



## Early revenue stream generating earnings from oil production from Texas Salt Dome

## Excellent potential contained in range of acreage holdings in producing basins in the USA and Australia

## Industry experienced management with proven discovery success

Western Australian-based Titan Energy Ltd (ASX: TTE) is a global oil and gas explorer with substantial growing interests in the USA and large acreage in the highly prospective North Perth Basin in Western Australia.

Titan's success in the Allen Dome Oil Field, Texas is producing oil revenue which is funding an extensive exploration and drilling programme. Titan Energy produced over 10,000 barrels of oil from three wells in a 90 day period to 30th June 2013 from Allen Dome for a revenue of approximately US\$1million. This oil income will help underpin the company's future.

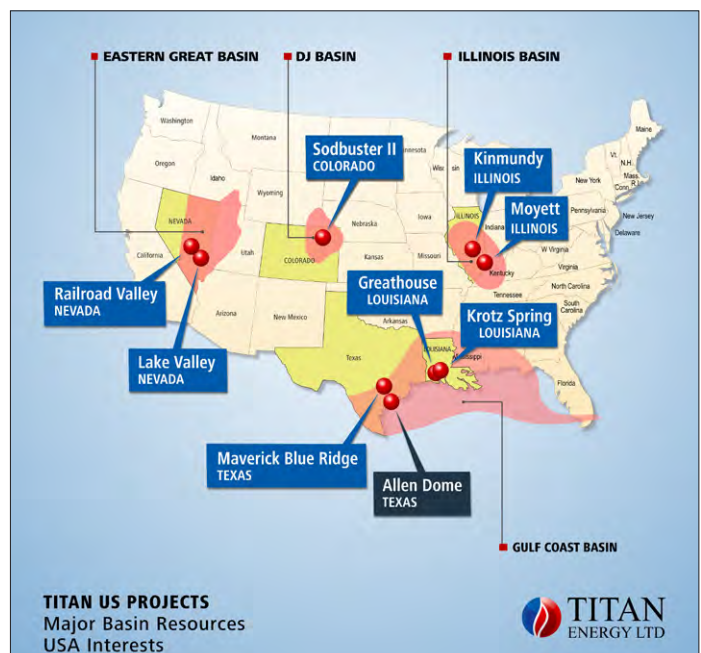
- In 2011, Titan decided to acquire prospective acreage in Texas and neighbouring states under an aggressive, three to five year growth strategy. The early gains have proved the competency of such a strategy and helps strengthen the company's long term objectives.
- Current Oil production is being managed at approximately 130 barrels per day, with a focus on controlling Well outflow, making the process economical and sustainable in the long term.
- Titan Energy is now generating cash flow in excess of US\$13,000 per day from its Allen Dome property.

### USA OPERATIONS

#### TEXAS Allen Dome (Titan Energy 85% - 100%)

The Allen Dome salt dome formation, located near the Gulf of Mexico, is an historic Texan oil field. Titan began exploring in 2012 with exploration wells providing valuable data to plan the follow-up JT Reese #S2 well, which resulted in discovery of a 69 feet hydrocarbon bearing section. The high quality of the oil from JT Reese #S2 has made Titan a substantial producer in the area.

In addition to oil, gas is currently being flared off while the company assesses options to commercialise it. One option being considered is in-situ electricity generation, which would provide substantial production cost savings and an alternative income source to the company. Poole and Reese prospects are located on the southern and northern flanks respectively, of the Allen Dome. The company has acquired further acreage on the eastern flank, thereby increasing its holding at Allen Dome to 903 acres.



## USA OPERATIONS

### Cap Rock Drilling, Allen Dome

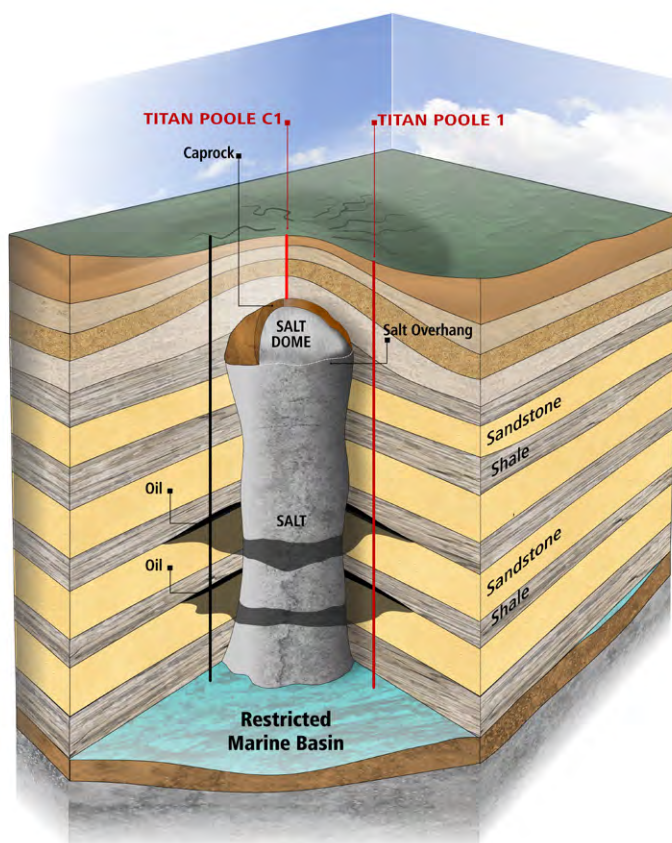
The salt dome of the Allen Dome Oil Field consist of marine sequences and salts which have built up over millions of years. As the salt pushes its way toward the surface the top of the dome forms a disk shaped cap-rock which may be hundreds of feet thick.

