EPIC GAS LTD
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD TO
31 March 2018

SINGAPORE, 9 May 2018 - Epic Gas Ltd. ("Epic Gas" or the "Company") today announced its unaudited financial and operating results for the interim period ended March 31, 2018. All amounts reported in US Dollars unless otherwise stated.

A conference call to discuss these results is scheduled for 9 May 2018 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
Singapore:	+65 31580667
Hong Kong:	+852 3051 2792
International:	+61 283 733 610

Conference ID Number: 1096175

Audio Webcast - Slides Presentation

There will be a live and then archived audio webcast of the conference call, via the internet through the Epic Gas website www.epic-gas.com. Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

The slide presentation on the first quarter 2018 financial results will be available in PDF format 10 minutes prior to the conference call and webcast, accessible on the company's website www.epic-gas.com on the investor relations page.

Participants to the webcast are urged to download the PDF presentation as the conference call will follow the presentation slides.

First Quarter 2018 Highlights

- Vessel Calendar days up 1% year over year to 3,617
- Revenue of $38.6 million, up 14% year over year
- Time charter equivalent revenues of $8,932 per vessel calendar day, up 6% year over year
- Adjusted EBITDA of $8.5 million, up 6% year over year
- Net Loss of $2.7 million, down $0.7 million year over year
- General & administrative expenses of $1,100 per vessel calendar day, up 11% year over year
- Redelivery of one 4,100cbm bareboat charter vessel (2001 built) and sale of one 5,000cbm vessel (1998 built)
- As of 31 March 2018, 39 vessels on the water.

The Pressurised Market

The 3,500cbm and 5,000cbm vessels continued their gains with market rates improving a further 5% to 7% on the previous quarter. Rates on the larger-sized 7,500cbm vessels improved by 3% to 4% from the end of 2017, but the 11,000cbm vessels remained flat as competition from the larger semi-ref vessels remained in a few trades.

For the first quarter of 2018, 3,500cbm, 5,000cbm, 7,500cbm and 11,000cbm market rates averaged $8,274, $9,762, $10,356 and $13,151 per day, respectively. Compared to first quarter of 2017, average rates have increased 31% for 3,500cbm vessels, 24% for 5,000cbm vessels, 1.1% for the 7,500cbm vessels and remained flat for the 11,000cbm vessels.

During the quarter, one 7,500cbm pressurised vessel and one 7,100cbm semi-ref vessel delivered. One 3,400cbm pressurised vessel and four small-sized semi-ref ethylene capable vessels were scrapped, which totalled 41,895cbm and were an average age of 28.6 years. A net reduction in fleet capacity of 27,000cbm.

Presently, there are a total of 322 pressure vessels over 3,000cbm (non-Chinese flagged) on the water, with 10 newbuilds totalling 54,000cbm on order. There are 4 newbuild vessels to be delivered in 2018, 3 in 2019 and 3 in 2020, representing a 1.1%, 0.9% and 0.9% respectively increase in existing fleet capacity, the lowest supply growth in any bulk commodity shipping sector. Further, in the existing international trading fleet, there are 12 ships / 41,800cbm that are aged 28 years and older, making them potential scrapping candidates, which will further reduce the fleet growth rate.

The smaller-sized semi-ref fleet that can compete with the pressure vessels has an order book of 5 vessels, 4 of which are the more expensive ethylene vessels purpose built for that trade. This newbuild capacity equates to a semi-ref net fleet growth of 4.1%, which should be lower due to a scrapping 'pool' of 25 vessels aged 28 years and older.

Global seaborne LPG volumes are expected to grow to 95.1 million tonnes in 2018, 3.5% higher than the 91.9 million tonnes achieved in 2017. In the first quarter, Epic Gas loaded 722,000 tonnes and was involved in 677 cargo operations in 139 different ports. LPG cargoes made up 76% of the cargoes lifted with the balance being petrochemicals. We had 4 vessels operating in the Americas, 19 in the Europe/Middle East/Africa (EMEA) belt and 16 in Asia.

