



Epic Gas

Q1 2018

Earnings Presentation

09 May 2018



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.

First Quarter 2018 Highlights



Revenue of \$38.6 million, up 14% year over year

Adjusted EBITDA of \$8.5 million, up 6% year over year

Net Loss of \$2.7 million, down from \$3.4 million year over year

Time Charter Equivalent revenues of \$8,932 per vessel calendar day, up 6% year over year

Vessel Calendar days up 1% year over year to 3,617 days

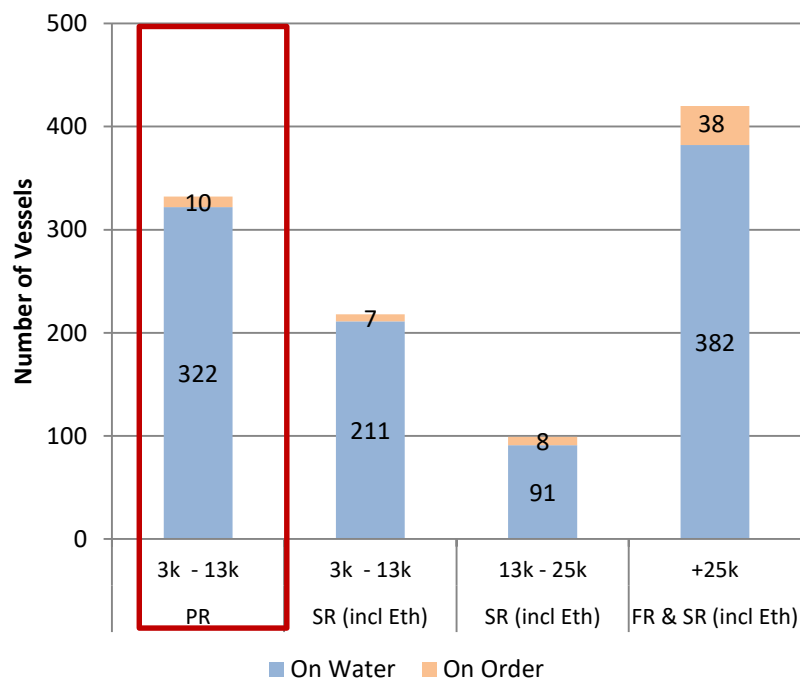
General & Administrative expenses of \$1,100 per vessel calendar day, up 11% year over year

