



EPIC GAS
DELIVERY UNDER PRESSURE



Epic Gas **FY2019**

Earnings Presentation

13 February 2020



Disclaimer



This Presentation (hereinafter collectively referred to as the “Presentation”) has been produced by Epic Gas Ltd. (the “Company”, or “Epic”) for information purposes only.

This Presentation contains information obtained from third parties. As far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. To the best of the knowledge of the Company, the information contained in this Presentation is in all material respects in accordance with the facts as of the date hereof. However, no independent verifications have been made and no representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any of its parent or subsidiary undertakings or any such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.

This Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company or any of its parent or subsidiary undertakings or any such person’s officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

Q4 2019 Highlights

Financing costs reduced, increasing forward rates, but lower utilisation



	Q4 2019	Q4 2018	Q419 vs Q418 %	Q3 2019	Q419 vs Q319 %
• Revenue	\$43.1m	\$39.3m	+10%	\$47.1m	-8%
Calendar Days	4,026	3,496	+5%	3,971	+1%
TCE/Calendar Day	\$9,388	\$9,935	-6%	\$9,965	-6%
Fleet operational utilisation	90.5%	96.0%	-6%	95.1%	-5%
Tonnes loaded	707,229	812,000	-13%	796,433	-11%
Total capacity	320,900 cbm	259,900 cbm	+23%	320,900 cbm	0%
Average vessel size	7,293 cbm	6,839 cbm	+7%	7,293 cbm	0%
Average vessel age	9.4 years	8.4 years		8.4 years	
Cargo operations	647	726	-11%	678	-5%
Different ports visited	138	137	+1%	135	+2%
LTIFR (Lost-Time Injury Frequency Rate)	0.67	0.83		0.0	
% CO2 Reduction (basis 2018 base-line)	1.9%			1.67%	
• Total Opex per cal/day	\$4,407	\$4,071	+8%	\$4,221	+4%
• Total G&A per cal/day	\$1,158	\$1,216	-5%	\$1,043	+11%
• EBITDA	\$10.9m	\$12.4m	-12%	\$13.5m	-19%

- 10% Year on Year Revenue Growth.
- Refinancing of 22 vessels completed, leading to annual savings of \$4.1 million.
- Net loss of \$1.0 million in Q4 2019 due to lower utilisation.
- Full Year net loss of \$3m excluding one off refinancing costs.
- Exercised purchase option of a modern 11,000cbm that has been on bareboat charter-in since Feb 2015.
- 37% covered for 2020, at an average daily Time Charter Equivalent rate of \$10,668, up 6% year on year.

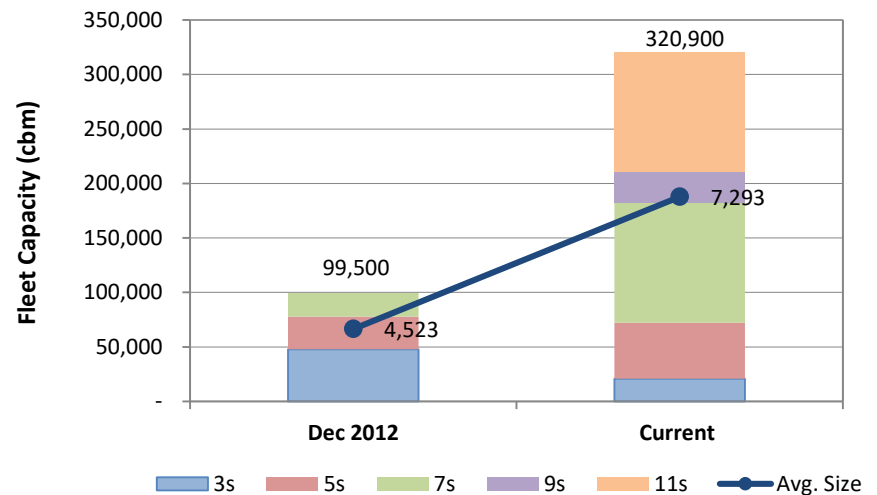
Epic Gas at a glance



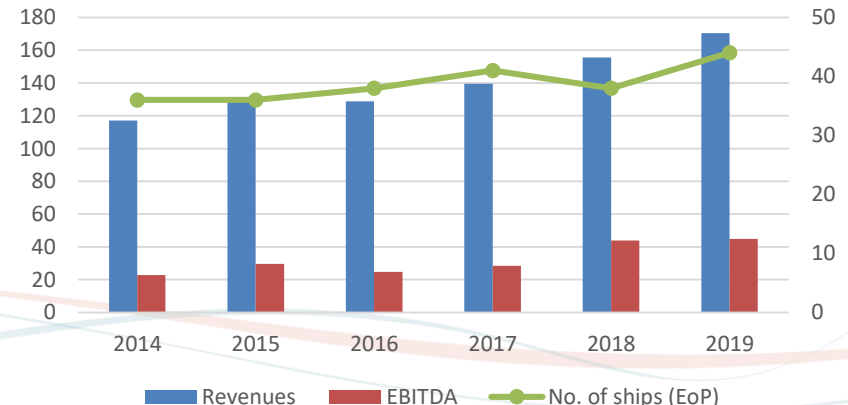
Strong Operating Model

- Epic Gas Ltd., owns and operates a fleet of 44 modern, pressurised gas carriers providing seaborne services for the transportation of liquefied petroleum gas (LPG) and petrochemicals.
- Our vessels serve as a crucial link in the international gas supply chains of leading oil majors and commodity trading houses throughout Southeast Asia, Europe, West Africa and the Americas.
- We are headquartered in Singapore with additional offices in London, Manila and Tokyo.
- Epic Gas has the scale, fleet and operational resources to serve our customers on a truly global basis. We will continue to leverage our in-house commercial and technical expertise to provide the safest, most dependable solutions for our customers.

