

**EPIC GAS LTD.  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD TO  
30 September 2017**

SINGAPORE, 9 November 2017 - Epic Gas Ltd. ("Epic Gas" or the "Company") today announced its unaudited financial and operating results for the interim period ended September 30, 2017. All amounts reported in US Dollars unless otherwise stated.

A conference call to discuss these results is scheduled for 9 November 2017 at 10:00 AM (New York) / 3:00PM (London) and can be accessed via the following dial-in information.

Conference call details:

United States: +1 845 507 1610  
United Kingdom: +44 203 651 4876  
Norway: 80010866  
International: +61 283 733 610

Conference ID Number: 8578809

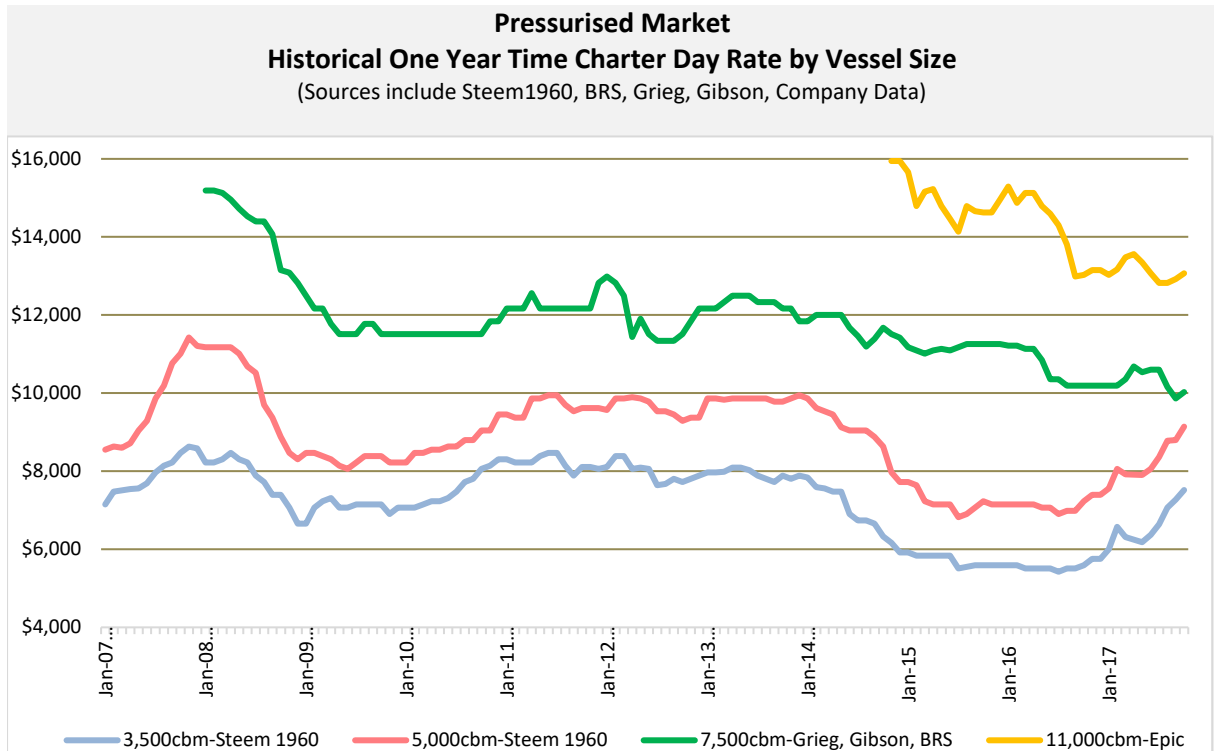
### **Third Quarter 2017 Highlights**

- 3,858 calendar days, up 10% year over year
- Revenue of \$34.5 million, up 11% year over year
- Time charter equivalent revenues of \$7,960 per vessel calendar day, up 8% year over year
- General and administrative expenses of \$1,012 per vessel calendar day, up 6% year over year
- Adjusted EBITDA of \$7.1 million, up 34% year over year
- Net Loss of \$5.7 million, down 14% year over year
- Forward cover for balance of 2017 stands at 65%, and 23% for 2018 as of 30 September 2017
- Completed sale-and-bareboat charter back of one 11,000cbm, 2017 built LPG carrier
- Took delivery of one 7,500cbm, 2009 built LPG carrier, bringing the Company's on the water fleet to 42 vessels as of 30 September 2017