Cap-rock is composed of gypsum, anhydrite, limestone, sulphur and dolomite, usually caused by ground water interacting with the surface of the salt to form a seal. As the calcite and dolomite minerals dissolve, cavernous expanses are created below ground which can extend over many square miles.

These form ideal traps for oil and gas percolating towards the surface. When intersected, the oil or gas is likely to be expelled with considerable force due to the upward pressure of the migrating hydrocarbons. Many such discoveries have produced free flowing oil for years. The history of the modern oil and gas industry is traced back to the spectacular Spindletop discovery, that was drilled into a cap-rock.

Titan is preparing to drill two cap-rock wells, Poole C1 and C2, on the southern portion of the Allen Dome. The wells will be drilled to a total depth of 850 feet each at an estimated cost of \$95,000 per well and will explore the structure sealing the dome. In the event of an oil or gas discovery, the wells could be put into production immediately.

Planning of a deeper 5,200 feet well, Poole #1 is underway. The objective here is to reach three primary zones on the Southern flank of the oil field. Drilling is set to commence in the third quarter of 2013.



### Work-Over Program

Oil production at Allen Dome has been further increased with a targeted work-over programme to upgrade the integrity of two wells. The wells, #2A and #5, have been re-entered successfully and are now producing around 40 barrels of oil per day earning back the cost of the work-overs already.

## TEXAS

### Sargent Ranch Oil Field (Titan 100%)

The 344 acre Sargent Ranch project is three miles west of the Allen Dome oil field. Two shut-in wells, Poole #2 and Poole #3 previously drilled in 2002-03, are the focus of work-overs to return the wells to commercial production. Estimated recovery for the area could be in the vicinity of 200,000 barrels of oil and five billion cubic feet of gas.

Recovery estimates for the area could be 200,000 barrels of oil and five billion cubic feet of gas. These wells have a production potential of 75 barrels of oil per day and 1 million cubic feet of gas per day. Titan Energy aims to increase production by re-entering these historic wells and to pursue low risk oil horizons.

## COLORADO

### Sodbuster #II Prospect (Titan Energy 80%)

Titan's 1360 acre Sodbuster II Prospect will target the oil and gas bearing Niobrara Shale formation, and lower Muddy J Sandstones of the Denver Basin This basin has produced more than 700 million barrels of oil, 980 billion cubic feet of gas and 68 million barrels of natural gas liquids.

Titan is planning to spend A\$350,000 drilling a well to a Total Depth of 5,0000 feet. This is the first of what could become a multi-well programme.

## LOUISIANA

### Greathouse Prospect (Titan Energy 50%)

The South Lake Charles Field of Louisiana is a major oil producer with many successful wells. Titan's 252 acre Greathouse prospect provides for an option on a further 92 acres. The prospect is defined by Paleocene-Eocene Wilcox Group sandstone reservoirs that produce oil from structural-stratigraphic traps.

The Greathouse, Hayes Sands has great potential and could contain in excess of 1.35 million barrels of oil. Titan plans to re-drill the 2007 Jordan Schultz #1 well, which failed to reach its pre-drill target of 10,150 feet

This is a modest investment by Titan Energy for such a great opportunity.

### Krotz Spring Prospect (Titan Energy 50%)

Titan Energy is farming in for a 50% interest in 595 acres of production rights in the historic Krotz Springs oil and gas field in Louisiana.

On completion of the farmin, the Titan's wholly-owned US subsidiary Sunset Energy LLC will become contract operator of the Joint Venture, with an initial well to be managed by HTK Drilling Management LC.

Titan is planning a re-entry of the Joy Lawler #1 well in July 2013 for a work-over of a 9,600 foot sand. Drilling is planned to a Total Depth of 9,700 feet, setting a packer at a depth of 9,600 feet and perforating a targeted section between 9,610 feet and 9,696 feet. The 8/8ths cost of drilling the well is US\$265,000.

Pre-drill estimates suggest a successful work-over could produce upwards of 3 to 4 million standard cubic feet per day of gas and between 150 and 200 barrels per day of condensate.

### ILLINOIS

#### Kinmundy Prospect (Titan Energy 90%)

Titan is proposing to drill two wells in 2013, Ritter No.1 and Carpa Sands No.1, to a depth of 3,650 feet to test the oil bearing Carpa Sands, of the Kinmundy prospect in Marion County, in the Illinois Basin.

Wells in the area have produced 50 barrels of oil per day.

