

EPIC GAS LTD
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD TO
30 September 2015

SINGAPORE, 12 November 2015 - Epic Gas Ltd. (“Epic Gas” or the “Company”) today announced its unaudited financial and operating results for the interim period ended September 30, 2015. All amounts reported in US Dollars unless otherwise stated.

A conference call to discuss these results is scheduled for 12 November 2015 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

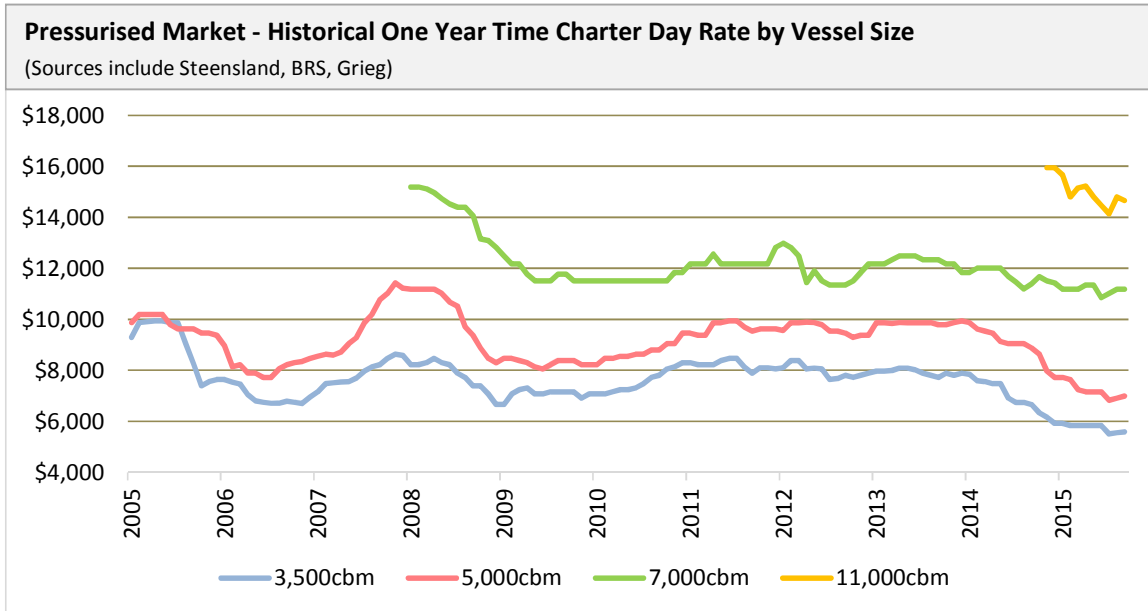
Conference ID Number: 69452062

Third Quarter 2015 Highlights

- 3,404 Calendar days, up 11% year over year
- Revenue of \$32.2 million, stable.
- Adjusted EBITDA of \$8.6 million, up 30% year over year
- Time charter equivalent revenues of \$8,798 per vessel calendar day, up 4% year over year
- General & administrative expenses of \$1,081 per vessel calendar day, down 26% year over year.
- Forward cover as of 30 September 2015 of \$61.9 million: 7,396 days at \$8,369 per day
- Remaining newbuilding program of seven owned vessels totalling \$121 million in capital expenditure, plus one chartered-in vessel.
- Senior secured credit facility for up to \$120 million to finance remaining seven owned vessels under construction fully finalised.