Propylene imports into China have remained robust despite incremental Propane Dehydrogenation (PDH) capacity, driven by an underlying demand for related derivatives. Monthly imports in the last quarter averaged almost 230,000 tonnes, with cargoes out of Korea, Japan, Taiwan, Thailand, Philippines and Indonesia, offering gainful employment to the 3,500cbm and 5,000cbm vessels in Asia.

Our operations in the LPG break bulk trade remains significant, with 86 ship-to-ship (STS) operations in the first quarter. We performed double the number of STS operations off West Africa this quarter compared to the previous one, as new infrastructure in the region is developed and breakbulk operations grows.

The small ship market in the Middle East has been busier. LPG exports out of Iraq have started to grow as existing (old) facilities are brought back on-line and new projects developed. Pakistan, Bangladesh and Sri Lanka remain significant demand centres. Port Sudan and Yemen are growing markets too, though inadequate infrastructure and port security hamper imports and port turnarounds.

The Mediterranean and Black Sea spot market trade has been generally quiet, with the traders covering most of the regional demand with their in-house tonnage.

Northern Europe remained active as seasonal demand and weather-related delays helped shorten the list of available smaller sized vessels and push freight levels up further. However, several larger sized coasters lifted part cargoes during the period, indicative of the tightness in the small ship market.

The pressurised and small sized semi-ref vessels exports from the USA gained ground with a 30% increase over the previous quarter. Cargoes were destined mostly to the Caribbean and Central America.

Revenue

We ended the quarter with a fleet size of 39 vessels with a total capacity of 264,000cbm and an average size and age of 6,769cbm and 8.2 years respectively, a 3.2% increase in average size from a year ago.

During the first quarter, the fleet experienced 72 technical off-hire days, which included two scheduled dry-dockings. This resulted in fleet availability of 98.0% (Q1 2017, 96.2%), with operational utilisation of 91.8% (Q1 2017, 93.2%).

TCE revenue per calendar day of $8,932 was 6.0% higher than the $8,423 in Q1 2017, whilst the TCE revenue per voyage day was $9,115 compared to $8,759 in Q1 2017.

The fleet traded under time charter for 67.2% of total voyage days during the first quarter compared to 76.6% a year ago, highlighting a higher exposure to the recently strengthening spot market.

As of 31 March 2018, the Company was 57% covered for the year 2018 with 6,053 voyage days covered at an average daily TCE rate of $9,762, leaving 4,579 calendar days open on the current fleet for the rest of the year.

Operating Expenses

Vessel operating expenses increased from $14.6 million in the first quarter of 2017 to $15.5 million in the first quarter of 2018. The increase is primarily a result of the Company's fleet expansion by 1% as measured by the number of fleet calendar days, the increased ship average size by 3% as measured by cubic metre capacity (cbm) as well as some vessels trading in areas with higher store supply and repair cost. Vessel operating expenses per calendar day increased by 5% from $4,081 in the first quarter of 2017 to $4,276 during the same period in 2018.

Voyage expenses increased by 79% to $6.1 million in the first quarter of 2018, from $3.4 million in the first quarter of 2017. The increase is a result of the Company's increased voyage charter activity by 45% year over year from 804 spot market days in Q1 2017 to 1,163 spot market days in Q1 2018, and increased bunker expenses.

Charter-in costs increased 3% year over year from $3.8 million to $3.9 million due to the delivery of a newbuild 11,000cbm bareboat vessel in January 2017. The Company redelivered one 4,100cbm bareboat vessel (2001 built) in February 2018. As of 31 March 2018, the Company had 7 ships on traditional inward bareboat charter arrangements under which charter payments are expensed.

General and administrative expenses increased 14% year over year from $3.5 million in the first quarter of 2017 to $4.0 million in Q1 2018. The growth is driven by the Company's fleet expansion and also a stronger Singapore Dollar against US Dollar year over year. On a per calendar basis, general and administrative expenses increased 11% to $1,100 (6% without currency fluctuation) 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.

