FY15 Full year results

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The information provided in this presentation should be read in conjunction with the Appendix 4E and Preliminary Financial Report for the year ended 30 June 2015 lodged with the ASX Friday 28 August 2015.

Key Outcomes

Operations

- Revenue $43.0m*, decreased 51% on prior year
- EBITDA $36.5m* loss (including impairment and other non-recurring charges of $30.4m)
- Continued focus on safety, TRIFR* reduced to 7.6 a strong improvement from 11.7 in FY14
- New drilling contracts in the Arckaringa Basin, South Australia and the Canning Basin, Western Australia
- Organisational restructure, personnel reductions to meet operating levels
- Consolidation of three business units into one Accommodation Services (Resources Camp Hire – RCH, Nektar Remote Hospitality – Nektar, Base Transport and Logistics – Base)
- Cessation of discretionary spend on opex and capex
- Significant non cash write-down of assets including $5.3m of intangibles, $0.7m of inventory and $21.4m of property, plant and equipment

Corporate

- $4.3m equity capital raising completed in January 2015
- Restructure of temporary accommodation camp lease arrangements including security arrangements
- Divestment of subsidiary Hofco Oil Field Services Pty Ltd
- Repayment in full of debt facilities with Senior Lender
- Repayment of deferred lease amounts with key supplier

** Excludes discontinued operations*

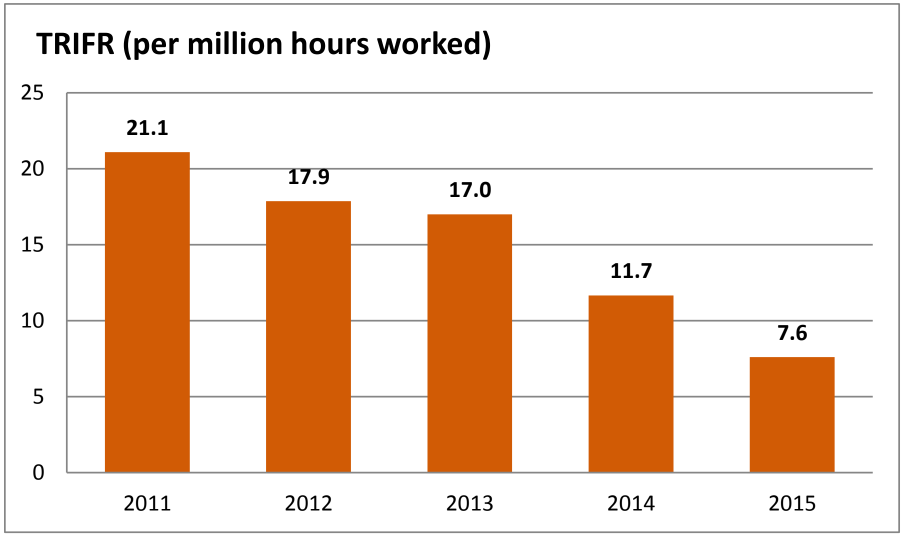
Safety commitment

Why it is important

- Zero harm to our people, clients, community and environment
- Work with the best in the industry, top tier contractors
- Long-term growth and sustainability

Strategy

- Continue our journey to improve safety culture and outcomes
- Ongoing commitment by management
- Recent Atlas bi-annual Achilles audit completed with no major non-conformances
- Improvements to safety and risk management processes including refreshed induction training



