



December 21, 2009

A Letter from the Chairman and CEO

Dear TEWI Shareholder –

As this challenging year winds down, I wanted to reach out to you and offer an update on the events and advances of the past months as well as outline what we plan to accomplish at Titan Energy in 2010.

2009 was a *tremendous* year for Titan Energy. We achieved record sales, significantly expanded our operations, greatly improved our service offerings and moved closer to our goal of profitability. I want to thank all the members of the Titan Energy team – the managers, the sales personnel, service and support staff – for an incredible job. This was an effort that was shared among 47 individuals in nearly a dozen states. We all worked together and demonstrated that even in tough times, dedication, enthusiasm and commitment can produce great remarkable results.

Our accomplishments of the past few years have established a foundation for our progress in the years to come. The following shows how far Titan Energy has come in the short period since 2006:

- We have expanded our operations from one to seven offices that now serve 1,000 customers in eleven states: Minnesota, Michigan, Wisconsin, Iowa, Nebraska, North and South Dakota, New York, New Jersey, Connecticut and Florida.
- We have grown from zero to more than \$10 million in annual revenues. With our current base of business alone I believe we will double our revenues in 2010 to \$20 million!
- We have completed acquisitions that opened offices in key territories including Miami and New York. Both of these regions are billion dollar markets for our energy management services and a great deal of our future growth will come from expanding our operations in these areas.
- We are projecting that Titan Energy will become EBITDA positive by the middle of 2010. We have increased our margins significantly and cut our overhead expenses so that we expect to reach that all important fiscal goal within the first six months of next year.

**Titan's strategic expansion.** We have successfully expanded our operations into Florida and New York through wise, accretive acquisitions of established power generation businesses in those states. In Florida we acquired the industrial business of a 52 year old power generation company in Miami. In 2010, we expect to do \$6 million to \$7 million in revenues in this state alone. In New York, we gained a \$2.7 million book of business and the leadership of a successful energy management team in the Northeast. Between these regions, we are now fully operational in two billion dollar markets for our products and services.

**Titan's growing national footprint.** The value of having a presence in multiple states is that a larger footprint will facilitate our ability to secure contacts with major companies that have facilities across the U.S. The addition of the office in New York was a big step in our plan to be a national company. We are exploring options to further expand into other strategic regions of the U.S., California in particular. With

operations in the West, Titan Energy will truly be unique in our industry as we will have a national footprint by which we can better serve our customers.

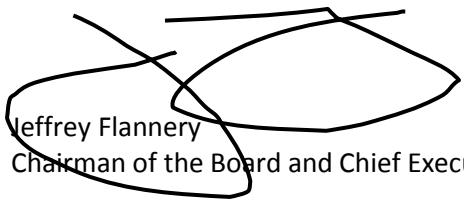
**Titan as a leader in energy management.** Energy management is a trillion dollar a year business that has gained prominence as a national issue. We at Titan Energy have the experience, the resources and the foundation to be a true leader in this huge industry. Providing a company with a back-up generator is indeed helping that company better manage its energy resources by keeping its operations going during times of grid failure or natural disaster. However, that same generator can help that customer save money on its utility bill if there is a load curtailment program available through its utility. We also now offer solar solutions, asset management programs and many other services to our customers. Our goal is to be *THE* company that offers the most intelligent and complete energy management solutions to all of our customers.

**Growth in service offerings.** A key to our future success will be in expanding these service programs. Programs that we are looking to make a larger part of our overall service offerings include demand reduction and other energy savings solutions. A successful pilot project with a major retailer in the Midwest has recently demonstrated Titan's unique capability to manage this kind of energy management service. Hundreds of our customers could benefit from this kind of program. Energy management programs represent a multi-billion market within the U.S., programs, offering recurring revenues and higher profit margins – key components to our path to profitability in 2010.

**Energy efficiency.** Titan Energy's key assets are our people and the knowledge we have about energy management and efficiency. To expand our services in this area, we recently acquired a small company in Minnesota that specializes in conducting energy audits of companies for the local utilities. By working with the utilities and companies to help them understand their energy options, Titan Energy hopes to provide these customers with a wider range of energy management services and greatly expand our customer base.

**Gaining exposure for Titan Energy in the investment community.** We recently retained the services of Strategic Growth, Inc., one of the most respected IR firms on Wall Street who specialize in energy growth companies. Headquartered in New York, SGI has helped more than 200 companies maximize their shareholder value by providing access to investment professionals. Their first goal is to get Titan recognized in the investment community. We have made great progress in just the first four weeks of our engagement with SGI!

So with that, I want to wish all of you the happiest of holidays! Have a safe and wonderful New Year and I look forward to communicating with you as events and progress unfolds in 2010. As always you can reach me at [jflannery@titanenergy.com](mailto:jflannery@titanenergy.com) if you have any questions or would like more information.



Jeffrey Flannery  
Chairman of the Board and Chief Executive Officer