



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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QUARTERLY ACTIVITIES REPORT QUARTER TO 30 SEPTEMBER 2012

HIGHLIGHTS:

- Preparations advanced to undertake multi-well exploration and recompletion program at Allen Dome
- Planning undertaken to prepare for the drilling of an exploration well at the Sodbuster II Project in Q4
- Agreement reached to acquire a 50% interest in the Greathouse Prospect in Louisiana with planning underway for a sidetrack well
- Initial two well exploration program being planned for Illinois Basin Project
- Permitting undertaken for approval to drill two stratigraphic wells in North Perth Basin permit DR11
- AWE continuing preparations for proposed well in North Perth Basin permit EP455 (TTE: 18.5%)

Titan Energy Limited (ASX: TTE) ("Titan Energy" or "the Company") is pleased to provide this report on its operations during the three month period ending 30 September 2012.

The continued acquisition of onshore assets in the US and preparation for the commencement of a multi-well, multi project campaign at various US projects dominated activities in the most recent quarter, while activity in Australia was largely focussed on various studies undertaken in the lead-up to obtaining permitting for the drilling of two stratigraphic wells in North Perth Basin permit DR11.

ACTIVITY REVIEW - USA

TEXAS Allen Dome

Titan Energy enjoyed a very active quarter completing the acquisition of Working Interests on the Northern Flank and preparing for upcoming drilling activities in both the Northern and Southern Flanks of the Allen Dome salt dome oil project in Texas.

On 3 August 2012 Titan Energy announced it had concluded a Purchase Agreement to acquire approximately 84% interest in 276 acres of producing land on the northern flank of the Allen Salt Dome in Brazoria County, including the related production equipment. This was in addition to the 87.5% interest it had acquired in 344 gross acres on the southern side of Allen Dome in March this year.

At the same time as it was concluding the acquisition of the Northern Flank assets, Titan Energy was entering into agreements to undertake a series of recompletion and exploration wells on both sides of the Dome.

Just prior to the end of the quarter, Titan Energy entered into a contract with Total Engineering Services for re-entry of the currently shut in Reese #5 well. The well will be plugged back to the 2600 foot zone and then perforated for a completion attempt targeting production increases of approximately 30 barrels of oil per day (bopd) or more based on pre-drill studies.

Total Engineering has also been contracted for a re-entry in the Reese #2a well. That well is also planned to be plugged back to the 2600 foot zone and perforated for a completion attempt, with a production increase of 40 bopd or more forecast.

Titan Energy also progressed the drilling of its first exploration wells at Allen Dome, a planned test of new targets identified in modern reprocessing of data from the Northern Flank.

It is anticipated that the initial test wells Titan Reese #1 and Titan Reese #2 to be drilled to a depth of 5200 feet and 3500 feet would be drilled early in the Q4, subject to rig availability.

On the Southern Flank of the Allen Dome salt dome, Titan Energy progressed preparations for the drilling of three exploration wells, Titan Poole #1, #2 and #3. Subject to rig and equipment availability, the Company is planning to spud those three wells on a regular basis, beginning in mid Q4 and running through to Q1 2013.

COLORADO Sodbuster II Project

Titan Energy, which had reached an agreement to double its interests in the Sodbuster II Project to 80% in the June quarter, dedicated most of its activities for this asset in the September quarter to preparations for the drilling of its first well in the project area.

Subject to rig and equipment availability, Titan Energy plans to begin its Sodbuster II program in Quarter 4, 2012 with the spudding of the Hettinger #1 exploration well. Hettinger #1 will target the "J" Sand at an estimated depth of 5,000 feet and target initial production of 75 bopd, with a potential 6 to 7 well development programme to follow.

GREATHOUSE PROSPECT - SOUTH LAKE CHARLES PROJECT, LOUISIANA

Titan Energy increased its US portfolio in early August with an agreement to participate in acquiring a 50% interest in the approximately 110 acre Greathouse Prospect within the South Lake Charles oil and gas field in Louisiana - with an option signed over a further 173 acres.

By quarter end Titan Energy had advanced planning for the drilling of a proposed sidetrack in the historic Jordan Schultz #1 well in project area.

