

# StealthGas Inc.



***Pressurized LPG Shipping – Continued strength  
in one of Shipping's healthiest segments***

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# Disclaimer

## Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of applicable federal securities laws. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as “**may,**” “**will,**” “**should,**” “**estimates,**” “**intends,**” and similar expressions are intended to identify forward-looking statements. Actual results and the timing of certain events may differ significantly from the results discussed or implied in the forward-looking statements. Among the factors that might cause or contribute to such a discrepancy include, but are not limited to the risk factors described in the **Company’s** Registration Statement filed with the Securities and Exchange Commission, particularly those describing variations on charter rates and their effect on the **Company’s** revenues, net income and profitability as well as the value of the **Company’s** fleet.

Research for this presentation was provided by:

**INGE STEENSLAND AS**  
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# Executive summary

- What is LPG, where does it come from, what is it used for, and how is it transported?
- What is a pressurized vessel?
- Pressurized rates firming
- Pressurized trading in Asia compared to other parts of the world
- Petrochemical gasses – employing a large part of the press fleet
- LPG fleet profile
- Minimal orderbook
- Newbuilding prices
- Pressurized market forecast
- StealthGas Inc.



# LPG (LIQUID PETROLEUM GAS)

Product	Derived from...	End Products			
Propane / Butane / Ethane	Natural Gas Production Crude Oil Refining	 Cars & Buses	 Other Vehicles	 Cooking, Heating	 Petrochemical Feedstock
Ethylene	Cracking Petroleum Feedstocks	 Car Components	 Plastics	 Antifreeze	
Propylene → Polypropylene	Gasoline and Ethylene	 Car Components	 Plastic Pipes	 Carpet	 Styrofoam
VCM (Vinyl Chloride Monomer) → PVC	Ethylene and Chloride Cracking	 Pipes	 Homebuilding	 Wires	 Irrigation Systems
Butadiene	Ethylene Cracking	 Synthetic Rubber	 Tires	 Homebuilding	
Ammonia	Natural Gas Production	 Fertilizers	 Agriculture		

# Type of Gas Carriers and Products

Vessel type	Size cbm	Type	Pressure	Freight
<b>Qmax</b>	<b>255 - 265k</b>	<b>SSD/Reliquefaction</b>	<b>0.25 bar</b>	<b>LNG</b>
<b>Qflex</b>	<b>200 - 230k</b>	<b>SSD/DFDE</b>	<b>0.25 bar</b>	<b>LNG</b>
<b>Standard LNG</b>	<b>125 - 165k</b>	<b>DFDE/ST</b>	<b>0.25 bar</b>	<b>LNG</b>
<b>Small – Med Max</b>	<b>1 - 75k</b>	<b>DFDE/ST</b>	<b>0.25 bar</b>	<b>LNG</b>
<b>VLGC</b>	<b>60 - 85k</b>	<b>Fully Refrigerated</b>	<b>0.5 bar</b>	<b>LPG, CPP</b>
<b>LGC</b>	<b>50 - 60k</b>	<b>Fully Refrigerated</b>	<b>0.5 bar</b>	<b>LPG, NH3, CPP</b>
<b>MGC</b>	<b>18 - 42k</b>	<b>Fully Refrigerated</b>	<b>0.5 bar</b>	<b>LPG</b>
<b>Small</b>	<b>2 - 23k</b>	<b>Semi Refrigerated</b>	<b>7.5 bar</b>	<b>LPG NH3 Petrochemicals</b>
		<b>Ethylene</b>		
		<b>Fully pressurized</b>	<b>18 bar</b>	

# What is a pressurized vessel?

- Can handle pressure up to 18 kg/cm<sup>2</sup>(bar)
- 0 – 45 deg Celsius (some vsls able to do -10 deg C.)
- Can load at high ambient temperatures and also refrigerated product, via re-heater. But the vsls have no means of cooling cargo.
- Sizes up to 11,000 cbm
- 2-3 cylindrical cargo tanks
- Main cargoes traded;
  - LPG – butane / propane
  - Petchem gasses – propylene, butadiene, butene-1, raffinates, CC4, vcm

Pressurized vessels are getting more and more sophisticated

**(StealthGas - Diamond Series)**

- **5000cbm and 6500cbm – brand new design**
- **New eco electronic engines, with high speed / low consumption (about 15-20% reduced consumption)**
- **Ice class (first of it's kind)**
- **- 10 deg C tanks**
- **higher pumping capacity (50% improved)**
- **Fully segregated tanks and separate load lines**
- **Bow thruster**
- **Loa < 100m / n2 generator / cargo re-heater / 4mt crane / full vcm capacity**

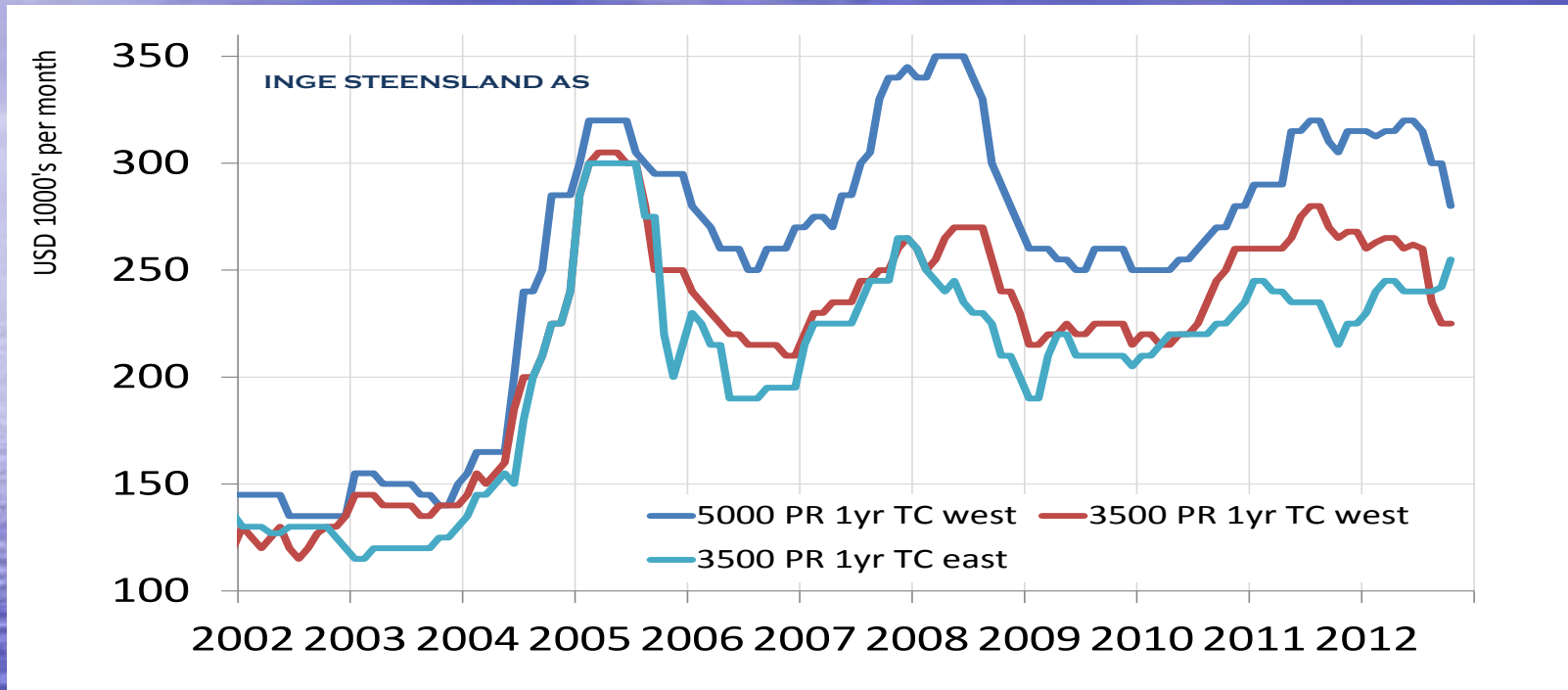
*detailed vessel specifications available!*



