

EPIC GAS LTD
PRELIMINARY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED
31 December 2015

SINGAPORE, 11 February 2016 - Epic Gas Ltd. (“Epic Gas” or the “Company”) today announced its unaudited financial and operating results for the fiscal year ended December 31, 2015. All amounts reported in US Dollars unless otherwise stated.

A conference call to discuss these results is scheduled for 11 February 2016 at 10:00 AM (New York) / 3:00PM (London) and can be accessed via the following dial-in information.

Conference call details:

United States: +1 631 510 7498
United Kingdom: 08444933800
International: +44 (0) 1452 555566

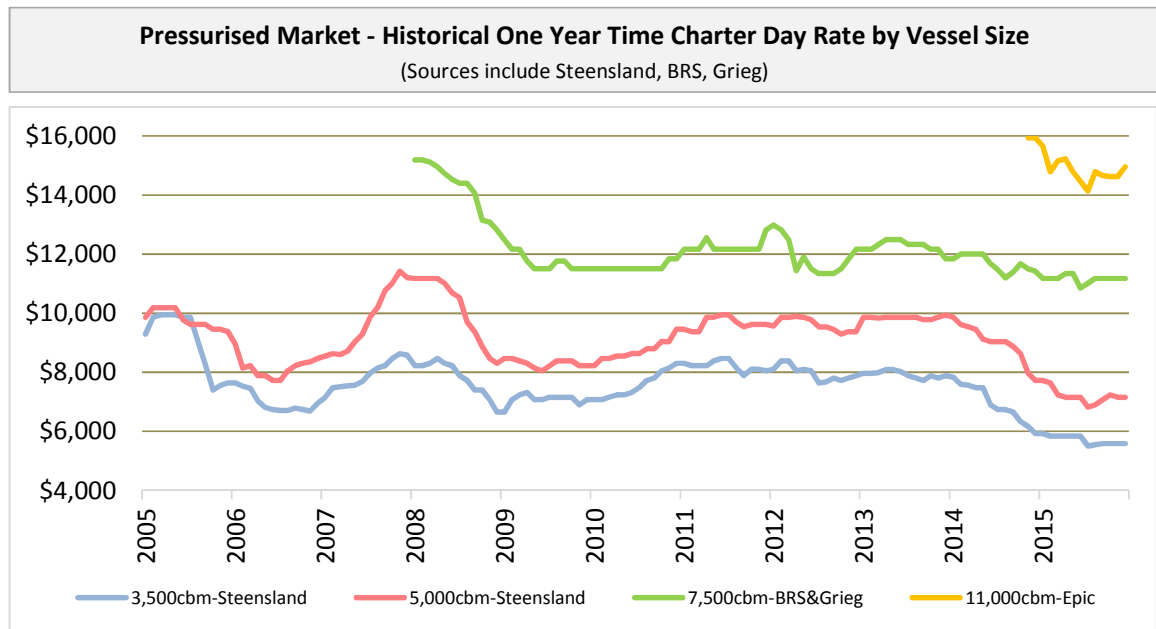
Conference ID Number: 42411943

Fiscal Year 2015 Highlights

- Vessel Calendar days up 19% year over year
- Revenue of \$130.3 million, up 11% year over year
- Time charter equivalent revenues of \$8,682 per vessel calendar day, up 2% year over year
- General & administrative expenses of \$1,150 per vessel calendar day, down 22% year over year
- Adjusted EBITDA of \$29.8 million, up 25% year over year
- Net Loss of \$5.9 million before an impairment charge of \$10.4 million
- Charter cover of 40% of 2016 days
- \$50.0 million Private Placement of common equity and a US\$120 million term loan in place, with average hedge of Yen/US\$ on newbuild contracts concluded at 118.85.
- Delivery of 3 newbuildings from shipyards in Japan, sale of 2 older vessels and redelivery of 1 chartered-in ship upon charter expiry bringing the Company’s on the water fleet to 36 vessels
- Remaining newbuilding program of seven owned vessels, plus one chartered-in vessel

The Pressurised Market

Rates in the pressurised LPG sector for 2015 can be seen to have been “bouncing along the bottom”, with record newbuild deliveries, some regional demand weakness, and dramatic falls in commodity prices all playing a part. Overall average market rates in the year were broadly at fifteen year lows, with the 3,500cbm and 5,000cbm segments approximately 19% lower than 2014, whilst the larger 7,500cbm dropped 4%.