Fleet: as of 31 March 2018, 39 vessels on the water

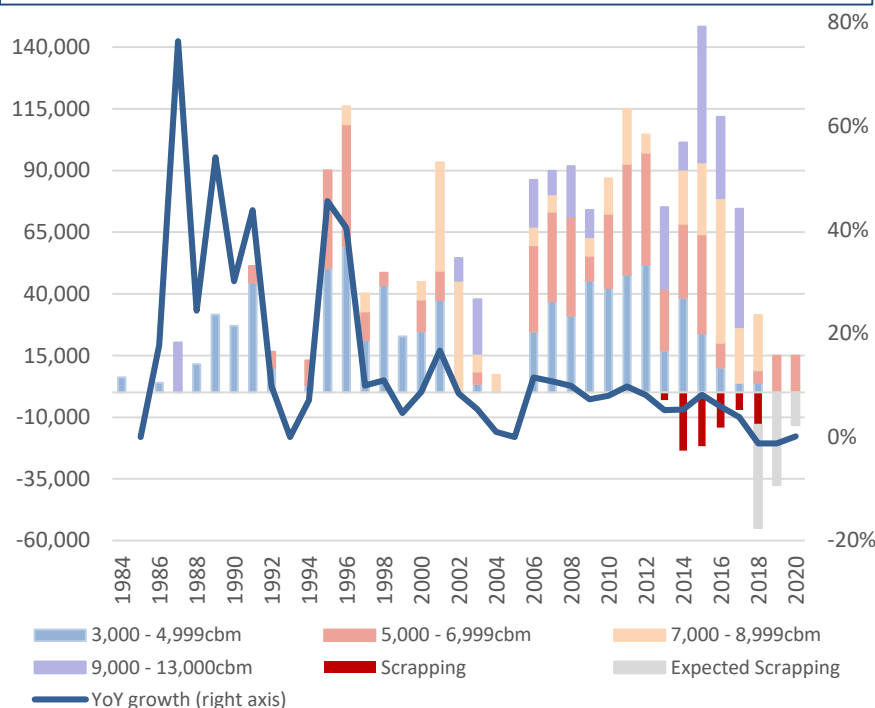


Vessel Supply

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



Pressure Vessel Global Fleet Development

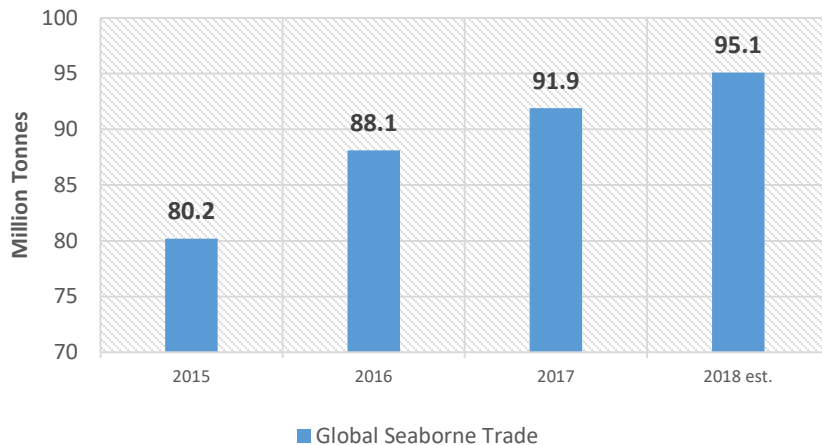


- 4/3/3 newbuild pressure vessels to be delivered in 2018/2019/2020 representing a 1.1%/0.9%/0.9% increase in existing fleet capacity
- 7 newbuild small-sized semi-ref vessels to be delivered representing a 5.4% increase in existing fleet capacity
- 4 pressure and 5 small-sized semi-ref Ethylene capable vessels average age 28 years scrapped so far in 2018
- A scrapping pool of 12 pressure and 25 semi-ref vessels aged 28 years and over

