

**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial holder**

To Company Name/Scheme	Titan Energy Services Limited
ACN/ARSN	150 110 017

**1. Details of substantial holder(1)**

Name	XLX Pty Ltd and associates
ACN/ARSN (if applicable)	122 465 614

The holder became a substantial holder on 07/12/2011

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of Securities (4)	Number of Securities	Person's votes (5)	Voting Power (6)
Fully paid ordinary shares	6,756,970	6,756,970	23.8%

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of Relevant Interest	Nature of relevant interest (7)	Class and number of securities
XLX Pty Ltd	s608(1)(a) - registered holder of the shares	3,792,501 fully paid ordinary shares
XLX Capital Pty Ltd	s608(1)(b) & (c) – power to control the voting and disposal rights of shares held by Dalara Investments Pty Ltd	704,540 fully paid ordinary shares <sup>1</sup>
	s608(1)(b) & (c) – power to control the voting and disposal rights of shares held by HFTT Pty Ltd	704,540 fully paid ordinary shares <sup>2</sup>
	s608(1)(b) & (c) – power to control the voting and disposal rights of shares held by Ranamok Pty Ltd	360,000 fully paid ordinary shares <sup>3</sup>
	s608(1)(b) & (c) – power to control the voting and disposal rights of shares held by	404,540 fully paid ordinary shares <sup>4</sup>

<sup>1</sup> Allan Davies, a director of XLX Pty Ltd, also holds a relevant interest in these shares as he is a director and shareholder of Dalara Investments Pty Ltd.

<sup>2</sup> Anthony Haggarty, a director of XLX Pty Ltd, also holds a relevant interest in these shares as he is a director and shareholder of HFTT Pty Ltd.

<sup>3</sup> Andrew Plummer, a director of XLX Pty Ltd, also holds a relevant interest in these shares as he is a director and shareholder of Ranamok Pty Ltd.

<sup>4</sup> Andrew Plummer, a director of XLX Pty Ltd, also holds a relevant interest in these shares as he is a director and shareholder of Vesade Pty Ltd.

	<p>Vesade Pty Ltd</p> <p>s608(1)(b) &amp; (c) – power to control the voting and disposal rights of shares held by Westmark Investments Pty Ltd</p> <p>s608(1)(b) &amp; (c) – power to control the voting and disposal rights of shares held by Mast Capital Pty Ltd</p>	<p>336,240 fully paid ordinary shares<sup>5</sup></p> <p>339,689 fully paid ordinary shares<sup>6</sup></p>
Simon Keyser	<p>s608(1)(a) - registered holder of the shares</p> <p>s608(3)(a) – voting power in Mast Capital Pty Ltd is above 20%</p> <p>s608(3)(a) – voting power in W.P. Mast Capital Pty Ltd is above 20%</p> <p>s608(3)(a) – voting power in Ironstone Capital Partners Pty Ltd is above 20%</p>	<p>2,000 fully paid ordinary shares</p> <p>2,000 fully paid ordinary shares</p> <p>102,920 fully paid ordinary shares</p> <p>2,000 fully paid ordinary shares<sup>7</sup></p>
Wayne Seabrook	<p>s608(3)(a) – voting power in Westbrook Consultants Pty Ltd is above 20%</p> <p>s608(3)(a) – voting power in Westmark Investments Pty Ltd is above 20%</p>	<p>2,000 fully paid ordinary shares</p> <p>4,000 fully paid ordinary shares</p>
<b>Total</b>		<b>6,756,970 fully paid ordinary shares</b>

#### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of Relevant interest	Registered holder of Securities	Person entitled to be registered as holder (8)	Class and number of securities
XLX Pty Ltd	XLX Pty Ltd <XLX Atlas A/C>	XLX Pty Ltd <XLX Atlas A/C>	3,792,501 fully paid ordinary shares
XLX Capital Pty Ltd	Dalara Investments Pty Ltd <Davies Family A/C>	Dalara Investments Pty Ltd <Davies Family A/C>	704,540 fully paid ordinary shares
XLX Capital Pty Ltd	HFTT Pty Ltd <Haggarty Family A/C>	HFTT Pty Ltd <Haggarty Family A/C>	704,540 fully paid ordinary shares
XLX Capital Pty Ltd	Ranamok Pty Ltd <Ranamok Family A/C>	Ranamok Pty Ltd <Ranamok Family A/C>	360,000 fully paid ordinary shares
XLX Capital Pty Ltd	Vesade Pty Ltd	Vesade Pty Ltd <Ranamok	404,540 fully paid