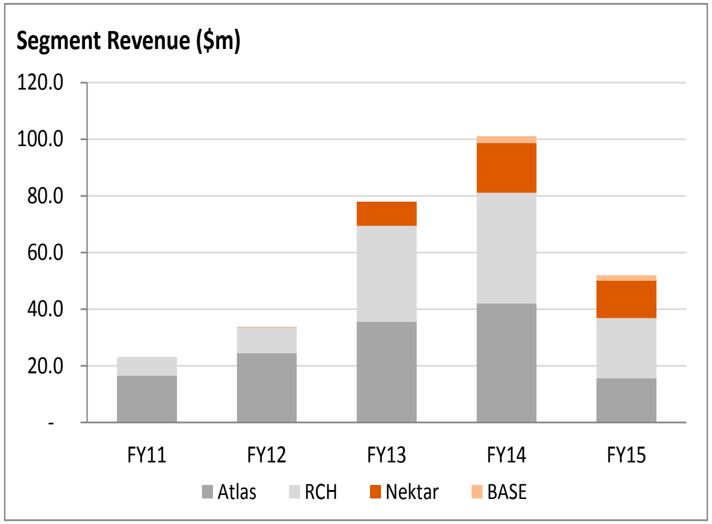
** excludes discontinued operations*

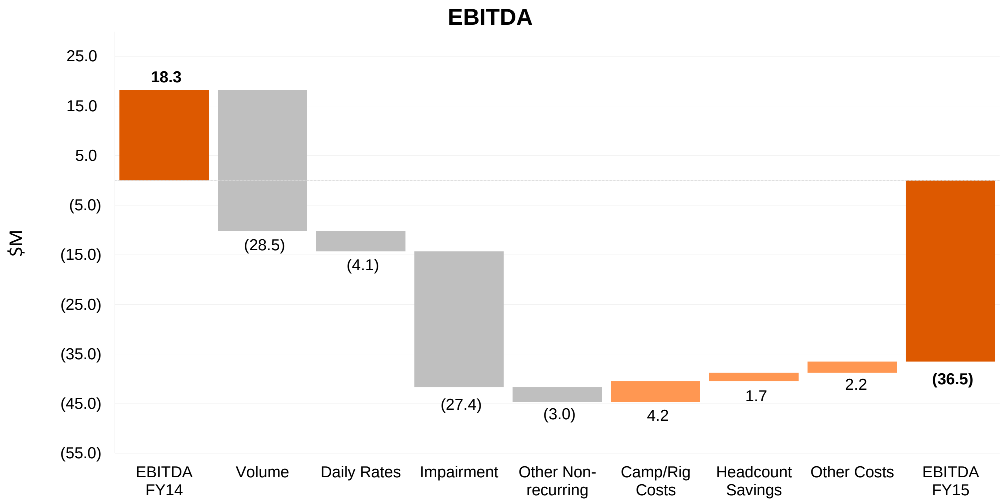
Results

- Rolling 12 month TRIFR of 7.6 (FY14 – 11.7)
- TRIFR result affected by decrease in operating hours (43%)

Results Overview

- Significant reduction in revenue as market activity subdued, particularly in drilling activity
- Statutory EBITDA of $36.5m includes impairment and other non-recurring charges of $30.4m as a result of write-down of assets and restructuring initiatives. Key movements from FY14 relate primarily to volume reductions. Decline in daily rates was largely mitigated by costs saving initiatives implemented
- Corporate overheads were similar to the prior year with the impact of headcount reduction savings offset by restructuring costs. Future periods will benefit from the reductions by ~$1.5m p.a.
- Following repayment of senior debt the Group has no borrowings with net cash of $1.1m at year end
- Equity capital raising during the year of $4.3m facilitated the repayment of deferred lease commitments and an employee retention payment related to Hofco



