



EPIC GAS
DELIVERY UNDER PRESSURE



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Epic Gas

Q2 2020

Earnings Presentation

13 Aug 2020



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Q2 2020 Highlights

Improved Profit despite increasing Operational Challenges due to Covid-19



	Q2 2020	Q2 2019	Q220 vs Q219 %	Q1 2020	Q220 vs Q120 %
Revenue	\$45.9m	\$40.6m	+13.1%	\$48.0m	-4.4%
Calendar Days	4,004	3,606	+11.0%	4,003	0%
TCE/Calendar Day	\$10,319	\$9,454	+9.1%	\$10,246	+0.7%
Fleet operational utilisation	95.7%	90.6%	+5.6%	92.9%	+3.0%
Tonnes loaded	862,282	746,366	+15.5%	930,630	-7.3%
Total capacity	320,900 cbm	276,900 cbm	+15.9%	320,900 cbm	0%
Average vessel size	7,293 cbm	6,923 cbm	+5.3%	7,293 cbm	0%
Average vessel age	9.4 years	8.9 years		9.4 years	
LTIFR (Lost-Time Injury Frequency Rate)	0.00	0.00		0.74	
%CO2 reduction (2018 base line)	2.96%	1.33%		2.80%	
Cargo operations	634	673	-5.8%	673	-5.8%
Different ports visited	147	115	+27.8%	156	-6.8%
Total Opex per cal/day	\$4,051	\$4,292	-5.6%	\$4,442	-8.8%
Total G&A per cal/day	\$1,021	\$1,160	-12.0%	\$1,076	-5.1%
EBITDA	\$16.6m	\$9.6m	+72.9%	\$14.9m	+11.4%
Net Profit	\$4.5m	-\$1.6m	+381.3%	\$2.3m	+95.7%

- Lower OPEX as Covid-19 is delaying our ability to perform crew transfers.
- 51% covered for balance 2020, at an average daily Time Charter Equivalent rate of \$10,418, up 2.5% year on year.
- Stable Cash position of \$54.6m, no loan expiry until 2023.

