



EPIC GAS
DELIVERY UNDER PRESSURE



Epic Gas

Q1 2019

Earnings Presentation

15 May 2019



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.

Q1 2019 Highlights – Improvement in business performance and EBITDA



Revenue of \$39.6 million, up 3.1%

Time Charter Equivalent revenues of \$9,718 per vessel calendar day, up 9.4%

Operational Utilisation up 230 basis points to 94.2%

Operating Expenses of \$4,400 per vessel calendar day, up 2.9%

Adjusted EBITDA of \$11.0 million, up 29.4%

Net Loss of \$0.3 million, an improvement of 89%

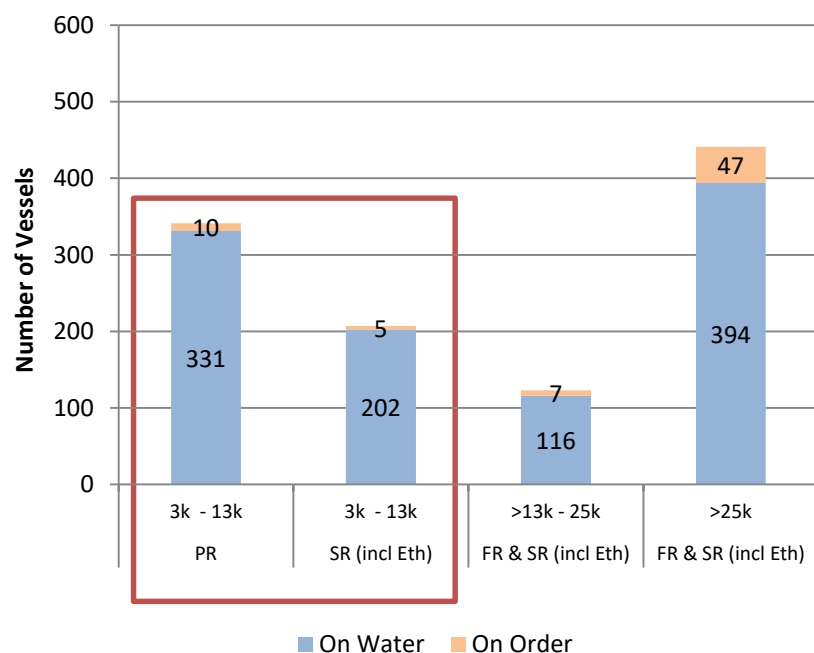
Fleet: as of 31 March 2019, 39 vessels on the water, with projects ongoing to add incremental profitable vessels.

All figures are year on year and in US dollars unless stated

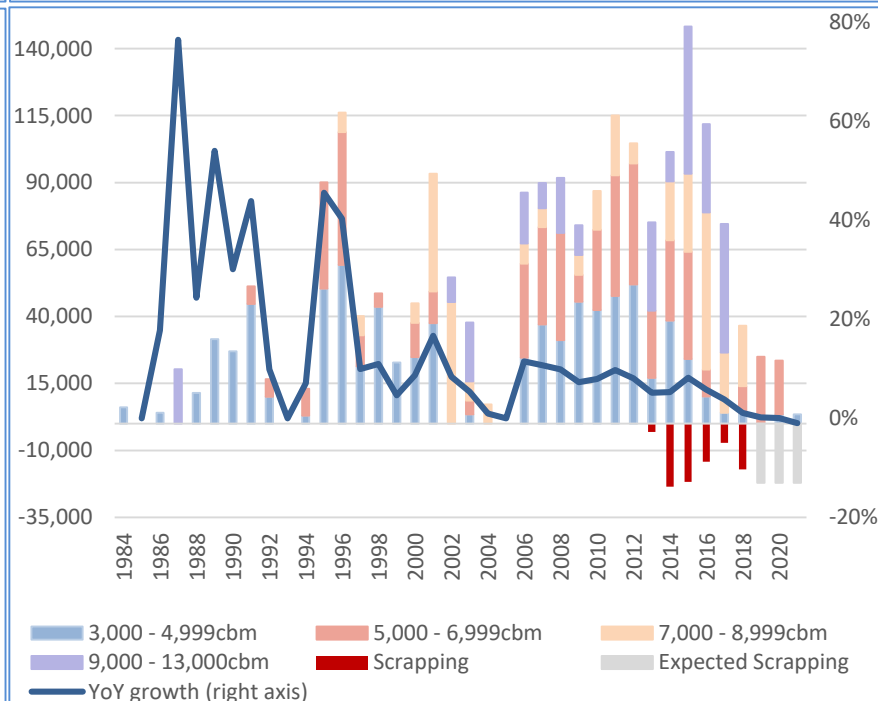


Constrained vessel supply

Smaller LPG Vessels have Smallest Order Book
(Chinese Fleet Excluded) Source: Clarksons Register