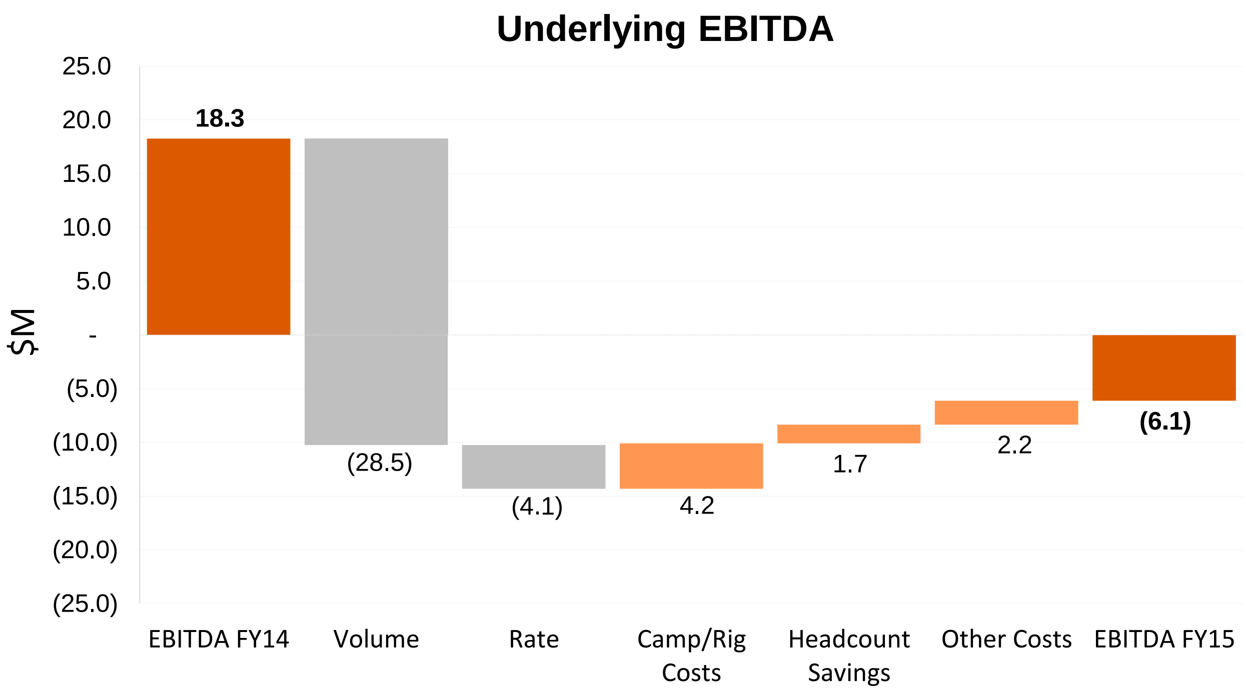


Underlying Performance

Continuing Operations	FY15	FY14	Change
Revenue ($m)	43.0	87.7	-51%
Underlying EBITDA ($m)	(6.1)	18.3	-133%
EBITDA margin %	*-14.2%*	*20.8%*	-35%
Underlying EBIT ($m)	(8.7)	13.5	-164%
EBIT margin %	*-20.2%*	*15.4%*	-36%
Underlying Net Profit After Tax ($m)	**(9.1)**	**8.6**	**-205%**
NPAT margin %	*-21.2%*	*9.9%*	0%
Underlying earnings per share (cents)	(14.9)	17.3	-186%
Cash flow from operations	(4.6)	13.9	-133%

Reconciliation of Underlying Profit	FY15	
$m	EBITDA	NPAT
Statutory result	**(36.5)**	**(39.5)**
Add / (less):		
Impairment of goodwill	5.3	5.3
Impairment of property, plant and equipment	21.4	21.4
Impairment of inventory	0.7	0.7
Corporate restructuring costs	1.9	1.9
Investment review costs	0.5	0.5
Refinancing costs	0.6	0.6
Underlying profit	**(6.1)**	**(9.1)**

Underlying EBITDA Movements



- Daily rate reduction is primarily from Accommodation Services. Atlas daily rates increased in the year with clients now passing responsibility for additional services down to drilling contractors, in future this will be determined by the nature of the project and client.
- Camp lease cost savings were the result of ~60% of units handed back during the year. Rig costs reduced following the acquisition of Rig 3 late in FY14.
- Headcount and other cost savings were delivered through the restructuring initiatives.

Group Balance Sheet

$m	30 June 15	30 June 14	Change
Cash and cash equivalents	1.1	4.3	-73%
Receivables	1.0	16.1	-94%
Inventories	0.8	3.1	-74%
Property, plant & equipment	17.8	48.3	-63%
Intangibles assets	-	20.4	-100%
Other assets	-	0.4	-100%
Total Assets	**20.7**	**92.6**	**-78%**
Payables	2.7	10.1	-73%
Current tax liability	-	0.8	-100%
Borrowings - current	-	4.3	-100%
Borrowings - non-current	-	8.6	-100%
Other liabilities	0.8	3.1	-76%
Total Liabilities	**3.5**	**26.9**	**-87%**
Shareholders Equity	**17.2**	**65.7**	**-74%**

- Net cash at 30 June 2015 of $1.1m (FY14 net debt: $8.6m)
- Working capital reduced significantly in line with contracted revenue
- Borrowings repaid in full as a result of divestment of Hofco
- Deferred tax asset of $7.4m not brought to account
- Net tangible assets per share $0.21, down 76%
- The Group has future lease commitments of $5.9m (FY14: $19.4m) that are subject to first ranking security

Group cashflow

Continuing Operations $m	FY15	FY14	Change
Cash flow from operations (pre-tax)	(4.1)	23.7	-117%
Income tax paid	(0.6)	(6.7)	-91%
CAPEX*	(0.9)	(11.0)	-92%
Proceeds from disposal of P,P&E	0.5	0.4	25%
Proceeds from disposal of subsidiary	12.5	-	100%
Acquisitions	-	(5.8)	-100%
Net proceeds / (repayments) of borrowings	(12.9)	(0.4)	3125%
Proceeds from issue of shares / options exercised	4.4	0.9	389%
Dividends paid	(2.0)	(3.4)	-40%
Net Cash flow	**(3.1)**	**(2.4)**	**28%**