# Gas Elixir, 5000cbm pressurized lpg carrier, trading Indian Ocean



# Pressurized tc rates (Asia / Europe)



- Due to a finely balanced tonnage situation in NWE we saw a downward trend in rates 2h 2012, however this trend has now shifted, and the rates are climbing again.
- Rates in Asia show continued improvement and we see a significant shortage of vessels in the area, especially on 3500cbm and 5000cbm.

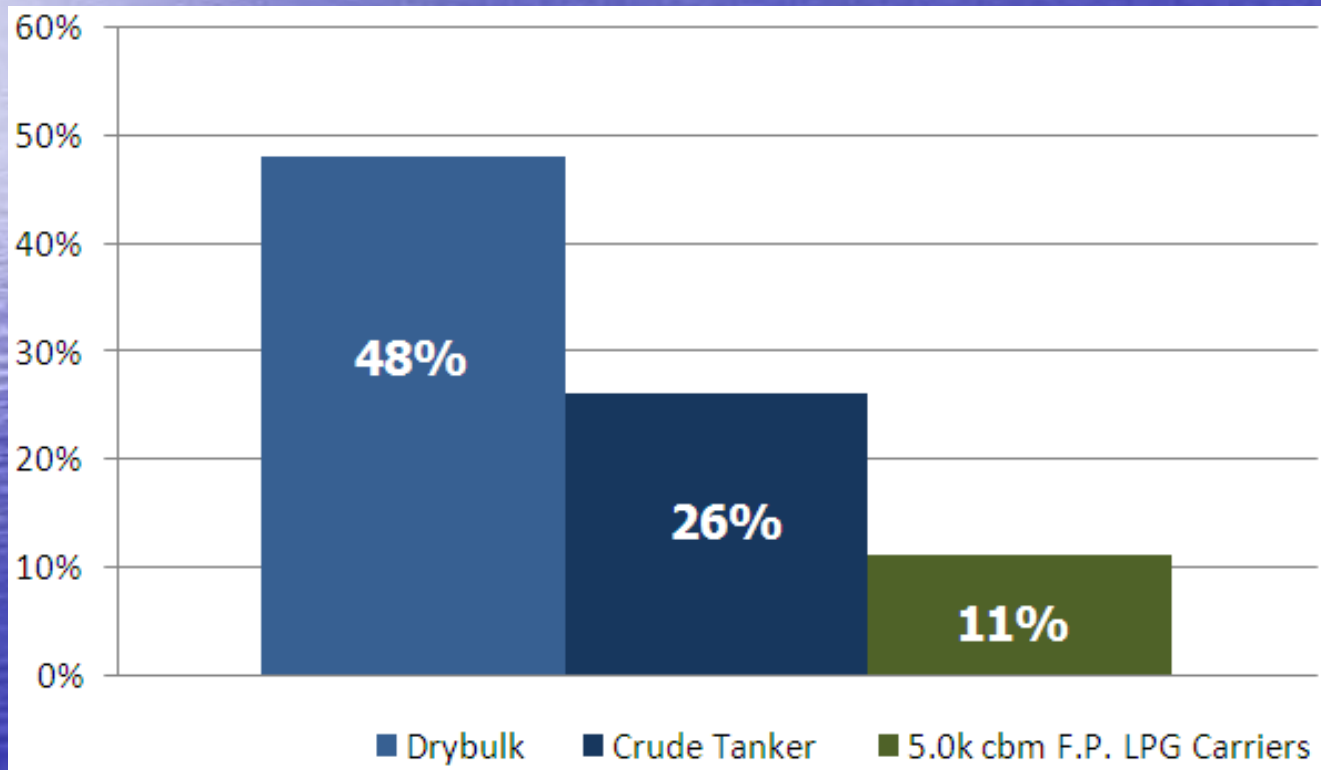
=> Vessels repositioning East until market balance is restored

# 1-Year TC Rate Volatility Since 2000

## But, small LPG rates remain relatively stable

- ▶ Small LPG tanker rates are significantly less volatile than crude tanker and drybulk rates

