



Wilson HTM Investor Presentation

11 June 2013

Jim Sturgess

Important information

This presentation has been prepared by Titan Energy Services Limited (Titan) and is given to recipients in confidence. No part of this presentation may be circulated, reproduced or provided to any third party, and the matters referred to in it must not be disclosed to third parties, in whole or in part.

You should be aware that this presentation contains price sensitive data that has not been released by Titan to the ASX. As such, the information contained herein constitutes “Inside Information” for the purposes of the Corporations Act and ASX Listing Regulations. Your receipt of same may deem you to be an “Insider” until this information is released to the market.

The information in this presentation does not contain all the information necessary to make an investment decision. It should be read in conjunction with Titan's continuous disclosure announcements. The information is of a general nature and has been prepared by Titan in good faith and with due care but no representation, warranty or assurance, express or implied is given or made as to the fairness, accuracy, adequacy, completeness or reliability of any statements, estimates or opinions, conclusions or other information contained in this presentation.

To the maximum extent permitted by law, Titan and its affiliates and related bodies corporate, and their respective officers, directors, employees and agents (relevant party), accept no responsibility for any information provided in this presentation, including any forward looking information, and disclaim any liability whatsoever (including, without limitation, any liability arising from fault or negligence) for any direct or indirect loss or damage howsoever arising from any use of this presentation or anything contained in or omitted from this presentation or otherwise arising in connection therewith.

Subject to any continuing obligations under applicable law or any relevant ASX listing rules, Titan also disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions, circumstances, expectations or assumptions on which any such statement is based. Nothing in this presentation shall under any circumstance create an implication that there has been no change in the affairs of Titan since the date of this presentation.

None of any prospective underwriter or its advisers or the advisers of Titan, (together, the Other Persons) have authorised, permitted or caused the issue, submission, dispatch or provision of this presentation and, except to the extent referred to in this presentation and none of them makes or purports to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them.

The information in this presentation does not constitute financial product advice (nor investment, tax, accounting or legal advice) and does not take into account your individual investment objectives, including the merits and risks involved in an investment in shares in Titan, or your financial situation, tax position or particular needs. No recommendation is made as to how investors should make an investment decision. Investors must not act on the basis of any matter contained in this presentation, but investors must rely on their own independent assessment, investigations and analysis of Titan. Investors should obtain their own professional, legal, tax, business and/or financial advisors before making any investment decision based on their investment objectives. Due care and attention should be undertaken when considering and analysing the financial performance of Titan. All amounts are presented in Australian dollars unless otherwise stated.

You should also be aware that any forward looking statements in this presentation are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the businesses of Titan as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected.

No relevant party makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on these statements. The forward looking statements in this presentation reflect views held only as at the date of this presentation.

Each recipient of this presentation or any entity or person receiving this document represents, warrants and confirms that it accepts the above conditions.

1. Titan Overview (ASX:TTN)

- Titan is an energy and infrastructure services group focused on the growing Qld CSG industry
- Since listing on ASX, Titan has:
 - Acquired and integrated RCH in September 2011
 - Signed solid contracts for its drilling business Atlas
 - Demonstrated a track record of delivering on its earnings guidance – 3 upgrades
 - Acquired Hofco Oilfield Services in March 2013
- Titan will continue to examine opportunities to grow/diversify organically and through acquisition

The Titan Energy Services Group



- 4 rigs under contract
- 3 owned rigs, 1 hired
- High utilisation
- 'Blue chip' customers



- 623 rooms - May 2013
- Servicing CSG construction and production projects
- Experiencing good growth

