# EPIC GAS LTD.
## FINANCIAL STATEMENTS FOR THE INTERIM PERIOD TO
## 31 March 2016

SINGAPORE, 17 May 2016 - Epic Gas Ltd. ("Epic Gas" or the "Company") today announced its unaudited financial and operating results for the interim period ended March 31, 2016. All amounts reported in US Dollars unless otherwise stated.

A conference call to discuss these results is scheduled for 17 May 2016 at 10:00 AM (New York) / 3:00PM (London) and can be accessed via the following dial-in information.

Conference call details:

| | |
|---|---|
| United States: | +1 845 507 1610 |
| United Kingdom: | +44 203 651 4876 |
| Norway: | 80010866 |
| International: | +61 283 733 610 |

Conference ID Number: 6968749

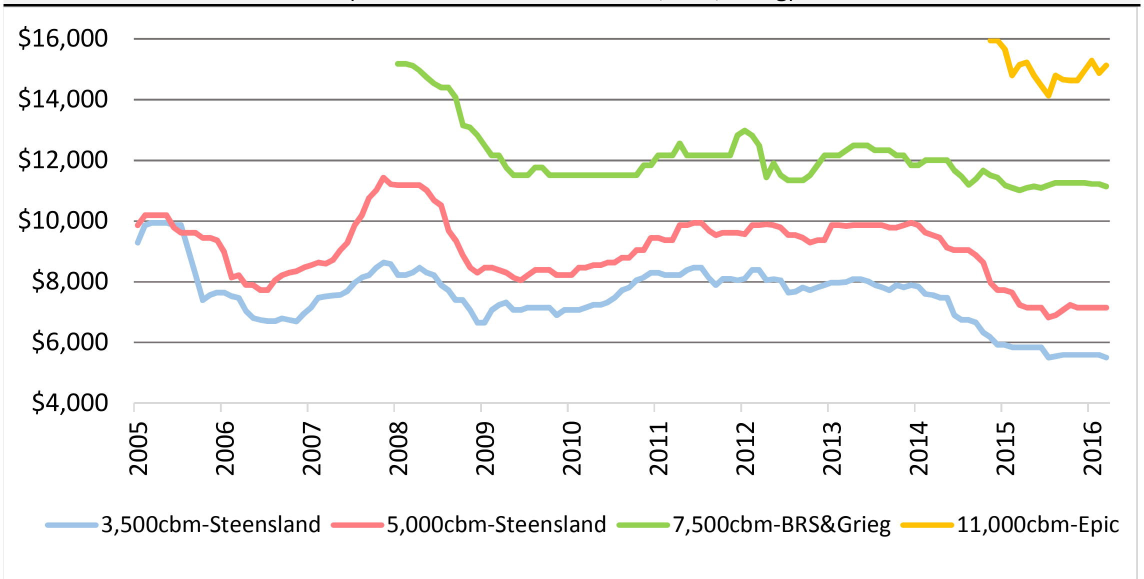
**First Quarter 2016 Highlights**

- 3,330 calendar days, up 1% year over year
- Revenue of $32.2 million, down 4% year over year
- Time charter equivalent revenues of $8,639 per vessel calendar day, down 2% year over year, but up almost 4% on Q4 2015
- General and administrative expenses of $1,001 per vessel calendar day, down 22% year over year
- Adjusted EBITDA of $7.1 million, up 8% year over year
- Net Loss of $1.4 million, improvement by 42% year over year
- Forward cover for balance of 2016 stands at 43% at $8,064 per day as of 31 March 2016
- Completed delivery of one 11,000cbm and one 7,500cbm from shipyards in Japan bringing the Company's on the water fleet to 38 vessels
- Remaining newbuilding program of 1 vessel chartered-in and 5 owned vessels totalling $87 million in remaining capital expenditure

**The Pressurised Market**

The market continues to bounce along the bottom. The ongoing oversupply in the pressurised LPG sector has seen a further slide in average rates for smaller and older vessels in the past twelve months. The following chart illustrates the fall in freight rates during the last 10 years and the present low-rate environment. Whilst the market remained more or less stable during Q1, the 12 month rolling average dropped off about 15% from the end of Q1 2015 for the smaller vessels, whilst the larger vessels have held broadly stable. For the first quarter of 2016, 3,500cbm, 5,000cbm and 7,500cbm market rates averaged $5,562, $7,151, $11,192 per day, respectively.