Pressure Vessel Global Fleet Development
Source: Clarksons Register



- 4/5/1 newbuild **pressure** vessels to be delivered in 2019/2020/2021 representing a 1.2%/1.3%/0.2% increase in existing fleet capacity.
- 1/2 newbuild small-sized **semi-ref** (non-Ethylene) vessels to be delivered in 2019/2020 representing a 1.6%/3.3% increase in existing fleet capacity, considering the 4,200cbm scrapped in Q1 2019.
- A 28-year-old 4,200cbm semi-ref vessel and a 35-year-old 12,000cbm ethylene capable vessel were scrapped in the quarter.
- A scrapping pool of 21 pressure and 12 semi-ref (non-Ethylene) vessels aged 28 years and over.

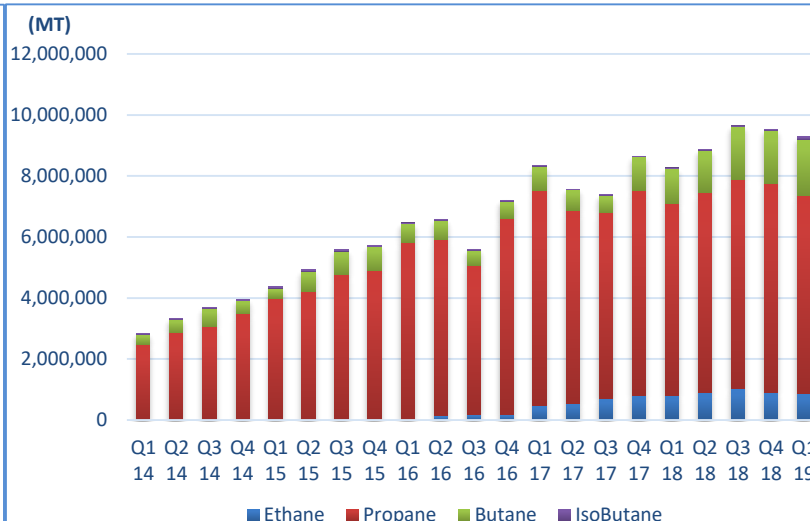
Growing demand for LPG



Global LPG Seaborne Trade
Strong Demand Growth 9% 2020 Source: Drewry



Q1'19 US Total LPG Exports -2% qoq, +12% yoy.
Butane +6% qoq, +62% yoy Source: IHS Markit



Big Volumes
China & India Remain Key Demand Drivers Source: FGE

LPG Imports (million tonnes)						
	2017	2018	2019	2020	2025	Δ
China	18.3	18.9	19.9	20.8	23.6	29%
India	11.9	12.4	14.8	16.8	19.9	67%
Japan	10.6	10.9	11.1	11.4	11.6	9%
S Korea	6.1	6.2	7.2	7.4	8.4	38%

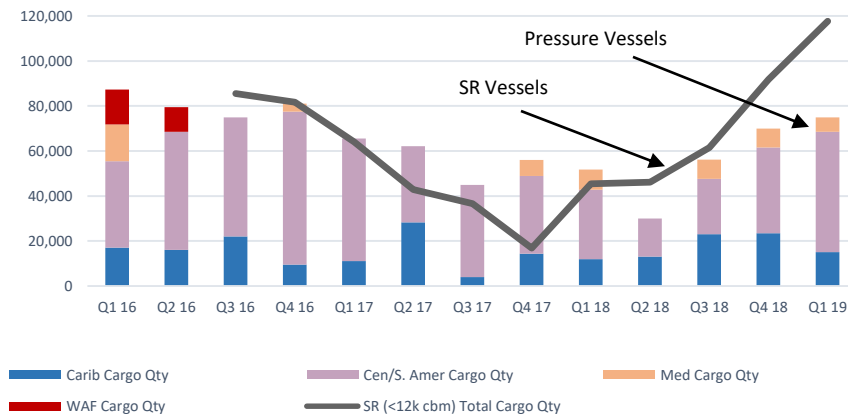
Regional Demand Growing
Source: Drewry

LPG Imports (million tonnes)						
	2017	2018	2019	2020	2025	Δ
Indonesia	5.5	5.3	5.6	6.0	7.2	31%
Philippines	1.2	1.2	1.3	1.5	2.1	75%
Thailand	0.6	0.7	0.9	1.3	1.7	183%
Vietnam	1.3	1.2	1.3	1.4	3.1	138%