### 1-Year TC Rate Volatility Since 2000



*Data source: Clarkson Research Services*

*Rates: 1-year TC measured weekly*

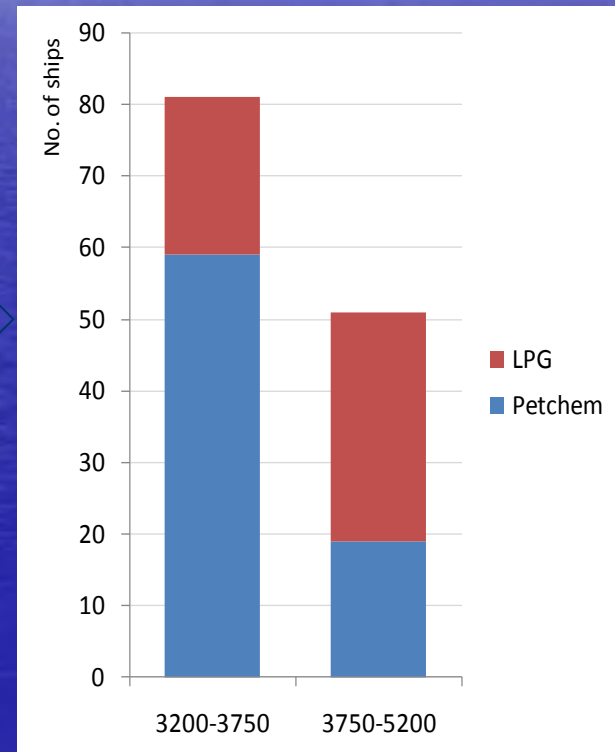
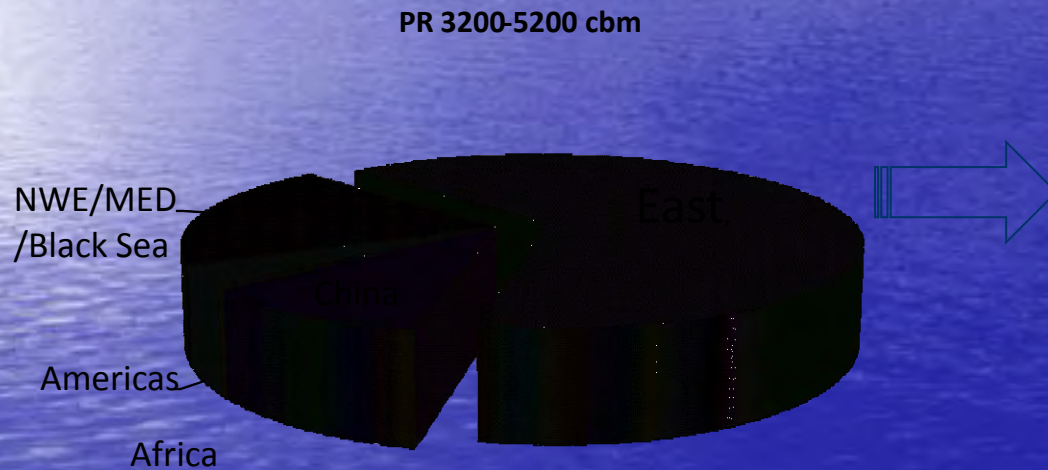
*Dry Bulk: average of Cape, Panamax, Handymax, and Handysize rates*

*Crude Tanker: average of VLCC, Suezmax, and Aframax rates*

# Employment of the pressurized fleet



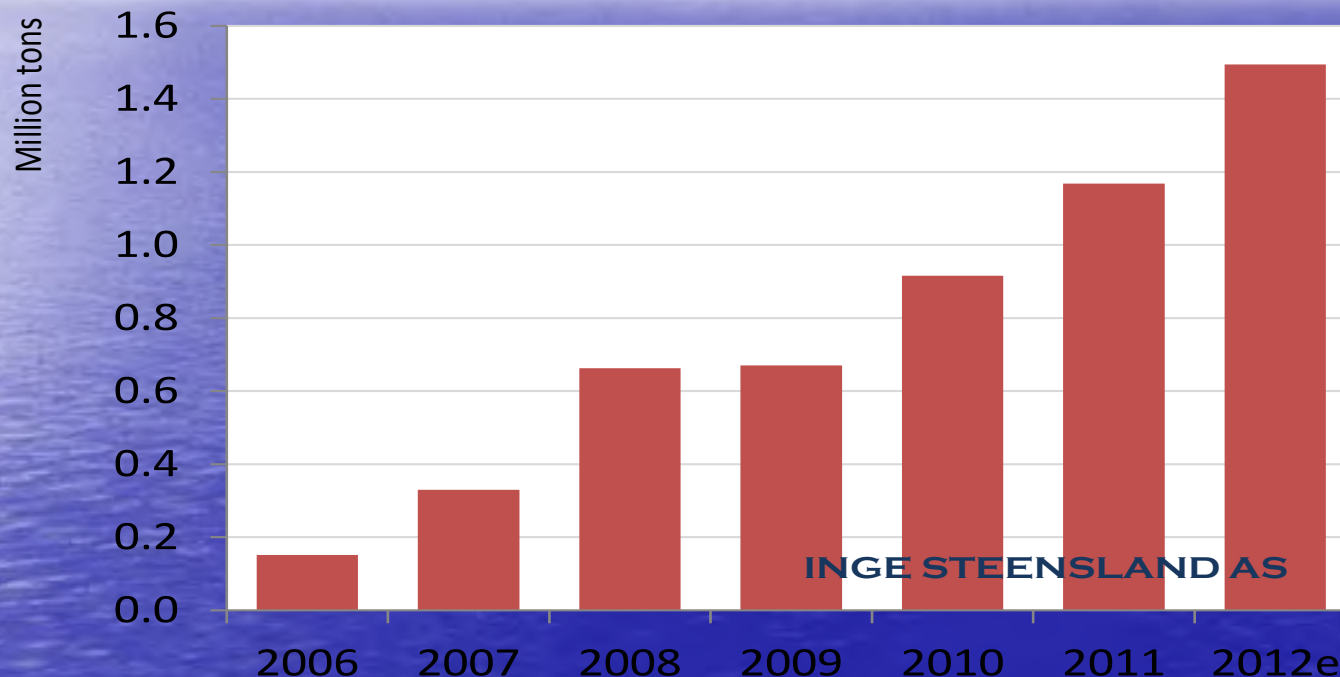
# The market in the East is the key for the press fleet



