Titan Energy Services Open Day

6 September 2013

Titan energy services

Investor Update

Jim Sturgess

Important information

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- This presentation may contain certain forward looking statements. Such statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements. The Titan group gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

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1. Titan overview (ASX:TTN)

- Titan is an energy and infrastructure services group focused on the growing Queensland CSG industry
- Titan will continue to examine opportunities to grow/diversify organically and through acquisition

The Titan Energy Services Group			
ATLAS DRILLING	RCH	Nektar REMOTE HOSPITALITY	HOFCO OILFIELD SERVICES
• 3 owned rigs, 1 hired • High utilisation • 'Blue chip' customers • **FY13 revenue $35.4m**	• 714 rooms - August 2013 • Servicing CSG construction and production projects • Experiencing good growth • **FY13 revenue $33.9m**	• Organic start-up business • Commenced in April 2012 • Experiencing solid growth • **FY13 revenue $8.6m**	• Rental provider of drilling equipment to the oil and gas sector • Growth potential • **FY13 revenue $3.7m(1)**

Note:
(1) Revenue for half year post acquisition

2. Corporate snapshot

Financial summary	
Listing Price (7 December 2011)	$1.00
Share price (closing price 5 Sept 2013)	$3.00
Dividends announced during FY13	5.5 cps
Market capitalisation (at 5 Sept 2013)	$145.1m
Net Debt [(1)] (at 30 June 2013)	$12.6m
Enterprise value (Market Cap + Net Debt)	$157.7m

Guidance	
FY14 EBIT guidance	$21.0 - $23.0m
FY13 EBIT multiple (Enterprise Value/ EBIT)	6.9x – 7.5x

Shareholding (approximate):

XLX	16%
Board	8%
Institutional	40%
Other	36%

Note:
(1) Net Debt as at 30 June 2013 includes $5.8 million in deferred consideration payable on the Hofco acquisition which has since been paid

Our Board

Shaun Scott (Chairman)
Jim Sturgess (MD)
Jim Diakos (ED)
Stephen Bizzell (NED)
Simon Keyser (NED)
Mark Snape (NED)
David Thornton (CFO & Coy Sec)

Our Management

Gus van der Heide (COO)
Troy Schefe (GM, Atlas)
Darren Bishell (GM, RCH)
Lee Buckingham (GM, Nektar)
Kerstine Plummer (GM, Hofco)

3. Titan history

2007		2011	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13

Atlas Drilling founded

Acquired Resources Camp Hire

Nektar commenced

Exceeds HY guidance and upgrades FY target

Exceeds FY13 guidance, 3.5c dividend

Titan Energy Services listed on ASX

FY12 EBITDA above guidance, 2c dividend and DRP

Acquisition of Hofco & $18m capital raising

4. Titan strategy

Leverage

- Capitalise on significant expenditure in the CSG-LNG industry over next 20+ years; and
- Extensive CSG-LNG industry knowledge and contacts

Diversity

- By business (Drilling, Camps, Catering, Rental, Other)
- By geography (Qld , NT, SA & others)
- By industry segment (CSG, rail, road, pipeline)

Growth

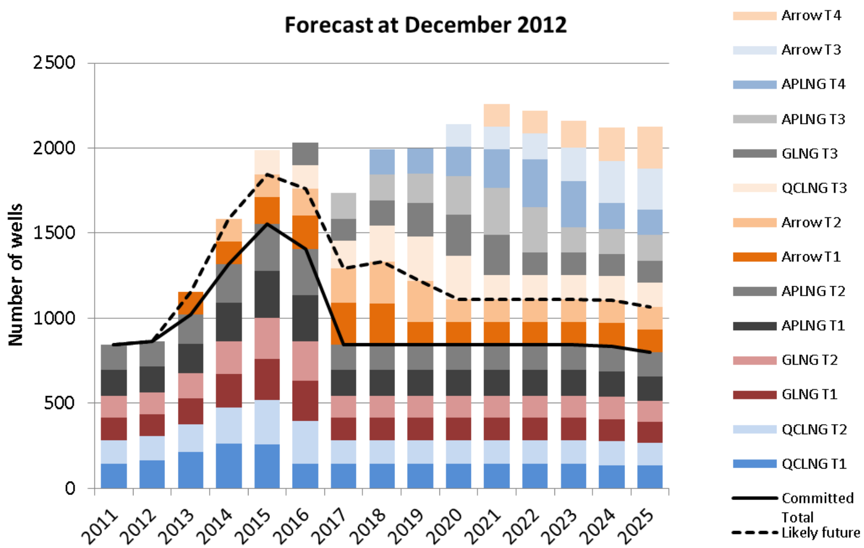
- RCH room growth as demand dictates
- Nektar to target permanent camps and business outside CSG
- Expand Hofco’s rental offering and improve utilisation
- Examine new opportunities to grow organically and through acquisition
- Right people in the right roles

