EPIC GAS
DELIVERY UNDER PRESSURE

PRELIMINARY FINANCIAL STATEMENTS FOR Q4 2019 AND FY2019

Strengthened Balance Sheet and Increased Revenues

OSLO / SINGAPORE, 13 Feb 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 fiscal year ended December 31, 2019. All amounts reported in US Dollars unless otherwise stated.

Q4 2019 Highlights

	Q4 2019	Q4 2018	Q419 vs Q418 %	Q3 2019	Q419 vs Q319 %
• Revenue	**$43.1m**	$39.3m	+10%	$47.1m	-8%
Calendar Days	**4,026**	3,496	+5%	3,971	+1%
TCE/Calendar Day	**$9,388**	$9,935	-6%	$9,965	-6%
Fleet operational utilisation	**90.5%**	96.0%	-6%	95.1%	-5%
Tonnes loaded	**707,229**	812,000	-13%	796,433	-11%
Total capacity	**320,900 cbm**	259,900 cbm	+23%	320,900 cbm	0%
Average vessel size	**7,293 cbm**	6,839 cbm	+7%	7,293 cbm	0%
Average vessel age	**9.4 years**	8.4 years		8.4 years	
Cargo operations	**647**	726	-11%	678	-5%
Different ports visited	**138**	137	+1%	135	+2%
• Total Opex per cal/day	**$4,407**	$4,071	+8%	$4,221	+4%
• Total G&A per cal/day	**$1,158**	$1,216	-5%	$1,043	+11%
• EBITDA	**$10.9m**	$12.4m	-12%	$13.5m	-19%

- 10% Year on Year Revenue Growth.
- Refinancing of 22 vessels completed, leading to annual savings of $4.1 million.
- Net loss of $1.0 million in Q4 2019 due to lower utilisation.
- Full Year net loss of $3m excluding one off refinancing costs.
- Exercised purchase option of a modern 11,000cbm that has been on bareboat charter-in since Feb 2015.
- 37% covered for 2020, at an average daily Time Charter Equivalent rate of $10,668, up 6% year on year.

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

"During 2019, the macro trends of increasing global supply of LPG, especially from North America, saw the global LPG seaborne trade increase by 5.3% to 104.5 million tonnes, and net growth in the pressurised fleet after scrapping of 1.3% by capacity. However, irrespective of this macro picture and our ongoing year on year increase in revenues, the utilisation for our fleet experienced headwinds during the final quarter with reduced LPG export volumes for pressurised vessels in some regional markets, leading to lower earnings.

We have successfully navigated IMO 2020 to ensure our vessels are fully compliant and are focusing on placing our vessels into the markets where demand continues to increase. Importantly, Q1 will see the full impact of our work to optimise our debt structure at the end of last year, with the associated cost savings and no loan expiry until mid-2023. Along with the positive supply demand fundamentals for global LPG trade, we expect that these new regulations and compliance may drive higher scrappage rates of older vessels. We are well positioned with an efficient and sustainable younger fleet."

Conference call details

A conference call to discuss these results is scheduled for 13 February 2020 at 06:00 AM (New York) / 11:00AM (London) / 07:00PM (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 67135090
United States: +1 8456750437
United Kingdom: +44 2036214779
Norway: 80010719
Singapore: +65 67135090
Hong Kong: +852 30186771

Conference ID: 7081926#

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/tnzcs8iq

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

The slide presentation on the FY 2019 financial results has been circulated together with the earnings release and 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".

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

Epic Gas Ltd.
Uta Urbaniak-Sage
Chief Financial Officer

T: +65 6230 7801
ir@epic-gas.com

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 shipping market continues to strengthen buoyed by robust supply and demand fundamentals and associated growth in sea-borne trade. China and India remain the main drivers, with LPG imports expected to reach 21.6 and 15.9 million tonnes respectively in 2020, according to Facts Global Energy (FGE). Other developing countries in Asia such as Indonesia, Philippines, Thailand, Vietnam and Bangladesh are expected to positively support the LPG trade to meet growing domestic demand. On the supply side, the USA has been increasing their capacity and their total LPG exports in Q4 2019 have increased by 5% quarter on quarter and by 24% year on year, according to IHS Markit data. The outlook for global seaborne LPG trade is positive. Drewry's latest research has forecast a 6.3% increase in tonne-mile demand in 2020, which relates to 110.5 million tonnes of LPG seaborne trade.

