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ASX: TTE

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## TITAN ENERGY PREPARES TO DRILL BACK-TO-BACK PERTH BASIN EXPLORATION WELLS

### HIGHLIGHTS:

- **Government approval received for extension to DR11 permit**
- **First of two exploration wells targeted to spud late January 2013**
- **Wells to test two conventional targets**
- **Reese #10 exploration well drilling ahead at Allen Dome**

Australian oil and gas company **Titan Energy Ltd** (ASX: **TTE**) (Titan Energy or the Company) is pleased to report that on the 4<sup>th</sup> of January, 2013 it received notification from the Department of Mines and Petroleum that “a five month suspension of Year 3 and a corresponding extension of term for Drilling Reservation DR 11 has been approved”.

Titan is now awaiting final Environmental approval before being granted a Drilling Permit to drill two petroleum exploration commitment wells in DR11.

The Company has contracted a drilling rig suitable to drill the two wells, each to a total depth of approximately 1,500 metres (4,500 feet).

Once the Drilling Permit is received the first well to be drilled by Dominion Drilling’s UDR 1500 HD rig will be Warradarge-1. It is currently targeted to spud late January 2013 and to take approximately 16 days to reach TD.

Titan Energy is planning to collect formation cutting samples and utilise modern downhole data acquisition tools during the drilling programme to assist in fully assessing the conventional and unconventional hydrocarbon potential within this section of DR11.

Upon completion of drilling and testing at Warradarge-1, the rig will be moved 4,100 metres to the northeast to drill Warradarge-2, which has a similar drill programme.

The two wells are targeting the proven Cadda Formation and Cattamarra Coal measures of the Jurassic sediments within DR11.

The Cattamarra Coal measures occur at shallow depth west of the Warradarge and Lesueur Faults to the west of DR11 and are approximately 300 metres (900 feet) thick in the Woodada gas field to the west of DR11.

“We are very pleased to be on track to drill our first wells into the DR11 permit, which has the potential to be a key asset for the Company,” Titan Energy’s Chairman, Darren Levy said.

“Recent drilling activity in nearby permits in this section of the onshore Perth Basin has shown that the Cadda Formation and Cattamarra Coal measures have considerable potential to hold significant gas reserves.

“We will be aiming to bring gas to the surface for sampling with the drilling of these two wells, and if successful we will then apply for a location permit over the area.

“We would particularly like to thank the WA Department of Mines and Petroleum (DMP) for their support and assistance in bringing activities in DR11 to this exciting stage.”

#### **ALLEN DOME TEXAS**



*The Rotary Exploration Rig 2 is currently drilling the Reese #10 exploration well at the Allen Dome North field in Texas. Water from recent heavy rains is still visible in the right foreground.*

Titan Energy is also pleased to provide an update on the Reese #10 exploration well it is drilling at the Allen Dome field in Texas.

After the start-up of drilling of Reese #10 was delayed by heavy rain, the exploration well was spudded on January 3.

Surface casing has been set at 750 feet and the well is currently drilling ahead to a Total Depth (TD) of 5,200 feet.

Located on the Northern flank of Allen Dome, the pre-drill forecast was for Reese #10 to take approximately eight days to reach 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.

**The Company is negotiating with several rig operators for drilling the Southern flank where it will drill back-to-back wells targeting various zones.**

#### **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's Warradarge Seismic Survey in North Perth Basin permit DR11 has been used to define the location of the two wells proposed for drilling by the Company in 2013.

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.

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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 Energy Ltd who has consented to the inclusion of that information in the form and context in which it appears.

Mr McKnight has over 20 years’ experience in the application of engineering to the petroleum industry in oil and gas exploration and production, as either an employee or consultant to oil companies operating in the 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 petroleum industry. He is also a Professional Member of the Society of Petroleum Engineers.