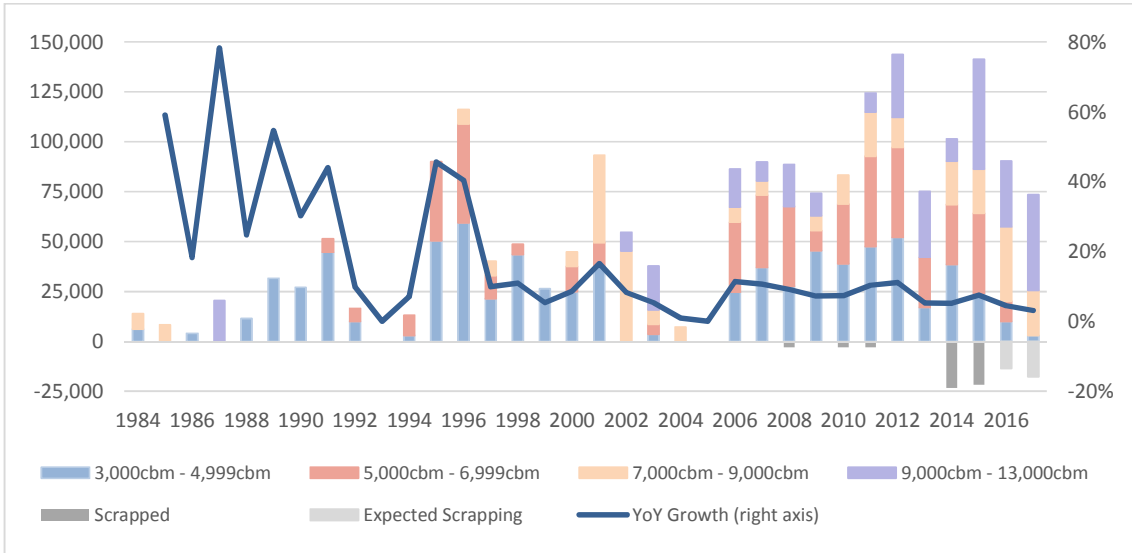


On the supply side, we ended the year with 309 pressure vessels on the water after a record year of newbuild deliveries comprising 23 vessels totalling 141,300cbm. This was offset by 6 vessels with an average age of 27 years, and 21,727cbm being scrapped. Thus we saw net pressurised fleet capacity growth of 8.6%.

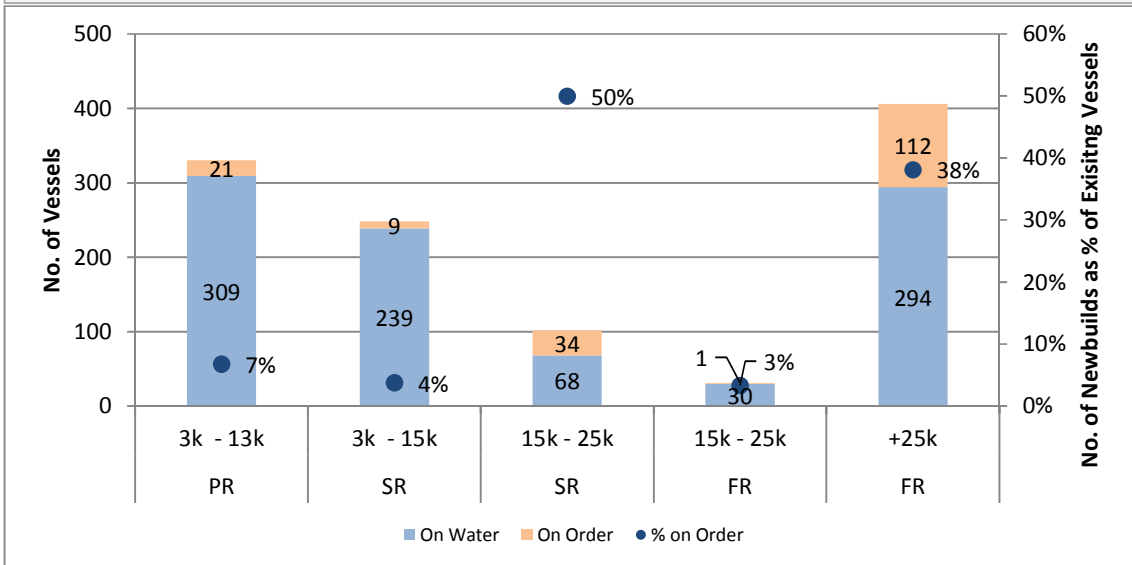
Newbuild ordering during the year was limited to 5 vessels of 44,000cbm capacity, to be delivered within 2017. It is also worth observing the small semi-ref fleet, with which there is some occasional cross-over competition, saw a minor net capacity reduction during 2015.

Of the 309 pressurised ships on the water today, 11 vessels are 25 years or older, and should be considered candidates for scrapping, complemented by a further 23 small semi-ref vessels of a similar age. There are another 42 vessels in the combined sector aged 20-24 years that are likely to be covering only operating costs if they are in the spot market. In sum, we expect further scrapping will occur in the months ahead.

Supply to reduce as we head through 2016 (Company Data)

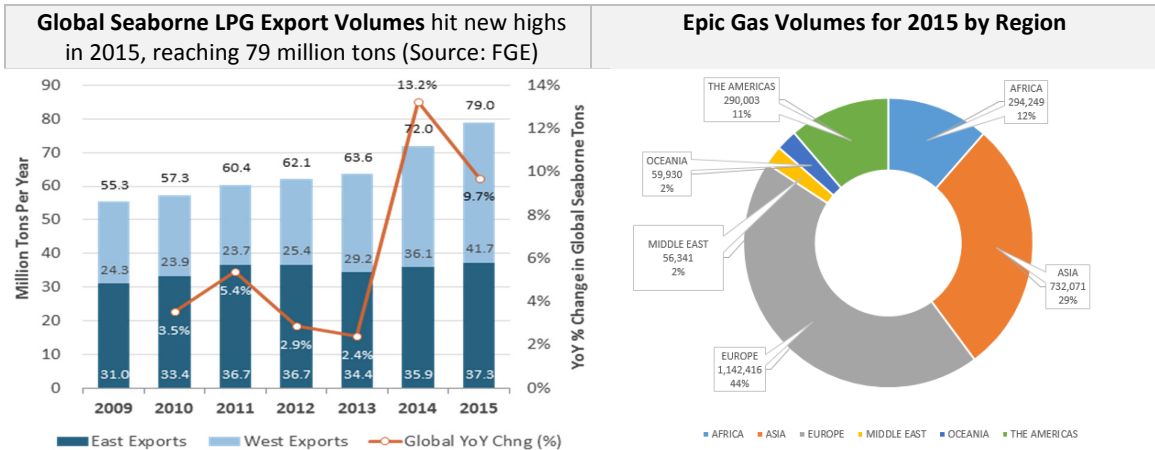


LPG Order Book by Vessel Size & Type
Smaller LPG Vessels have **Smallest Order Book** (7%/4%) (Source: Clarkson)



Epic Gas loaded 2.6 million tons during 2015, up 38% year on year, with 76% of tonnes loaded being LPG, and the balance petrochemicals, broadly similar to 2014. The steady petrochemical business provides a good off-set to seasonality within LPG. Our increasing average vessel size drove a 10% increase in the average parcel size we loaded across 1,019 liftings.

