



EPIC GAS
DELIVERY UNDER PRESSURE



Epic Gas

Q3 2018

Earnings Presentation

14 November 2018



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Third Quarter 2018 Highlights



Revenue of \$40.8 million, up 18% year over year

Adjusted EBITDA of \$13.8 million, up 94% year over year

Net Profit of \$1.3 million, up \$7.0 million year over year

Time Charter Equivalent revenues of \$10,132 per vessel calendar day, up 27% year over year

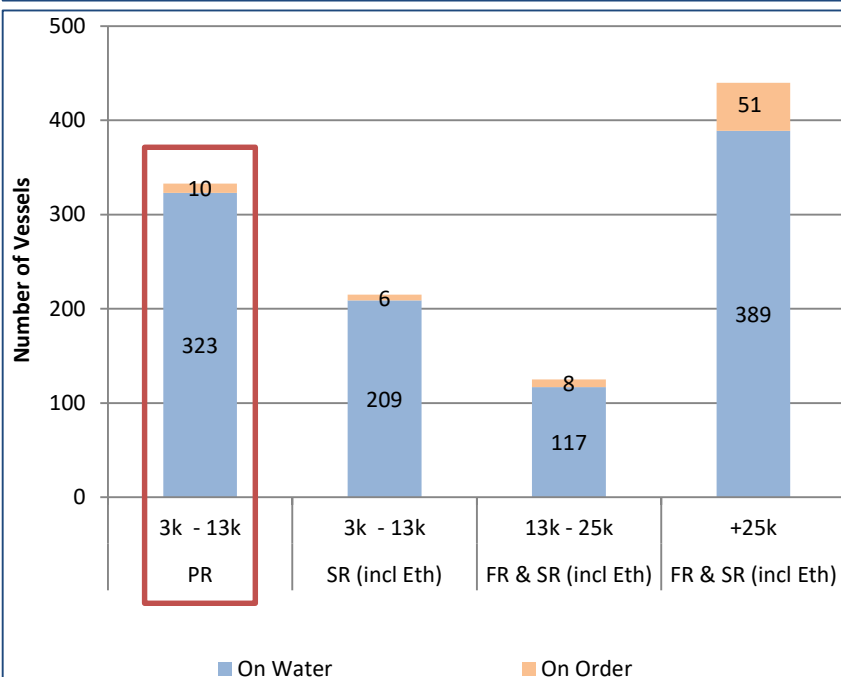
Operating Expenses of \$4,010 per vessel calendar day, down 6% year over year

Fleet: as of 30 September 2018, 38 vessels on the water

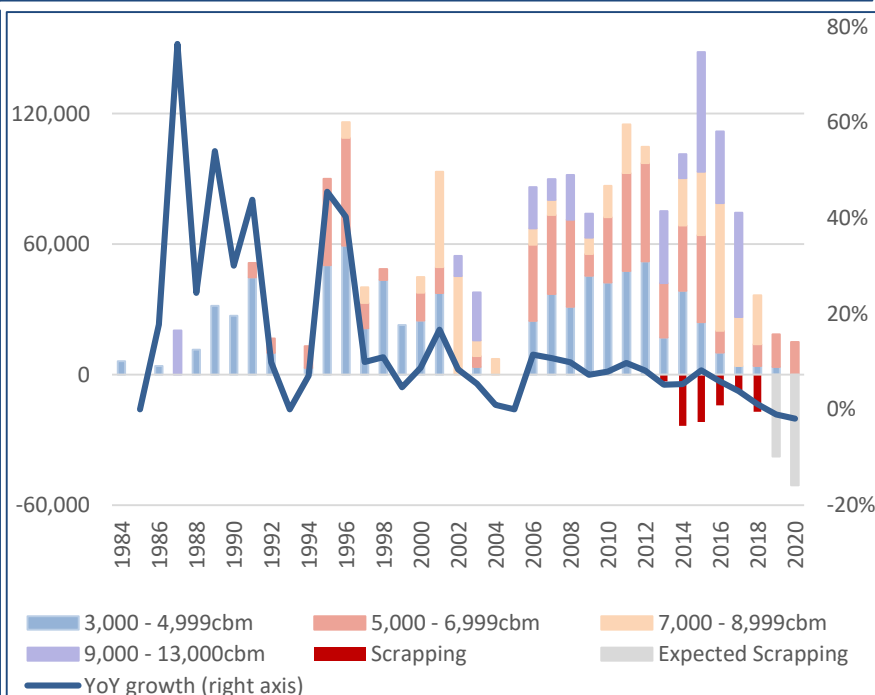


Vessel Supply

Smaller LPG Vessels have Smallest Order Book
(Chinese Fleet Excluded)