<sup>5</sup> Wayne Seabrook, a director of XLX Pty Ltd, also holds a relevant interest in these shares as he is a director and shareholder of Westmark Investments Pty Ltd.

<sup>6</sup> Simon Keyser, a director of XLX Pty Ltd, also holds a relevant interest in these shares as he is a director and shareholder of Mast Capital Pty Ltd.

<sup>7</sup> Wayne Seabrook, a director of XLX Pty Ltd, also holds a relevant interest in these shares as he is a director and shareholder of Ironstone Capital Partners Pty Ltd.

	<Ranamok Family A/C>	Family A/C>	ordinary shares
XLX Capital Pty Ltd	Wetsmark Investments Pty Ltd <Westbrook Investment A/C>	Wetsmark Investments Pty Ltd <Westbrook Investment A/C>	336,240 fully paid ordinary shares
XLX Capital Pty Ltd	Mast Capital Pty Ltd <Keyser Family A/C>	Mast Capital Pty Ltd <Keyser Family A/C>	339,689 fully paid ordinary shares
Simon Keyser	Simon Keyser	Simon Keyser	2,000 fully paid ordinary shares
Simon Keyser	Mast Capital Pty Ltd	Mast Capital Pty Ltd	2,000 fully paid ordinary shares
Simon Keyser	W.P. Mast Capital Pty Ltd	W.P. Mast Capital Pty Ltd	102,920 fully paid ordinary shares
Simon Keyser	Ironstone Capital Partners Pty Ltd	Ironstone Capital Partners Pty Ltd	2,000 fully paid ordinary shares
Wayne Seabrook	Westbrook Consultants Pty Ltd	Westbrook Consultants Pty Ltd	2,000 fully paid ordinary shares
Wayne Seabrook	Westmark Investments Pty Ltd <Westmark Super Fund A/C>	Westmark Investments Pty Ltd <Westmark Super Fund A/C>	2,000 fully paid ordinary shares
Wayne Seabrook	Westmark Investments Pty Ltd <Seabrook Family A/C>	Westmark Investments Pty Ltd <Seabrook Family A/C>	2,000 fully paid ordinary shares
<b>Total</b>			<b>6,756,970 fully paid ordinary shares</b>

## 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of Relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
XLX Pty Ltd	12/09/11		XLX Pty Ltd's 2,226,530 ordinary shares in Atlas Drilling Co Pty Ltd were exchanged for 2,226,530 ordinary shares in Titan Energy Services Limited	3,792,501 fully paid ordinary shares <sup>8</sup>

<sup>8</sup> Note that this figure reflects a share split that occurred on 4 November 2011, whereby the ordinary shares in Titan Energy Services Limited were split at a ratio of approximately 1:1.703325.

			pursuant to a share exchange agreement. Deemed consideration was \$1.30 per share.	
XLX Capital Pty Ltd	12/09/11		Dalara Investments Pty Ltd's 237,500 ordinary shares in Atlas Drilling Co Pty Ltd were exchanged for 237,500 ordinary shares in Titan Energy Services Limited pursuant to a share exchange agreement. Deemed consideration was \$1.30 per share.	404,540 fully paid ordinary shares <sup>9</sup>
XLX Capital Pty Ltd	07/11/11		Conversion of Dalara Investments Pty Ltd's converting preference shares – deemed consideration was \$0.83333 per share.	300,000 fully paid ordinary shares
XLX Capital Pty Ltd	12/09/11		HFTT Pty Ltd's 237,500 ordinary shares in Atlas Drilling Co Pty Ltd were exchanged for 237,500 ordinary shares in Titan Energy Services Limited	404,540 fully paid ordinary shares <sup>10</sup>

<sup>9</sup> See note 8 above.