Initial figures guide total global LPG exports of 79 million tonnes, up 9.7% year on year. Tonne mile demand growth has been steady in most regions through the year, and in some regions considerably better, helping to offset some of the over-capacity resulting from the record newbuild deliveries.



In North Asia, we saw a stable market, albeit at low levels, for the smaller 3500cbm to 5000cbm sector. Significant increases in butadiene and VCM imports to PRC on longer tonne mile routes were more than offset by a 9% year on year decrease in propylene imports as domestic PDH (propane dehydrogenation) capacity to produce propylene came online.

In SE Asia, we have seen a step up in transshipment from larger VLGC tonnage to smaller pressurised vessels for last mile delivery. Epic Gas performed 60 transshipment operations during 2015, up almost 3 times year on year. The region has also absorbed a number of older vessels into off-market domestic cabotage trades.

The Indian Ocean saw a number of newbuilds absorbed, including 7,200cbm and 11,000cbm vessels for transport of both LPG and petrochemicals. We expect to see a continued shift to larger pressure vessels as existing trades up-scale, and as new tenders and infrastructure projects deliver.

West of Suez, the Black Sea and Eastern Mediterranean, where some markets have seen double digit growth, have also been able to accommodate further larger pressurised vessels, with the arrival of incremental two vessels of 11,000cbm during the year.

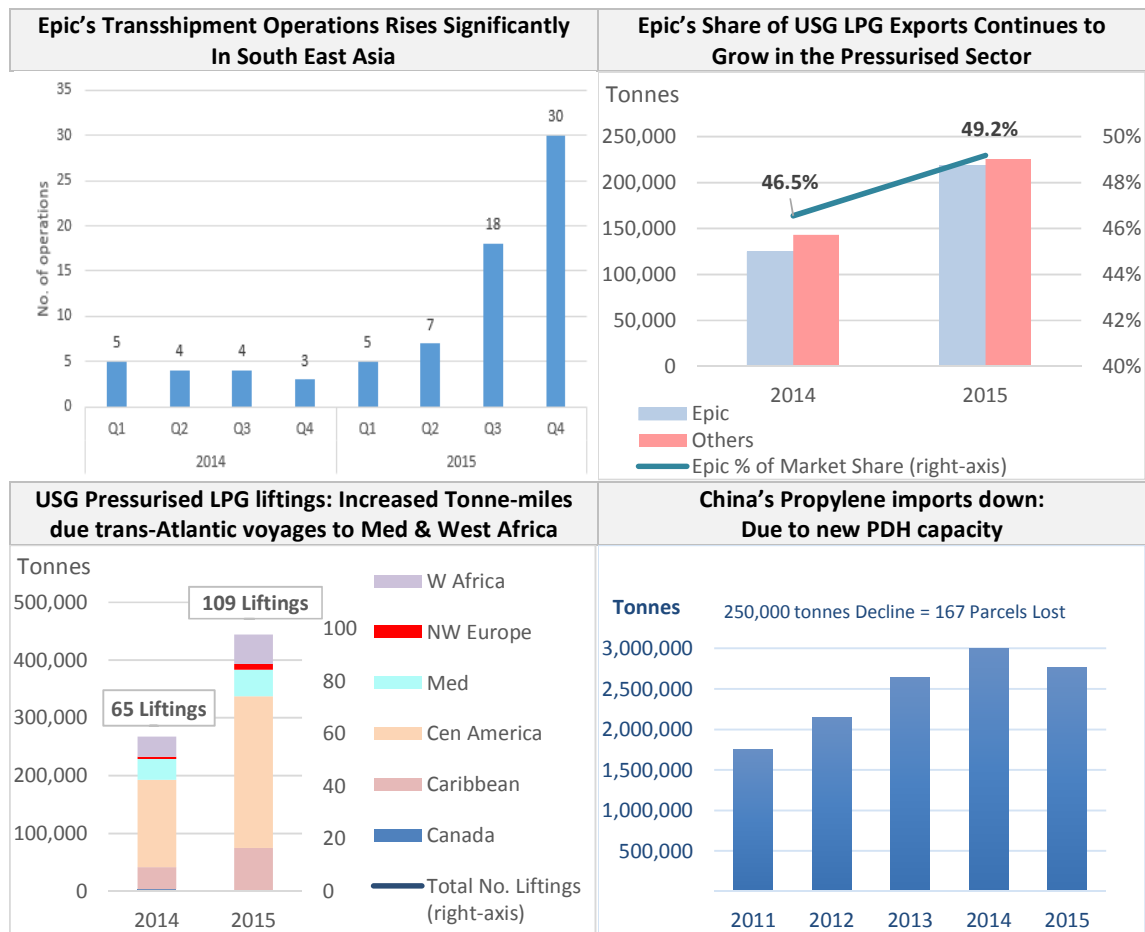
Import Volumes million metric tonnes	2014	2015	% Increase
Turkey	3.2	3.6	12.50%
Egypt	2.7	3.0	11.11%
Morocco	1.9	2.0	5.26%

(source: FGE)

We have seen continued volume in the Western Mediterranean, as we remain active in last mile deliveries into West and North Africa.

