

SUCCESSFUL A\$1.32 MILLION PLACEMENT

ASX Announcement | 11 December 2014



Titan Energy Ltd. (ASX:TTE OTCQX:TTENY) (Titan or the Company) is pleased to announce the successful raising of approximately A\$1.32 Million by the issue of 62,491,166 ordinary shares through an oversubscribed placement to sophisticated and strategic US and Australian investors.

The placement was predominantly made to a combination of energy industry companies and professionals in the US and Australia.

Proceeds from the placement will primarily be used for a proposed expansion of the current reactivation and workover programme and major developmental drilling programme at the company's Allen Dome project in Texas in early 2015 and potential acquisitions of additional properties on the Texas Gulf Coast.

As discussed in the recent AGM, Titan is assessing strategic acquisitions that are becoming increasingly available due to the current oil price environment

Holcomb Ranch Project Sale

Titan is pleased to announce it has sold its working interest in the Holcomb Ranch in Texas for approximately US\$522,000. Funds raised from the divestiture of the project will supplement costs for the ongoing workover programme at Allen Dome and the planned 2015 developmental drilling programme.

Managing Director Paul Garner commented:

"This new capital injection places Titan in a fantastic position to continue developing our low cost and potentially strong cash flow generating activities at Allen Dome, as well as allowing us to move forward on the acquisition of other Gulf Coast projects where pricing is becoming very favorable for companies who have available cash.

The overwhelming investment support from our industry peers in this "challenging" investing environment is a true testament to the belief in Titan's future plans and directions."

For further information please contact:

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Management

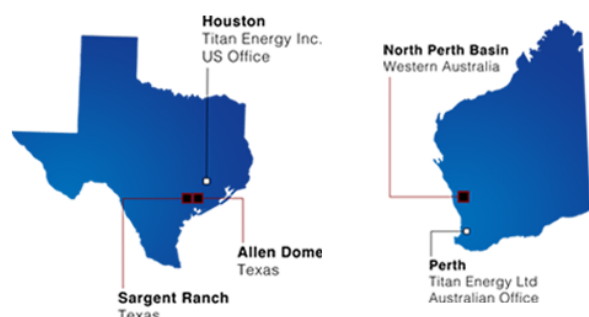
Darren Levy
Executive Chairman
Brad Simmons
Executive Director & CEO
Paul Garner
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Andrew Van Der Zwan
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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Titan Energy Ltd

ABN

53 109 213 470

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares ("Shares"), Options exercisable at \$0.04 each and expiring on 31 May 2015 ("May-15 Options"), Options exercisable at \$0.025 each and expiring on 31 March 2015 ("Mar-15 Options"), Options exercisable at \$0.03 each and expiring on 30 November 2015 ("Nov-15 Options") and Options exercisable at \$0.05 each and expiring on 30 November 2016 ("Nov-16 Options") |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 96,895,792 Shares, 4,916,668 May-15 Options, 10,000,000 Mar-15 Options, 20,000,000 Nov-15 Options and 20,000,000 Nov-16 Options.. |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | May-15 Options are exercisable at \$0.04 on or before 31 May 2015.
Mar-15 Options are exercisable at \$0.025 on or before 31 March 2015.
Nov-15 Options are exercisable at \$0.03 on or before 30 November 2015.
Nov-16 Options are exercisable at \$0.05 on or before 30 November 2016. |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes.</p>
<p>5 Issue price or consideration</p>	<p>9,833,333 Shares issued for A\$0.018 each with 4,916,668 free attaching Options pursuant to the conversion of 177,000 Fixed Price Convertible Notes expiring on 21 May 2015. 20,000,000 Shares, 10,000,000 Mar-15 Options, 20,000,000 Nov-15 Options and 20,000,000 Nov-16 Options issued free to directors. 19,249,500 Shares issued for A\$0.02. 43,241,666 Shares issued for US\$0.018. 4,571,293 Shares issued in consideration for the acquisition of various Overriding Royalty Interests in Allen Dome.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Conversion of 177,000 Fixed Price Convertible Notes. 20,000,000 Shares, 10,000,000 Mar-15 Options, 20,000,000 Nov-15 Options and 20,000,000 Nov-16 Options issued free to directors as approved at the AGM held on 26-Nov-14. 4,571,293 Shares issued in consideration for the acquisition of various Overriding Royalty Interests in Allen Dome. 8,999,999 shares issued for US\$0.018 in consideration for services from various suppliers to be provided to the Company's oil and gas interests in the US. Cash raised from the issue of 34,241,667 Shares at an issue price of US\$0.018 and from the issue of 19,249,500 Shares at an issue price of A\$0.02 will be applied to oil and gas projects in the USA, administration expenses and general working capital.</p>

6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?	No.
	If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	
6b	The date the security holder resolution under rule 7.1A was passed	
6c	Number of +securities issued without security holder approval under rule 7.1	
6d	Number of +securities issued with security holder approval under rule 7.1A	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	
6f	Number of +securities issued under an exception in rule 7.2	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	

+ See chapter 19 for defined terms.

- 7 ⁺Issue dates
- Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.
- Cross reference: item 33 of Appendix 3B.
- 16 December 2014
- 8 Number and ⁺class of all ⁺securities quoted on ASX (including the ⁺securities in section 2 if applicable)
- | Number | ⁺ Class |
|-------------|-------------------------------|
| 522,465,473 | Ordinary Shares |
| 152,638,112 | 4c options expiring 31-May-15 |
- 9 Number and ⁺class of all ⁺securities not quoted on ASX (including the ⁺securities in section 2 if applicable)
- | Number | ⁺ Class |
|------------|---------------------------------|
| 10,000,000 | 2.5c options expiring 31-Mar-15 |
| 1,169,000 | Convertible Notes exp 21-May-15 |
| 6,679,509 | 30c options expiring 31-Oct-15 |
| 20,000,000 | 3c options expiring 30-Nov-15 |
| 20,000,000 | 5c options expiring 30-Nov-16 |
- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)
- N/A

Part 2 - Pro rata issue

- 11 Is security holder approval required?
- 12 Is the issue renounceable or non-renounceable?
- 13 Ratio in which the ⁺securities will be offered
- 14 ⁺Class of ⁺securities to which the offer relates
- 15 ⁺Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	

+ See chapter 19 for defined terms.

- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000

10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Titan Energy Ltd ("TTE") gives notice under paragraph 708A(5)(e) of the Corporations Act 2001 ("Corporations Act") that TTE issued the Securities without disclosure to investors under Part 6D.2 of the Corporations Act. At the date of this notice TTE has complied with the provisions of Chapter 2M of the Corporations Act and section 674 of the Corporations Act as they apply to TTE. At the date of this notice, there is no information that is 'excluded information' within the meaning of sections 708A(7) and 708A(8) of the Corporations Act which is required to be disclosed by the Company under section 708A(6)(e) of the Act.

Sign here: Jack Toby
(~~Director~~/Company secretary)

Date: 11 December 2014

Print name: Jack Toby

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
<p><i>Add</i> the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.15] – “C”	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “E”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p>Total [“A” x 0.10] – “E”</p>	<p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.