Subject to rig and equipment availability, the sidetrack is scheduled to begin in late Q4, and is targeting potential production of 300 barrels of oil equivalent per day (boe/d). The Company currently has a 50% interest in this project.

KINMUNDY PROJECT, ILLINOIS

Titan Energy also progressed planning during the quarter to drill exploration wells in the Kinmundy project in Marion County, Illinois in early 2013.

The Ritter #1 and Carpa Sands #1 exploration wells are both currently proposed to be drilled to a depth of 3,650 feet to test the Carpa Sand at their respective locations. These wells are to be fraced using latest technology .The two low cost wells have been estimated to each have the capacity to achieve production levels of 50 bopd with the potential for a follow-up multi well development programme.

ACTIVITY REVIEW - AUSTRALIA

DR11 North Perth Basin (TTE: 100%)

The Company has made strong progress towards undertaking a planned two well stratigraphic exploration program in Q4, 2012. These wells will provide the Company with important geological information in its 100%-owned DR11 permit.

The Company's environmental consultants have completed the second and final phase of botanical surveys with results showing there are no botanical reasons which should impede the Warradarge drilling program. The Company has also completed a heritage survey of both sites. Following an in-depth desktop review and an onsite Ethnographic Survey, a detailed report has been produced by the Yamatji Marlpa Aboriginal Corporation giving approval for the project to proceed. Results from both surveys will be included into the Environmental Management Plan for DMP assessment.

The Company has also received approval from the safety branch of the WA Department of Mines and Petroleum in support of the Warradarge Drilling Program in DR11.

The proposed stratigraphic drilling program is aimed at identifying which portion of the Upper Jurassic Yarragadee Formation occurs in this part of the permit and its proximity to the Middle Jurassic Cadda Formation and the Cattamarra

coal measures. Assessment of results from historic drilling to the west of the selected well sites suggests that the Cattamarra Coal Measures and Cadda Formation which produced over 700,000 cubic feet per day gas in Ocean Hill # 1 (3 Km to the east) may be potentially located at a shallower depth.

The Company is currently planning for the Warradarge wells to be initially cased to a depth of approximately 400m(1312feet), with the potential to drill to a depth of up to 700m(2300feet) if required. An analysis of logging suites and chip samples will then be utilised to understand the geologic sequence at the drill site.

Following completion of the Warradarge drilling program, the Company will have fulfilled its work obligations for the permit area and will be in a position to apply for the renewal of its tenure for another permit term.

EP455 North Perth Basin (TTE: 18.5%)

Titan Energy's farm-in partner and the operator of the permit, AWE Limited, has been pursuing alternative well site locations for proposed Drover-1 exploration well in the permit.

One of the proposed sites is located on a reserve under management by the Coorow Council. Flora and Fauna surveys have been completed at that site and AWE is now waiting to receive reports from its consultants. A dieback survey is planned in the near future and planning is also underway to undertake a site heritage survey as part of the heritage protection agreement.

Geological and drilling program for the Drover-1 well are being prepared. In addition, a process for sourcing a suitable rig has commenced.

In the previous quarter Titan Energy received the necessary approvals to increase its interests in EP455 to 18.5%.

MANAGEMENT OUTLOOK

Titan Energy's directors intend to continue to actively and aggressively grow the Company's oil and gas exploration portfolio and are investigating opportunities for potential project acquisitions.

The Company is well advanced in its preparations to undertake a range of drilling activities in the US which have the potential to provide the Company with significant, low cost cash flow.

Titan Energy also made significant progress in preparing for the drilling of two stratigraphic wells in the Perth Basin which will provide the Company with important geological information in the lead-up to any potential exploration drilling in the DR11 licence.

The Company was also pleased to note the success of recent drilling programs conducted in licences in close proximity to its DR11 and EP455 interests in the North Perth Basin.

This is a very exciting time for Titan Energy and its shareholders.

FOR FURTHER INFORMATION PLEASE CONTACT:

TITAN ENERGY LTD

Stephen Thomas
Managing Director
T: +61 8 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 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.