

## US PROJECTS MARKET UPDATE

Titan Energy Ltd (ASX: TTE) (“the Company” or “Titan Energy”) is pleased to provide this update on its currently held interests, reserves, & resources in the USA. This update has been prepared in accordance with the ASX Listing Rules and the new ASX reserves and resources reporting requirements for oil and gas companies, introduced on December 1, 2013.

Titan Energy is scheduling the drilling of several confirmation wells over the coming twelve months. To meet these exploration objectives, the Company is currently talking to potential strategic partners for exploration/development of all the project areas. This will increase the Company’s cash flow and assist in progressing with our multi project, multi well campaign.

**The Allen Dome North** acreage in Brazoria County, Texas totals 276 production acres, of which Titan Energy holds a 94% Working Interest. Whilst there are currently only three producing wells in this project area: JT Reese #2A, #3A, and #S2; a workover programme is being prepared for the JT Reese #6A , #3A and the #2A to increase production. The JT Reese #S2 well that showed a 69’ pay sand on the log is also being evaluated for further options to increase production. In a 12-month period to February 2014, the field has produced 32,170 barrels of oil earning gross revenue of US\$3,291,447. The Allen Dome North project has recently been independently assessed to hold Net 1P Reserves of 336 MBO and Net 2P Reserves of 479 MBO. Two additional wells are required on the Northern flank to achieve maximum recovery of proved reserves targeting revenue of US\$20m.

**Allen Dome East (Perry Ranch)** consists of 302 gross mineral acres, of which Titan Energy holds a 100% Working Interest. Planning is underway and the drilling of the Perry #1 will commence once an agreement is signed with a suitable partner, and a rig has been contracted. Although seismic analysis has displayed deeper leads, at this stage the well has a planned Total Depth (TD) of 5200’ to target four pay zones. Please refer to the Petroleum Resources chart on page 2 for independently assessed Net Prospective Resources for the four pay zones.

The **Sargent Ranch** acreage in Brazoria County and Matagorda County is located just three miles (4.8 km) west of Titan Energy’s Allen Dome oil field and offers significant synergies for the Company. The acreage totals 337 gross mineral acres, of which Titan retains a 50% non-operating Working Interest after the Company reached an agreement with Magnolia Energy LLC to swap 50% of its interest in the Sargent Ranch project lease, for 50% of Magnolia’s interest in the Poole #2 and #3 infrastructure. The Sargent Ranch project has independently assessed 2C Net Contingent Resources of 126 MBO, and 655 MBOE. With an Initial Production (IP) expectancy of 70 BOPD and 1 MMCFD, the Sargent Ranch offers a low cost, relatively low risk opportunity to add to new production and cash flow. The agreement with Magnolia brings with it significant production assets that will assist in commercialising the project following the successful workover of Poole #3.

### Management

**Darren Levy**  
 Executive Chairman  
**Paul Garner**  
 Executive Director & CEO  
**Andrew Van Der Zwan**  
 Non-Executive Director  
**Jack Toby**  
 Company Secretary & CFO

### Titan Energy Ltd

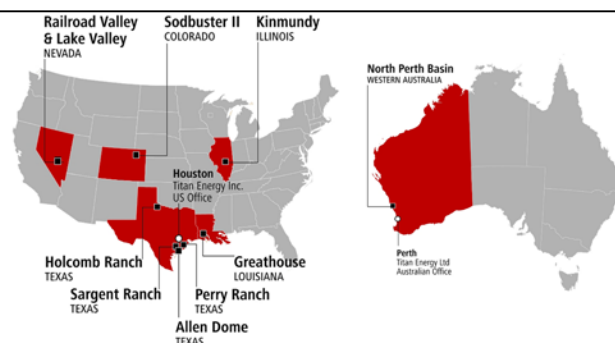
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The **Holcomb Ranch** asset totals 4350 gross mineral acres, of which Titan holds an 11.6% non-operating Working Interest. An additional seismic dataset was recently acquired and used to further define the initial well location. The Operator has invited suitable drilling contractors to submit tender for the Holcomb project. A successful case for a 23 well development program has been established if the initial confirmation well is a success. The IP from these wells is anticipated to be between 400-800 BOPD, which will inject significant cash flow into the project. Please refer to the Petroleum Resources chart below for independently assessed Net Prospective Resources.

The **Greathouse** prospect sits in the South Lake Charles Oil and Gas Field in Calcasieu Parish, Louisiana. Titan Energy holds a 50% Working Interest in 253 gross acres with an option over a further 92 gross acres. Titan Energy and its partner explorers are currently designing a step off well to be drilled up-dip of the historical Blair-1 discovery well. The 10,540' well will test the hydrocarbon potential of the Hayes Sand unit. Please refer to the Petroleum Resources chart below for independently assessed Net Prospective Resources.

The **Sodbuster II** prospect in Logan County, Colorado totals 1360 gross mineral acres of which Titan Energy holds an 80% Working interest. Titan is currently seeking a farm in partner to acquire a 50% WI in the lease area. Following the signing of a partnership, preparations to drill the Hettinger #1-15 well will commence. Please refer to the Petroleum Resources chart below for independently assessed Net Prospective Resources.

