



Epic Gas FY 2018 Earnings Presentation

14 February 2019









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FY2018 Highlights



Revenue of \$155.5 million, up 11% year over year **Adjusted EBITDA** of \$44.5 million, up 51% year over year

Net Loss of \$2.7 million, an improvement of 91% year over year

Time Charter Equivalent revenues of \$9,541 per vessel calendar day, up 16% year over year

Operating Expenses of \$4,122 per vessel calendar day, down 1% year over year

Fleet: as of 31 December 2018, 38 vessels on the water



Vessel Supply

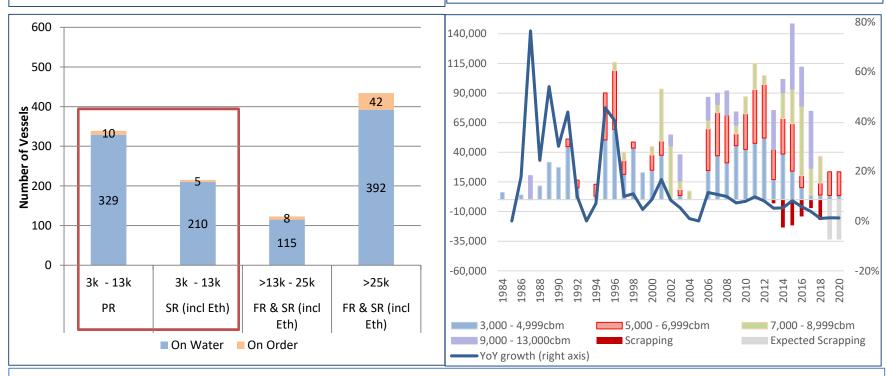


Smaller LPG Vessels have Smallest Order Book

(Chinese Fleet Excluded) Source: Clarksons Register

Pressure Vessel Global Fleet Development

Source: Clarksons Register



- 5/5 newbuild **pressure** vessels to be delivered in 2019/2020 representing a 1.4%/1.4% increase in existing fleet capacity.
- 1/2 newbuild small-sized **semi-ref** (non-Ethylene) vessels to be delivered in 2019/2020 representing a 2.4%/3.3% increase in existing fleet capacity.
- 5 pressure vessels of average age 27.6 totaling 17,100cbm scrapped in 2018.
- 13 small-sized semi-ref and ethylene capable vessels of average age 32.0 years scrapped in 2018.
- A scrapping pool of 16 pressure and 15 semi-ref and 7 ethylene capable small-sized vessels aged 28 years and over.

Demand - Global Trade and Drivers



Global LPG Seaborne Trade and Tonne-Mile Demand 2018: estimate +2.6% year on year growth Source: Drewry

USA LPG exports Q4 2018 +10% year on year Propane, Butane, Ethane +2%, +59%, +15% Source: IHS Markit





India and China LPG Imports Key Demand Drivers

Source: FGE



| LPG Imports (million tonnes) | | | | | | |
|------------------------------|-------|-------|-------|-------------|--|--|
| | China | India | Japan | South Korea | | |
| 2017 | 18.4 | 11.1 | 10.8 | 6.3 | | |
| 2018 | 19.4 | 12.0 | 10.6 | 6.9 | | |
| 2019 | 21.7 | 12.7 | 10.3 | 7.0 | | |
| 2020 | 22.9 | 13.9 | 10.1 | 7.1 | | |
| 2021 | 24.2 | 15.3 | 9.8 | 7.1 | | |
| 2022 | 25.3 | 16.8 | 9.6 | 7.1 | | |
| 2023 | 26.1 | 18.2 | 9.3 | 7.1 | | |
| | | | | | | |

Demand - Regional Trade

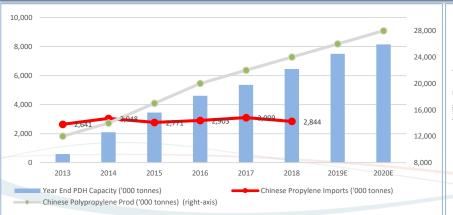




China Propylene Imports hold up as Polypropylene production drives Propylene demand and balances increased