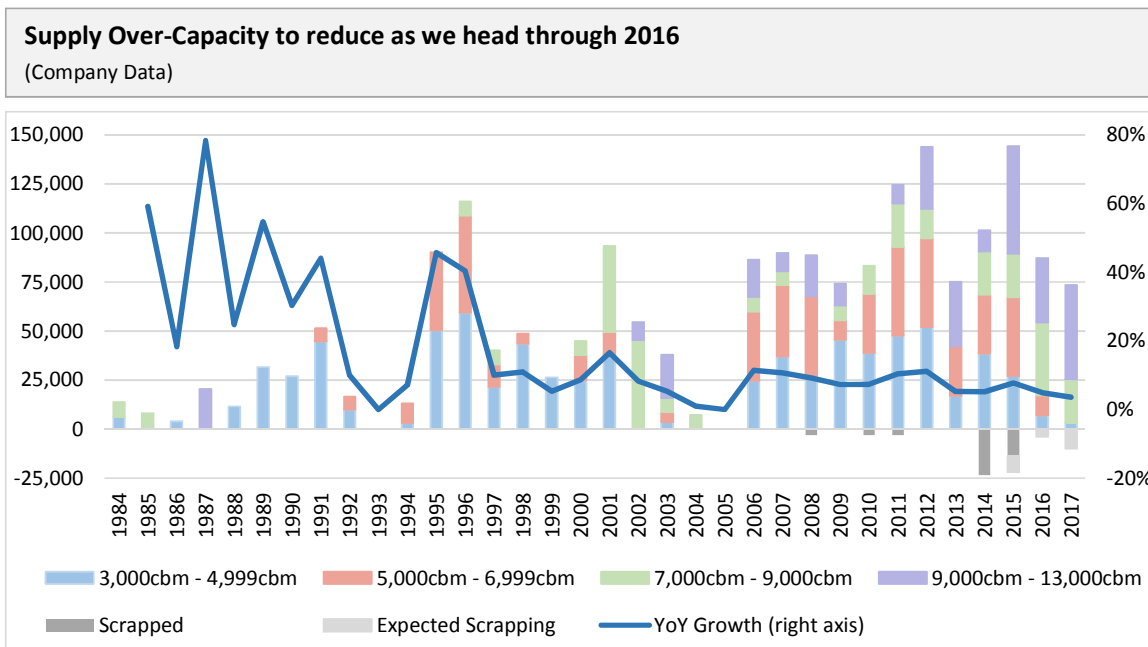
The Pressurised Market

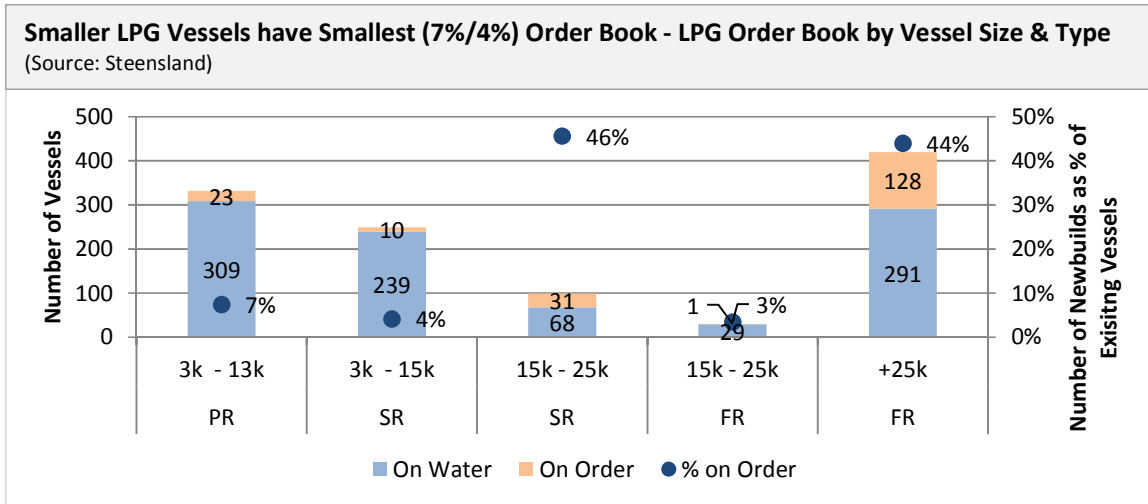
Rates in the pressurised LPG sector for the third quarter 2015 were on average below the previous quarter and similar period in 2014, but by the end of the quarter were showing some marginal signs of recovery. Overall average rates, year on year, are approximately 20% lower in the 3,500cbm and 5,000cbm segment, whilst the rates for the 7,500cbm have dropped only marginally.



As of 30 September 2015, the order book for pressurised vessels stood at 23 ships and 178,300 cbm of capacity, representing 12% of the existing global pressurised fleet. During the third quarter, nine vessels representing a high of 60,300 cbm of capacity delivered. While two pressure vessels totalling 7,200 cbm in capacity were scrapped during the period.

Of the 309 pressurised ships on the water today, 14 vessels are 25 years or older, and could be considered candidates for scrapping, complemented by a further 23 small semi-ref vessels of a similar age. There are also 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 – further scrapping will occur in the months ahead.

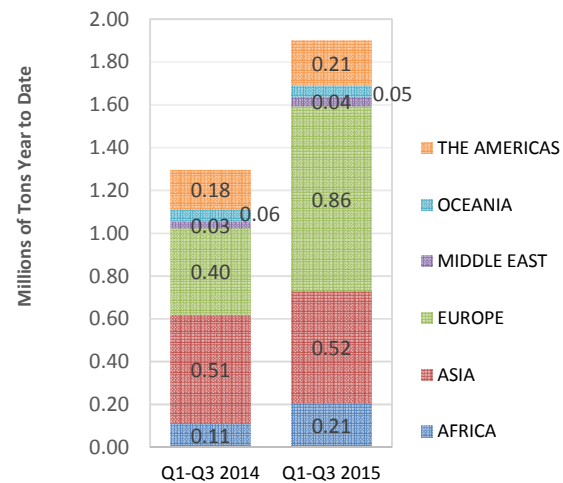
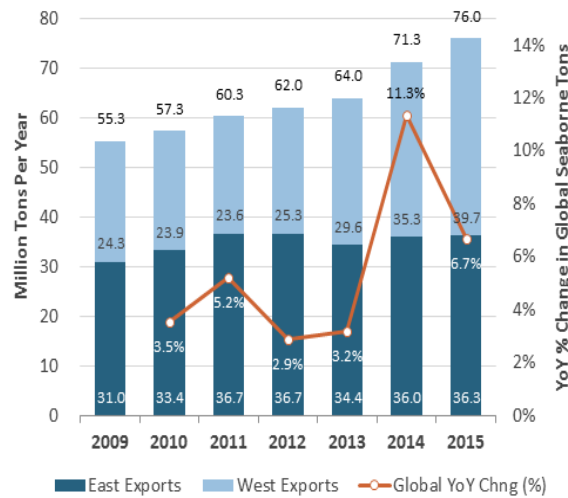