Pressure Vessel Global Fleet Development

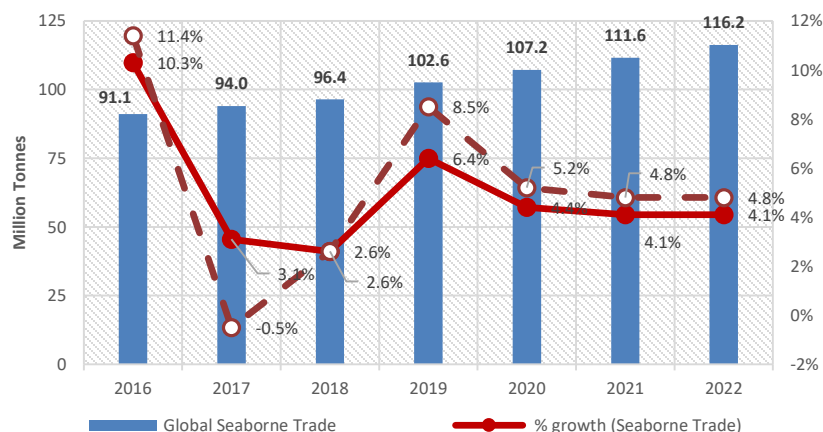


- 3/4/3 newbuild **pressure** vessels to be delivered in 2018/2019/2020 representing a 1.2%/1.1%/0.9% increase in existing fleet capacity.
- 6 newbuild small-sized **semi-ref** vessels to be delivered representing a 0.9%/0.9%/1.8% increase in 2018/2019/ 2020 in existing fleet capacity.
- 5 pressure and 11 small-sized semi-ref and Ethylene capable vessels average age 30.7 years scrapped so far in 2018
- A scrapping pool of 11 pressure and 15 semi-ref vessels aged 28 years and over.