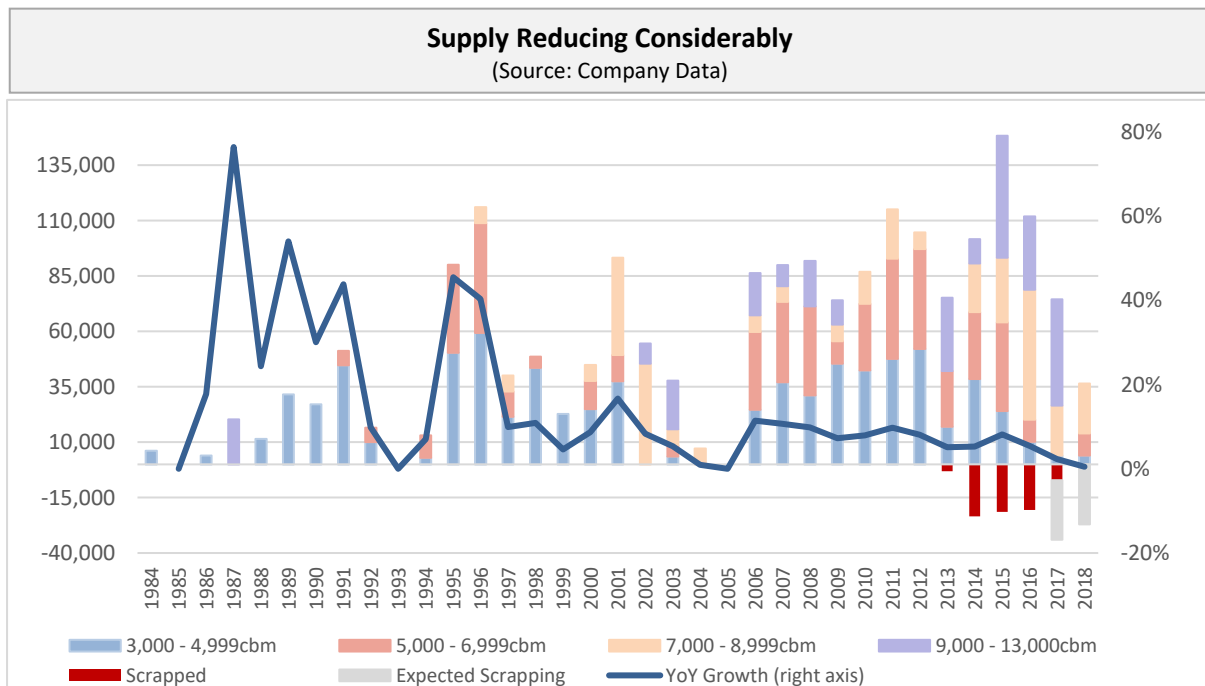
### **The Pressurised Market**

As the quarter developed, the 3,500cbm and 5,000cbm vessels had an encouraging period with market rates improving consistently and ending the period up 10% from the previous quarter. The larger-sized 7,500cbm and 11,000cbm vessels continued to be in marginal over supply in some regions as unfavourable product pricing hampered trade and kept market levels flat.

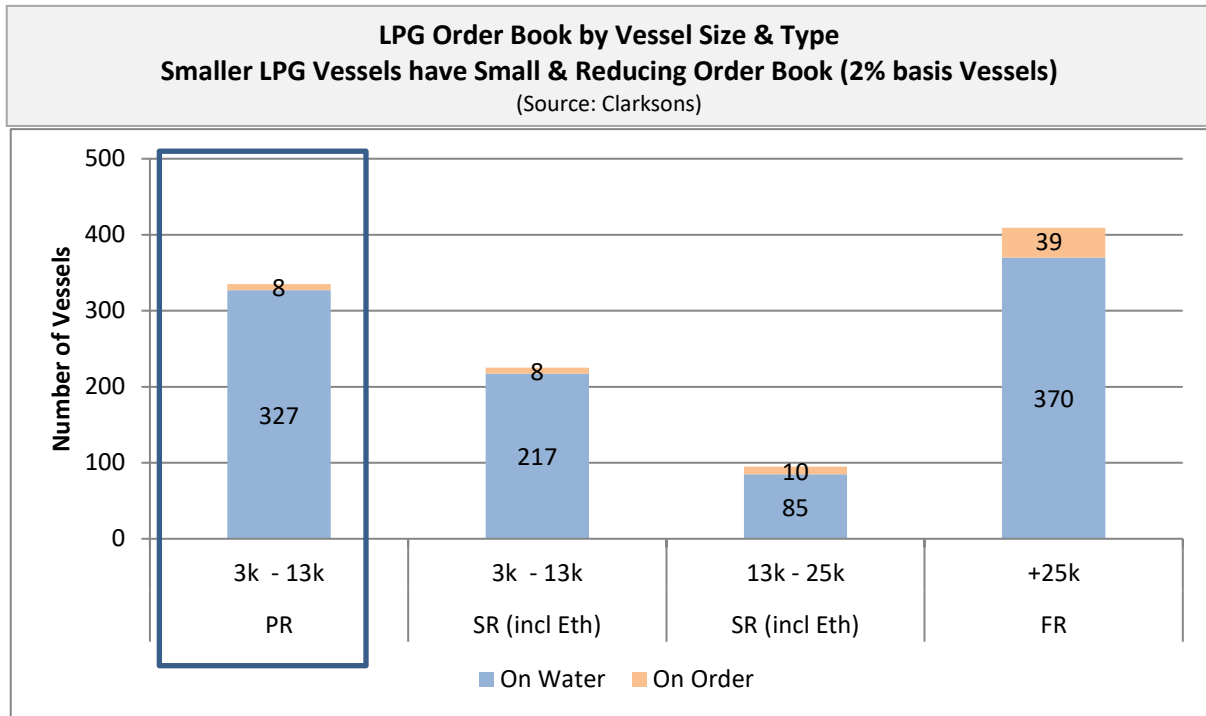
For the third quarter of 2017, 3,500cbm, 5,000cbm, 7,500cbm and 11,000cbm market rates averaged \$6,993, \$8,645, \$10,208 and \$12,856 per day, respectively. Compared to third quarter of 2016, average rates have increased 25% for the 3,500cbm and 5,000cbm vessels, remained the same for the 7,500cbm vessels and are down by 6% for the 11,000cbm vessels.