Global Pressurised Vessel Market

The last quarter is seasonally a busier period as winter demand increases market activity. However, following a period of relatively high off-line capacity in European refineries which was partly driven by IMO 2020 related work, activity levels did not pick-up quickly enough to avoid the downward pressure on rates in the region. The picture has remained more positive in the USA, where growing LPG supplies, capacity and favourable pricing supported an increasing trend in USA cargoes bound trans-Atlantic in pressurised vessels for West African markets. In the Middle East, unplanned downtime and additional domestic demand in a key production and export facility meant vessels had to re-position to other regions which adversely affected shipping length and balances. Asian LPG supply increased as the first exports were available from the Hengyi Industries refinery in Brunei, which coincided with the commencement of the winter program.

Q4 2019 Market Rates by CBM Ship Size				
	3,500	5,000	7,500	11,000
Average Day Rate	$8,141	$9,052	$10,904	$13,260
Change vs Q4 2018	↓ 6%	↓ 8%	↑ 2-3%	↔

The orderbook is slightly higher than last year. There are a total of 334 pressure vessels over 3,000cbm (non-Chinese flagged) on the water, with three 5,000cbm newbuilds that delivered during the quarter. The international pressure vessel fleet order book has eight newbuilds scheduled to be delivered in 2020, and nine in 2021, a total of 92,000cbm. This represents a 5.3% increase in the existing 1.73 million cbm fleet capacity within the next three years compared to a 13% increase in fleet capacity of the larger sized gas ships. If we consider the existing older tonnage, there are 24 ships totalling 88,000cbm that are aged 28 years and older, 5.1% 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 four vessels to be delivered in 2020. Two of them are more expensive ethylene vessels purpose built for that trade. This total newbuild capacity of 27,300cbm equates to a 1.9% increase in existing semi-ref fleet capacity. There are fourteen non-ethylene vessels and six ethylene vessels that are 28 years and older, equivalent to 15.9% and 2.2% of respective existing fleet capacity.

Revenue

In 2019 Epic Gas loaded 3,010,143 tonnes and was involved in 2,638 cargo operations in 234 different ports. LPG cargoes made up 77% 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 6.6% 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 92 ship-to-ship (STS) operations with increasing activity off East Coast India, off East Africa and in the Caribbean.

During the year, the fleet experienced 368 technical off-hire days, which includes the impact of a twelve routine dry-docks – more than 2018. This resulted in fleet availability of 97.6% and an operational utilisation of 92.5%.

Full year end Time Charter Equivalent earnings per calendar day of $9,632 was 1.4% higher than $9,496 earned in full year 2018.

The fleet traded under time charter for 67.3% of total voyage days in 2019, compared to 73.7% a year ago.

As of 31 December 2019, the Company was 37% covered for 2020 with 5,958 voyage days covered at an average daily Time Charter Equivalent rate of $10,668 leaving 10,146 calendar days open for the rest of the year.

Operating Expenses

Vessel operating expenses increased from $58.6 million in 2018 to $62.9 million in 2019 reflecting the Company's increase in fleet (excluding TC-in) calendar days of 2%. Vessel operating expenses per calendar day increased by 5% from $4,122 in 2018 to $4,330 in 2019, primarily impacted by an increase in fleet average size by 6.6% to 7,293cbm, and some associated take-over costs on the new vessels. Our focus remains on improving the quality and performance of our vessels to further increase utilisation.

Full year voyage expenses were $24.3 million, up from $18.9 million in 2018. The increase is a result of the Company's increased voyage charter activity by 31% year over year to 4,819 spot market days.

Charter-in costs increased from $14.9 million in 2018 to $19.1 million in 2019 due to two additional ships (7,500 and 9,500 cbm, both 2011 built) chartered in on a time charter basis during 2019. As of 31 December 2019, 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 increased 0.7% from $1,129 in 2018 to $1,137 in 2019, mainly due to legal and professional fees related to refinancings and other 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 $16.6 million to $17.8 million, due to higher bank borrowings related to the Company's fleet expansion and a one-off write-off of deferred finance charges related to one of our previous secured term loan facilities that was refinanced in October 2019.

Other Non-Operating Expenses

Following the refinancing as reported in the previous quarter, we terminated existing interest rate swaps of $119 million at a loss of $1.7 million, representing the fair market value of the swap on the termination date. Upon completion of the refinancing, we entered into new interest rate swaps for $95 million at a swap rate that is 50bps below the previously hedged level.

