



*Building a Smarter Grid, Delivering Energy Efficiency and Savings*

March 31, 2010

Dear Shareholders –

Titan Energy's recently filed Annual Report for 2009 describes in detail how our Company achieved record revenues and succeeded in building a solid, promising foundation for our future growth. Given the enormous emphasis placed on smart energy and energy conservation by corporate America and various levels of government, Titan is well positioned to have an increasingly important and visible role in our nation's demand for improved energy efficiency and management.

2009 was a year of strong growth for Titan Energy. Our \$10.6 million in 2009 sales was 35% higher than sales revenues in 2008. We increased our margins as we sought better pricing for our power generation equipment and service contracts. Finally, we were able to reduce our corporate overhead as we aggressively pursue our goal to be cash flow positive by the middle of this year. You can read the details in our 2009 Form 10K either by going to our web site, [www.titanenergy.com](http://www.titanenergy.com), or you can access it at [www.sec.gov](http://www.sec.gov). You may also request a copy by writing us at [jflannery@titanenergy.com](mailto:jflannery@titanenergy.com) and we will send you a copy.

***"Our dedication to providing the finest level of service to every one of our customers had earned Titan Energy the respect of some of the largest and most prestigious companies in the U.S."***

2009 was all about the continuing excellence of our team. All throughout the year, the Titan Energy team has demonstrated a desire to *be* better and *perform* better at every level. Quarter by quarter we posted consistent improvements in sales and efficiency. And so it is no surprise that we ended 2009 with the strongest financial results in our company's history. Our Midwest division continues to grow and improve, leading the way in demonstrating excellence in equipment sales and service. We are targeting higher margin, recurring revenues with our service programs, and our dedication to provide the finest level of service to every one of our customers had earned Titan Energy the respect of some of the largest and most prestigious companies in the U.S.

We completed two acquisitions that we believe will have a tremendous impact on Titan Energy in 2010. In June of 2009, we completed the acquisition of what is now Grove Power located in Miami, Florida. Florida is an exciting marketplace for our product and services, an area frequented by storms and experiencing a rise in solar and demand response programs. We have also seen significant sales of power generation equipment to the Caribbean and Central America. Our Miami office is the perfect location to service nearly one half of the Western hemisphere! And as hot as the market is in Florida, in December we opened our office in New York/New Jersey, giving us a foothold in what has to be the most dynamic and demanding energy market in the United

States. Snow storms recently created blackouts lasting more than 4 days in areas surrounding the city. Solar panels are appearing on rooftops across the skyline. And with the highest prices for energy in the country, energy initiatives, efficiency programs and opportunities for Titan Energy abound.

***“...we have created a professional energy management team that extends from Omaha to New York to Miami – further than any other company we know of in our industry”***

We are excited to be up and running in New York and in Florida. Both of these regions represent hundreds of millions of dollars in opportunities for our company. Most significantly, with these acquisitions we have created a professional energy management team that extends from Omaha to New York to Miami – a broader footprint than any other company we know of in our industry – everyone working together to bring an extraordinary level of service to our customers.

We congratulate every one of our sales, service and administrative members for our success last year. But 2009 was just the beginning. Now it is time to look at 2010 and beyond.

The foundation that we have built is paying the dividends we expected all along. Based on our current run rate and our projected sales, we believe we are on target to more than double our revenues to more than \$20 million in sales in 2010. Most importantly, we believe we have a good chance of not only being cash flow positive but of being profitable for the year. Again, tremendous potential results, but that too is only the beginning of the Titan Energy story for 2010.

***“...it is our goal to make 2010 the year that we show the world our skills and prowess for providing the technological edge that our energy industry needs to improve and advance.”***

In addition to these impressive financial objectives, it is our goal to make 2010 the year that we show the world our skills and prowess for providing the technological edge that our energy industry needs to improve and advance. Titan Energy is a technology provider. And while many have made similar promises, we believe we can deliver. We begin with demonstrating the capabilities and efficiencies that new technologies can bring to the electrical grid -- technologies that will play a role in supporting a company's ability to utilize the benefits of a smarter grid, that will improve the operations and efficiencies of the utility systems, that have the potential to save everyone money in a variety of ways.