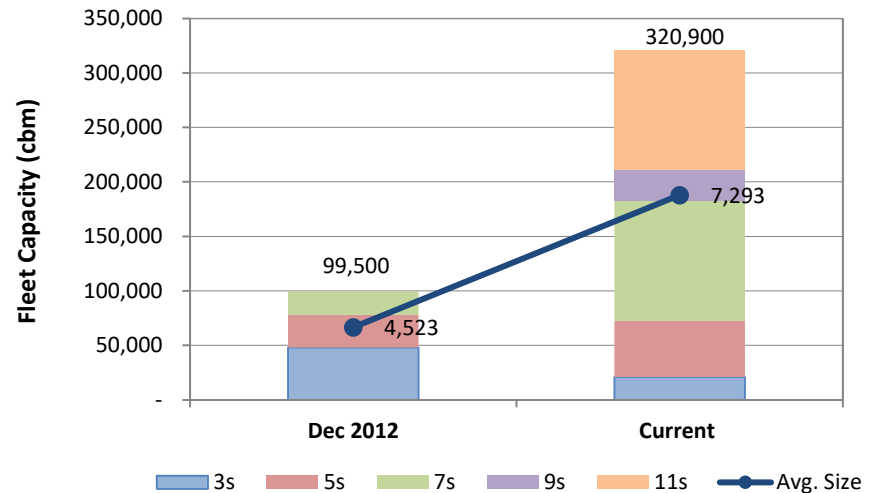
Epic Gas at a glance



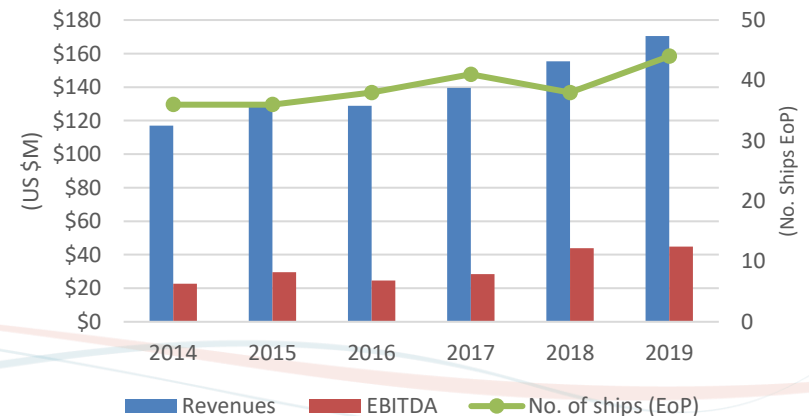
Strong Operating Model

- 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

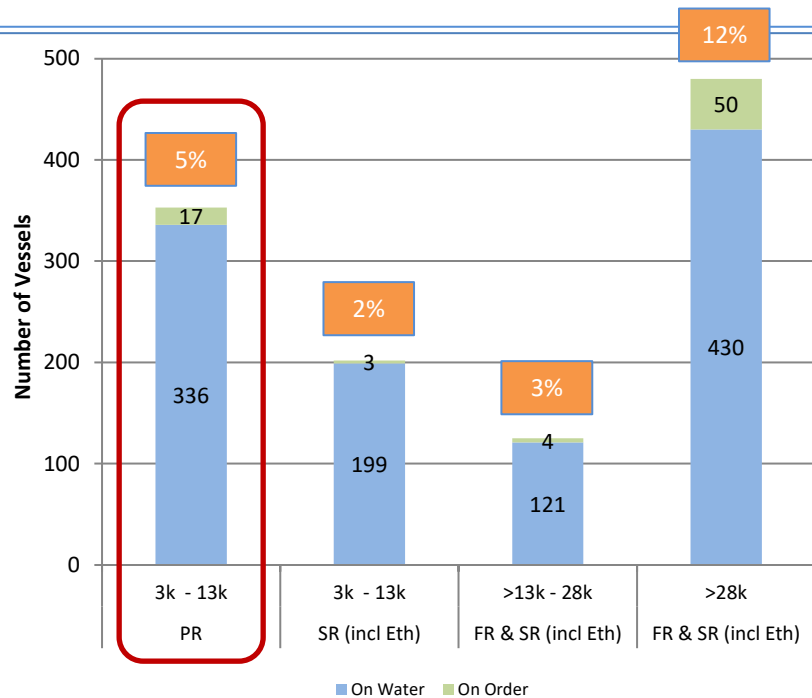


Low Newbuild Vessel Supply



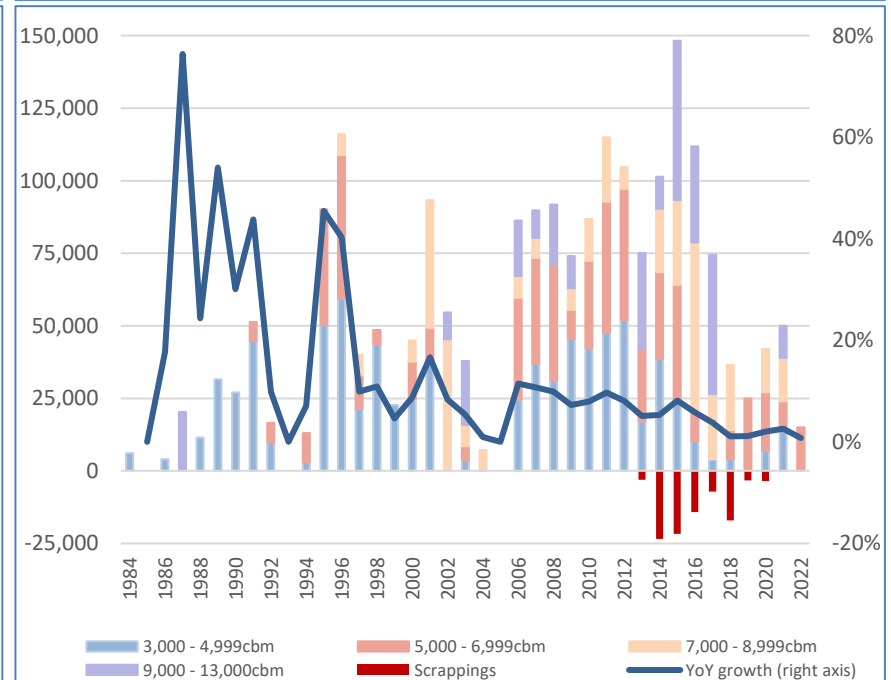
Smaller LPG Vessels Order Book Remains Low

Source: Clarksons Register, Company Data



Pressure Vessel Global Fleet Development

Source: Clarksons Register, Company Data



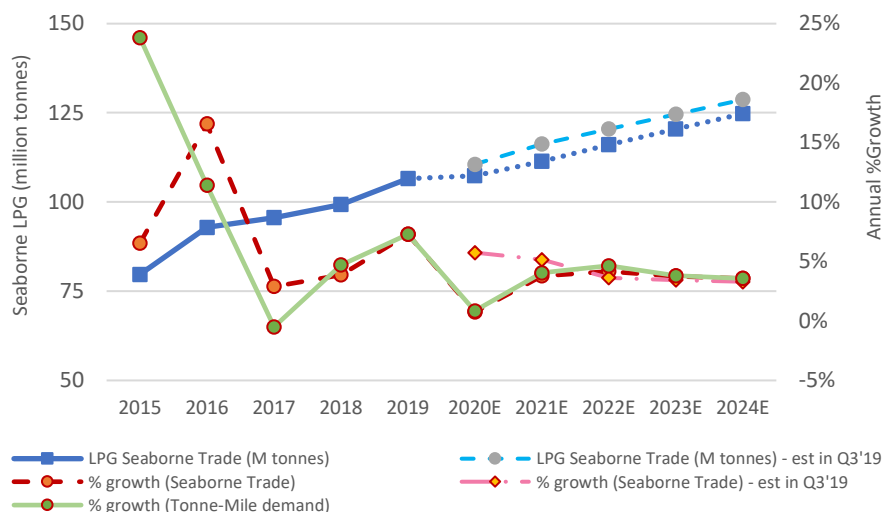
- 1 x 5,000cbm pressure vessel delivered in Q2 2020.
- There were no pressure vessels or small sized semi-ref vessels reported as sold for scrap in Q2 2020.
- 5/9/3 newbuild **pressure** vessels to be delivered in 2020/21/22 representing a 1.5%/2.8%/0.8% increase in existing fleet capacity.
- 1/0/1 newbuild small-sized **semi-ref** (non-Eth) vessel to be delivered in 2020/21/22 representing a 1.7%/0%/1.8% increase in existing fleet capacity.
- A scrapping pool of 22 pressure and 11 semi-ref (non-Eth) vessels aged 28 years and over.

