EPIC GAS LTD
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD TO
30 September 2018

SINGAPORE, 14 November 2018 - Epic Gas Ltd. (“Epic Gas” or the “Company”) today announced its unaudited financial and operating results for the interim period ended September 30, 2018. All amounts reported in US Dollars unless otherwise stated.

A conference call to discuss these results is scheduled for 14 November 2018 at 10:00 AM (New York) / 3:00PM (London) and can be accessed via the following dial-in information.

Conference Call details

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, November 21st, 2018. 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 - Slides 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-Q3-2018.html

The slide presentation on the third quarter 2018 financial results has been circulated together with the earnings release and available in PDF format, 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.

Third Quarter 2018 Highlights

- Revenue of $40.8 million, up 18% year over year
- Time charter equivalent revenues of $10,132 per vessel calendar day, up 27% year over year
- Adjusted EBITDA of $13.8 million, up 94% year over year
- Net Profit of $1.3 million, up $7.0 million year over year
- Vessel Calendar days down 8% year over year to 3,567
- General & administrative expenses flat at $3.9 million
- As of 30 September 2018, 38 vessels on the water.

Management Commentary

Charles Maltby, the Chief Executive Officer of Epic Gas stated "Our strong step-up during the third quarter of 2018 reflects our solid operating platform with a continued focus on quality, cost control and fleet optimization as well as the improving market conditions and fleet utilisation, irrespective of Q2/Q3 often being perceived as seasonally weaker. The TCE per vessel calendar day increased by an exceptional 27% year over year, and our fleet operational utilization improved to 94.9%. Year-to-date in 2018, we completed the refinancing of over 25% of our vessels reducing our annual financial expense, enhancing our liquidity and optimizing our capital structure.

We maintain a regular review on the impact of IMO2020. There is not a "one solution fit for all", and every owner will consider in the light of their unique fleet and trading circumstances. Under the current known costs of suitable scrubber technology, the relatively low fuel consumption of our vessel type, alongside the anticipated availability and price differentials between low and high sulphur fuel, we are not planning to install scrubbers on any of our existing vessels.

With a young and modern fleet of 38 vessels and a global footprint as the largest commercial operator of pressurised LPG carriers, Epic Gas is well positioned to benefit from the improving fundamentals of the LPG market. Global seaborne LPG volume is expected to grow by over 6% in 2019. Fleet supply in the smaller vessels segment where we operate remains contained, taking into account minimal newbuilding deliveries scheduled for the next three years and a growing pool of scrapping candidates from older vessels."

The Pressurised Market

Freight levels remained firm in the third quarter with daily rates for the 3,500cbm, 5,000cbm, 7,500cbm and 11,000cbm vessels averaging $8,603, $9,752, $10,384 and $13,356 respectively. Compared to the third quarter of 2017, up 23% for the 3,500cbm vessels, 13% for the 5,000cbm vessels, 2% for the 7,500cbm vessels and 4% for the 11,000cbm vessels.

On the supply side, there was no newbuild pressurised vessel that delivered into the international fleet during the quarter. Two vessels were sold for scrap – a 28-year-old 4,000cbm pressurised vessel and a 29-year-old 4,200cbm ethylene capable vessel. This brings the total number of small vessels scrapped in 2018 to 16 vessels of approximately 104,000cbm capacity, of which 5 were the pressurised type totalling 17,000cbm capacity.

Presently, there are a total of 323 pressure vessels over 3,000cbm (non-Chinese flagged) on the water, with 10 newbuilds totalling 47,500cbm on order. There are 3 more newbuild vessels to be delivered in 2018, 4 in 2019 and 3 in 2020, representing a 1.2%, 1.1% and 0.9% increase respectively in existing fleet capacity, the lowest supply growth in any bulk commodity shipping sector. Further, in the existing international trading fleet, there are 11 ships of 37,800cbm that are aged 28 years and older, making them potential scrap candidates, which will reduce the net fleet growth rate.

The smaller-sized semi-ref fleet that can compete with the pressure vessel has an order book of 6 vessels, 2 of which are the more expensive ethylene type purpose built for that trade. This newbuild capacity of 43,800cbm non-ethylene vessels equates to a semi-ref annual average fleet growth of 2.8%, which should ultimately be less due to a scrapping candidate pool of 15 vessels aged 28 years and older.