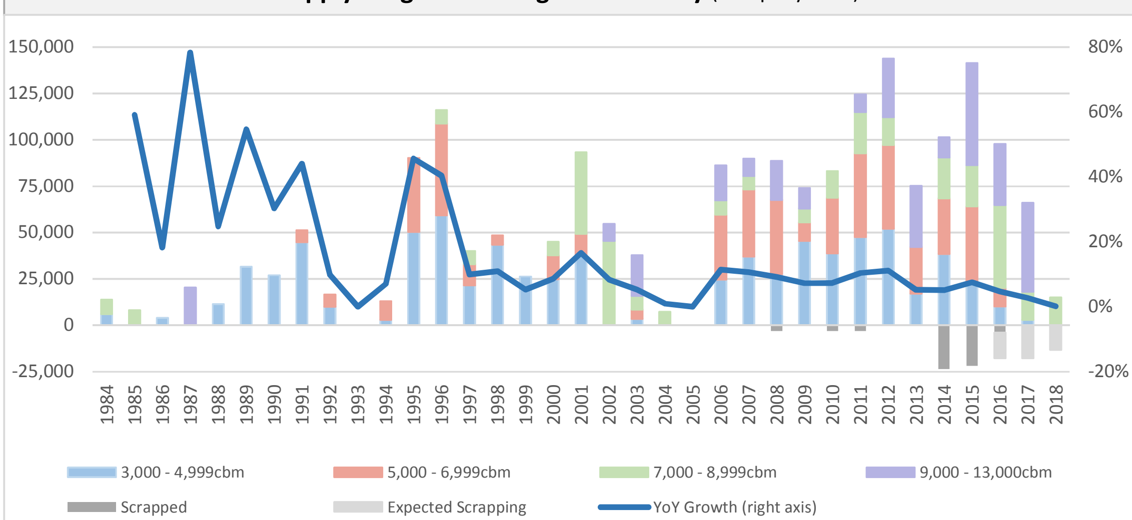
**Pressurised Market - Historical One Year Time Charter Day Rate by Vessel Size**
(Sources include Steensland, BRS, Grieg)

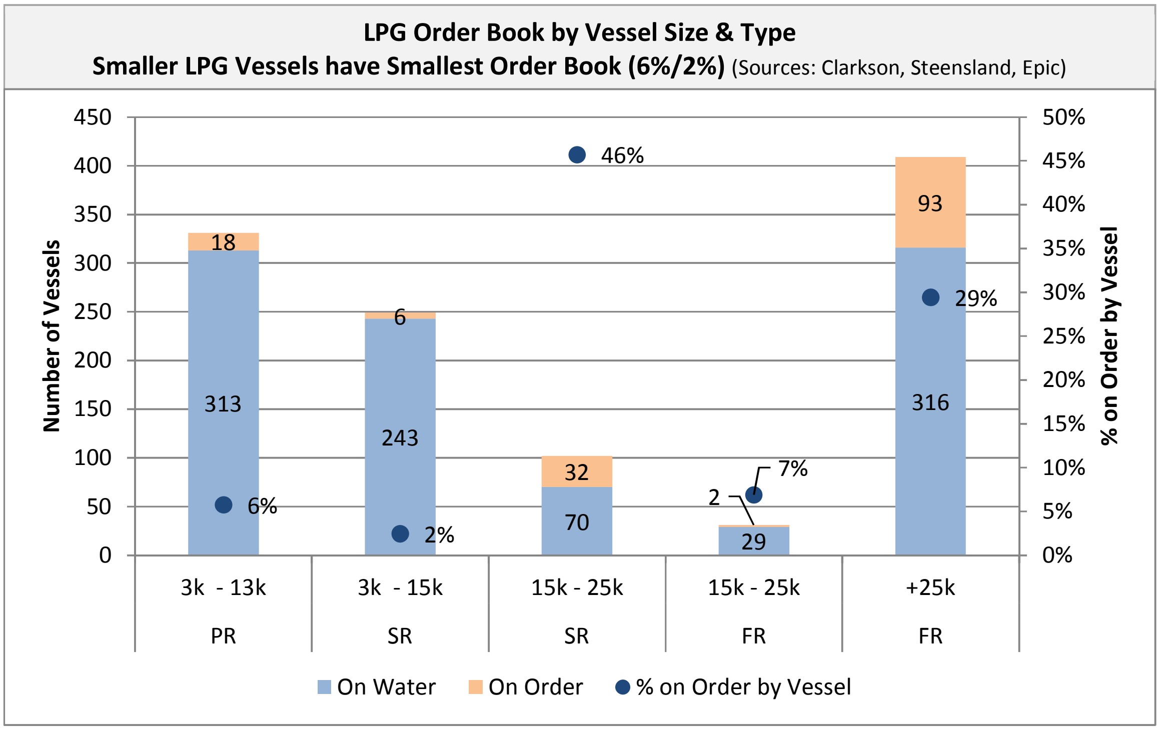



During the quarter, 5 vessels representing 34,600cbm of capacity delivered, while 1 pressure vessel of 4,000cbm capacity was scrapped. Of the 313 international trading pressurised ships on the water today, 20 vessels equalling 6.4% of the fleet are 25 years or older, and could be considered candidates for scrapping. There are a further 27 small semi-ref vessels of a similar age. After combining pressurised and semi-ref vessels, approximately 9.4% are likely scrapping candidates.