LPG Demand – lower growth this year



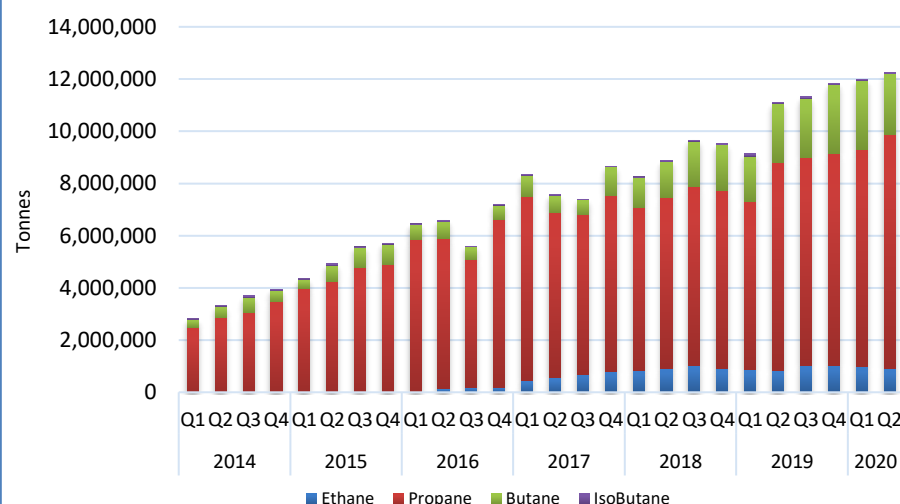
Global LPG Seaborne Trade in 2019 = 106.5 M Tonnes
2020 Demand Growth Forecast lowered (5.7% to 0.8%)

(Source: Drewry)



Q2'20 US Total LPG Exports 2% qoq, 10% yoy
Butane -11% qoq, 4% yoy

(Source: IHS Markit – Jul'20)



Asia's Big Importers Aggregate 7% qoq
Q2 2020: China increased USA cargoes (Source: Kpler)

LPG Imports (tonnes)

	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	% qoq	% yoy
China	3,390,272	5,100,666	5,288,668	5,145,926	3,881,195	5,492,409	42%	8%
India	3,116,123	3,442,915	3,976,617	4,134,174	4,114,960	3,960,270	-4%	15%
Japan	1,865,337	2,658,951	2,529,515	2,537,644	2,995,304	2,406,319	-20%	-10%
S. Korea	1,053,673	1,744,301	2,438,729	2,114,100	2,154,089	2,230,518	4%	28%
	9,425,405	12,946,833	14,233,529	13,931,844	13,145,548	14,089,516	7%	9%

Larger Volume Import Demand:

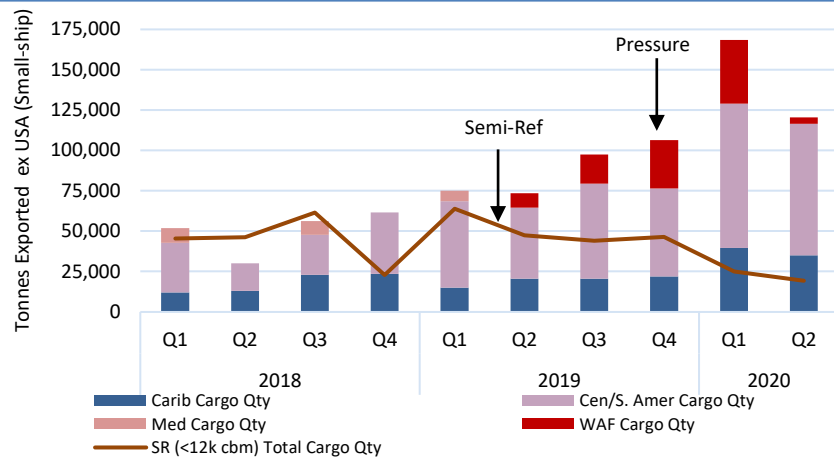
- Imports to larger ports and plants including industrial and petrochemical.
- Volatile few months; China & India remain key drivers.
- China's PDH plants and other petrochemical units are re-starting, but derivatives production is part dependent on global economic recovery and demand.

Strong US LPG exports, Steady domestic LPG demand, but declining Petchems



US Pressure and small sized Semi-Ref (SR) Exports -28% qoq on Pressure vessels, -23% qoq on SR vessels

(Source: IHS Markit)



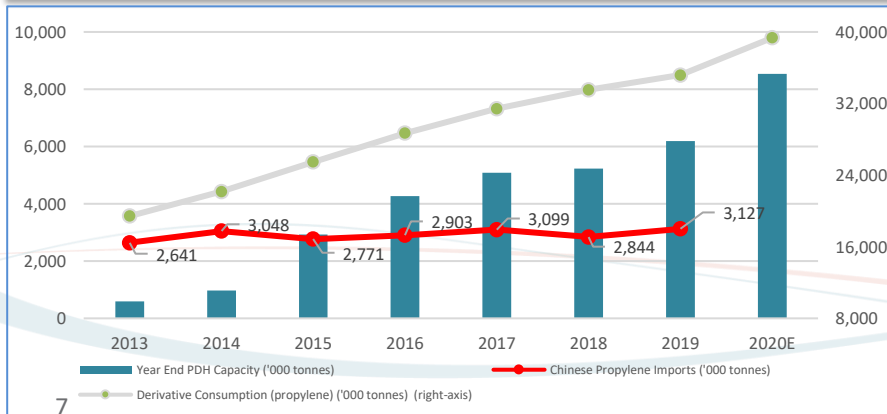
Growing domestic demand drives import Growth

(Source: FGE – Jan'20)

Country	Pop. 2019 (Mill)	Per Capita GDP (USD)	Res LPG Demand (kt)	Per Capita LPG Cons (kg)	LPG Imports 2018 ('000t)	LPG Imports 2019 ('000t)	LPG Imports est. 2020 ('000t)
Pakistan	221	\$1,070	604	3	256	317	320
South Africa	59	\$5,932	203	3	300	400	500
Bangladesh	165	\$2,109	650	4	850	950	1,000
Philippines	110	\$3,486	1,305	12	1,300	1,400	1,700
Sri Lanka	21	\$4,386	376	18	480	500	540
Brazil	213	\$8,873	5,280	25	2,400	2,700	2,700
Indonesia	274	\$4,380	7,077	26	5,600	5,700	6,000
Morocco	37	\$3,366	2,260	61	2,400	2,600	2,600