Global seaborne LPG volumes are expected to grow to 96.4 million tonnes in 2018, 2.6% higher than the 94.0 million tonnes shipped in 2017, as reported by Drewry. The USA remains the biggest driver of LPG exports, increasing this quarter by 30% from a year ago. Asian countries lead the growth for imports, China and India in particular.

In the third quarter 2018, Epic Gas loaded 813,870 tonnes and was involved in 703 cargo operations in 134 different ports. LPG cargoes made up 77% of the cargoes lifted with the balance being petrochemicals. We had 5 vessels operating in the Americas, 18 in the Europe/Middle East/Africa belt and 15 in Asia.

In the East, growing LPG consumption for domestic use in developing countries like Bangladesh, Pakistan and Sri Lanka continue to drive LPG imports and the pressurised LPG vessel trade. The Middle East supply ports were less active this quarter on account of turnarounds and expansion projects. However, the LPG breakbulk trade in the region picked up. During the quarter our vessels performed a total 101 ship-to-ship (STS) operations on a global basis, a 33% increase from the second quarter reflecting a busier period in the Indian Ocean and South East Asia.

In the petrochemical trade, China's Propylene imports have held up as underlying demand for associated derivative products has remained strong. This industry is an important driver in the 3,500cbm and 5,000cbm pressure vessel trade in Asia.

In the West, North West Europe remained a strong market. Spot freight levels held firm which gradually pushed up the time charter freight levels. The Mediterranean and Black Sea has remained a region where contract supply volumes were moved on trader-controlled tonnage. From the USA, despite the busy large sized ship trade, the export volumes on pressurised and on small sized semi-ref vessels this quarter was the highest in the year, with growing deliveries to the Caribbean and Central America.

Revenue

We ended the quarter with a fleet size of 38 vessels with a total capacity of 259,900cbm and an average size and age of 6,839cbm and 7.9 years respectively, a 3.9% increase in average size from a year ago.

During the third quarter, the fleet experienced 52 technical off-hire days. This resulted in fleet availability of 98.5% (Q3 2017, 97.5%), with operational utilisation at a much-improved level of 94.9% (Q3 2017, 90.9%).

TCE revenue per calendar day of $10,132 was 27.3% higher than the $7,960 in Q3 2017, whilst the TCE revenue per voyage day was $10,283 compared to $8,161 in Q3 2017, up 26.0%

The fleet traded under time charter for 75.4% of total voyage days during the third quarter compared to 74.7% same period in 2017.

As of 30 September 2018, the Company was 67% covered for the year 2018 with 2,358 voyage days covered at an average daily TCE rate of $9,985, leaving 1,138 calendar days open on the current fleet for the rest of the year.

Operating Expenses

Vessel operating expenses decreased from $16.5 million in the third quarter of 2017 to $14.3 million in the third quarter of 2018. The decrease is primarily a result of the Company's reduction of fleet calendar days by 8% and the re-delivery of two older bareboat vessels. Vessel operating expenses per calendar day decreased by 6% from $4,274 in the third quarter of 2017 to $4,010 during the same period in 2018.

Voyage expenses increased by 26% to $4.4 million in the third quarter of 2018, from $3.5 million in the equivalent period of 2017. The increase is primarily a result of increased bunker expenses whilst the Company's voyage charter activity was reduced by 9% from 953 spot market days to 863 spot market days year over year.

Charter-in costs decreased 10% year over year from $4.1 million to $3.7 million due to the re-delivery of two 4,100cbm bareboat vessels (2000 and 2001 built) in February and September 2018. As of 30 September 2018, the Company had 6 ships on traditional inward bareboat charter arrangements under which charter payments are expensed.

General and administrative expenses stayed flat at $3.9 million in the third quarter of 2018. On a per calendar basis, general and administrative expenses increased 8% to $1,092 (3% without currency fluctuation) which, in our integrated model, includes 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 decreased from $4.8 million for the three months ended September 30, 2017 to $4.1 million for the three months ended September 30, 2018 primarily due to the reduction in outstanding debt by $25.7 million year over year. The Company has interest rate swaps in place for a total amount of $147 million at a weighted average interest rate of 2.03%.

