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TITAN ENERGY ACQUIRES INTEREST IN NEW TEXAS OIL PROJECT

HIGHLIGHTS:

- **Proposed horizontal development of proven Mississippian oil productive structure**
- **Multi well potential to target a total estimated 11.5 mmbbl oil and 4.6 bcf gas**
- **Horizontal well success rate in defined study area estimated at 89%**

Australian oil and gas company Titan Energy Ltd (ASX: TTE) (Titan Energy or the Company), is pleased to announce it has reached an agreement to acquire a 10% Working Interest in the Holcomb Mississippian Oil Development Project in Texas.

Titan Energy would acquire the 10% WI through an initial payment of US\$278,999.04 for geological and land expenses and a second payment of US\$503,785.03, being 13.33% of the total cost of drilling and completing the initial test well through to the tanks.

The project is deemed to have the potential to be expanded to a 23 well programme to target total reserves of 11.5 million barrels (mmbbls) of oil and 4.6 billion cubic feet (bcf) of gas.

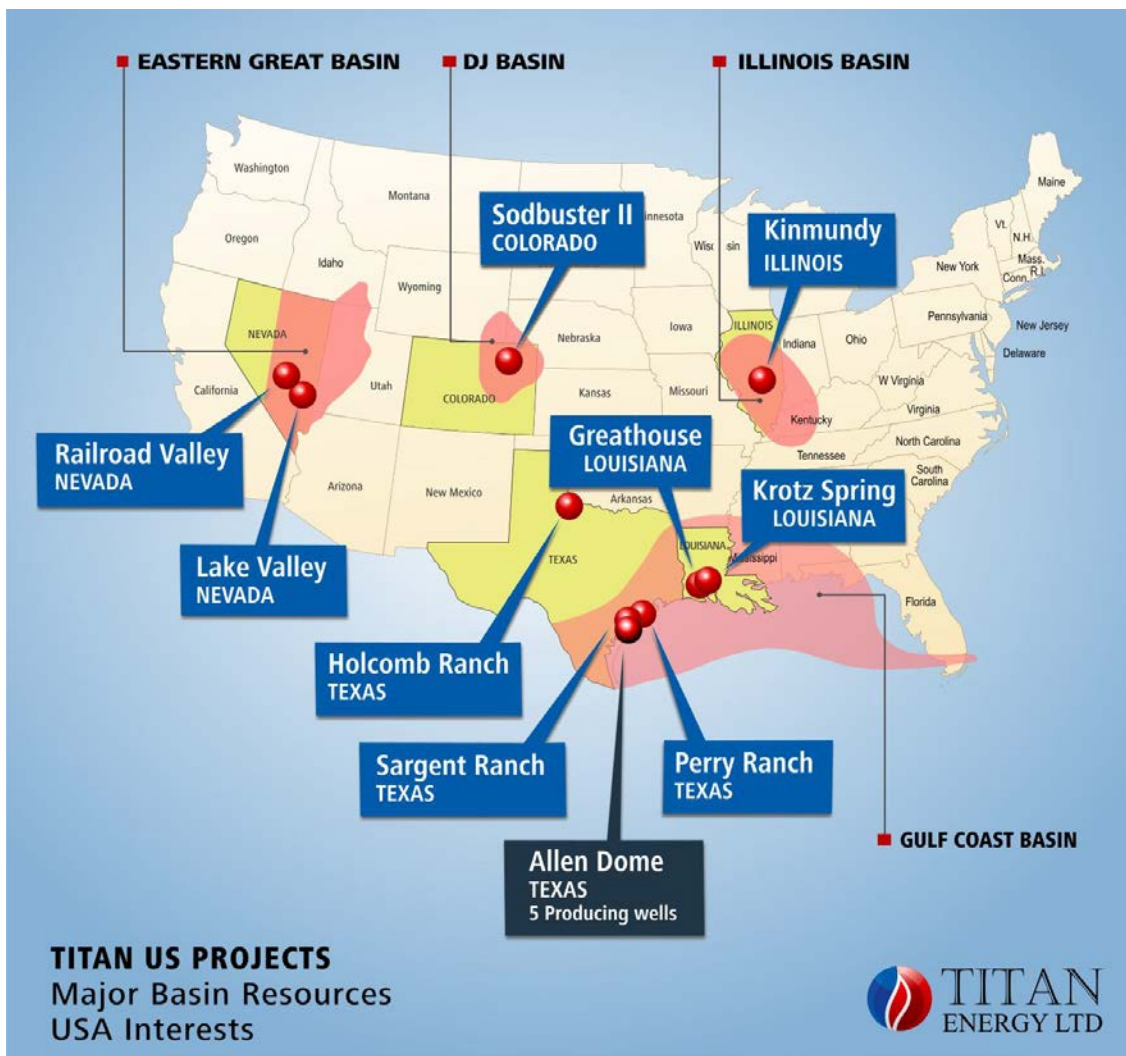
The project is currently estimated to spud the first well late Q1, 2014 to early Q2, 2014. The current plan is to drill a vertical well bore to a depth of 8,500 feet, before kicking the well off via a 90 degree horizontal well bore section of approximately 2,500 feet targeting the Mississippian Limestone.

Background

The Holcomb Mississippian Oil Development Project covers 4350 gross acres in Hardeman County, Texas, an area that has a proven oil production history.

The Project will utilise modern 3D seismic interpretation and horizontal drilling technology to target production from the proven oil bearing Mississippian Limestone.

Drilling horizontal wells will allow for the connection of these high porosity limestone sections, thereby increasing the recoverable reserves per wellbore. These horizontal wells will not need fracking and only acidizing may be required to help the oil flow.



The Holcomb project horizontal well locations, defined by 3D seismic, are to be located adjacent to old vertical wells with log signatures that indicate fracture porosity through the Mississippian sections. The historical vertical wells in the project area produced an estimated 1.2 million barrels of oil cumulative.

A look-alike development scenario is currently being utilised at the Conley Field, approximately 2 miles to the south, where 11 successful horizontal Mississippian wells have been completed on the Conley Uplift utilizing the same log characteristics to select those locations. The Conley field is selling between 35,000 to 40,000 barrels of oil per month.

A further successful Mississippian horizontal well has recently been completed in adjoining acreage to the north of the Holcomb Mississippian Oil Development Project.

Titan Energy US Chairman John McKnight said, “This is good opportunity to add to our current Texas production, using proven techniques and technology that have been shown to have an 89% success rate in a nearby, look-alike project area.

“The use of 3D seismic and horizontal drilling will allow us to sweep up the oil that was missed by the vertical wells drilled previously.

“Success in the initial well will allow for the potential to drill follow up development wells, with the cash flow to help finance future wells.

“With our planned exploration activities at Perry Ranch funded by the recent Convertible Note raising and now the addition of the Holcomb project, we are looking for a very exciting start to 2014,” Mr McKnight said.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Competent Person’s Statement:

The data utilised to calculate the estimated reserves included in this statement has been verified by Mr Richard Pomrenke, Manager Energy Recovery Concepts, LLC. (ERC).

Mr Pomrenke is a petroleum engineer with 48 years experience in the upstream oil & gas industry. His experience includes work with Pan American petroleum, Amoco International, Occidental of Libya, MCO resources, BHP Billiton, Regent Oil & Gas, and BP Amoco. He has extensive experience with mature oil, gas and gas-condensate developments particularly in salt dome environment. Mr Pomrenke is a member of the Society of Petroleum Engineers and has also specialized in innovative well completions. He is also skilled in reservoir and resource evaluation, field development planning and integrated project reviews.