# Pressurized vessels in Asia

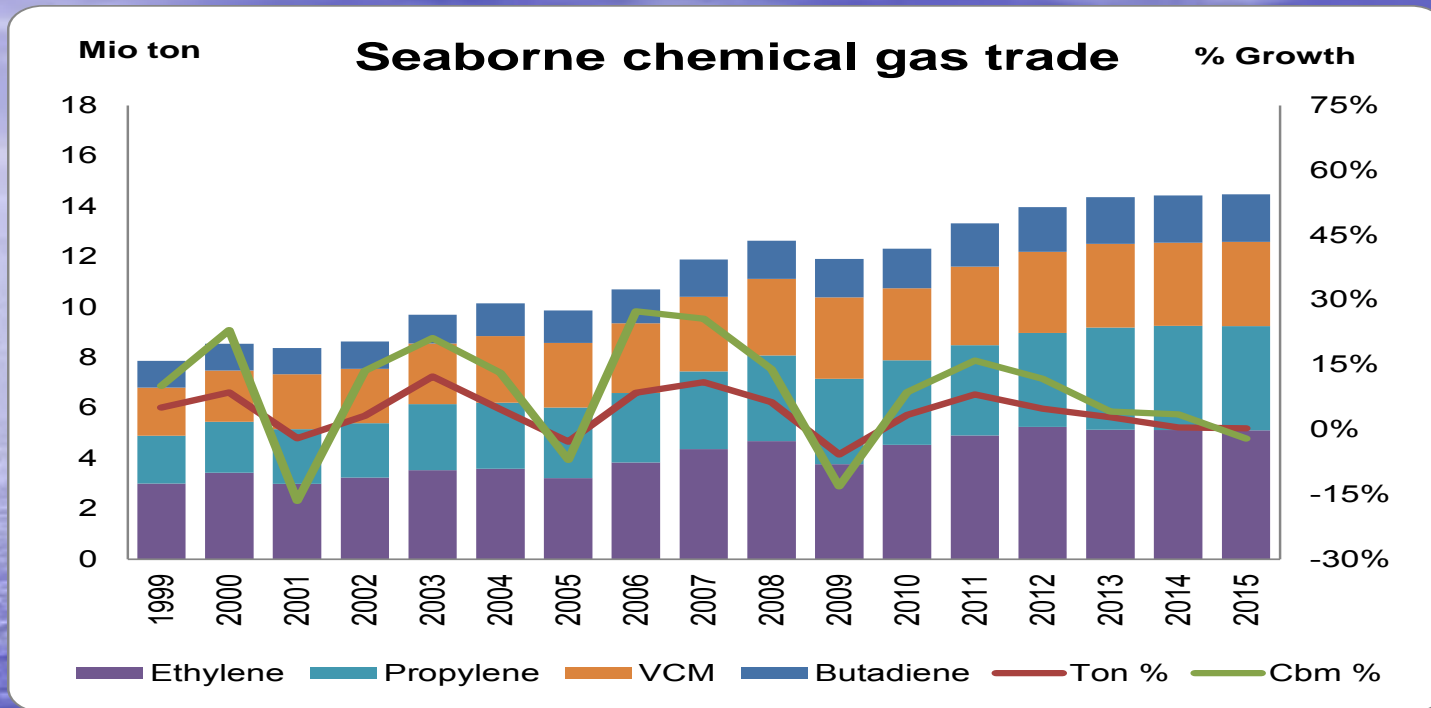
- About 60% of the world's pressurized fleet trade in Asia
  - About 65-70% of these vessels trade mainly with petrochemical gases
  - Main main vessel sizes;
    - 3500cbm – trading petchems
    - 5000cbm – trading LPG (and also an increasing qty of petchems)
- Major owners/operators; StealthGas, Lauritzen Kosan, Unigas, EPIC, Daelim
- Major charterers; Shell(SIETCO), Petronas, Petredec, Mitsui, Mitsubishi, Marubeni, Vitol

# Continued growth in LPG export from China



- There has been a near 1000% increase in LPG exports from China the last 6 years, and more or less all of it is carried on pressurized vessels.

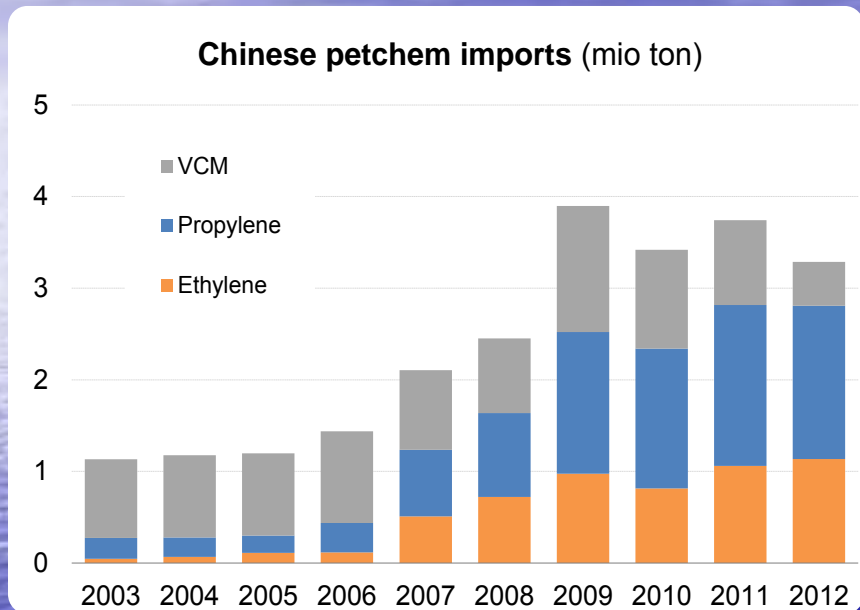
# PETCHEM TRADE RECOVERING



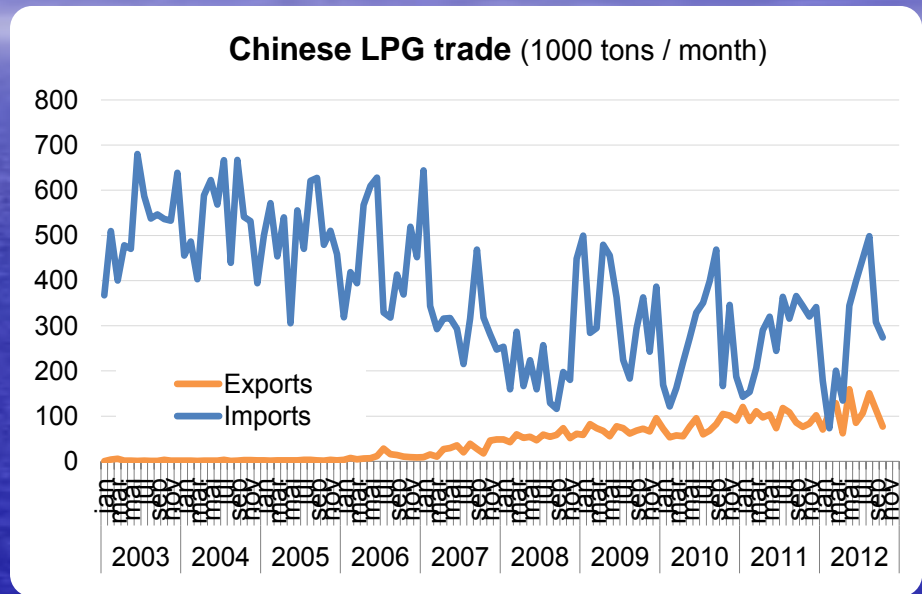
- Cyclical petchem trades maintaining healthy volumes, especially in Asia.
- Increased exports of petchem gases from SEAsia to NEAsia



# CHINA, CHINA, CHINA?



Oct



- Soaring Chinese petchem imports, esp. propylene shortage leading to over 200k ton/months imports in recent months
- Distribution trading to close neighbors emerged overnight and provides significant employment for Pressurized ships

# Pressurized shipping ex Black Sea

- Increased activity and export volumes ex Black Sea (Russian & Kazakh LPG)
- New export terminal at Taman (OTEKO)
- Main export ports; Odessa, Illychevsk, Kerch, Temryuk
- Main import destinations of Black Sea pressurized LPG; Turkey, Albania, Egypt, Italy, Morocco
- Main players; Aygaz, SHV, Naftomar, Petredec
- Shipping - Several small owners/operators with old tonnage in addition to the larger western owners/operators that are trading in the area
- Ice class and -10 tanks a big advantage in the winter season