Strong US LPG exports, stable Chinese Propylene imports



USA pressurised and small sized semi-ref (SR) vessels
LPG exports almost double year on year Source: IHS Markit



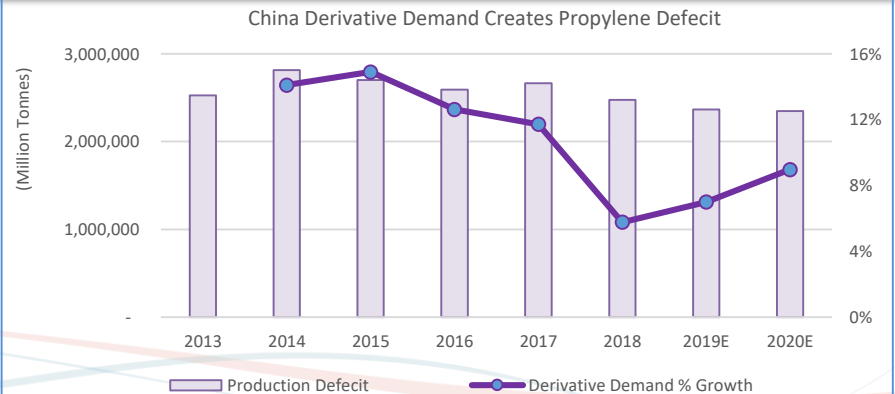
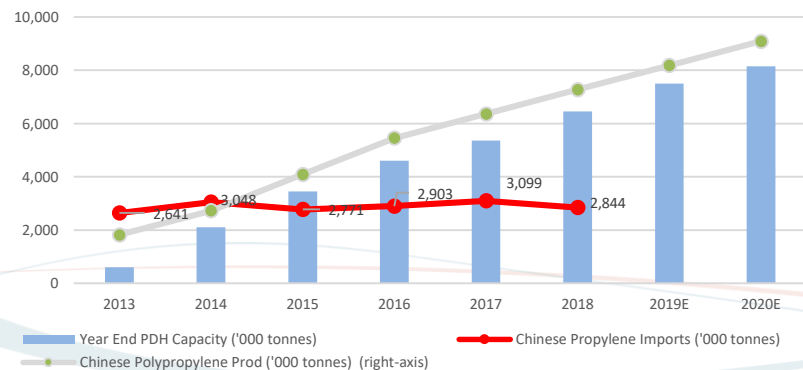
Growing demand drives import Growth

Source: FGE

Million Tonnes	2017	2018	2025	2030
Indonesia	5.5	5.3	7.2	8.4
Philippines	1.2	1.2	2.1	2.7
Vietnam	1.3	1.2	3.1	3.5
West Africa	0.7	0.7	1.3	1.5
South Africa	0.3	0.2	0.7	1.0
Morocco	2.8	3.0	3.0	3.0