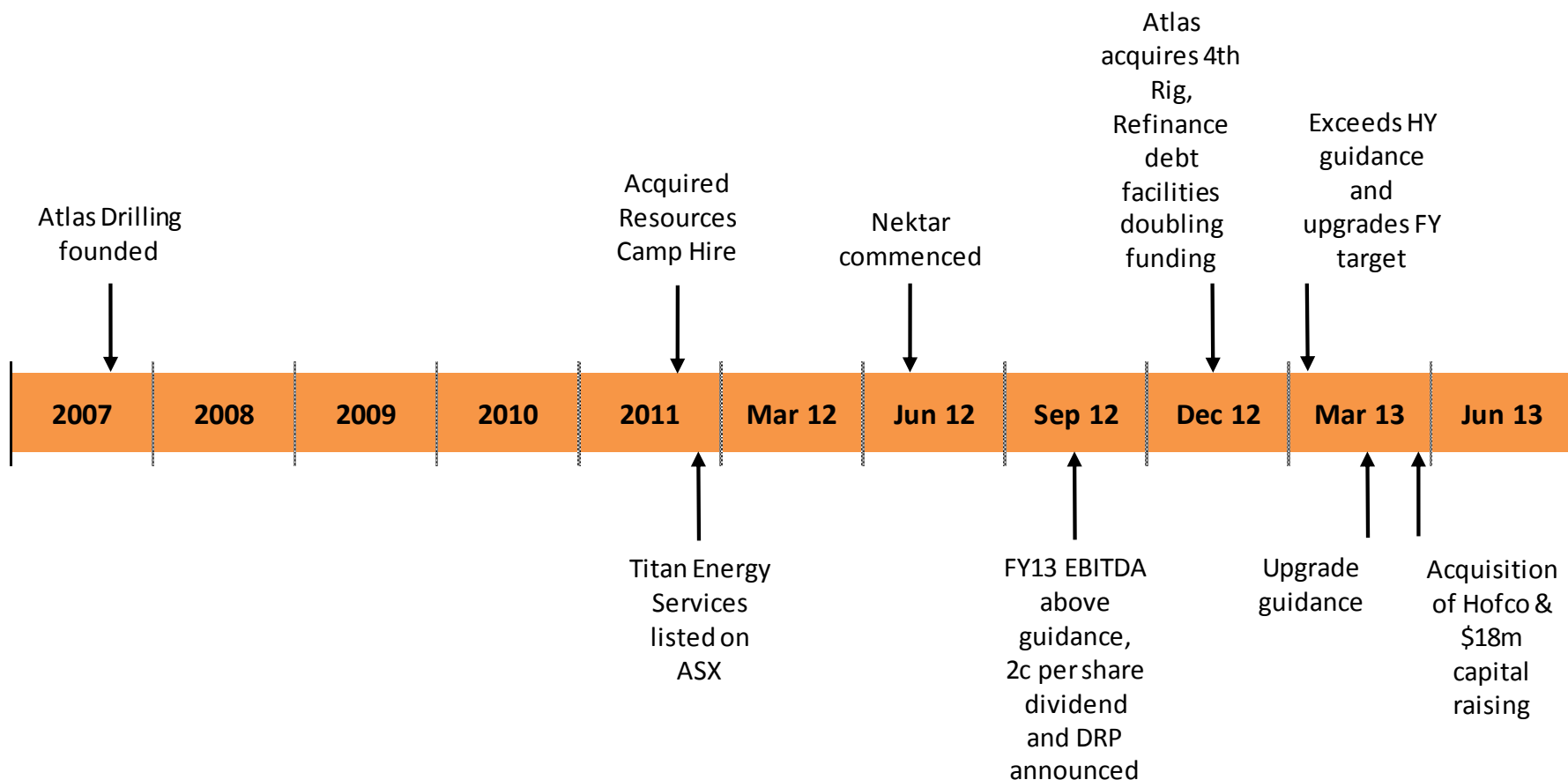


- Organic start-up business
- Commenced in April 2012
- 8 contracts secured
- Experiencing solid growth



- Rental provider of drilling equipment to the oil and gas sector
- Growth potential under Titan ownership

2. Titan History



3. 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, etc)
- by geography (Qld , NT, SA & others)
- by industry segment (CSG, rail, road, pipeline, etc)