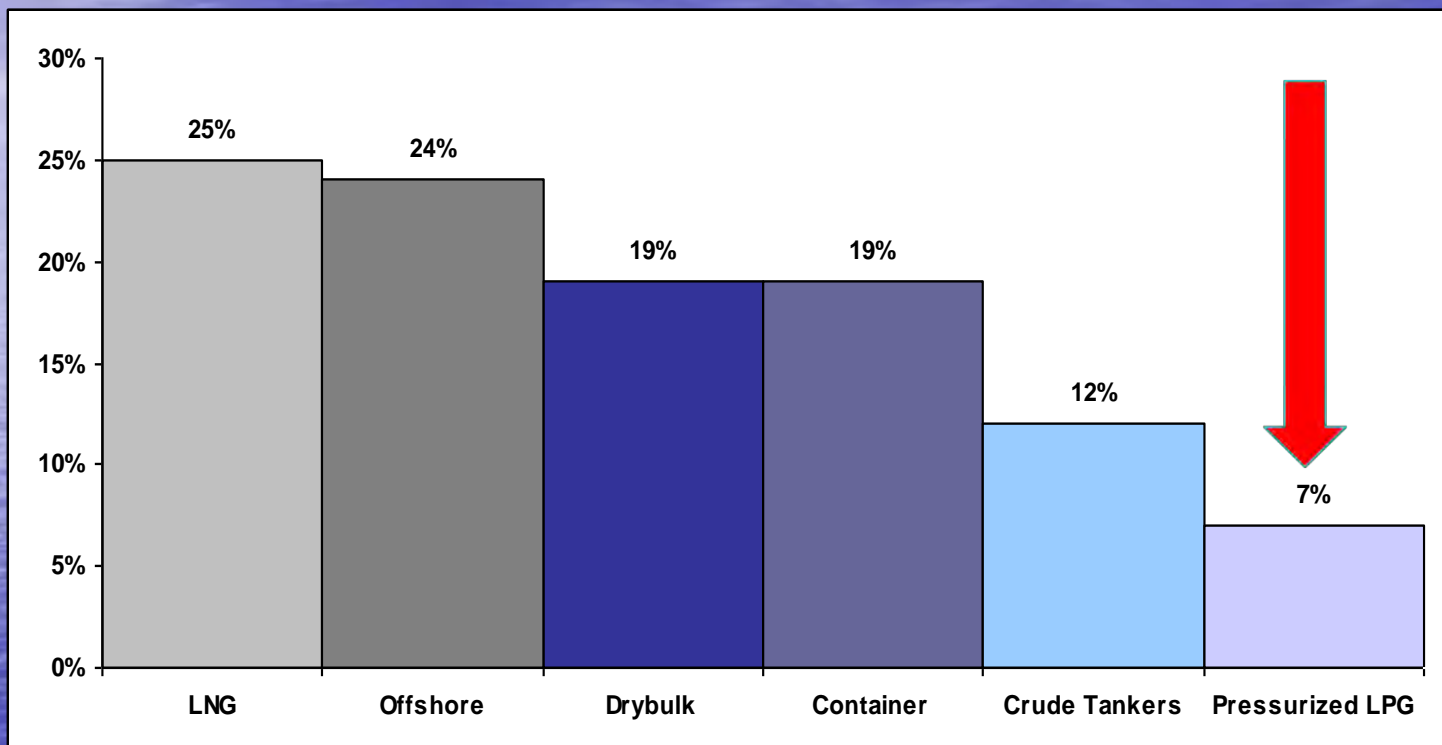
# LPG/Pressurized fleet profile

- Very limited fleet growth going forward
- Negative fleet growth in 2013
- LPG orderbook significantly smaller than most other shipping segments