Overall activity in North West Europe remains weak for smaller pressurised vessels. Over the year we saw periods of increased activity driven by events such as lower water levels on the Rhine, refinery maintenance, and the added impact of a refinery breakdown at Moerdijk leading to butane exports during the repair period. For the larger vessels, Moroccan butane imports have maintained a steady demand.

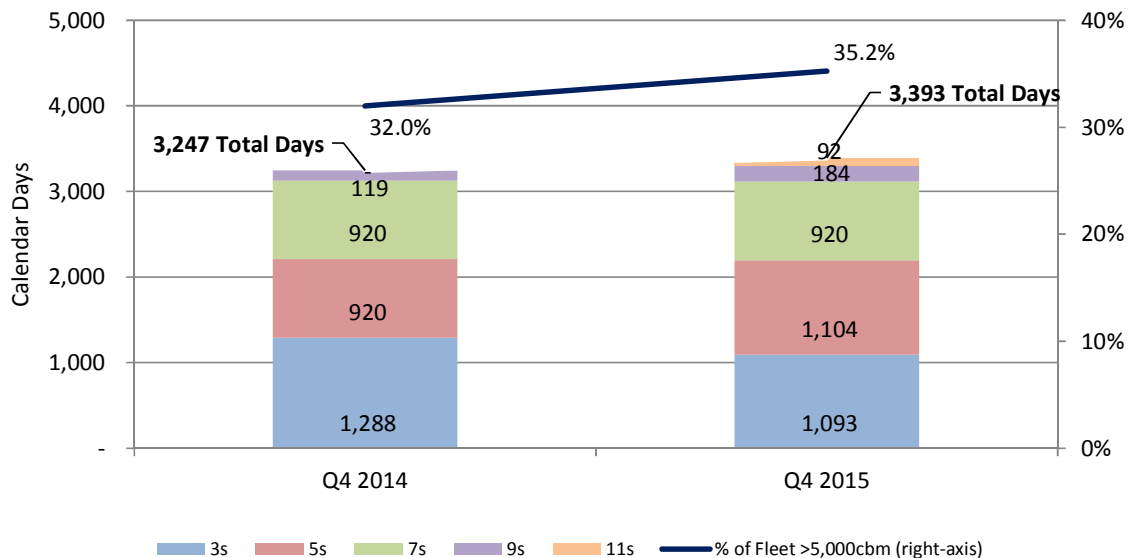
In the Americas, overall export growth of LPG has passed the 20million tonne mark for the first time, a year on year increase of over 40%. Within the context of this, pressurised LPG exports grew over 65%, with volumes heading both intra-Caribbean, and also gaining some share in the trans-Atlantic markets.



Revenue

Our revenue for 2015 of \$8,682 per vessel calendar day, up 1.9% year over year, represents a 4% premium to the weighted average market during the period. Our increasing scale, the strength of our broad access to the market through a variety of contractual arrangements, our diversified exposure to the global markets, and our increasing exposure to larger pressurised vessels has enabled us to outperform a depressed market. In general, our larger vessel earnings have remained firmer than those of the smaller sizes. Owing mainly to the significant growth of US LPG exports, rates in the western hemisphere continue to exceed rates in the east.

Increasing Exposure to Larger Vessels



Within this difficult market environment, Epic Gas continues to execute on its strategy of pairing focused investment with consistent delivery of commercial and technical service to our customers at the highest of industry standards. The Company’s operational capabilities enabled the business to take delivery of three high quality Japanese newbuild ships during the year, including two owned newbuildings, and one bareboat newbuilding.

Given the challenging environment for the smallest pressure vessels, Epic Gas has proactively sought to manage down its exposure to the smallest, oldest vessels in our fleet. While a pressurised gas carrier can operate past 30 years, a vessel’s utility on the international market declines dramatically as vessels approach 20 years of age. With age, it becomes increasingly difficult to maintain the vessels up to the oil major vetting standards required to trade in our markets. Accordingly, in March Epic Gas successfully sold 18 & 19 year old assets into the Southeast Asian cabotage market, and in December we redelivered a 15 year old bareboat chartered vessel.

The net impact to our fleet is that it is now larger and younger. We have delivered a 4.6% increase in exposure to both total trading capacity and average vessel size, and a decrease of 5.8% in the average age of our fleet.

We continue to monitor the market for additional opportunities to sell assets where the sale would help improve the profitability of our business and further accelerate the transformation of our fleet.