Tonne mile demand growth has been steady in most regions through the quarter as compared to Q3 2014 where we saw a sharp slow-down in PRC, the Black Sea, and significant commodity price volatility.

Epic Gas loaded 1.9 million tons during the first nine months of 2015, up 47% year on year, in 757 liftings, with the average parcel size increasing by 10% to 2,511 tons. This increase in parcel size is driven by the growing average vessel size in the Epic Gas fleet.

Global LPG Export Volumes forecast to reach 76 million tons in 2015 (Source: FGE) **Epic Gas Volumes up 47% to 1.9 million tons (Year to Date)**



In Asia, whilst new PDH (propane dehydrogenation) plants in China continue to negatively impact on propylene imports compared to previous years, the demand on pressurised tonnage has now stabilised, albeit at low levels. This remains negatively off-set by the initial impact of new-build tonnage which primarily delivers in this region.

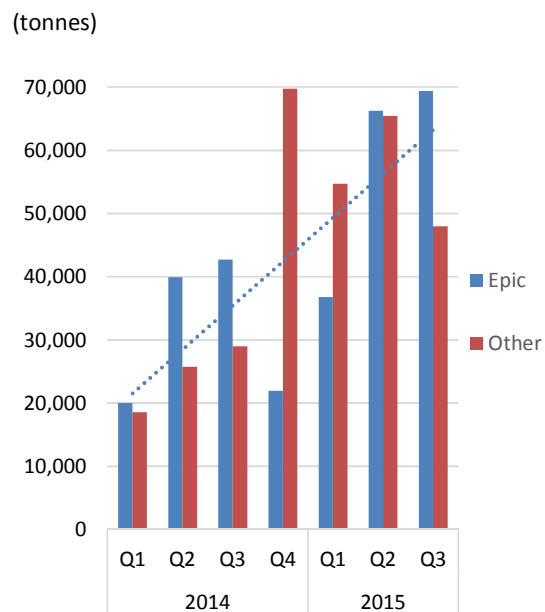
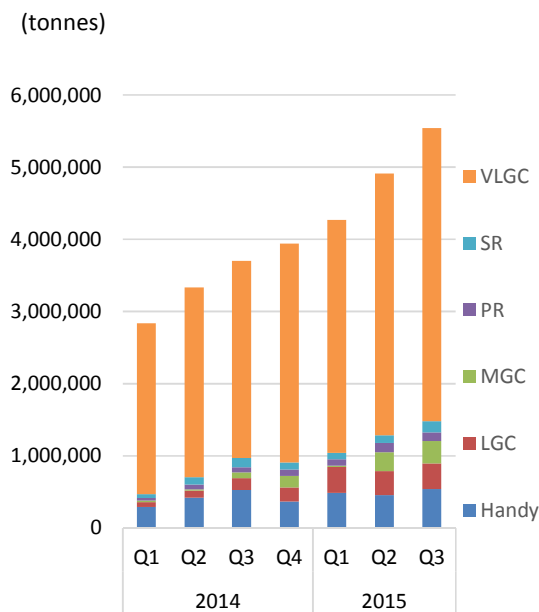
In S E Asia, we have seen a step up in transshipment from larger VLGC tonnage to smaller pressurised vessels for last mile delivery, with Epic Gas performing 30 such transshipment operations in the first three quarters of this year, up over 200% year to date. The Indian Ocean has absorbed a number of new builds for transport of both LPG and petrochemicals as existing trades up-scale to larger vessels, and as new tenders and infrastructure projects deliver.

West of Suez, the Black Sea and Eastern Mediterranean spot market has remained quieter – outside of its usual slow, warmer, summer ‘off-season’. We have seen continued volume in the Western Mediterranean as we remain active in last mile deliveries into West and North Africa.