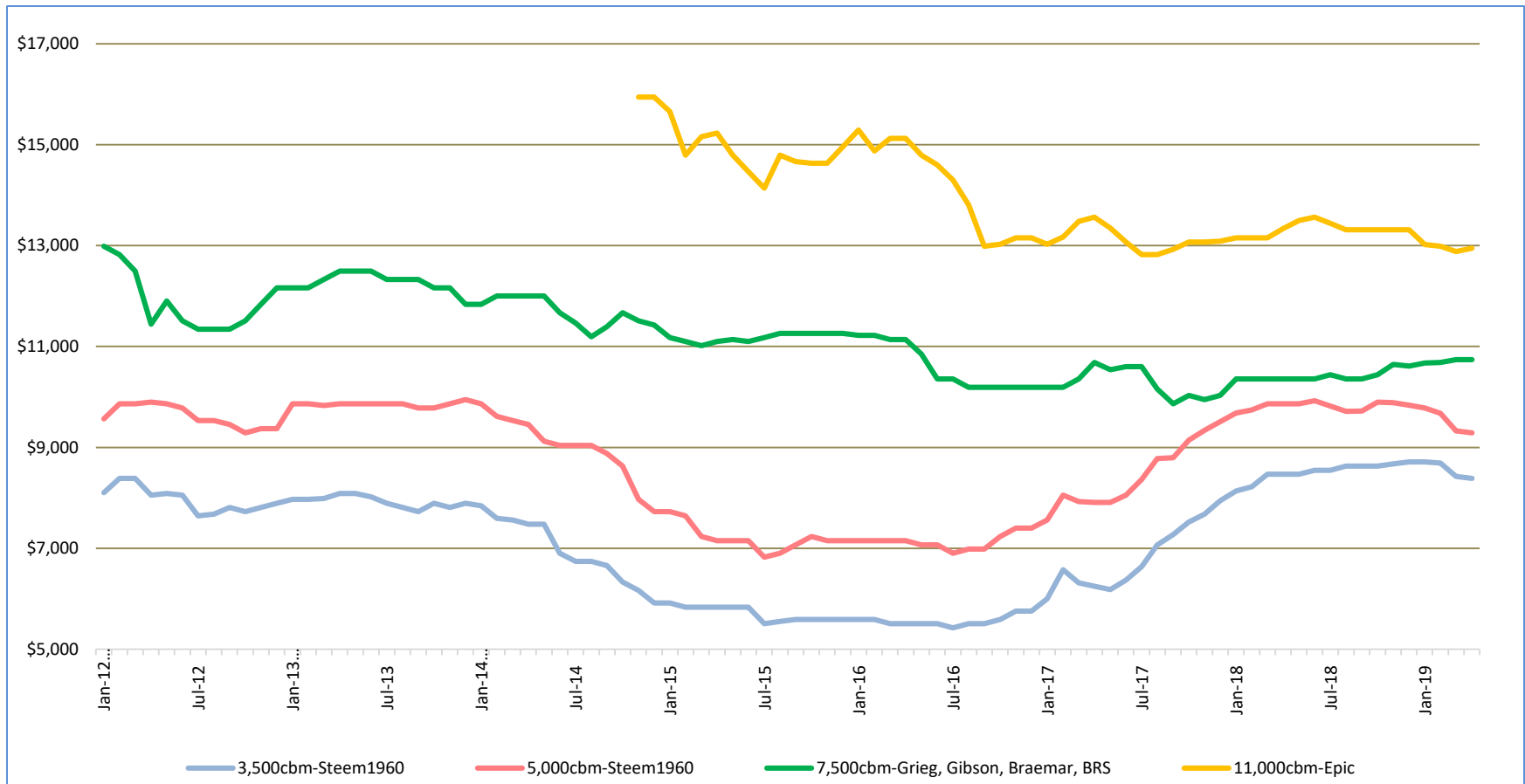
China Propylene Imports hold up as Polypropylene production drives Propylene demand and balances increased PDH capacity, with developing Imports from other Asian countries

Source: Argus



Rebalancing between supply and demand – distinct sector rate recovery

12 Month Time Charter Market (USD/day)



Q1 2019 – freight levels remain level

- 3,500cbm, 5,000cbm, 7,500cbm & 11,000cbm market daily rates averaged \$8,610, \$9,596, \$10,699 and \$12,963 respectively.
- Average rates up by 3-4% for 3,500cbm and 7,500cbm, and down by 1-2% for 5,000cbm and 11,000cbm compared to Q1 2018.

Geographic and commodity diversity provides options and relative earnings stability



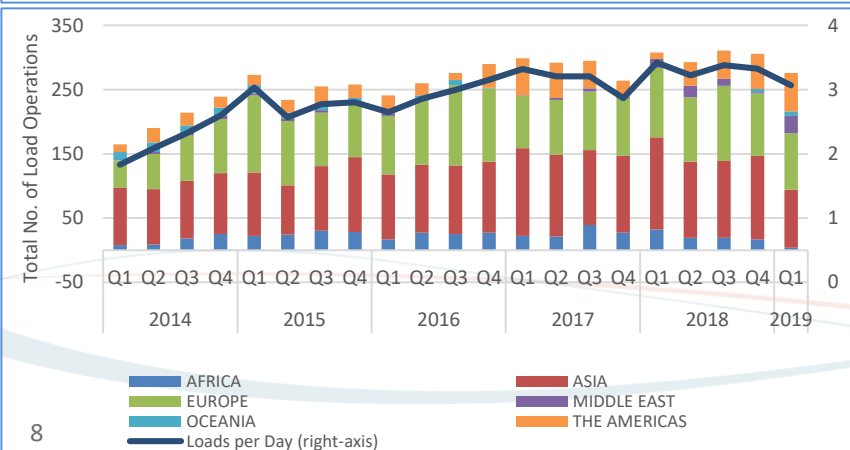
Diversified Geographical Location of Fleet