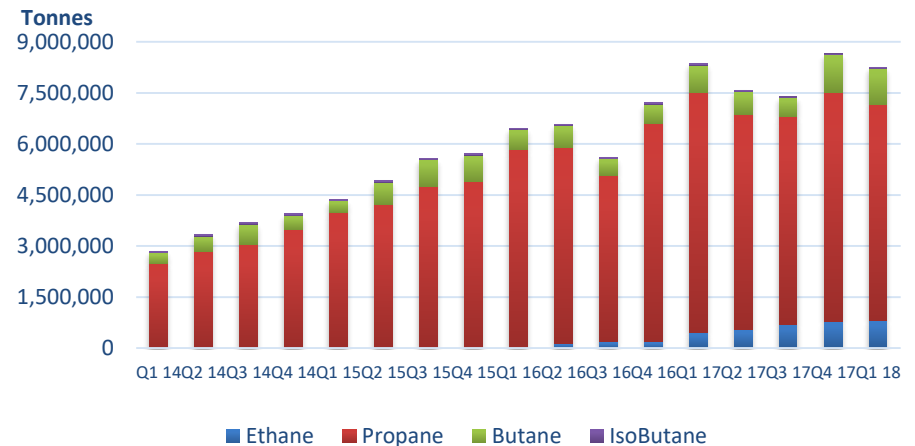
Demand - Global Trade and Drivers



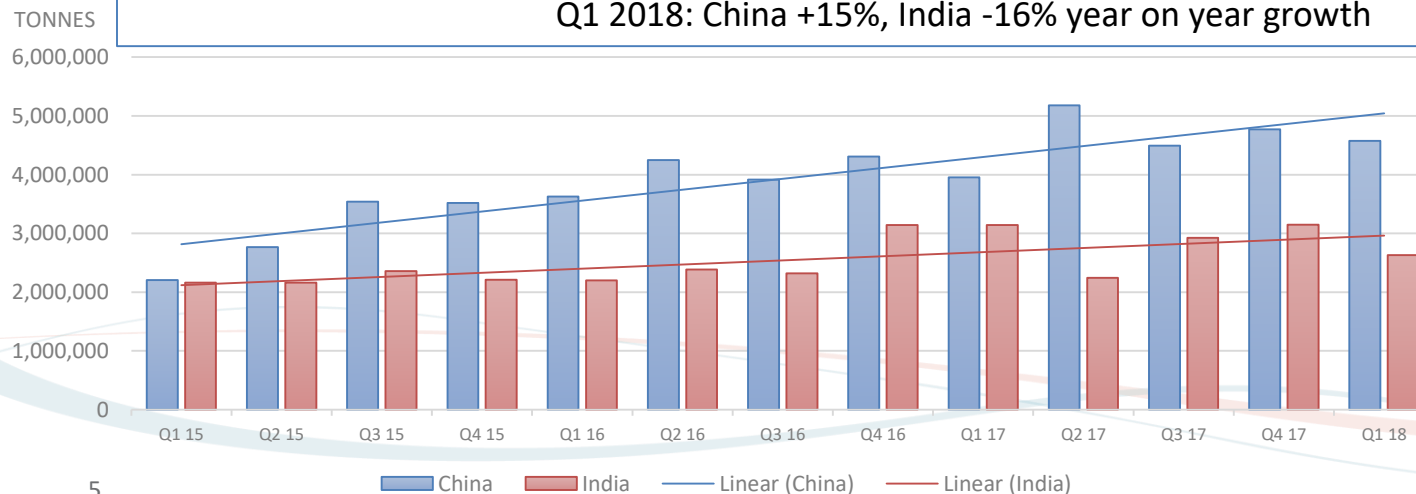
Global LPG seaborne
2018: estimate +3.5% year on year growth



USA LPG exports Q1 2018
Propane lower, Butane, Ethane +30%, +80% year on year



India and China LPG imports
Q1 2018: China +15%, India -16% year on year growth