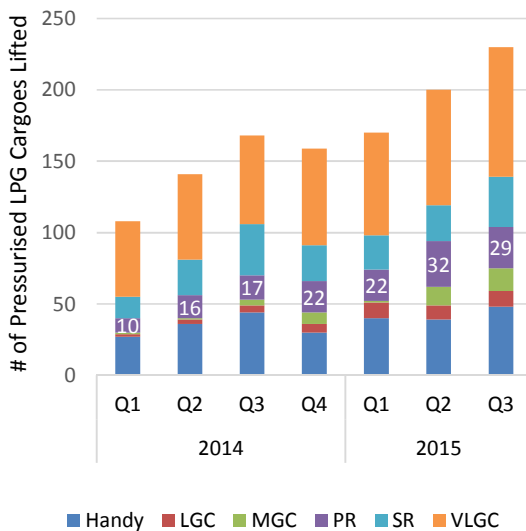
Activity in North West Europe remains weak. For smaller pressurised vessels, we saw periods of increased activity driven by lower water levels on the Rhine, however the Moerdijk refinery also completed repairs and ceased LPG exports creating spare capacity. For the larger vessels, Moroccan butane imports have maintained a steady demand.

In the Americas, export growth apparent in the first half of the year has continued, with pressurised vessels gaining incremental US LPG export volumes. Within that context, Epic Gas’s US exports have seen an almost 200% increase year on year. Most of these pressurised cargoes are headed to retail LPG distributors in Latin America, however short term commodity price advantages combined with freight differentials have enabled larger pressurised vessels to also gain some share in the trans-Atlantic markets.

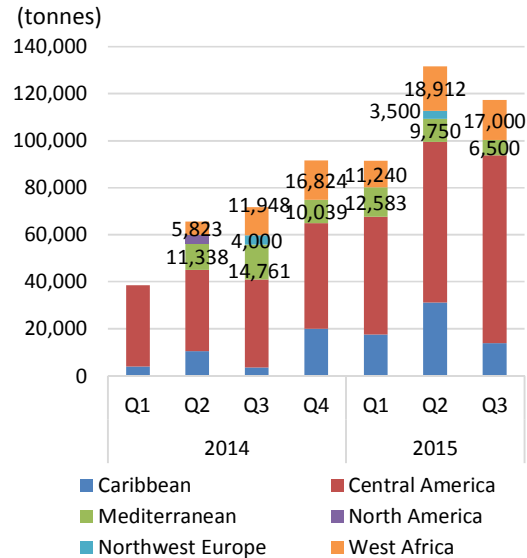
USA – Significant Growth in Exports of LPG (Source: USA Customs Data, IHS Waterborne)	
Steady increase in LPG export volumes out of the USA, with VLGCs leading the way	Epic’s market share continues to grow in the Pressurised Sector



Pressurised LPG liftings are almost double in number compared to the same period in 2014



Trans-Atlantic pressurised LPG cargoes account for almost 25% of the pressure trade



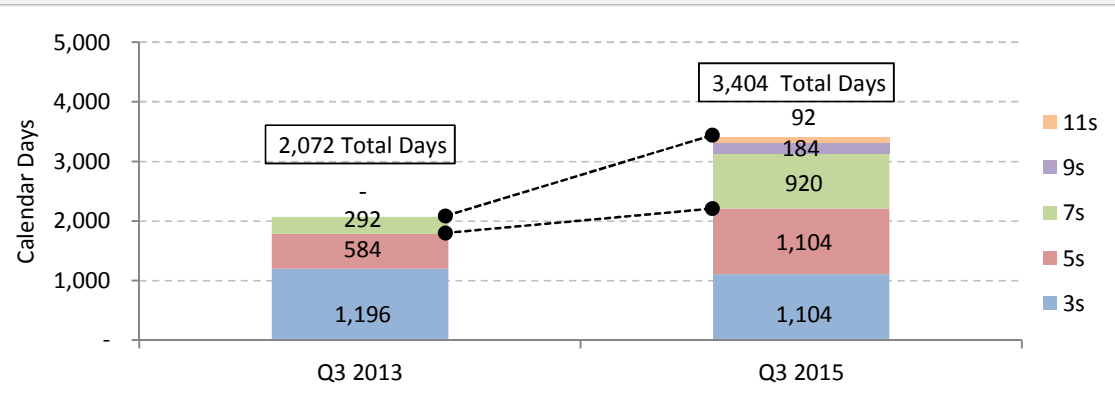
Revenue

Our revenue of \$8,798 per vessel calendar day, up 4% year over year, and a premium to the weighted average market during the period of over 5%, reflects the stable fleet of 37 vessels on the water, our diversified exposure to the global markets, our increased exposure to the larger pressurised vessels over 7,000cbm and also our first full quarter with revenue from our first 11,000cbm vessel. The larger vessel earnings have remained firmer, whilst we also see the average rates for all pressurised LPG vessels in the west maintaining a 5% premium year to date.