Refinancing

In July 2018, the Company completed the refinancing of 5 LPG carriers in partnership with Crédit Agricole Corporate and Investment Bank. The new US$ 34 million facility has a term of five years and has allowed the Company to reduce its margin by 85 bps. Proceeds from the facility were used to repay amounts outstanding of US$ 28.5 million under the Company's existing facilities expiring in 2019. The balance of US$ 5.5 million will be used for general corporate purposes.

Subsequent Events

In October 2018, the Company completed a sale and lease back transaction for the Epic Madeira (9,500cbm, 2006 built) with a Japanese ship owning company. The transaction has the advantage of reducing the monthly finance cost, whilst also increasing the Company's liquidity position. The Company has purchase options to re-acquire the vessel during the charter period, with the first such option exercisable on the sixth anniversary of the vessel delivery.

The Company has no further loan expiries until mid-2022.

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 38 vessels which serve as a link in the global gas and petrochemical supply chains of leading oil majors and commodity trading houses. The Company's shares are traded over the Oslo Stock Exchange under the symbol "EPIC-ME". For further information visit our website www.epic-gas.com

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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

DELIVERY UNDER PRESSURE

EPIC GAS LTD.

BALANCE SHEET (UNAUDITED)		
All amounts in $ millions	**As of 31 Dec 2017**	**As of 30 Sep 2018**
ASSETS		
Cash and cash equivalents	7.0	11.5
Trade and other receivables	25.8	22.6
Inventories	4.3	3.5
Derivative financial instruments	0.0	0.0
Current assets	37.1	37.6
Non-current assets	0.4	0.1
Restricted cash deposits	13.5	12.0
Property, plant and equipment	524.5	502.8
Advances for vessels under construction	0.0	0.0
Derivative financial instruments	0.8	3.2
Non-current assets	539.2	518.1
TOTAL ASSETS	**576.3**	**555.7**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	26.2	23.2
Deferred income	9.0	11.3
Current income tax liabilities	0.5	0.6
Derivative liabilities	0.0	0.0
Finance lease liabilities	9.5	5.6
Bank Loan	31.7	25.2
Current liabilities	77.0	65.9
Trade and other Payables	0.1	0.0
Deferred taxation	0.1	0.0
Finance lease liabilities	44.3	43.3
Bank Loan	210.9	203.3
Non-current liabilities	255.4	246.6
Total Liabilities	332.4	312.6
Share capital	340.1	340.1
Share option reserves	3.8	4.2
Accumulated losses	(100.6)	(104.2)
Accumulated other comprehensive income	0.7	3.0
Total Equity	244.0	243.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**576.3**	**555.7**

INCOME STATEMENT (UNAUDITED)

All amounts in $ millions	Three Month Period Ended September 30, 2017	Three Month Period Ended September 30, 2018	Nine Month Period Ended September 30, 2017	Nine Month Period Ended September 30, 2018
Revenue	**34.5**	**40.8**	**102.2**	**116.1**
Address and brokerage commissions	0.8	0.8	2.4	2.4
Voyage expenses	3.5	4.4	10.5	14.6
Vessel operating expenses	16.5	14.3	46.6	44.4
Charter-in costs	4.1	3.7	12.0	11.4
Depreciation and amortization	7.5	7.3	21.8	22.2
(Gain)/loss on vessels, prov. bad debt	0.0	0.5	0.0	(0.3)
General and administrative expenses	3.9	3.9	11.3	11.8
Total expenses	36.3	35.0	104.6	106.5
Operating income	**(1.8)**	**5.7**	**(2.4)**	**9.6**
Other (income) / losses, net	(1.1)	0.0	(1.3)	0.1
Finance expenses	4.8	4.1	12.9	12.5
Profit/(loss) before tax	(5.5)	1.6	(14.1)	(3.0)
Income tax expense	0.2	0.3	0.4	0.5
Profit/(loss) after tax	**(5.7)**	**1.3**	**(14.5)**	**(3.6)**
Other Comprehensive income:				
Income directly recognized in equity	0.0	0.0	0.0	0.0
Cash flow hedges gain/(loss)	0.3	0.3	(0.6)	2.3
Total Comprehensive Income/(Loss)	(5.4)	1.7	(15.1)	(1.2)

STATEMENT OF CASH FLOWS (UNAUDITED)