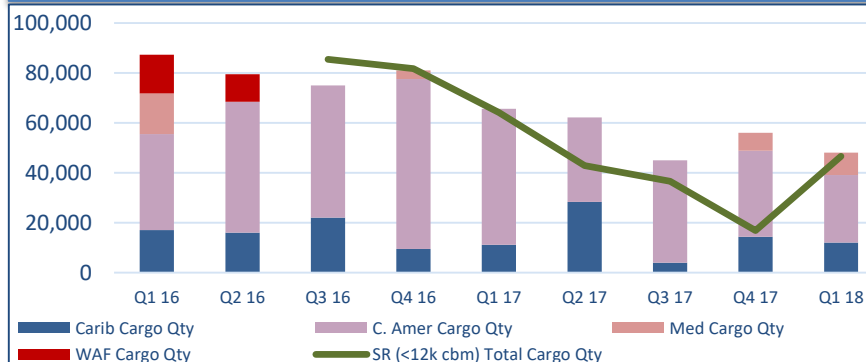


	China	India
2015	12,031,000	8,889,502
2016	16,095,735	10,047,622
2017	18,400,550	11,463,000

Demand - Regional Trade



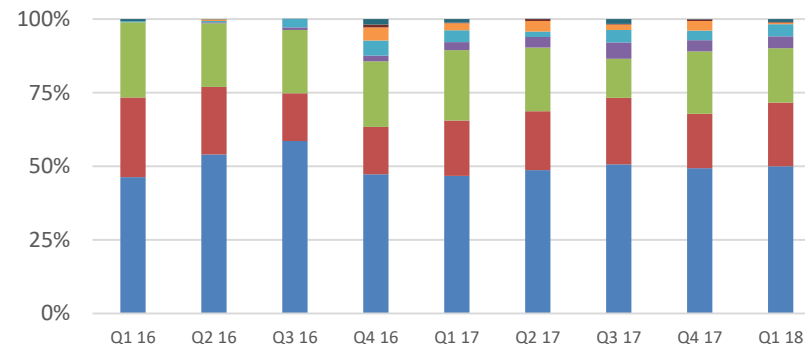
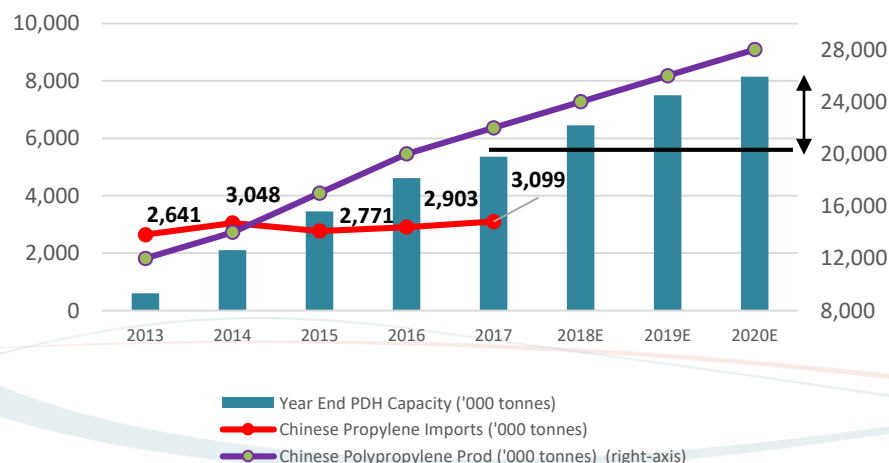
USA pressurised and small sized semi-ref. vessels LPG exports down 27% year on year