# Despite a “stop” in new ordering, lots of ships will be delivered

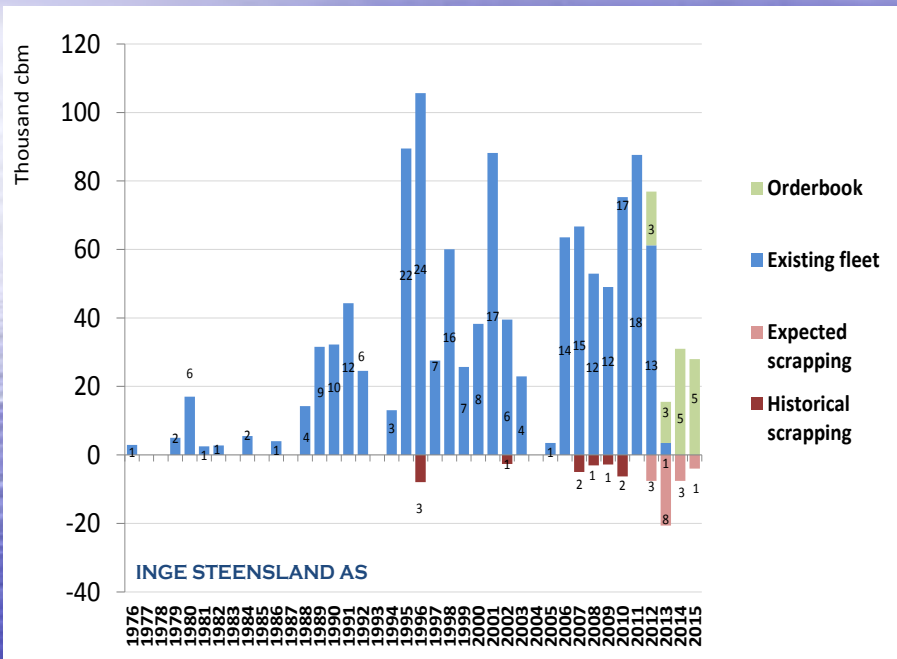
But not in the Pressurized LPG segment



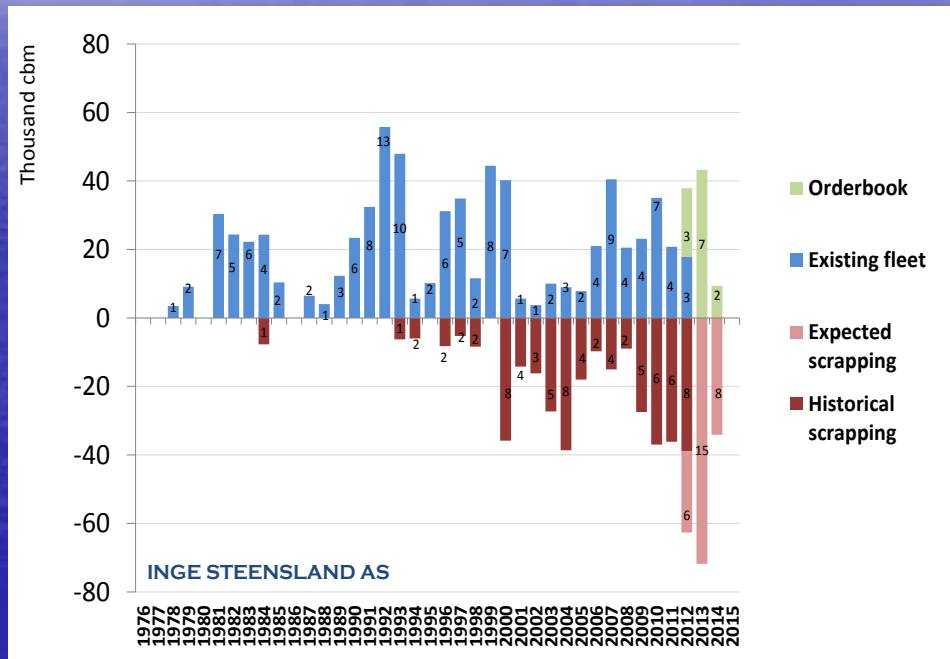
• Compared to the total orderbook for the LPG fleet which is 12%\*, the pressurized segment has an orderbook of only 7% (16 vessels in total), out of which 4 vessels are for Stealthgas, 6 vessels for Petrobras for domestic Brazil business, 2 for small Chinese owners for domestic China trading, and 1 vessel for Pertamina for domestic Indonesia trading.

# The limited expansion in the PR fleet offset by a decline in the SR fleet 2500-7999 cbm fleet

Press fleet excluding the Chinese fleet



Semiref and ethylene carrier fleet

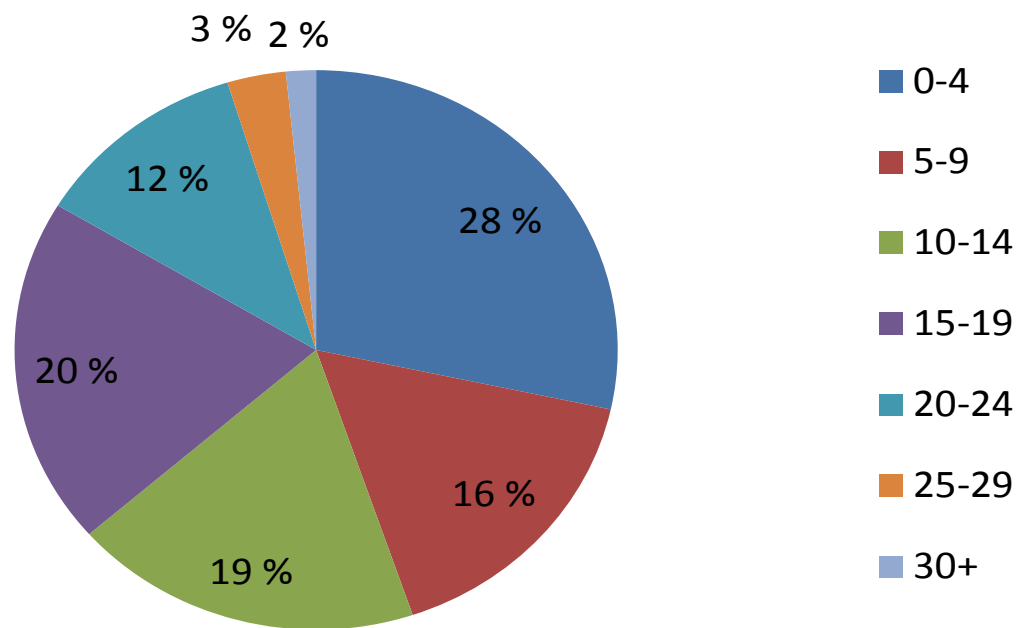


Existing fleet	1,160,446 cbm / 272 vsls
Orderbook	86,722 cbm / 16 vsls 7%
Average age	12.3 yrs
Sub 15yr share	765,591 cbm / 168 vsls 66%
20yr+ share	117,828 cbm / 37 vsls 10%
25yr+ share	35,761 cbm / 13 vsls 3%

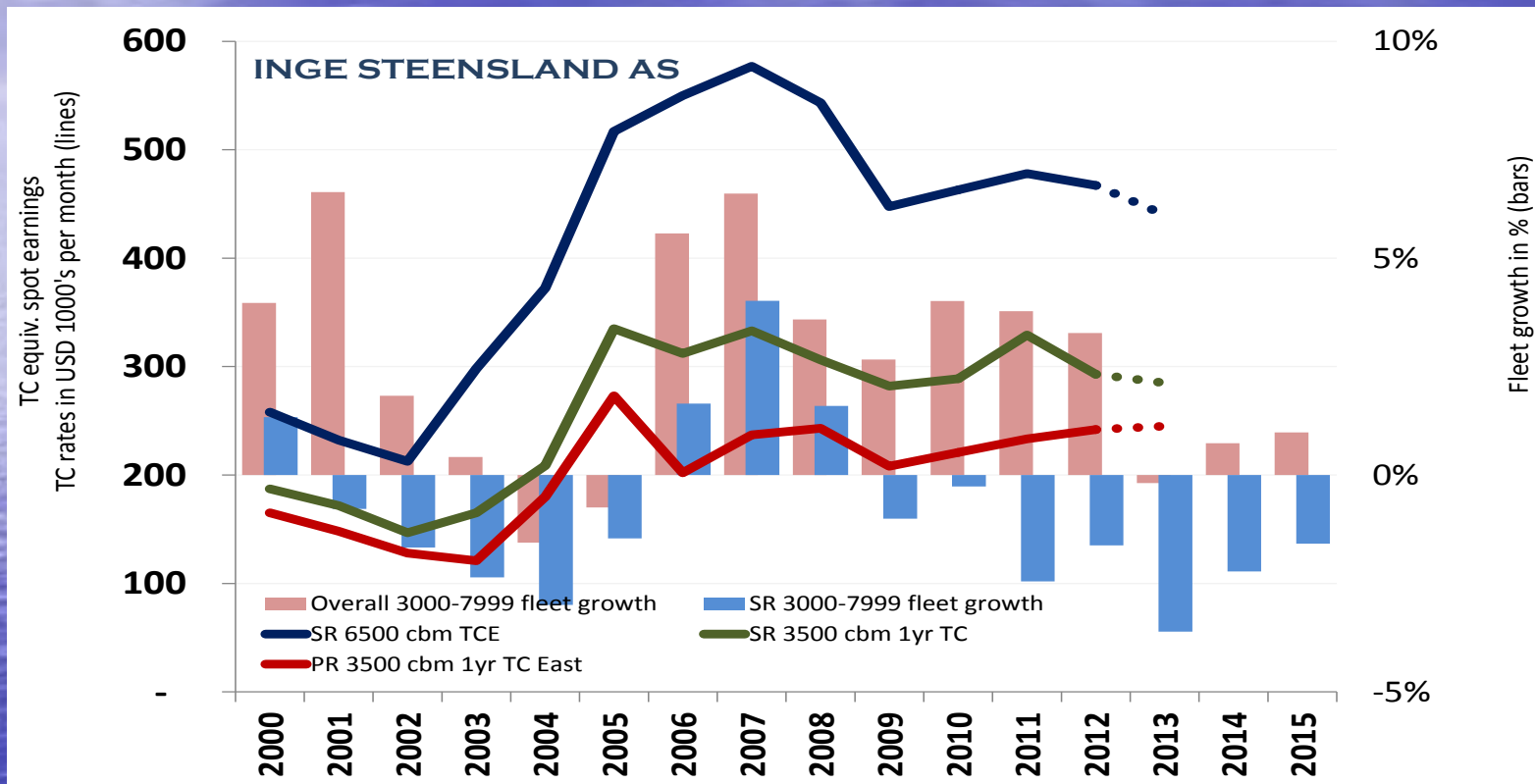
Existing fleet	705,099 cbm / 146 vsls
Orderbook	72,760 cbm / 12 vsls 10%
Average age	16.6 yrs
Sub 15yr share	346,077 cbm / 66 vsls 49%
20yr+ share	175,936 cbm / 40 vsls 25%
25yr+ share	129,699 cbm / 28 vsls 18%