Vessels by Segment	Americas	EMEA	Asia	Total Fleet
3,300 – 4,100cbm	2	0	4	6
5,000 – 6,300cbm	1	3	6	10
7,000 – 7,500cbm	2	11	2	15
9,500cbm	-	2	-	2
11,000cbm	-	4	2	6
Total	5	20	14	39
Fleet Capacity (cbm)				267,400
Avg. Vessel Size (cbm)				6,856

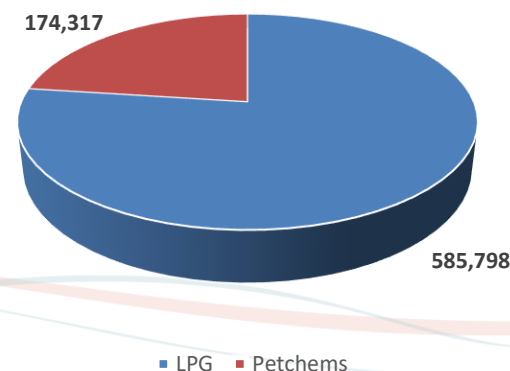
Cargo Operations Summary, Q1 2019

- ✓ Loaded approximately 760,115 tonnes
- ✓ 640 cargo operations
- ✓ 103 different ports
- ✓ LPG (77%)
- ✓ Petchems (23%)
- ✓ 5 vessels in the Americas, 20 in Europe/Middle East/Africa, 14 in Asia.

Diversified Geographical Trade Route Options Higher in the Middle East



Cargoes (Tonnes) Transported in Q1 2019, +5.3% YoY

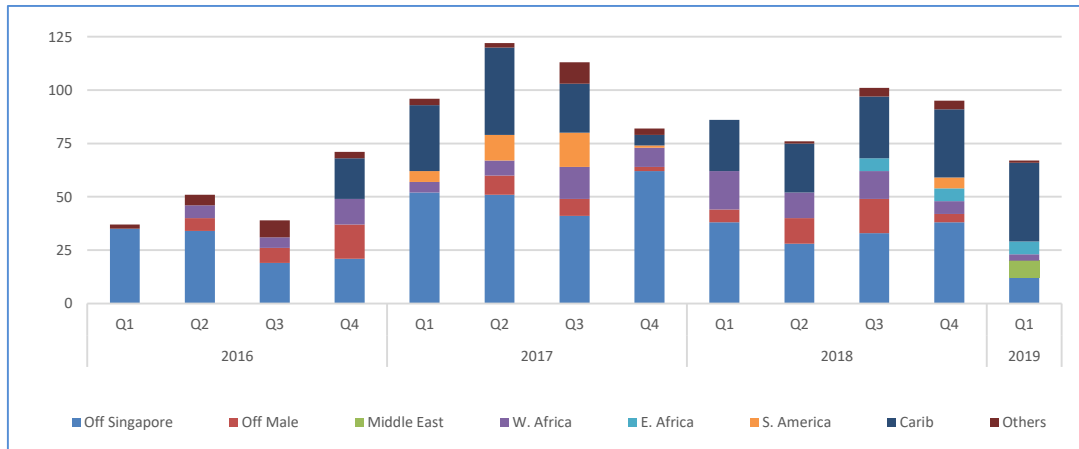


LPG break bulk trade has grown in recent years

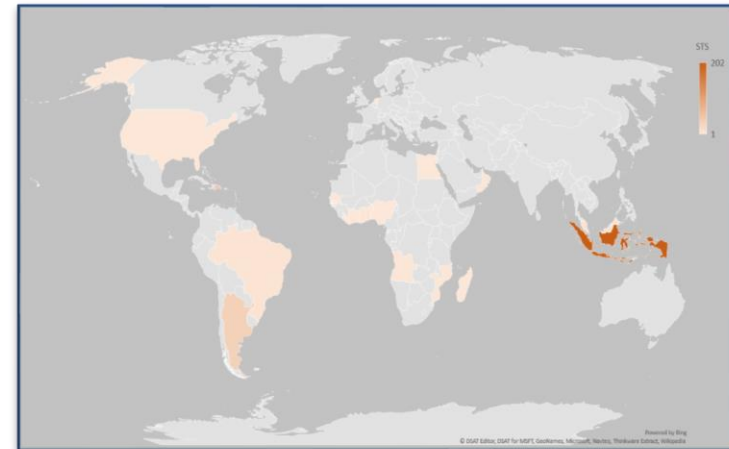
An Integral Part of the Global Seaborne LPG Supply Chain for all vessel sizes