Focused on the largest pressure vessels



Steady Revenue & EBITDA Growth

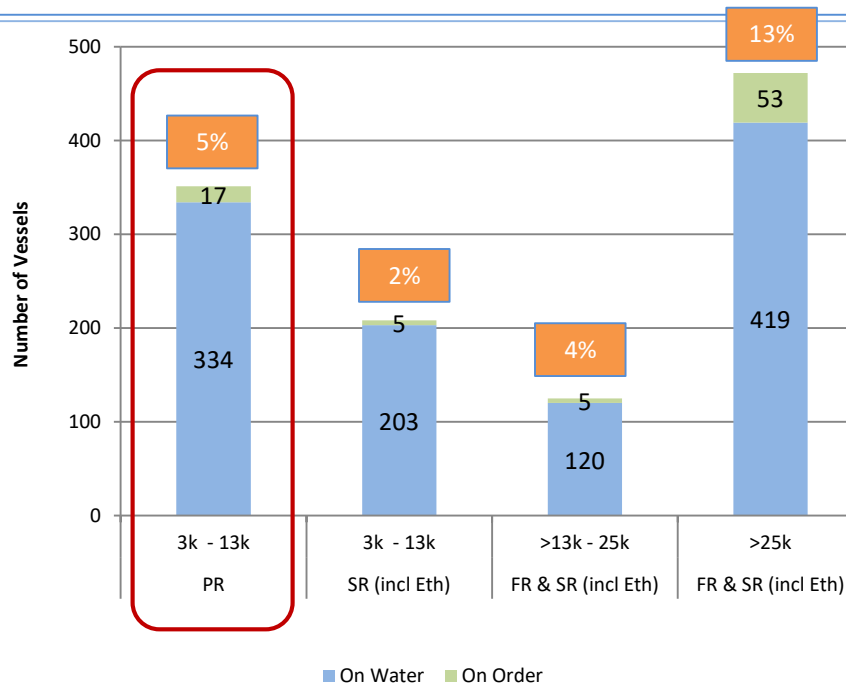


Low Newbuild Vessel Supply



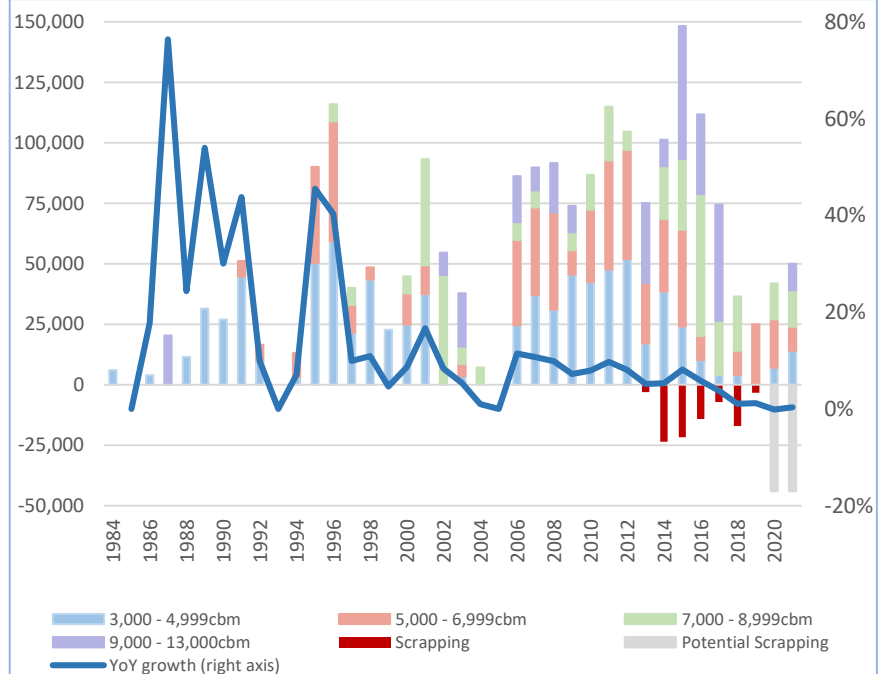
Smaller LPG Vessels Order Book Remains Low

Source: Clarksons Register, Company Data



Pressure Vessel Global Fleet Development

Source: Clarksons Register, Company Data



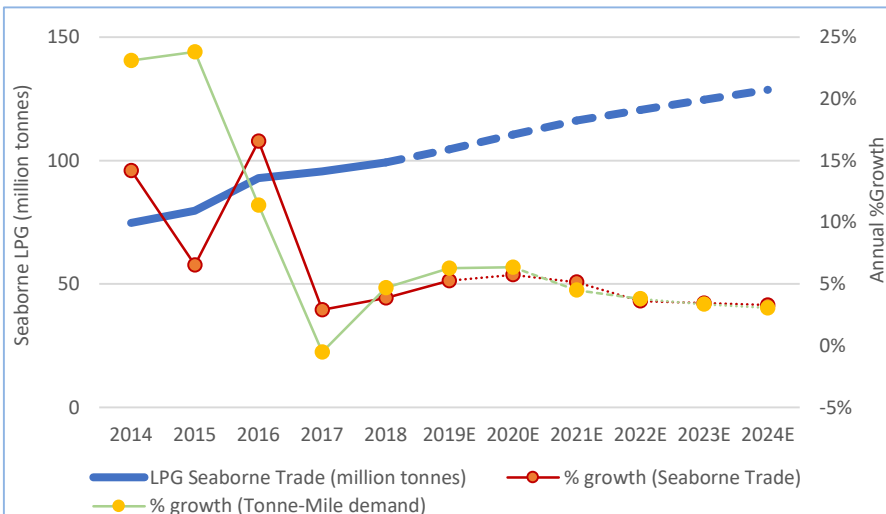
- 8/9 newbuild **pressure** vessels to be delivered in 2020/2021 representing a 2.4%/2.8% increase in existing fleet capacity.
- A 30-year-old 3,300cbm pressure vessel was scrapped in Q3 2019.
- 2 newbuild small-sized **semi-ref** (non-Ethylene) vessels to be delivered in 2020 representing a 3.5% increase in existing fleet capacity, accounting for the 32,400cbm scrapped in 2019. Also, 2 small-sized Eth vessels to be delivered in 2020.
- A scrapping pool of 24 pressure and 20 semi-ref (non-Ethylene) vessels aged 28 years and over.