China Propylene Imports +30% qoq as Covid-19 lockdowns ease up and petchem derivatives demand increase

(Source: Argus, China Customs Data)



China imports (tonnes)

	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	% qoq	% yoy
Propylene	775,296	801,672	744,248	805,975	476,738	620,526	30%	-23%
Ethylene	719,511	674,299	602,119	513,827	466,227	479,654	3%	-29%
VCM	178,909	267,969	251,297	287,919	185,113	267,168	44%	0%
Butadiene	91,805	66,540	34,862	97,147	103,267	143,037	39%	115%

Longer Term Market History

12 Month Time Charter Market (USD/day)



Q2 2020 – weaker rates compared to the previous quarter, approx. down by 6% on the 3's & 5's flat on the 7's and 11's

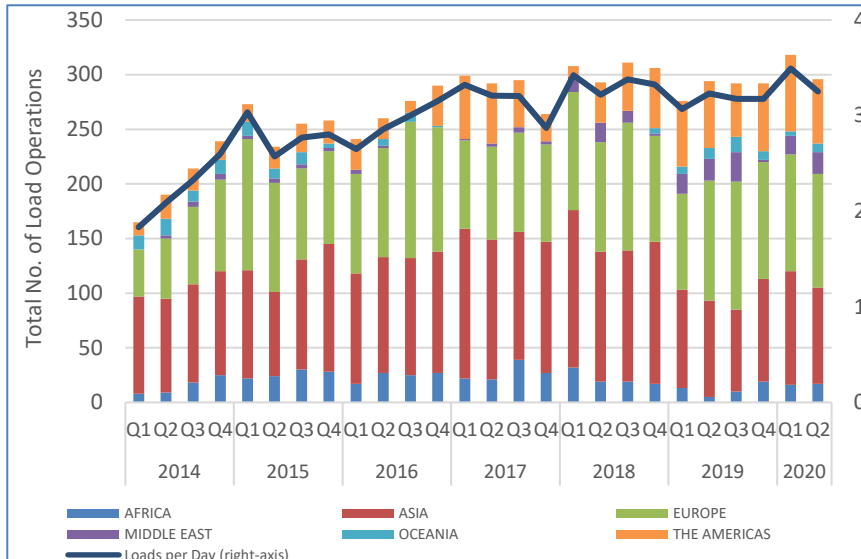
- 3,500cbm, 5,000cbm, 7,500cbm & 11,000cbm market daily rates averaged \$7,404, \$8,534, \$10,767 and \$12,905, respectively.
- Average rates down 11% for 3,500cbm, down 8% for 5,000cbm, down 1.5% for 7,500cbm, and down 1% for 11,000cbm, compared to Q2'19.

Geographical and Commodity Diversity

Provides optionality and earnings stability



Diversified Geographical Trade Route Options Higher in the Middle East and in Africa



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

Vessels by Segment	Americas	EMEA	Asia	Total Fleet
3,300 – 4,100cbm	2	1	3	6
5,000 – 6,300cbm	2	2	6	10
7,000 – 7,500cbm	3	11	1	15
9,500cbm	-	3	-	3
11,000cbm	2	7	1	10
Total	9	24	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, Q2 2020

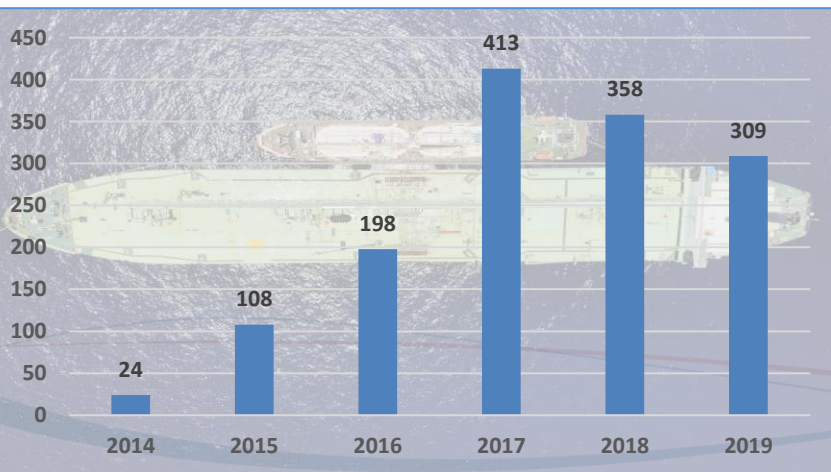
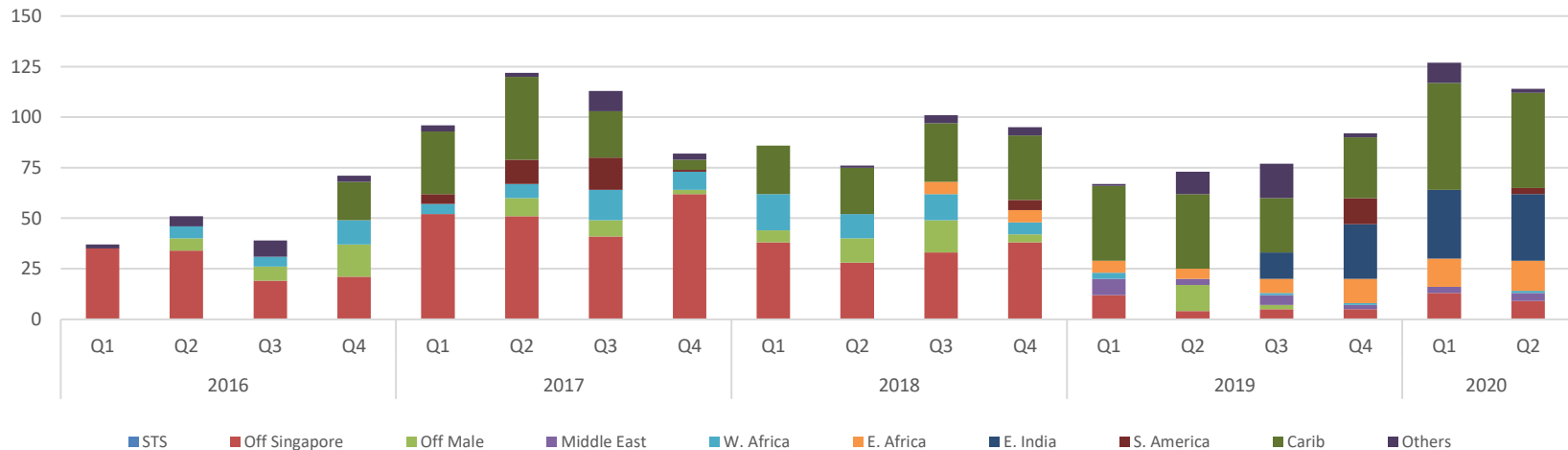
- ✓ Loaded 862,282 tonnes
- ✓ 296 load operations
- ✓ 3.3 loads ops every day
- ✓ 634 cargo operations
- ✓ 147 different ports
- ✓ LPG (78%) 673,627 mt, Petchems (22%) 188,655 mt