Epic Gas STS Operations by Region
qoq - higher in Middle East, lower in Africa and Asia



Epic Gas STS Operations Heat Map



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

- Strong Global Demand
- 67 STS operations in Q1 2019
- Increased operations in the Middle East and East Africa, but slightly lower Quarter on Quarter largely due to a supply driven change from STS to pressurised port operations in one trade.



Operating Metrics - Increasing operational utilisation reflects tightening supply and demand fundamentals



OPERATING METRICS	Q1 2018	Q1 2019
Average number of vessels in period (1)	40.2	38.8
Number of vessels as of period end	39	39
Fleet capacity at period end (cbm)	264,000	267,400
Gas fleet average size as of period end	6,769	6,856
Fleet calendar days	3,617	3,496
Time charter days	2,401	2,573
Spot market days	1,147	855
COA days		
Voyage days (2)	3,548	3,428
Fleet utilisation (3)	98.1%	98.1%
Fleet operational utilisation (4)	91.9%	94.2%
Time charter equivalent earnings (5)		
Per Calendar Day	\$8,881	\$9,718
Per Voyage Day	\$9,055	\$9,911
Operating expenses per Calendar Day (6)	\$4,276	\$4,400

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 below.

6) TC-in vessel excluded.

Income Statement and Cash Flow Q1 2019



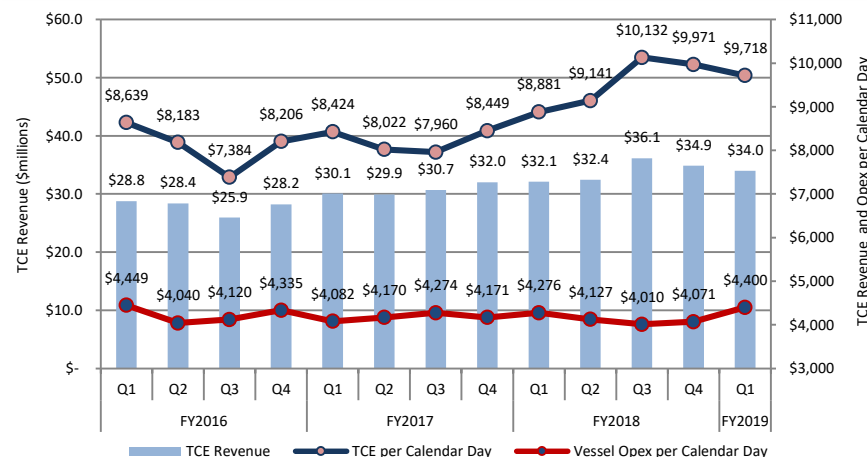
INCOME STATEMENT (UNAUDITED)

	Three Month Period Ended March 31,	
All amounts in \$ millions	2018	2019
Revenue	38.4	39.6
Brokerage commissions	0.6	0.7
Voyage expenses	6.1	5.5
Vessel operating expenses	15.5	15.0
Charter-in costs	3.9	4.2
Depreciation and amortization	7.5	7.2
(Gain) Loss on sale of vessels	(0.8)	0.0
Impairment of vessels	0.0	0.0
General and administrative expenses	4.0	4.1
Total expenses	36.8	36.8
Operating income	1.7	2.8
Other (income) / losses, net	0.1	(0.9)
Finance expenses	4.1	4.0
Profit/(loss) before tax	(2.5)	(0.3)
Income tax expense	0.1	0.0
Profit/(loss) after tax	(2.7)	(0.3)
Other Comprehensive income:		
Cash flow hedges gain/(loss)	1.6	(1.2)
Total Comprehensive Income/(Loss)	(1.1)	(1.5)