Growing Demand for LPG



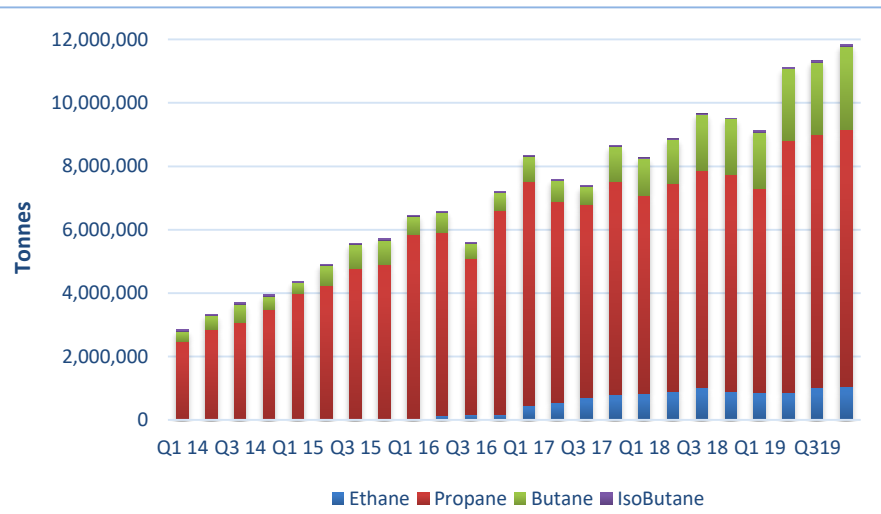
Global LPG Seaborne Trade 100M Tonnes
Strong Demand Growth Forecast 5.7% 2020

(Source: Drewry - Nov'19)



Q4'19 US Total LPG Exports 5% qoq, 24% yoy.
Butane 49% yoy

(Source: IHS Markit - Jan'20)



Big Volumes
China & India Remain Key Demand Drivers

(Source: FGE - Jan'20)

LPG Imports (million tonnes)

	2017	2018	2019	2020	2025	CAGR
China	18.3	19.0	20.7	21.6	25.3	4.2%
India	11.9	12.2	14.6	15.9	20.0	6.7%
Japan	10.6	10.6	10.7	10.7	10.3	-0.4%
Korea	6.1	6.7	7.5	7.6	9.0	5.0%

Regional Demand Growing

(Source: FGE - Jan'20)

LPG Imports (million tonnes)

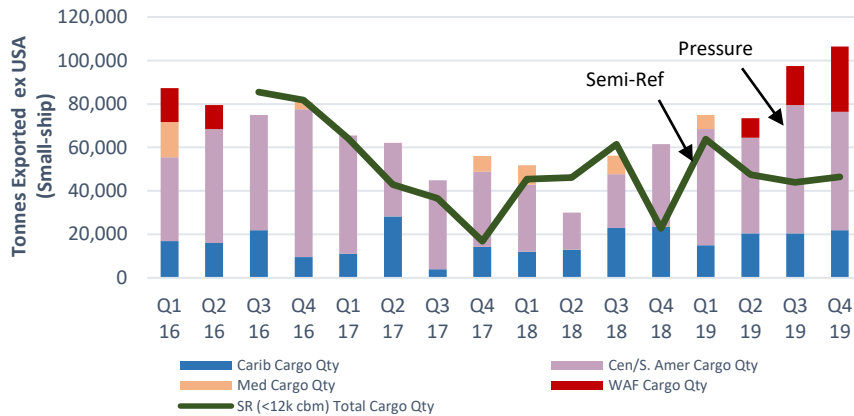
	2017	2018	2019	2020	2025	CAGR
Indonesia	5.5	5.6	5.7	6.0	7.1	3.2%
Philippines	1.2	1.3	1.4	1.7	2.3	8.5%
Thailand	0.6	0.7	0.9	1.1	1.5	12.1%
Vietnam	1.3	1.6	1.8	2.1	3.3	12.3%

Strong US LPG exports, stable Chinese Propylene imports



US Pressure and small sized Semi-Ref Exports: WAF Pr Cargoes ex Chesapeake – 4/5 in Q3/Q4'19

(Source: IHS Markit)



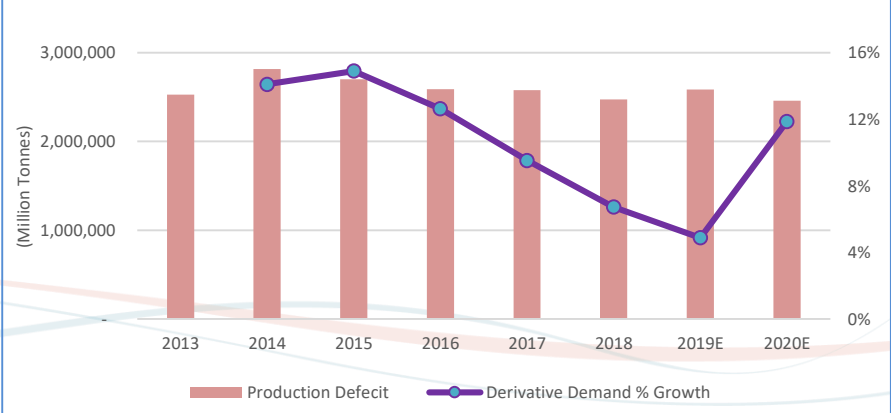
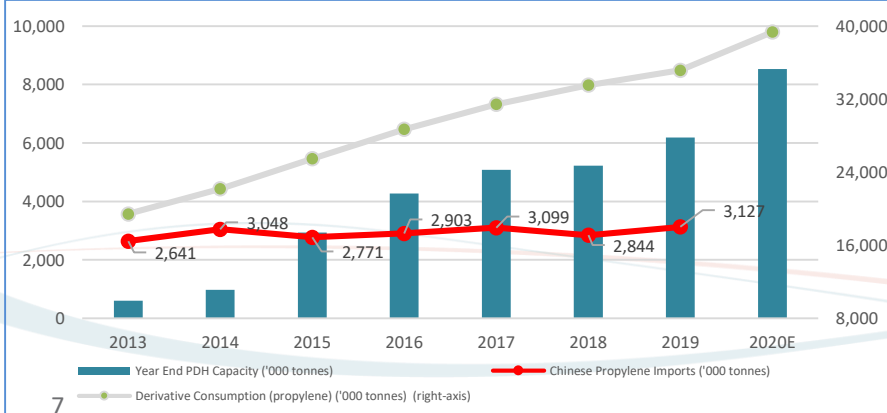
Growing demand drives import Growth