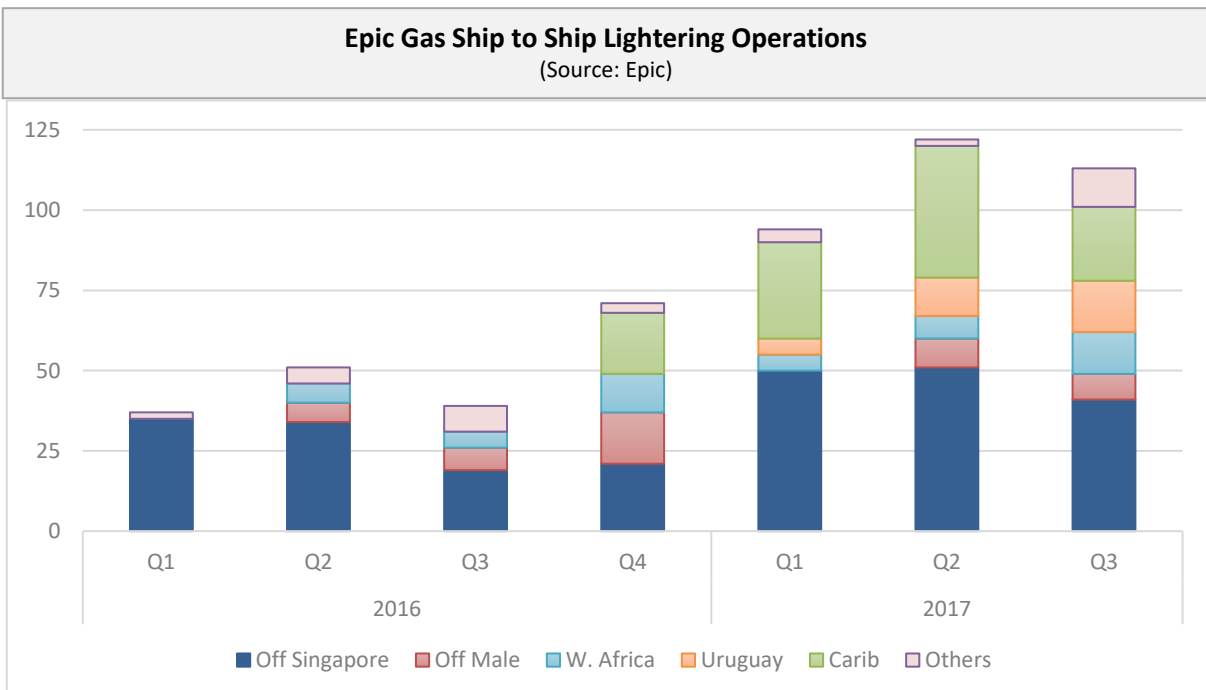
During the quarter, a 7,500cbm pressurised vessel and a 12,200cbm semi-ref vessel delivered, whilst 2 smaller semi-ref vessels were scrapped. A total of 2 pressurised and 10 smaller semi-ref vessels have been scrapped this year, at an average age of 28.5 years. Of the 327 international trading (Chinese flag excluded) pressurised ships on the water today, 9 vessels are 28 years or older, and a further 11 small semi-ref vessels are of a similar age.