The lower returns in the market combined with limited yard and tank manufacturing capacity have led to just two 7,500cbm new build orders placed during the period for delivery ex Japan in 2018. As of 31 March 2016, the order book for pressurised vessels is correcting downwards, and stood at 18 ships and 144,200cbm of capacity, representing a modest 9% of the existing global fleet by cubic.

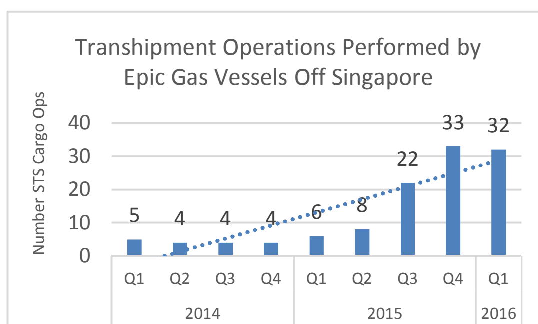
**Supply Length Reducing Considerably** (Company Data)



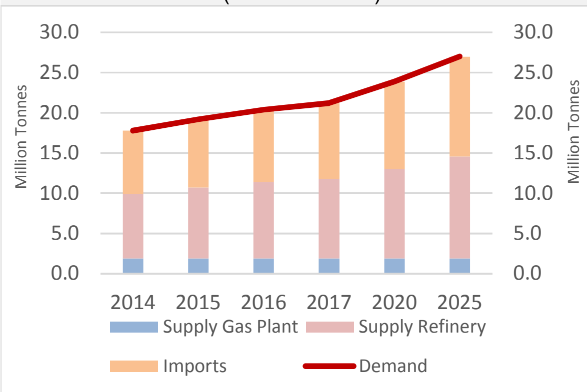



In Asia, small pressurised vessels saw ongoing LPG transhipment demand offset by further incremental reductions in propylene imports to China and unplanned short term regional petrochemical plant shutdowns.

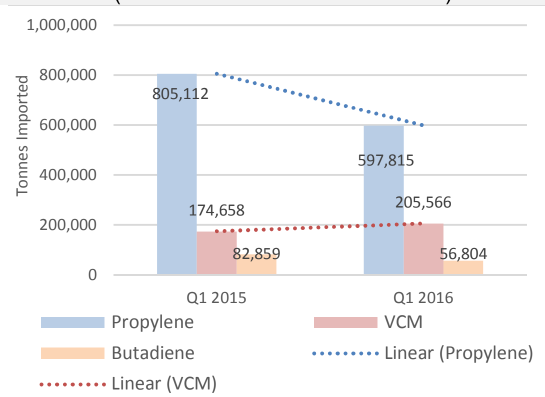
The number of LPG transhipment operations between large-sized gas carriers and pressure vessels in South East Asia and in the Indian Ocean remained high, with evidence of incremental demand across the region, especially from those countries with smaller port infrastructure. Epic Gas vessels performed 32 transhipment operations off Singapore in the quarter, which was five times more than the same period in 2015. We continue to see upscaling in vessel size towards our larger pressurised vessels, to optimise deliveries, utilisation and cater for the demand growth. India's Prime Minister Mr. Modi has called 2016 "the year of the LPG Consumer" as the government plans to boost LPG demand in semi-urban and rural households, replacing the extensive use of firewood. The aim is to increase LPG connections by 60% during the next 3 years, adding 100 million households through discounts and incentives. In our view, imports must rise to meet this demand.



India: LPG Supply/Demand – Increasing Imports
(Source: FGE)




China: Regional Petrochemical Imports
(Source: China Customs Data)



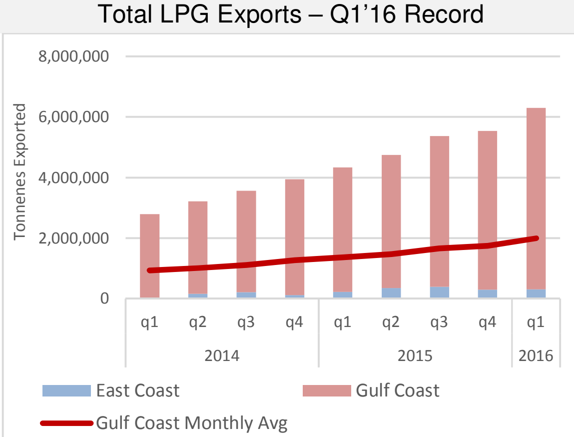

Whilst Chinese PDH plant operating rates have increased on rising margins, leading to incremental propane imports on VLGC the net impact has been a further reduction in propylene imports by about 200,000 tonnes year on year, reducing demand equivalent to ten smaller pressurised vessels. On a positive note, the petrochemical market saw the start-up of two new plants, SK Advanced PDH in Ulsan, South Korea, and IRPC in Rayong, Thailand, both of which have started propylene production which will potentially lead to incremental export volumes.