(Source: FGE – Jan'20)

Country	Pop. 2018 (Mill)	Per Capita GDP (USD)	Res LPG Demand (kt)	Per Capita LPG Cons (kg)	LPG Imports 2018 ('000t)	LPG Imports est. 2019 ('000t)	LPG Imports est. 2020 ('000t)
South Africa	57	\$6,507	168	3	300	400	500
Pakistan	201	\$1,616	597	3	256	317	320
Sri Lanka	21	\$4,450	291	14	480	500	540
Bangladesh	166	\$1,722	500	3	850	950	1,000
Philippines	107	\$3,107	851	8	1,300	1,400	1,700
Morocco	36	\$3,292	2,167	60	2,400	2,600	2,600
Brazil	211	\$10,137	5,294	25	2,400	2,700	2,700
Indonesia	267	\$4,026	6,500	24	5,600	5,700	6,000

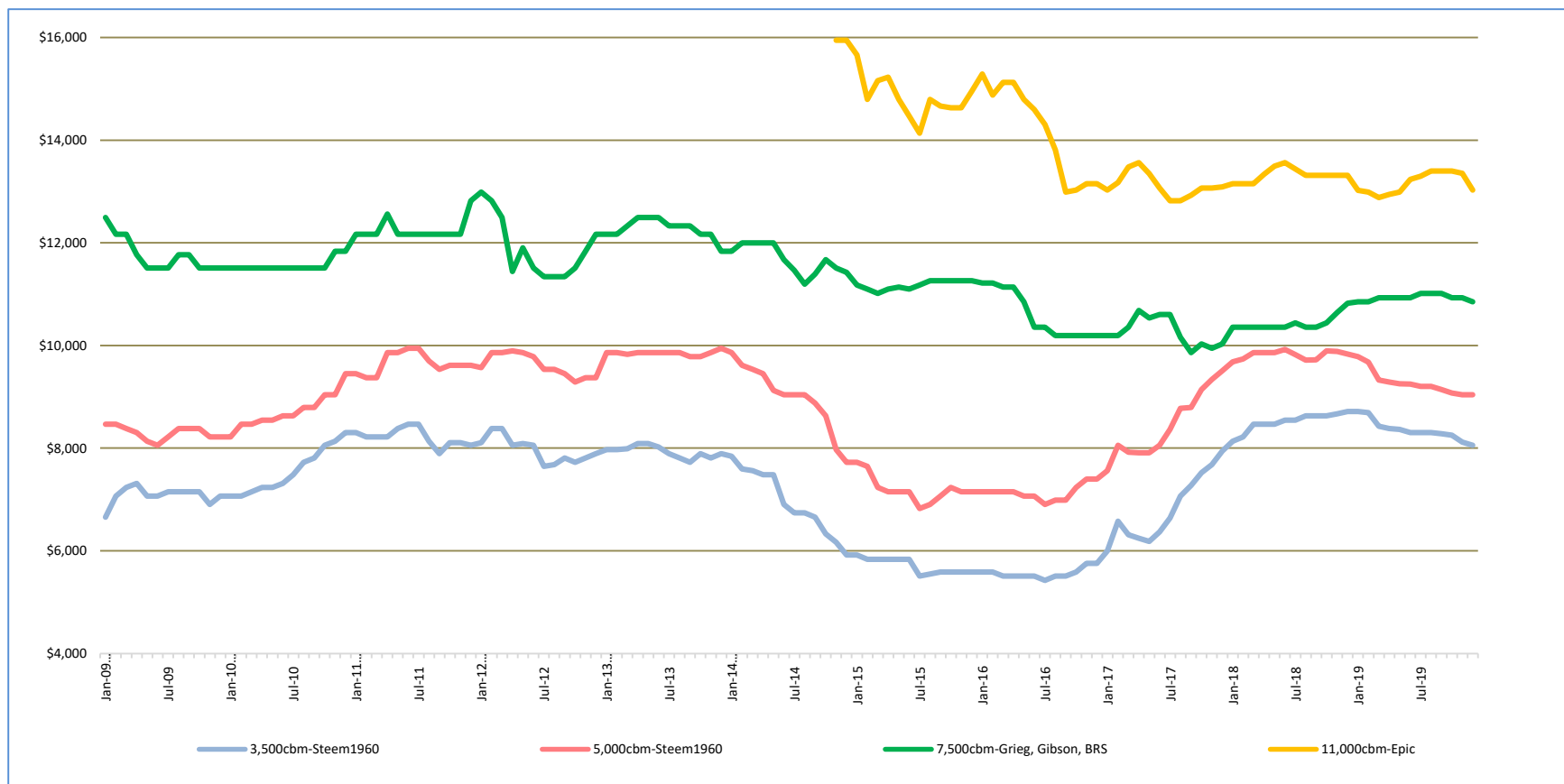
China Propylene Imports hold up as Polypropylene production drives Propylene demand and balances increased PDH capacity, with developing Imports from other Asian countries

Source: Argus



Longer Term Market History

12 Month Time Charter Market (USD/day)



Q4 2019 – weaker rates compared to the previous quarter, approx. down by 1-2%

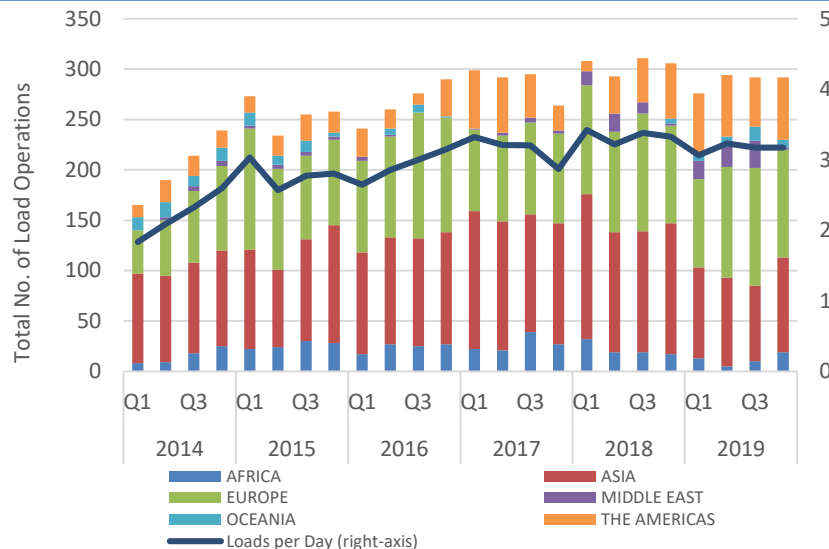
- 3,500cbm, 5,000cbm, 7,500cbm & 11,000cbm market daily rates averaged \$8,141, \$9,052, \$10,904 and \$13,260, respectively.
- Average rates down 6% for 3,500cbm, down 8% for 5,000cbm, up 2-3% for 7,500cbm, and level for 11,000cbm, compared to Q4'18.

