



ASX ANNOUNCEMENT

DIVIDEND REINVESTMENT PLAN

21 August 2012

www.titanenergyservices.com.au

ASX ticker: TTN

Titan Energy Services Limited ('Titan') has adopted a Dividend Reinvestment Plan ('DRP') which will allow its shareholders to reinvest all or part of any dividends payable on their Titan shares to acquire additional shares in the company without incurring any transaction costs. Shareholders who choose not to participate will continue to receive dividends by cheque or direct credit (where banking details have been provided).

The following documents will be despatched to shareholders today in relation to the DRP:

- Chairman's letter to shareholders;
- Key features of the DRP; and
- DRP application form.

Participation in the DRP will be available to all shareholders with registered addresses in Australia and New Zealand for the dividend payable for the year ended 30 June 2012.

ENDS

For investor or media inquiries:

Mr Jim Sturgess
Managing Director
Tel: 0402 890 654

About Titan

Titan Energy Services Limited (ASX: TTN) is a diversified oil and gas services business with a focus on the rapidly growing CSG-LNG industry in eastern Australia.

Titan was established in 2007, through its wholly owned subsidiary Atlas Drilling. In September 2011, Titan acquired the Resources Camp Hire (RCH) business, a provider of flexible, innovative temporary accommodation solutions to the oil and gas sector, and the remote infrastructure construction sector. It recently commenced its own catering company, Nektar Remote Hospitality.

Titan currently manages 236 remote accommodation rooms, operates three drilling rigs, owns and hires equipment (including pumps and ancillary drilling tools) and owns and deploys transport assets including trucks, trailers and loaders.

Titan Energy Services Limited
Unit 1/ 170 Montague Road
South Brisbane QLD 4101

ACN 150 110 017
ABN 79 150 110 017



Chairman's Letter

21 August 2012

Dear Shareholder

On behalf of the directors of Titan Energy Services Limited ('Titan'), I am pleased to offer you the opportunity to participate in Titan Energy Services Dividend Reinvestment Plan ('DRP'). Participation in the DRP is available to all shareholders who have a registered address in Australia or New Zealand.

The DRP provides shareholders who hold fully paid shares a convenient way to increase their holding in Titan by reinvesting all or some of their dividend entitlement in additional fully paid ordinary shares in the capital of the company. All brokerage and associated transaction costs are paid by Titan.

The enclosed booklet provides further information which may assist you in better understanding the DRP. You should read this information carefully and obtain your own independent advice before determining your participation in the DRP.

Also included within the booklet is an application form. By completing the application form and returning it to Link Market Services, you can apply to participate in the DRP and may elect to participate in respect of all or part of your shareholding. Participation is optional and you are not obliged to return your application form unless you so decide to participate. You may also vary any election you do make at any time by completing a variation form and returning it to Titan's share registry.

The DRP may have advantages to you as a shareholder of Titan and, if you do choose to participate, you should return the enclosed application form to Titan's share registry before the records for the relevant dividend.

The full DRP adopted by the board can be found on the Titan Energy Services Limited website, www.titanenergyservices.com.au.

We look forward to your participation in the DRP.

Yours sincerely

A handwritten signature in black ink that reads 'Shaun Scott'.

Shaun Scott
Chairman
Titan Energy Services Limited



DIVIDEND REINVESTMENT PLAN

TITAN ENERGY SERVICES LIMITED

This document is an important document. If you have any doubt as to what you should do, please consult your legal, tax or financial adviser.

If you have any questions in relation to the Dividend Reinvestment Plan after reading this booklet, please contact the Company on +617 3013 0200

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1. KEY FEATURES OF THE DIVIDEND REINVESTMENT PLAN

1.1 Reinvestment

The DRP offers a convenient way for you to increase your shareholding in the Company by reinvesting some or all of your Dividends in additional Company shares. Shares will be issued or transferred to you at a price based on the Market Price (as defined in the Plan Rules).

1.2 Eligibility

At this time, only Shareholders with a registered address in Australia or New Zealand are eligible to participate. However, the Board has the discretion to determine that the right to participate is available to Shareholders residing outside of Australia and New Zealand.

1.3 Participation

Participation in the DRP is optional. You may apply to participate, change your level of participation, or cancel your participation in the DRP at any time.

If you wish to participate, you must lodge an Application Form with the Registry. If you lodge an Application Form, your participation in the DRP will commence on the next following Record Date, or if your Application Form is received by 5.00pm (Brisbane time) on a Record Date, your participation in the DRP will commence on that Record Date, unless the Board rejects your Application.