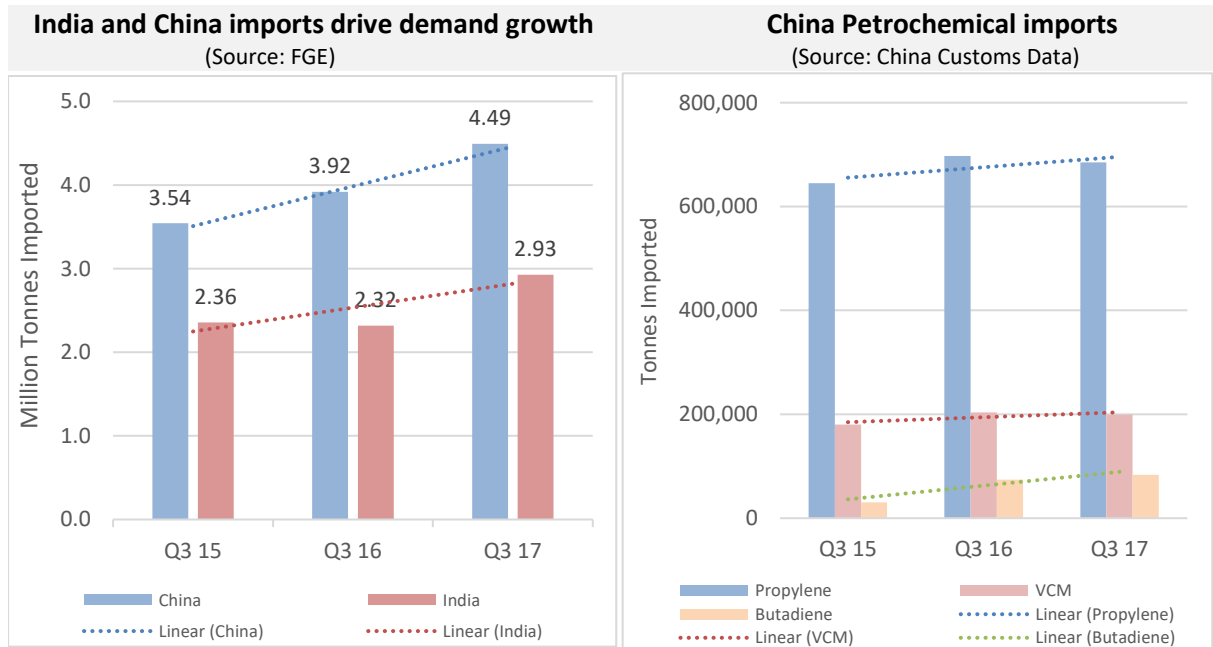
As of 30 September 2017, the order book for pressurised vessels has reduced to eight ships and 53,500cbm of capacity, equivalent to 2% of the existing global fleet basis number of vessels.



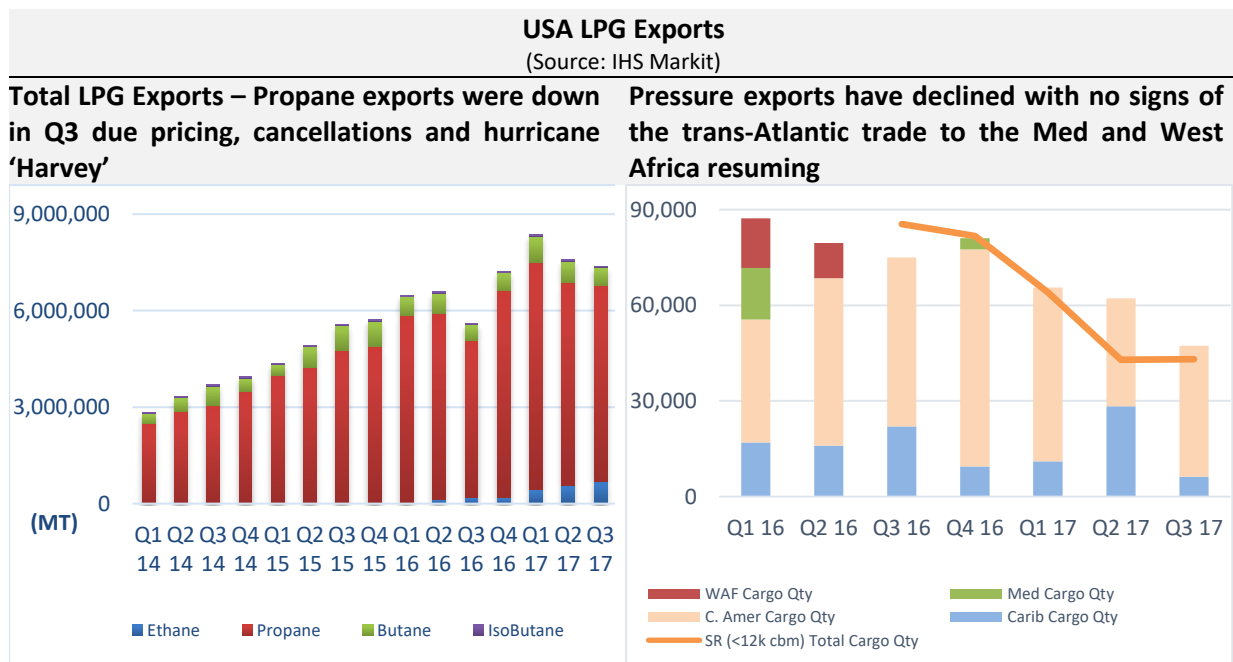
Our vessels remained busy in the LPG break bulk trade, having carried out 113 ship-to-ship (STS) operations during the quarter, almost three times more than from a year ago. We have seen steady growth in STS activity off West Africa where we have almost doubled our operations compared to the previous quarter. Operations off Male in the Indian Ocean and off Singapore, which supplies regional demand centres like Sri Lanka and Bangladesh, account for 40% to 50% of our total STS operations.



