PRELIMINARY FINANCIAL STATEMENTS FOR THE INTERIM PERIOD TO 30 JUNE 2019

OSLO / SINGAPORE, 14 Aug 2019 - Epic Gas Ltd. (ticker "EPIC-ME", "Epic Gas" or the "Company"), the leading LPG shipping solutions company, today announced its unaudited financial and operating results for the interim period ended June 30, 2019. All amounts reported in US Dollars unless otherwise stated. Variance is second quarter 2019 compared with the same three-month period in 2018, unless otherwise stated.

Q2 2019 Highlights

- **Revenue up 11% at $40.6 million**
  - Calendar days increased 2% to 3,606
  - TCE per calendar day increased by 4% to US$9,454
  - Fleet Operational Utilisation 90.6%
  - Loaded c. 746,366 tonnes, up 1.3%: 75% LPG / 25% Petchems
  - 673 cargo operations and 115 different ports visited
  - Total operating expenses of $4,292 per vessel calendar day, up 4%
  - Time chartered-in a modern 9,500cbm LPG vessel to increase fleet capacity by 4.8% to 276,900cbm (40 vessels)

- **Adjusted EBITDA of $9.8 million, up 1%**
- **Net loss reduced to $1.6 million, a $0.7 million improvement, or 29%**
- **$60m capital increase completed to fund future growth**
- **Net leverage ratio reduced to 40% from 54%**
- **Cash position increased to $78m**

Post Period End

- Fleet expansion by four 11,000cbm vessels (all 2015 built in Japan), with 2-year time charter with leading LPG commodity trading and shipping company on two vessels

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

"The first six months of 2019 have been transformational for Epic Gas, with a successful capital raise, a 21% increase in fleet capacity with the acquisition of four new ships and chartering in of another, and the strategic investment by BW Group. These actions allow us to continue to reinforce the strong platform Epic has developed in recent years and position us well for the expected tightening of global LPG shipping capacity. Our second quarter results are encouraging, with satisfactory progress on revenue and underlying efficiency. We have continued to pay down long-term debt and are exploring the potential to realise further cost efficiencies over the balance of the year."

Conference call details

A conference call to discuss these results is scheduled for 14 August 2019 at 10:00 AM (New York) / 3:00PM (London) and can be accessed via the following dial-in information.

Participants should dial into the call 10 minutes before the scheduled time using the following numbers:

United States:	1 (877) 553 9962
United Kingdom:	0 (808) 238 0669
Standard International Dial In:	+44 (0) 2071 928 592
Norway:	+47 21033201
Singapore:	+65 31585482
Hong Kong:	+852 5808 5586

Please quote "Epic Gas."

A telephonic replay of the conference call will be available until Wednesday, August 21st, 2019. The United States replay number is 1 (866) 331-1332; from the UK 0(808) 238-0667; the standard international replay number is (+44) (0) 3333 009 785 and the access code required for the replay is: 7969237#.

Audio Webcast - Slide Presentation

There will be a live and then archived audio webcast of the conference call, via the internet through the Epic Gas website www.epic-gas.com. Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast through the following link:

https://epic-gas.irwebpage.com/webcast-Q2-2019.html

The slide presentation on the second quarter 2019 financial results will be circulated together with the earnings release and available in PDF format 10 minutes prior to the conference call and webcast, accessible on the company's website www.epic-gas.com on the investor relations page.

Participants to the webcast are urged to download the PDF presentation as the conference call will follow the presentation slides.

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”.

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

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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

The global LPG market has continued to gather pace through the quarter. Whilst oil price uncertainty, trade wars and sanctions have affected trade flows on some longer haul routes, the underlying availability of and demand for LPG, more specifically US supply and demand growth in Asia, remain key drivers of sea-borne trade.

Drewry's latest research forecasts that global seaborne LPG volumes will grow to 103.3 million tonnes in 2019, 4% higher than the 99.3 million tonnes achieved in 2018, and by 5.2% in 2020. Facts Global Energy (FGE) forecasts global LPG seaborne volumes will reach 124 million tonnes by 2025 and estimates that over 60% of this volume will come from the West and be absorbed in the East.

