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ASX: TTE

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## TITAN ENERGY ACHIEVES SIGNIFICANT PRODUCTION INCREASE AT ALLEN DOME

### HIGHLIGHTS:

- An almost seven fold production increase achieved to date
- Second well provides promising initial flows
- Oil flow stabilised at first Allen Dome well
- First workover well close to achieving payback
- Exploration wells preparing to spud
- Titan starting to “unlock” Allen Dome sands

Australian oil and gas company **Titan Energy Ltd** (ASX: **TTE**) (Titan Energy or the Company) is pleased to provide an update on its activities at the Allen Dome Salt Dome field in Texas.

The Company is pleased to report it has successfully established a currently restricted, initial flow of oil from co-mingled zones in the Reese #2a well following recent workover and re-completion operations. Titan Energy remains confident that it may be able to increase that flow rate over the next few weeks as the 2600' sand at this location is thicker than at the Reese #5 site.

Titan Energy can also report that the Company's initial workover well at Allen Dome, Reese #5, is now stabilising . The Company has elected to restrict the Reese #5 rate to make the most of the sands at this location.

Pleasingly, the 776 barrels produced to date at Reese #5 has generated the Company A\$78,000, gross which has almost covered the cost of re-completing the well.

The Company currently holds an approximate 84% Working Interest in Reese #5 and Reese #2a.

A review of the potential re-completion of the Reese #4c is ongoing, however, the Company is currently favouring the drilling of a new well to test the 1400' sand updip of the #4c location.

“We are very pleased with the success we have had to date in obtaining oil production and cash flow from these initial wells at Allen Dome. To date we have increased production from 12 bopd to approximately 80 bopd in the short time since we took

over operation of the northern flank of Allen Dome,” Titan Energy’s US-based Managing Partner, John McKnight, said.

Titan Energy’s US Operations Manager has negotiated for the Company to be paid for its crude output at US\$7 below the Brent crude price (currently US\$108.00).

“However, what we are really excited about is the information we have obtained from these wells,” Mr McKnight, said.

“Combined with the data we have obtained from recent seismic acquired over this section of the Allen Dome area, we now have a much better understanding of the sands we want to target and the locations for drilling.

“We have also identified a number of other locations around the Dome where there has been little or no historic drilling done, but where we are confident that the sand has good potential.

“We have also identified some shallower sands that show promise which we will follow up.

“At the same time we continue to negotiate to increase our footprint at Allen Dome and remain on target to ‘lock-up’ the majority of this proven oil producing salt dome,” Mr McKnight said.

### **Exploration wells**

Titan Energy is also pleased to report it is aiming to spud the first of its exploration wells at Allen Dome, Reese #10 (formerly known as the Titan Reese #1) in the next couple of weeks.

Pre-drill planning is for the well to be drilled to a depth of 5,200 feet, which is estimated to take around 8 days to reach. Reese #10 will target multiple zones, each of which has the potential of producing 50 bopd or more.

Titan Energy also reports it is well advanced with preparations for two follow up exploration wells, one on Allen Dome South and another on Allen Dome North . These wells will likely test the 1400’ sand which produced oil shows in the #4c well.

Titan Energy is also well advanced with its preparations for the drilling of two, low cost, “caprock” test wells on the southern flank of the Allen Dome.

### **Allen Dome background**

The Allen Dome salt dome is located approximately 80 km south of Houston, Texas in Brazoria County.

Oil production from the dome flanks began in the 1920’s with cumulative oil production over 800,000 barrels to date from less than 20 wells. Less than 50 wells have been drilled on the dome flanks, all of which were located utilising subsurface well information.

Titan Energy is confident that modern exploration and drilling technology will lead to a significant increase from the moderate current production levels.

### **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 Limited 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 completed 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 an approximate 84% working interest in 276 acres of productive acreage on the northern flank of the Allen Dome;
- Farm-in for an 80% Working Interest (WI) in the 1360 acre Sodbuster Prospect in Logan County, Colorado;
- Acquire a 50% interest in the "ready-to-drill" approximately 110 acre Greathouse Prospect, plus an option over an additional 173 acres, within the South Lake Charles oil and gas field in Louisiana;
- Acquire 441 acres in the Kinmundy Prospect area in the Illinois Basin; and
- Acquire approximately 17,000 acres of prospective shale properties in the US state of Nevada.

The Company continues to review additional projects that satisfy the Company's strategic objectives.

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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 John McKnight, US Managing Partner of Titan who has consented to the inclusion of that information in the form and context in which it appears.

Mr McKnight has over 30 years' experience in the oil & gas industry as either an employee or consultant to oil companies operating in the upstream petroleum industry. Mr McKnight 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.