If you do not wish to participate (or if you are ineligible to participate), you will receive payment of your Dividends by cheque or direct credit (where you have provided your banking details).

1.4 Full or partial participation

The DRP provides you with flexibility to choose the way in which you receive the benefit of your Dividends. If you choose to participate in the DRP, you will have the option of receiving Shares, a combination of Shares and cash or cash only.

You may specify in your Application Form (or Variation Form) that you elect either full participation (where all of your Shares will be treated as participating in the DRP) or partial participation (where only the number of Shares that you specify will be treated as participating in the DRP).

1.5 No additional cost to participate

There will be no brokerage, commission or other transaction costs (including stamp duty) payable by you in respect of any Shares issued or transferred to you under the DRP.

1.6 Residual amounts are carried forward

Where the DRP entitlement formula results in a fraction of a share, the value of that fraction will be carried forward in your DRP account and added to your next Dividend for the purposes of calculating your share entitlement.

1.7 Shares rank equally

All Shares issued under the DRP will from the date of issue rank equally with the existing Shares in the Company.

1.8 DRP statement

A DRP statement will be sent to you shortly after the time of a Dividend payment in respect to which the DRP applies. Your DRP statement will include details of any Shares issued or transferred to you under the DRP and any residual amount carried forward in your DRP account.

1.9 Plan rules

The rules of the DRP are set out in the Plan Rules, a copy of which is enclosed with this booklet. This booklet is only a summary of some of the features of the DRP and those Plan Rules. Nothing in this booklet is intended to modify or otherwise affect the Plan Rules.

2. FREQUENTLY ASKED QUESTIONS (FAQ)

2.1 Is participation in the DRP voluntary?

Yes. If you do not want to participate in the DRP you do not have to do anything and you will continue to be paid your Dividends by cheque (or direct credit where you have provided your banking details).

2.2 Who is eligible to participate in the DRP?

You may participate in the DRP if you are a Shareholder with a registered address in Australia or New Zealand. However, the Board has the discretion to determine that the right to participate is available to Shareholders residing outside of Australia and New Zealand.

2.3 What do I have to do to participate in the DRP?

To participate in the DRP you need to complete an Application Form and return it to the Registry. The Registry address is shown on the Application Form.

2.4 What happens if I have more than one shareholding?

You will need to lodge a separate Application Form for each shareholding.

2.5 Can I participate in the DRP in respect of some but not all of the Company Shares?

Yes. You can nominate a specific number of your Shares on the Application Form to participate in the DRP, this is referred to as partial participation. In this case, only part of your Dividend will be reinvested in additional Shares when the DRP applies to a Dividend. The Dividend entitlement on the balance of your shareholding that is not participating in the DRP will be paid by cheque or direct credit (where you have provided your banking details).

2.6 Is there a limit to the number of Shares that can participate in the DRP?

There is no limit. You may elect to participate in the DRP in respect of all fully paid Titan Energy Service Limited Shares registered in your name.

2.7 When will my participation begin?

Participation will begin with the first Dividend payment after receipt of your Application Form. The Application must be received by 5:00pm (Brisbane time) on the Record Date to be effective for that Dividend.

2.8 Can I change my participation at any time?

Yes. Simply notify the Registry, using the Application/Variation Form.

The Application/ Variation Form will be effective from the next Dividend payment, as long as it is received by 5:00pm (Brisbane time) on the Record Date for the relevant Dividend.

2.9 At what price will the Shares be allotted?

Shares will be issued or transferred at the Market Price (as defined in the Plan Rules) for the Pricing Period. The Market Price may be reduced by any discount, which the Board may determine from time to time and announce to the ASX.

If the Pricing Period for determining the Market Price includes or is after a Dividend Record Date, the price will not be known at the time by which you will need to decide whether you will be participating in the DRP.

2.10 What will it cost me to participate?

It will cost you nothing. There are no brokerage fees, commissions or transaction costs associated with the DRP.

2.11 Can I sell my Shares when I choose?

You can sell any or all of your Shares at any time. However, should you sell all of your Shares and not give the Company notice of termination of your participation in the DRP, your participation will be deemed to have ceased on the date on which the last transfer is registered by the Company.

If you elect for 'full participation' and then sell some of your Shares, the Dividends on your remaining Shares will continue to be reinvested under the DRP. If you elect for 'partial participation' and then sell some of your Shares, the number of Shares sold will be deemed to the full extent possible to be Non-Participating Shares and the balance, if any, will be deemed to be Participating Shares under the DRP.

2.12 If I elect 'full participation' do Shares acquired in the DRP participate in the DRP in respect of subsequent Dividends?