PDH capacity, with developing Imports from other Asian countries

Source: Argus

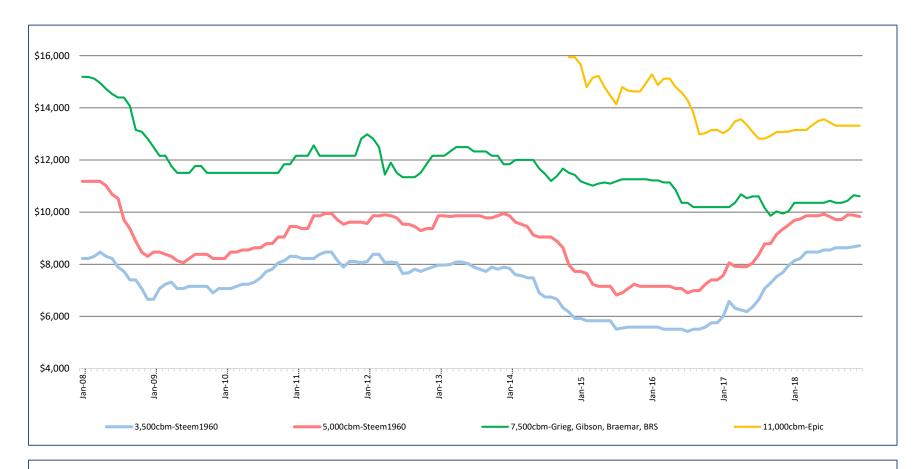




12 Month Time Charter Market (USD/day)

Distinct Sector Rate Recovery





Q4 2018 - freight levels remain firm

- 3,500cbm, 5,000cbm, 7,500cbm & 11,000cbm market daily rates averaged \$8,671, \$9,870, \$10,565 and \$13,315 respectively.
- Average rates up by 12% for 3,500cbm, 6% for 5,000cbm and 7,500cbm, and 2% for 11,000cbm compared to Q4 2017.

Epic Gas Operations - Global

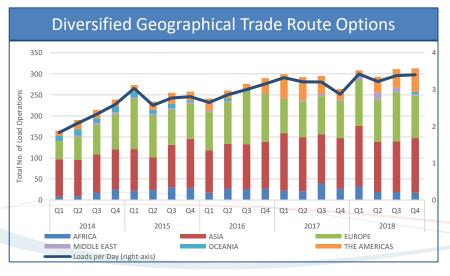


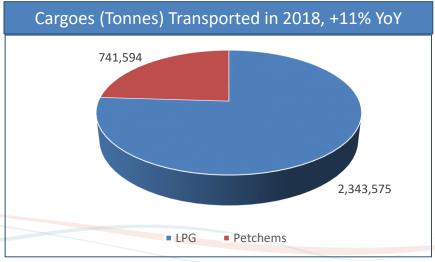
Diversified Geographical Location of Fleet

| Vessels by Segment | Americas | EMEA | Asia | Total Fleet |
|------------------------|----------|------|------|-------------|
| | 2 | | 4 | 6 |
| 3,300 – 4,100cbm | 2 | - | 4 | 6 |
| 5,000 – 6,300cbm | 1 | 3 | 6 | 10 |
| 7,000 – 7,500cbm | 3 | 9 | 2 | 14 |
| 9,500cbm | - | 2 | - | 2 |
| 11,000cbm | - | 4 | 2 | 6 |
| Total | 6 | 18 | 14 | 38 |
| | | | | |
| Fleet Capacity (cbm) | | | | 259,900 |
| Avg. Vessel Size (cbm) | | | | 6,839 |

Cargo Operations Summary, Q4 2018

- ✓ Loaded approximately 812,000 tonnes
- √ 726 cargo operations
- √ 137 different ports
- √ 593,894 tonnes LPG (73%)
- 218,405 tonnes petchems (27%)
- 6 vessels in the Americas, 18 in Europe/Middle East/Africa, 14 in Asia.



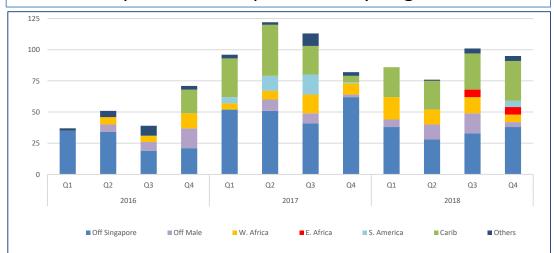


Epic Gas Operations – Ship to Ship (STS)

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



Epic Gas STS Operations by Region



| | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------|------|------|------|------|------|
| No. STS Ops | 24 | 108 | 198 | 413 | 358 |

- Strong Global Demand
- 95 STS operations in Q4 2018
- Increased operations off East Africa and in South East Asia