Finance and other expenses

Finance expenses increased from $4.0 million to $4.1 million year over year primarily due to the increase in LIBOR rates. The Company has interest rate swaps in place for a total amount of $152.8 million at a weighted average interest rate of 2.03%.

Refinancing

In March 2018, the Company completed a sale and lease back transaction for the Epic Manhattan (9,500cbm, 2007 built) with a Japanese ship owning company. The transaction has the advantage of reducing the monthly finance cost, whilst also increasing the Company's liquidity position. The Company has purchase options to re-acquire the vessel during the charter period, with the first such option exercisable on the fifth anniversary of the vessel delivery.

Asset Sale

In March 2018, the Company sold the oldest ship in its fleet, the Epic St. John (5,000cbm, 1998 built), at a margin over book value. The sale will not have a material impact on the Company's full year 2018 earnings.

Subsequent Events

In April 2018, the Company exercised purchase options under existing leases expiring in Q1 2019, and subsequently entered into a finance lease transaction with a term of 5 years for the Epic Balta (6,300cbm, 2000 built), Epic Burano (7,500cbm, 2002 built) and Epic Bolivar (7,500cbm, 2002 built) with a Japanese ship owning company, resulting in a net decreased monthly finance cost. The Company has purchase options to re-acquire the vessels during the charter period, with the first such option exercisable on the third anniversary of the vessels' delivery.

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. The Company controls a fleet of 39 vessels which serve as a link in the global gas and petrochemical supply chains of leading oil majors and commodity trading houses. The Company's shares are traded over the Oslo Stock Exchange under the symbol "EPIC-ME".

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)		
All amounts in $ millions	**As of 31 Dec 2017**	**As of 31 March 2018**
ASSETS		
Cash and cash equivalents	7.0	9.9
Trade and other receivables	25.8	26.5
Inventories	4.3	3.3
Derivative financial instruments	0.0	0.0
Current assets	37.1	39.7
Non-current assets	0.4	0.1
Restricted cash deposits	13.5	12.0
Property, plant and equipment	524.5	514.7
Advances for vessels under construction	0.0	0.0
Derivative financial instruments	0.8	2.4
Non-current assets	539.2	529.3
TOTAL ASSETS	**576.3**	**569.0**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	26.2	27.3
Deferred income	9.0	10.5
Current income tax liabilities	0.5	0.6
Derivative liabilities	0.0	0.0
Finance lease liabilities	9.5	9.5
Bank Loan	31.7	26.3
Current liabilities	77.0	74.2
Trade and other Payables	0.1	0.0
Deferred taxation	0.1	0.0
Finance lease liabilities	44.3	42.4
Bank Loan	210.9	209.3
Non-current liabilities	255.4	251.8
Total Liabilities	332.4	326.0
Share capital	340.1	340.1
Share option reserves	3.8	4.0
Accumulated losses	(100.6)	2.3
Accumulated other comprehensive income	0.7	(103.3)
Total Equity	244.0	243.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**576.3**	**569.0**

INCOME STATEMENT (UNAUDITED)

All amounts in $ millions	Three Month Period Ended 31 March 2017	Three Month Period Ended 31 March 2018
Revenue	**33.9**	**38.6**
Address and brokerage commissions	0.8	0.8
Voyage expenses	3.4	6.1
Vessel operating expenses	14.6	15.5
Charter-in costs	3.8	3.9
Depreciation and amortization	7.1	7.5
(Gain)/Loss on sale of vessels	0.0	(0.8)
General and administrative expenses	3.5	4.0
Total expenses	33.2	36.9
Operating income	**0.7**	**1.7**
Other (income) / losses, net	0.0	0.1
Finance expenses	4.0	4.1
Profit before income tax	(3.3)	(2.5)
Income tax expense	0.2	0.1
Net Income	**(3.4)**	**(2.7)**
Other Comprehensive income:		
Cash flow hedges	(0.2)	1.6
Total Comprehensive Income/(Loss)	(3.6)	(1.1)