West of Suez, Moroccan demand remained strong for butane cargoes from North West Europe and Spain, whilst Black Sea tonnes served Turkey, Egypt and the East Mediterranean. LPG exports from Southern France have risen significantly in 2015 which indicates a growing market for the Mediterranean trade.

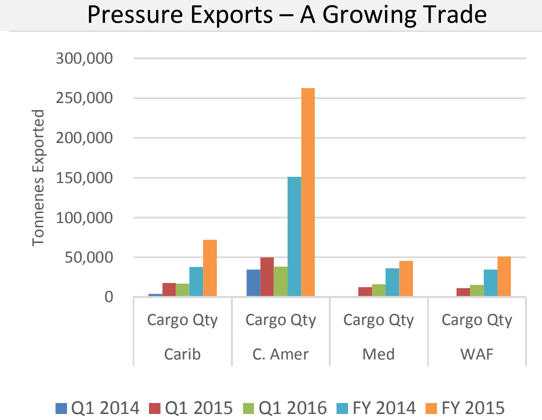
In North West Europe, tonnage has been more balanced, and despite a relatively mild winter, freight levels have remained steady. The product pricing differentials closed the trans-Atlantic arb for larger vessels, driving increased demand for smaller vessels to deliver product within the regional markets of North West Europe and Mediterranean.

US LPG Exports – A strong start despite winter seasonality
(Source: IHS LPG Waterborne)

Total LPG Exports – Q1'16 Record




Pressure Exports – A Growing Trade



US exports of LPG in Q1 might be expected to be seasonally weaker due to increased domestic demand driven by winter pricing, however the quarter saw record overall LPG exports, and exports on pressure vessels reached almost 90,000 tonnes in Q1 2016, matching the same period last year. Cargoes bound for Central America remain the largest part of the trade but Caribbean, Mediterranean and West African destinations are growing. For example, El Salvador has expanded LPG storage from 8,000 tonnes to 24,000 tonnes with the building of 8 x 2,000 tonnes pressure spheres, allowing for larger quantity of imports. Exports from the East Coast are growing and we expect to see increased volumes across the Atlantic into the West Mediterranean and Africa.

**Revenue**

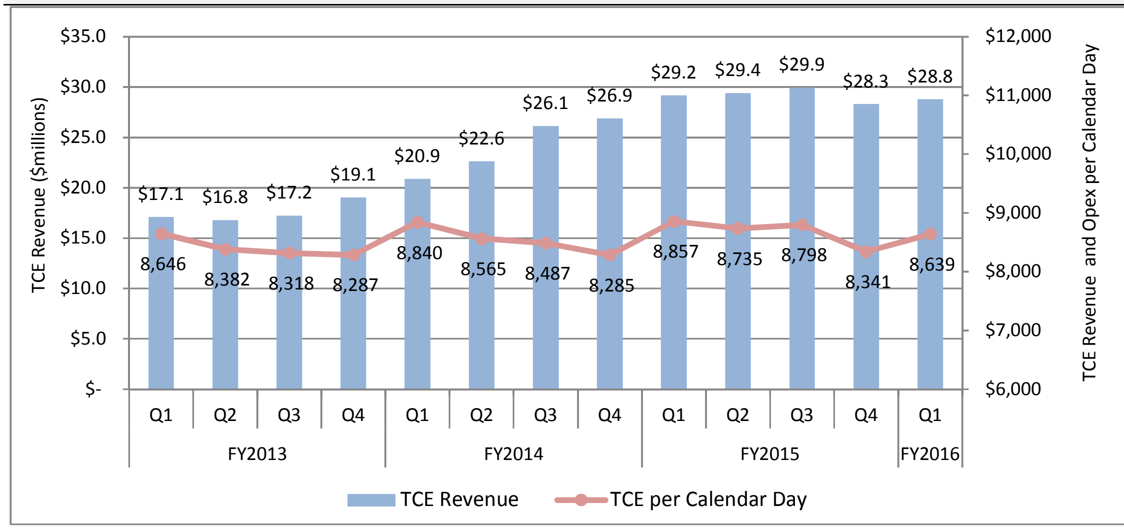
Epic Gas Ltd. continued to grow its fleet during the first quarter of 2016. During the period, the Company took delivery of two new vessels from renowned shipyards in Japan: the Epic Borinquen (7,500cbm) in February and the Epic Sentosa (11,000cbm) in March. The Epic Borinquen is the first of three 7,500cbm new builds and Epic Sentosa the second of six 11,000cbm new builds on order. The deliveries brought our fleet to 38 vessels on the water as of 31 March 2016 and drove a 4% year over year increase in the average size of our vessels to 5,839cbm. Our revenue day exposure to vessels over 7,000cbm now stands at 43% of our fleet. These changes have had the effect of shifting a greater percentage of our business to markets outside Asia.