Epic Gas STS Operations Heat Map





Operating Metrics



| Three Mo | Three Month Period Ended December 31, | | Twelve Month Period | | |
|-----------|--|------|---------------------|--|--|
| Ended Dec | | | cember 31, | | |
| 2017 | 2018 | 2017 | 2018 | | |

| Average number of vessels in period (1) | 41.2 | 38.0 | 40.9 | 39.0 |
|---|---------|----------|---------|---------|
| Number of vessels as of period end | 41 | 38 | 41 | 38 |
| Fleet capacity at period end (cbm) | 273,100 | 259,900 | 273,100 | 259,900 |
| Gas fleet average size as of period end | 6,661 | 6,839 | 6,661 | 6,839 |
| | | | | |
| Fleet calendar days | 3,788 | 3,496 | 14,946 | 14,229 |
| | | | | |
| Time charter days | 2,562 | 2,650 | 10,584 | 10,297 |
| Spot market days | 1,176 | 808 | 3,744 | 3,683 |
| COA days | | - | 101 | - |
| Voyage days (2) | 3,738 | 3,458 | 14,428 | 13,980 |
| | | | | |
| Fleet utilisation (3) | 98.7% | 98.9% | 96.5% | 98.2% |
| Fleet operational utilisation (4) | 94.4% | 96.0% | 92.0% | 93.9% |
| | | | | |
| Time charter equivalent earnings (5) | | | | |
| Per Calendar Day | \$8,449 | \$9,971 | \$8,210 | \$9,541 |
| Per Voyage Day | \$8,563 | \$10,082 | \$8,505 | \$9,711 |
| | | | | |
| Operating expenses per Calendar Day | \$4,172 | \$4,071 | \$4,176 | \$4,122 |

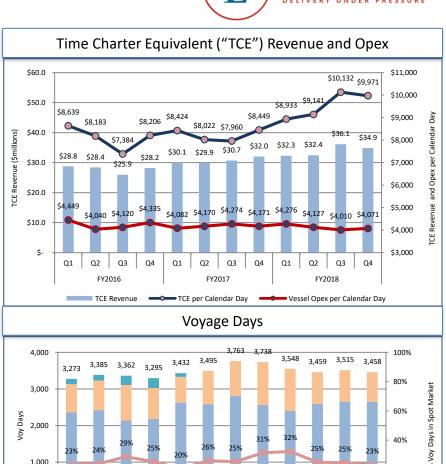
- 1) The number of days each vessel was a part of our fleet during the period divided by the number of calendar days.
- 2) Calendar days net of off-hire days associated with major repairs, dry dockings or special or intermediate surveys.
- 3) Calculated by dividing voyage days by fleet calendar days.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

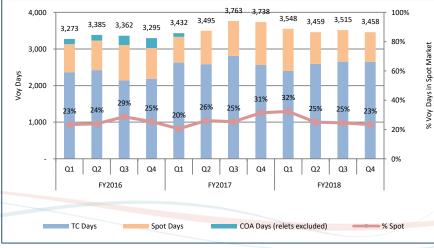
Income Statement and Cash Flow FY2018



| | Three Month Period Ended December 31, | | Twelve Month I Ended Decemb | |
|--|--|-------|--------------------------------|-------|
| All amounts in \$ millions | 2017 | 2018 | 2017 | 2018 |
| Revenue | 37.3 | 39.4 | 139.5 | 155.5 |
| | | | | |
| Address and brokerage commissions | 0.8 | 0.8 | 3.3 | 3.2 |
| Voyage expenses | 5.1 | 4.4 | 15.5 | 18.9 |
| Vessel operating expenses | 15.8 | 14.2 | 62.4 | 58.6 |
| Charter-in costs | 4.1 | 3.5 | 16.0 | 14.9 |
| Depreciation and amortization | 7.4 | 7.3 | 29.3 | 29.5 |
| (Gain) Loss on sale of vessels/Bad Debts | 0.0 | 0.0 | 0.0 | (0.3) |
| Impairment of Goodwill | 12.9 | 0.0 | 12.9 | 0.0 |
| General and administrative expenses | 3.6 | 4.3 | 14.9 | 16.1 |
| Total expenses | 49.7 | 34.3 | 154.3 | 140.9 |
| | | | | |
| Operating income | (12.4) | 5.1 | (14.8) | 14.7 |
| Other Correspond | (O.E.) | 0.0 | (4.0) | 0.2 |
| Other (income) / losses, net | (0.5) | 0.0 | (1.8) | 0.2 |
| Finance expenses | 4.3 | 4.1 | 17.2 | 16.6 |
| Profit/(loss) before tax | (16.2) | 0.9 | (30.3) | (2.1) |
| Income tax expense | 0.1 | (0.0) | 0.5 | 0.5 |
| Profit/(loss) after tax | (16.3) | 0.9 | (30.8) | (2.7) |
| | | | | |
| Other Comprehensive income: | | | | |
| Cash flow hedges gain/(loss) | 1.1 | (1.6) | 0.5 | 0.7 |
| Total Comprehensive Income/(Loss) | (15.2) | (0.7) | (30.3) | (1.9) |