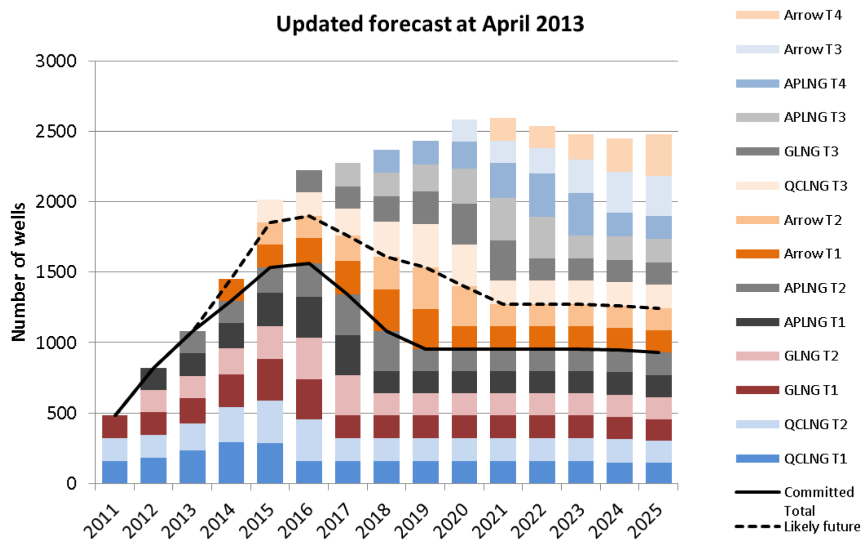
5. Delivering on strategy

Strategic objective	FY13 Result	
Improve safety performance	TRIFR reduction to 16.9 from 17.9 (management focused on further improvement)	
Shareholder returns	Dividends of 5.5c per share declared FY13 Total Shareholder Return (TSR) - 113%[1]	☑
Deliver earnings guidance	Three earnings upgrades during the year EBITDA $14.5m, $1m above final guidance	☑
Diversity	RCH acquisition (FY12) Nektar - organic start-up Hofco acquisition Proposals in new markets	☑
Growth	RCH - 186% growth in room numbers Atlas - construction and deployment of fourth rig Nektar - start-up to $1.9m EBIT in first year Hofco – additional capital spend to grow revenue Growth through organic and acquisition opportunities	☑
Investment in people	Key appointments this year including leadership, safety, operational and business development roles	☑

Note:
(1) Total Shareholder Return for the period 30 June 2012 to 30 June 2013. Assumes dividends paid were reinvested.