A Geographically Diversified Fleet

Vessels by Segment	Americas	EMEA	Asia	On the Water	On Order	Total Fleet
3 (3,300cbm – 4,100cbm)	2	2	8	12	-	12
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	14	37	8	45
Fleet Capacity (cbm)				207,500	77,500	285,000
Avg. Vessel Size (cbm)				5,608	9,688	6,333

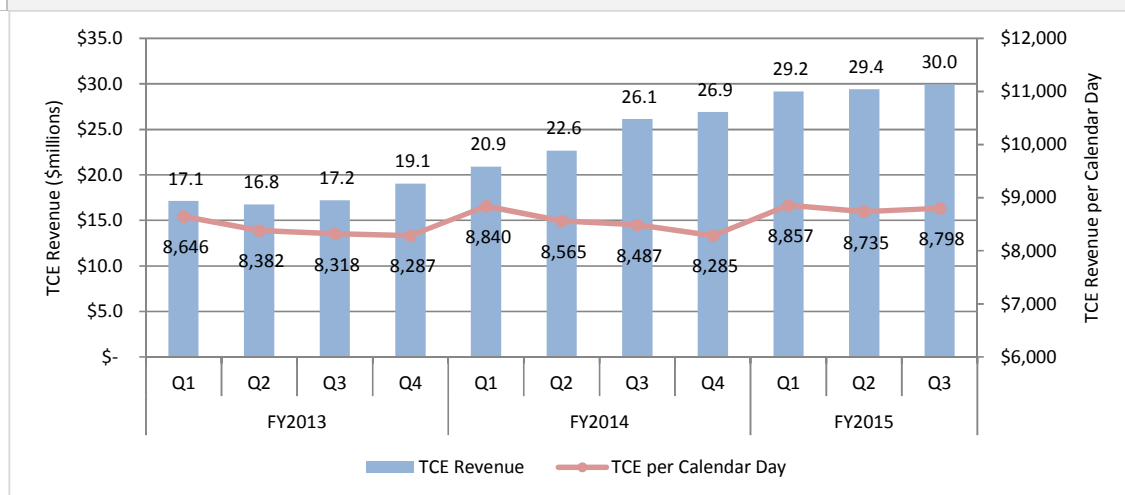
Increasing Exposure to Larger Vessels – Calendar Days by Vessel Size

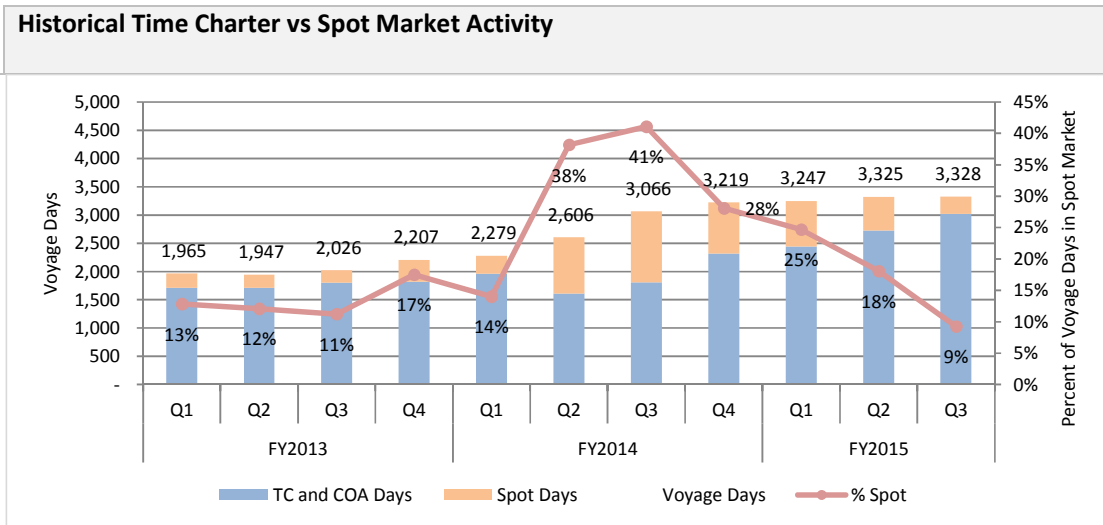


During the quarter we have finalised our first COA in the West, which has led to increased time charter and COA activity, reducing our spot market exposure to 9% of total voyage days, the lowest level of spot exposure for Epic Gas since prior 2013. Our primary spot exposure remains within our larger 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.

