CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 JUNE 2020

Improved Profit despite increasing Operational Challenges due to Covid-19

OSLO / SINGAPORE, 13 August 2020 - Epic Gas Ltd. (ticker "EPIC-ME", "Epic Gas" or the "Company") today announced its unaudited financial and operating results for the quarter ended June 30, 2020. All amounts reported in US Dollars unless otherwise stated.

Q2 2020 Highlights

	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	
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.

Charles Maltby, Chief Executive Officer of Epic Gas, commented:

"Our larger fleet and momentum from the strong first quarter has helped us to deliver an improved net profit for the second quarter of $4.5m. The quarter saw the impact of Covid-19 dissipating the positive tailwinds. Beneficial macro trends of over 5% forecast growth in global LPG seaborne trade for the year have been revised down to 0.8% growth and is now lower than a forecast 1.5% growth in the pressurised fleet capacity for the balance of the year.

Operational challenges caused by Covid-19 are escalating and include an inability to fully deploy and repatriate crew, delays to spares and dry docking, and quarantine issues in some ports. Despite our strenuous efforts, we expect these challenges to remain with us for the rest of the year, and to lead to increasing OPEX costs. We fully endorse the work of international organisations and industry bodies to unlock the global log jam on safe crew transfers and are grateful to our seafarers for their forbearance.

We observe the increasing industrial activity in some economies, and our core customers in the residential LPG markets are in the most resilient sector of the LPG market, however this is likely not sufficient to continue the positive market momentum, especially for the smaller vessels.

We remain opportunistically focused on the fine tuning of our asset base and costs, with our fleet being supplemented by the addition of a modern 7,500cbm vessel later this year."

Conference Call and Slide Presentation

A live Zoom meeting to discuss these results is scheduled for 13 August 2020 at 08:00 AM (New York) / 01:00PM (London) / 08:00PM (Singapore).

A slide presentation will be shared during the Zoom meeting and will be accessible on the Investor Relation page of the Company's website www.epic-gas.com.

The meeting can be accessed via the following link and dial-in information.

https://zoom.us/j/96831578981?pwd=TDhKeE4vMTJMZDFTNGQ3U1Ezbk9QQT09

Dial In: Find your local number: https://zoom.us/u/adMRz2HdmI

Meeting ID: 968 3157 8981

Passcode: 127436

A replay will be available shortly after the conclusion of the live event and remain up for two weeks on the Investor Relation page of the Company's website.

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. The company controls a fleet of 44 vessels which serve the international supply chains of leading oil majors and commodity traders throughout Asia, Europe, Africa, and the Americas. The Company's shares are traded over the Oslo Stock Exchange under the ticker "EPIC-ME".

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For regular updates on Epic Gas please follow:

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.

Global LPG Market Overview

Oil-price volatility, the USA-China trade dispute, sanctions, and Covid-19 were the main factors that impacted the LPG market in the first half of 2020.

During the second quarter, the Covid-19 pandemic spread around the globe very rapidly, with a ten-fold increase in total recorded cases that crossed the 10.5 million mark at quarter-end. Countries in all parts of the world enforced almost complete lockdowns, which led to economic recessions and declining energy demand.

LPG demand was adversely affected in the commercial, hospitality, autogas and petrochemical sectors, but with people locked down at home, increased residential usage of LPG in some economies helped soften the impact of falling demand in the other sectors.

In March 2020, the fallout of the OPEC+ agreement resulted in a price war. There was some consensus reached in April, but the low oil price environment meant that many oil producers shut their wells or lowered production, which impacted LPG supply. Refinery gas production also declined as refineries cut run rates to counter falling demand for gasoline, diesel, and aviation fuel due to Covid-19 related global lockdowns.

Drewry's latest 2020 forecast published in the end of May expects lower seaborne LPG trade this year of around 107.3 million tonnes compared to 108.2 million tonnes they had forecast at the end of February when Covid-19 had just started to spread outside China. Similarly, Drewry has reduced their annual tonne-mile demand growth forecast from 4.5% to 0.8%.

China and India remain the main demand drivers. China's PDH plants and petrochemical units have re-started and LPG imports in the second quarter reached almost 5.5 million tonnes, +42% and +8% compared to imports in Q1 2020 and Q2 2019, respectively. India's imports of 4.0 million tonnes declined by a marginal 4% during the quarter, but still +15% compared to a year ago. Overall LPG imports into China, India, South Korea, and Japan grew by 7% in the second quarter compared to the previous quarter.

Monthly exports from the Middle East fell below 3 million tonnes in May and June, as oil production cuts agreed in April by the OPEC+ group took effect. The USA, on the other hand, increased their NGL exports in the second quarter by a further 2% over the previous quarter, crossing 12 million tonnes for the first time. With lower exports expected out of the Middle East and replacement tonnes available from USA, there is a case for strengthening tonne-miles.