6. Queensland CSG well profile



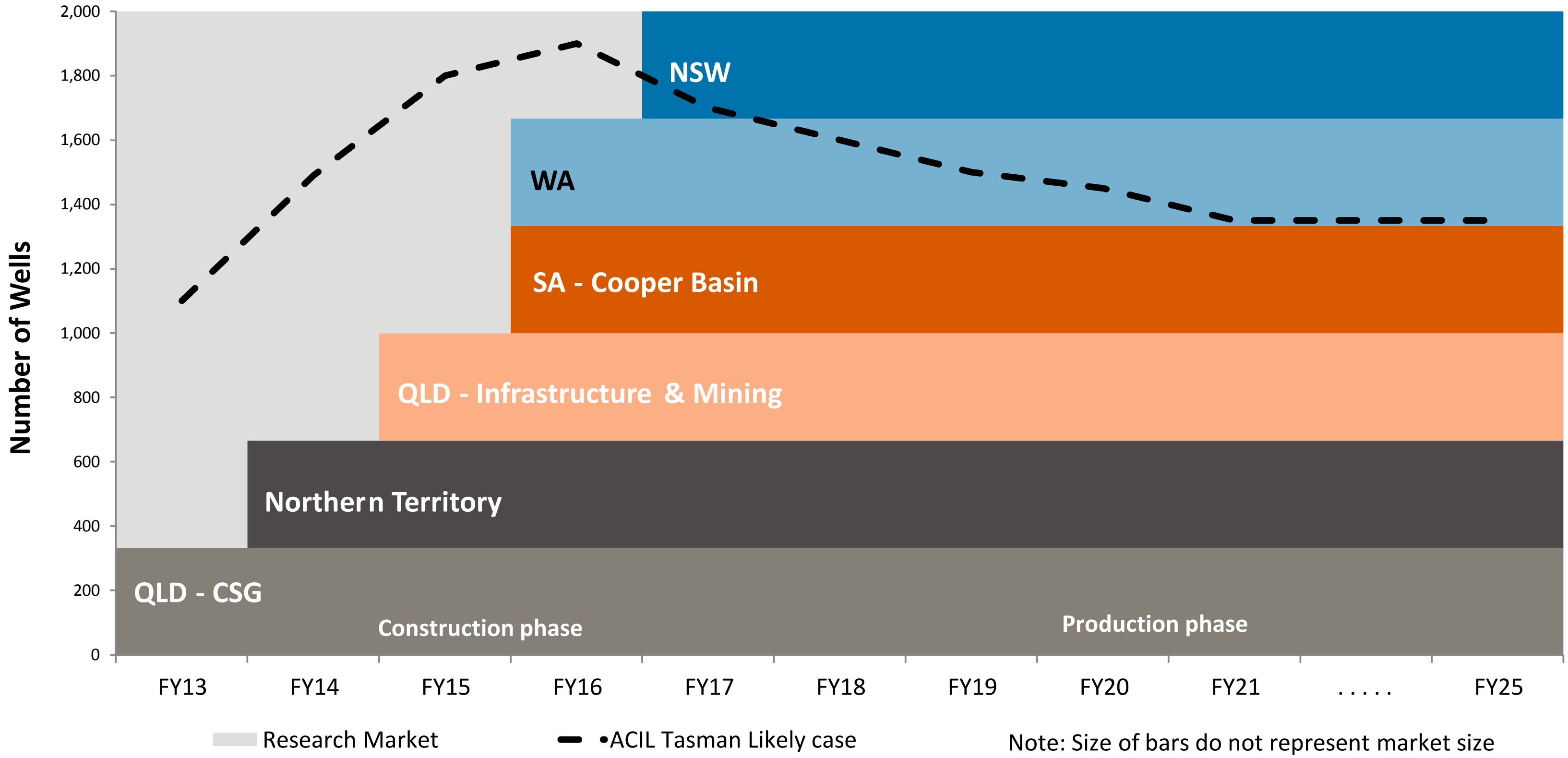


- Current wells ~1,000 per annum
- Wells forecast to peak in 2016 at ~1,900 (1)
- Ongoing number of wells expected to be ~1,300 per annum (1)

Note:
(1) Well numbers based on 8 LNG trains

7. Growth opportunities – not just Qld or CSG

Multi-layered opportunities



- Research and sales effort currently being conducted in a number of new markets
- Future growth beyond Qld CSG expected to come from geographic and industry diversification