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 the 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 do not 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.

During 2019, we performed twelve dry-dockings, of which ten were special surveys and two were intermediate surveys. The dry-dockings resulted in a total off-hire time of 246 calendar days. 2020 will also be a heavier than average year for dockings due to the age profile of our fleet. For 2020 we are planning dry-dockings and intermediate surveys on 20 vessels with a total expected off-hire time of 324 calendar days.

Equity raise

In April 2019, the Company launched a previously announced 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.

Vessel acquisition

In July 2019, the Company completed the previously announced acquisition of four modern Japanese-built 11,000cbm LPG vessels (all 2015 built) for $106.5 million. Two of the four vessels immediately entered a two-year time charter with a leading LPG commodity trading and shipping company. Following this acquisition, our fleet has expanded to 44 vessels with an average age of 9.4 years.

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

In November 2019, the Company completed the acquisition of the Epic Sicily, an 11,000cbm pressurised vessel built in 2015. The vessel has been on bareboat charter-in since Feb 2015 and Epic Gas exercised the purchase option under the charter contract. Finance of 60% of the acquisition cost came from Epic Gas's refinancing facility that completed in October 2019, with the balance paid from cash.

Fleet Refinancing

In October 2019, Epic Gas completed the previously announced refinancing of twenty ships in our fleet.

The $201 million facility has a five-year term with an extended repayment profile and a reduced interest margin, resulting in savings of $2.8 million per annum of the Company's debt service (in addition to savings of $1.3 million on a separate refinancing of two vessels that completed in September 2019).

The facility includes a $10 million tranche that is available for future acquisitions.

Completion of this refinancing leaves Epic Gas with four unencumbered vessels and means that we have no loan expiry until mid-2023.

EPIC GAS LTD.

BALANCE SHEET (UNAUDITED)		
All amounts in $ millions	**As of 31 Dec 2019**	**As of 31 Dec 2018**
ASSETS		
Cash and cash equivalents	41.4	16.7
Trade and other receivables	24.3	20.2
Inventories	4.9	3.3
Derivative financial instruments	0.0	0.0
Current assets	70.6	40.3
Trade and other receivables – Non-current	0.2	0.1
Restricted cash deposits	8.4	11.5
Property, plant and equipment	606.3	497.2
Leased Assets	25.8	0.0
Derivative financial instruments	0.1	1.8
Deferred tax assets	0.1	0.0
Non-current assets	640.9	510.7
TOTAL ASSETS	**711.5**	**550.9**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	28.5	22.7
Deferred income	10.9	9.8
Current income tax liabilities	0.2	0.3
Derivative liabilities	0.0	0.0
Capital lease liabilities	2.6	34.7
Borrowings	30.7	26.5
Lease liabilities	12.4	0.0
Current liabilities	85.3	94.0
Derivative financial instruments	0.3	0.2
Deferred income tax liabilities	0.1	0.1
Capital lease liabilities	10.2	12.8
Borrowings	307.0	201.2
Lease liabilities	13.4	0.0
Non-current liabilities	331.0	214.3
Total Liabilities	416.3	308.3
Share capital	399.9	340.1
Share option reserves	4.7	4.4
Accumulated losses	(109.1)	(103.3)
Accumulated other comprehensive income/(loss)	(0.3)	1.4
Total Equity	295.1	242.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**711.5**	**550.9**

EPIC GAS
DELIVERY UNDER PRESSURE

INCOME STATEMENT (UNAUDITED)