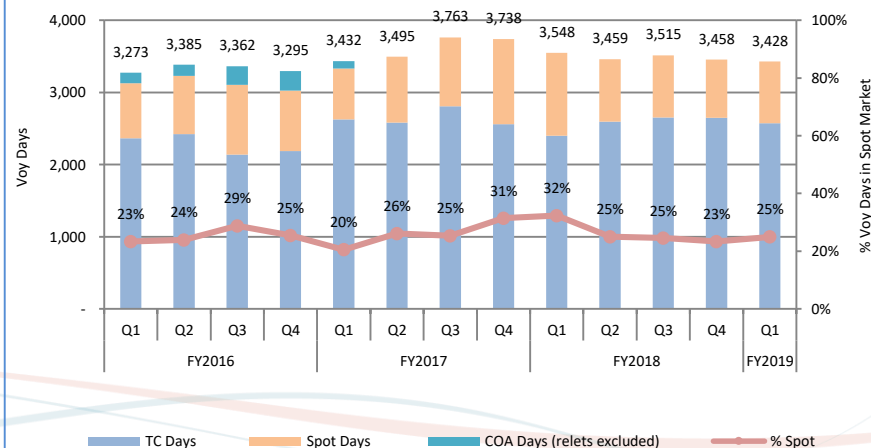
STATEMENT OF CASH FLOWS (UNAUDITED)

	Three Month Period Ended 31 March	Three Month Period Ended 31 March
All amounts in \$ millions	2018	2019
Cash from operating activities	7.1	4.3
Cash from investing activities	4.8	(1.2)
Cash from financing activities	(9.0)	(8.2)
Net Increase in cash and cash equivalents	2.9	(5.1)
Cash and cash equivalents at the beginning of the year	7.0	16.7
Cash and cash equivalents at the end of the period	9.9	11.6

Time Charter Equivalent ("TCE") Revenue and Opex



Voyage Days



Balance Sheet 31 March 2019



BALANCE SHEET (UNAUDITED)		
All amounts in \$ millions	As of 31 Dec 2018	As of 31 Mar 2019
ASSETS		
Cash and cash equivalents	16.7	11.6
Trade and other receivables	20.2	21.6
Inventories	3.3	4.1
Derivative financial instruments	0.0	0.0
Current assets	40.3	37.4
Trade and other receivables – Non current	0.1	0.4
Restricted cash deposits	11.5	11.5
Property, plant and equipment	497.2	491.4
Leased Assets	0.0	40.5
Derivative financial instruments	1.8	0.8
Non-current assets	510.7	544.6
TOTAL ASSETS	550.9	582.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	22.7	22.6
Deferred income	9.8	9.7
Current income tax liabilities	0.3	0.3
Derivative liabilities	0.0	0.0
Capital lease liabilities	34.7	33.9
Borrowings	26.5	26.1
Lease liabilities	0.0	13.0
Current liabilities	94.0	105.6
Derivative financial instruments	0.2	0.4
Deferred income tax liabilities	0.1	0.1
Capital lease liabilities	12.8	12.2
Borrowings	201.2	195.0
Lease liabilities	0.0	27.5
Non-current liabilities	214.3	235.2
Total Liabilities	308.3	340.8
Share capital	340.1	340.1
Share option reserves	4.4	4.5
Accumulated losses	(103.3)	(103.6)
Accumulated other comprehensive income	1.4	0.2
Total Equity	242.6	241.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	550.9	582.0

• Asset values

Book value of \$491m below latest broker FMV estimates

• Liquidity

Cash of \$23.1m

• Low gearing

Net borrowings + capital leases/total assets (excl. leased assets) of 45%

• 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

• Share Issue

Subsequent to quarter end, share issue launched to existing shareholders to raise gross proceeds of \$60 million to finance the acquisition of additional vessels, to strengthen the Company's working capital and for general corporate purposes. Offer has been fully underwritten by BW Group and closed on 13 May 2019.

Summary and Outlook



Summary Q1 2019

- 39 vessels on the water, total capacity 267,400cbm, average size 6,856cbm, average age 8.9 years.
- Fleet Operational Utilisation 94.2%, TCE \$9,718 per calendar day and \$9,911 per voyage day.
- Operating Expenses \$4,400 and General & Administrative expenses \$1,182 per calendar day.
- As of 31st March 2019, 37% covered for balance of 2019 at an average daily TCE rate of \$9,998.

Outlook

- Utilisation and Freight levels for the larger sizes have improved as traction is gained, with low incremental capacity and ongoing demand growth for LPG shipping.
- 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.