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

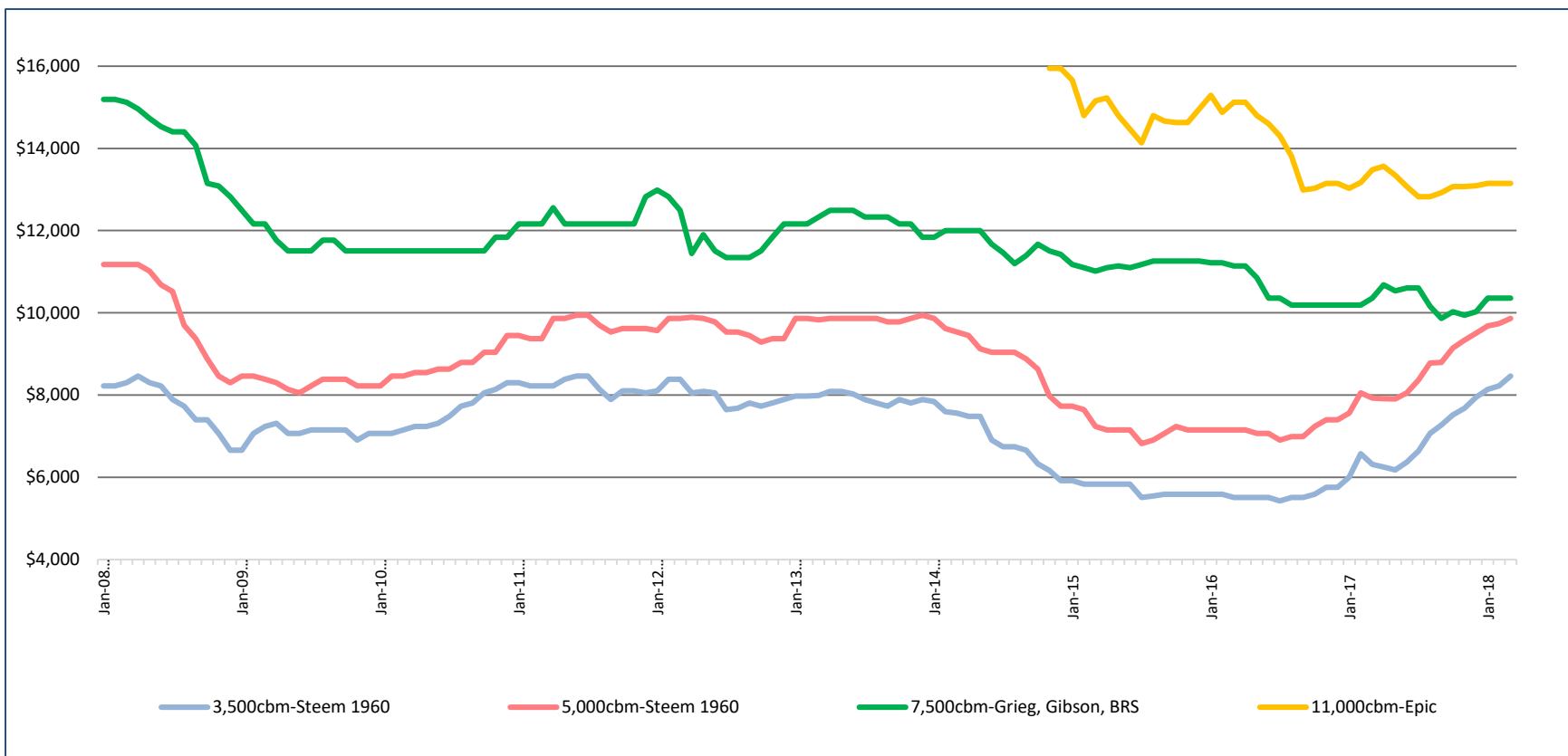


PRC Propylene Import Source

■ Korea ■ Japan ■ Taiwan ■ Thailand ■ Philippines ■ Indonesia ■ Malaysia ■ Others

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

Distinct Sector Rate Recovery



Q1 2018 – ongoing distinct sector rate recovery

3,500cbm, 5,000cbm, 7,500cbm & 11,000cbm market daily rates averaged \$8,274, \$9,762, \$10,356 and \$13,151 respectively.

Average rates up by 25% to 30% for 3,500cbm & 5,000cbm, and more or less flat for 7,500cbm and 11,000cbm compared to Q1 2017.

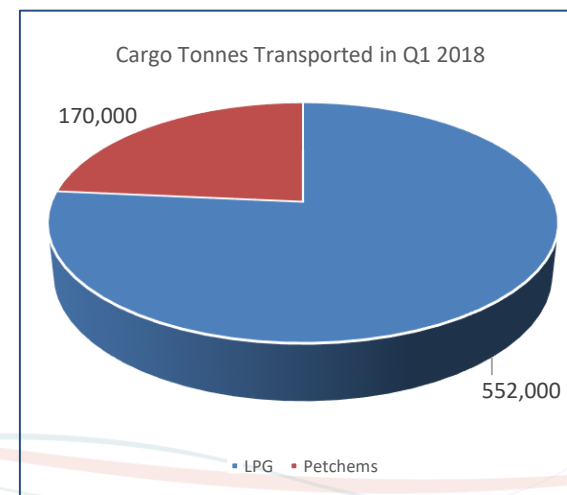
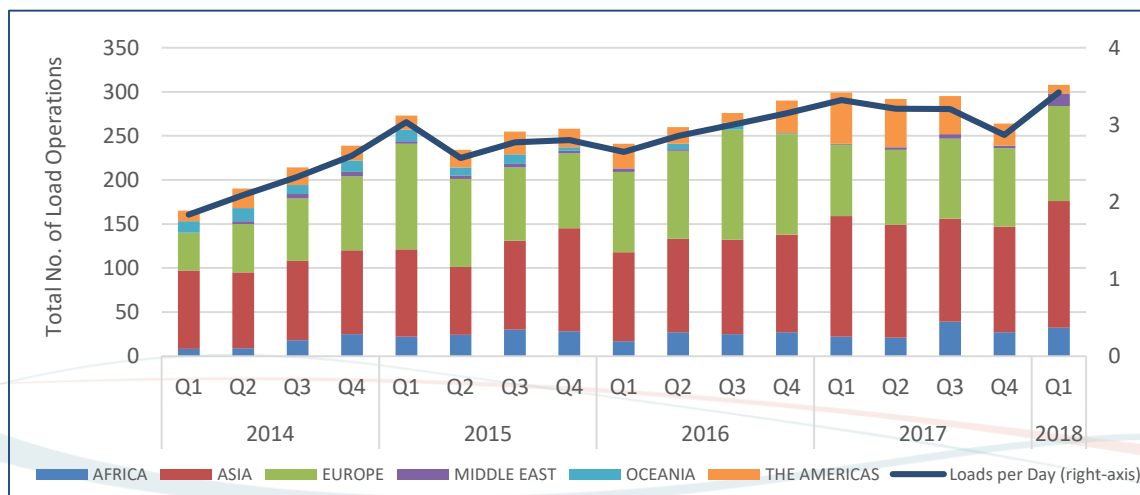
Eplic Gas Operations - Global