### USA PETROLEUM RESERVES & RESOURCES TABLE | NET TO TITAN ENERGY

Net Reserves							
Asset	Interest	Unit	NET RESERVES			Evaluator (Evaluation Date)	Estimation Method
			1P	2P	3P		
<b>Texas</b>							
Allen Dome North	94%	MMbbl	0.336	0.479	0.479	ERC LLC (March 2014)	Deterministic
Net Contingent Resources							
Asset	Interest	Unit	NET CONTINGENT RESOURCES			Evaluator (Evaluation Date)	Estimation Method
			1C	2C	3C		
<b>Texas</b>							
Sargent Ranch	50%	MMbbl	0.092	0.126	0.241	ERC LLC (January 2014)	Deterministic
Sargent Ranch	50%	MMboe	0.474	0.655	0.940	ERC LLC (January 2014)	Deterministic
Net Prospective Resources							
Asset	Interest	Unit	NET PROSPECTIVE RESOURCES			Evaluator (Evaluation Date)	Estimation Method
			Low Estimate	Best Estimate	High Estimate		
<b>Texas</b>							
Allen Dome East (Perry Ranch)	100%	MMbbl	1.103	1.225	1.348	ERC LLC (October 2013)	Probabilistic
Holcomb Ranch	11.60%	MMbbl	1.201	1.334	1.467	ERC LLC (January 2014)	Probabilistic
Holcomb Ranch	11.60%	MMboe	0.830	0.920	0.101	ERC LLC (January 2014)	Probabilistic
<b>Colorado</b>							
Sodbuster	80%	MMbbl	1.200	1.400	1.600	ERC LLC (January 2014)	Probabilistic
<b>Louisiana</b>							
Greathouse	50%	MMbbl	0.363	0.485	0.606	ERC LLC (January 2014)	Probabilistic

MMbbl = million barrels of oil  
MMboe = million barrels of oil equivalent

100 mcf = 17.2 BOE  
1 bcf = 172,455 BOE  
\*5.81 mcf = 1 BOE

The estimated quantities of Prospective Resources that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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## TTE ALLEN DOME NORTH RESERVES EVALUATION | CLARIFICATION

Titan Energy (ASX: TTE) nominates the following information to clarify previous ASX announcement released on the 25 March 2014, titled "TTE Allen Dome North Reserves Evaluation".

Statements below made in the abovementioned announcement, require clarification:

1. *"the Allen Dome North Flank contains an estimated 389,000 barrels of remaining proved oil reserves".*
2. *"ERC also provided an estimate of 120,400 barrels of remaining probable oil reserves, 113,000 net to Titan in the producing area."*

The Company wish to clarify that the estimates mentioned in the statements above refer to P1, and P2 Reserves respectively i.e. "quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward". These estimates do not refer to Petroleum Initially in Place (PIP), or contingent resources.

### ADDITIONAL INFORMATION REQUIRED UNDER CHAPTER 5 OF THE LISTING RULES

#### **For the purpose of LR5.31**

The material economic assumptions used to calculate the estimates of petroleum reserves referred to in this announcement are as follows:

The 1P reserves estimates have been based on the five existing proven developed producing ("PDP") wells and a further two proven undeveloped wells which surround the Reese #S2 well, using an average EUR for the PDP wells,

Additional wells are assumed at a 100-foot well spacing,

Capital expenditure per well has been derived from Current Approval for Expenditure (AFE)

The timeframe for their development has not yet been determined, though, a reasonable timeframe is assumed.

It is assumed that each well will flow over a life of 10 years. Economic considerations in confirming commerciality of the relevant reserves include deduction from estimated revenues of existing severance and ad valorem taxes, operating expenses and future investment costs; and

Net pricing assumptions per barrel of oil is set out in the table below and are relevant as at the date of the ERC Report:

Year	Wellhead Price (per \$bbl)
2014	\$92.05
2015	\$92.05
2016	\$92.05
2017	\$92.05
2018	\$92.05
2019	\$92.05
2020	\$92.05
2021	\$92.05
2022	\$92.05
2023	\$92.05
2024	\$92.05

**For the purpose of LR5.31**

Titan Energy holds a 94% Working Interest in the Allen Dome acreage and are the operator. The petroleum reserves information for the Allen Dome North acreage has been independently assessed by ERC, using the deterministic method in accordance with industry practice. Net Reserves are based on the Company's held interest, and are estimated at the gate. In assessing commerciality and booking petroleum reserves, assumptions have been based on existing production data for operating wells, the Company's substantial database of information on the Allen Salt Dome, and extensive publicly available information in relation to the Allen Dome Field. The Allen Dome project is a conventional hydrocarbon project. No portion of these reserves will be used as lease fuel. No specialised processing is required following extraction.

The 3000' pay zone has 389,000 barrels of 1P oil reserves estimated from 6 acres productive area. The net 1P reserves to Titan are 366,000 BO. An additional 2 wells will need to be drilled to recover these reserves. The other historical producing zones in the productive area have an assessed 120,400 BO, at 113,000 BO net to Titan. These reserves are categorized as Probable. The gross 2P reserves for Allen Dome North is 509,400 Barrels of Oil.

The recovery of the estimated undeveloped petroleum reserves contained in this announcement are based on the drilling of two additional wells in the vicinity of the five existing proven developed producing wells. Offtake and sales arrangements already exist at Allen Dome North, meaning no additional transportation infrastructure is required to deliver oil to market. All environmental approvals required for development are in place or will otherwise be obtained during the development program as and when required.

**For further information please contact:**

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**Qualified Petroleum Reserves and Resources Evaluators**

Technical information, including information in relation to petroleum reserves, & resources, provided in this announcement, is based on, and fairly represents information and supporting documentation and/or compiled by the Company's technical advisor, Richard W. Pomrenke, Owner - Manager of Energy Recovery Concepts (ERC).

Mr Pomrenke holds a Bachelor of Science in Petroleum Engineering with a minor in Geology, he is a member of the Society of Petroleum Engineers, and has more than 40 years of experience as Petroleum Engineer involved with all aspects of oil and gas operations and analyses, Domestic US and International.

Mr Pomrenke has reviewed the results, procedures and data contained in this announcement and consents to the inclusion in this announcement of the matters based on the information in the form and context in which it appears.

Mr McKnight has over 20 years' experience 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 (SPE).