Data from IHS Markit show USA's total sea-borne LPG exports reached approximately 11 million tonnes in the second quarter, a 20% quarter on quarter gain, as fractionation and export capacity continue to increase. Further expansion is expected over Q4 2019 and through 2020. Drewry estimates that China's LPG imports will rise by about 4% per annum over the next 5 years. India and South Korea's LPG imports are also expected to rise as demand grows at 8% and 4% CAGR respectively until 2023.

Global Pressurised Vessel Market

Despite a positive global LPG market, the second quarter saw the small ship trade impacted by plant planned maintenance and falling gas prices, which slowed down activity. Factors such as these tend to have a quicker knockdown effect on the small ship short-haul trade compared to the larger-sized ships engaged in longer voyages. A generally balanced market in the West meant that freight levels held-up. However, a more fragmented shipping market in Asia led to rates receding during the period.

Q2 2019 Market rates by CBM Ship Size				
	3,500	5,000	7,500	11,000
Average Day Rate	$8,351	$9,263	$10,740	$13,055
Change vs Q2 2018	↓ 1-2%	↓ 6-7%	↑ 3-4%	↓ 2-3%

Increasing demand in countries like Bangladesh, Sri Lanka, Philippines, Indonesia and Morocco are driving growth in the pressurised ship trade. On the other hand, countries such as Iraq, Pakistan, and in East Africa, which have the potential of boosting the small-ship LPG trade, require infrastructure development to drive growth.

The outlook for fleet growth remains positive, leading to expectations for a stronger market. There is a total of 331 pressure vessels over 3,000cbm (non-Chinese flagged) on the water, with no newbuilds that delivered during the quarter. A 35-year-old 5,000cbm semi-ref vessel and a 36-year-old 6,600cbm ethylene capable vessel were scrapped during the period. More recently, a 30-year old 3,300cbm pressurised vessel has been sold for scrap. There are four newbuild pressure vessels scheduled to be delivered over the balance of 2019, six in 2020, and three in 2021, a total of 73,000cbm, all ex Japanese yards. This represents a 4.2% increase in the existing 1.72 million cbm fleet capacity compared to a 12.6% increase in fleet capacity of the larger sized gas ships. If we consider the existing older tonnage, there are 20 ships totalling 71,860cbm that are aged 28 years and older, 4.2% 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 five vessels to be delivered in 2019 and 2020. Two of them are more expensive ethylene vessels purpose built for that trade. This total newbuild capacity of 40,300cbm equates to a 2.8% increase in existing SR fleet capacity. There are 11 non-ethylene vessels and five ethylene vessels that are 28 years and older, equivalent to 14% and 2.7% of respective existing fleet capacity. We expect that higher operating costs for the older units and probable capital investments required by new legislation, such as Ballast Water Treatment Systems and IMO 2020, will compel owners to strongly consider scrapping these older ships.

Revenue

In the second quarter, Epic Gas loaded 746,366 tonnes and was involved in 673 cargo operations in 115 different ports. LPG cargoes made up 74.9% of the cargoes lifted with the balance being petrochemicals.

We ended the quarter with a fleet size of 40 vessels with a total capacity of 276,900cbm and an average size and age of 6,923cbm and 8.9 years respectively, a 2.3% increase in average size from a year ago.

We had 5 vessels operating in the Americas, 21 in the Europe/Middle East/Africa (EMEA) belt and 14 in Asia. During the quarter, our vessels performed a total of 73 ship-to-ship (STS) operations with increasing activity in the Indian Ocean.

During the quarter, the fleet experienced 124 technical off-hire days, which includes the impact of five routine dry-docks. This resulted in fleet availability of 96.6% and an operational utilisation of 90.6%.

Time Charter Equivalent earnings per calendar day of $9,454 was 3.9% higher than the $9,102 in Q2 2018.