| Vessels by Segment | Americas | EMEA | Asia | On Water | On Order | Total Fleet |
|---|---|---|---|---|---|---|
| 3,300 – 4,100cbm | 2 | 2 | 7 | 11 | - | 11 |
| 5,000 – 6,300cbm | 1 | 5 | 6 | 12 | - | 12 |
| 7,000 – 7,500cbm | 5 | 5 | 1 | 11 | 2 | 13 |
| 9,500cbm | - | 2 | - | 2 | - | 2 |
| 11,000cbm | - | 2 | - | 2 | 4 | 6 |
| Total | 8 | 16 | 14 | 38 | 6 | 44 |
| | | | | | | |
| Fleet Capacity (cbm) | | | | 221,900 | 59,000 | 280,900 |
| Avg. Vessel Size (cbm) | | | | 5,839 | 9,833 | 6,384 |

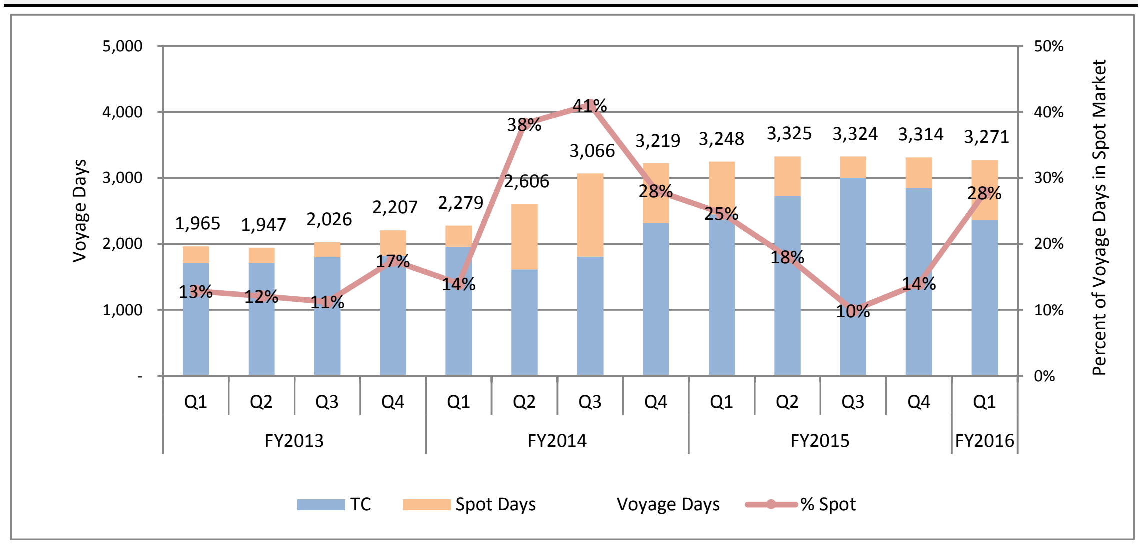
During the first quarter, the fleet experienced 59 scheduled and unscheduled technical off-hire days, resulting in fleet availability of 98.2% (Q1 2015, 98.7%), whilst operational utilisation was 95.3% (Q1 2015, 95.9%).

The rate environment during Q1 was consistent with the market environment of the last few quarters. TCE revenue per calendar day of $8,639 was slightly lower than the $8,857 in Q1 2015, but up by almost 4% from Q4 2015 as improved utilization and larger average vessel sizes partially offset the weak rate environment. The fleet traded in the spot market for 28% of total voyage days, with 61% of these spot voyage days occurring in the West and 39% in the East. We continue to develop Contracts of Affreightment ("COA's") which accounted for 16% of spot days in Q1. While the vast majority of our business will remain time charter in nature, we expect to continue developing certain markets where our expertise, assets and network density allow us to outperform the time charter market through a combination of COA and spot business.

**Historical TCE Revenue and TCE / day**




**Historical Time Charter v/s Spot Market Activity**



As of 31 March 2016, the Company was 43% covered for the balance of FY2016 with 4,593 voyage days covered at an average daily TCE rate of $8,064, leaving 6,037 calendar days open on the current fleet for the balance of FY2016.

Epic Gas is committed to offering customers a full suite of commercial solutions, including mixed duration time charters, voyage charters, and COAs at fixed and / or floating rates across the full size spectrum of pressurised LPG carriers.

**Operating Expenses**

Total expenses decreased 5% year over year despite a 1% increase in fleet calendar days.