China's propylene imports averaged almost 230,000 tonnes a month, a respectable level, driven by downstream demand and rising propane prices which negatively impacted Chinese PDH economics. Cargoes from SE Asia picked up during the quarter contributing additional tonne-miles to the usual North Asia trade flow from South Korea, Japan and Taiwan.



West of Suez proved to be a difficult quarter for the larger sized pressure vessels and freight levels suffered. Shipping length built up with fewer cargoes available because of refinery maintenance and the seasonal lull in demand. This resulted in heavy competition and fixtures of less efficient part cargoes.



LPG exports from the USA were affected by adverse pricing and infrastructure damages caused by hurricane 'Harvey'. Pressurised exports dropped by almost 25% compared to the previous quarter and for a third straight quarter there were no cargoes bound for the Mediterranean and West Africa. Exports to Central America increased by 20% from the previous quarter.

## Revenue

We took delivery of 'Epic Boracay' in July 2017. The vessel is a 7,500cbm pressurised LPG vessel, built in 2009 at Murakami Hide Shipbuilding Co. Ltd., Japan. Our fleet size increased to 42 vessels with a total capacity of 276,400cbm and an average size and age of 6,581cbm and 8 years respectively.

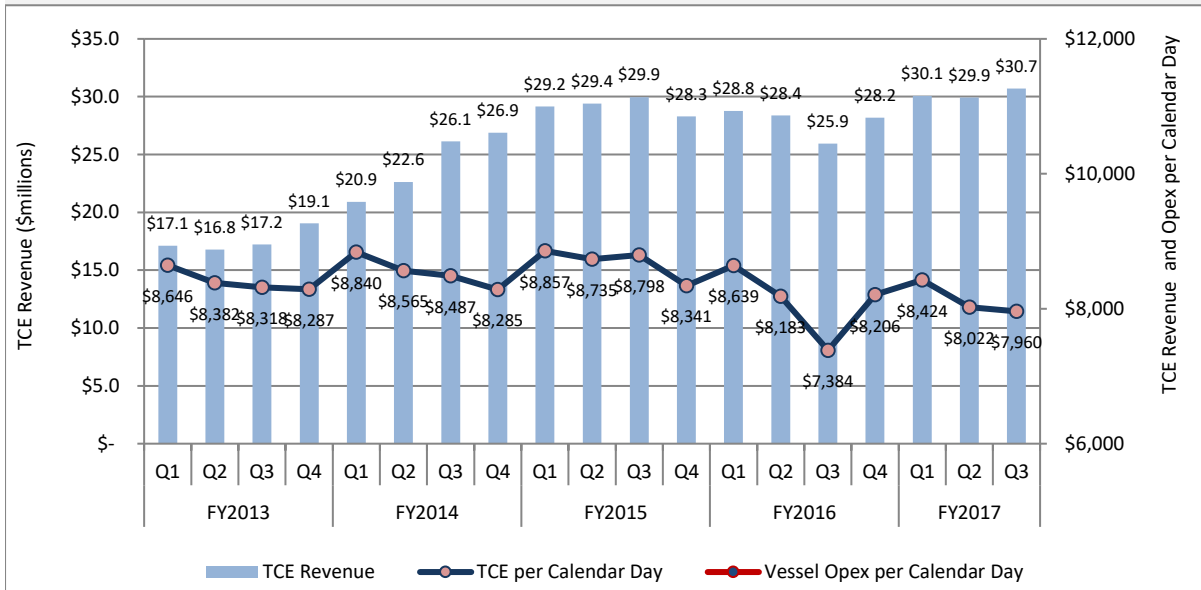
Epic Gas Fleet Deployment				
Vessels by Segment	Americas	EMEA	Asia	Total Fleet
3,300 – 4,100cbm	2	2	5	9
5,000 – 6,300cbm	3	3	5	11
7,000 – 7,500cbm	1	11	2	14
9,500cbm	-	1	1	2
11,000cbm	1	3	2	6
Total	7	20	15	42
Fleet Capacity (cbm)				276,400
Avg. Vessel Size (cbm)				6,581