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 – small increase East Africa and East India



- ✓ 114 STS operations in Q2'20.
- ✓ Increased operations off the East Coast of India and off East Africa.
- ✓ Typically to allow access over 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

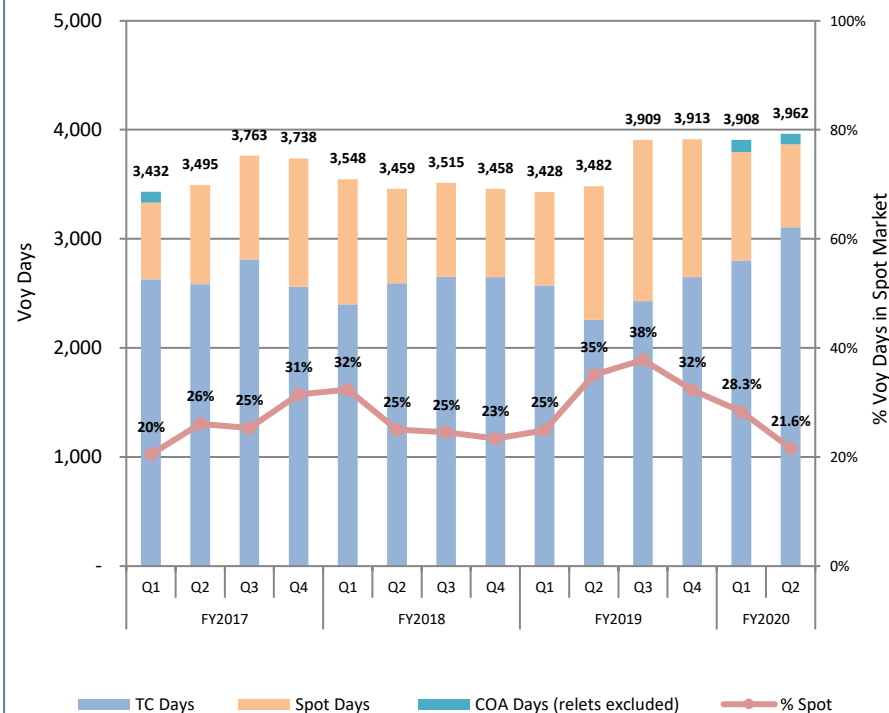


Operating Metrics

	Three Month Period Ended June 30,		Six Month Period Ended June 30,	
	2020	2019	2020	2019
OPERATING METRICS				
Average number of vessels in period (1)	44.0	39.60	44.0	39.24
Number of vessels as of period end	44	40	44	40
Fleet capacity at period end (cbm)	320,900	276,900	320,900	276,900
Gas fleet average size as of period end	7,293	6,923	7,293	6,923
Fleet calendar days				
Fleet calendar days	4,004	3,606	8,007	7,103
Time charter days				
Time charter days	3,106	2,260	5,908	4,834
Spot market days	760	1,222	1,755	2,076
COA days (relets excluded)	96	-	208	-
Voyage days (2)	3,962	3,482	7,871	6,910
Fleet utilisation (3)				
Fleet utilisation (3)	99.0%	96.6%	98.3%	97.3%
Fleet operational utilisation (4)				
Fleet operational utilisation (4)	95.7%	90.6%	94.3%	92.3%
Time charter equivalent earnings				
Per Calendar Day	\$10,319	\$9,454	\$10,282	\$9,584
Per Voyage Day	\$10,428	\$9,792	\$10,461	\$9,851
Operating expenses per Calendar Day (5)				
Operating expenses per Calendar Day (5)	\$4,051	\$4,292	\$4,247	\$4,346

