

**Trading update
Titan confirms full year guidance**

www.titanenergyservices.com.au
ASX ticker: TTN

TITAN Energy Services (TTN) remains on track to achieve its full year profit target, after securing new contracts and investing in its core business units during the first half of FY14.

Managing director Jim Sturgess said although the results for the six months to 31 December 2013 were likely to be lower than initially expected, as flagged at the AGM, the company was set to benefit as new contracts and business investments made in the first half gained traction during the second half of the financial year.

He said TTN was still expecting full year earnings before interest and tax (EBIT) between \$21m and \$23m, 45% - 59% growth on the \$14.5m result achieved during FY13.

“We have started the year solidly and have laid the foundations for a strong full year result,” Mr Sturgess said.

“Whilst our four business units – RCH, Hofco, Atlas and Nektar, have generally performed well, we have encountered slower conditions for project start up than expected including:

- A substantial rooms contract expected to mobilise last month, has now been deferred until the new year,
- Rig 1, which was recently redeployed on a new contract, was out of service for an extended period during the first half prior to its transition to the new contract with APLNG, and
- Rig 3 was unexpectedly out of action for three weeks while mechanical repairs were undertaken.

“These timing issues will affect our half year result but we’re confident we will benefit as the year progresses.

“Overall, our second half outlook is positive with:

- The four Atlas rigs operating under contract,
- A strong pipeline of work in place for RCH,
- RCH’s utilisation improving and the flow-on effect this will have on Nektar,
- An organic water and waste transport business commenced early this month; and

- Several new contracts secured during the first half are set to contribute to second half earnings.”

For the six months to 31 December 2013, TTN now expects an EBIT of approximately \$8.0m.

This result will represent an 86% growth on TTN’s FY13 first half result, but is lower than the company’s initial first half target of \$9.0m to \$9.5m.

"While we are comfortable with our progress and our prospects, prolonged wet weather and project delays can affect our clients' business activity and ultimately our results," Mr Sturgess said.

"We have included allowances for these factors in our guidance but would obviously need to re-evaluate in extreme circumstances."

ENDS

For investor or media inquiries:

Mr Jim Sturgess
Managing Director
Tel: 0402 890 654

About Titan

Titan Energy Services Limited (ASX: TTN) provides diversified energy and infrastructure services to the oil and gas, mining, pipeline, rail, road and infrastructure sectors.

Through its operating businesses RCH, Nektar, Atlas Drilling and Hofco Oilfield Services, Titan provides the following services:

- Portable and permanent camp hire
- Camp management and catering services
- CSG drilling services
- Down-hole drilling equipment hire
- Water and waste management
- Other related services

Titan is a dynamic, rapidly expanding company experiencing solid growth across all businesses. Titan is continually looking to expand its services through organic growth and acquisition of complimentary businesses.