The fleet traded under time charter for 64.9% of total voyage days during the second quarter compared to 75.0% a year ago.

As of 30 June 2019, the Company was 49% covered for the balance of 2019 with 3,621 voyage days covered at an average daily Time Charter Equivalent rate of $10,161 leaving 3,739 calendar days open on the current fleet for the rest of the year.

Operating Expenses

Vessel operating expenses on a lumpsum basis increased from $14.7 million in Q2 2018 to $14.9 million in Q2 2019. Vessel operating expenses per calendar day increased by 4% from $4,127 in in Q2 2018 to $4,292 in the second quarter of 2019, primarily impacted by an increase in crew costs. Our focus remains on improving the quality and performance of our vessels to further increase utilisation.

Voyage expenses were $6.4 million, up from $4.1 million in Q2 2018. The increase is a result of the Company’s increased voyage charter activity by 41% year over year to 1,222 spot market days as well as increased bunker expenses.

Consistent with the Company's focus on younger and larger pressurised vessels, a 9,500cbm vessel (2011 built) has been chartered-in for a period of one year with options. As a result of this event and the time charter-in agreement of a 7,500cbm vessel (2011 built) in Q1 2019, charter-in costs increased from $3.8 million in Q2 2018 to $4.9 million in Q2 2019. As of 30 June 2019, the Company had eight ships on inward charter arrangements, six on bareboat basis and two on time charter basis.

General and Administrative (G&A) expenses per calendar day increased 4% from $1,109 in Q2 2018 to $1,155 in Q2 2019. The increase was mainly due to one-off legal costs related to projects. 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. Subject to exchange rates, we expect G&A cost per calendar day to decline modestly during the remainder of 2019 following our fleet expansion at minimal incremental cost.

Finance and other expenses

Finance expenses year over year decreased from $4.3 million to $3.9 million primarily due to the reduction in outstanding debt by $22 million on last year. The Company has outstanding bank indebtedness and finance leases of $259 million, and will continue to explore opportunities to realise further capital efficiencies.

Equity raise

In April 2019, the Company launched a share issue of 36,144,578 offer shares to existing and qualified shareholders at a subscription price of USD 1.66 per share, raising total gross proceeds of approximately US$60m. The offer closed on the 13th May 2019 and was fully underwritten by BW Group. Following completion, BW Group now owns 83.3% of the Company. Proceeds will be used to facilitate financing of the acquisition of additional four vessels, to strengthen the Company's working capital and for general corporate purposes.

New lease accounting standards

Under new lease accounting standards which became effective from 1 January 2019, all operating lease contracts have been measured and recognized on balance sheet as assets and liabilities separately from finance leases. Prior to adoption of new standards, operating leases were considered as off-balance sheet assets and liabilities.

Under US GAAP, the new standards don't prescribe any changes to the income statement presentation for operating lease expenses. As a result, operating lease expenses continue to be classified as charter-in costs.

Dry dockings

We are required to dry-dock 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 dry-docking costs and amortize these costs on a straight-line basis over the period between dockings.

Due to the age profile of our fleet, 2019 is a heavier than average year for dockings. We have taken advantage of the weaker market, and during Q2 2019, we performed five dry-dockings (one of which continued into July) and one intermediate survey with a total off-hire time of 75 calendar days. For the remainder of 2019 we are planning dry-dockings and intermediate surveys on seven vessels with a total expected off-hire time of 111 calendar days.

Subsequent Events

In July 2019, the Company completed the previously announced acquisition of four modern Japanese-built 11,000cbm LPG Vessels (all 2015 built) for US$106.5 million. Two of the four vessels immediately enter a two-year time charter with a leading LPG commodity trading and shipping company. The four vessels sit alongside six sister vessels already in the Company fleet, allowing the company to leverage on costs and scale to deliver safe high quality long-term low-cost freight to customers on a global basis. Following this acquisition our fleet has expanded to 44 vessels with an average age of 8.4 years.