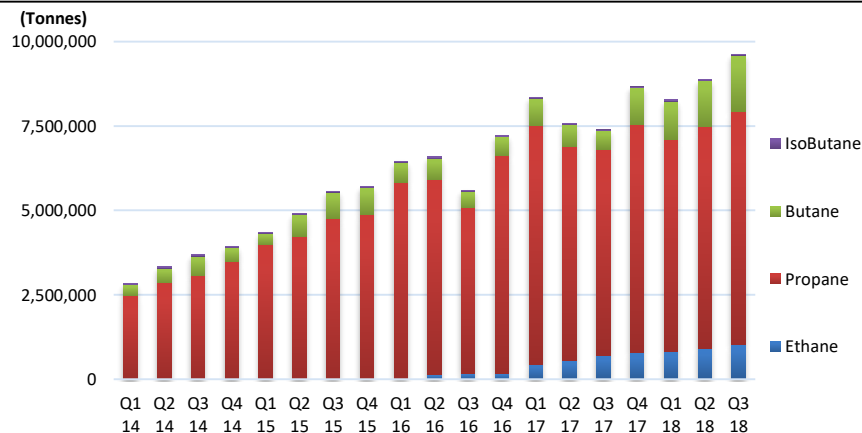
Demand - Global Trade and Drivers



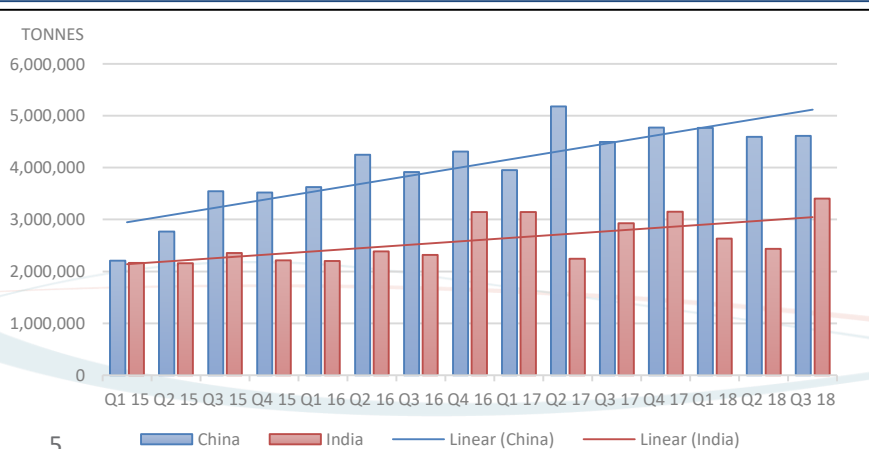
Global LPG Seaborne Trade and Tonne-Mile Demand
2018: estimate +2.6% year on year growth



USA LPG exports Q3 2018 +30% year on year
Propane, Butane, Ethane +13%, +198%, +45%



India and China LPG Imports
Key Demand Drivers



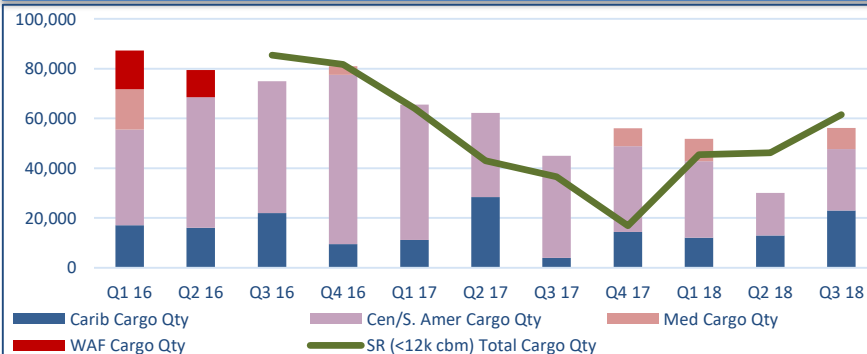
LPG Imports (million tonnes)

	China	India	Japan	South Korea
2017	18.4	11.1	10.8	6.3
2018	19.1	11.6	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

Demand - Regional Trade



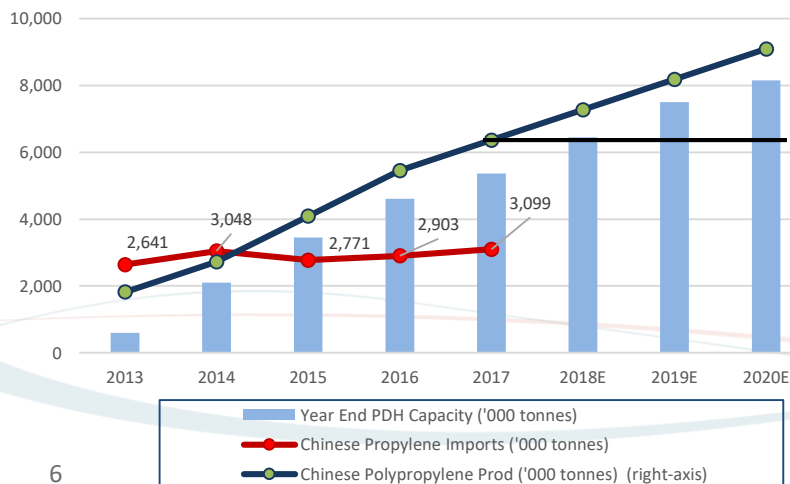
USA pressurised and small sized semi-ref. vessels LPG exports up 44% year on year