GROWTH

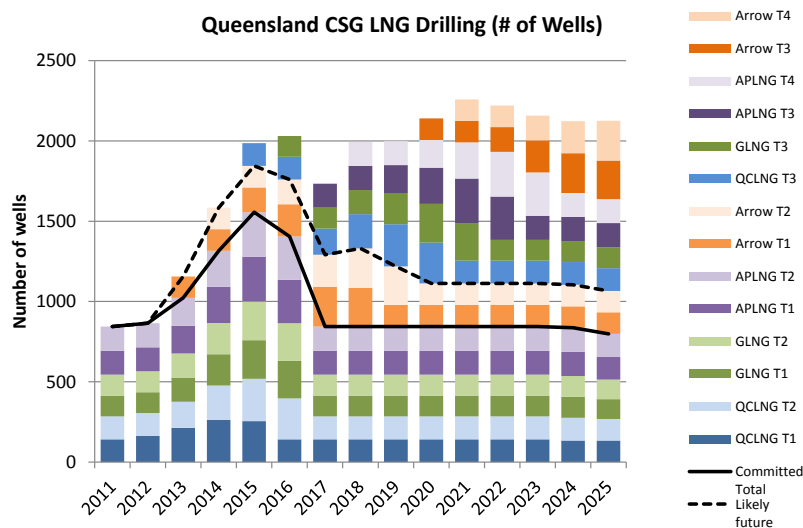
- RCH Room growth as demand dictates
- Nektar to also target permanent camps and business outside CSG
- Expand Hofco's rental offering and improve utilisation
- Examine new opportunities to grow organically and through acquisition