The acquisition was financed with a combination of equity and debt, including a 7-year senior secured credit facility of US$ 63.9 million with BNP Paribas and Danish Ship Finance.

EPIC GAS
DELIVERY UNDER PRESSURE

EPIC GAS LTD.

BALANCE SHEET (UNAUDITED)		
All amounts in $ millions	**As of 31 Dec 2018**	**As of 30 Jun 2019**
ASSETS		
Cash and cash equivalents	16.7	66.5
Trade and other receivables	20.2	25.4
Inventories	3.3	4.4
Derivative financial instruments	0.0	0.0
Current assets	40.3	96.3
Trade and other receivables – Non current	0.1	0.4
Restricted cash deposits	11.5	11.5
Property, plant and equipment	497.2	486.5
Leased Assets	0.0	36.6
Derivative financial instruments	1.8	0.0
Deferred tax assets	0.0	0.1
Non-current assets	510.7	535.0
TOTAL ASSETS	**550.9**	**631.3**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	22.7	27.4
Deferred income	9.8	8.8
Current income tax liabilities	0.3	0.2
Derivative liabilities	0.0	0.0
Capital lease liabilities	34.7	33.1
Borrowings	26.5	25.6
Lease liabilities	0.0	16.0
Current liabilities	94.0	111.1
Derivative financial instruments	0.2	1.3
Deferred income tax liabilities	0.1	0.1
Capital lease liabilities	12.8	11.5
Borrowings	201.2	188.9
Lease liabilities	0.0	20.6
Non-current liabilities	214.3	222.5
Total Liabilities	308.3	333.5
Share capital	340.1	399.9
Share option reserves	4.4	4.6
Accumulated losses	(103.3)	(105.2)
Accumulated other comprehensive income/(loss)	1.4	(1.5)
Total Equity	242.6	297.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**550.9**	**631.3**

INCOME STATEMENT (UNAUDITED)

	Three Month Period Ended June 30,		Six Month Period Ended June 30,	
All amounts in $ millions	2018	2019	2018	2019
Revenue	**36.6**	**40.6**	**75.0**	**80.3**
Address and brokerage commissions	0.6	0.8	1.2	1.4
Voyage expenses	4.1	6.4	10.2	11.9
Vessel operating expenses	14.7	14.9	30.1	29.9
Charter-in costs	3.8	4.9	7.7	9.1
Depreciation and amortization	7.4	7.3	14.9	14.5
Impairment/ (gain)/loss on vessels	0.0	(0.1)	(0.8)	(0.1)
General and administrative expenses	3.9	4.2	7.9	8.3
Total expenses	34.4	38.3	71.2	75.1
Operating income	**2.2**	**2.4**	**3.8**	**5.2**
Other (income) / losses, net	0.1	0.0	0.1	(0.9)
Finance expenses	4.3	3.9	8.4	7.9
Profit/(loss) before tax	(2.2)	(1.5)	(4.7)	(1.8)
Income tax expense	0.1	0.1	0.2	0.1
Profit/(loss) after tax	**(2.3)**	**(1.6)**	**(4.9)**	**(1.9)**
Other Comprehensive income:				
Income directly recognized in equity	0.0	0.0	0.0	0.0
Cash flow hedges gain/(loss)	0.4	(1.7)	2.0	(2.9)
Total Comprehensive Income/(Loss)	(1.8)	(3.3)	(2.9)	(4.8)

STATEMENT OF CASH FLOWS (UNAUDITED)

	Six Month Period Ended June 30,	
All amounts in $ millions	2018	2019
Cash from operating activities	8.5	9.9
Cash from investing activities	3.0	(3.5)
Cash from financing activities	(15.9)	43.4
Net Increase in cash and cash equivalents	(4.4)	49.8
Cash and cash equivalents at the beginning of the year	7.0	16.7
Cash and cash equivalents at the end of the period	**2.6**	**66.5**