Vessel operating expenses were $4,449 per vessel calendar day in the first quarter of 2016, essentially flat with the $4,440 per vessel calendar day during the first quarter of 2015. Vessel operating expenses include unplanned costs of $1.1 million, the most significant of which were related to take over, upgrade and spares costs on a vessel following her takeover into our in-house technical management (which longer term will result in greater control of quality) as well as the unexpected need to fit a new tail-shaft on a second vessel during dry dock.

Charter-in costs increased 3% year over year to $3.5 million reflecting the full quarter impact of a bareboat charter which commenced in Q1 2015, and the return of a bareboat vessel to her owner in Q4 2015. As of 31 March 2016, the Company had 8 ships on traditional inward bareboat charter arrangements under which charter payments are expensed.

General and administrative expenses of $3.3 million during the period reflected a year over year decrease of 21%. SG&A per vessel calendar day fell 22% to $1,001 which, in our integrated model, includes the cost of commercial and technical management of our fleet as well as all corporate-level general and administrative expenses.

**Finance and other expenses**

Finance expenses during the period were $3.2 million compared to $3.3 million in Q1 2015, as total indebtedness, including both finance leases and bank borrowings, reduced by 4% year over year.

During the period Epic Gas recognized $0.7 million in other income reflecting the foreign exchange gain on JPY deposits which we converted as part of our hedging strategy for payment obligations to Japanese yards.

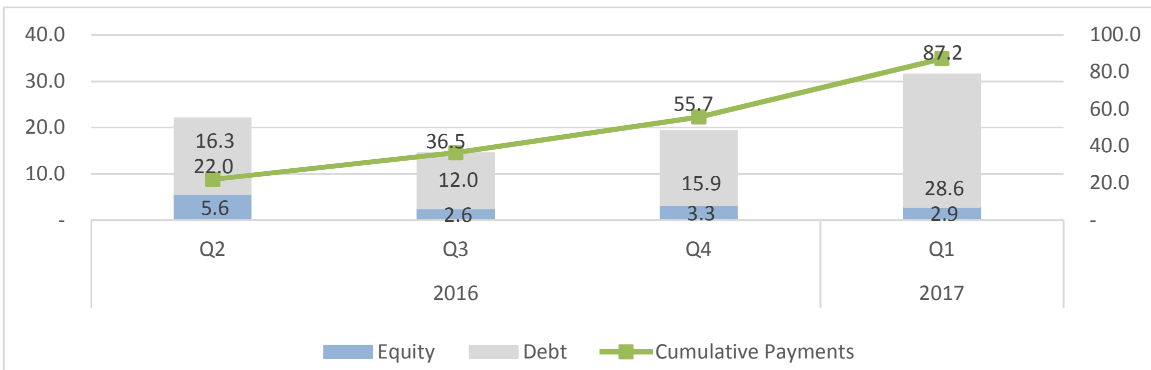
**New Building Program**

Epic Gas is the only owner offering customers the full spectrum of pressurised vessels, from 3,300cbm to 11,000cbm. The Company's contracted growth and investment program, focused on vessels larger than 7,000cbm, continues through Q1 2017.

Two of the eight new buildings delivered to the Company in February and March. The Epic Borinquen delivered directly into a long-term charter for trading in Asia whilst the Epic Sentosa completed loading her first voyage under a European CoA in April. Of the remaining 6 vessels still to deliver, one will be chartered to Epic Gas under a long term bareboat charter, and 5 are owned by Epic Gas.

During the period, the Company paid $31 million towards the construction of the new buildings of which $28.3 million were drawn under a Term Loan Facility. As of 31 March 2016, the Company had remaining capital expenditure to cover newbuilding instalments of $87 million, $73 million will come from our existing credit facility with the remaining $14 million to be funded from the Company's cash balance.

**Timing of Newbuilding Payments**




| New Buildings on order | | | | |
|---|---|---|---|---|
| Vessel | cbm | Type | Delivery | Yard |
| Bareboat Chartered In | | | | |
| Epic Sardinia | 11,000 | Pressurised | 1Q 2017 | Kyokuyo |
| | | | | |
| Owned New Buildings | | | | |
| Hull 693 TBN Epic Bonaire | 7,500 | Pressurised | 3Q 2016 | Sasaki |
| Hull 694 TBN Epic Baluan | 7,500 | Pressurised | 4Q 2016 | Sasaki |
| Hull S-524 TBN Epic Shikoku* | 11,000 | Pressurised | 2Q 2016 | Kyokuyo |
| Hull S-525 TBN Epic Samos | 11,000 | Pressurised | 4Q 2016 | Kyokuyo |
| Hull S-526 TBN Epic Salina | 11,000 | Pressurised | 1Q 2017 | Kyokuyo |

**Subsequent Events**

The 11,000cbm LPG carrier Epic Shikoku, the third vessel in our series of new buildings, delivered to the Company on 13th May 2016 from Kyokuyo Shipyard, Japan.