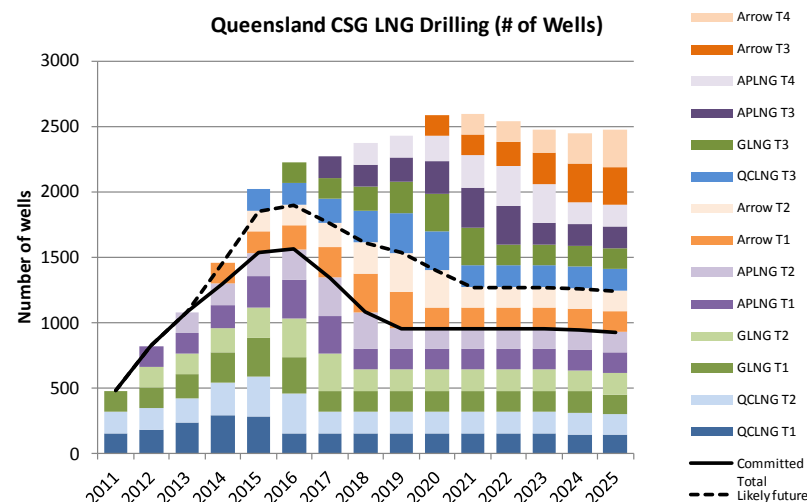
4. Qld CSG Well Profile

QLD CSG - NO. OF WELLS

Previous forecast



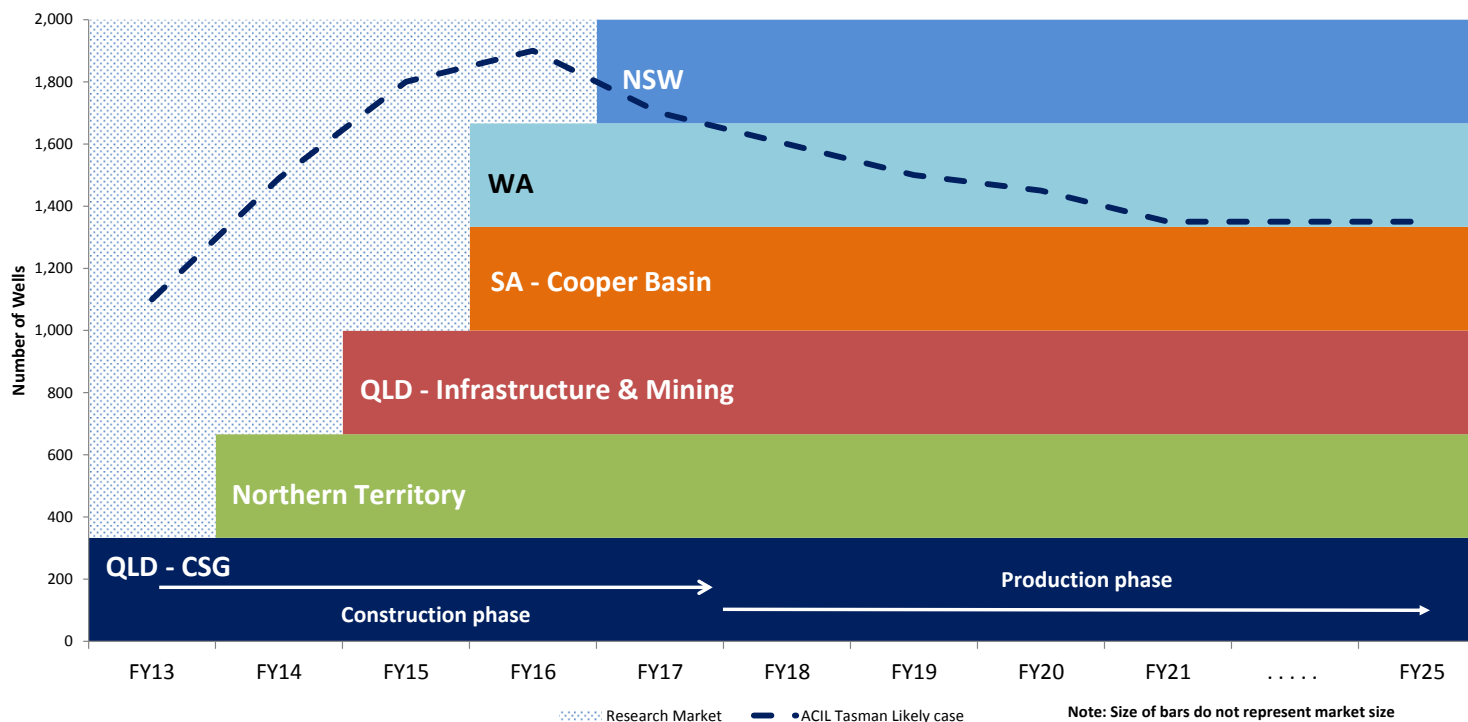
April updated forecast



- Revision due to updated timing of production and changes to expected flow rates and well life
- Revised forecast 15% increase in number of wells required

5. Titan Growth Opportunities

Forecast QLD CSG drilling activity & Titan National Development plans

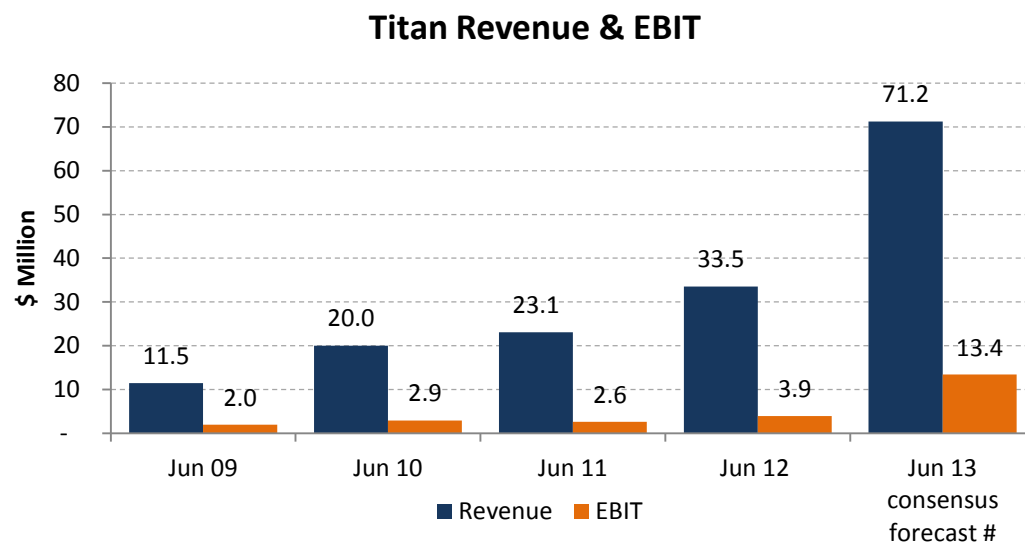


- Research and sales effort currently being conducted in a number of new markets
- Future growth beyond Qld CSG expected to come from geographic and industry diversification

6. Revenue & EBIT History

EBIT GROWTH IN FY13 DUE TO:

- Strong growth in RCH room numbers
- Rapid growth in Nektar
- Half year contribution from Hofco
- Atlas rigs achieved strong utilisation



Note:

Consensus forecast derived by averaging current broker forecasts for Titan

7. Atlas Drilling Overview

BUSINESS STRATEGY

- Ensure rigs are continuously contracted
- Develop strong relationships with key clients
- Expand the business with top tier clients with long term work
- Explore opportunities in work over rigs

