



# Noosa Mining & Exploration Conference

Jim Sturgess






18 July 2014

# Important information

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# Titan Overview (ASX:TTN)

The Titan Energy Services Group				
				
<ul style="list-style-type: none"> <li>• 2 rigs under contract</li> <li>• Rig 3 recently acquired</li> <li>• Strong utilisation</li> <li>• 'Blue chip' customers</li> </ul>	<ul style="list-style-type: none"> <li>• 1,138 rooms – June 2014</li> <li>• Servicing CSG construction and production projects</li> <li>• Experiencing good growth</li> </ul>	<ul style="list-style-type: none"> <li>• Organic start-up business</li> <li>• Commenced in April 2012</li> <li>• 8 contracts secured</li> <li>• Experiencing solid growth</li> </ul>	<ul style="list-style-type: none"> <li>• Rental provider of drilling equipment to the oil and gas sector</li> <li>• Growth potential under Titan ownership</li> </ul>	<ul style="list-style-type: none"> <li>• Water and waste cartage</li> <li>• Organic start-up through client demand</li> <li>• Commenced in Nov 13</li> <li>• 6 x Trailers</li> </ul>

- Titan is an energy and infrastructure services group focused on the growing Qld CSG industry
- Since listing on ASX, Titan has:
  - Acquired and integrated RCH in September 2011
  - Commenced Nektar Remote Hospitality organically in April 2012
  - Acquired Hofco Oilfield Services in March 2013
  - Established Water and Waste business (Base Transport & Logistics) in November 2013
  - Demonstrated a track record of delivering strong earnings growth
- Titan will continue to examine opportunities to grow/diversify organically and through acquisition

# Corporate snapshot

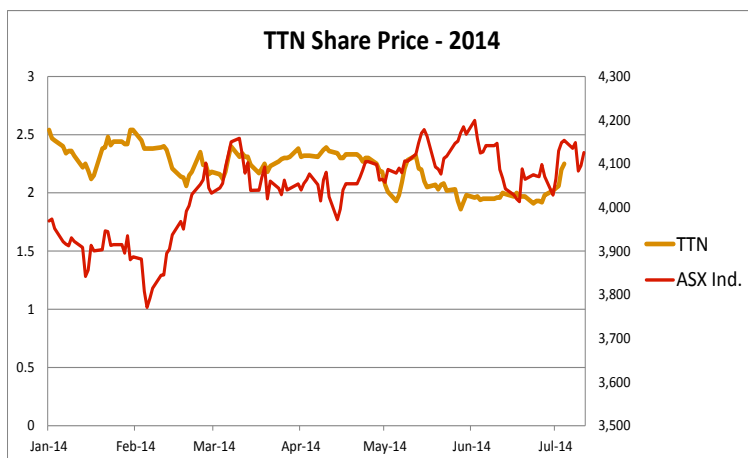
## CAPITAL

Share price (as at 15 July 2014)	\$2.15
Ordinary shares on issue	50.6 million
Market Capitalisation	\$108.8 million
Cash (as at 31 Dec 2013)	\$1.4 million
Debt (as at 31 Dec 2013)	\$11.9 million
Enterprise Value	\$119.3 million
Gearing (Debt / Equity) as at 31 Dec 2013	16%

## BOARD OF DIRECTORS

Shaun Scott	Chairman, Non-Executive Director
Simon Keyser	Non-Executive Director
Mark Snape	Non-Executive Director
Stephen Bizzell	Non-Executive Director
Jim Sturgess	Managing Director
Jim Diakos	Executive Director
David Thornton	Company Secretary

