EPIC GAS
DELIVERY UNDER PRESSURE

CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 31 MARCH 2020

Increased Revenue and Operational Performance

OSLO / SINGAPORE, 13 May 2020 - 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 first quarter ended March 31, 2020. All amounts reported in US Dollars unless otherwise stated.

Q1 2020 Highlights

	Q1 2020	Q1 2019	Q120 vs Q119 %	Q4 2019	Q120 vs Q419 %
• Revenue	**$48.0m**	$39.7m	+20.9%	$43.1m	+11.3%
Calendar Days	**4,003**	3,496	+14.5%	4,026	-0.6%
TCE/Calendar Day	**$10,246**	$9,718	+5.4%	$9,388	+9.1%
Fleet operational utilisation	**92.9%**	93.8%	-1.0%	90.5%	+2.7%
Tonnes loaded	**930,630**	760,115	+22.4%	707,229	+31.6%
Total capacity	**320,900 cbm**	267,400 cbm	+20.0%	320,900 cbm	0%
Average vessel size	**7,293 cbm**	6,856 cbm	+6.4%	7,293 cbm	0%
Average vessel age	**9.4 years**	8.9 years		8.4 years	
Cargo operations	**673**	640	+5.2%	647	+4.0%
Different ports visited	**156**	103	+51.5%	138	+13.0%
• Total Opex per cal/day	**$4,442**	$4,400	+0.9%	$4,407	+0.8%
• Total G&A per cal/day	**$1,076**	$1,190	-9.6%	$1,158	-7.1%
• EBITDA	**$14.9m**	$10.9m	+36.7%	$10.9m	+36.7%

- 21% Year on Year Revenue growth.
- 37% Year on Year EBITDA growth.
- Net profit of $2.3 million for the quarter.
- 47% covered for balance 2020, at an average daily Time Charter Equivalent rate of $10,619, up 6% year on year.
- Covid-19 and OPEC disagreement are disrupting our business operationally, both to the negative and positive, demand for residential LPG remains strong.

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

"2020 got off to a good start, with positive macro trends of over 5% forecast growth in global LPG seaborne trade at that time, especially from North America, and a forecast 2.2% growth in the pressurised fleet capacity for the year. This implied a year ahead of steady progress, and during the first quarter we delivered an increase in our revenues and utilisation, resulting in a net profit of $2.3 million.

We also navigated IMO 2020 to ensure our vessels are using fully compliant low sulphur fuels, leading to an average 77.3% reduction in Sulphur oxides (Sox) emissions per DWT-h across our fleet, as compared to 2019.

However, as the combined impact of Covid-19 rolled across the world, alongside the repercussions of OPEC disagreements during early March, the positive tailwinds have dissipated.

Early signs of some of the ongoing operational challenges caused by Covid-19 and the lower oil price were visible by the end of the first quarter, for instance our inability to deploy and repatriate crew, delays to spares and dry docking, and quarantine issues in some ports. We fully endorse the work of international organisations such as the IMO and International Chamber of Shipping (ICS) to unlock the global log jam on safe crew transfers.

We must now be alert to our market recovery hitting the brakes sooner than expected. We can take some comfort from an efficient and sustainable younger fleet, no loan expiry until mid-2023, and a team afloat and ashore focused on the global delivery of LPG over the last mile – primarily to domestic or residential markets which are currently proving to be the most resilient."

Conference call details

A conference call to discuss these results is scheduled for 13 May 2020 at 08:00 AM (New York) / 01:00PM (London) / 08:00PM (Singapore) 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:

Standard International Dial In: +65 67135330
United States: +1 347 5494094
United Kingdom: +44 203 7135084
Norway: 80010246
Singapore: 8006162392
Hong Kong: +852 30188307

Conference ID: 2575175#

Audio Webcast - Slide Presentation

There will be a live and then archived audio webcast of the conference call, which can be accessed at https://edge.media-server.com/mmc/p/vv4rvuc6

Participants to the live webcast should register approximately 10 minutes prior to the start of the webcast.

The slide presentation on the Q1 2020 financial results has been circulated together with the earnings release, both are 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 and via webcast.

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

"Unexpected and disruptive" is perhaps a good way to describe the first quarter of 2020. The year started with IMO 2020 compliance, low-sulphur fuel oil availability, and its pricing weighing down on a large part of the Industry. Very different today, in a low oil-price environment and an afflicting Covid-19 pandemic, which has significantly impacted global markets, including the dynamics of the LPG trade.

