



# TITAN ENERGY



## Management

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

## Titan Energy Ltd

ASX: TTE

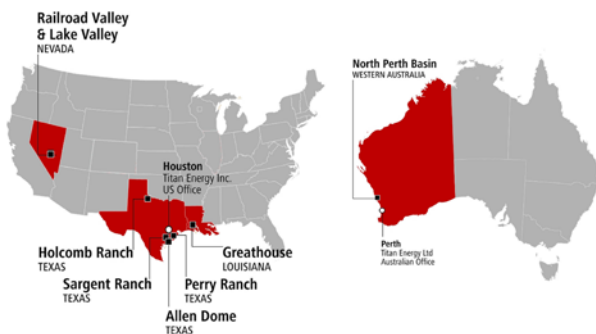
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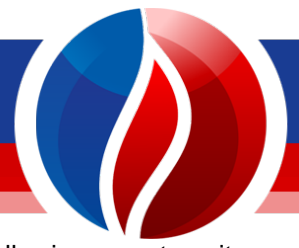
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Titan Energy Limited (ASX: TTE) (Titan or the Company) is pleased to provide the following report on its operations during the three-month period ending 30 September 2014. During the quarter the Company re-evaluated the Holcomb Ranch, Sargent Ranch and EP455.

## EXPLORATION & APPRAISAL

- Board Appointment
- Drover-1
- Holcomb Ranch
- Perry Ranch
- Sargent Ranch
- R&D Reimbursement

## ASSET TABLE

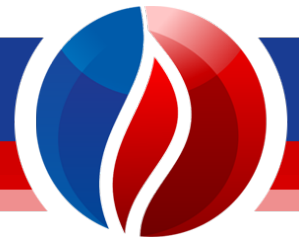
ASSET	%	CHANGE IN IN HOLDING %	ACREAGE	EXPLANATION/DATE
<i>Texas</i>				
Allen Dome North	94	-	276	
Allen Dome South	85	-	344	
Perry Ranch	40	-60	302	Farmout, August 2014
Sargent Ranch	37.5	-	337	
Holcomb Ranch	7.33	-	4,350	
<i>Louisiana</i>				
Greathouse	50	-	252	
<i>Nevada</i>				
Railroad Valley	100	-	9,808	
Lake Valley	100	-	7,660	
<i>Illinois</i>				
Kinmundy	90	-90	441	Terminated, August 2014
<i>Western Australia</i>				
EP 455	18.5	-	112,400	

## SEPTEMBER QUARTER PRODUCTION TABLE

ALLEN DOME QUARTERLY PRODUCTION				
	Reese 2A	Reese S2	State 3A	Total (BBL)
July	218	397	116	731
August	222	497	116	835
September	214	508	116	838
Total (BBL)	654	1402	348	<b>2404</b>

### EP 455 | North Perth Basin

In July 2014, the Drover-1 exploration well reached a total depth of 2,356m and was suspended for evaluation.



The Drover-01 well was designed to test the shale gas, and potential tight gas targets based on shows in Gairdner-1 well and encouraging flow rates from these zones in Arrowsmith-2 to the north.

Significant gas shows were encountered through the Kockatea and Carynginia formations.

A coring program, and several wireline logs were run to evaluate the commercial potential of the target intervals. The logging program and core analysis both provide indicators, which help provide a competent understanding of Drover-1 as an unconventional prospect.

Core analysis is an important phase of the project and will provide invaluable data on permeability, porosity, the presence of hydrocarbons, thermal maturity, rock properties, TOCs (Total Organic Carbon) and will ultimately define the most prospective intervals for hydraulic stimulation. Once assays are finalised and assessed, the Joint Venture will proceed with the appraisal phase of Drover-1.

### **Holcomb Ranch | Texas**

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On 3 July 2014 the Holcomb 1-H reached a Total Measured Depth of 12,166 feet (3708 meters) and was successfully completed for production. Subsequent evaluation has lead the Company to begin discussions regarding the sale of its working interest.

### **Perry Ranch | Texas**

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On 18 August 2014, Titan announced that it had finalised terms of the Participation Agreement and Joint Operating Agreement with a drilling partner. Under the terms of the agreement the joint venture partner will pay Titan a prospect fee and will drill the Perry-1 well, carrying Titan for a 20% working interest through the tanks. Titan has elected to participate for an additional 20%, holding a 40% working interest in Perry Ranch.