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) TC-in vessel excluded

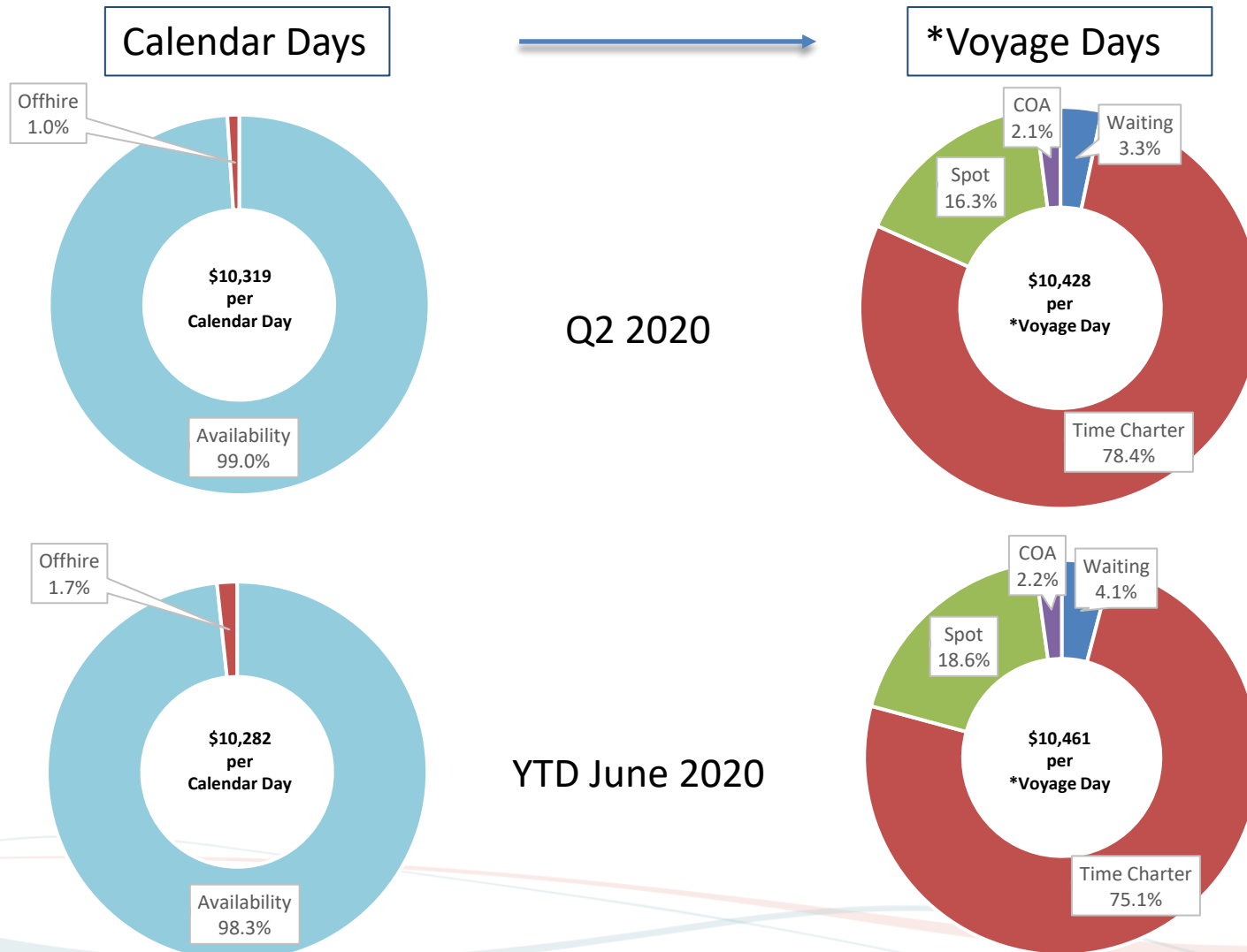
Voyage Days



Highlights

- Epac Gas has a loyal, consistent client base and focuses on meeting customer needs, with flexibility between time charter, voyage charter, contract of affreightment ('COA') and spot contracts – with 2020 seeing the return of some COA days.
- Maintenance is conducted as efficiently as possible, with minimal idle days – however the impact of Covid-19 started to create some incremental costs and time in delivery of spares and dry docking towards the end of the period.

Fleet Performance – Days & Earnings



*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 Q2 2020



INCOME STATEMENT (UNAUDITED)