Geographical and Commodity Diversity

Provides optionality and earnings stability



Diversified Geographical Trade Route Options Higher in the Americas, Africa and Asia



Diversified Geographical Location of Fleet (as of 01 Feb 2020)

Vessels by Segment	Americas	EMEA	Asia	Total Fleet
3,300 – 4,100cbm	2	1	3	6
5,000 – 6,300cbm	1	4	5	10
7,000 – 7,500cbm	1	13	1	15
9,500cbm	2	1	-	3
11,000cbm	2	6	2	10
Total	8	25	11	44
Fleet Capacity (cbm)				320,900
Avg. Vessel Size (cbm)				7,293

Benefits of Commodity & Geography

- ✓ Optionality on choice, Diversified earnings, Risk mitigation
- ✓ Maximising seasonal demand and weather impact
- ✓ Ability to flex between LPG and Petchem markets
- ✓ Developing new customers, niche markets, and routes
- ✓ Maximising operational efficiencies.

Cargo Operations Summary, Q4 2019

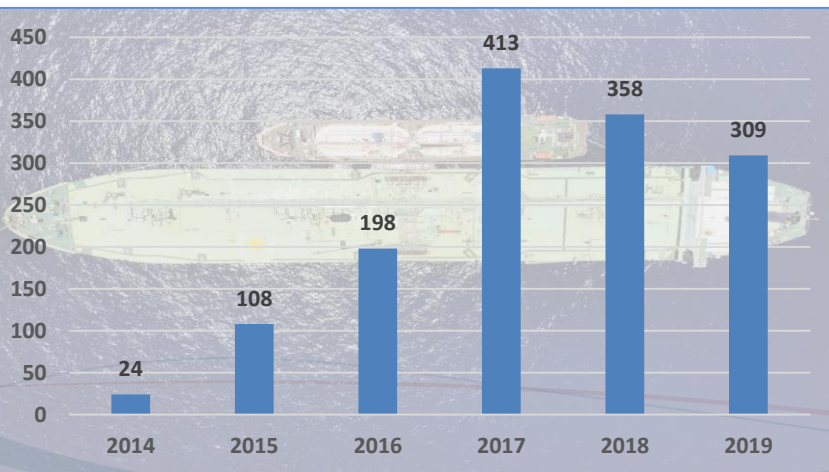
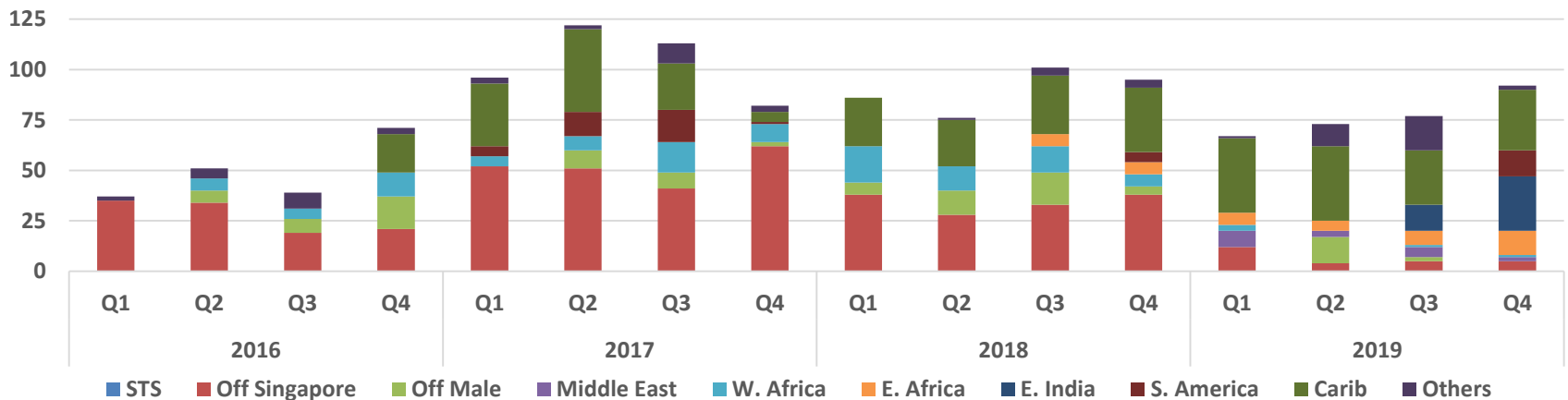
- ✓ Loaded 707,229 tonnes
- ✓ 292 load operations
- ✓ 3.17 loads ops every day
- ✓ 647 cargo operations
- ✓ 138 different ports
- ✓ LPG (76%), 538,750 mt, Petchems (24%), 168,480 mt

LPG break bulk trade

An Integral Part of the Global Seaborne LPG Supply Chain for all vessel sizes



Epic Gas Ship to Ship (STS) Operations by Region
qoq - higher off E. India and E. Africa



- ✓ 92 STS operations in Q4'19
- ✓ Increased operations off the East Coast of India, off East Africa and in the Caribs
- ✓ Last tonne-mile delivery, shallow waters, restricted berths
- ✓ Complementary to LPG supply chain and delivery by VLGCs
- ✓ Increasing demand for VLGC leading to reduced availability and increasing tonne / mile demand for smaller vessels on some routes.