During the third quarter, the fleet experienced 95 technical off-hire days, of which one scheduled dry-docking accounted for an extraordinary 65.9 days. This resulted in fleet availability of 97.5% (Q3 2016, 95.7%), with Operational utilisation of 90.9% (Q3 2016, 90.8%).

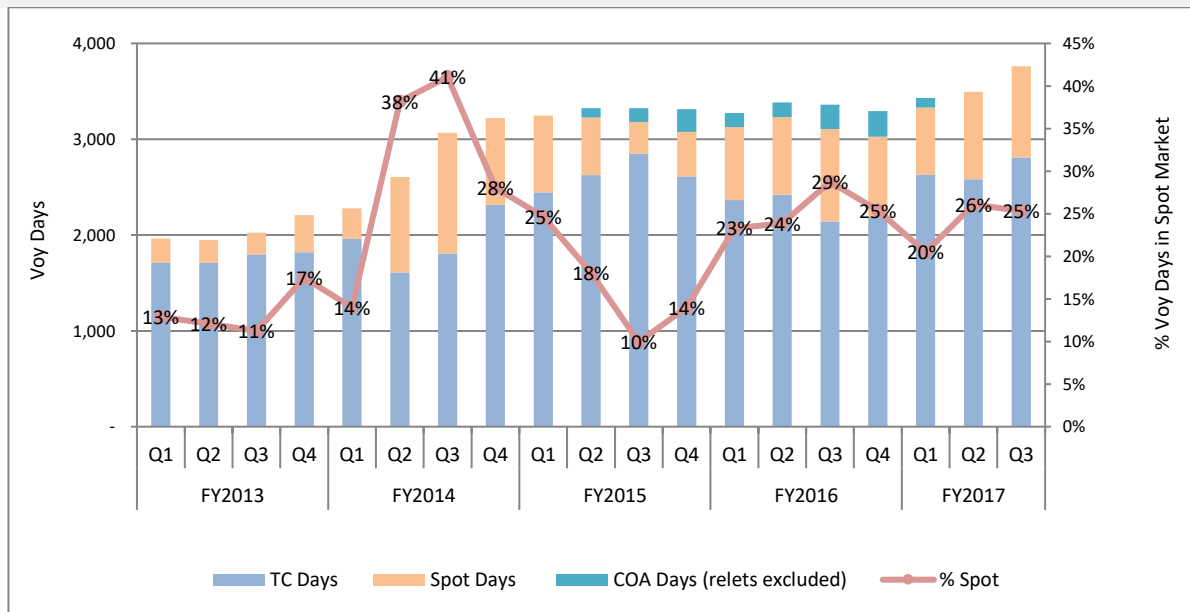
TCE revenue per calendar day of \$7,960 was higher than the \$7,384 in Q3 2016 but slightly lower than the \$8,022 achieved in the previous quarter. The fleet traded under time charter for 75% of total voyage days during the quarter, with the balance in the spot market.

As of 30 September 2017, the Company was 65% covered for the balance of the year 2017 with 2,448 voyage days covered at an average daily TCE rate of \$8,305, leaving 1,340 calendar days open on the current fleet for the rest of the year.

### Historical TCE Revenue and TCE / day



### Historical Time Charter v/s Spot Market Activity



### Operating Expenses

Vessel operating expenses increased by 14% to \$16.5 million for the three months ended September 30, 2017, from \$14.5 million for the three months ended September 30, 2016, reflecting the Company's fleet expansion by 10% as measured by the number of fleet calendar days and the increase of the average ship size by 7%. Daily vessel operating expenses increased by 4% to \$4,274. On a YTD basis, vessel operating expenses per day are \$4,178, down by 1% compared to the same period in 2016.

Voyage expenses decreased by 29% to \$3.5 million in the third quarter of 2017, from \$4.9 million in the third quarter of 2016 reflecting reduced spot market activity with a decrease in spot market days by 22% year over year.

Charter-in costs increased 28% year over year from \$3.2 million to \$4.1 million due to the delivery of one 11,000cbm bareboat vessel in Q1 2017. As of 30 September 2017, the Company had 8 ships on traditional inward bareboat charter arrangements under which charter payments are expensed.