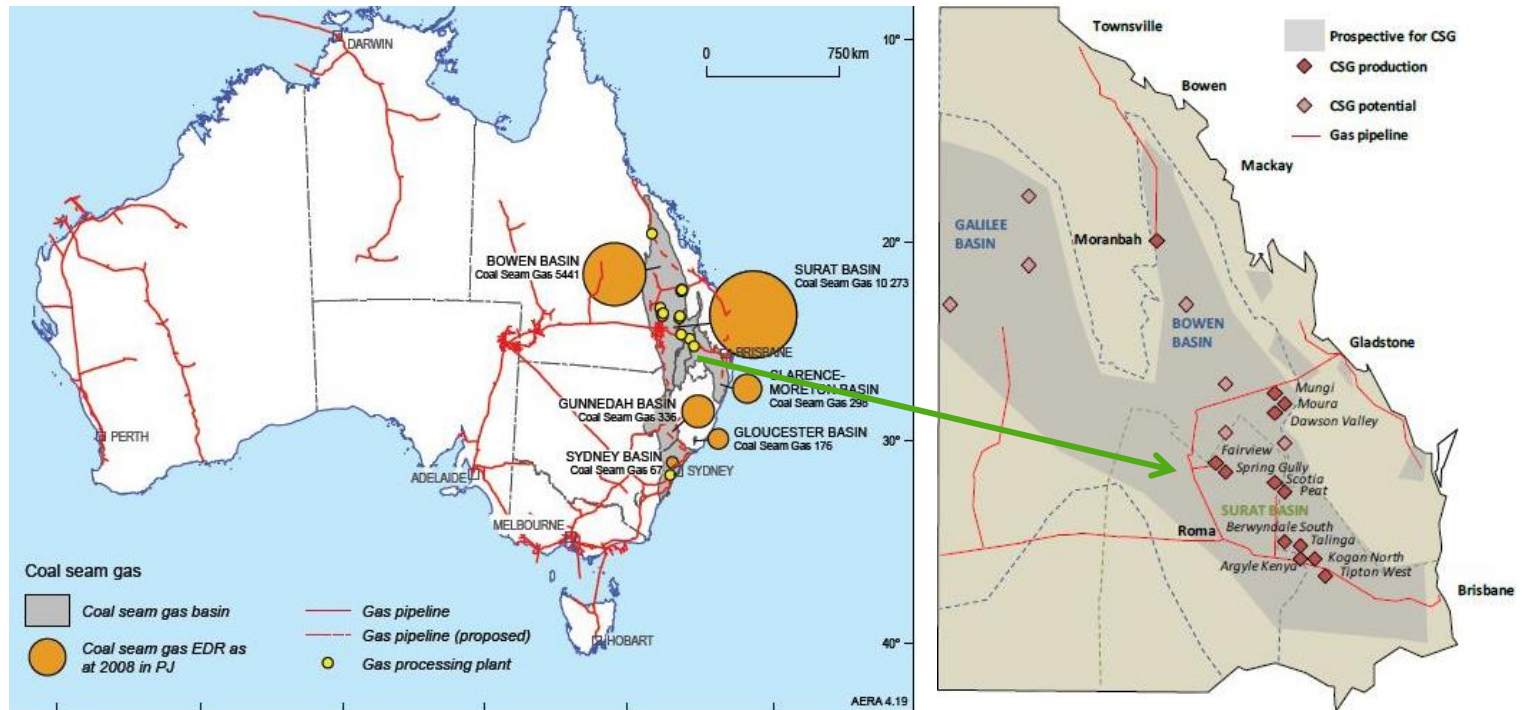
## SHARE PRICE PERFORMANCE



## SHAREHOLDERS

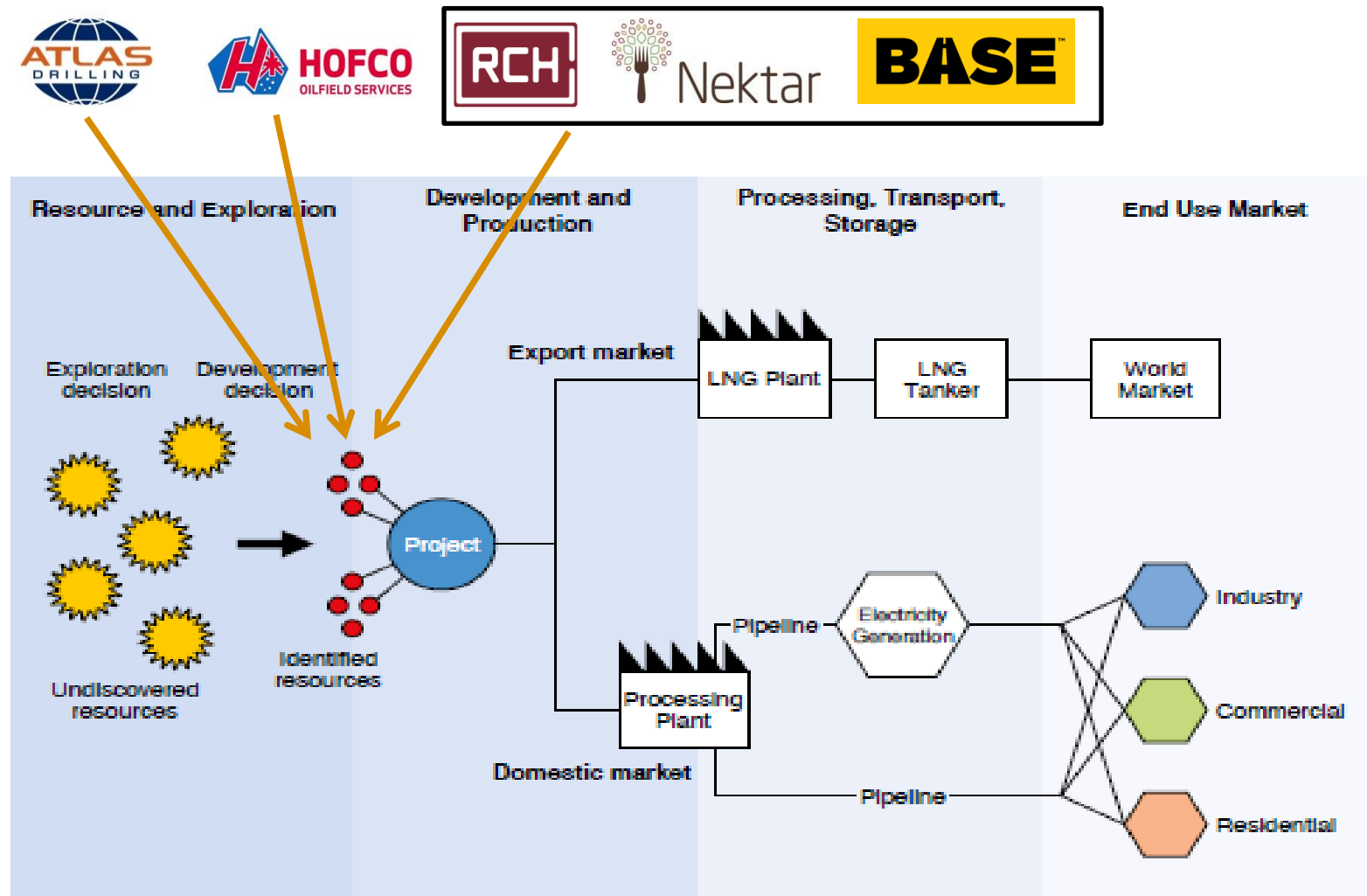
Pie Funds Mgt	12%
XLX (sector investor)	9%
Board Members	6%
High Net Worth Individuals	13%
Institutions	35%
Other	25%

# Map – CSG Qld Overview



- Three Major QLD CSG-LNG Plants draw gas largely from Bowen and Surat basin's which feed through hub's to the processing plants on Curtis Island (Gladstone)
- Large areas of both basins are yet to be explored
- \$1.5bn of sustainable upstream capex expected post-construction