Key financials:

Operating Metrics



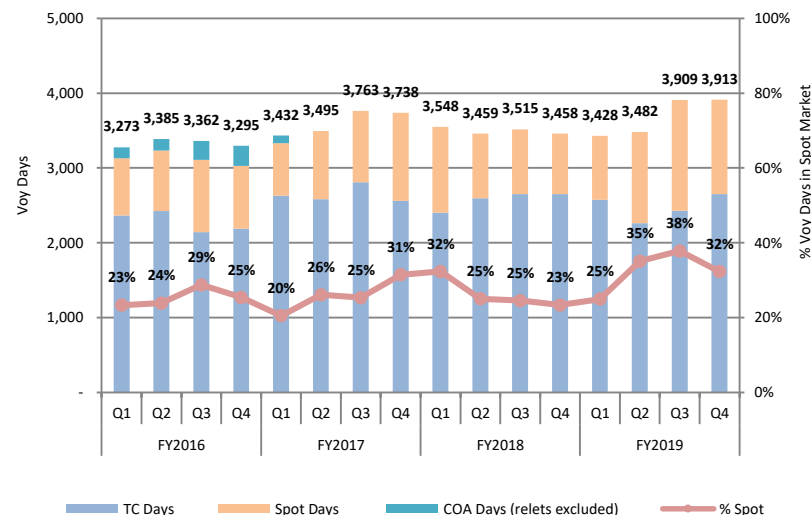
OPERATING METRICS	Q4 2019	Q4 2018	FY2019	FY2018
Average number of vessels in period (1)	43.8	38.0	41.4	39.0
Number of vessels as of period end	44	38	44	38
Fleet capacity at period end (cbm)	320,900	259,900	320,900	259,900
Gas fleet average size as of period end	7,293	6,839	7,293	6,839
Fleet calendar days	4,026	3,496	15,099	14,229
Time charter days	2,649	2,650	9,913	10,297
Spot market days	1,264	808	4,819	3,683
COA days (relets excluded)	-	-	-	-
Voyage days (2)	3,913	3,458	14,732	13,980
Fleet utilisation (3)	97.2%	98.9%	97.6%	98.2%
Fleet operational utilisation (4)	90.5%	96.0%	92.5%	93.9%
Time charter equivalent earnings (5)				
Per Calendar Day	\$9,388	\$9,935	\$9,632	\$9,496
Per Voyage Day	\$9,659	\$10,043	\$9,873	\$9,665
Operating expenses per Calendar Day (6)	\$4,407	\$4,071	\$4,330	\$4,122

- 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, after deducting commercially idle days, by fleet calendar days.
- 5) Calculation of time charter equivalent earnings provided in Supplemental Information above.
- 6) TC-in vessel excluded

Highlights

- Rising number of vessels and fleet capacity responding to 5.3% increase in global LPG seaborne trade in 2019.
- Growth in fleet calendar days following incremental 4x11,000cbm vessels purchased and delivered during July 2019, two under a two year charter to a leading global LPG trader.
- Increased fleet revenue days and average vessel size offset by increased waiting time during the quarter
- Epic Gas has a loyal, consistent client base and focuses on meeting customer needs, with flexibility between charter and spot contracts
- Maintenance is conducted as efficiently as possible, with minimal idle days

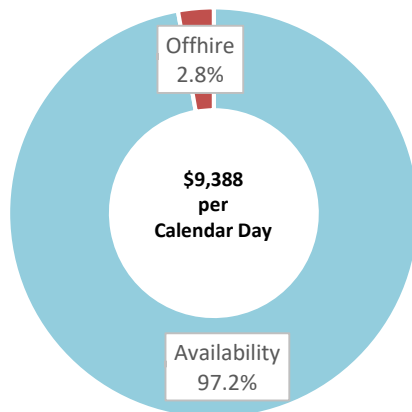
Voyage Days



Fleet Performance – Days & Earnings

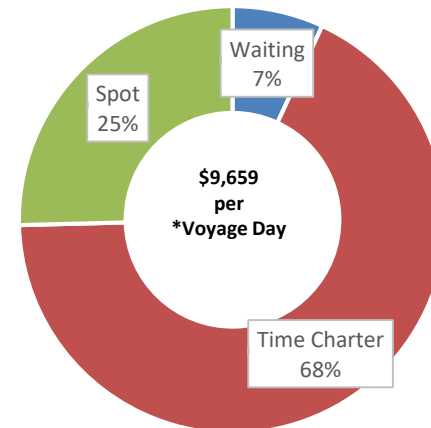


Calendar Days

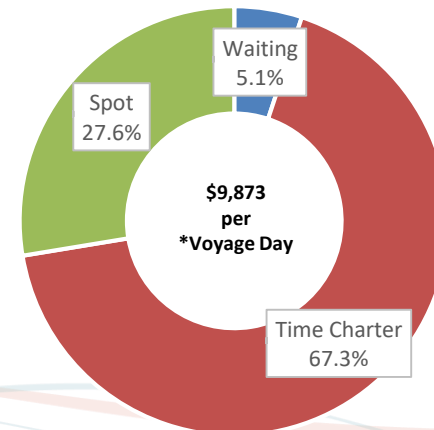
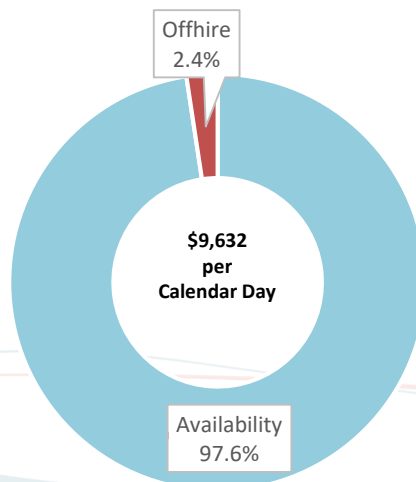


Q4 2019

*Voyage Days



FYE 2019



*Calendar days net of off-hire days associated with major repairs, dry dockings or special or intermediate surveys.