General and administrative expenses per vessel calendar day increased by 6% to \$1,012 year over year, which, in our integrated model, includes the cost of commercial and technical management of our fleet as well as all corporate-level general and administrative expenses. The YTD SG&A of \$1,016 per calendar day is slightly below the level of \$1,019 during the same period in 2016.

### **Finance and other expenses**

Finance expenses increased by \$1.3 million, or 37%, to \$4.8 million for the three months ended September 30, 2017. The increase is primarily due to the increase of the Company's total bank borrowings associated with the delivery of its newbuilding program which completed in Q1 2017 and the acquisition of a second-hand ship in Q3 2017. The Company has interest rate swaps in place for a total amount of \$132 million at a weighted average interest rate of 1.86%.

### **Subsequent Events**

In October 2017, the Company completed the sale of the oldest ship in its fleet, the Epic Capri (3300cbm, 1997 built), at a margin over book value. The vessel was unencumbered.

### **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 new buildings, the Company controls a fleet of 41 vessels which serve 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](http://www.epic-gas.com)

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Chairman & Chief Executive Officer

### **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 2016	As of 30 Sept 2017
<b>ASSETS</b>		
Cash and cash equivalents	9.8	10.1
Trade and other receivables	21.6	26.4
Inventories	3.3	3.5
Derivative financial instruments	0.4	0.0
	<u>35.1</u>	<u>40.0</u>
Non-current assets	0.2	0.1
Restricted cash deposits	12.2	13.5
Property, plant and equipment	487.4	532.6
Advances for vessels under construction	26.5	0.0
Intangible assets	12.9	12.9
Non-current assets	<u>539.2</u>	<u>559.2</u>
<b>TOTAL ASSETS</b>	<b><u>574.3</u></b>	<b><u>599.2</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Trade and Other Payables	18.9	26.2
Deferred income	6.6	10.1
Current income tax liabilities	0.4	0.5
Derivative liabilities	0.0	0.2
Finance lease liabilities	7.2	7.2
Bank Loan	27.8	22.7
Current liabilities	<u>60.8</u>	<u>66.9</u>
Trade and other Payables	0.0	0.0
Deferred taxation	0.1	0.0
Finance lease liabilities	53.8	48.5
Bank Loan	218.1	224.8
Non-current liabilities	<u>272.1</u>	<u>273.3</u>
<b>Total Liabilities</b>	<b><u>332.9</u></b>	<b><u>340.2</u></b>
Share capital	308.3	340.1
Share option reserves	2.8	3.6
Accumulated losses	(69.8)	(84.3)
Accumulated other comprehensive income	0.2	(0.4)
<b>Total Equity</b>	<b><u>241.4</u></b>	<b><u>259.0</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>574.3</u></b>	<b><u>599.2</u></b>

**INCOME STATEMENT (UNAUDITED)**

<i>All amounts in \$ millions</i>	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2016	2017	2016	2017
<b>Revenue</b>	<b>31.1</b>	<b>34.5</b>	<b>95.8</b>	<b>102.2</b>
Address and brokerage commissions	0.7	0.8	2.3	2.4
Voyage expenses	4.9	3.5	11.1	10.5
Vessel operating expenses	14.5	16.5	43.3	46.6
Charter-in costs	3.2	4.1	10.1	12.0
Depreciation and amortization	6.4	7.5	17.7	21.8
Impairment loss	0.0	0.0	0.0	0.0
General and administrative expenses	3.4	3.9	10.5	11.3
<b>Total expenses</b>	<b>33.1</b>	<b>36.3</b>	<b>95.1</b>	<b>104.6</b>
<b>Operating income</b>	<b>(2.0)</b>	<b>(1.8)</b>	<b>0.7</b>	<b>(2.4)</b>
Other (income) / losses, net	(0.6)	(1.1)	(2.3)	(1.3)
Finance expenses	3.5	4.8	10.1	12.9
<b>Profit/(loss) before tax</b>	<b>(4.9)</b>	<b>(5.5)</b>	<b>(7.1)</b>	<b>(14.1)</b>
Income tax expense	0.1	0.2	0.3	0.4
<b>Profit/(loss) after tax</b>	<b>(5.0)</b>	<b>(5.7)</b>	<b>(7.4)</b>	<b>(14.5)</b>
Other Comprehensive income:				
Cash flow hedges gain/(loss)	(1.4)	0.3	7.8	(0.6)
<b>Total Comprehensive Income/(Loss)</b>	<b>(6.4)</b>	<b>(5.4)</b>	<b>0.4</b>	<b>(15.1)</b>