A Geographically Diversified Fleet

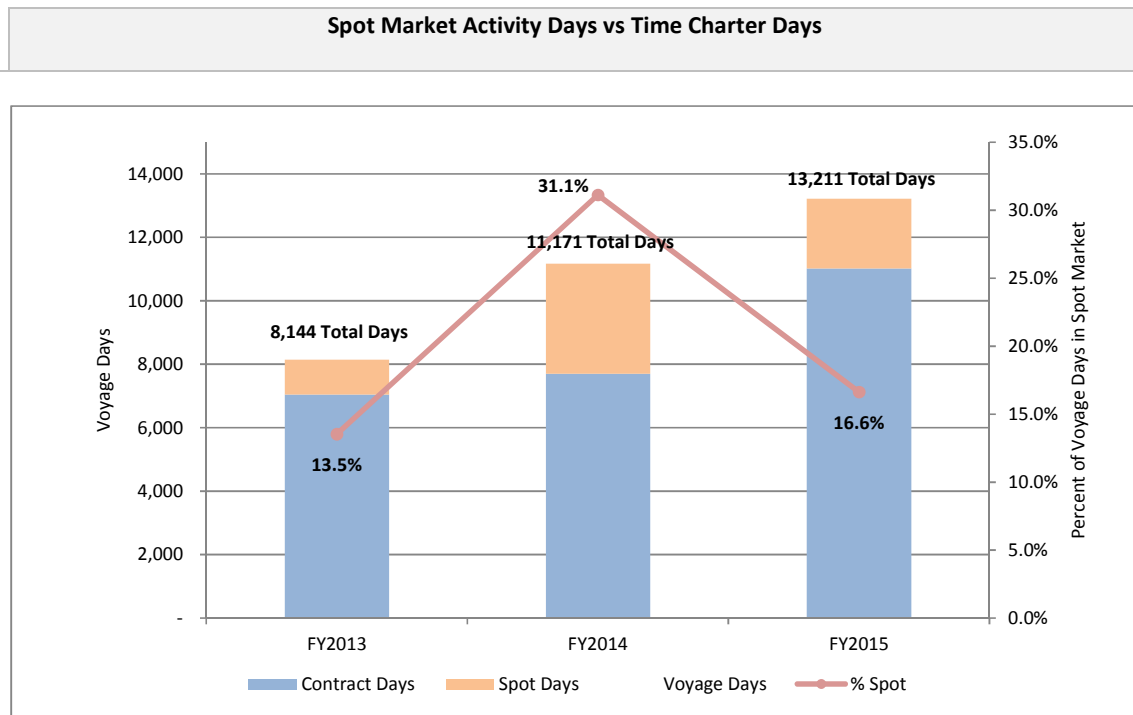
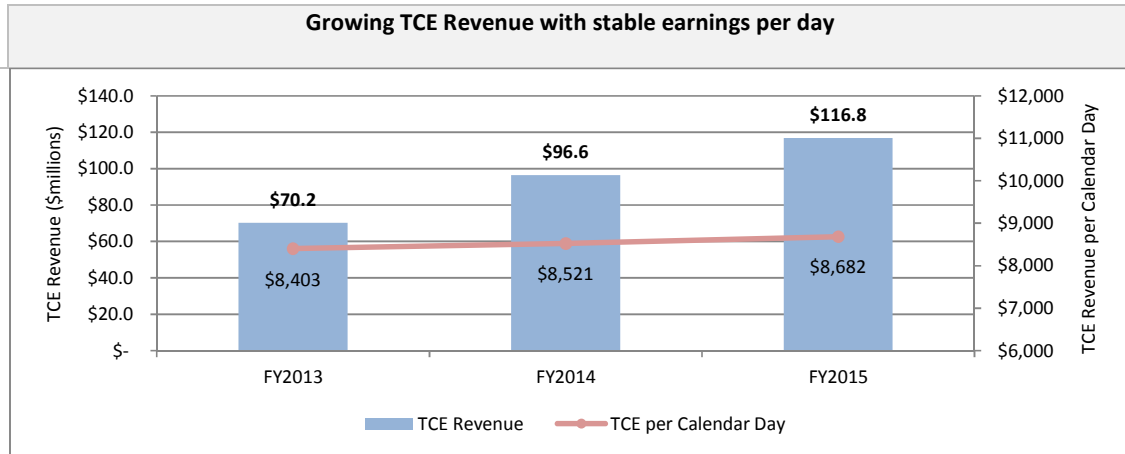
Vessels by Segment	Americas	EMEA	Asia	On Water	On Order	Total Fleet
3 (3,300cbm – 4,100cbm)	2	2	7	11	-	11
5 (5,000cbm – 6,300cbm)	1	5	6	12	-	12
7 (7,000cbm – 7,500cbm)	5	5	-	10	3	13
9 (9,500cbm)	-	2	-	2	-	2
11 (11,000cbm)	1	-	-	1	5	6
Total	9	14	13	36	8	44
Fleet Capacity (cbm)				203,400	77,500	280,900
Avg. Vessel Size (cbm)				5,650	9,688	6,384

During the year we have developed our commercial platform in the west to support our geographical fleet growth, and concluded our first COAs in the East and the West, allowing us to use our scale to both deliver lower freight to customers and increase net earnings to Epic Gas through reduced ballast legs and efficient scheduling.

We end the year with 13 vessels trading in Asia, whilst our larger vessels including our first newbuild 11,000cbm are included in our fleet of 23 vessels trading outside Asia. Our primary spot exposure remains within our larger vessels trading in the West. While the majority of our business will remain time charter in nature, we expect to continue developing certain markets where our expertise, assets, and class leading network density allow us to outperform the time charter market through a combination of COA and spot business.

One of our major objectives has been, and continues to be, to optimise vessel utilisation. This is achieved through a combination of better commercial management and less mechanical downtime. In 2015, our vessel utilisation increased by 1.5% (150 basis points) to 96%, aided by a 38% decrease in idle days.

The net impact means that our Time Charter Earnings for the year have reached a new record of \$116.8 million, up 21% year on year, in a year where the weighted market has been 8% lower in average.