# Fleet age profile

## Pressurized



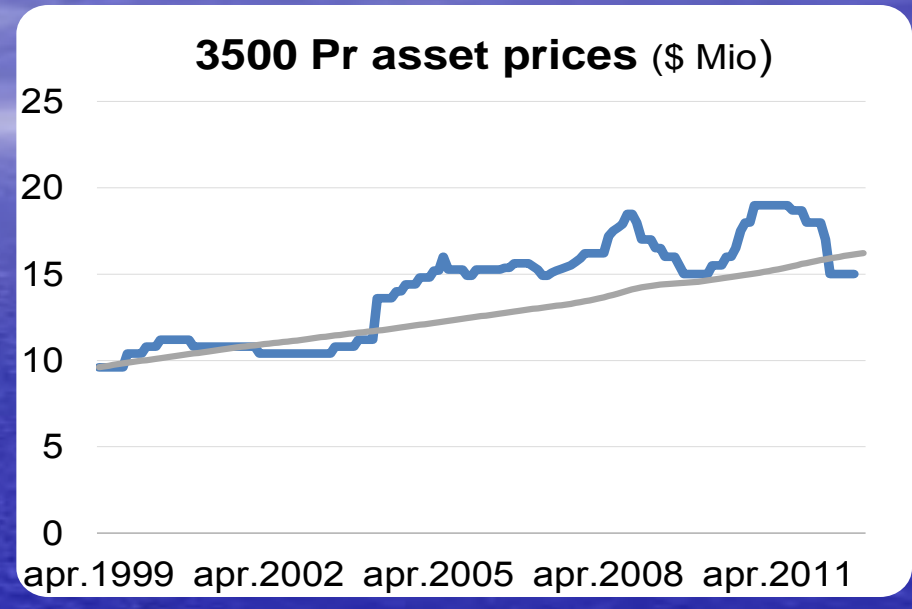
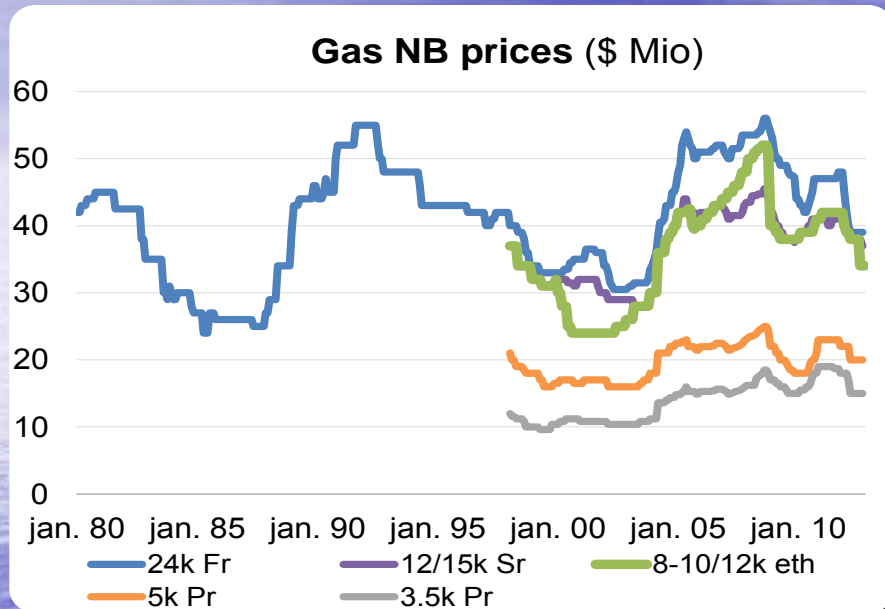
# 3000-8000 cbm Fleet Development Vs. TC Rates/Earnings\*



- TC equivalent spot earnings are assessed average earnings in the spot market excluding waiting time. Yearly average
- Fleet growth excl. Chinese fleet, assuming 30 year scrap age by end 2013.

Source: Inge Steensland AS

# NB PRICES



- Cheaper Yen could potentially open up for more pressurized orders going forward
- Adjusted for inflation pressurized N/B prices are at it's lowest in 15 years
- However, the Pressurized LPG segment is receiving very limited interest from newcomers, and some of the main pressurized owners that are also involved in for example Dry and Tankers, currently do not have the cash to expand their LPG business.