Vessels by Segment	Americas	EMEA	Asia	Total Fleet
3,300 – 4,100cbm	2	1	4	7
5,000 – 6,300cbm	1	3	6	10
7,000 – 7,500cbm	1	10	3	14
9,500cbm	-	1	1	2
11,000cbm	-	4	2	6
Total	4	19	16	39
Fleet Capacity (cbm)				264,000
Average Size (cbm)				6,769

Q1 2018:

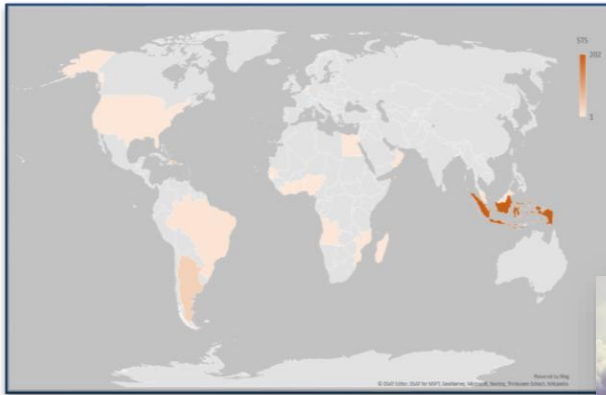
- ✓ Loaded 722,000 tonnes
- ✓ 677 cargo operations
- ✓ 139 different ports
- ✓ 552,000 tonnes LPG (76%)
- ✓ 170,000 tonnes petchems (24%)
- ✓ 4 vessels operating in the Americas, 19 in the Europe/Middle East/Africa, 16 in Asia.



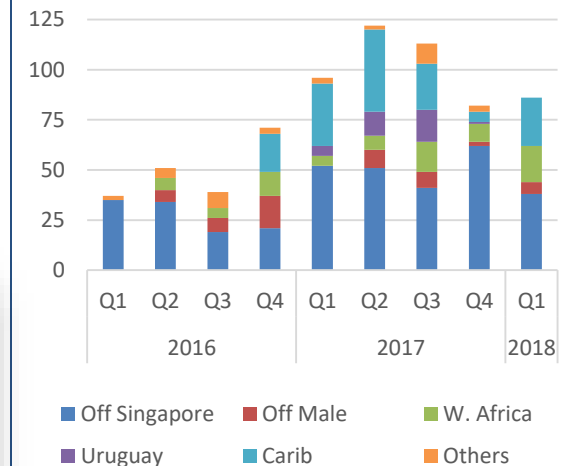
Epic Gas Operations – Ship to Ship (STS)



Epic Gas Ship-to-Ship (STS) Operations Heat Map



Operations by Region



- 86 STS operations in Q1 2018
- A global demand
- Increased operations off West Africa and in the Caribs

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

Operating Metrics



Three Month Period
Ended March 31,

	2017	2018
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

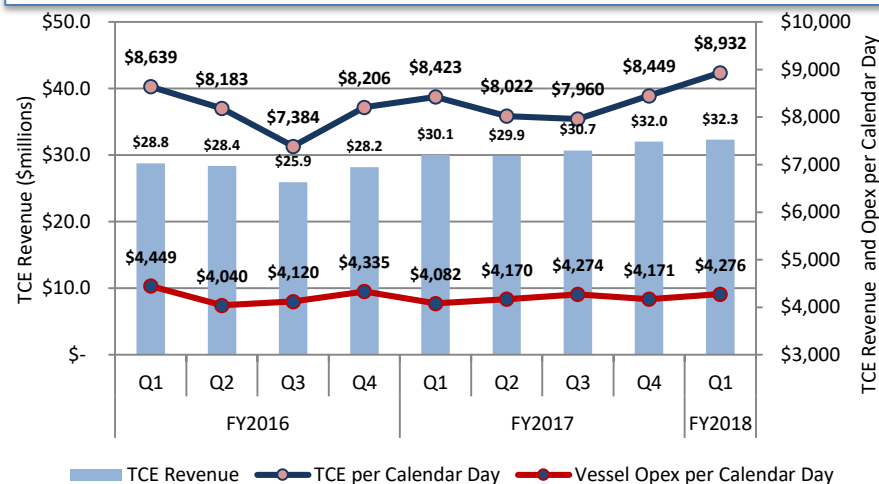
- 1) The number of days each vessel was a part of our fleet during the period divided by the number of calendar days.
- 2) Calendar days net of off-hire days associated with major repairs, dry dockings or special or intermediate surveys.
- 3) Calculated by dividing voyage days by fleet calendar days.
- 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