Rig#	Client	Term	Start	End	Comments
Rig 1	QGC	~12 months	Sept 2012	Sept 2013+	24 Well (to Sept 2013) + 6 month option
Rig 2	APLNG	6 months	May 2013	Nov 2013+	6 month option
Rig 3 ⁽¹⁾	APLNG	6 months	Dec 2012	Nov 2013	6 month option exercised
Rig 4	APLNG	12 months	June 2013	May 2014+	1 year option

CURRENT BUSINESS

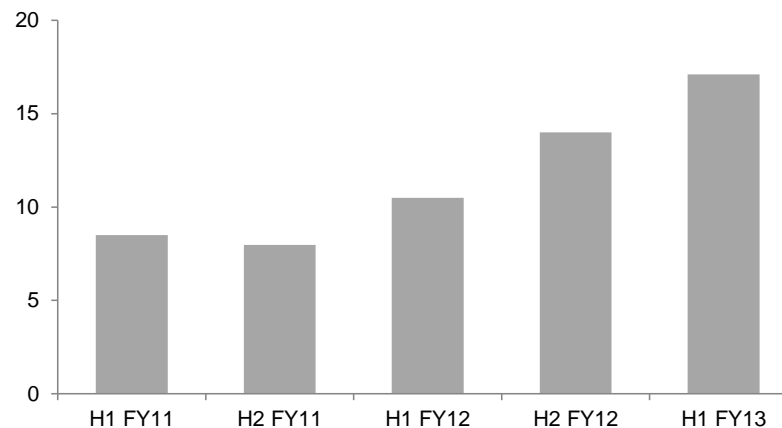
- Operating for 6 years in CSG-LNG industry
- 4 Rigs operating under contract
- 3 Rigs owned, 1 Rig hired
- 1 Rig with QGC and 3 Rigs with APLNG

Note:

(1) The Rig 3 contract involves Atlas Drilling operating the rig on behalf of a third party under an operating and maintenance contract. When the Rig is working for a third party, such as APLNG, the Rig is rented by Atlas Drilling.

+ Denotes option to extend beyond this date

Atlas revenue (\$m)



8. RCH Overview

BUSINESS STRATEGY

- Capitalise on Qld CSG in the short term
- Explore preferred supplier status with CSG majors
- Expand relationships with existing key clients
- Explore opportunities in other markets – NT, SA, etc

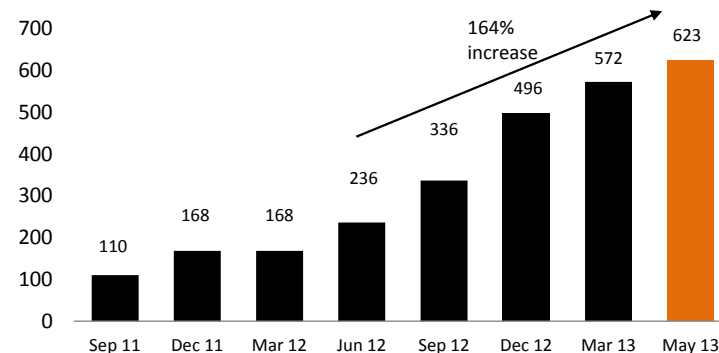
CURRENT BUSINESS

- Acquired in September 2011 with capacity of 110 rooms
- Grown to current capacity of 623 rooms primarily through operating lease arrangements
- Current contracts range from 3 to 18 months (average ~6 months)
- Additional camps ordered for delivery to service future contracts

MAJOR CUSTOMERS



RCH Number of Rooms Available



9. Nektar Overview

BUSINESS STRATEGY

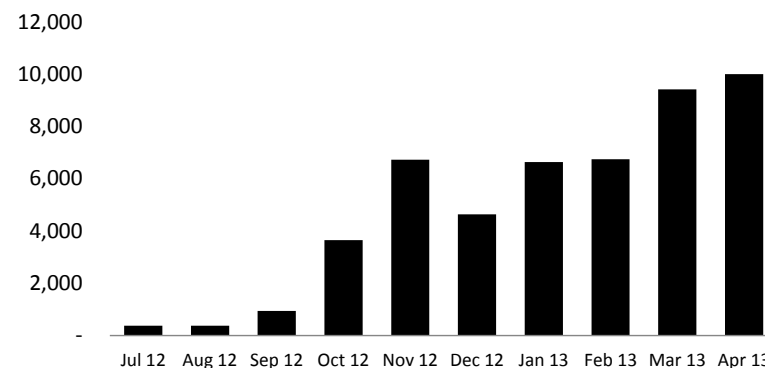
- Low capital intensive business which targets remote catering opportunities throughout Australia
- Expand into different geographical and industry segments
- Target temporary and permanent catering and camp management
- Offer high quality catering and camp management services to remote accommodation service providers