Yes. If you elect 'full participation', Shares issued or transferred to you under the DRP will be able to participate in the DRP in respect of subsequent Dividends to which the DRP applies.

2.13 If I cancel my participation in the DRP or sell my Shares, or if the Company terminates the DRP, what happens to the balance in my DRP account?

If the Company terminates the DRP, any residual balance in your DRP account will be paid to you along with your next Dividend. If you cease to participate in the DRP (other than due to the Company terminating the DRP), any residual amount in your DRP account will be donated to one or more registered charities nominated by the Board.

2.14 Can the DRP be varied, suspended or terminated?

Yes. The Board may vary, suspend or terminate the DRP at any time.

2.15 What are the tax consequences of participation in the DRP?

The Australian Taxation Office and the New Zealand Inland Revenue Department (**IRD**) currently treat Dividends reinvested under the DRP in the same way as Dividends received on shares which are not participating. The Company takes no responsibility for the taxation consequences of Shareholders participating in the DRP, and recommends you obtain professional taxation advice.

If eligible to participate, Shareholders resident overseas are advised to make enquiries about their tax liabilities in their country of residence.

3. DEFINITIONS

3.1 Definitions

In this document the following definitions apply:

Application means a Shareholder's application to participate in the DRP and **Application Form** means the form of Application approved by the Board from time to time.

ASX means the ASX Limited (ACN 008 624 691) or the stock market operated by ASX Limited (as the case may be).

Board means the Board of Directors of the Company from time to time.

Company means Titan Energy Services Limited ACN 150 110 017.

DRP means the Dividend reinvestment plan of the Company.

Dividend means a dividend or interim dividend of the Company.

Non-Participating Shares means, in relation to a Partial Participant, any Shares registered in the name of the Partial Participant that are not subject to the DRP.

Partial Participant means a Participant who participates in the DRP in respect of some, but not all Shares held by that Participant.

Participant means a Shareholder participating in the DRP.

Participating Shares means the number of Shares subject to the DRP as determined in accordance with the Plan Rules.

Pricing Period means in respect of a particular Dividend, such period as the Board may determine, being a period of not less than five Trading Days commencing on such date as the Board may determine. The Pricing Period determined by the Board in respect of Dividend payable on a particular Dividend payment date may differ from the Pricing Period determined by the Board in respect of Dividends payable on any other particular Dividend payment date.

Record Date means the record date for determining entitlements to Dividends for the purposes of the Listing Rules.

Register means the register of members maintained or caused to be maintained by the Company, including both the principal register and any branch registers or sub-registers.

Shareholder means a person registered in the Register of the Company as a holder of Shares.

Shares means fully paid ordinary shares in the capital of the Company.

Plan Rules means the terms and conditions of the DRP as adopted by a resolution of the Board on 21 August 2012 and as amended from time to time.

Trading Day means a full day on which the Shares are quoted, and not suspended from quotation or made subject to a trading halt, on ASX, provided that a day on which ASX is closed or on which trading on ASX is halted is not a Trading Day.

Variation Form means a form (as approved by the Board) by which a Participant applies to vary the level of, or withdraw from, participation in the DRP.



A REINVESTMENT PLAN APPLICATION OR VARIATION

Please use a BLACK pen. Print CAPITAL letters inside the shaded areas.

A	B	C
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1	2	3
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Where a choice is required, mark the box with an 'X'

X

This form is to be completed where the securityholder wishes to have their payments reinvested under the rules of the Reinvestment Plan.

I/We being the above named holder of registered securities wish to participate in the Plan as indicated below.

I/We authorise the application of the payment to me/us with respect to the number of securities participating in the Plan at the price and subject to the rules of the Plan.

I/We hereby agree to be bound by the rules of the Plan in subscribing for additional securities.

I/We acknowledge that I/we may vary or cancel my/our participation in the Plan, in accordance with the rules of the Plan. This will cancel any earlier Plan instructions and take priority over any direct credit instructions.

Degree of Participation (cross appropriate box):

<input type="checkbox"/>	FULL PARTICIPATION	– Including any further acquisitions.
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or

<input type="checkbox"/>	PARTIAL PARTICIPATION	– Please specify the number of securities to participate in the Plan										
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B SIGNATURE(S) OF SECURITYHOLDER(S) – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

--

Sole Director and Sole Company Secretary/Director (delete one)

Joint Securityholder 2 (Individual)

--

Director/Company Secretary (delete one)

Joint Securityholder 3 (Individual)

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Date ____ / ____ / ____

Signing Instructions: This form should be signed by the securityholder. If a joint holding, all securityholders should sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth) (or for New Zealand companies, the *Companies Act 1993*).

Privacy Clause: Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