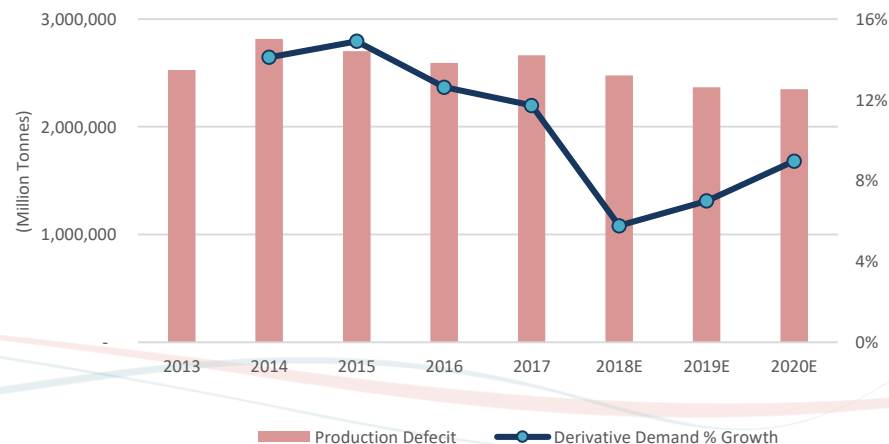
Growing demand drives import Growth

Million Tonnes	2016	2017	2020	2025
Indonesia	4.4	4.9	6.0	7.4
Philippines	1.0	1.1	1.2	1.3
Vietnam	1.2	1.3	1.7	2.1
West Africa	0.7	0.8	1.0	1.3
South Africa	0.3	0.3	0.5	0.7
East Med (excl Turkey, Egypt)	0.4	0.5	0.7	0.9

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



China Derivative Demand Creates Propylene Deficit



12 Month Time Charter Market (US\$/day)

Distinct Sector Rate Recovery



Q3 2018 – freight levels remain firm

- 3,500cbm, 5,000cbm, 7,500cbm & 11,000cbm market daily rates averaged \$8,603, \$9,752, \$10,384 and \$13,356 respectively.
- Average rates up by 23% for 3,500cbm, 13% for 5,000cbm, 2% for 7,500cbm and 4% for 11,000cbm compared to Q3 2017.

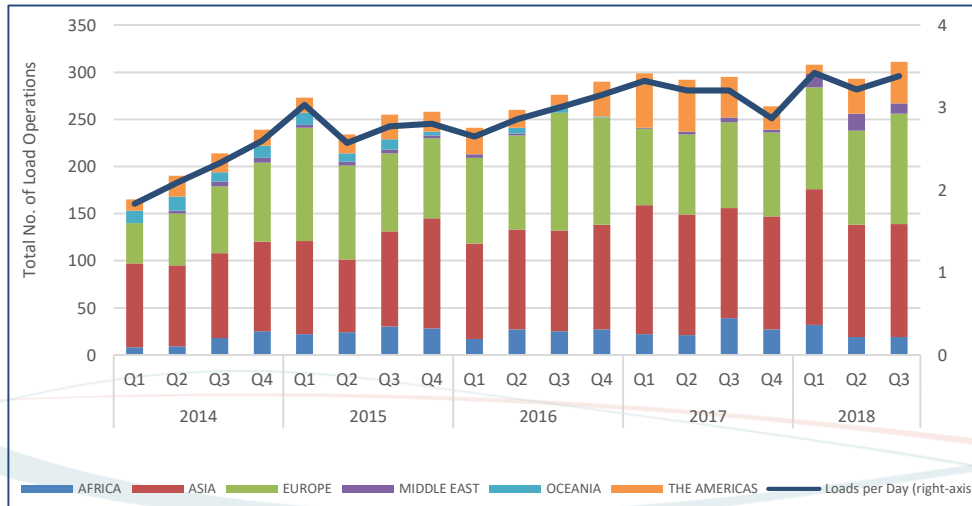
Epic Gas Operations - Global



Diversified Geographical Location of Fleet

Epic Gas Fleet	Americas	EMEA	Asia	Total Fleet
3,300 – 4,100cbm	2	-	4	6
5,000 – 6,300cbm	1	3	6	10
7,000 – 7,500cbm	2	9	3	14
9,500cbm	-	2	-	2
11,000cbm	-	4	2	6
Total	5	18	15	38
Fleet Capacity (cbm)				259,900
Average Size (cbm)				6,839