8. FY13 highlights

a) EBIT of $14.5m
   - A 272% increase on pcp and above market guidance

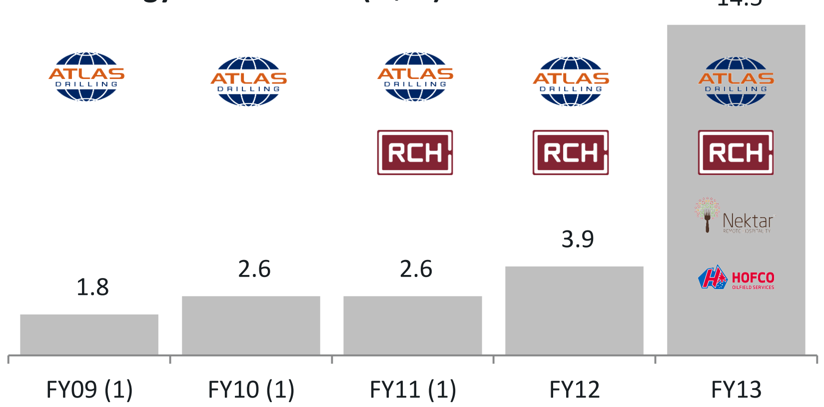
b) NPAT of $9.3m
   - A 296% increase on previous corresponding period (pcp)

c) Earnings per share of 22.2 cents
   - A 147% improvement on pcp of 9.1 cents

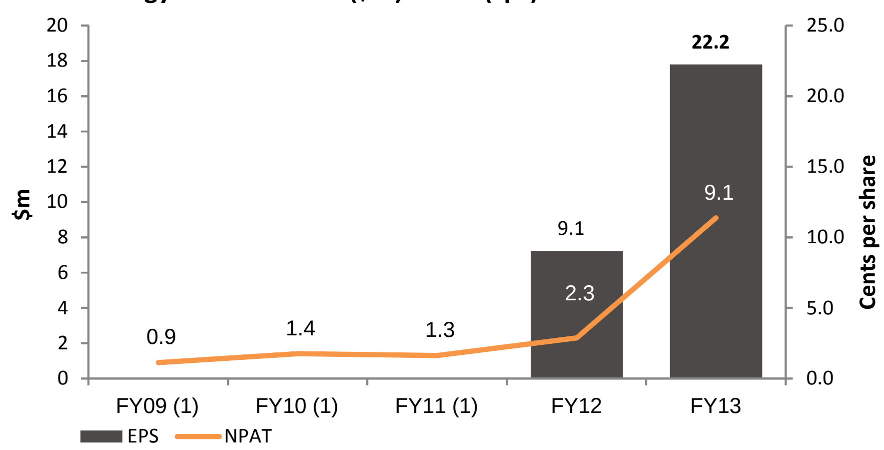
d) 5.5c per share fully franked dividends
   - c25% NPAT dividend payout ratio for FY13
   - 2.0c interim dividend paid in February 2013
   - 3.5c final dividend announced 6 August 2013

e) Acquisitions
   - Successful acquisition of Hofco
   - Full integration & substantial growth of RCH

Titan Energy Services EBIT (A$m)



Titan Energy Services NPAT ($m) & EPS (cps)



Note 1: Pro Forma Consolidated Results for Titan Energy Services for year ended 30 June 2011, assuming Titan Energy Services operated RCH and Atlas Drilling for year then ended. Prior year results based on audited management accounts of Atlas Drilling and RCH that now form part of the Titan Group. For the FY11 year, RCH was owned by the Hinman Group with whom the Titan Group entered into an asset sale agreement to acquire the assets of RCH as of 1 July 2011. These results formed the basis of the historical data provided in the Titan Prospectus in November 2011.

9. FY13 business highlights

Atlas

- Record EBIT of $4.2m – up 50% on pcp
- Deployment of fourth Rig (1+1)
- Rig utilisation 91%

RCH

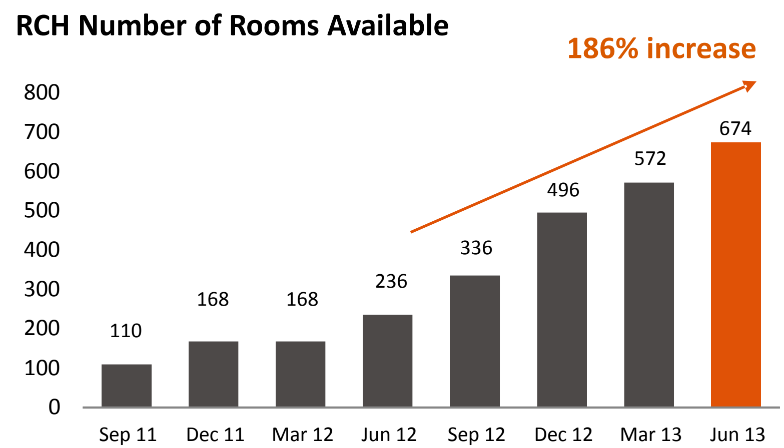
- Record EBIT of $9.0m, up 221% on pcp
- Room capacity increased 186% to 674 rooms
- Utilisation consistent with prior year at 84%