### NEVADA

#### Railroad Valley, Lake Valley Prospects (Titan Energy 100%)

Titan has an interest in 9 oil and gas leases covering 26.6 square miles (17,000 acres) in the Railroad Valley and Lake Valley, located north of Las Vegas.

The Cretaceous Sevier thrust belt and the Nevada Shales are some of North America's most productive oil and gas fields.

The Grant Canyon Field south of Railroad Valley has produced 21 million barrels of oil, from just 60 acres. The seal capping the nearby oil fields of the Devonian reservoir is a higher layer of oil-saturated Mississippian shales.

The combination of the capping of a reservoir of oil generated from lower shales is a classic structure often seen in the Rocky Mountain Foothills and the giant Permian Basin.

### WESTERN AUSTRALIA

#### North Perth Basin

This Permit is located 175 miles north of Perth. This region has seen very little exploration for oil and gas in the past. However, with increased global interest in oil shales, there have been several wells drilled in the area recently, with two substantial discoveries, Arrowsmith-2 and Woodada Deep-1.

#### Permit DR11 (Titan Energy, 100%)

Permit DR11 is located within 6 miles of the Woodada gas field and within 12 miles of the recent Arrowsmith gas discovery by Norwest Energy. The Dampier to Perth Natural Gas Pipeline, traverses the permits, which is a positive infrastructure input in the event of a discovery.

Titan recently drilled Warradarge-1 to a total depth of 1,560 metres (5,120 feet) targeting gas. The well reached both targets, the Cadda Formation and Cattamarra coal measures of the Jurassic sediments. Wireline drill logs indicated no economic hydrocarbons however, substantial discoveries to the north, south and west of Permit DR 11 indicate Titan's ground holding is worth further investigation.

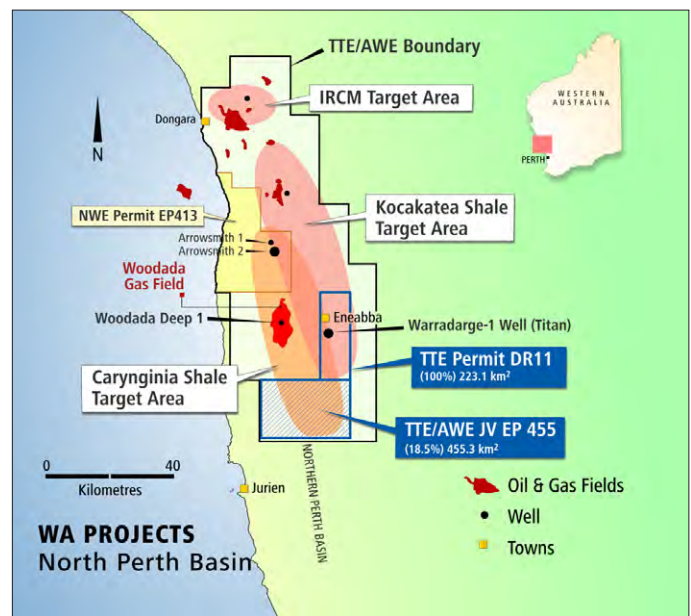
Titan has applied for additional time to drill a deeper well targeting regional shale formations. The application is awaiting approval from the Western Australian Department of Minerals and Petroleum.

An airborne gravity gradiometry, magnetics and DTM survey will be conducted to further define the target.

#### Permit EP455 (Titan Energy, 18.5%)

Titan Energy has an 18.5% interest in this Permit, which is operated by farminee AWE (81.5%). AWE is required to spend A\$7.5 million on the Permit before Titan contributes to expenditure.

Since entering into the Joint Venture AWE has conducted considerable geological and geophysical studies on the permit to establish targets, which they have applied to drill. Drover-1 will be drilled January 2014 to a total depth of 2,700 metres (8,900 feet).



# A global explorer with growing oil and gas interests in Australia and the United States

[www.titanenergy.com.au](http://www.titanenergy.com.au)

## MYANMAR New International Opportunity

The Government of Myanmar (formerly Burma) has invited Titan Energy to bid for Permits in the central region of the country, an area already known for oil and gas production. Local farmers in the region are collecting oil from shallow hand dug wells using manually operated pumps. Some of these wells have been producing 30 to 40 barrels of oil per day, with small amounts of gas being flared off. Other wells are selling gas into the local market.



Oil exploration was conducted by the British from the 1930's and the Chinese in the 1990's. In the north of Myanmar Chinese interests are producing large quantities of oil and gas, piping it across the border into China, in accord with arrangements made under the previous Government.

The new Government of Myanmar is encouraging economic development of oil and gas resources in a responsible manner.

Permits are due to be issued in mid 2014. If Titan is successful with its bid, the company could be granted up to three Permit Areas. Exploration would commence immediately on granting and Titan could be drilling in Myanmar in mid 2015.

This is an excellent growth opportunity for Titan, which has already formed close relationships with leading local businesses and the Government.



### ASX CODE : TTE

Listed 2005 ABN: 53 109 213 470

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