Our lenders under the Term Loan Facility for the seven (7) owned new buildings have agreed to use fair market values for determining the loan amount instead of contract prices. As a result, the Company expects a $13.5 million increase in the total amount of the loan. The proceeds will be used for general corporate purposes. Signing of the Amendment to the Loan Facility is expected to be finalised in Q2 2016.

EPIC GAS
DELIVERY UNDER PRESSURE

SUMMARY FINANCIALS (UNAUDITED) AND OPERATING METRICS

| | | | Q1 2015 | Q1 2016 |
|---|---|---|---|---|
| **INCOME STATEMENT ($Millions)** | | | | |
| Revenue | | | 33.4 | 32.2 |
| Net Income | | | (2.4) | (1.4) |
| Adjusted EBITDA | | | 6.6 | 7.1 |

| **BALANCE SHEET ($Millions)** | As of 31/12/15 | As of 31/3/16 |
|---|---|---|
| Cash | 53.6 | 43.0 |
| PP&E | 454.1 | 482.0 |
| Other assets, net | 2.9 | 9.9 |
| Less: indebtedness | (247.7) | (268.6) |
| Book value of equity | 262.9 | 266.2 |

| **CASH FLOWS ($Millions)** | Q1 2015 | Q1 2016 |
|---|---|---|
| Cash from Operations | 6.8 | 1.9 |
| Cash from Investing | (15.6) | (33.4) |
| Cash from Financing | 4.0 | 20.8 |
| Change of cash in period | (4.8) | (10.6) |

| **OPERATING METRICS** | Q1 2015 | Q1 2016 |
|---|---|---|
| Average number of vessels in period (1) | 36.6 | 36.6 |
| Number of vessels as of period end | 37 | 38 |
| Fleet capacity at period end (cbm) | 207,500 | 221,900 |
| Gas fleet average size as of period end | 5,608 | 5,839 |
| | | |
| Fleet calendar days | 3,292 | 3,330 |
| | | |
| Time charter days | 2,447 | 2,363 |
| Spot market days | 801 | 908 |
| Voyage days (2) | 3,248 | 3,271 |
| | | |
| Fleet utilisation (3) | 98.7% | 98.2% |
| Fleet operational utilisation (4) | 95.9% | 95.3% |
| | | |
| Time charter equivalent earnings (5) | | |
| Per Calendar Day | $8,857 | $8,639 |
| Per Voyage Day | $8,976 | $8,794 |
| | | |
| Operating expenses per Calendar Day | $4,440 | $4,449 |

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.

**About Epic Gas Ltd.**

Epic Gas owns and operates a fleet of fully pressurised gas carriers providing seaborne services for the transportation of liquefied petroleum gas and petrochemicals. Including new buildings, the Company controls a fleet of 44 vessels which serve as a link in the global gas and petrochemical supply chains of leading oil majors and commodity trading houses.

For further information, visit our website www.epic-gas.com

**Company Contact**

Uta Urbaniak-Sage
Chief Financial Officer
+65 6230 7801

Charles Maltby
Chairman & Chief Executive Officer

**Forward Looking Statements**

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words “believe,” “anticipate,” “intends,” “estimate,” “forecast,” “feel,” “project,” “plan,” “potential,” “may,” “should,” “expect,” “pending” and similar expressions identify forward-looking statements.

**EPIC GAS LTD.**

| BALANCE SHEET (UNAUDITED) | | |
|---|---|---|
| *All amounts in $ millions* | As of 31 Dec 2015 | As of 31 March 2016 |
| ASSETS | | |
| | | |
| Cash and cash equivalents | 42.9 | 32.3 |
| Trade and other receivables | 11.5 | 15.4 |
| Inventories | 2.3 | 2.3 |
| Derivative financial instruments | 0.0 | 4.1 |
| Current assets | 56.7 | 54.1 |
| | | |
| Non-current assets | 0.5 | 0.5 |
| Restricted cash deposits | 10.7 | 10.7 |
| Property, plant and equipment | 414.0 | 454.2 |
| Advances for vessels under construction | 40.1 | 27.7 |
| Intangible assets | 12.9 | 12.9 |
| Non-current assets | 478.2 | 506.1 |
| | | |
| **TOTAL ASSETS** | **534.9** | **560.2** |
| | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| | | |
| Trade and Other Payables | 15.7 | 16.8 |
| Deferred income | 7.5 | 8.2 |
| Current income tax liabilities | 0.1 | 0.4 |
| Derivative liabilities | 0.8 | 0.0 |
| Finance lease liabilities | 6.8 | 6.8 |
| Bank Loan | 22.7 | 24.6 |
| Current liabilities | 53.7 | 56.7 |
| | | |
| Trade and other Payables | 0.1 | 0.0 |
| Deferred taxation | 0.1 | 0.0 |
| Finance lease liabilities | 61.0 | 59.3 |
| Bank Loan | 157.2 | 177.9 |
| Non-current liabilities | 218.4 | 237.3 |
| | | |
| Total Liabilities | 272.0 | 294.0 |
| | | |
| Share capital (51,948,022 shares issued and outstanding) | 308.3 | 308.3 |
| Share option reserves | 1.8 | 2.0 |
| Accumulated losses | (46.6) | (48.0) |
| Accumulated other comprehensive income | (0.6) | 4.0 |
| Total Equity | 262.9 | 266.2 |
| | | |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **534.9** | **560.2** |