CURRENT BUSINESS

- Established by Titan in April 2012
- Currently servicing 8 contracts equating to serving approximately 49,000 meal days in its first 10 months of trading
- Catering to ~ 80% of RCH camps
- Developed strong reputation for quality food and service

Nektar Man Days Catered *



* Number of days Nektar has catered x number of people catered per day

** Reduction in days catered due to reduced manning levels over holiday period

10. Hofco Overview

BUSINESS STRATEGY

- Continued expansion of down-hole tools available for rent
- Focus on CSG sector, potential to expand into alternative drilling markets
- Expand the business geographically
- Capitalise on existing Titan Group clients

CURRENT BUSINESS

- Established in 1980, acquired by Titan in March 2013
- Market leader in CSG drilling rental equipment
- Specialised equipment with lower utilisation but high margin (c73% in FY12)
- Equipment hired on a day rate from 1 week to 12 months
- Customer responsible for replacement of lost equipment and refurbishment costs (low maintenance/servicing costs)

MAJOR CUSTOMERS



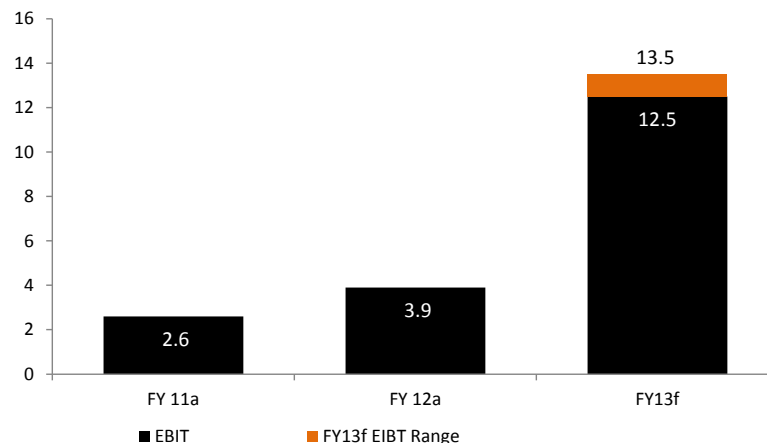
Non Magnetic Drill Collars

11. Outlook

FY13

- Expecting a stronger second half of the year due to:
 - RCH starting the half year with 496 rooms, 110% capacity increase since June 2012
 - Continued growth within the Nektar business
 - Integration of Hofco results
- Titan's full year EBIT forecast of \$12.5 - \$13.5m

Titan Energy Services Proforma EBIT (A\$m)



FY14

- Rig 4 operating under 1 +1 contract
- Hofco contribution for the full year
- RCH weighted average rooms up substantially on FY13 (45% April YTD)
- Nektar aligned to RCH growth and potential growth in new markets
- Considering opportunities to grow/diversify organically and through acquisition



Appendix 1

Corporate snapshot

Share price	(closing price 6 June 2013)	1.45 cps
Ordinary shares on issue	(as at 6 June 2013)	47.5m
Market capitalisation	(as at 6 June 2013)	\$68.9m
Net Debt	(as at 31 December 2012)	\$10.3m
Enterprise value	(Market Cap + Net Debt)	\$79.2m
Shareholders	XLX	16.1%
	Board	11.3%
	High Net Worth	13.0%
	Institutions	23.5% (estimate)
	Other	36.1%
FY13 EBIT guidance ⁽¹⁾		\$12.5 - \$13.5m
FY13 EBIT multiple (Low)	(Enterprise Value / EBIT)	6.3x
FY13 EBIT multiple (High)	(Enterprise Value / EBIT)	5.9x

Note 1: Hofco's results only contribute from 1 January 2013.