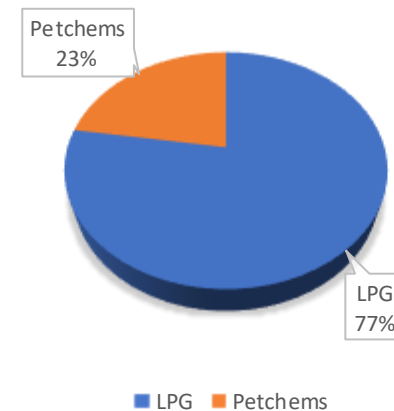
Diversified Geographical Trade Route Options



Cargo Operations Summary, Q3 2018

- ✓ Loaded 813,870 tonnes
- ✓ 703 cargo operations
- ✓ 134 different ports
- ✓ 630,681 tonnes LPG (77%)
- ✓ 183,189 tonnes petchems (23%)
- ✓ 5 vessels operating in the Americas, 18 in the Europe/Middle East/Africa, 15 in Asia.

Cargo Tonnes Transport in Q3 2018

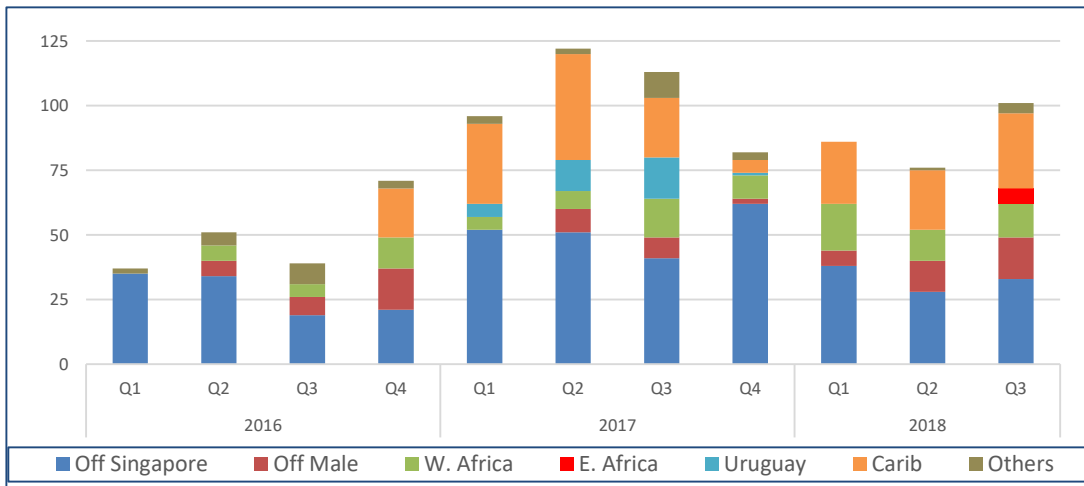


Epic Gas Operations – Ship to Ship (STS)

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



Epic Gas STS Operations by Region



Epic Gas STS Operations Heat Map



- Strong Global Demand
- 101 STS operations in Q3 2018
- Increased operations in the Indian Ocean and South East Asia

Annual STS Ops	2014	2015	2016	2017
No. STS Ops	24	108	198	413



Operating Metrics



	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2017	2018	2017	2018
Average number of vessels in period (1)	41.9	38.8	40.9	39.3
Number of vessels as of period end	42	38	42	38
Fleet capacity at period end (cbm)	276,400	259,900	276,400	259,900
Gas fleet average size as of period end	6,581	6,839	6,581	6,839
Fleet calendar days	3,858	3,567	11,158	10,733
Time charter days	2,810	2,652	8,021	7,647
Spot market days	953	863	2,568	2,873
COA days (relets excluded)	0	0	101	0
Voyage days (2)	3,763	3,515	10,690	10,520
Fleet utilisation (3)	97.5%	98.5%	95.8%	98.0%
Fleet operational utilisation (4)	90.9%	94.9%	91.2%	93.2%
Time charter equivalent earnings (5)				
Per Calendar Day	\$7,960	\$10,132	\$8,129	\$9,401
Per Voyage Day	\$8,161	\$10,283	\$8,485	\$9,591
Operating expenses per Calendar Day	\$4,274	\$4,010	\$4,178	\$4,138

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.