Global Pressurised Vessel Market

Similar to the first quarter, the large-sized pressure vessels generally performed better than the small vessels as they predominantly service the residential LPG markets in the Indian subcontinent, West Africa, Mediterranean, Caribbean and Central America, where demand has remained steady.

The softer rates were specific to the small vessels in Europe which were most impacted by lower refinery runs. Approximately 80% of LPG supply in Europe is refinery gas and the monthly LPG production loss in the second quarter was estimated at 120,000 tonnes, almost double the production loss in the first quarter. This reduction in supply impacted the coastal movements as the available tonnes would have been used to serve the domestic market. Intra-European petrochemical trade also fell by more than 50% in the second half of the quarter which affected the semi-ref. fleet, adding to shipping length and increased competition.

Moroccan butane imports on pressurised vessels remained steady during the second quarter with a monthly average of 62,000 tonnes, a similar level to a year ago. However, by the end of the quarter pricing dynamics have favoured tonnes sourced from the Mediterranean at the expense of tonne miles.

Exports on pressurised vessels from the USA reduced by 28% compared to the previous quarter, which was a record high, but remain higher than Q4 2019. Deliveries to the Caribbean and Central America continued, but only one trans-Atlantic cargo was lifted at the beginning of the quarter, as commodity pricing and larger ship competition were negatively impacted.

The second half of the quarter proved to be difficult in the Middle East Gulf (MEG) with lower production in Iraq and difficulties receiving product at ports in the Red Sea. This market is typically serviced by the larger pressure vessels that load in the MEG and discharge by STS in the Red Sea.

Regular LPG deliveries into Bangladesh, Sri Lanka, Vietnam, and Philippines continued as domestic LPG demand remained strong. An improvement in petrochemical volumes in Asia, especially for propylene, has provided steady employment for the small vessels. Whilst China's propylene imports were down 23% year on year, they increased by 30% as compared to the first quarter.

There are now signs of higher refinery runs and therefore increased activity in Europe. Furthermore, trans-Atlantic pricing has improved which offers opportunity for higher tonne-mile employment for the larger pressure ships for deliveries into the Mediterranean and North and West Africa. Nevertheless, tonnage supply continues to negatively impact earnings for the smaller vessel with the result that some vessels have been moved out of the area.

Q2 2020 Market Rates by CBM Ship Size				
	3,500	5,000	7,500	11,000
Average Day Rate	$7,404	$8,534	$10,767	$12,905
Change vs Q2 2019	↓ 11%	↓ 8%	↓ 1-2%	↓ 1%

There are a total of 336 pressure vessels over 3,000cbm (non-Chinese flagged) on the water including one 5,000cbm newbuild that delivered during the quarter. The international pressure vessel fleet order book has five newbuilds scheduled to be delivered in 2H 2020, nine in 2021 and three in 2022, a total of 92,000cbm. This represents a 5.3% increase in the existing 1.75 million cbm fleet capacity compared to a 12% increase in fleet capacity of the larger sized LPG ships. If we consider the existing older tonnage, there are 22 ships totalling 81,000cbm that are aged 28 years and older, 4.6% of existing fleet capacity, which are potential scrapping candidates.

The smaller-sized semi-ref fleet that can compete with the pressure vessels has a total order book of three vessels, two to be delivered in 2020 and one in 2022. One of them is the more expensive ethylene vessel purpose built for that trade. This total newbuild capacity of 20,800cbm equates to a 1.4% increase in existing semi-ref fleet capacity. There are eleven non-ethylene vessels and six ethylene vessels that are 28 years and older, equivalent to 12.9% and 2.3% of respective existing fleet capacity.

Revenue

In Q2 2020 Epic Gas loaded 862,282 tonnes, a 7.3% decrease from the previous quarter. We were involved in 634 cargo operations in 147 different ports. LPG cargoes made up 78% of the cargoes lifted with the balance being petrochemicals.

We ended the quarter with a fleet size of 44 vessels with a total capacity of 320,900cbm and an average size and age of 7,293cbm and 9.4 years respectively, a 5.3% increase in average size from a year ago.

We had 8 vessels operating in the Americas, 24 in the Europe/Middle East/Africa (EMEA) belt and 12 in Asia. During the quarter, our vessels performed a total of 114 ship-to-ship (STS) operations, compared to 127 and 73 STS operations in Q1 2020 and Q2 2019, respectively. STS operations have generally increased off the East Coast of India and East Africa.

During the second quarter, the fleet experienced 42 technical off-hire days, which includes the impact of one routine dry-dock. This resulted in fleet availability of 99.0% and an operational utilisation of 95.7%.