	Three Month Period Ended December 31,		Twelve Month Period Ended December 31,	
All amounts in $ millions	2019	2018	2019	2018
Charter Revenue	42.9	39.1	169.8	154.1
Voyage Expenses	(5.1)	(4.4)	(24.3)	(18.9)
TCE Income	**37.8**	**34.7**	**145.4**	**135.1**
Management Revenue	0.2	0.2	0.7	0.8
Other Income/(expenses)	0.0	0.0	1.0	0.1
Address commissions	(0.8)	(0.6)	(3.1)	(2.5)
Charter-in costs	(4.7)	(3.5)	(19.1)	(14.9)
Vessel operating expenses	(17.0)	(14.2)	(62.9)	(58.6)
General and administrative expenses	(4.7)	(4.3)	(17.2)	(16.1)
EBITDA	**10.9**	**12.4**	**44.8**	**43.9**
Depreciation and amortisation	(7.7)	(7.3)	(30.5)	(29.5)
Impairment loss, Gain/(loss) on sale of vessels	0.0	0.0	0.0	0.8
Provision for bad debt & claims	(0.4)	0.0	(0.3)	(0.5)
Operating Profit/(loss) (EBIT)	**2.7**	**5.1**	**14.0**	**14.7**
Derivative P&L	0.0	0.0	(1.7)	0.0
Interest and finance costs	(3.7)	(4.1)	(17.8)	(16.6)
Foreign exchange gain/(loss)	0.0	(0.1)	(0.1)	(0.3)
Finance Expense – Net	**(3.7)**	**(4.2)**	**(19.5)**	**(16.9)**
Profit/(loss) before income tax	**(0.9)**	**0.9**	**(5.5)**	**(2.1)**
Income tax expense	(0.0)	0.0	(0.3)	(0.5)
Net Profit/(Loss) after tax	**(1.0)**	**0.9**	**(5.8)**	**(2.6)**
Other Comprehensive Income/(Loss)	0.5	(1.6)	(1.7)	0.7
Total Comprehensive Income/(Loss)	**(0.5)**	**(0.7)**	**(7.5)**	**(1.9)**

STATEMENT OF CASH FLOWS (UNAUDITED)

	Twelve Month Period Ended December 31,	
All amounts in $ millions	2019	2018
Cash from operating activities	27.9	30.1
Cash from investing activities	(136.6)	1.5
Cash from financing activities	133.3	(21.9)
Net Increase in cash and cash equivalents	24.7	9.7
Cash and cash equivalents at the beginning of the year	16.7	7.0
Cash and cash equivalents at the end of the period	41.4	16.7

TOTAL INDEBTEDNESS	As of 31/12/19	As of 31/12/18
Finance leases	12.8	47.5
CTL – 2023	17.0	18.1
Japanese owners- 2027/2028/2029	73.2	46.4
ABN/CA/NIBC – 2023/2024	0	64.2
ABN/DVB/Nord LB – 2024	0	59.5
Credit Agricole – 2023	0	31.5
NIBC – 2022	0	6.6
ABN/CA/SEB/SC – 2024	185.3	0
BNP/DSF – 2026	61.9	0
Others	0.4	1.3
Total	**350.5**	**275.2**

SUMMARY FINANCIALS (UNAUDITED)

	Three Month Period Ended December 31,		Twelve Month Period Ended December 31,	
	2019	2018	2019	20198
INCOME STATEMENT ($Millions)				
Revenue	43.1	39.3	170.5	154.9
Net Profit/(Loss) after tax	(1.0)	0.9	(5.8)	(2.6)
EBITDA	10.9	12.4	44.8	43.9

BALANCE SHEET ($Millions)	As of 31/12/19	As of 31/12/18
Cash, cash equivalents and restricted cash	49.8	28.2
PP&E, leased assets	632.1	497.2
Other assets, net	(10.4)	(7.6)
Less: indebtedness	(376.4)	(275.2)
Book value of equity	295.1	242.6

CASH FLOWS ($Millions)	FY2019	FY2018
Cash from Operations	27.9	30.1
Cash from Investing	(136.6)	1.5
Cash from Financing	133.3	(21.9)
Change of cash in period	24.7	9.7

OPERATING METRICS	Q4 2019	Q4 2018	FY2019	FY2018
Average number of vessels in period (1)	43.8	38.0	41.4	39.0
Number of vessels as of period end	44	38	44	38
Fleet capacity at period end (cbm)	320,900	259,900	320,900	259,900
Gas fleet average size as of period end	7,293	6,839	7,293	6,839
Fleet calendar days	4,026	3,496	15,099	14,229
Time charter days	2,649	2,650	9,913	10,297
Spot market days	1,264	808	4,819	3,683
COA days (relets excluded)	-	-	-	-
Voyage days (2)	3,913	3,458	14,732	13,980
Fleet utilisation (3)	97.2%	98.9%	97.6%	98.2%
Fleet operational utilisation (4)	90.5%	96.0%	92.5%	93.9%
Time charter equivalent earnings (5)				
Per Calendar Day	$9,388	$9,935	$9,632	$9,496
Per Voyage Day	$9,659	$10,043	$9,873	$9,665
Operating expenses per Calendar Day (6)	$4,407	$4,071	$4,330	$4,122

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) Calculation of time charter equivalent earnings provided in Supplemental Information above.
6) TC-in vessel excluded