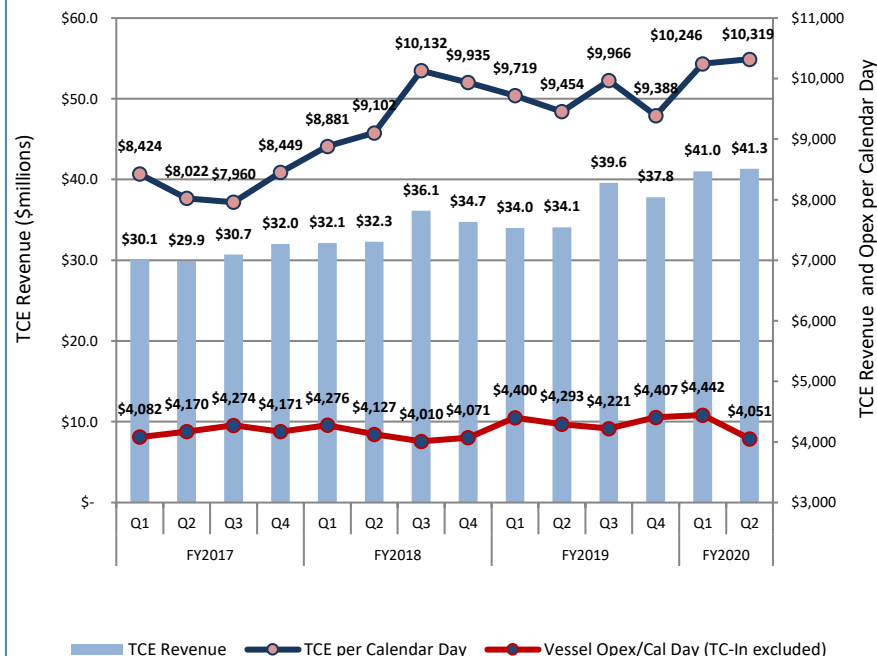
	Three Month Period Ended June 30,		Six Month Period Ended June 30,	
All amounts in \$ millions	2020	2019	2020	2019
Charter Revenue	45.9	40.5	93.6	79.9
Voyage Expenses	(4.5)	(6.4)	(11.3)	(11.9)
TCE Income	41.3	34.1	82.3	68.1
Management Revenue	0.0	0.2	0.2	0.3
Other Income/(expenses)	0.3	0.0	0.7	1.0
Address commissions	(0.9)	(0.8)	(1.9)	(1.4)
Charter-in costs	(4.5)	(4.9)	(9.0)	(9.1)
Vessel operating expenses	(15.5)	(14.8)	(32.5)	(29.9)
General and administrative expenses	(4.1)	(4.2)	(8.4)	(8.3)
EBITDA	16.6	9.6	31.5	20.6
Depreciation and amortisation	(8.0)	(7.3)	(16.3)	(14.5)
Impairment loss, Gain/(loss) on sale of vessels	0.0	0.0	0.0	0.0
Provision for bad debt & claims	(0.2)	0.1	(0.3)	0.1
Operating Profit/(loss) (EBIT)	8.4	2.4	14.9	6.1
Derivative P&L	0.0	0.0	0.0	0.0
Interest and finance costs	(3.8)	(3.9)	(8.0)	(7.9)
Foreign exchange gain/(loss)	0.0	(0.0)	(0.1)	(0.1)
Finance Expense – Net	(3.8)	(3.9)	(8.0)	(7.9)
Profit/(loss) before income tax	4.6	(1.5)	6.9	(1.8)
Income tax expense	(0.0)	(0.1)	(0.1)	(0.1)
Net Profit/(Loss) after tax	4.5	(1.6)	6.8	(1.9)
Other Comprehensive Income/(Loss) (1)	(0.7)	(1.7)	(7.6)	(2.9)
Total Comprehensive Income/(Loss)	3.8	(3.3)	(0.8)	(4.8)

(1) From time to time, the Company enters into derivative contracts in the form of interest rate swaps in order to mitigate the risk of interest rate fluctuations. These derivatives are used to hedge the Company's borrowings. The unrealised mark to market gains or losses on these instruments are recognized under "Other Comprehensive Income / (Loss)".

STATEMENT OF CASH FLOWS (UNAUDITED)

	Six Month Period Ended June 30,	
All amounts in \$ millions	2020	2019
Cash from operating activities	23.6	9.9
Cash from investing activities	(1.9)	(3.5)
Cash from financing activities	(17.0)	43.4
Net Increase in cash and cash equivalents	4.8	49.8
Cash and cash equivalents at the beginning of the year	41.4	16.7

Time Charter Equivalent ("TCE") Revenue and Opex



Highlights

- 13% Year on Year Revenue growth.
- 73% Year on Year EBITDA growth.
- Lower OPEX as Covid-19 is delaying our ability to perform crew transfers.
- Net profit of \$4.5 million for the quarter.

Key financials

Balance Sheet 30 June 2020



BALANCE SHEET (UNAUDITED)

All amounts in \$ millions	As of 30 Jun 2020	As of 31 Dec 2019
ASSETS		
Cash and cash equivalents	46.2	41.4
Trade and other receivables	17.2	18.3
Inventories	1.6	4.9
Derivative financial instruments	0.0	0.0
Current assets	65.0	64.5
Trade and other receivables – Non-current	0.2	0.2
Restricted cash deposits	8.4	8.4
Property, plant and equipment	591.9	606.3
Leased Assets	20.4	26.4
Derivative financial instruments	0.0	0.1
Deferred tax assets	0.1	0.1
Non-current assets	621.0	641.5
TOTAL ASSETS	686.0	706.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	16.8	23.5
Deferred income	12.1	10.4
Current income tax liabilities	0.3	0.2
Derivative liabilities	0.0	0.0
Capital lease liabilities	2.7	2.6
Borrowings	30.9	30.8
Lease liabilities	12.8	12.4
Current liabilities	75.5	79.9
Derivative financial instruments	7.7	0.3
Deferred income tax liabilities	0.1	0.1
Capital lease liabilities	8.9	10.2
Borrowings	291.5	306.9
Lease liabilities	7.7	13.4
Non-current liabilities	315.9	330.9
Total Liabilities	391.4	410.8
Share capital	399.9	399.9
Share option reserves	4.8	4.7
Accumulated losses	(102.2)	(109.0)
Accumulated other comprehensive income/(loss)	(8.0)	(0.3)
Total Equity	294.6	295.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	686.0	706.1

