

TITAN COMMENCES DEVELOPMENTAL DRILLING PROGRAM

ASX Announcement | 16 March 2015



Australian oil and gas company Titan Energy Ltd (ASX: TTE, OTC: TTENY) (Titan or the Company) is pleased to announce the commencement of its multi-well developmental drilling program on Allen Dome.

REESE #14 COMMENCED

The JT Reese #14, a 5,300 foot test, was spudded by Encore Drilling, Rig #1 at 16:00 Hrs (US CST) March 15 and is currently drilling ahead. Reese #14 is the first well of the pilot drilling program as part of Titan's recently announced joint development with a major energy funding partner (the Fund). It is expected that the test will take 2-3 weeks to reach total depth objective.

FOUR ADDITIONAL TESTS PREPARED

A third party service has also spudded, drilled and cemented into place forty feet of 16" conductor casing on four additional project tests: JT Reese #15, #16, #17 & #21 in preparation for back-to-back drilling following the Reese #14.

The new tests are positioned between proven producing wells and will evaluate a number of untested zones identified as oil productive in offset wells. While the permitted depth is 5,300 feet on each test, it is anticipated that the wells may be drilled to lesser depths subject to downhole conditions and producing sands encountered while drilling.

Under the terms of the Joint Development Agreement, Titan will receive a US\$100,000 Operations Supervision payment for each of the five wells. The Fund shall pay 75% of the drilling and completion cost for a 50% Working Interest, while Titan shall pay 25% for a 50% Working Interest. The Company has received \$362,500 for the first cash call towards the JT Reese #14.

ENCORE DRILLING

The Company is thrilled to have secured drilling contractor Encore Drilling Company, recently co-founded by veteran driller and major Titan shareholder, Don Henrich. Mr. Henrich, who recently came out of retirement, has successfully drilled Gulf Coast wells for over 40 years. He brings with him a wealth of knowledge on salt dome drilling and has assembled a highly experienced drilling team including former employees, some of whom Don has worked with for over 30 years. The Encore Rig #1 is a 2004 built top drive automatic style rig with drilling capability to approximately 10,000 feet and an above-ground multi tank mud system. Titan contemplates a long relationship with Encore throughout the coming years on the properties the Company has acquired and is in the process of acquiring. It is Titan's goal to keep Encore Rig #1 drilling Titan wells throughout the remainder of 2015.

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