Key financials:

Income Statement and Cash Flow Q4 and FY 2019



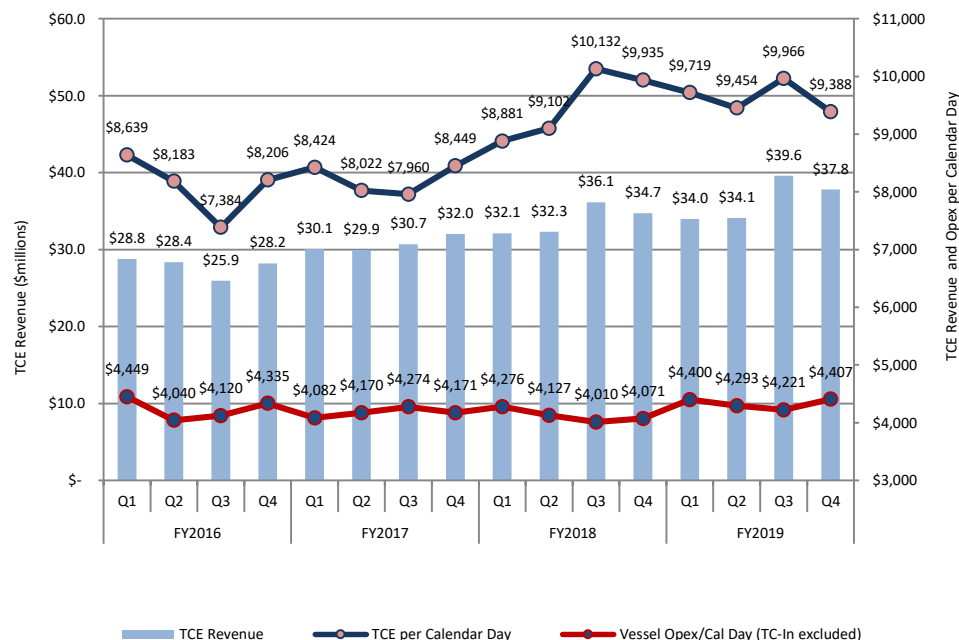
INCOME STATEMENT (UNAUDITED)

	Three Month Period Ended December 31,		Twelve Month Period Ended December 31,	
All amounts in \$ millions	2019	2018	2019	2018
Charter Revenue	42.9	39.1	169.8	154.1
Voyage Expenses	(5.1)	(4.4)	(24.3)	(18.9)
TCE Income	37.8	34.7	145.4	135.1
Management Revenue	0.2	0.2	0.7	0.8
Other Income/(expenses)	0.0	0.0	1.0	0.1
Address commissions	(0.8)	(0.6)	(3.1)	(2.5)
Charter-in costs	(4.7)	(3.5)	(19.1)	(14.9)
Vessel operating expenses	(17.0)	(14.2)	(62.9)	(58.6)
General and administrative expenses	(4.7)	(4.3)	(17.2)	(16.1)
EBITDA	10.9	12.4	44.8	43.9
Depreciation and amortisation	(7.7)	(7.3)	(30.5)	(29.5)
Impairment loss, Gain/(loss) on sale of vessels	0.0	0.0	0.0	0.8
Provision for bad debt & claims	(0.4)	0.0	(0.3)	(0.5)
Operating Profit/(loss) (EBIT)	2.7	5.1	14.0	14.7
Derivative P&L	0.0	0.0	(1.7)	0.0
Interest and finance costs	(3.7)	(4.1)	(17.8)	(16.6)
Foreign exchange gain/(loss)	0.0	(0.1)	(0.1)	(0.3)
Finance Expense - Net	(3.7)	(4.2)	(19.5)	(16.9)
Profit/(loss) before income tax	(0.9)	0.9	(5.5)	(2.1)
Income tax expense	(0.0)	0.0	(0.3)	(0.5)
Net Profit/(Loss) after tax	(1.0)	0.9	(5.8)	(2.6)
Other Comprehensive Income/(Loss)	0.5	(1.6)	(1.7)	0.7
Total Comprehensive Income/(Loss)	(0.5)	(0.7)	(7.5)	(1.9)

STATEMENT OF CASH FLOWS (UNAUDITED)

	Twelve Month Period Ended December 31,	
All amounts in \$ millions	2019	2018
Cash from operating activities	27.9	30.1
Cash from investing activities	(136.6)	1.5
Cash from financing activities	133.3	(21.9)
Net Increase in cash and cash equivalents	24.7	9.7
Cash and cash equivalents at the beginning of the year	16.7	7.0
Cash and cash equivalents at the end of the period	41.4	16.7

Time Charter Equivalent ("TCE") Revenue and Opex



Highlights

- Full Year, 10% revenue sales growth to \$169.8m
- Full Year, 2% increase in EBITDA to \$44.8m
- Full Year, net loss of \$5.8 million, excluding one-off charges related to refinancing of \$2.8 million, the net loss for the year amounts to \$3 million.

Key financials

Balance Sheet 31 December 2019



BALANCE SHEET (UNAUDITED)

All amounts in \$ millions	As of 31 Dec 2019	As of 31 Dec 2018
ASSETS		
Cash and cash equivalents	41.4	16.7
Trade and other receivables	24.3	20.2
Inventories	4.9	3.3
Derivative financial instruments	0.0	0.0
Current assets	70.6	40.3
Trade and other receivables – Non-current	0.2	0.1
Restricted cash deposits	8.4	11.5
Property, plant and equipment	606.3	497.2
Leased Assets	25.8	0.0
Derivative financial instruments	0.1	1.8
Deferred tax assets	0.1	0.0
Non-current assets	640.9	510.7
TOTAL ASSETS	711.5	550.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	28.5	22.7
Deferred income	10.9	9.8
Current income tax liabilities	0.2	0.3
Derivative liabilities	0.0	0.0
Capital lease liabilities	2.6	34.7
Borrowings	30.7	26.5
Lease liabilities	12.4	0.0
Current liabilities	85.3	94.0
Derivative financial instruments	0.3	0.2
Deferred income tax liabilities	0.1	0.1
Capital lease liabilities	10.2	12.8
Borrowings	307.0	201.2
Lease liabilities	13.4	0.0
Non-current liabilities	331.0	214.3
Total Liabilities	416.3	308.3
Share capital	399.9	340.1
Share option reserves	4.7	4.4
Accumulated losses	(109.1)	(103.3)
Accumulated other comprehensive income/(loss)	(0.3)	1.4
Total Equity	295.1	242.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	711.5	550.9