Nonetheless, the versatile nature of LPG has been apparent during global lockdowns as increased domestic demand for the fuel has helped balance the loss in industrial, chemical and autogas demand. India, Morocco, and Brazil are examples of increased domestic LPG demand.

Midway through the quarter Drewry reviewed the impact of Covid-19 in relation to China and lowered their 2020 forecast for seaborne LPG trade from 110.5 to 108.2 million tonnes, and related tonne-mile demand growth down from 6.3% to 4.5%. Irrespective of the volatility, China and India are still the main demand drivers, supported also by quarter on quarter gains in import volumes for Japan and S. Korea. China's PDH plants and other petrochemical units have begun to re-start and the 24% first quarter on quarter drop in LPG imports are expected to quickly recover. Similarly, in India the first quarter saw a slight dip in imports to 4.1 million tonnes compared to the previous quarter, but a recent spike in India's domestic demand and falling refinery production has subsequently led to an increase in imports.

The outcome of the OPEC discussions in early March did not impact the first quarter materially – indeed LPG supply from the Middle East reduced by approximately 5.5% from the previous quarter on the back of overall lower regional oil production - but the USA increased exports by a further 1% over fourth quarter 2019, which was a record-high quarter, reaching almost 12 million tons in the first quarter, replacing some of the lost Middle East exports and leading to more tonne-miles.

Global Pressurised Vessel Market

The large-sized pressure vessels generally performed better than the small vessels during the quarter, as demand in the markets they served in the Middle East, Indian subcontinent, West Africa, Mediterranean, Caribbean and Central America remained robust. The small-sized vessels experienced low activity levels in North West Europe and in Asia, as markets failed to recover following a quieter than expected December. Early Lunar New Year holidays in Asia led to limited pre-holiday inventory build-up and was followed by the spread of Covid-19 which crippled industry demand.

In Asia we quickly saw significantly lower petrochemical plant demand in PRC, impacting the demand for propylene imports and consequently smaller pressurised vessels. This impact has rolled across the globe and is now impacting demand in Europe. Reduced demand for refined products and the oil-price slide have disincentivized refineries, and lower run-rates led to less LPG being produced, constraining supply. In Europe where a significant slowdown in refinery production has led to several small-sized vessels that are usually involved in intra-region LPG and petrochemical trade to sit idle, and hence downward pressure on freight levels.

Whilst demand for auto-gas and industrial LPG has been broadly weaker, the sector we primarily serve, that of domestic or residential LPG demand which accounts for 45% of global LPG demand, has been firm, partly due to lock-down demand. Moroccan import demand for butane grew steadily with 70,000 tonnes delivered in March on mostly the larger-sized coasters, more than double the 30,000 tonnes they delivered in January.

Exports on pressurised vessels from the USA increased by 58% compared to the previous quarter, with deliveries to the Caribbean, Central America, and West Africa on the rise. East of Suez, domestic demand for LPG helped support a market which was impacted by declining petrochemical trades.

Regular LPG deliveries into Bangladesh, Sri Lanka, Vietnam, and Philippines continued. The combined impact of refinery slowdown and Covid-19 lockdown possibly explains the surge in Pakistan's LPG imports in March which exceeded 50,000 tonnes, compared to the 10,000 to 20,000 tonnes normally imported every month.

The slowdown of refineries will continue to impact regional shipping, but opportunities exist for replacement tonnes from other sources. Domestic LPG demand remains positive, but the resurgence of petrochemical demand is required to balance shipping length.

Q1 2020 Market Rates by CBM Ship Size				
	3,500	5,000	7,500	11,000
Average Day Rate	$7,919	$9,034	$10,712	$12,977
Change vs Q1 2019	↓ 8%	↓ 6%	↓ 1-2%	⟷

There are a total of 335 pressure vessels over 3,000cbm (non-Chinese flagged) on the water including two 5,000cbm newbuilds that delivered during the quarter. The international pressure vessel fleet order book has six newbuilds scheduled to be delivered over the balance of 2020, and nine in 2021, a total of 82,000cbm. This represents a 4.7% increase in the existing 1.74 million cbm fleet capacity compared to a 11% 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 to be delivered in 2020. Two of them are more expensive ethylene vessels purpose built for that trade. This total newbuild capacity of 18,200cbm equates to a 1.2% increase in existing semi-ref fleet capacity. There are twelve non-ethylene vessels and six ethylene vessels that are 28 years and older, equivalent to 13.5% and 2.2% of respective existing fleet capacity.

