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ASX: TTE

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J T REECE #10 WELL UPDATE

Australian oil and gas company **Titan Energy Ltd** (ASX: **TTE**) (Titan Energy or the Company) wishes to report that it has elected to suspend drilling activities at the J T Reece #10 well at the Allen Dome oil field in Texas due to mechanical problems.

The drill string in J T Reece #10 has become stuck after drilling to a depth of approximately 1,800 feet, and despite a number of “jarring” attempts, the rig operator has been unable to free the bottom hole tools.

On the advice of its US management team, Titan Energy has elected to suspend activities at J T Reece #10 and to move the rig approximately 50’ to the J T Reece #11 site as a substitute well, as soon as possible. Conductor pipe has already been set for this well, which will target the same zones as J T Reece #10 and take approximately 7 to 8 days to reach its planned Total Depth of 4200 feet.

Titan Energy’s US-based Managing Partner, John McKnight, said the Company will now conduct an assessment of the J T Reece #10 drilling activities to ascertain whether it should return to that site to drill a new well with a separate drill rig as soon as possible.

“Unfortunately, due to the mechanical issues, we were unable to reach the zones of interest in J T Reece #10 and so were unable to ascertain whether there were hydrocarbons at that location,” Mr McKnight said.

“We thought it prudent to suspend this well and move on to the next well location while we consider what the best options are for the drilling of a new well to assess the oil potential at the J T Reece #10 site.”

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.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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.