Income Statement and Cash Flow FY2018

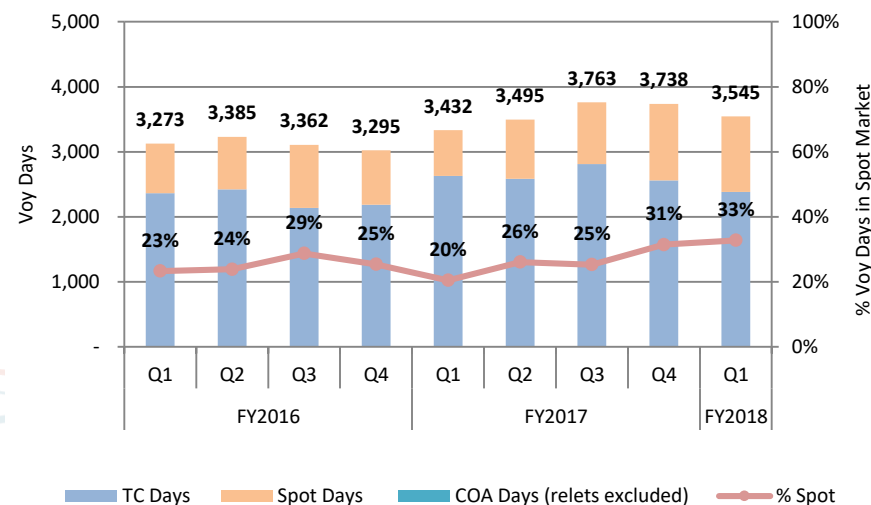


	Three Month Period Ended 31 March 2017	Three Month Period Ended 31 March 2018
<i>All amounts in \$ millions</i>		
Revenue	33.9	38.6
Address and brokerage commissions	0.8	0.8
Voyage expenses	3.4	6.1
Vessel operating expenses	14.6	15.5
Charter-in costs	3.8	3.9
Depreciation and amortization	7.1	7.5
(Gain)/Loss 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)		
<i>All amounts in \$ millions</i>		
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

Time Charter Equivalent ("TCE") Revenue and Opex



Voyage Days



Balance Sheet 31 March 2018



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

• Asset values

Book value of \$515m below latest broker FMV estimates

• Liquidity

Cash of \$21.9m (up from \$20.5m as of 31 Dec 2017) including unrestricted cash of \$9.9m (up from \$7m as of 31 Dec 2017).

• Low gearing

Net borrowings/total assets of 47%.

• Japanese Bareboat Charter back

In March 2018, Epic Gas entered into a sale and 10-year bareboat charter back transaction for the Epic Manhattan (9,500cbm, 2007 built) with a Japanese ship owning company.

In April 2018, Epic Gas exercised purchase options and subsequently entered into a sale and 5-year bareboat charter back transaction for the Epic Balta, Epic Burano and Epic Bolivar (6,300-7,500cbm, 2000-2002 built) with a Japanese ship owning company.

Both transactions result in decreased finance cost.

• Loan Profile

	Mar-18	Dec-18	Dec-19	Dec-20
ABN/CA/NIBC	68.0	64.2	59.1	54.0
ABN/DVB/Nord LB	70.3	61.1	48.8	38.8
CIT	38.4	34.3	expires	
NIBC	7.5	6.6	5.4	4.2
CTL	19.0	18.0	16.9	15.7
Japanese Owners	34.4	49.3	44.5	39.4
Finance Leases	52.0	32.4	28.9	25.2
Total	289.5	265.9	203.6	177.3

Summary and Outlook



Summary Q1 2018

39 vessels on the water, total capacity 264,000cbm, average size 6,769cbm, average age 8.2 years

Fleet Operational Utilisation 91.8%, TCE \$8,932 per calendar day and \$9,115 per voyage day

Operating Expenses \$4,276 and General & Administrative expenses \$1,100 per calendar day

As of 31st March 2018, 57% covered for the balance year 2018 at an average daily TCE rate of \$9,762

Outlook

Freight levels for 3,500/5,000cbm continue to improve due to lack of incremental capacity and ongoing demand growth, forecast to be 3.5% in 2018.