Nektar

- Nektar delivered first year earnings of $1.9m
- 62,694 man days catered (LY – 276 man days catered)
- Appointment of key staff

Hofco

- Acquisition of Hofco for $20.9m (1)
- Half year EBIT of $2.9m in line with expectations
- Growth opportunities identified



Note:
(1) Adjustment to the acquisition price from $21.7m to $20.9m due to changes in Hofco cash position from announcement to settlement of the acquisition.

10. Safety

a) Group Total Recordable Injury Frequency Rate (TRIFR) includes lost time, medical treatment and alternative duty injuries. There were two lost time injuries in FY13

b) TRIFR for FY13 was 16.9 (FY12 – 17.9) with management focussed on further improvement in FY14

c) Safety initiatives implemented during the year:

- Safety recognition/ reward program for field based employees
- Additional safety staff employed
- Generation of a Safety/ Behavioural Intervention Training program
- Whole of company stand down meetings
- Additional initiatives to be implemented in FY14

11. FY14 Operating update

Atlas

- Rig 1 off contract. Letter of Intent signed with major CSG developer
- Rig 4 commenced new 1+1 year contract late June

RCH

- Room numbers currently 714 up 40 rooms since FY13
- Ensuite rooms in high demand. Rate dropped to secure contracts for double rooms

Nektar

- Agreed key terms for first permanent camp – 200 rooms, 1+1+1 year contract, commencing September / October 2013
- Niche opportunities – Roma airport, Heron Island (UQ) etc

Hofco

- On track, appointment of BDM to grow business
- Growth opportunities being explored, ie additional products

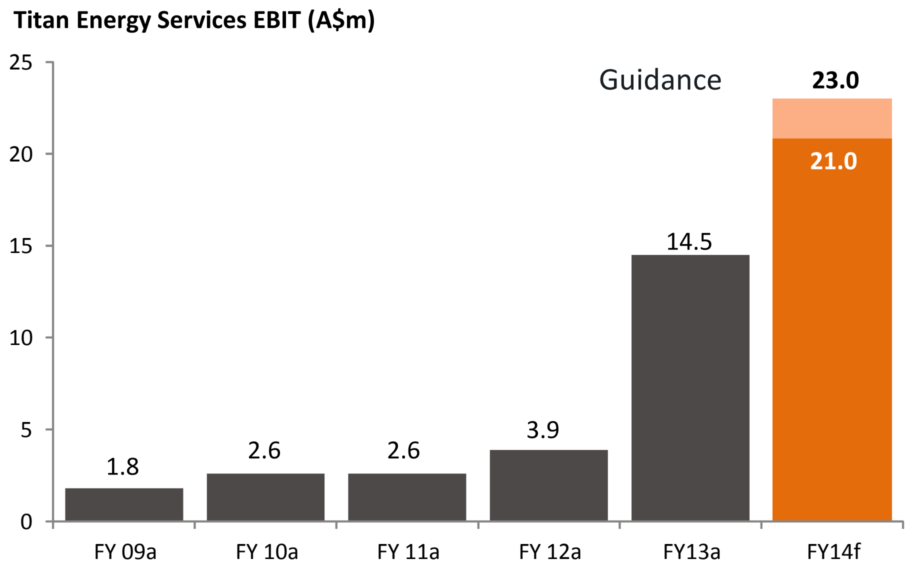
12. Outlook

Guidance

- FY14 earnings guidance of between $21 - $23m EBIT (FY13 - $14.5m)

FY14 driven by:

- New Rig 4 operating under 1 +1 contract
- Hofco contribution for the full year
- RCH weighted average rooms up 46% on FY13
- Nektar aligned to RCH growth and potential growth in new markets
- Considering opportunities to grow/diversify organically and through acquisition



Achieving this result is sensitive to no significant unbudgeted weather events

Questions