# Where do we fit in?



# How will we grow?

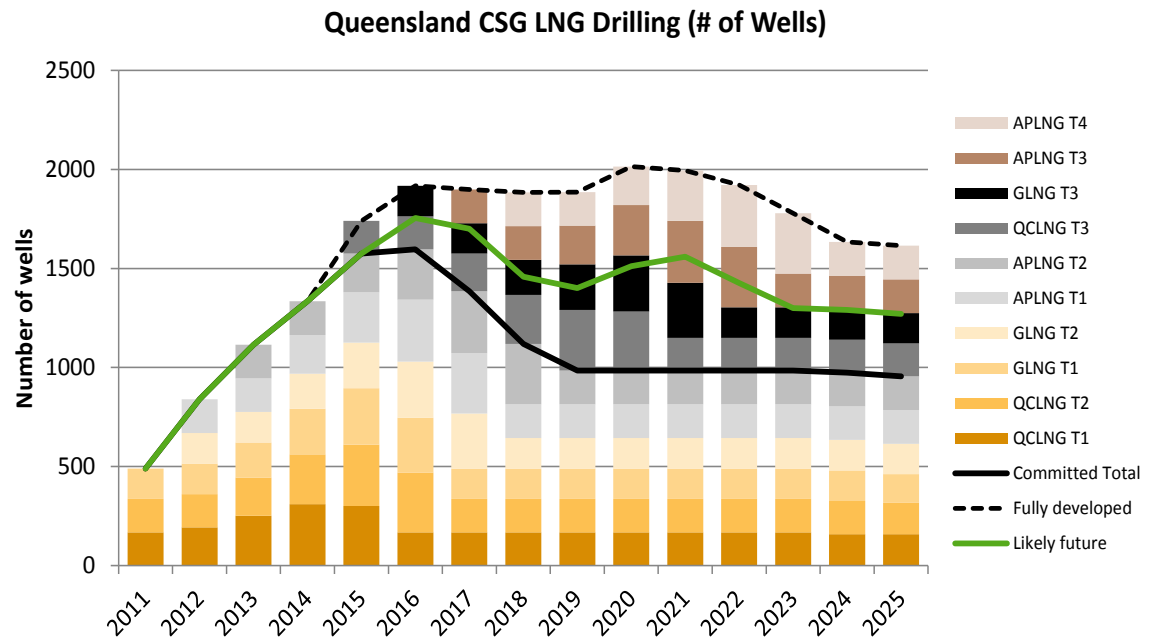
- World class safety → Achieving zero harm to our people, our customers and the community
- QLD CSG → Significant well-growth over the next 2-3 years and market share
- Geographical expansion → Opportunities in SA, WA, NT & possibly NSW(?)
- Bundled services → Projects consolidating suppliers and looking for one-stop shop
- Organic and acquisition growth → Opportunities which are complimentary to our core business



# Qld CSG Well Profile

## May 2014 forecast

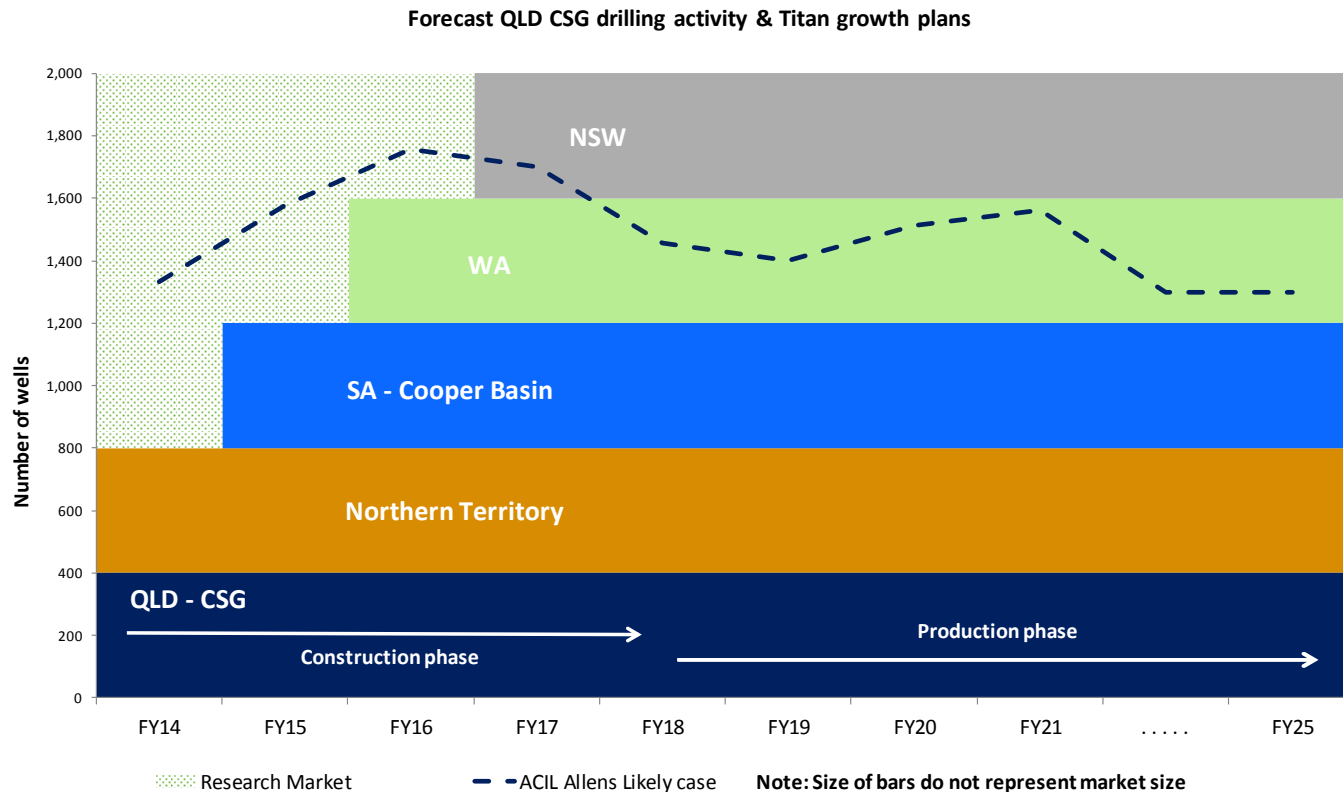
- Updated research recently completed, confirms original expectations but...
- Lower flow rates achieved
- Low likelihood of Arrow LNG proceeding indicates peak will be shallower but over a longer duration