| All amounts in \$ millions | FY2017 | FY2018 |
|--|--------|--------|
| Cash from operating activities | 16.3 | 30.1 |
| Cash from investing activities | (39.7) | 1.5 |
| Cash from financing activities | 20.5 | (21.9) |
| | | |
| Net Increase in cash and cash equivalents | (2.8) | 9.7 |
| Cash and cash equivalents at the beginning of the year | 9.8 | 7.0 |
| Cash and cash equivalents at the end of the period | 7.0 | 16.7 |





Balance Sheet 31 December 2018



| | As of | As of |
|--|-----------------|-------------|
| All amounts in \$ millions | 31 Dec 2017 | 31 Dec 2018 |
| ASSETS | | |
| | | |
| Cash and cash equivalents | 7.0 | 16.7 |
| Trade and other receivables | 25.8 | 20.2 |
| Inventories | 4.3 | 3.3 |
| Derivative financial instruments | 0.0 | 0.0 |
| Current assets | 37.1 | 40.3 |
| Trade and other receivables – Non current | 0.4 | 0.1 |
| Restricted cash deposits | 13.5 | 11.5 |
| Property, plant and equipment | 524.5 | 497.2 |
| Advances for vessels under construction | 0.0 | 0.0 |
| Derivative financial instruments | 0.8 | 1.6 |
| Non-current assets | 539.2 | 510.4 |
| Non current assets | 505.2 | 320 |
| TOTAL ASSETS | 576.3 | 550.7 |
| | - | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| | | |
| Trade and Other Payables | 26.2 | 22.7 |
| Deferred income | 9.0 | 9.8 |
| Current income tax liabilities | 0.5 | 0.4 |
| Derivative liabilities | 0.0 | 0.0 |
| Finance lease liabilities | 9.5 | 4.2 |
| Bank Loan | 31.7 | 26.5 |
| Current liabilities | 77.0 | 63.6 |
| Trade and other Payables | 0.1 | 0.0 |
| Deferred taxation | 0.1 | 0.0 |
| Finance lease liabilities | 44.3 | 43.3 |
| Bank Loan | 210.9 | 201.2 |
| Non-current liabilities | 255.4 | 244.5 |
| Non carrent nashities | 255.1 | 20 |
| Total Liabilities | 332.4 | 308.1 |
| | | |
| Share capital | 340.1 | 340.1 |
| Share option reserves | 3.8 | 4.4 |
| Accumulated losses | (100.6) | (103.3) |
| Accumulated other comprehensive income | 0.7 | 1.4 |
| Total Equity | 244.0 | 242.6 |
| 7. 7 | = : /i u | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 576.3 | 550.7 |

Asset values

Book value of \$497m below latest broker FMV estimates as of Dec 2018

Liquidity

Cash of \$28.2m. Refinancing of one vessel In October added \$5.8m unrestricted cash.

Low gearing

Net borrowings/total assets of 45%.

Refinancing

In October 2018, the Company completed a sale and lease back transaction for the Epic Madeira (9,500cbm, 2006 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 of 11 years, with the first such option exercisable on the sixth anniversary of the vessel delivery.