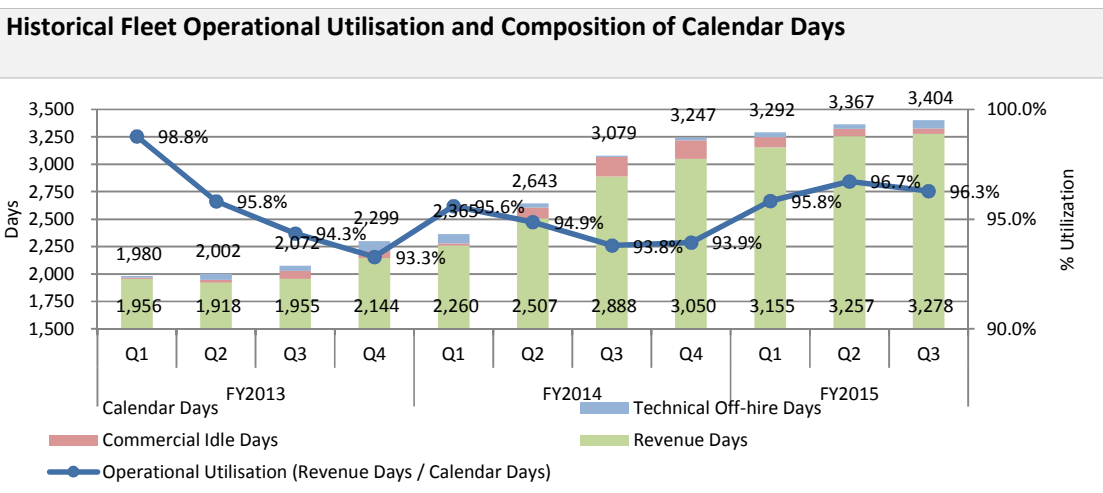
The net impact means that our TCE has increased to \$8,798 per day, up 4% year on year. Time Charter Earnings have reached a new record of \$30.0 million, up 15% year on year.

Progressive TCE Revenue with stable earnings per day





Our in-house commercial and technical capabilities are critical to our ability to perform, especially in the prevailing market. We continued to deliver on higher utilisation in 2015, with our third quarter realised fleet utilisation of 96.3%, well above the 93.8% achieved in the third quarter of 2014. This includes 67 scheduled off-hire days during the quarter primarily related to routine dry dockings, compared to 29 days in the previous quarter, and 9 days in the similar period in 2014.



As of 30 September 2015, the Company was 79% covered for Q4 2015, equivalent to 2,704 voyage days at an average daily TCE rate of \$8,637, with 700 calendar days open. 3,932 days have already been covered for FY2016, predominately on smaller vessels, at a rate of \$8,338 per day. Following period end, the Company has booked further business for the balance of FY2015 and is focused on booking further business for FY2016 and FY2017.

Operating Expenses

Vessel operating expenses per day fell quarter on quarter by 4% to \$3,916 per vessel calendar day, albeit being 2% above the \$3,824 per vessel calendar day achieved during the same period in 2014.

Voyage costs were down 71% year over year as the Company's voyage charter activity declined 76% from 1,259 voyage days in Q3 2014 to 308 voyage days during Q3 2015. The 308 voyage charter days include 153 days of executed COA activity.

Charter-in costs increased \$0.8 million to \$3.9 million from \$3.1 million for the three months ended September 30, 2015 and 2014, respectively. The difference was driven by the increase in the Company's bareboat chartered-in fleet to an average of 9 vessels from 8 vessels for the three months ended September 30, 2015 and 2014, respectively. These 9 vessels represented 828 calendar days, 24% of fleet calendar days, during Q3 2015 and had an average charter in cost per day of \$4,700. Two of these bareboat contracts will expire by the end of 1H2016 and, as a result, a reduction in total operating expenses is expected.

General and administrative expenses decreased by 18% year over year from \$4.5 million to \$3.7 million during the period. Coupled with the growth in the Company's fleet, general and administrative expenses per vessel calendar day fell 26% to \$1,081 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 is expected to improve as Epic Gas continues to improve the efficiency of its platform and service offering.

Finance and other expenses

Finance expenses during the period increased from \$2.9 million to \$3.3 million primarily as a result of an increase in the Company's total finance leases and bank borrowings. During the period, the Company's cost of funds on its \$265.4 million in average outstanding borrowings was 4.9%.

Balance Sheet

In July 2015, the Company closed on the sale of 22,222,222 newly issued shares in a private placement at an offering price of \$2.25 per share. Following the transaction the Company has 51,948,022 shares outstanding. The net proceeds from the offering of \$49.4 million will be used to partially finance the remaining obligations under the Company's newbuilding program and for general corporate purposes.