Second Quarter 2020 Time Charter Equivalent earnings per calendar day of $10,319 were 9.1% higher than the $9,454 earned in the corresponding period of 2019.

The fleet traded under time charter for 78.4% of total voyage days during the quarter, compared to 65.0% a year ago.

As of 30 June 2020, the Company was 51% covered for the balance of 2020, with 4,146 voyage days covered at an average daily Time Charter Equivalent rate of $10,418 leaving 3,950 calendar days open for the rest of the year.

Operating Expenses

Vessel operating expenses increased from $14.8 million in Q2 2019 to $15.5 million in Q2 2020 reflecting the Company's increase in fleet calendar days (excluding TC-in) of 10.5%. Vessel operating expenses per calendar day decreased by 5.6% from $4,292 in Q2 2019 to $4,051 in Q2 2020, primarily due to Covid-19 delaying our ability to perform crew transfers. Part of these crew transfer costs are expected to occur over the balance of the year with additional cost for quarantine and more expensive flights.

Voyage expenses were $4.5 million, down from $6.4 million in Q2 2019. The decrease is a result of the Company's decreased voyage charter activity by 37.8% year over year to 760 spot market days in Q2 2020 (down from 1,222 spot market days in Q2 2019).

Charter-in costs decreased from $4.9 million in Q2 2019 to $4.5 million in Q2 2020 as we declared a purchase option of an 11,000cbm LPG carrier in Q4 2019 that had been on bareboat charter-in since Feb 2015. As of 30 June 2020, the Company had seven ships on inward charter arrangements, five on a bareboat basis and two on time charter basis.

General and Administrative (G&A) expenses per calendar day decreased 12% from $1,160 in Q2 2019 to $1,021 in Q2 2020 as our fleet expansion has been managed without incremental headcount. Part of the lower cost can also be attributed to lower travel expenses due to Covid-19. General and Administrative expenses, in our integrated model, include the cost of commercial and technical management of our fleet as well as all ownership and corporate-level general and administrative expenses.

Finance and other expenses

Finance expenses year over year decreased from $3.9 million to $3.8 million, due to a decreased USD Libor and a lower interest margin following the Company's fleet refinancing in Q4 last year. The Company has outstanding bank indebtedness and finance leases of $334 million.

Drydocks

We are required to drydock each vessel once every five years until it reaches 15 years of age, after which we choose to drydock the applicable vessel every two and a half to three years. In the interim, there are shorter-duration, less-costly intermediate surveys. We capitalize drydocking costs and amortize these costs on a straight-line basis over the period between dockings.

During Q2 2020, we performed one special survey drydock, and two In-Water Surveys (IWS), all of which resulted in a total off-hire time of 27 calendar days. For the remainder of 2020, subject to Covid-19, we are planning drydocks and intermediate surveys on 12 vessels with a total expected off-hire time of 242 calendar days.

Subsequent events

In July 2020, the Company exercised a purchase option to buy ‘Emmanuel’, a 7,500cbm, 2011 built LPG carrier currently time-chartered in. Delivery is scheduled for October. The acquisition will be financed with a combination of committed debt at an LTV of 60% and equity.

EPIC GAS
DELIVERY UNDER PRESSURE

EPIC GAS LTD.

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**

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
Cash and cash equivalents at the end of the period	**46.2**	**66.5**

TOTAL INDEBTEDNESS	As of 30/06/20	As of 31/12/19
Finance leases	11.5	12.8
CTL – 2023	16.4	17.0
Japanese owners- 2027/2028/2029	70.7	73.2
ABN/CA/SEB/SC – 2024	175.7	185.3
BNP/DSF – 2026	59.4	61.9
Others	0.2	0.4
Total	**334.0**	**350.5**

SUMMARY FINANCIALS (UNAUDITED)

	Three Month Period Ended June 30,		Six Month Period Ended June 30,	
	2020	2019	2020	2019
INCOME STATEMENT ($Millions)				
Revenue	45.9	40.6	93.8	80.3
Net Profit/(Loss) after tax	4.5	(1.6)	6.8	(1.9)
EBITDA	16.6	9.6	31.5	20.6

BALANCE SHEET ($Millions)	As of 30/06/20	As of 31/12/19
Cash, cash equivalents and restricted cash	54.6	49.8
PP&E, leased assets	612.3	632.7
Other assets, net	(18.0)	(10.9)
Less: indebtedness	(354.4)	(376.4)
Book value of equity	294.6	295.2

CASH FLOWS ($Millions)	YTD June 30, 2020	YTD June 30, 2019
Cash from Operations	23.6	9.9
Cash from Investing	(1.9)	(3.5)
Cash from Financing	(17.0)	43.4
Change of cash in period	4.8	49.8

	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	4,004	3,606	8,007	7,103
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)	99.0%	96.6%	98.3%	97.3%
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)	$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