<sup>10</sup> See note 8 above.

			pursuant to a share exchange agreement. Deemed consideration was \$1.30 per share.	
XLX Capital Pty Ltd	07/11/11		Conversion of HFTT Pty Ltd's converting preference shares – deemed consideration was \$0.83333 per share.	300,000 fully paid ordinary shares
XLX Capital Pty Ltd	07/11/11		Conversion of Ranamok Pty Ltd's converting preference shares – deemed consideration was \$0.83333 per share.	360,000 fully paid ordinary shares
XLX Capital Pty Ltd	12/09/11		Vesade Pty Ltd's 237,500 ordinary shares in Atlas Drilling Co Pty Ltd were exchanged for 237,500 ordinary shares in Titan Energy Services Limited pursuant to a share exchange agreement. Deemed consideration was \$1.30 per share.	404,540 fully paid ordinary shares <sup>11</sup>
XLX Capital Pty Ltd	12/09/11		Wetsmark Investments Pty Ltd's 91,725 ordinary shares in	156,240 fully paid ordinary shares <sup>12</sup>

<sup>11</sup> See note 8 above.

<sup>12</sup> See note 8 above.

			Atlas Drilling Co Pty Ltd were exchanged for 91,725 ordinary shares in Titan Energy Services Limited pursuant to a share exchange agreement. Deemed consideration was \$1.30 per share.	
XLX Capital Pty Ltd	07/11/11		Conversion of Westmark Investments Pty Ltd's converting preference shares – deemed consideration was \$0.83333 per share.	180,000 fully paid ordinary shares
XLX Capital Pty Ltd	12/09/11		Mast Capital Pty Ltd's 93,750 ordinary shares in Atlas Drilling Co Pty Ltd were exchanged for 93,750 ordinary shares in Titan Energy Services Limited pursuant to a share exchange agreement. Deemed consideration was \$1.30 per share.	159,689 fully paid ordinary shares <sup>13</sup>
XLX Capital Pty Ltd	07/11/11		Conversion of Mast Capital Pty Ltd's converting preference shares –	180,000 fully paid ordinary shares

<sup>13</sup> See note 8 above.

			deemed consideration was \$0.83333 per share.	
Simon Keyser	01/12/11	\$8,000 (\$1.00 per share under the IPO) – 2,000 shares each for Simon Keyser, Mast Capital Pty Ltd, W.P. Mast Capital Pty Ltd and Ironstone Capital Partners Pty Ltd		8,000 fully paid ordinary shares
Simon Keyser	08/12/11	\$85,850 (78,920 shares at \$1.00 each and 7,000 shares at \$0.99 each)		85,920 fully paid ordinary shares
Simon Keyser	09/12/11	\$14,500 (5,000 shares at \$0.98 each and 10,000 shares at \$0.96 each)		15,000 fully paid ordinary shares
Wayne Seabrook	01/12/11	\$6,000 (\$1.00 per share under the IPO) – 2,000 shares each for Westbrook Consultants Pty Ltd, Westmark Investments Pty Ltd <Westmark Super Fund A/C> and Westmark Investments Pty Ltd <Seabrook Family A/C>		6,000 fully paid ordinary shares
<b>Total</b>				<b>6,756,970 fully</b>

				<b>paid shares</b>	<b>ordinary</b>
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## 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of Association
XLX Capital Pty Ltd ACN 133 136 133	XLX Capital Pty Ltd is a wholly owned subsidiary of XLX Pty Ltd ACN 122 465 614
Simon Keyser	Simon Keyser is a director of XLX Pty Ltd
Wayne Seabrook	Wayne Seabrook is a director of XLX Pty Ltd

## 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
XLX Pty Ltd and its associates	Level 9, 1 York St Sydney NSW 2000

<b>Signature</b>	<b>Simon Keyser</b>	<b>Director</b>
	Print name	capacity
<b>here</b>	<b>sign</b>	date 09 / 12 / 11

## Directions

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person ( eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.