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TITAN ENERGY PREPARES TO DRILL MAIDEN OIL EXPLORATION WELL AT ALLEN DOME

HIGHLIGHTS:

- **First well in exploration programme preparing to spud**
- **Well has multiple targets with potential to significantly lift oil production at this historic Texan field**
- **Planning in place for a further three back-to-back exploration wells**

Australian oil and gas company **Titan Energy Ltd** (ASX: TTE) (Titan Energy or the Company) is pleased to report it is preparing to spud its first oil exploration well at the Allen Dome Salt Dome field in Texas

The well will be drilled by Rotary Exploration Inc under the supervision of Total Energy Services' engineers. Rotary is currently mobilising a rig to the Reese #10 well site on the Northern flank of Allen Dome, with the well targeted for spudding Saturday December 29th US time.

Pre-drill planning is for the well to be drilled to a Total Depth of 5,200 feet. Forecast to take eight days to reach Total Depth (TD), 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.

Using the same rig Titan Energy is then planning to drill a second exploration well, on the Northern flank as a development well to the Reese #10 well or, targeting a proven oil producing sand at a depth of 1,400 feet. This well will be located up dip to the #4c well which had good oil shows when swabbed before being suspended due to mechanical problems.

The Company will then move the rig to the Southern flank where it will drill back-to-back wells targeting the 1400' sand.

"We are really looking forward to spudding our first exploration well at Allen Dome, with the potential to significantly increase our already growing oil production and cash flow," Titan Energy's US-based Managing Partner, John McKnight, said.

"On top of that we have three other exploration wells planned for early in the New Year on the Southern flank of Allen Dome that are targeting sands that we now have a good

understanding of, so we are looking to kick off 2013 with some real company-changing opportunities.”

Titan Energy, which currently holds 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 has a 100% interest in the North Perth Basin Drilling Reservation 11 (DR11). The Warradarge Seismic Survey was completed earlier in 2012 on this prospect.

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 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:

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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.