Conservative accounting

Book value of vessels of \$603.8 million, below latest broker FMV estimates

Strong Cash position

\$49.8 million (up from \$28.2 million as of 31 Dec 2018)

Investment in fleet to drive further growth

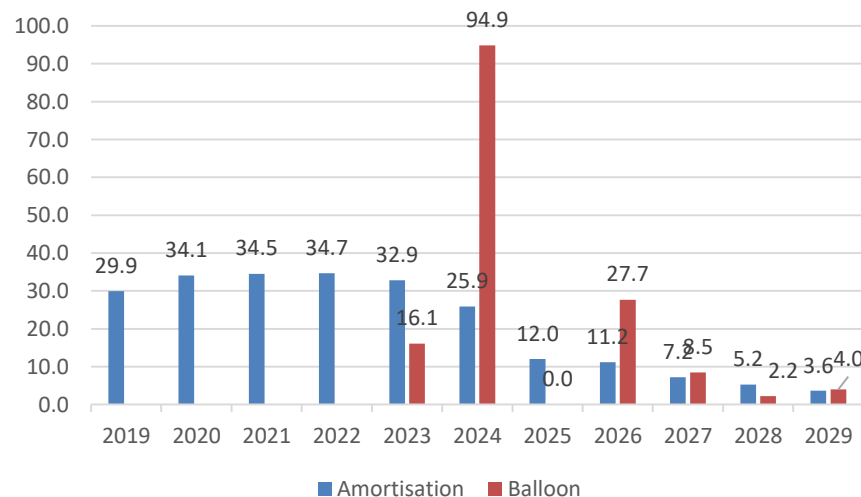
Acquisition of four 11,000cbm vessels for a total of \$106.5 million, financed with a combination of \$63.9 million debt and \$42.6 million equity. Exercised purchase option of a modern 11,000cbm that has been on bareboat charter-in since Feb 2015.

Reduced cost of financing

Refinancing of 22 vessels completed, leading to annual savings of \$4.1 million

Loan profile:

No loan expiry until 2023



Summary and Outlook



Q4 2019 Summary

- ✓ Young and growing fleet
- ✓ Reduced financing costs, strengthened balance sheet
- ✓ Increased Average Fleet Size
- ✓ Increasing revenues, and forward TCE cover rate
- ✓ Reduced utilisation due to regional factors.

Outlook

- ✓ Utilisation & Freight levels for the larger sizes have upside as market recovery continues, small orderbook, ongoing growth in commodity supply and demand growth for LPG shipping.
- ✓ Ongoing & potential scrapping in both pressurised and semi-ref.
- ✓ Limited order book for the sector – 17 pressure and 5 semi-ref (including 2 ethylene carriers).
- ✓ IMO 2020 complete, turning to IMO 2030 and IMO 2050

The Epic Gas Fleet (as of 31st December 2019)



Vessel: 11,000 cbm	cbm	Delivery	Yard
Kahyasi	11,000	2015	Sasaki
Kris Kin	11,000	2015	Sasaki
Epic Sicily	11,000	2015	Sasaki
Kisber	11,000	2015	Kyokuyo
Kingcraft	11,000	2015	Kyokuyo
Epic Samos	11,000	2016	Kyokuyo
Epic Sentosa	11,000	2016	Kyokuyo
Epic Shikoku	11,000	2016	Kyokuyo
Epic Sardinia*	11,000	2017	Kyokuyo
Epic Salina	11,000	2017	Kyokuyo
Sub Total 10 Vessels	110,000	cbm	

Vessel: 9,500 cbm	cbm	Built	Yard
Epic Madeira	9,500	2006	Miura
Epic Manhattan	9,500	2007	Miura
Westminster**	9,500	2011	Miura
Sub Total 3 Vessels	28,500	cbm	

Vessel: 5,000-6,300 cbm	cbm	Built	Yard
Epic St. George	5,000	2007	Shitanoe
Epic St. Kitts	5,000	2008	Kanrei
Epic St. Martin	5,000	2008	Kanrei
Epic St. Lucia	5,000	2008	Sasaki
Epic St. Vincent	5,000	2008	Sasaki
Epic St. Croix	5,000	2014	Sasaki
Epic St. Thomas	5,000	2014	Sasaki
Epic St. Agnes	5,000	2015	Kitanihon
Epic St. Ivan	5,000	2015	Kitanihon
Epic Balta	6,300	2000	Higaki
Sub Total 10 Vessels	51,300	cbm	

Vessel: 7,200-7,500	cbm	Built	Yard
Epic Borkum	7,200	2000	Murakami Hide
Epic Barbados	7,200	2001	Murakami Hide
Epic Bermuda	7,200	2001	Murakami Hide
Epic Barnes	7,200	2002	Murakami Hide
Epic Bali	7,200	2010	Kyokuyo
Epic Borneo	7,200	2010	Kyokuyo
Epic Bell*	7,200	2014	Kyokuyo
Epic Bird*	7,200	2014	Kyokuyo
Epic Bolivar	7,500	2002	Shin Kurushima
Epic Burano	7,500	2002	Watanabe
Epic Boracay	7,500	2009	Murakami Hide
Emmanuel**	7,500	2011	Murakami Hide
Epic Borinquen	7,500	2016	Sasaki
Epic Bonaire	7,500	2016	Sasaki
Epic Baluan	7,500	2017	Sasaki

Sub Total 15 Vessels	110,100	cbm	
-----------------------------	----------------	------------	--

Vessel: 3,500 cbm	cbm	Built	Yard
Epic Catalina	3,500	2007	Kanrei
Epic Cobrador*	3,500	2009	Kanrei
Epic Cordova*	3,500	2009	Kanrei
Epic Corsica	3,500	2009	Kanrei
Epic Caledonia	3,500	2014	Kitanihon
Epic Curacao	3,500	2014	Kitanihon
Sub Total 6 Vessels	21,000	cbm	

*Bareboat **TC-in

Overall Total of 44 Vessels, and 320,900 cbm

Key Information on Epic Gas' Shares



Listing Market
Market Cap
Shares Outstanding /Float

Merkur Market
(NOK) 1,524.6 M
106.6M / 106.6M