- Conservative accounting**

Book value of vessels of \$590 million, in line with latest broker FMV estimates

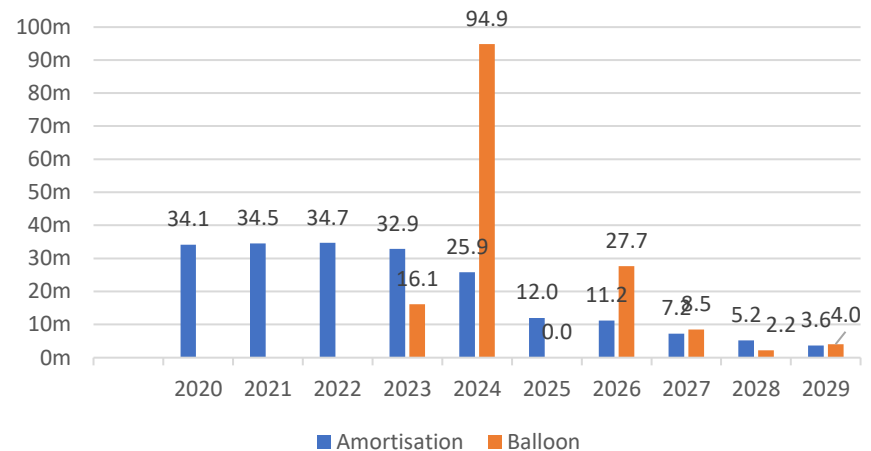
- Strong Cash position**

\$54.6 million

- Loan profile:**

Bank debt and Finance leases: \$334 million (Net leverage of 47%)

No loan expiry until 2023



Summary and Outlook



Q2 2020 Summary

- ✓ Improved profit and forward TCE cover rate.
- ✓ Improved operational performance but with increasing Covid-19 related operational challenges.
- ✓ Stable long-term financing.
- ✓ Accessing higher earnings with increased average fleet size
- ✓ Young fleet, reduced emissions.

Outlook

- ✓ Covid-19 and OPEC+ disagreement are disrupting our business operationally, both to the negative and positive. Demand growth for residential LPG remains good, but not as good as it was.
- ✓ Global economic contraction/recovery is impacting petrochemical derivative demand.
- ✓ OPEX costs are increasing driven by Covid19 crew expense.
- ✓ Limited order book for the sector – 17 pressurised vessels, 5.3%.
- ✓ Ongoing & potential scrapping in both pressurised and semi-ref.
- ✓ IMO 2020 complete, turning to IMO 2030 and IMO 2050.

The Epic Gas Fleet (as of 01st August 2020)



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

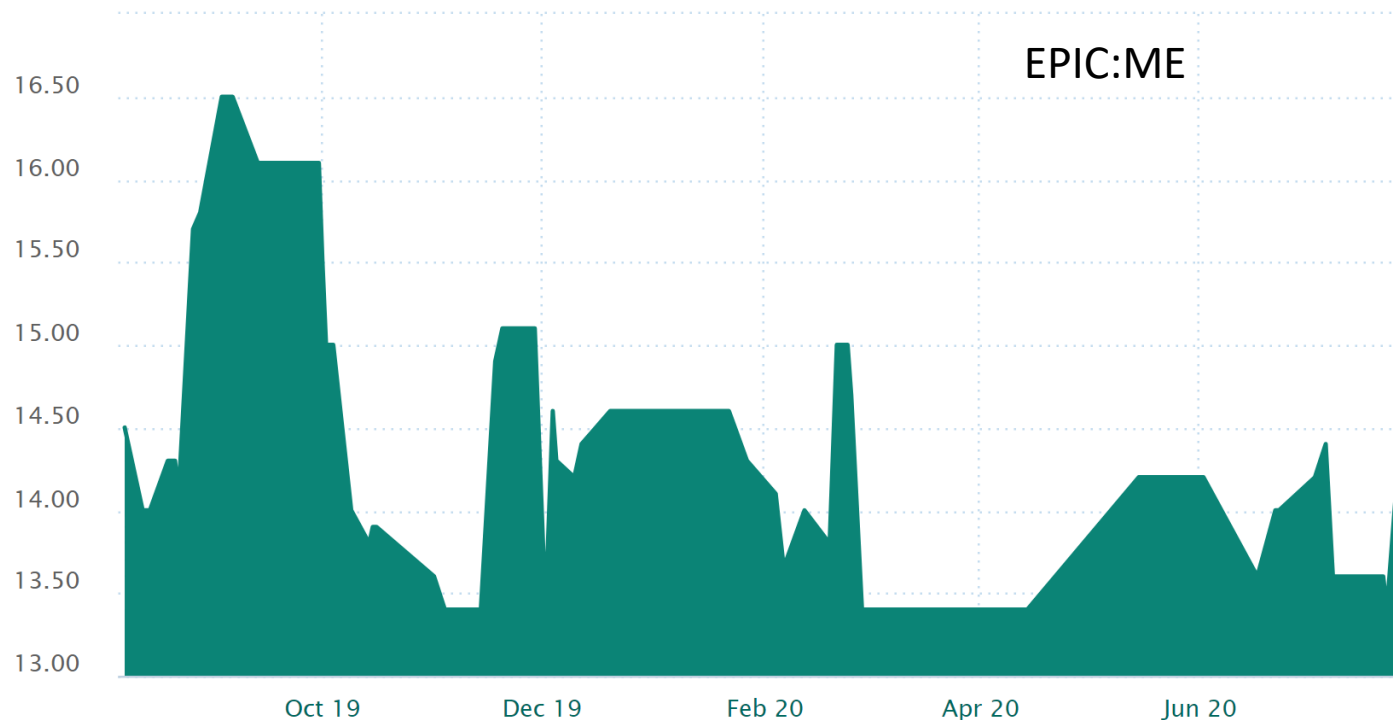
Sub Total 15 Vessels	110,100	cbm	
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Vessel: 3,500 cbm	cbm	Built	Yard
Epic Catalina	3,500	2007	Kanrei
Epic Cobrador*	3,500	2009	Kanrei
Epic Cordova*	3,500	2009	Kanrei
Epic Corsica	3,500	2009	Kanrei
Epic Caledonia	3,500	2014	Kitanihon
Epic Curacao	3,500	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



Source: OsloBors

Listing Market

Market Cap (30/07/20)

Shares Outstanding / Float

Merkur Market

(NOK) 1,599.25M

106.6M / 106.6M