STATEMENT OF CASH FLOWS (UNAUDITED)

All amounts in $ millions	Three Month Period Ended 31 March 2017	Three Month Period Ended 31 March 2018
Cash from operating activities	11.7	7.1
Cash from investing activities	(22.4)	4.8
Cash from financing activities	35.8	(9.0)
Net Increase in cash and cash equivalents	25.2	2.9
Cash and cash equivalents at the beginning of the year	9.8	7.0
Cash and cash equivalents at the end of the period	**35.0**	**9.9**

SUPPLEMENTAL INFORMATION

All amounts in $ millions	**Three Month Period Ended 31 March 2017**	**Three Month Period Ended 31 March 2018**
REVENUE AND TIME CHARTER EQUIVALENT EARNINGS		
Charter hire	33.5	38.4
Technical management revenue	0.4	0.2
Revenue	33.9	38.6
Charter hire	33.5	38.4
Less: Voyage expenses	(3.4)	(6.1)
Time charter equivalent earnings	30.1	32.3
RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA		
Net Income	**(3.4)**	**(2.7)**
Add:		
Depreciation and amortization	7.1	7.5
(Gain)/Loss on sale of vessels	0.0	(0.8)
Net Interest expense	4.0	4.1
Income taxes	0.2	0.1
Foreign exchange loss / (gain)	(0.0)	0.1
EBITDA	**7.8**	**8.4**
Stock-based compensation expense	0.3	0.1
Adjusted EBITDA	**8.0**	**8.5**

TOTAL INDEBTEDNESS	**As of 31 Dec 2017**	**As of 31 March 2018**
Finance leases	53.8	52.0
CIT – 2019/2020	50.7	38.4
CTL - 2023	19.3	19.0
ABN/CA/NIBC - 2023	69.3	68.0
ABN/DVB/Nord LB - 2024	75.9	68.4
NIBC - 2022	7.8	7.5
Japanese Owners – 2027/2028	19.7	34.4
Total Indebtedness	296.5	287.6

SUMMARY FINANCIALS (UNAUDITED) AND OPERATING METRICS

	Three Month Period Ended December 31,	
	2017	**2018**
INCOME STATEMENT ($Millions)		
Revenue	33.9	38.6
Profit/(loss) after tax	(3.4)	(2.7)
Adjusted EBITDA	8.0	8.5
BALANCE SHEET ($Millions)	**As of 31/12/17**	**As of 31/03/18**
Cash, cash equivalents and restricted cash	20.5	21.9
PP&E, advances for vessels under construction, and finance lease deposits	524.5	514.7
Other assets, net	(4.6)	(6.0)
Less: indebtedness	(296.4)	(287.6)
Book value of equity	244.0	243.0
CASH FLOWS ($Millions)	**Q1 2017**	**Q1 2018**
Cash from Operations	11.7	7.1
Cash from Investing	(22.4)	4.8
Cash from Financing	35.8	(9.0)
Change of cash in period	25.2	2.9
OPERATING METRICS		
Average number of vessels in period (1)	39.7	40.2
Number of vessels as of period end	41	39
Fleet capacity at period end (cbm)	268,900	264,000
Gas fleet average size as of period end	6,559	6,769
Fleet calendar days	3,569	3,617
Time charter days	2,628	2,382
Spot market days	703	1,163
COA days (relets excluded)	101	
Voyage days (2)	3,432	3,545
Fleet utilisation (3)	96.2%	98.0%
Fleet operational utilisation (4)	93.2%	91.8%
Time charter equivalent earnings (5)		
Per Calendar Day	$8,423	$8,932
Per Voyage Day	$8,759	$9,115
Operating expenses per Calendar Day	$4,081	$4,276

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