Epic Gas Fleet (as of 15 May 2019)



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 **TC-in

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	

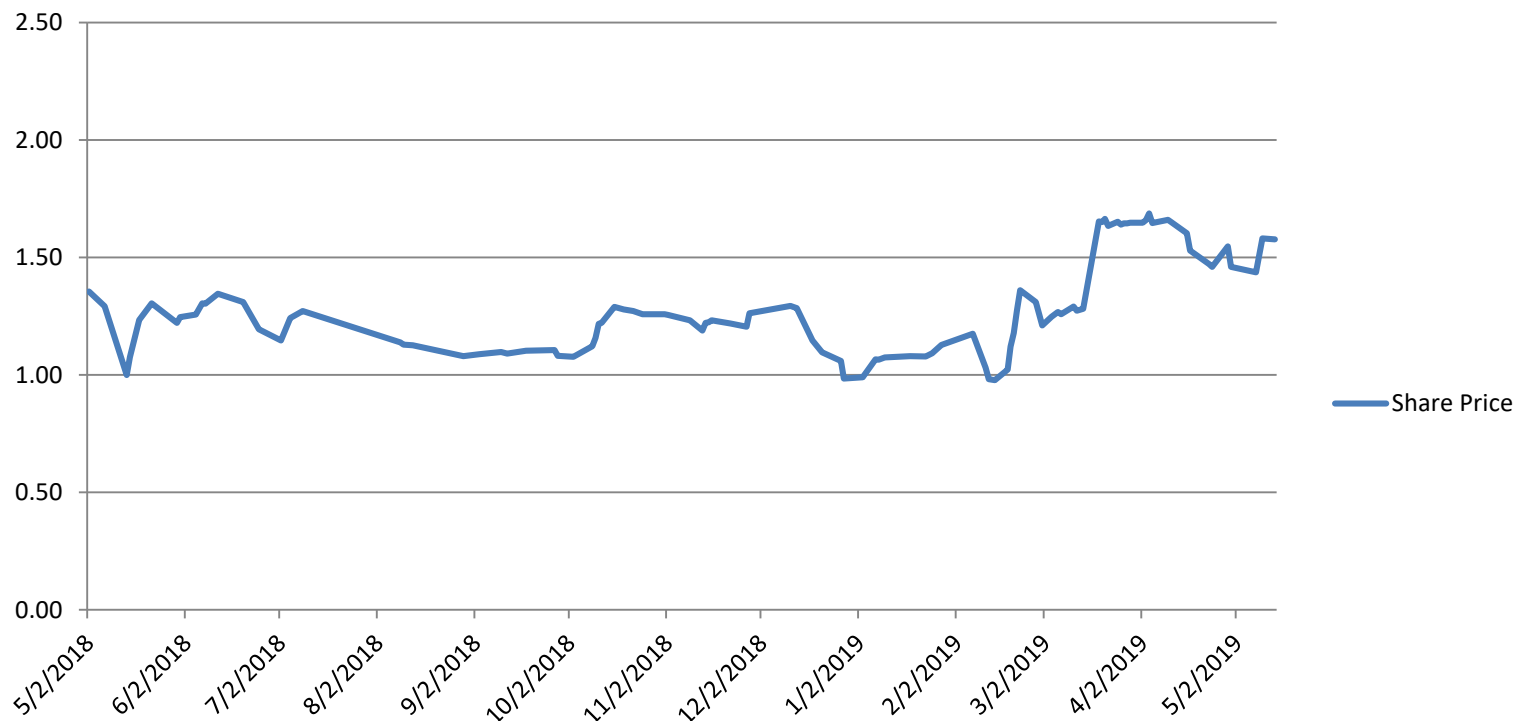
Vessel: 9,500 cbm	cbm	Built	Yard
Epic Madeira	9,500	2006	Miura
Epic Manhattan	9,500	2007	Miura
Westminster**	9,500	2011	Miura
Sub Total 2 Vessels	19,000	cbm	
Vessel: 11,000 cbm	cbm	Delivery	Yard
Epic Sicily*	11,000	2015	Sasaki
Epic Samos	11,000	2016	Kyokuyo
Epic Sentosa	11,000	2016	Kyokuyo
Epic Shikoku	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 40 Vessels, and 276,900 cbm

Key Information on Epic Gas' Shares



Epic Gas Share Price L12M



Listing Market

Market Cap

Shares Outstanding /Float

Merkur Market

(NOK) 972.5 M

70.5M /70.5M

