

MEDIA/ASX Release

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Friday 16 January 2015

ASX ticker :TTN

Accelerated non-renounceable entitlement offer – despatch of documents

Titan Energy Services Limited (**Company**) advises that despatch of the prospectus dated 9 January 2015 (**Prospectus**) to eligible retail shareholders under the retail component of its pro-rata non-renounceable entitlement offer (**Retail Entitlement Offer**) is being completed today.

The Prospectus will be despatched together with a personalised entitlement and acceptance form and a covering letter from the Chairman to the eligible retail shareholders (copy attached). The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday 28 January 2015.

The Company is also despatching today a letter to those retail shareholders who are ineligible to participate in the Retail Entitlement Offer. A copy of this letter is also attached.

Full details of the Retail Entitlement Offer are set out in the Prospectus.

Shareholder enquiries

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the Titan Retail Entitlement Offer Information Line on +61 1300 970 086 at any time from 8.30am to 5.30pm (Sydney time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period.

ENDS

For investor or media inquiries:

Christine Hayward
Acting CEO
Tel: 07 3013 0269

Rowan Greene
Acting CFO
Tel: 07 3013 0266

16 January 2015

Dear Shareholder

Titan Energy Services Limited Entitlement Offer

On behalf of the Board of Titan Energy Services Limited (**Company**), I am pleased to invite you to participate in our partially underwritten accelerated non-renounceable pro-rata entitlement offer to raise up to approximately \$5.1 million (before offer costs) (**Entitlement Offer**) as announced on 9 January 2015.

The retail entitlement offer is the third component in our capital raising. Approximately \$0.8m has been raised under the institutional entitlement offer at \$0.15 per new share. This amount is in addition to the \$990,000 raised through a placement of 5,500,000 shares at \$0.18 per share to a wholly owned subsidiary of Ausdrill Limited.

We are now pleased to offer new shares to you at the same price (\$0.15 per new share) and on the same basis (3 new shares for every 5 existing shares held as at 7.00pm (Sydney time) on Wednesday, 14 January 2015) as the institutional entitlement offer.

Please read the attached Prospectus carefully. Also enclosed for your information is an investor presentation and market update which were both released to the market on 9 January 2015.

In particular, note that you can apply for additional new shares in excess of your entitlement (**Additional New Shares**). The number of Additional New Shares available will be limited to the extent that there are sufficient new shares from eligible retail shareholders who do not take up their full entitlements or from new shares that would have been offered to ineligible retail shareholders if they had been entitled to participate in the retail entitlement offer.

To participate in the retail entitlement offer, please pay for your new shares via BPAY[®], or return your personalised Entitlement and Acceptance Form with your application money to the share registry, by 5.00pm (Sydney time) Wednesday, 28 January 2015.

On behalf of the Board and management of Titan Energy Services Limited, I thank you for your support.

Yours sincerely,



Shaun Scott
Chairman

16 January 2015

Dear Shareholder

Titan Energy Services Limited Entitlement Offer - Notification to ineligible shareholders

As announced on Friday, 9 January 2015, Titan Energy Services Limited (**Company**) is undertaking a partially underwritten accelerated non-renounceable pro-rata entitlement offer to raise up to approximately \$5.1 million (before offer costs) (**Entitlement Offer**).

Offer structure

The Entitlement Offer will comprise:

- (a) an Entitlement Offer to eligible institutional shareholders (**Institutional Entitlement Offer**); and
- (b) an Entitlement Offer to eligible retail shareholders (**Retail Entitlement Offer**).

The Entitlement Offer is being made under a prospectus in accordance with section 713 of the Corporations Act 2001 (Cth) (**Prospectus**) and provides eligible shareholders with the opportunity to subscribe for 3 new shares for every 5 shares held at 7pm (Sydney time) on Wednesday, 14 January 2015 (**Record Date**) at an issue price of \$0.15 per new share.

This letter is to inform you that, unfortunately, you are not eligible to participate in the Entitlement Offer. You are not required to do anything in response to this letter.

Why am I not eligible to participate in the Entitlement Offer?

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those persons who:

- (a) are registered as a holder of ordinary Titan shares as the Record Date;
- (b) have a registered address on the Company's register of members in Australia or New Zealand;
- (c) are not in the United States, are not a US person and are not acting for the account or benefit of a US Person; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Company has determined, pursuant to section 9A(3)(a) of the *Corporations Act 2001* (Cth) and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in countries outside of Australia and New Zealand in connection with the Entitlement Offer.

The securities laws of many countries require the use of offer documents specific to that country or compliance with local laws for the Entitlement Offer to be made in those countries. Having regard to the number of shareholders in particular countries, the number and value of the Company's ordinary shares to which those shareholders would otherwise be entitled and the potential cost of compliance with local laws to make the Entitlement Offer in those countries, the Company has limited the countries in which the Entitlement Offer will be made.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder stated above.

Accordingly, in compliance with ASX Listing Rule 7.7.1(b), the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for new shares under the Entitlement Offer.

As an ineligible shareholder you are not required to do anything in response to this letter.

On behalf of the directors and management of the Company, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours sincerely,

A handwritten signature in black ink that reads "Shaun Scott". The signature is written in a cursive style with a long horizontal stroke at the end.

Shaun Scott
Chairman