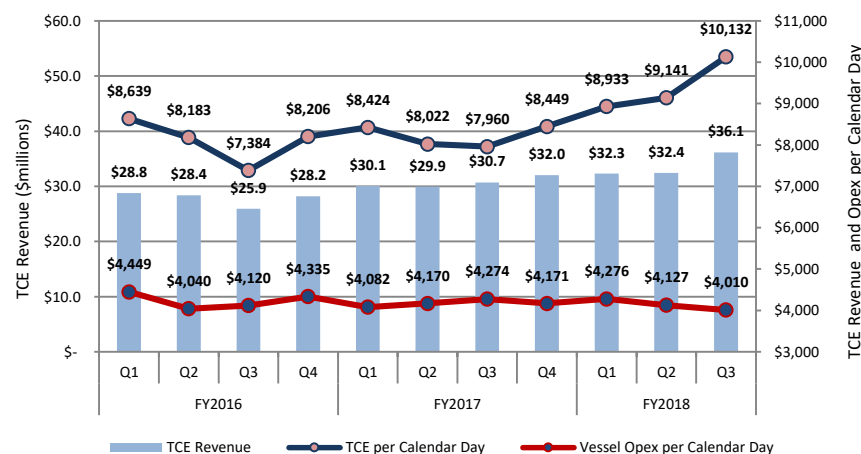
Income Statement and Cash Flow Q3 2018



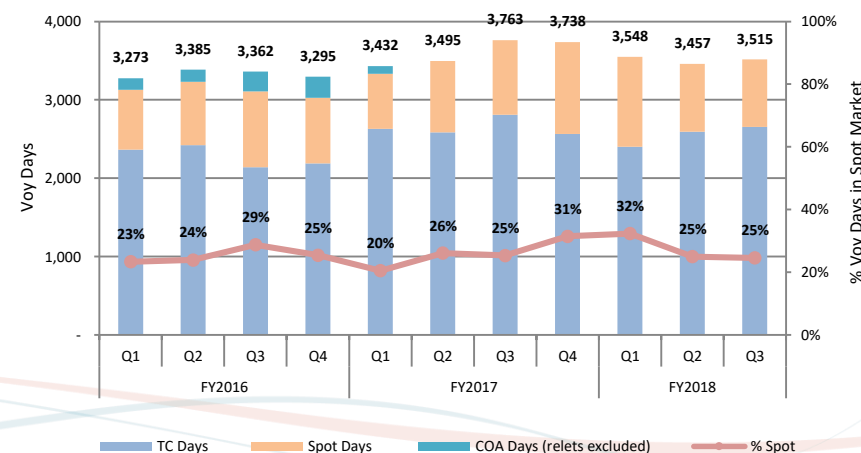
	Three Month Period Ended September 30,	
All amounts in \$ millions	2017	2018
Revenue	34.5	40.8
Address and brokerage commissions	0.8	0.8
Voyage expenses	3.5	4.4
Vessel operating expenses	16.5	14.3
Charter-in costs	4.1	3.7
Depreciation and amortization	7.5	7.3
(Gain)/loss on vessels, prov. bad debt	0.0	0.5
General and administrative expenses	3.9	3.9
Total expenses	36.3	35.0
Operating income	(1.8)	5.7
Other (income) / losses, net	(1.1)	0.0
Finance expenses	4.8	4.1
Profit/(loss) before tax	(5.5)	1.6
Income tax expense	0.2	0.3
Profit/(loss) after tax	(5.7)	1.3
Other Comprehensive income:		
Income directly recognized in equity	0.0	0.0
Cash flow hedges gain/(loss)	0.3	0.3
Total Comprehensive Income/(Loss)	(5.4)	1.7

