

## KEY PERMIT HIGHLIGHTS

- **Enerdrill - is awarded the Drover #1 Drilling Contract**
- **2,393 billion scf - Assessed Gross Prospective Gas Resources for EP455**
- **On track for planned spud date late June, 2014**

Titan Energy (ASX: TTE) ("Company") is pleased to provide this update on its North Perth Basin Exploration Permit (EP) 455, Western Australia.

Joint Venture partner and operator, AWE Limited (AWE) has awarded the Drover #1 drilling contract to Enerdrill Pty Ltd (Enerdrill), a West Australian drilling company ([www.enerdrill.com.au](http://www.enerdrill.com.au)).

The "Contract for the Provision of Drilling Rig Services" between AWE, and Enerdrill has been successfully completed. Enerdrill's Rig 3 has been selected to drill two wells as part of AWE's appraisal drilling campaign in the North Perth Basin, which incorporates Drover #1, approximately 260 km north of Perth, in Western Australia.

On 6 February 2014, AWE released an ASX announcement titled "Perth Basin independent resource estimate" in which, AWE announced "Gross Prospective Gas Resources for EP455 of 2,393 billion scf".

The Drover #1 well is in EP-455 and is part of the Northern Perth Basin unconventional gas play. Drilling is expected to take 28 days to reach total depth, at which time the well will be temporarily suspended for evaluation. Development work will follow, with the aim of inducing commercial gas flows.

AWE has farmed in for an 81.5% per cent equity share in EP455 under a Sale and Purchase Agreement ("SPA"). Under the SPA, AWE agreed to carry Titan Energy through a gross permit expenditure of up to \$7.5 million after which AWE will pay 81.5% and Titan Energy 18.5% of approved work programs and budget expenditure.

**The EP 455 permit area is over 109,000 acres;** it has both conventional and unconventional prospective targets, and both oil and gas prone formations. The basin is very close to petroleum industry infrastructure, including two major gas pipelines, storage facilities, and refining facilities. This area is well understood with a comprehensive database of well logs, geophysical data, and extensive cores. A recent appraisal of the area indicates

### Management

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

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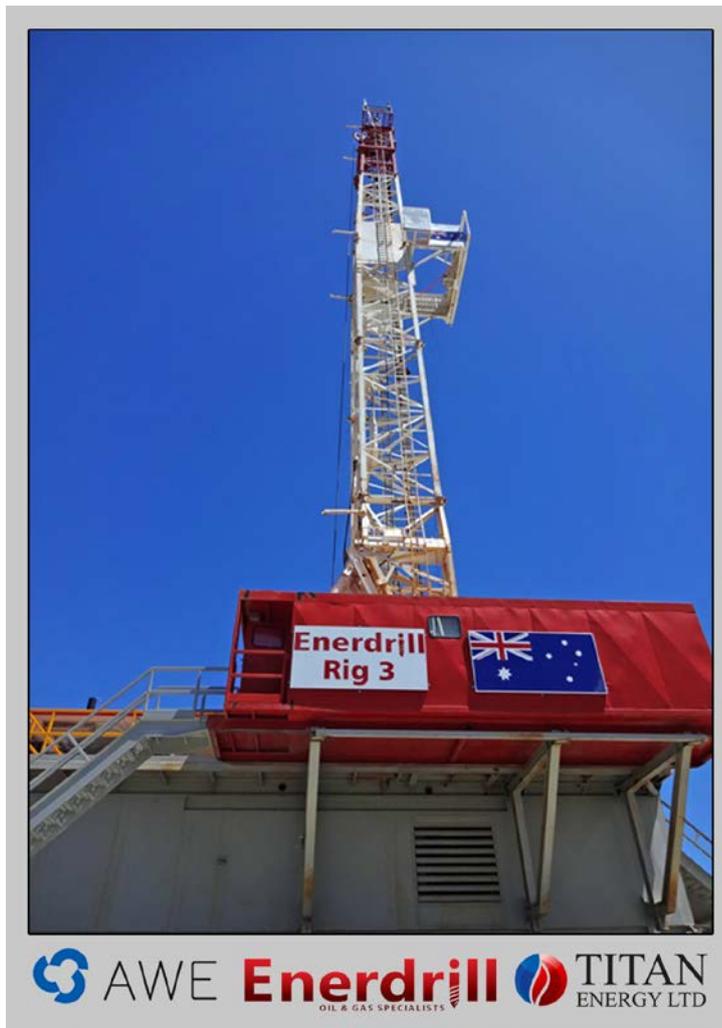
significant volumes of undiscovered hydrocarbons in place. Advanced commercial viability studies are now underway.

## AUSTRALIAN PROSPECTIVE RESOURCES TABLE | GROSS

Gross Prospective Gas Resources		(AWE Limited 81.5%   TitanEnergy Ltd 18.5%)	
Asset	Unit	GROSS PROSPECTIVE RESOURCES	Evaluator (Evaluation Date)
		Best Estimate	
<b>Australia</b>			
EP 455 (North Perth Basin)	Billion Standard Cubic Feet (BCF)	2,393	Delloites's Resource Evaluation & Advisory (2014)

^ Source: AWE ASX Announcement, Perth Basin independent resource estimate, February 6 2014

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.



**Enerdrill's Rig 3**

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**Qualified Petroleum Reserves and Resources Evaluators**

Information in this announcement pertaining to Petroleum Reserves, and Resource Evaluations has been disclosed in an announcement previously released by: AWE Limited on the 6 February 2014, titled "Perth Basin independent resource estimate". The Company is not aware of any new information or data that materially affects the information included in previous announcements, and that all the material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed.