



2012 AGM



2012 AGM Chairman's Address

Shaun Scott



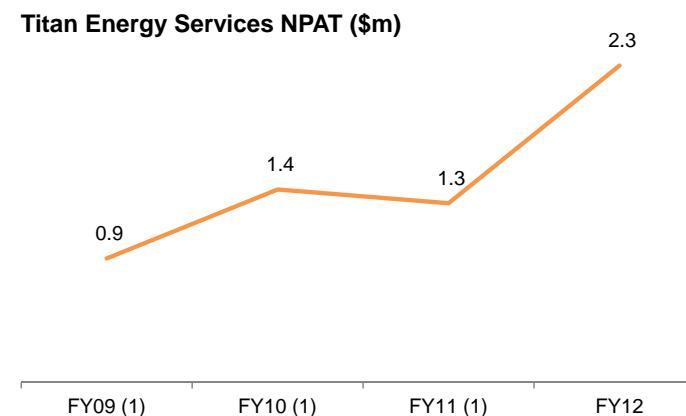
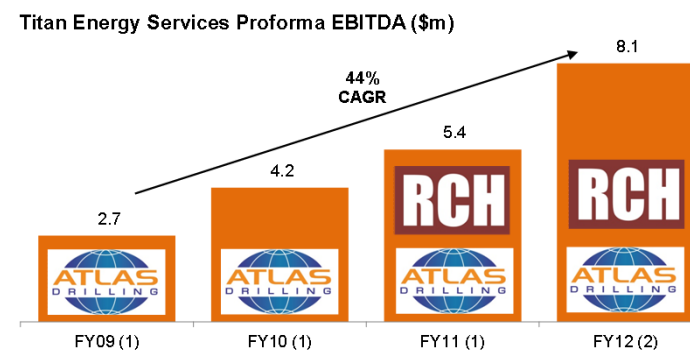
2012 AGM

Managing Director's Presentation

Jim Sturgess

FY12 Highlights

- **Successful IPO and ASX listing** – Titan listed on the ASX on 7 December 2011 raising \$5.0m
- **NPAT of \$2.3m** – a 130% increase on the previous financial year⁽¹⁾
- **Pro forma EBITDA of \$8.1m⁽²⁾** – a 50% increase on the previous financial year in line with market guidance
- **2.0c per share fully franked dividend** – c25% NPAT dividend payout ratio for FY12 as indicated in the prospectus.
- **Safety – days Lost Time Injury free (at 30 June 2012)**
 - Rig 1 – 461 days
 - Rig 2 – 361 days
 - Rig 3 – 331 days

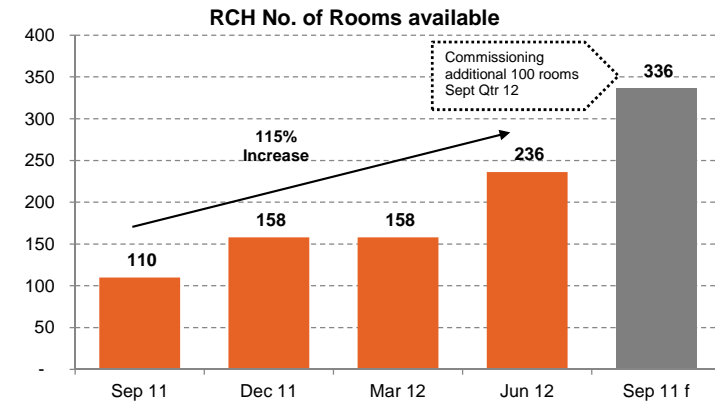


Note 1: Pro Forma Consolidated Results for Titan Energy Services for year ended 30 June 2011, assuming Titan Energy Services operated RCH and Atlas Drilling for year then ended. Prior year results based on audited management accounts of Atlas Drilling Co Pty Ltd and RCH that now form part of the Titan 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.

Note 2: Proforma EBITDA is arrived at after adding back transaction costs associated with the RCH acquisition and share based expenses associated with the Company's IPO.

FY12 Highlights

- **Record EBITDA for Atlas Drilling** – \$4.9m EBITDA contribution to the Group. This result driven by strong utilisation in the second half
- **Successful integration of RCH** – in the nine months since acquisition the portable camps business has grown from 110 rooms on acquisition to 236 rooms and has made a strong contribution to the groups earnings
- **Organic business growth** - Nektar Remote Hospitality established in April 2012 to provide high quality catering and camp management services in remote locations and won its first contract in June



Delivering on Strategy

| Strategic objective | FY12 Result | |
|---|--|---|
| List on the ASX | 7 December 2011 | ☑ |
| Proforma EBITDA guidance between \$7.8 – 8.2m | EBITDA \$8.1m ⁽¹⁾ | ☑ |
| Acquired RCH | September 2011 (effective from 1 July 2011) | ☑ |
| Profitable growth of the RCH business | 110 -> 236 rooms (as at 30 June 2012) \$3.2m -> \$4.2m EBITDA | ☑ |
| Improved utilisation of Atlas rigs | 95% 2H FY12 | ☑ |
| Diversification – Organic | Nektar start-up, April 2012 | ☑ |
| Diversification – Acquisition | Ongoing | ☑ |
| Employ experienced management team | Appointed CFO Appointed GM of Atlas ⁽²⁾ Appointed GM of RCH Appointed GM of Nektar | ☑ |

Note 1: Proforma EBITDA is arrived at after adding back transaction costs associated with the RCH acquisition and share based expenses associated with the Company's IPO.

Note 2: Recently promoted to COO of Titan

Safety

- Overall Total Recordable Injury Frequency Rate (TRIFR) of 17.9 per million man hours
- As at 30 June 2012, the Rigs had recorded the following Lost Time Injury (LTI) free days:
 - Rig 1 – 461 days
 - Rig 2 – 361 days
 - Rig 3 – 331 days
- Safety initiatives implemented during the year:
 - Improved management site visit and internal safety auditing processes
 - Additional site safety and training personnel coverage
 - Internal training programs for Rig crews mapped to national competency standards for the Oil and Gas drilling (on shore)
 - Positive rig safety KPIs will be included in personal KPIs
 - Qld Dept of Education and Training grants obtained



Full Year Results Overview

| \$ Million | Actual 30 June 2012 | Proforma 30 June 2011 ⁽¹⁾ | % Change |
|------------------------------------|------------------------|---|----------|
| Revenue | 33.5 | 23.1 | 45% |
| Statutory EBITDA | 7.4 | 5.0 | 48% |
| <i>EBITDA margin %</i> | 22.1% | 21.6% | 0.5% |
| EBIT | 3.9 | 2.6 | 50% |
| <i>EBIT margin %</i> | 11.6% | 11.3% | 0.3% |
| Net Profit Before Tax | 3.3 | 1.6 | 106% |
| Net Profit After Tax | 2.3 | 1.0 | 130% |
| Basic earnings per share (cents) | 10.81 | n/a | n/a |
| Dividends per share (cents) | 2.0 | Nil | n/a |
| Statutory EBITDA | 7.4 | 5.0 | 48% |
| Acquisition & Share based payments | 0.7 | 0.4 | |
| Pro forma EBITDA ⁽²⁾ | 8.1 | 5.4 | 50% |

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Titan Overview

- Titan Energy Services Limited ('Titan') is an oil and gas field services company focused on the coal seam gas ('CSG') to liquefied natural gas ('LNG') industry.
- Titan has grown from its original business Atlas Drilling into a diversified services company leveraging from experience within the CSG industry.
- Current services include:

Titan Energy Services

Atlas – CSG Drilling

- 3 Rigs, under contract
- 2 owned rigs, 1 operating contract
- High utilisation
- 'Blue chip' customers

RCH – Portable Accommodation

- 236 Rooms at year end
- Servicing CSG development and services industries
- Experiencing rapid growth

Nektar – Catering & Camp Management

- Organic start-up business
- Operating for three months
- One long term contract secured
- Significant growth expected

Future Growth

- Organic growth
- Expand equipment hire business ⁽¹⁾
- Other complementary businesses

Note 1: Currently provided by Atlas Drilling

Diversification Strategy

- Titan has a stated objective of expanding its current operations and diversifying its CSG service offerings
- Diversification is important as the company can leverage off its current Oil and Gas and CSG experience into a number of service lines to capture more of the CSG services market

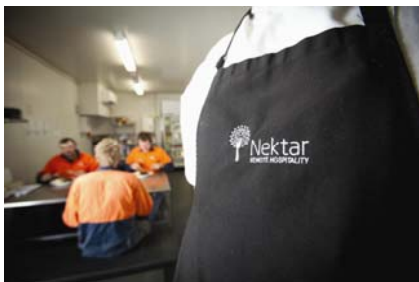
Portable Accommodation



CSG Drilling



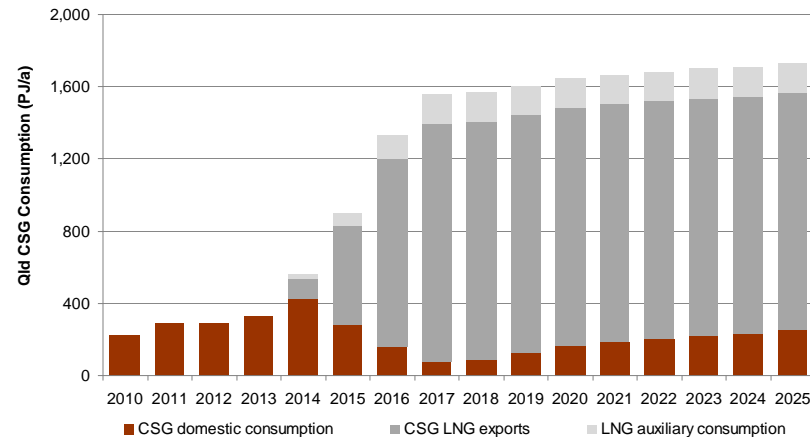
Catering & Camp Management



Equipment Rental & Transport

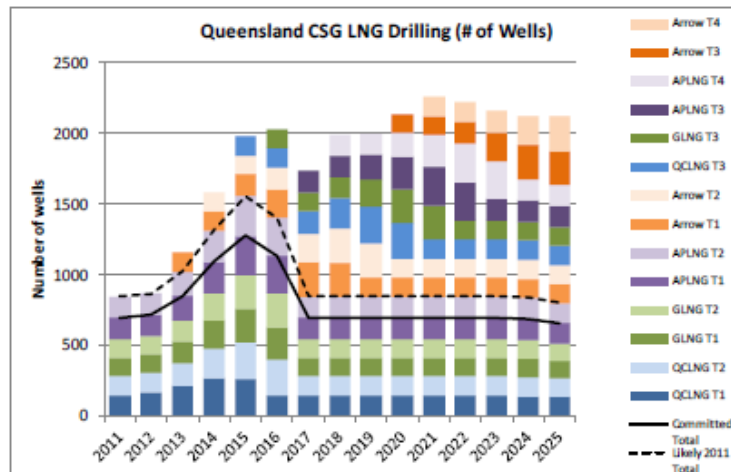


CSG-LNG Market



QLD CSG-LNG production and consumption forecasts (2011 to 2025)

Qld production is forecast to increase from c. 250 PJ/a in 2011 to c.900 PJ/a by 2015



QLD CSG-LNG drilling No. of wells (2011 to 2025)

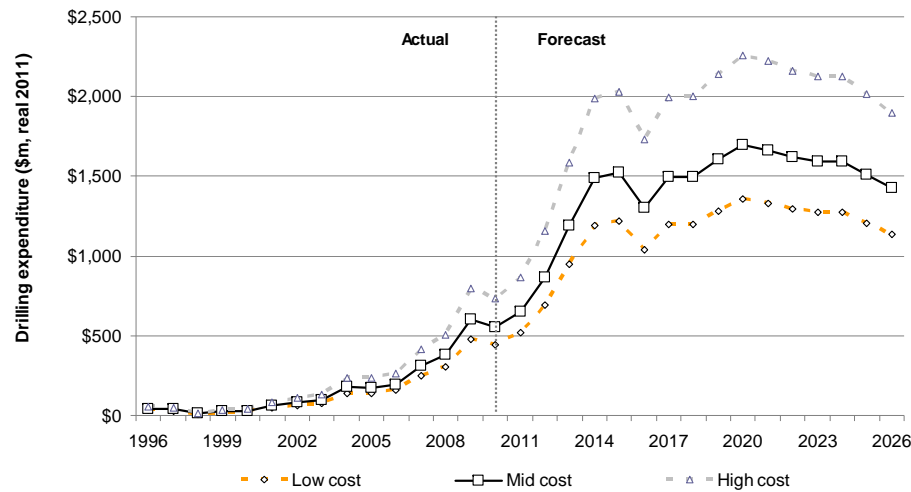
Number of wells has increased from c. 600 wells per year in 2010 to a forecast > c. 2,000 pa from 2015 - 2025

Source: ACIL Tasman analysis

Note:(1) Mid cost forecast from the ACIL Tasman forecast included in Titan's IPO prospectus.

CSG LNG Market – production phase

QLD CSG-LNG drilling expenditure (1995 to 2026)



Note 1

Mid cost forecast from the ACIL Tasman forecast included in TTN's IPO prospectus

Qld drilling expenditure forecast to increase from c. \$650m pa in 2011⁽¹⁾ to > c. \$1,500m pa by 2015



Trading YTD

Significant achievements

- 200 Room camp contract with APLNG
- QGC Atlas Drilling contract extension
- APLNG drilling contract underwriting new drill rig
- Payment of maiden dividend and strong take-up of Dividend Reinvestment Plan
- Refinance of debt for future growth

Business performance (YTD October 2012)

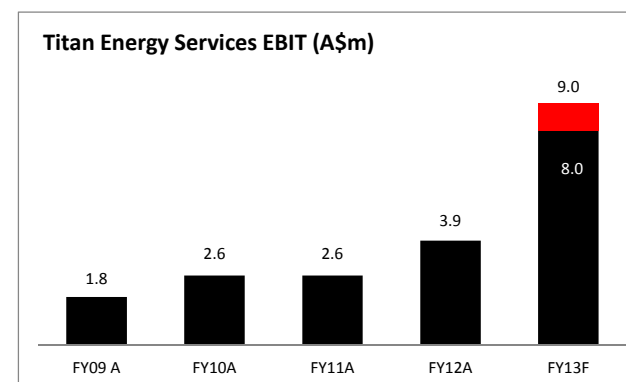
- Safety remains a strong focus with investment in systems and training
- Atlas utilisation remains high at 99%
- RCH growth in number of rooms to 427
- RCH utilisation 69%
- Significant growth within the Nektar business, currently servicing 5 contracts equating to 271 people per day



Note : Revenue data for the prior year was derived from management accounts that was independently reviewed and included in the Prospectus in November 2011

Outlook – FY13

- YTD Titan is tracking above previous guidance
- Expecting a stronger remainder of the year due to:
 - Additional drilling rig to be in operation (LOC signed)
 - Expansion of the RCH business occurring sooner than expected
 - Growth within the Nektar business stronger than anticipated
 - CSG activity is buoyant
- First Half – Forecast EBIT of \$3.5m - \$4.0m compared to last year \$0.7m
- Full year – Forecast EBIT of \$8.0m - \$9.0m, \$1.0m increase in previous guidance ; FY12 \$3.9m
- Achieving this result is sensitive to:
 - No significant unbudgeted weather events
 - Atlas utilisation remaining high during the year
 - Continued strong demand for the RCH camps business



Note 1: Proforma EBITDA is arrived at after adding back transaction costs associated with the RCH acquisition and share based expenses associated with the Company's IPO.

Recap

Trading & Growth

- Activity in the CSG space remains robust
- Atlas utilisation expected to remain strong into FY13 driven by major oil and gas company contracts and strong enquiry level for future work
- RCH starting FY13 with 236 rooms available, ~60% greater than the weighted average available in FY12 (148 rooms)
- Continued growth in RCH expected during the year as demand dictates
- Additional Nektar contracts expected
- Organic growth and strategic acquisition opportunities will be considered

Questions?



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