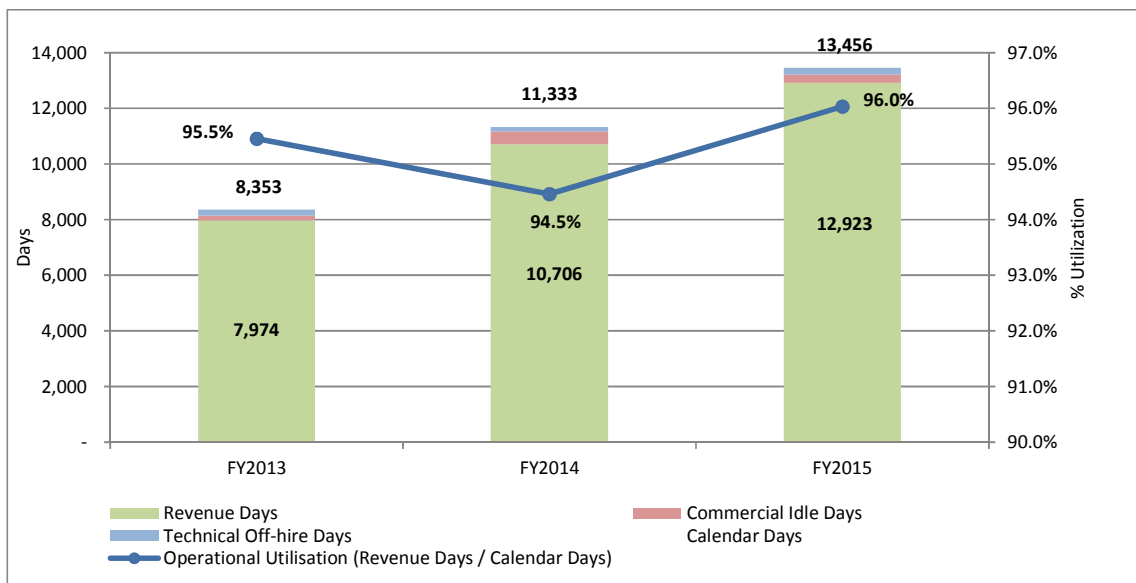


We executed eight scheduled dry docks in 2015, accounting for 157 off-hire days including deviation time to and from the dock, compared to four dockings in 2014. Despite the increased dockings, total technical off-hire days for the year accounted for 1.8% of calendar days, marginally up from 1.4% in 2014.

In line with our strategy to manage all our vessels in-house, we took over the technical management of three of our vessels which were previously under external technical management, leaving two remaining vessels under external management.

Our seafarer pool passed 1,000 for the first time, an increase of 24% from 2014. Within our SHEQ (Safety, Health, Environment and Quality) team in Technical, we completed 76 shipboard SIRE (Ship Inspection Reports), and five audits of our Singapore offices by oil majors, ensuring our vessels remain of the highest quality and widely accepted within the global market.

Historical Fleet Operational Utilisation and Composition of Calendar Days



As of 31st December 2015, the Company was 40% covered for 2016, equivalent to 5,623 voyage days at an average daily TCE rate of \$8,523, with 8,338 calendar days open. Following period end, the Company has booked further business for the balance of FY2016, including the fixing of one of our newbuild 7,500cbm vessels delivery ex yard in Japan for two years charter.

We completed 2015 well on our way to a renewed, larger, more modern fleet with tightly managed costs, a stronger balance sheet, with a broad commercial strategy and strong in-house technical management. We start 2016 excited for the future, with supply and demand equalising in the second half, and a further five high quality newbuilds over 7500cbm due this year.

Operating Expenses

Vessel operating expenses increased from \$46.5 million in 2014 to \$55.2 million in 2015 primarily as a result of the Company's fleet expansion by 19% as measured by the number of fleet calendar days. Even with an increased ship average size, the vessel operating expenses per calendar day remained stable at \$4,103 in 2015 as compared to \$4,105 in 2014.

Voyage costs were down 36% year over year as the Company's voyage charter activity declined 37% from 3,478 spot market days in 2014 to 2,197 spot market days in 2015. The spot market days include 482 days of COA activity.

During 2015, charter-in costs increased \$4.0 million to \$15.1 million from \$11.1 million in 2014 as a result of an increase in the Company's bareboat chartered-in fleet. On average we had 9 vessels on bareboat charter representing 3,224 calendar days (2,679 days in 2014), at an average charter in cost per day of \$4,668 (\$4,129 in 2014). One contract expired in December 2015 and the ship was re-delivered to the owner. Another bareboat contract will expire during Q2 2016.

The Company assessed the value of its owned ships and the respective carrying amounts. Whilst modern ships have not experienced a significant decline in market values and require lower costs of operations, impairment indicators were identified for the older and smaller ships, i.e. vessels that are aged more than 15 years that have a capacity of 5,000cbm and below. The challenging environment for the smallest pressure vessels resulted in an impairment charge of \$10.4 million.

General and administrative expenses decreased by 7% year over year from \$16.7 million in 2014 to \$15.5 million in 2015. Coupled with the growth in the Company's fleet, general and administrative expenses per vessel calendar day fell 22% to \$1,150 which, in our integrated model, includes the cost of commercial and technical management of our fleet as well as all ownership and corporate-level general and administrative expenses. This figure has decreased from \$1,277 per calendar day in Q1 2015 to \$1,021 in Q4 2015 and is expected to improve further as Epic Gas continues to improve the efficiency of its platform and service offering.

Finance and other expenses

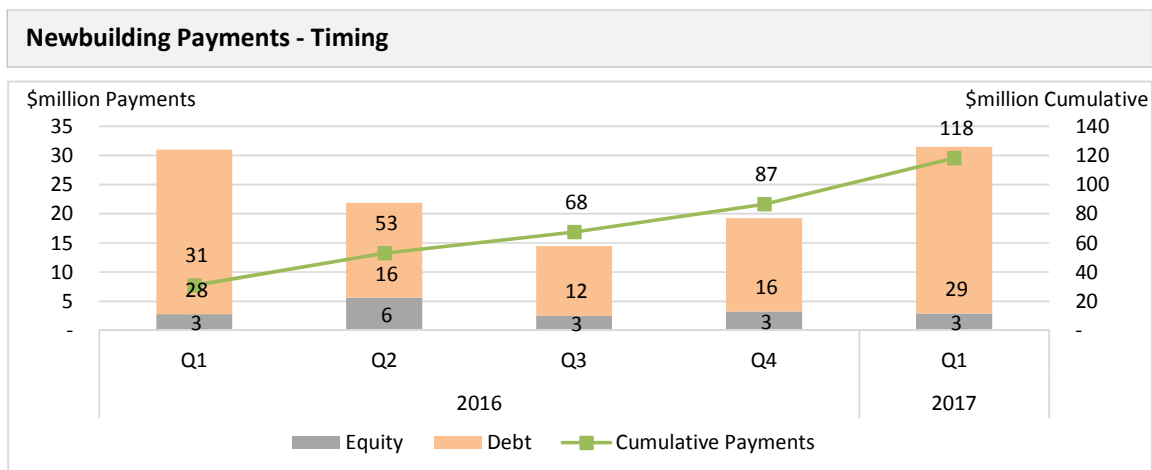
Finance expenses during the year increased from \$10.7 million to \$12.9 million primarily as a result of an increase of the Company's total finance leases and bank borrowings.

