

ALLEN DOME FLOW RATES

ASX Announcement | 9 December 2014



Australian oil and gas Company Titan Energy Ltd (ASX:TTE, OTC:TENY) (Titan or the Company) is pleased to provide an update on activities at Allen Dome, where the Company has achieved increased production following the workover of JT Reese #S2.

The JT Reese #S2 drilled by Titan in 2013, was previously producing 16 BOPD and 120 BWPD from a 17ft perforated section. This lower zone exhibited an increasing water cut and has been successfully squeezed off. An 8-foot section from 3046 to 3054ft was subsequently perforated and the Company began bleeding off the associated gas cap on December 3rd. The gas flow was substantial, flowing at 880 psi on an 8/64 choke. The well has since begun free flowing oil at an initial rate of approximately 149 BOPD with no water at 410 psi on a 10/64 choke. Note: This is a preliminary "initial" flush rate and subject to continued testing over the next few weeks. Based upon prior field history the well will likely be screened and gravel packed during this process. The well will continue to be monitored and flow rates controlled to ensure reservoir management and sand control.

Service rig contractor Ranger Energy Services has commenced operations on the JT Reese #2A and is currently half way through the workover procedure. Existing perforations in this well will be isolated and cement squeezed before evaluating untested zones which cored oil productive. This is a well originally drilled in 1977, which had 15 separate zones that cored oil productive. It is anticipated that an offset new well will be drilled in 2015 to exploit many of these zones that were previously neither tested nor produced. Prior to the workover the well was producing 6 BOPD and 145 BWPD.

CEO, Brad Simmons made the following comments on the workover operations:

"The #S2 workover was without a hitch and on budget, with an expected payout in less than 1 month based on the current production rate. This is further indication that the field has been grossly understated in its potential for over 20 years. I am thrilled with the results achieved thus far and believe we are on our way to turning this asset into a quality oil field with the better than expected oil flow rate from the workover of Reese #S2. We have begun the steady process of building Titan the old fashioned way – one successful well at a time."

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BOPD = Barrels of Oil Per Day

BWPD = Barrels of Water Per Day

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