Source: Acil Allens (May 2014)



# Titan Growth Opportunities



- Sales effort in a number of new markets, recent showcase of RCH and Nektar in NT
- Future growth beyond QLD CSG expected to come from geographic and industry diversification
- Increasing tendering activity in NT, WA and SA

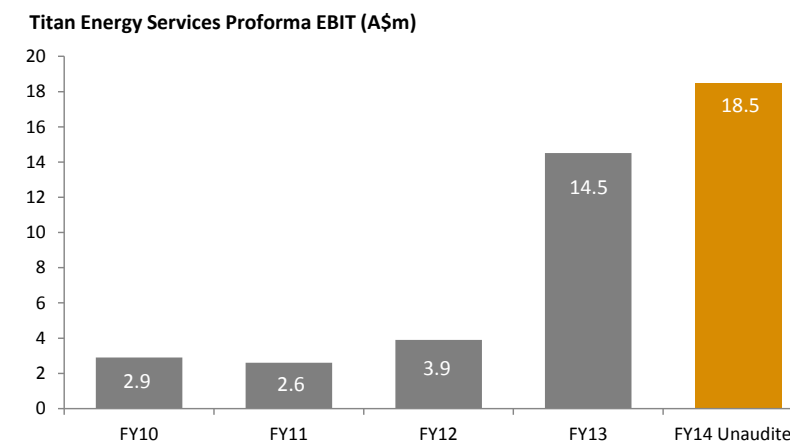
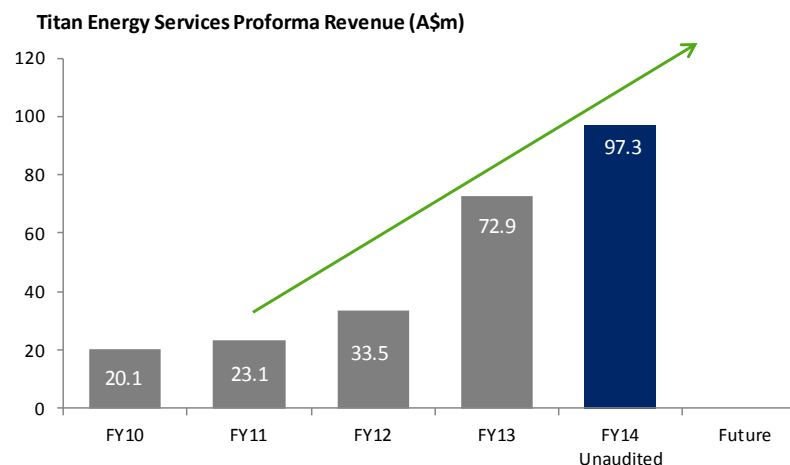
# Outlook