Loan Profile

| | Dec-18 | Dec-19 | Dec-20 | Dec-21 | Dec-22 | Dec-23 | Dec-24 |
|-----------------|--------|--------|--------|--------|--------|--------|--------|
| Credit Agricole | 32.0 | 27.9 | 23.9 | 20.5 | 18.0 | | |
| ABN/NIBC/CA | 64.2 | 59.1 | 54.0 | 48.9 | 43.8 | | |
| ABN/DVB/Nor | | | | | | | |
| d LB | 61.1 | 48.8 | 38.8 | 30.5 | 22.1 | | |
| NIBC | 6.6 | 5.4 | 4.2 | 3.0 | | | |
| Japanese | | | | | | | |
| Owners | 64.9 | 60.9 | 56.8 | 52.5 | 48.1 | 31.0 | 27.2 |
| Finance Leases | 47.5 | 41.7 | 35.4 | 28.8 | 4.5 | | |
| Interunity | 1.3 | 0.9 | 0.4 | | | | |
| Balloon | | | | | 27.2 | 88.5 | |
| Total | 277.7 | 244.7 | 213.5 | 184.1 | 163.7 | 119.5 | 27.2 |

Summary and Outlook



Summary Q4 2018

- 38 vessels on the water, total capacity 259,900cbm, average size 6,839cbm, average age 7.9 years.
- Fleet Operational Utilisation 96.0%, TCE \$9,971 per calendar day and \$10,082 per voyage day.
- Operating Expenses \$4,071 and General & Administrative expenses \$1,216 per calendar day.
- As of 31st December 2018, 38% covered for 2019 at an average daily TCE rate of \$10,061.

Outlook

- Utilisation and Freight levels for all sizes continue to improve due to low incremental capacity and ongoing demand growth for LPG shipping, forecast to be over 6% in 2019.
- Ongoing and potential scrapping in the pressurised and semi-ref LPG ship sector.
- Limited order book for the sector 10 pressure and 5 semi-ref (including ethylene carriers).
- Positive macro environment and infrastructure development in demand centres.

The Epic Gas Fleet



Epic Gas Fleet List

| 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 | |

| Vessel: 7,200-7,500 | cbm | Built | Yard |
|----------------------|---------|-------|----------------|
| Epic Borkum | 7,200 | 2000 | Murakame Hide |
| Epic Barbados | 7,200 | 2001 | Murakame Hide |
| Epic Bermuda | 7,200 | 2001 | Murakame Hide |
| Epic Barnes | 7,200 | 2002 | Murakame 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 | Murakame Hide |
| Epic Borinquen | 7,500 | 2016 | Sasaki |
| Epic Bonaire | 7,500 | 2016 | Sasaki |
| Epic Baluan | 7,500 | 2017 | Sasaki |
| Sub Total 14 Vessels | 102,600 | cbm | |

cbm

9,500

Vessel: 9,500 cbm

Epic Madeira

| 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 | |

| Epic Manhattan | 9,500 | 2007 | Miura |
|---------------------|--------|-----------------|---------|
| Sub Total 2 Vessels | 19,000 | cbm | |
| | | | |
| Vessel: 11,000 cbm | cbm | Delivery | Yard |
| Epic Sicily* | 11,000 | 2015 | Sasaki |
| 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 6 Vessels | 66,000 | cbm | |
| | | | |

Built

2006

Yard

Miura

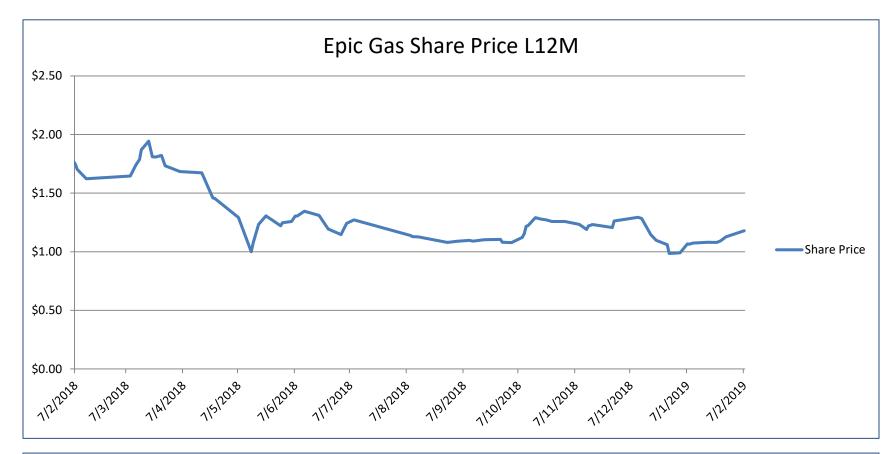
*Bareboat

Overall Total of 38 Vessels,

and 259,900 cbm

Key Information on Epic Gas' Shares (&





Listing Market
Market Cap
Shares Outstanding /Float

Merkur Market (NOK) 710.9 M 70.4M /70.4M