Revenue

In Q1 2020 Epic Gas loaded 930,630 tonnes, a 31.6% increase from the previous quarter. We were involved in 673 cargo operations in 156 different ports. LPG cargoes made up 79% 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 6.4% increase in average size from a year ago.

We had 8 vessels operating in the Americas, 25 in the Europe/Middle East/Africa (EMEA) belt and 11 in Asia. During the quarter, our vessels performed a total of 127 ship-to-ship (STS) operations, compared to 92 and 67 STS operations in Q4 2019 and Q1 2019, respectively. STS operations have increased off the East Coast India, off East Africa and in the Caribbean.

During the first quarter, the fleet experienced 95 technical off-hire days, which includes the impact of a three routine dry-docks. This resulted in fleet availability of 97.6% and an operational utilisation of 92.9%.

First Quarter 2020 Time Charter Equivalent earnings per calendar day of $10,246 were 5.4% higher than the $9,718 earned in the corresponding period of 2019.

The fleet traded under time charter for 71.7% of total voyage days during the quarter, compared to 75.1% a year ago.

As of 31 March 2020, the Company was 47% covered for the balance of 2020, with 5,650 voyage days covered at an average daily Time Charter Equivalent rate of $10,619 leaving 6,450 calendar days open for the rest of the year.

Operating Expenses

Vessel operating expenses increased from $15.0 million in Q1 2019 to $17.0 million in Q1 2020 reflecting the Company's increase in fleet calendar days (excluding TC-in) of 12%. Vessel operating expenses per calendar day increased by 1% from $4,400 in Q1 2019 to $4,443 in Q1 2020, primarily impacted by an increase in fleet average size by 6.4% to 7,293cbm.

Voyage expenses were $6.8 million, up from $5.5 million in Q1 2019. The increase is a result of the Company's increased voyage charter activity by 29% year over year to 1,106 spot market days in Q1 2020 (up from 855 spot market days in Q1 2019).

Charter-in costs increased from $4.2 million in Q1 2019 to $4.5 million in Q1 2020 due to one additional ship (9,500 cbm, 2011 built) chartered in on a time charter basis during Q2 2019. As of 31 March 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 10% from $1,190 in Q1 2019 to $1,076 in Q1 2020 as our fleet expansion has been managed without incremental headcount. Q1 2019 was also impacted by 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.

Finance and other expenses

Finance expenses year over year increased from $4.0 million to $4.1 million, due to higher bank borrowings related to the Company's fleet expansion (up by 28%), offset by 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 $342 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 Q1 2020, we performed three drydocks, all being special surveys, and two In-Water Surveys (IWS), all of which resulted in a total off-hire time of 69 calendar days in Q1 2020, and 23 days in April 2020 as one of the dockings continued into April. For the remainder of 2020, subject to Covid-19, we are planning drydocks and intermediate surveys on 15 vessels with a total expected off-hire time of 260 calendar days.

EPIC GAS LTD.

BALANCE SHEET (UNAUDITED)		
All amounts in $ millions	**As of 31 Mar 2020**	**As of 31 Dec 2019**
ASSETS		
Cash and cash equivalents	43.9	41.4
Trade and other receivables	17.0	18.3
Inventories	1.3	4.9
Derivative financial instruments	0.0	0.0
Current assets	62.2	64.5
Trade and other receivables – Non-current	0.2	0.2
Restricted cash deposits	8.4	8.4
Property, plant and equipment	598.1	606.3
Leased Assets	22.7	26.4
Derivative financial instruments	0.0	0.1
Deferred tax assets	0.1	0.1
Non-current assets	629.4	641.5
TOTAL ASSETS	**691.7**	**706.1**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	17.1	23.5
Deferred income	11.5	10.4
Current income tax liabilities	0.2	0.2
Derivative liabilities	0.0	0.0
Capital lease liabilities	2.6	2.6
Borrowings	30.8	30.8
Lease liabilities	12.3	12.4
Current liabilities	74.6	79.9
Derivative financial instruments	7.0	0.3
Deferred income tax liabilities	0.1	0.1
Capital lease liabilities	9.5	10.2
Borrowings	299.3	306.9
Lease liabilities	10.4	13.4
Non-current liabilities	326.4	330.9
Total Liabilities	401.0	410.8
Share capital	399.9	399.9
Share option reserves	4.7	4.7
Accumulated losses	(106.7)	(109.0)
Accumulated other comprehensive income/(loss)	(7.2)	(0.3)
Total Equity	290.7	295.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**691.7**	**706.1**

