



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
www.titanenergy.com.au

ASX: TTE

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ALLEN DOME OIL FIELD UPDATE

HIGHLIGHTS:

- **A\$3,157,635 raised from exercise of options and placement**
- **Company well-funded to continue aggressive US and Australian activities**
- **First well in exploration programme approaching key targets**
- **Oil production from the Allen Dome North flank climbs to a steady 100 bopd**

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

Financial

The Company is pleased to announce it has successfully raised A\$3,157,635 before costs from the exercise of 187,769,014 options expiring on the 31st December 2012 and a small placement of shares and options to sophisticated investors.

Titan Energy's Chairman, Darren Levy, said the Board is very encouraged by the support the Company continues to receive from new and existing shareholders.

"In a very tough market, this is a tremendous endorsement of the strategy we are developing at Titan Energy.

"This funding, along with the cash we are now consistently earning from our operations at Allen Dome, will allow us to further develop that strategy and maintain our commitment to creating value for our shareholders."

ALLEN DOME

Reese #10 well

The Company is also pleased to report that drilling operations are continuing at its first exploration well at the Allen Dome oil field in Texas, Reese #10.

After overcoming initial mechanical issues, Reese #10 is now at a depth of 1,800 feet. Providing that drilling activity is not further interrupted, the well is on schedule to reach its pre-drill planned Total Depth of 5,200 feet within the next few days. It will then be logged and evaluated for a possible completion attempt.

The well is targeting five potential zones, each of which has been assessed to have the potential of producing 50 barrels of oil per day (bopd), or more.

Workover Programme

Titan Energy is pleased to report it continues to enjoy success with its workover programme at Allen Dome, with oil production currently at a consistent rate of approximately 100 barrels of oil per day (bopd) following chemical treatment of all wells and the replacement of partly corroded flow lines to the oil storage tanks.

“We are really pleased with the improvements we have achieved to date in taking Allen Dome from being a marginal producing asset to being a very valuable cash flow earner for the company. We will continue to work hard to build on this initial and well-earned success,” Titan Energy’s US-based Managing Partner, John McKnight, said.

Titan Energy, which currently holds approximately 87.5% and 84% interests in 344 gross acres on the southern and 276 gross acres in the northern flanks respectively on the Allen Dome, is currently in negotiations to acquire another large area of interest related to the salt 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 is preparing to drill two wells in North Perth Basin permit DR11 in early 2013.

The Company 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 148 acre Greathouse Prospect, plus an option over an additional 209 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.

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

US Office:

John McKnight
Titan Energy Inc
Suite 5004, 5120 Woodway Drive
Houston , Texas 77056, USA
Office: +1-713-429-1832
Cell: +1-832-236-7053
Email: jmcknight@titanenergy.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 John McKnight, US Managing Partner of Titan Energy Ltd who has consented to the inclusion of that information in the form and context in which it appears.

Mr McKnight has over 20 years experience in the petroleum industry in oil and gas exploration and production, as either an employee or consultant to oil companies operating in the 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 petroleum industry. He is also a Professional Member of the Society of Petroleum Engineers.