INCOME STATEMENT (UNAUDITED)

| *All amounts in $ millions* | Three Month Period Ended 31 March 2015 | Three Month Period Ended 31 March 2016 |
|---|---|---|
| **Revenue** | **33.4** | **32.2** |
| Address and brokerage commissions | 0.8 | 0.8 |
| Voyage expenses | 3.8 | 2.8 |
| Vessel operating expenses | 14.8 | 14.8 |
| Charter-in costs | 3.4 | 3.5 |
| Depreciation and amortization | 5.5 | 5.6 |
| Impairment loss | 0.0 | 0.0 |
| General and administrative expenses | 4.2 | 3.3 |
| Total expenses | 32.5 | 30.9 |
| **Operating income** | **0.9** | **1.3** |
| Other (income) / losses, net | (0.1) | (0.7) |
| Finance expenses | 3.3 | 3.2 |
| Profit before income tax | (2.3) | (1.2) |
| Income tax expense | 0.1 | 0.2 |
| **Net Income** | **(2.4)** | **(1.4)** |
| Other Comprehensive income: | | |
| Income directly recognized in equity | | |
| Cash flow hedges | 1.1 | 4.5 |
| Total Comprehensive Income/(Loss) | (1.2) | 3.1 |

STATEMENT OF CASH FLOWS (UNAUDITED)

| *All amounts in $ millions* | Three Month Period Ended 31 March 2015 | Three Month Period Ended 31 March 2016 |
|---|---|---|
| Cash from operating activities | 6.8 | 1.9 |
| Cash from investing activities | (15.6) | (33.4) |
| Cash from financing activities | 4.0 | 20.8 |
| Net Increase in cash and cash equivalents | (4.8) | (10.6) |
| Cash and cash equivalents at the beginning of the year | 31.2 | 42.9 |
| **Cash and cash equivalents at the end of the period** | **26.4** | **32.3** |

SUPPLEMENTAL INFORMATION

| *All amounts in $ millions* | Three Month Period Ended 31 March 2015 | Three Month Period Ended 31 March 2016 |
|---|---|---|
| **REVENUE AND TIME CHARTER EQUIVALENT EARNINGS** | | |
| Charter hire | 33.0 | 31.8 |
| Technical management revenue | 0.4 | 0.4 |
| Revenue | 33.4 | 32.2 |
| | | |
| Charter hire | 33.0 | 31.8 |
| Less: Voyage expenses | (3.8) | (2.8) |
| Time charter equivalent earnings | 29.2 | 29.0 |

| **RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA** | | |
|---|---|---|
| **Net Income** | **(2.4)** | **(1.4)** |
| | | |
| Add: | | |
| Depreciation and amortization | 5.5 | 5.6 |
| Impairment loss / (gain) | 0.0 | 0.0 |
| Net Interest expense | 3.3 | 3.2 |
| Income taxes | 0.1 | 0.2 |
| Foreign exchange loss / (gain) | (0.1) | (0.7) |
| **EBITDA** | **6.4** | **6.9** |
| | | |
| Stock-based compensation expense | 0.2 | 0.2 |
| **Adjusted EBITDA** | **6.6** | **7.1** |

| **TOTAL INDEBTEDNESS** | As of 31 Dec 2015 | As of 31 March 2016 |
|---|---|---|
| Finance leases | 67.8 | 66.1 |
| DVB Tranche A – Dec 2017 | 88.8 | 85.4 |
| DVB Tranche B – Dec 2015 | 0.0 | 0.0 |
| CIT – 2019 / 2020 | 64.5 | 62.8 |
| NordLB – 2019 / 2020 | 26.5 | 26.0 |
| ABN Amro - 2023 | 0.0 | 28.3 |
| Total Indebtedness | 247.6 | 268.6 |

**REMAINING NEWBUILDING PAYMENTS**

| | As of 31 March 2016 |
|---|---|
| FY2016 | 55.7 |
| FY2017 | 31.5 |
| Remaining Newbuilding Payments | 87.2 |