**STATEMENT OF CASH FLOWS (UNAUDITED)**

<i>All amounts in \$ millions</i>	Nine Month Period Ended September 30,	
	2016	2017
Cash from operating activities	5.5	14.3
Cash from investing activities	(75.4)	(41.4)
Cash from financing activities	38.0	27.5
Net Increase in cash and cash equivalents	(31.8)	0.3
Cash and cash equivalents at the beginning of the year	42.9	9.8
<b>Cash and cash equivalents at the end of the period</b>	<b>11.1</b>	<b>10.1</b>

**SUPPLEMENTAL INFORMATION**
*All amounts in \$ millions except  
per day amounts*

 Three Month Period  
Ended September 30,

 Nine Month Period  
Ended September 30,

2016

2017

2016

2017

**REVENUE AND TIME CHARTER EQUIVALENT EARNINGS**

Charter hire	30.8	34.2	94.5	101.2
Relet revenue	0.1	0.0	0.2	(0.1)
Technical management revenue	0.2	0.2	1.1	1.0
Revenue	31.1	34.5	95.8	102.2

Charter hire	30.9	34.2	94.7	101.2
Less: Voyage expenses	(4.9)	(3.5)	(11.1)	(10.5)
Less: Derivative losses (bunker hedges)	0.0	0.0	(0.3)	0.0
Time charter equivalent earnings	26.0	30.7	83.2	90.7

**RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA**

<b>Profit/(loss) after tax</b>	(5.0)	(5.7)	(7.4)	(14.5)
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Add:

Depreciation and amortization	6.4	7.5	17.7	21.8
Impairment loss / (gain)	0.0	0.0	0.0	0.0
Net Interest expense	3.5	4.8	10.1	12.9
Income taxes	0.1	0.2	0.3	0.4
Foreign exchange loss / (gain)	(0.0)	0.0	(1.7)	0.0
<b>EBITDA</b>	5.0	6.8	19.1	20.7

Stock-based compensation expense	0.3	0.3	0.8	0.8
<b>Adjusted EBITDA</b>	5.3	7.1	19.9	21.5

<b>TOTAL INDEBTEDNESS</b>	As of 31/12/16	As of 30/09/17
Finance leases	61.0	55.7
DVB – 2017	69.0	0.0
CIT – 2019 / 2020	57.6	50.7
NordLB – 2019 / 2020	24.5	0.0
CTL – 2023	20.4	19.6
Japanese owner- 2027	0.0	19.9
ABN/CA/NIBC – 2023/2024	74.4	70.6
ABN/DVB/Nord LB – 2024	0.0	78.7
NIBC – 2022	0.0	8.1
	306.9	303.2

**SUMMARY FINANCIALS (UNAUDITED) AND OPERATING METRICS**

	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2016	2017	2016	2017
<b>INCOME STATEMENT (\$Millions)</b>				
Revenue	31.1	34.5	95.8	102.2
Net Income	(5.0)	(5.7)	(7.4)	(14.5)
Adjusted EBITDA	5.3	7.1	19.9	21.5
			As of	As of
<b>BALANCE SHEET (\$Millions)</b>			31/12/16	30/09/17
Cash, cash equivalents and restricted cash			22.0	23.6
PP&E, advances for vessels under construction, and finance lease deposits			513.9	532.6
Other assets, net			12.4	5.9
Less: indebtedness			(306.9)	(303.2)
Book value of equity			241.4	259.0
			YTD Sep	YTD Sep
<b>CASH FLOWS (\$Millions)</b>			2016	2017
Cash from Operations			5.5	14.3
Cash from Investing			(75.4)	(41.4)
Cash from Financing			38.0	27.5
Change of cash in period			(31.8)	0.3
<b>OPERATING METRICS</b>				
	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2016	2017	2016	2017
Average number of vessels in period (1)	38.2*	41.9	37.6*	40.9
Number of vessels as of period end	38*	42	38*	42
Fleet capacity at period end (cbm)	233,400*	276,400	233,400*	276,400
Gas fleet average size as of period end	6,142*	6,581	6,142*	6,581
Fleet calendar days	3,514*	3,858	10,312*	11,158
Time charter days	2,140	2,810	6,928	8,021
Spot market days	967	953	2,538	2,568
COA days (relets excluded)	255	0	554	101
Voyage days (2)	3,362	3,763	10,020	10,690
Fleet utilisation (3)	95.7%*	97.5%	97.2%*	95.8%
Fleet operational utilisation (4)	90.8%*	90.9%	93.6%*	91.2%
Time charter equivalent earnings (5)				
Per Calendar Day	\$7,384*	\$7,960	\$8,058*	\$8,129
Per Voyage Day	\$7,718*	\$8,161	\$8,293*	\$8,485
Operating expenses per Calendar Day	\$4,120*	\$4,274	\$4,200*	\$4,178

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 above. 6) \*Adjusted to exclude Epic Comino from fleet as of 16 Sep 2016 following incident and subsequent sale.