** FY14 Capex excludes $3.2m scrip issued as consideration for Atlas Rig 3 acquisition*

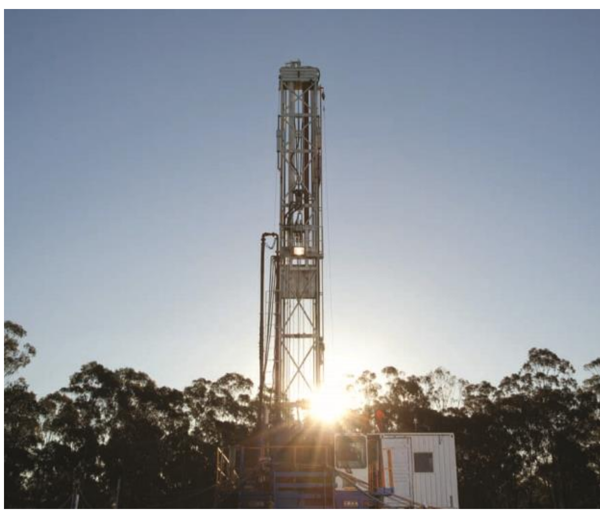
- Operating cashflow declined significantly in line with operational results
- Tax payments consist of final FY14 income tax payable
- Capex was restricted to safety and project specific spend
- Acquisitions outflow relates to the deferred Hofco payment made in FY14
- Proceeds from disposal of subsidiary reflects the net proceeds received on the sale of Hofco
- Anticipate a tax refund of ~$2.2m in September 2015 from amended prior year tax returns

Strategy

Titan – our strategy is simple

- Provide relevant turkey solutions to the oil and gas, mining, pipeline, rail, road and infrastructure sections;
- Strive for zero harm to our people, clients, community and the environment;
- Solve our client's problems by anticipating their needs and being easy to do business with; and
- Be highly regarded by our clients and peers for what we do.

It is our teams ability to deliver excellent results for every project that will provide Titan with a solid platform for future growth.



How will we grow

Expansion into new markets and geographies

- New businesses (acquisition and / or organic) in existing and related sectors
- Improved suite of services providing a compelling one stop service delivery to clients
- Ongoing relationship management and identification of new opportunities within Queensland, Western Australia, Northern Territory, South Australia, New South Wales and South-East Asia
- Team focus on new industry segments including infrastructure, rail, road, regional construction and pipelines
- Partnering approach to deploy assets – rigs and accommodation services
- Customer service a priority for all Titan staff

Atlas Rig 2 commending operations – Canning Basin, WA

Client Service Delivery

What our clients are telling us

- Clients are looking for full turnkey solutions in all industry sectors
- One contractor providing a full suite of services, previously provided by multiple sub-contractors
- Add value by providing innovative suite of services in collaboration with sub-contractors
- Partnering approach to ensure client satisfaction


Outlook

Guidance

Subdued industry market conditions continue to create uncertainty as to timing of anticipated increases in demand for Titan's services, therefore forecasting future results remains challenging.

FY16 guidance is not able to be provided in the current environment .

Updates on trading activity will be provided to shareholders as tenders are awarded.

Oilfield Services

- Will be driven by number of new wells drilled in the CSG sector and level of exploration activity in the broader oil and gas sector
- Rig 2 contracted in WA for oil drilling program with option to stack rig in WA during wet season for redeployment in calendar 2016
- Rigs 1, 3 & 4 being actively tendered to customers

Accommodation Services

- Utilisation of camps key focus (capacity 557 rooms)
- Turnkey solutions and bundling of services sought by clients
- Flexible room style options
- Efficient and effective deployment for all services
- Diversification of the client base outside of the oil and gas sector

Market Update

- Global commodity prices remain volatile, particularly oil and gas
- Customers very measured with exploration and capital expenditure in the near-term
- QLD-CSG projects reaching initial production and first shipments leading to a step-change in activity and development expenditure
- Competition high, particularly in the accommodation services business. Pricing and margins remain under pressure
- Tender activity has increased significantly in recent months, although timing of decisions are still uncertain as market conditions remain challenging for our potential customers
- Focus to identify opportunities outside of the traditional CSG sector
- Building relationships with industry partners to provide potential clients with an enhanced service offering and innovative solutions
- Cautious but optimistic of medium-term improvements in market activity
- Opportunities to expand or diversify the Group's capabilities expected to arise while activity remains low

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Titan Energy Services Limited (ASX:TTN) provides diversified energy and infrastructure services to the oil and gas, mining, pipeline, rail, road and infrastructure sectors. Titan provides expertise in oil and gas drilling, temporary camp accommodation and management, catering services and water and waste logistics.