

TITAN ACQUIRES MAJOR STAKE IN THIRD GULF COAST OIL FIELD

ASX Announcement | 12 May 2015



Australian oil and gas company Titan Energy Ltd (ASX: TTE, OTC: TTENY) (Titan or the Company) is pleased to announce it has acquired a major holding in another Texas Gulf Coast salt dome oil field, the Markham Dome located in Matagorda County, Texas.

MARKHAM DOME ACQUISITION

Titan has acquired 1,144 gross acres (844 net acres) on the south-eastern flank of Markham Dome which comprises approximately one quarter of the entire field. Markham Dome is located 90 miles southwest of Houston, Texas and approximately 40 miles from the Company's Allen Dome and Boling Dome fields.

A comprehensive 2D and 3D seismic evaluation is also being acquired as part of the purchase.

The Markham Dome oilfield was originally discovered in 1908 and according to Texas Railroad Commission records has produced over 18 Million barrels of oil. Major oil companies, led by Texaco, drilled the majority of wells in the field in the 1950's and 1960's.

The Company believes that this field has overlooked potential and that with the use of modern technology and new drilling procedures, a considerable amount of commercial oil remains yet to be recovered from depths ranging from 1,100 feet to 5,000 feet across the dome.

FAST TRACK DRILLING PLANS

As part of the Purchase & Sale Agreement (PSA) Titan intends to drill a test well before 15 June 2015 in order to hold a portion of the oil and gas leases.

Titan will make an initial payment of US\$300,000 for the interest in the field. US\$25,000 has been paid on signing of the PSA and on completion of the transaction the Company will pay US\$75,000 cash and issue a total of 8 million fully paid Titan Energy Ltd shares (\$US 200,000) to the seller. The shares will be held in voluntary escrow for a period of 6 months.

In addition, Titan will also pay US\$30,000 per drill site, being made up of US\$15,000 cash and 600,000 Titan Energy Ltd shares for 10 drill sites after the initial test. A total purchase price comprised of the above terms is US\$600,000 for what the company believes to be a significant asset with considerable upside potential.

Management

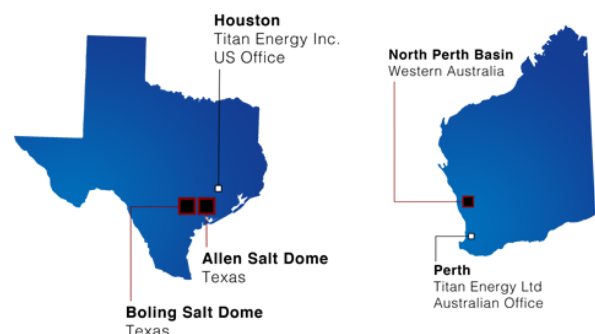
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Commenting from Houston Headquarters, Titan Chairman Darren Levy, stated: “We are all very excited about our new acquisition. This increases our operating presence to three oil fields on the Texas Gulf Coast. While oil prices are down opportunities are presenting themselves that would not normally be available. We continue to build our inventory of developmental drilling locations for the US\$75 million joint development project with Gulf South, as well as Titans own exploration programs in these proven fields”

“We have proven at Allen Dome that with modern drilling rigs, seismic data and new thinking that we can crack open these historic fields and create tremendous value for our shareholders and we look forward to testing this exciting opportunity with the drill bit.”

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