Newbuilding Program

Epic Gas is the only independent owner offering customers the full spectrum of pressurised vessels, from 3,300cbm to 11,000cbm. The Company's contracted growth and investment program, focused on vessels larger than 7,000cbm, continues through Q1 2017 when the last of the remaining 8 vessels delivers. Of the 8 vessels still to deliver, one will be chartered to Epic Gas under a long term bareboat charter with a purchase option, and 7 are owned by Epic Gas.

As of 31 December 2015, \$37 million in deposits have been made toward the construction of these 7 owned vessels, leaving \$118 million in remaining payments. \$101 million will come in the form of a Term Loan Facility which was executed with ABN Amro Bank N.V., Crédit Agricole Corporate and Investment Bank and NIBC Bank N.V. in September 2015. The remaining \$17 million will be funded from existing cash resources.

As of 31 December 2015, the Company had \$52.8 million in cash, cash equivalents and restricted cash.



Newbuildings on order				
Vessel	cbm	Type	Delivery	Yard
<u>Bareboat Chartered In</u>				
Epic Sardinia	11,000	Pressurised	1Q 2017	Kyokuyo
<u>Owned Newbuildings</u>				
Hull 691 TBN Epic Borinquen	7,500	Pressurised	1Q 2016	Sasaki
Hull 693 TBN Epic Bonaire	7,500	Pressurised	3Q 2016	Sasaki
Hull 694 TBN Epic Baluan	7,500	Pressurised	1Q 2017	Sasaki
Hull S-523 TBN Epic Sentosa	11,000	Pressurised	1Q 2016	Kyokuyo
Hull S-524 TBN Epic Shikoku	11,000	Pressurised	2Q 2016	Kyokuyo
Hull S-525 TBN Epic Samos	11,000	Pressurised	4Q 2016	Kyokuyo
Hull S-526 TBN Epic Salina	11,000	Pressurised	1Q 2017	Kyokuyo

Subsequent Events

In January 2016, the Company has granted under the Company's existing share option plan up to 2,505,028 stock options to its executive management team. The options will vest at US\$2.25 over the course of the three years commencing in 2018.

SUMMARY FINANCIALS (UNAUDITED) AND OPERATING METRICS

	Three Month Period Ended December 31,		Twelve Month Period Ended December 31,	
	2014	2015	2014	2015
INCOME STATEMENT (\$Millions)				
Revenue	33.3	31.9	117.1	130.3
Profit/(loss) after tax	(16.2)	(11.7)	(23.0)	(16.3)
Adjusted EBITDA	6.1	7.0	23.8	29.8
BALANCE SHEET (\$Millions)				
			As of 31/12/14	As of 31/12/15
Cash, cash equivalents and restricted cash			40.7	52.8
PP&E, advances for vessels under construction, and finance lease deposits			455.3	454.8
Other assets, net			9.9	5.1
Less: indebtedness			(277.4)	(249.8)
Book value of equity			228.5	262.9
CASH FLOWS (\$Millions)				
Cash from Operations			2.1	18.1
Cash from Investing			(141.6)	(28.8)
Cash from Financing			131.4	21.7
Change of cash in period			(8.1)	11.0
OPERATING METRICS				
Average number of vessels in period (1)	35.3	36.9	31.1	36.9
Number of vessels as of period end	36	36	36	36
Fleet capacity at period end (cbm)	194,500	203,400	194,500	203,400
Gas fleet average size as of period end	5,403	5,650	5,403	5,650
Fleet calendar days	3,247	3,393	11,333	13,456
Time charter days	2,316	2,849	7,693	11,014
Spot market days	904	465	3,478	2,197
Voyage days (2)	3,219	3,314	11,171	13,211
Fleet utilisation (3)	99.2%	97.7%	98.6%	98.2%
Fleet operational utilisation (4)	93.9%	95.2%	94.5%	96.0%
Time charter equivalent earnings (5)				
Per Calendar Day	\$8,285	\$8,341	\$8,521	\$8,682
Per Voyage Day	\$8,356	\$8,540	\$8,645	\$8,843
Operating expenses per Calendar Day	\$4,195	\$3,950	\$4,105	\$4,103

- 1) The number of days each vessel was a part of our fleet during the period divided by the number of calendar days.
- 2) Calendar days net of off-hire days associated with major repairs, dry dockings or special or intermediate surveys.
- 3) Calculated by dividing voyage days by fleet calendar days.
- 4) Calculated by dividing voyage days, excluding commercially idle days, by fleet calendar days.
- 5) Calculation of time charter equivalent earnings provided in Supplemental Information below



About Epic Gas Ltd.

Epic Gas owns and operates a fleet of fully pressurised gas carriers providing seaborne services for the transportation of liquefied petroleum gas and petrochemicals. Including newbuildings, the Company controls a fleet of 44 vessels which serve as a link in the global gas and petrochemical supply chains of leading oil majors and commodity trading houses.