## FY14

- Expecting a stronger second half of the year due to:
  - Expanded Nektar business with new permanent camp contracts
  - Full year of Hofco results
  - New Water and Waste business making positive contribution
- Titan's unaudited full year EBIT of \$18.5m

## FY15

- RCH opening position of 1,138 rooms an increase of c35% on FY14 weighted average
- Nektar growth in new markets and geographies
- Full year Water and Waste contribution
- Solid Hofco growth through sales activity and product growth
- Considering opportunities to grow/diversify organically and through acquisition



# Appendices

- Board of Directors
- Management Team
- Titan History

# Questions ?



# Board of Directors

## **Shaun Scott** (Chairman), *B.Bus, BA, ACA*

- Over 20 years of O&G experience in Australia, Asia, and USA, including mergers, acquisitions and finance
- Director of Dart Energy Ltd, Site Group International Ltd and Buccaneer Energy; Chairman of Anaeco Ltd

## **Jim Sturgess** (Managing Director), *B.Comm, FCA*

- MD of Titan Energy Services since May 2011
- Extensive experience in acquisitions and growth companies including Brisbane Investment Corporation, Flight Centre, Ernst & Young, and Starwood Hotels & Resorts

## **Jim Diakos** (Executive Director), *B.Eng, B.Sc*

- Co-founder of Atlas Drilling in 2007
- 20 years O&G experience including 12 years CSG
- Previous experience with Santos, Inland Oil Refiners, Oil Company of Australia, Origin Energy and Blue Energy

## **Stephen Bizzell** (non-Executive Director), *B.Comm, ACA, MAICD*

- Chairman of Bizzell Capital Partners Pty Ltd
- Former Executive Director with Arrow Energy 1999-2010
- Director Dart Energy Ltd, Armour Energy Ltd and Queensland Treasury Corporation
- Former Director Bow Energy Ltd and Apollo Gas Ltd

## **Simon Keyser** (non-Executive Director), *B.Bus, ACA*

- Co-owner and Director of Ironstone Capital Partners Pty Ltd
- Over 20 years finance experience specialising in resources and energy sectors
- Previous experience with Wilson HTM and Chase Securities (now JP Morgan Chase)

## **Mark Snape** (non-Executive Director), *BEC, MBA, ACA, FAICD*

- CEO of Rivercity Motorway Group
- Previous experience with John Holland, American Electric Power Co. Inc, Deloitte, County Natwest and BZW Corporate Finance
- Former Directorships with Connecteast Group, Brisconnections Group, Pacific Hydro Limited., Connector Motorways Group, Asia Pacific Transport Pty Limited, Southern Hydro Pty Limited and AEP Resources Australia Pty Limited.

## **David Thornton** (Coy. Sec), *B-Bus, CPA, MAICD*

- CFO & Coy Secretary of Titan since Sept 2011
- Broad range of finance roles in manufacturing, media and construction industries

# Management Team



**Gus van der Heide** *Chief Operations Officer*

More than 30 years of O&G experience in Australia and overseas, with a very broad range of experience in field service, technical, operations and strategic management roles



**Troy Scheffe** *General Manager, Atlas Drilling*

Over 15 years of O&G experience in Australia and overseas, including a diverse range of projects in Kazakhstan, Turkmenistan, South America, Kuwait and PNG



**David Thornton** *General Manager, Resources Camp Hire (RCH)*

15 years experience in senior management across a diverse range of industries including media, manufacturing and construction industry. David has moved into GM position after 3 years as CFO of Titan Energy Services where he has gained unique insight into the business.



**Darren Bishell** *General Manager, BASE Transport & Logistics (BASE)*

Extensive experience in logistics management in Australia and overseas, specialising in project management in remote areas



**Lee Buckingham** *General Manager, Nektar Remote Hospitality*

Over 20 years local and international hospitality experience including Executive Chef, operations and resort management roles



**Mark Leal** *General Manager, Hofco Oilfield Services*

Extensive experience in the mining and infrastructure sectors in senior operational and business development roles; Prior to joining Hofco Mark spent several years managing drilling and exploration operations in coal and minerals.

# Titan History

