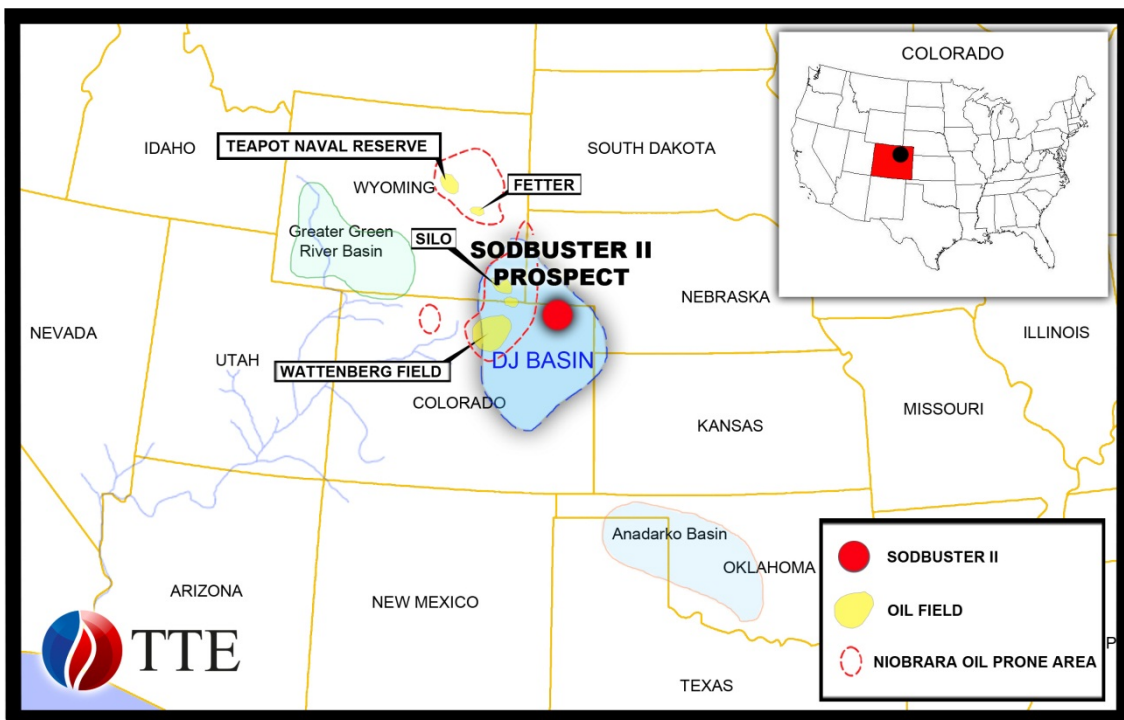
Titan Energy’s Managing Director, Steve Thomas, said the Company was pleased to have finalised a contract for the drilling of its first well in Colorado.

“Sodbuster II is typical of the low entry and operating cost but potentially high return assets that Titan Energy has identified and acquired in the US and we look forward to announcing the spudding of the well in the near future.”

Sodbuster II Overview

Titan Energy recently announced it has reached an agreement to double its interests in the Sodbuster II Prospect in Logan County, Colorado to 80% in exchange for paying 100% of the drilling costs for a well into the 1360 acre (1326 net mineral acre) Prospect area.

In the case of a dry hole, Titan Energy will only earn its interest in a total of 80 acres in the project. Titan Energy will have an option to pay the lease fees within 120 days of plugging and abandoning the well, before 1 May, 2013, it shall earn its full 80% Working Interest.



The Sodbuster II Prospect is located in south west Logan County, about 100 miles (approximately 160 km) north east of Denver.

Geologically the area lies on the eastern flank of the D J Basin, with the Sodbuster II Prospect 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 trap at the Sodbuster Field is stratigraphic, with separated point bar sands crossing a structural axis and the productive reservoir sand environment interpreted to extend south west along the structural axis and to be thickening as the lower delta plain is approached.

This NE-SW trending system parallels a distributary system about one mile west where three producing fields were located. The nearest, the Merino Field (discovered in 1950), is reported to have produced approximately 4.2 million barrels of oil from 25 wells during the first 30 years of production.

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;
- Acquire a 100% interest in 276 acres of productive acreage on the northern flank of the Allen Dome
- Acquired 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
- Acquired 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.