Market is absorbing 7,500/11,000cbm, utilisation improving, with 1.1% net fleet growth expected for 2018

Ongoing and potential scrapping in the pressurised and semi-ref LPG ship sector

Limited order book for the sector – 10 pressure and 7 semi-ref (including ethylene carriers)

Infrastructure development in demand centres

The Epic Gas Fleet



Epic Gas Fleet List

Vessel: 3,300-4,100	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
Epic Corfu*	4,100	2000	Watanabe
Sub Total 7 Vessels	25,100	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	

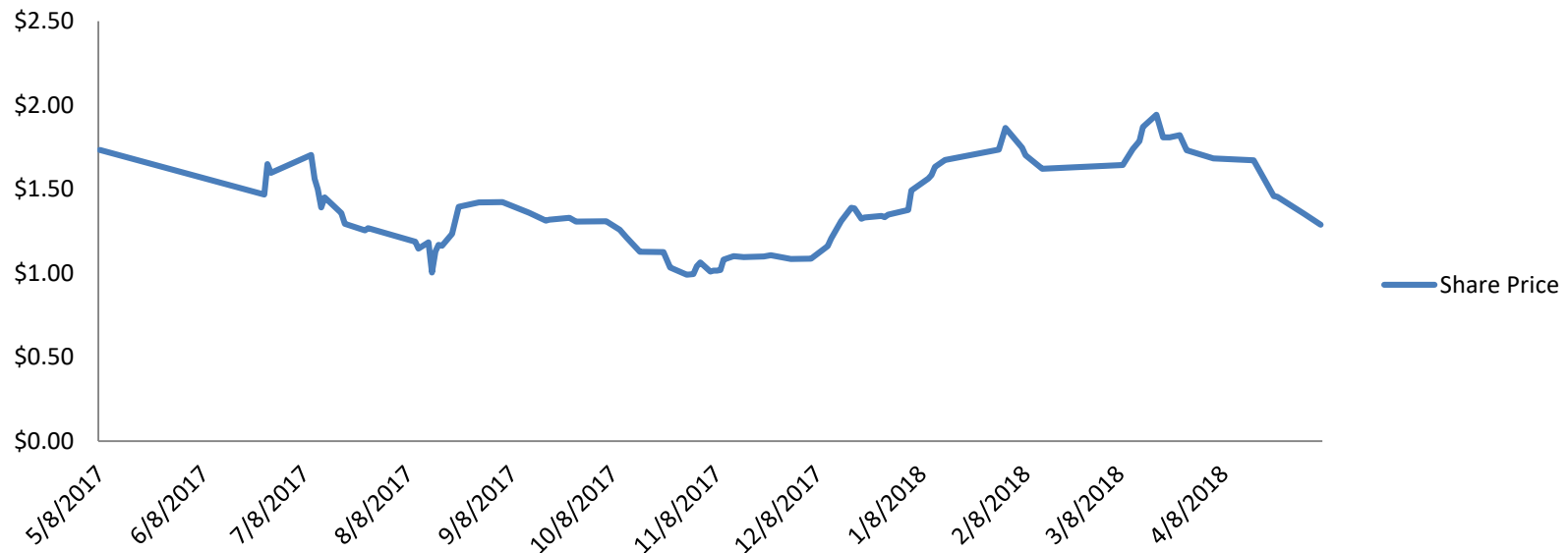
Vessel: 11,000 cbm	cbm	Delivery	Yard
Epic Sicily*	11,000	2015	Sasaki
Epic Samos	11,000	2016	Kyokuyo
Epic Sentosa	11,000	2016	Kyokuyo
Epic Shikoku	11,000	2016	Kyokuyo
Epic Sardinia*	11,000	2017	Kyokuyo
Epic Salina	11,000	2017	Kyokuyo
Sub Total 6 Vessels	66,000	cbm	

Overall Total of 39 Vessels, and 264,000 cbm

Key Information on Epic Gas' Shares



Epic Gas Share Price



Listing Market
Market Cap
Shares Outstanding /Float

Merkur Market
(NOK)732.0million
70.4M /70.4M