SUPPLEMENTAL INFORMATION				
All amounts in $ millions except per day amounts	Three Month Period Ended June 30,		Six Month Period Ended June 30,	
	2018	2019	2018	2019
REVENUE AND TIME CHARTER EQUIVALENT EARNINGS				
Charter hire	36.4	40.5	74.6	80.0
Relet revenue	0.0	0.0	0.0	0.0
Technical management revenue	0.2	0.2	0.5	0.3
Revenue	36.6	40.6	75.0	80.3
Charter hire	36.4	40.5	74.6	80.0
Less: Voyage expenses	(4.1)	(6.4)	(10.2)	(11.9)
Less: Derivative losses (bunker hedges)	0.0	0.0	0.0	0.0
Time charter equivalent earnings	32.3	34.1	64.4	68.1
RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA				
Profit/(loss) after tax	(2.3)	(1.6)	(4.9)	(1.9)
Add:				
Depreciation and amortization	7.4	7.3	14.9	14.5
Impairment loss / (gain)	0.0	(0.1)	(0.8)	(0.1)
Net Interest expense	4.3	3.9	8.4	7.9
Income taxes	0.1	0.1	0.2	0.1
Foreign exchange loss / (gain)	0.1	0.0	0.2	0.1
EBITDA	9.6	9.7	18.0	20.6
Stock-based compensation expense	0.1	0.1	0.3	0.2
Adjusted EBITDA	9.7	9.8	18.2	20.8

TOTAL INDEBTEDNESS	**As of 31/12/18**	**As of 30/06/19**
Finance leases	47.5	44.6
CTL – 2023	18.1	17.5
Japanese owners- 2027/2028/2029	46.4	45.1
ABN/CA/NIBC – 2023/2024	64.2	61.6
ABN/DVB/Nord LB – 2024	59.5	53.6
Credit Agricole – 2023	31.5	29.5
NIBC – 2022	6.6	6.0
Others – 2021	1.3	1.1
Total	**275.2**	**259.1**

SUMMARY FINANCIALS (UNAUDITED) AND OPERATING METRICS

	Three Month Period Ended June 30,		Six Month Period Ended June 30,	
	2018	2019	2018	2019
INCOME STATEMENT ($Millions)				
Revenue	36.6	40.6	75.0	80.3
Net Income	(2.3)	(1.6)	(4.9)	(1.9)
Adjusted EBITDA	9.7	9.8	18.2	20.8
BALANCE SHEET ($Millions)			As of 31/12/18	As of 30/06/19
Cash, cash equivalents and restricted cash			28.2	78.0
PP&E, advances for vessels under construction			497.2	523.1
Other assets, net			(7.6)	(7.6)
Less: indebtedness			(275.2)	(295.7)
Book value of equity			242.6	297.7
CASH FLOWS ($Millions)				
Cash from Operations			8.5	9.9
Cash from Investing			3.0	(3.5)
Cash from Financing			(15.9)	43.4
Change of cash in period			(4.4)	49.8
OPERATING METRICS				
Average number of vessels in period (1)	39.00	39.60	39.59	39.24
Number of vessels as of period end	39	40	39	40
Fleet capacity at period end (cbm)	264,000	276,900	264,000	276,900
Gas fleet average size as of period end	6,769	6,923	6,769	6,923
Fleet calendar days	3,549	3,606	7,166	7,103
Time charter days	2,594	2,260	4,995	4,834
Spot market days	865	1,222	2,012	2,076
COA days (relets excluded)	-	-	-	-
Voyage days (2)	3,459	3,482	7,007	6,910
Fleet utilisation (3)	97.5%	96.6%	97.8%	97.3%
Fleet operational utilisation (4)	92.9%	90.6%	92.4%	92.3%
Time charter equivalent earnings (5)				
Per Calendar Day	$9,102	$9,454	$8,990	$9,584
Per Voyage Day	$9,339	$9,792	$9,195	$9,851
Operating expenses per Calendar Day (6)	$4,127	$4,292	$4,202	$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) Calculation of time charter equivalent earnings provided in Supplemental Information above.
6) TC-in vessel excluded