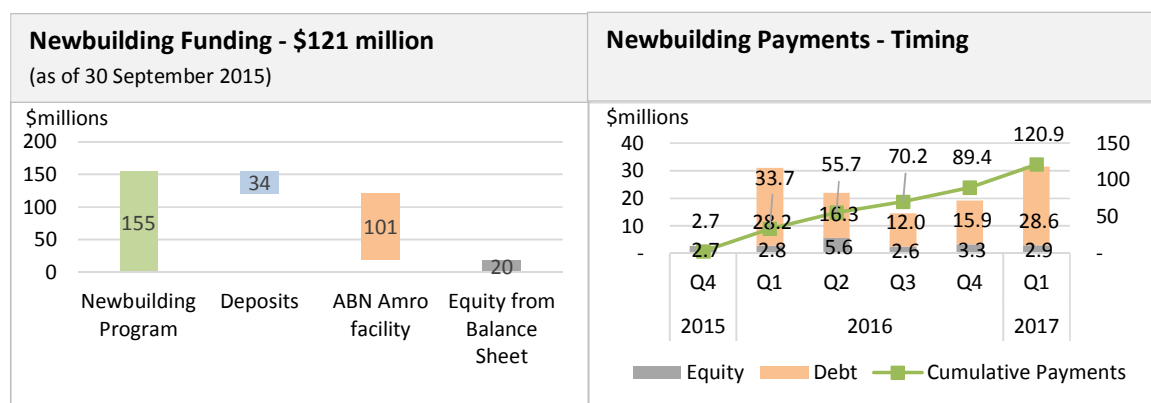
During the period, the Company prepaid the remaining outstanding principal of \$9 million on one of our loan facilities which was scheduled to mature in December 2015.

As of 30 September 2015, the Company had \$61.0 million in cash, cash equivalents and restricted cash.

Newbuilding Program

Epic Gas is the only 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, and 7 are owned by Epic Gas.

As of 30 September 2015, \$34.1 million in deposits have been made toward the construction of these 7 owned vessels, leaving \$121 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.



Newbuildings on order

Vessel	cbm	Type	Delivery	Yard
Bareboat Chartered In				
Epic Sardinia	11,000	Pressurised	1Q 2017	Kyokuyo
Owned Newbuildings				
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 October 2015, the Company entered into forward foreign exchange contracts to hedge yard instalments payable in Japanese Yen (JPY) related to the 7 new buildings. The Company is now fully hedged in respect of its foreign currency payment obligations to Japanese yards. Following the hedge, Epic Gas has adjusted the amount of its remaining capex from \$126 million to \$121 million.

SUMMARY FINANCIALS (UNAUDITED) AND OPERATING METRICS

	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2014	2015	2014	2015
INCOME STATEMENT (\$Millions)				
Revenue	33.1	32.2	83.8	98.5
Profit/(loss) after tax	(3.0)	(0.3)	(6.8)	(4.6)
Adjusted EBITDA	6.6	8.6	18.0	22.8
BALANCE SHEET (\$Millions)				
			As of 31/12/14	As of 30/09/15
Cash, cash equivalents and restricted cash			40.7	61.0
PP&E, advances for vessels under construction, and finance lease deposits			448.5	463.3
Other assets, net			16.8	8.0
Less: indebtedness			(277.5)	(257.2)
Book value of equity			228.5	275.1
CASH FLOWS (\$Millions)				
Cash from Operations			7.3	14.2
Cash from Investing			(136.8)	(24.2)
Cash from Financing			141.5	29.2
Change of cash in period			11.9	19.2
OPERATING METRICS				
Average number of vessels in period (1)	33.5	37.0	29.6	36.9
Number of vessels as of period end	35	37	35	37
Fleet capacity at period end (cbm)	185,000	207,500	185,000	207,500
Gas fleet average size as of period end	5,286	5,608	5,286	5,608
Fleet calendar days	3,079	3,404	8,087	10,063
Time charter days	1,807	3,020	5,378	8,191
Spot market days	1,259	308	2,573	1,709
Voyage days (2)	3,066	3,328	7,951	9,900
Fleet utilisation (3)	99.6%	97.8%	98.3%	98.4%
Fleet operational utilisation (4)	93.8%	96.3%	94.7%	96.3%
Time charter equivalent earnings (5)				
Per Calendar Day	\$8,487	\$8,798	\$8,615	\$8,796
Per Voyage Day	\$8,523	\$9,000	\$8,762	\$8,941
Operating expenses per Calendar Day	\$3,824	\$3,916	\$4,069	\$4,154

- 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 45 vessels which serve as a link in the international gas and petrochemical supply chains of leading oil majors and commodity trading houses throughout Asia, Europe, Africa and the Americas.