For further information visit our website www.epic-gas.com

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Forward Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words “believe,” “anticipate,” “intends,” “estimate,” “forecast,” “feel,” “project,” “plan,” “potential,” “may,” “should,” “expect,” “pending” and similar expressions identify forward-looking statements.

EPIC GAS LTD.

BALANCE SHEET (UNAUDITED)		
<i>All amounts in \$ millions</i>	As of 31 Dec 2014	As of 31 Dec 2015
ASSETS		
Cash and cash equivalents	31.2	42.1
Trade and other receivables	11.4	12.3
Inventories	2.8	2.3
Vessels classified as held for sale	6.8	-
Deferred finance costs	0.7	0.5
Current assets	52.9	57.3
Non-current assets		
Restricted cash deposits	9.5	10.7
Finance lease deposits	5.6	5.6
Property, plant and equipment	406.8	409.1
Advances for vessels under construction	36.1	40.1
Intangible assets	12.9	12.9
Deferred finance costs	1.1	0.5
Non-current assets	472.0	478.9
TOTAL ASSETS	524.9	536.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	12.8	15.5
Deferred income	4.8	7.3
Current income tax liabilities	0.0	0.3
Derivative liabilities	1.1	0.4
Finance lease liabilities	6.4	6.8
Bank Loan	40.7	23.2
Current liabilities	65.9	53.5
Deferred taxation	0.1	-
Finance lease liabilities	68.8	62.0
Bank Loan	161.5	157.7
Non-current liabilities	230.4	219.8
Total Liabilities	296.3	273.3
Share capital (51,948,022 shares issued and outstanding)	258.9	308.3
Share option reserves	1.5	2.1
Accumulated losses	(30.6)	(46.9)
Other Reserves	(1.2)	(0.5)
Total Equity	228.5	262.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	524.9	536.2

INCOME STATEMENT (UNAUDITED)

<i>All amounts in \$ millions</i>	Three Month Period Ended December 31,		Twelve Month Period Ended December 31,	
	2014	2015	2014	2015
Revenue	33.3	31.9	117.1	130.3
Address and brokerage commissions	0.7	0.7	2.7	2.8
Voyage expenses	5.7	2.8	18.3	11.7
Vessel operating expenses	13.7	13.4	46.5	55.2
Charter-in costs	3.1	3.9	11.1	15.1
Depreciation and amortization	5.4	5.3	19.0	22.3
Impairment loss/loss on sale of vessels	11.5	10.4	11.5	10.6
General and administrative expenses	3.8	3.5	16.7	15.5
Total expenses	43.9	39.9	125.7	133.0
Operating income	(10.6)	(8.0)	(8.6)	(2.7)
Other (income) / losses, net	2.3	0.8	3.6	0.5
Finance expenses	3.3	3.0	10.7	12.9
Profit/(loss) before tax	(16.2)	(11.8)	(22.9)	(16.1)
Income tax expense	0.1	(0.1)	0.1	0.2
Profit/(loss) after tax	(16.2)	(11.7)	(23.0)	(16.3)
Other Comprehensive income:				
Income directly recognized in equity	-	-	-	-
Cash flow hedges gain/(loss)	(0.9)	(0.4)	(1.1)	0.7
Total Comprehensive Income/(Loss)	(17.1)	(12.2)	(24.1)	(15.7)

STATEMENT OF CASH FLOWS (UNAUDITED)

<i>All amounts in \$ millions</i>	FY2014	FY2015
Cash from operating activities	2.1	18.1
Cash from investing activities	(141.6)	(28.8)
Cash from financing activities	131.4	21.7
Net Increase in cash and cash equivalents	(8.1)	11.0
Cash and cash equivalents at the beginning of the year	39.3	31.2
Cash and cash equivalents at the end of the period	31.2	42.1

SUPPLEMENTAL INFORMATION				
<i>All amounts in \$ millions except per day amounts</i>	Three Month Period		Twelve Month Period	
	Ended December 31,		December 31,	
	2014	2015	2014	2015
REVENUE AND TIME CHARTER EQUIVALENT EARNINGS				
Charter hire	32.6	31.4	114.9	128.9
Technical management revenue	0.6	0.5	2.1	1.4
Revenue	33.3	31.9	117.1	130.3
Charter hire	32.6	31.4	114.9	128.9
Less: Voyage expenses	(5.7)	(2.8)	(18.3)	(11.7)
Less: Bunker hedge losses		(0.3)		(0.3)
Time charter equivalent earnings	26.9	28.3	96.6	116.8
RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA				
Profit/(loss) after tax	(16.2)	(11.7)	(23.0)	(16.3)
Add:				
Depreciation and amortization	5.4	5.3	19.0	22.3
Impairment loss / loss on sale of vessels	11.5	10.4	11.5	10.6
Net Interest expense	3.3	3.0	10.7	12.9
Income taxes	0.1	(0.1)	0.1	0.2
Foreign exchange loss / (gain)	1.8	0.1	2.9	(0.5)
EBITDA	5.8	7.0	21.0	29.2
Stock-based compensation expense	0.3	-	1.1	0.6
One-time IT expense	-	-	1.0	-
Termination of service agreement	-	-	0.7	-
Adjusted EBITDA	6.1	7.0	23.8	29.8
TOTAL INDEBTEDNESS				
			As of	As of
			31/12/14	31/12/15
Finance leases			75.2	68.8
DVB Tranche A – Dec. 2017			104.0	89.9
DVB Tranche B – Dec. 2015			19.0	0.0
CIT – 2019 / 2020			60.7	64.6
NordLB – 2019 / 2020			18.5	26.5
Total Indebtedness			277.4	249.8
REMAINING NEWBUILDING PAYMENTS				
FY2016				86.7
FY2017				31.5
Remaining Newbuilding Payments				118.2