There is a lot of talk today about the Smart Grid. There are billions of dollars being spent on the development of new technologies and services that promise to create a more intelligent electrical grid. There are dozens of utilities and hundreds of companies striving to make this promise come true. Titan Energy is one of those companies; however, we believe we have solutions for the Smart Grid that are immediate and long lasting.

Titan Energy operates in an area of the electrical industry called Distributed Generation. We provide companies with onsite power generation equipment and the systems to better control and utilize that equipment. In the past, this equipment was often reserved for the rare emergency or power outage, being used very inefficiently, perhaps less than a few hours every few years. These are powerful, energy producing systems that can be put to better and more far reaching uses.

***“A solution is out there. And we think we have it.”***

The problems with our electrical utility system are not due to insufficient energy supplies or production capabilities. Most of our problems are caused by our inability to deal with the times when the demand for electricity in a certain regions outstrips supply. These “peak periods” occur relatively infrequently, perhaps only a few hours a year; however, the U.S. Department of Energy estimates that grid failures due to these peak periods end up causing more than \$150 billion of economic losses each and every year. The most commonly cited solution to this problem is to build new power plants and erect more transmission lines. However, there is not the money, the government desire or the public support for such expensive infrastructure projects.

A solution is out there. And we think we have it. That solution is in the hundreds of thousands of industrial generators located throughout the United States and the tens of thousands that are installed each year. With the right controls and communications systems, these onsite power generation assets can be used not just in emergencies but on an as-needed basis to reduce demand on the electrical grid, creating a more stable transmission system that experiences less brown outs or black outs. Recognizing this potential, utilities have created special programs that allow these onsite generators to be used specifically during peak load periods so that electrical failures can be averted and higher priced energy purchases avoided. Properly used, these remote onsite generators can help utilities avoid paying higher costs for peak demand energy, and can reduce the need to build expensive power generation plants. Our customers who participate in these utility programs optimize their energy resources and still experience peace of mind in the event of a power outage.

To make our utility grid better, improvements are needed in many areas. Better, cleaner, more efficient generators are being required by the EPA. We believe that our manufacturers – the finest in the world – are providing new types of equipment that will meet the demands and requirements of the future. But a smarter electrical system requires improved communications, a better flow of information and more advanced control, monitoring and reporting solutions.

***“Titan Energy – Building a Smarter Grid, Delivering Energy Efficiency and Savings.”***

Now the grid is becoming smarter! And at Titan Energy we believe we have solutions that will contribute to these vital improvements.

We have built Titan Energy in a different way than many other companies in our industry. We built it on a foundation that includes a strong, loyal customer base. We first developed a business that has proven its ability to sell and maintain industrial scale power generation equipment. This is our unique strength in this industry. We know power generation equipment, we know how it works, how to install it, how to maintain it. Most importantly we know how to make this powerful equipment work within the complex and changing utility system. We have built Titan Energy with a team of people who are proud of what they do, what we offer to our customers and the potential we have is to help business and institutions throughout the nation. Now we will offer the technology for these power generation systems to work more effectively and efficiently.

***“2010 is going to be the year when we show the difference we can make.”***

But most of all we believe we can make a difference. And 2010 is going to be the year when we show the difference we can make. We are excited for every employee of Titan Energy – you have demonstrated your commitment to making this company grow and succeed. We are excited for the people who have supported us through the past several years – you have loyally stayed with us and are now part of a company that is a step closer to realizing its promise. We are excited for the new partners who are working with us now – we have many exciting goals to accomplish in 2010 and the success is ours for the taking.

We offer our thanks to all of you.

Jeffrey Flannery  
Chairman & Chief Executive Officer

Thomas Black  
Chief Operations Officer

#### **Forward-Looking Statements**

Investors are cautioned that certain statements contained in this document as well as some statements in periodic press releases and some oral statements of TEWI officials are "Forward-Looking Statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, which include words such as "believes," "anticipates," "intends," "plans," "expects," and similar expressions. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future TEWI actions, which may be provided by management, are also forward-looking statements as defined by the Act. Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance, or achievements expressed or implied by such forward-looking statements and to vary significantly from reporting period to reporting period. Although management believes that the assumptions made and expectations reflected in the forward-looking statements are reasonable, there is no assurance that the underlying assumptions will, in fact, prove to be correct or that actual future results will not be different from the expectations expressed in this report. These statements are not guarantees of future performance and TEWI has no specific intention to update these statements.