All amounts in $ millions	Nine Month Period Ended September 30, 2017	Nine Month Period Ended September 30, 2018
Cash from operating activities	14.3	21.5
Cash from investing activities	(41.4)	2.5
Cash from financing activities	27.5	(19.5)
Net Increase in cash and cash equivalents	0.3	4.5
Cash and cash equivalents at the beginning of the year	9.8	7.0
Cash and cash equivalents at the end of the period	**10.1**	**11.5**

EPIC GAS
DELIVERY UNDER PRESSURE

SUPPLEMENTAL INFORMATION				
All amounts in $ millions except per day amounts	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2017	2018	2017	2018
REVENUE AND TIME CHARTER EQUIVALENT EARNINGS				
Charter hire	34.2	40.6	101.2	115.5
Relet revenue	0.0	0.0	-0.1	0.0
Technical management revenue	0.2	0.2	1.0	0.6
Revenue	34.5	40.8	102.2	116.1
Charter hire	34.2	40.6	101.2	115.5
Less: Voyage expenses	(3.5)	(4.4)	(10.5)	(14.6)
Less: Derivative losses (bunker hedges)	0.0	0.0	0.0	0.0
Time charter equivalent earnings	30.7	36.1	90.7	100.9
RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA				
Profit/(loss) after tax	(5.7)	1.3	(14.5)	(3.6)
Add:				
Depreciation and amortization	7.5	7.3	21.8	22.2
(Gain)/loss on vessels, prov. bad debt	0.0	0.5	0.0	(0.3)
Net Interest expense	4.8	4.1	12.9	12.4
Income taxes	0.2	0.3	0.4	0.5
Foreign exchange loss / (gain)	0.0	0.0	0.0	0.2
EBITDA	6.8	13.6	20.7	31.6
Stock-based compensation expense	0.3	0.2	0.8	0.4
Adjusted EBITDA	7.1	13.8	21.5	31.9

TOTAL INDEBTEDNESS	**As of 31 Dec 2017**	**As of 30 Sep 2018**
Finance leases	53.8	48.9
CIT – 2020	50.7	8.1
CTL - 2023	19.3	18.4
ABN/CA/NIBC - 2023	69.3	65.5
ABN/DVB/Nord LB - 2024	75.9	62.5
NIBC - 2022	7.8	6.9
Credit Agricole - 2023	0.0	32.5
Japanese Owners – 2027/2028	19.7	33.3
Others - 2021	0.0	1.5
Total Indebtedness	296.5	277.5

SUMMARY FINANCIALS (UNAUDITED) AND OPERATING METRICS

	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2017	2018	2017	2018
INCOME STATEMENT ($Millions)				
Revenue	34.5	40.8	102.2	116.1
Net Income	(5.7)	1.3	(14.5)	(3.6)
Adjusted EBITDA	7.1	13.8	21.5	31.9
BALANCE SHEET ($Millions)			As of 31/12/17	As of 30/09/18
Cash, cash equivalents and restricted cash			20.5	23.5
PP&E, advances for vessels under construction			524.5	502.8
Other assets, net			(4.6)	(5.7)
Less: indebtedness			(296.4)	(277.5)
Book value of equity			244.0	243.1
CASH FLOWS ($Millions)				
Cash from Operations			14.3	21.5
Cash from Investing			(41.4)	2.5
Cash from Financing			27.5	(19.5)
Change of cash in period			0.3	4.5
OPERATING METRICS				
Average number of vessels in period (1)	41.9	38.8	40.9	39.3
Number of vessels as of period end	42	38	42	38
Fleet capacity at period end (cbm)	276,400	259,900	276,400	259,900
Gas fleet average size as of period end	6,581	6,839	6,581	6,839
Fleet calendar days	3,858	3,567	11,158	10,733
Time charter days	2,810	2,652	8,021	7,647
Spot market days	953	863	2,568	2,873
COA days (relets excluded)	0	0	101	0
Voyage days (2)	3,763	3,515	10,690	10,520
Fleet utilisation (3)	97.5%	98.5%	95.8%	98.0%
Fleet operational utilisation (4)	90.9%	94.9%	91.2%	93.2%
Time charter equivalent earnings (5)				
Per Calendar Day	$7,960	$10,132	$8,129	$9,401
Per Voyage Day	$8,161	$10,283	$8,485	$9,591
Operating expenses per Calendar Day	$4,274	$4,010	$4,178	$4,138

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.