STATEMENT OF CASH FLOWS (UNAUDITED)		
	Nine Month Period Ended September 30,	
All amounts in \$ millions	2017	2018
Cash from operating activities	14.3	21.5
Cash from investing activities	(41.4)	2.5
Cash from financing activities	27.5	(19.5)
Net Increase in cash and cash equivalents	0.3	4.5
Cash and cash equivalents at the beginning of the year	9.8	7.0
Cash and cash equivalents at the end of the period	10.1	11.5

Time Charter Equivalent ("TCE") Revenue and Opex



Voyage Days



Balance Sheet 30 September 2018



BALANCE SHEET (UNAUDITED)		
All amounts in \$ millions	As of 31 Dec 2017	As of 30 Sep 2018
ASSETS		
Cash and cash equivalents	7.0	11.5
Trade and other receivables	25.8	22.6
Inventories	4.3	3.5
Derivative financial instruments	0.0	0.0
Current assets	37.1	37.6
Non-current assets	0.4	0.1
Restricted cash deposits	13.5	12.0
Property, plant and equipment	524.5	502.8
Advances for vessels under construction	0.0	0.0
Derivative financial instruments	0.8	3.2
Non-current assets	539.2	518.1
TOTAL ASSETS	576.3	555.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	26.2	23.2
Deferred income	9.0	11.3
Current income tax liabilities	0.5	0.6
Derivative liabilities	0.0	0.0
Finance lease liabilities	9.5	5.6
Bank Loan	31.7	25.2
Current liabilities	77.0	65.9
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	203.3
Non-current liabilities	255.4	246.6
Total Liabilities	332.4	312.6
Share capital	340.1	340.1
Share option reserves	3.8	4.2
Accumulated losses	(100.6)	(104.2)
Accumulated other comprehensive income	0.7	3.0
Total Equity	244.0	243.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	576.3	555.7

• Asset values

Book value of \$501m c \$23m below latest broker FMV estimates

• Liquidity

Cash of \$23.5m. Subsequent refinancing of one vessel in October added \$5.8m unrestricted cash.

• Low gearing

Net borrowings/total assets of 48%.

• Refinancing

In July 2018, we completed the refinancing of 5 LPG carriers in partnership with Crédit Agricole Corporate and Investment Bank. The new US\$ 34 million facility has a term of five years and has allowed the Company to reduce its margin by 85 bps.

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, 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
ABN/NIBC/CA	64.2	59.1	54.0	48.9	43.8	0.0	0
ABN/DVB/Nord LB	61.1	48.8	38.8	30.5	22.1	0.0	0
Credit Agricole	32.0	27.9	23.9	20.5	18.0	0.0	0
NIBC	6.6	5.4	4.2	3.0	0.0	0.0	0
Japanese Owners	79.9	73.6	66.9	59.9	52.5	30.9	27.2
Finance Leases	33.7	29.8	25.6	21.3	0.0	0.0	0
Balloon					27.2	88.5	0
	277.4	244.6	213.4	184.0	163.6	119.4	27.2

Summary and Outlook



Summary Q3 2018

- 38 vessels on the water, total capacity 259,900cbm, average size 6,839cbm, average age 7.9 years.
- Fleet Operational Utilisation 94.9%, TCE \$10,132 per calendar day and \$10,283 per voyage day.
- Operating Expenses \$4,010 and General & Administrative expenses \$1,092 per calendar day.
- As of 30th September 2018, 67% covered for the balance year 2018 at an average daily TCE rate of \$9,985.

Outlook

- Utilisation and Freight levels for all sizes continue to improve due to lack of incremental capacity and ongoing demand growth, forecast to be 2.6% in 2018, and 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 6 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: 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	

*Bareboat

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	

Vessel: 9,500 cbm	cbm	Built	Yard
Epic Madeira	9,500	2006	Miura
Epic Manhattan	9,500	2007	Miura
Sub Total 2 Vessels	19,000	cbm	

