

19 November 2012

## TITAN ENERGY ACHIEVES BETTER THAN EXPECTED OIL FLOWS AT ALLEN DOME

### HIGHLIGHTS:

- Better than expected oil flow established from first Allen Dome well
- Re-entry work continues on a number of historic wells
- Potential to bring second well on stream by end of month
- Contracts signed for Allen Dome exploration wells

Australian oil and gas company **Titan Energy Ltd** (ASX: **TTE**) (Titan Energy or the Company) is pleased to provide an update on its activities in the US, where a major recent focus has been on a significant workover programme at the Allen Dome Salt Dome field in Texas.

The Company is pleased to report that it has achieved a better than expected oil flow rate at the Reese #5 well on the northern flank of Allen Dome, where the Company holds an approximate 84% Working Interest.

Following re-entry and recompletion of the Reese #5 well, including the installation of a gravel pack system, an adjustable choke has been installed on the wellhead and set at 8/48" and will be adjusted to control the flow rate for reservoir management at approximately 50 barrels of oil per day (bopd) with possible pump assistance. The well is currently flowing on its own with initial flowing tubing pressure (ftp) at 125 psi and shut in casing pressure (sicp) at 250 psi. This is a significant increase on the pre-drill estimates of a potential flow rate of 30 bopd.

Our initial completion attempt has already added a significant increase in production to the field.

Titan Energy's US-based team has negotiated for the Company to be paid for its crude output at US\$7 below the Brent crude price (currently US\$108.95) and the first tanker loads of the Company's Allen Dome crude have now been transported to a local refinery.



The Company has also successfully re-entered the Reese #2a well where it initially uncovered mechanical problems with existing equipment. The Company is currently planning to re-complete a new zone at a depth of 2,542 feet. Current estimates are that co mingled with the current zone the two zones could flow at a combined rate of 30 bopd or more. The re-completion is expected to take 9 days.

Titan Energy has also undertaken a workover of the Reese #4c well site. The Company encountered some gas in this well. However the Company intends to plug-back and attempt a completion in a shallower oil zone.

The Company is continuing to review the potential re-completion of Reese #3a and Reese #6a wells where potential mechanical issues have been identified.

### **Exploration wells**

Titan Energy is also pleased to report it has signed final contracts for the drilling of a range of exploration wells at Allen Dome.

Subject to rig availability, Titan Energy is on target to spud the Reese #10 (formerly known as the Titan Reese #1) well by the end of November. Site preparations are well advanced.

It is anticipated that the initial test well will be drilled to a depth of 5,200 feet. It will target multiple zones, each of which has the potential of producing 50 bopd or more.

Titan Energy is planning to drill the next exploration well in the programme, Titan Reese #2, to test a shallower target at a depth of 3,300 feet and is chasing similar potential flow rates.

Titan Energy is also pleased to report it is undertaking plans to drill two “caprock” test wells on the southern flank of the Allen Dome.

These shallow, very low cost wells will test a new play concept on the southern flank of the Allen Dome Salt Dome.

Titan Energy’s Managing Director, Steve Thomas, said the two wells will test a similar “caprock” play to that which has been proven by other operators with similar Texas salt dome projects.

Mr Thomas said the Company was very pleased with the success achieved to date at Allen Dome.

“We identified Allen Dome as a real opportunity to provide the Company and its shareholders with early cash flow and we are pleased to see that strategy is being borne out.

“We now look forward to significantly boosting our daily oil flow at Allen Dome as we progress this multi-well programme, build on our cash position and continue to review similar growth opportunities.”

### **Allen Dome background**

The Allen Dome salt dome is located approximately 80 km south of Houston, Texas in Brazoria County.

Oil production from the dome flanks began in the 1920's with cumulative oil production over 800,000 barrels to date from less than 20 wells. Less than 50 wells have been drilled on the dome flanks, all of which were located utilising subsurface well information.

Titan Energy is confident that modern exploration and drilling technology will lead to a significant increase from the moderate current production levels.

#### **North Perth Basin**

Titan Energy is negotiating for an appropriate rig to drill in two locations in North Perth Basin Drilling Reservation 11 (DR11) prior to the expiry of DR11 on 4 January 2013. Negotiations for a previously identified rig have terminated as ensuring its compliance with the various permit requirements proved too difficult. Titan Energy's Warradarge Seismic Survey in DR11 has been used to define the location of two wells proposed for drilling.

#### **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.

Titan Energy is 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 satisfies Company's strategic objectives

**FOR FURTHER INFORMATION PLEASE CONTACT:**

**TITAN ENERGY LTD**

Stephen Thomas  
Managing Director  
Titan Energy Ltd  
T: +61 08 9322 6955

**MEDIA:**

Colin Hay  
Professional Public Relations  
T: +61 8 9388 0944  
E: [colin.hay@ppr.com.au](mailto: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](mailto: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.