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 30 Sept 2015
ASSETS		
Cash and cash equivalents	31.2	50.3
Trade and other receivables	11.4	16.4
Inventories	2.8	2.2
Vessels classified as held for sale	6.8	-
Deferred finance costs	0.7	0.5
Current assets	52.9	69.4
Non-current assets		
Restricted cash deposits	9.5	10.7
Finance lease deposits	5.6	5.6
Property, plant and equipment	406.8	423.6
Advances for vessels under construction	36.1	34.1
Intangible assets	12.9	12.9
Deferred finance costs	1.1	0.7
Non-current assets	472.0	487.6
TOTAL ASSETS	524.9	557.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	12.8	16.0
Deferred income	4.8	8.3
Current income tax liabilities	0.0	0.3
Derivative liabilities	1.1	-
Finance lease liabilities	6.4	6.4
Bank Loan	40.7	23.0
Current liabilities	65.9	54.1
Deferred taxation		
	0.1	-
Finance lease liabilities	68.8	64.0
Bank Loan	161.5	163.8
Non-current liabilities	230.4	227.8
Total Liabilities	296.3	281.9
Share capital (51,948,022 shares issued and outstanding)	258.9	308.3
Share option reserves	1.5	2.1
Accumulated losses	(30.6)	(35.2)
Accumulated other comprehensive income	(1.2)	(0.1)
Total Equity	228.5	275.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	524.9	557.0

INCOME STATEMENT (UNAUDITED)

<i>All amounts in \$ millions</i>	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2014	2015	2014	2015
Revenue	33.1	32.2	83.8	98.5
Address and brokerage commissions	0.8	0.7	2.0	2.1
Voyage expenses	6.6	2.0	12.6	8.9
Vessel operating expenses	11.7	13.3	32.8	41.8
Charter-in costs	3.1	3.9	8.0	11.2
Depreciation and amortization	5.0	5.7	13.5	17.0
Impairment loss	-	0.0	-	0.2
General and administrative expenses	4.5	3.7	12.8	12.0
Total expenses	31.7	29.3	81.8	93.2
Operating income	1.4	2.9	2.0	5.3
Other (income) / losses, net	1.5	(0.2)	1.3	(0.3)
Finance expenses	2.9	3.3	7.5	9.9
Profit/(loss) before tax	(3.0)	(0.1)	(6.8)	(4.3)
Income tax expense	0.0	0.1	0.0	0.3
Profit/(loss) after tax	(3.0)	(0.3)	(6.8)	(4.6)
Other Comprehensive income:				
Income directly recognized in equity	-	-	-	-
Cash flow hedges gain/(loss)	(0.2)	(0.0)	(0.2)	1.1
Total Comprehensive Income/(Loss)	(3.2)	(0.3)	(7.1)	(3.5)

STATEMENT OF CASH FLOWS (UNAUDITED)

<i>All amounts in \$ millions</i>	Nine Month Period Ended September 30,	
	2014	2015
Cash from operating activities	7.3	14.2
Cash from investing activities	(136.8)	(24.2)
Cash from financing activities	141.5	29.2
Net Increase in cash and cash equivalents	11.9	19.2
Cash and cash equivalents at the beginning of the year	44.8	31.2
Cash and cash equivalents at the end of the period	56.8	50.3

SUPPLEMENTAL INFORMATION				
<i>All amounts in \$ millions except per day amounts</i>	Three Month Period Ended September 30,		Nine Month Period September 30,	
	2014	2015	2014	2015
REVENUE AND TIME CHARTER EQUIVALENT EARNINGS				
Charter hire	32.7	32.0	82.3	97.6
Technical management revenue	0.3	0.2	1.5	0.9
Revenue	33.1	32.2	83.8	98.5
Charter hire	32.7	32.0	82.3	97.6
Less: Voyage expenses	(6.6)	(2.0)	(12.6)	(8.9)
Time charter equivalent earnings	26.1	30.0	69.7	88.7
RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA				
Profit/(loss) after tax	(3.0)	(0.3)	(6.8)	(4.6)
Add:				
Depreciation and amortization	4.9	5.8	13.5	17.0
Impairment loss / (gain)	-	-	0.0	0.2
Net Interest expense	2.9	3.3	7.5	9.9
Income taxes	0.0	0.1	0.0	0.3
Foreign exchange loss / (gain)	1.5	(0.5)	1.3	(0.6)
EBITDA	6.3	8.4	15.5	22.2
Stock-based compensation expense	0.3	0.2	0.8	0.6
One-time IT expense	-	-	1.0	-
Termination of service agreement	-	-	0.7	-
Adjusted EBITDA	6.6	8.6	18.0	22.8
TOTAL INDEBTEDNESS				
			As of 31/12/14	As of 30/09/15
Finance leases			75.2	70.5
DVB Tranche A – Dec. 2017			104.0	93.5
DVB Tranche B – Dec. 2015			19.0	0.0
CIT – 2019 / 2020			60.7	66.3
NordLB – 2019 / 2020			18.5	26.9
Total Indebtedness			277.4	257.2
REMAINING NEWBUILDING PAYMENTS				
FY2015				2.7
FY2016				86.7
FY2017				31.5
Remaining Newbuilding Payments				120.9