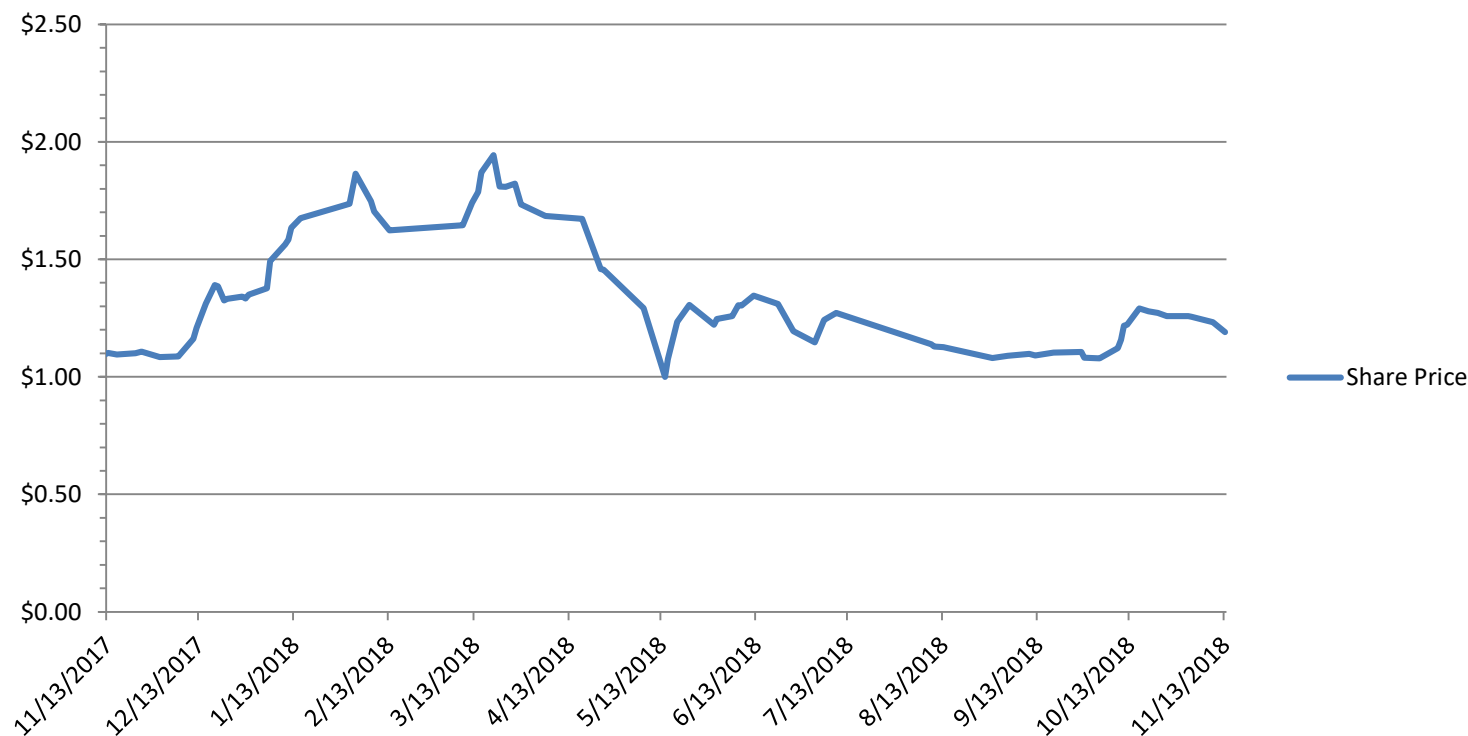
Vessel: 11,000 cbm	cbm	Delivery	Yard
Epic Sicily*	11,000	2015	Sasaki
Epic Samos	11,000	2016	Kyokuyo
Epic Sentosa	11,000	2016	Kyokuyo
Epic Shikoku	11,000	2016	Kyokuyo
Epic Sardinia*	11,000	2017	Kyokuyo
Epic Salina	11,000	2017	Kyokuyo
Sub Total 6 Vessels	66,000	cbm	

Overall Total of 38 Vessels, and 259,900 cbm

Key Information on Epic Gas' Shares



Epic Gas Share Price YTD



Listing Market

Market Cap

Shares Outstanding /Float

Merkur Market

(NOK) 710.9 M

70.4M /70.4M

