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TITAN TO INCREASE WORKING INTEREST IN EP455 TO 18.5% SUBJECT TO APPROVAL OF WORK PROGRAM VARIATION

Australian oil and gas exploration company Titan Energy Limited (ASX: TTE) ("Titan Energy") is pleased to announce it has reached agreement with the EP455 Joint Venture Operator and the Joint Venture partner AWE Limited ("AWE"), to jointly apply to the Department of Mines and Petroleum ("Department") for approval to vary the work obligations on the EP455 permit, located in the Perth Basin, by combining year 5 (year ended 21 June 2012) and year 6 (year ended 21 June 2013) to the intent that the relevant exploration well and the fraccing of it are to be completed by 21 June 2013 ("Variation").

The proposed variation will provide the joint venture with an extra twelve months to fulfil its work commitments by extending the latest timing for the drilling of the commitment exploration well in EP455 to 21 June 2013.

If the Department approves the Variation, then in consideration for Titan Energy agreeing to the Variation, Titan Energy's working interest in EP455 will increase from 10% to 18.5%, and will be subject to the carry provisions outlined in the Sale and Purchase Agreement ("SPA") dated 25 February 2010 up to a maximum of A\$7.5 million. Once the carry provisions of the SPA are discharged, Titan Energy's 18.5% interest will become a contributing interest.

Under the terms of the Variation, which remains subject to approval by the Department, AWE is to notify Titan Energy seven months before 21 June 2013 whether or not it will continue as the holder of an interest in the EP455 and continue as Operator.

If AWE does not give Titan Energy such notice on or prior to that date, AWE will be deemed to have agreed to continue to hold its 81.5% interest and to continue as Operator and will no longer have the right to withdraw from that Joint Venture under the terms of the original SPA or at all, until the work obligations are completed.

Following acceptance of this offer and approval by the Department of the Variation, AWE will arrange for a new sale and purchase agreement to be prepared to record the sale and purchase of the additional 8.5% interest in the permit.

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.

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 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.