INCOME STATEMENT (UNAUDITED)

All amounts in $ millions	Three Month Period Ended March 31, 2020	2019
Charter Revenue	47.8	39.5
Voyage Expenses	(6.8)	(5.5)
TCE Income	**41.0**	**34.0**
Management Revenue	0.2	0.2
Other Income/(expenses)	0.5	0.9
Address commissions	(1.0)	(0.7)
Charter-in costs	(4.5)	(4.2)
Vessel operating expenses	(17.0)	(15.0)
General and administrative expenses	(4.3)	(4.2)
EBITDA	**14.9**	**10.9**
Depreciation and amortisation	(8.3)	(7.2)
Impairment loss, Gain/(loss) on sale of vessels	0.0	0.0
Provision for bad debt & claims	(0.1)	0.0
Operating Profit/(loss) (EBIT)	**6.5**	**3.7**
Derivative P&L	0.0	0.0
Interest and finance costs	(4.1)	(4.0)
Foreign exchange gain/(loss)	(0.1)	0.0
Finance Expense – Net	**(4.2)**	**(4.0)**
Profit/(loss) before income tax	**2.3**	**(0.3)**
Income tax expense	(0.0)	(0.0)
Net Profit/(Loss) after tax	**2.3**	**(0.3)**
Other Comprehensive Income/(Loss)	(6.9)	(1.2)
Total Comprehensive Income/(Loss)	**(4.6)**	**(1.5)**

STATEMENT OF CASH FLOWS (UNAUDITED)

All amounts in $ millions	Three Month Period Ended March 31, 2020	2019
Cash from operating activities	11.0	4.3
Cash from investing activities	(0.0)	(1.2)
Cash from financing activities	(8.5)	(8.2)
Net Increase in cash and cash equivalents	2.5	(5.1)
Cash and cash equivalents at the beginning of the year	41.4	16.7
Cash and cash equivalents at the end of the period	**43.9**	**11.6**

TOTAL INDEBTEDNESS	As of 31/03/20	As of 31/12/19
Finance leases	12.2	12.8
CTL – 2023	16.7	17.0
Japanese owners- 2027/2028/2029	71.9	73.2
ABN/CA/SEB/SC – 2024	180.5	185.3
BNP/DSF – 2026	60.7	61.9
Others	0.3	0.4
Total	**342.3**	**350.5**

SUMMARY FINANCIALS (UNAUDITED)

	Three Month Period Ended March 31,	
	2020	2019
INCOME STATEMENT ($Millions)		
Revenue	47.9	39.6
Net Profit/(Loss) after tax	2.3	(0.3)
EBITDA	14.9	10.9
BALANCE SHEET ($Millions)	As of 31/03/20	As of 31/12/19
Cash, cash equivalents and restricted cash	52.3	49.8
PP&E, leased assets	620.8	632.7
Other assets, net	(17.4)	(10.4)
Less: indebtedness	(365.0)	(376.4)
Book value of equity	290.7	295.2
CASH FLOWS ($Millions)	Q1 2020	Q1 2019
Cash from Operations	11.0	4.3
Cash from Investing	(0.0)	(1.2)
Cash from Financing	(8.5)	(8.2)
Change of cash in period	2.5	(5.1)

OPERATING METRICS	Q1 2020	Q1 2019
Average number of vessels in period (1)	44.0	38.8
Number of vessels as of period end	44	39
Fleet capacity at period end (cbm)	320,900	267,400
Gas fleet average size as of period end	7,293	6,856
Fleet calendar days	4,003	3,496
Time charter days	2,802	2,573
Spot market days	998	855
COA days (relets excluded)	108	
Voyage days (2)	3,908	3,428
Fleet utilisation (3)	97.6%	98.1%
Fleet operational utilisation (4)	92.9%	93.8%
Time charter equivalent earnings		
Per Calendar Day	$10,246	$9,718
Per Voyage Day	$10,494	$9,911
Operating expenses per Calendar Day (5)	$4,442	$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, after deducting commercially idle days, by fleet calendar days.
5) TC-in vessels excluded