### **Sargent Ranch | Texas**

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On 18 August 2014 the Company announced that the re-entry of the Poole #3 well had been completed and flow testing had commenced. The Operator was only able to re-complete one of the four target zones, resulting in below than expected flow rates. Production testing commenced on August 25<sup>th</sup>, producing 260 barrels of oil and 2.02 million cubic feet of natural gas net to Titan for the quarter. The Company is in discussion with the Operator regarding the sale of its working interest.

### **Allen Dome North | Texas**

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During the quarter, production from Allen Dome North was 2,404 barrels of oil.

### **Kinmundy | Illinois**

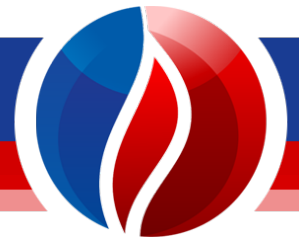
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The Company has made a decision to terminate its involvement in its Kinmundy acreage in Illinois. It was agreed the project did not fit the Company's future plans, so tenure was forfeited.

### **Research & Development**

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On 30 July 2014, Titan received a net of costs research and development refund totalling approximately \$639,000 for expenses incurred during the year ended 30 June 2013.



## **Appointment of Bradley Simmons to the Board**

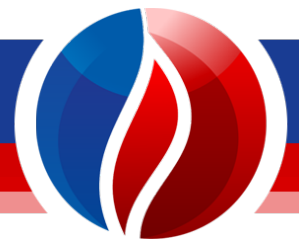
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On 1 September 2014 the Company announced the appointment of Bradley J. Simmons (Houston, TX) as a Non-Executive Director.

Bradley Simmons is a seasoned veteran of the oil patch with over 35 years of Gulf Coast drilling and production operations experience. He has been involved with the founding and building of several oil, gas and drilling companies over the course of his career. Most recently, he retired in October 2013 from his position as Executive Director of Maverick Drilling & Exploration Limited (ASX: MAD). Mr. Simmons holds a Bachelor of Science degree from Yale University.

Since his appointment, Brad has conducted a thorough review of all of the Company assets, with a particular focus on Allen Dome. His assessment involved compiling a comprehensive database of geological and drilling data across the dome, dating back to its first exploration in the early 1930's. This data, combined with his knowledge of salt dome development has been key in highlighting the potential of the untested overhang.

With the help of industry experts, Brad has proposed an in-depth work programme beginning with the re-entry of several key wells on the northern flank. Discussions are underway with major drilling parties involving future ventures for full-scale development of the dome.



## AUSTRALIAN PROSPECTIVE RESOURCES TABLE | GROSS

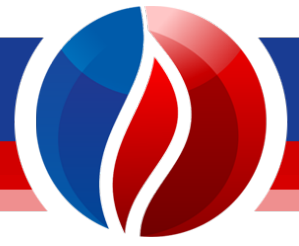
Gross Prospective Resources		(AWE Limited 81.5%   Titan Energy Ltd 18.5%)
Asset	Unit	GROSS PROSPECTIVE RESOURCES
		Best Estimate
EP 455 (Perth EP455)	Billion Standard Cubic Feet (BCF)	2,393

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

## USA RESERVES & RESOURCES TABLE | NET TO TITAN

Net Reserves							
Asset	Interest	Unit	NET RESERVES			Evaluator (Evaluation Date)	Estimation Method
			1P	2P	3P		
<i>Texas</i>							
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		
<i>Texas</i>							
Sargent Ranch	37.5%	MMbbl	0.069	0.095	0.180	ERC LLC (June 2014)	Deterministic
Sargent Ranch	37.5%	MMboe	0.356	0.491	0.705	ERC LLC (June 2014)	Deterministic
Net Prospective Resources							
Asset	Interest	Unit	NET PROSPECTIVE RESOURCES			Evaluator (Evaluation Date)	Estimation Method
			Low Estimate	Best Estimate	High Estimate		
<i>Texas</i>							
Perry Ranch	40%	MMbbl	0.441	0.490	0.539	ERC LLC (October 2013)	Probabilistic
Holcomb Ranch	7.33%	MMbbl	0.756	0.840	0.924	ERC LLC (January 2014)	Probabilistic
Holcomb Ranch	7.33%	MMboe	0.523	0.580	0.640	ERC LLC (January 2014)	Probabilistic
<i>Louisiana</i>							
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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**Qualified Petroleum Reserves and Resources Evaluators**

Information in this announcement pertaining to Petroleum Reserves, and Resource Evaluations has been disclosed in announcements previously released by: AWE Limited on the 6 February 2014, titled "Perth Basin independent resource estimate", Titan on the 25 February 2014, titled "Allen Dome North Reserves Evaluation", and on the 23 February 2014, titled "TTE US Reserves and Resources update". 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.

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.