# Forecast

- Asian market to continue the firm trend
- Europe market to rebound from the drop experienced 2h 2012 due to vessels heading east
- 3500cbm's very firm, 5000cbm's and larger sizes to follow
- China will continue to play the leading role. Petrochemical imports / LPG exports - pressurized
- Indonesia, China, Vietnam will continue to expand their domestic fleets. Korea likely to increase their fleet.
- Black Sea to play an increasingly important role, new terminals and more export product
- New regulations in the US open up for propane export from the USG on pressurized tonnage. Big volume increase due to shalegas.
- Orderbook to shrink or stay stable due to limited new orders
- Ship values to stay relatively steady short term, increase long term

# StealthGas Inc.



# Types of vessels and products carried

## Fleet Composition (including 4 NBs)

### 37 LPG Carriers



Propane  
Butane  
Ethane  
VCM  
Butadiene  
Propylene

### 3 Product Tankers



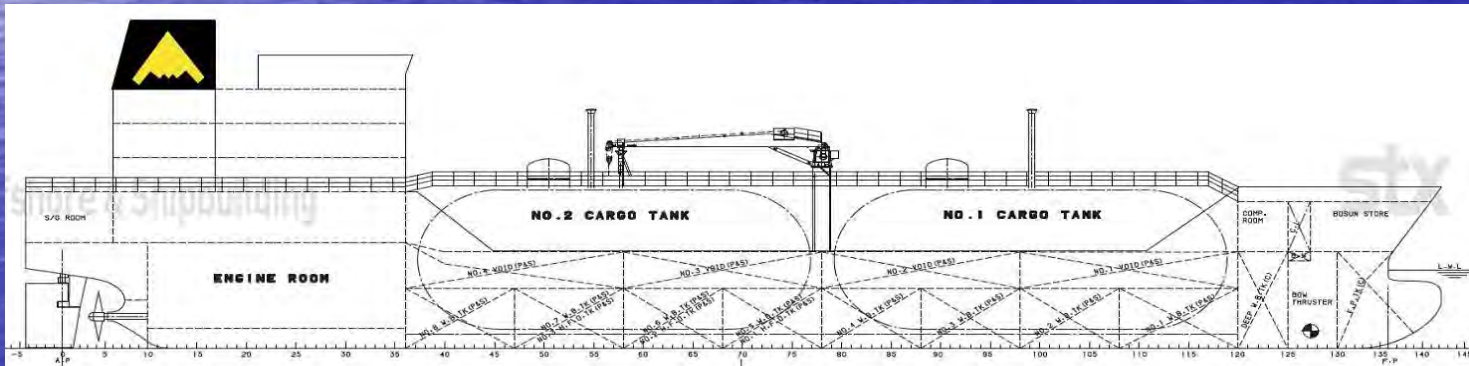
Diesel  
Jet Fuel  
Naphtha

### 1 Aframax Tanker



Crude Oil

## Acquisition of 4 super Eco type Newbuilding LPG carriers built in South Korea.

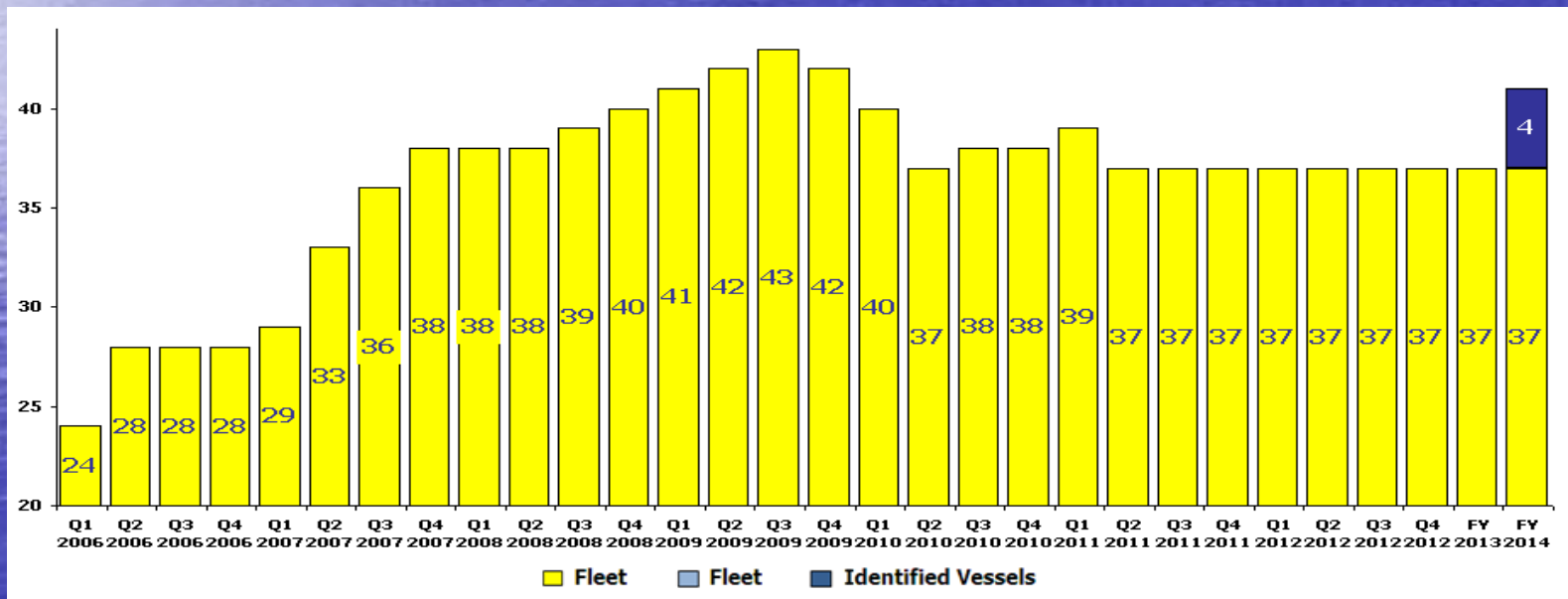


# *Fleet composition*

- Pressurized
  - 6300-7500cbm: 8 vessels
  - 5000cbm: 11 vessels
  - 3300-4100cbm: 10 vessels
- New buildings pressurized
  - 6500 cbm: 2 vessels
  - 5000 cbm: 2 vessels
- Semi-ref
  - 3200-4100cbm: 4 vessels
- *Tankers (3 MR's / 1 Aframax)*

# Fleet Development

- Newbuilding program of 5 LPG carriers delivered in 2011/12
- Newbuilding program of 4 LPG carriers delivering in 2014
- Newbuilding program has committed financing
- Selective sale of older & smaller tonnage in 2012/13

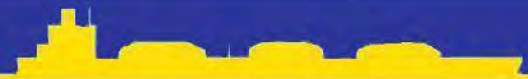


# Fleet Employment Profile

EARNINGS VISIBILITY	2013												2014											
	Q1 2013			Q2 2013			Q3 2013			Q4 2013			Q1 2014			Q2 2014			Q3 2014			Q4 2014		
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Gas Esco																								
Gas Husky																								
Stealth Balha																								
Gas Sikousis																								
Navig8 Faith																								
Navig8 Fidelity																								
Gas Spirit																								
Gas Elixir																								
Spike																								
Gas Pasha																								
Gas Defiance																								
Gas Myth																								
Gas Shuriken																								
Gas Icon																								
Gas Sincerity																								
Gas Exelero																								
Gas Astrid																								
Gas Zael																								
Gas Texiana																								
Sir Ivor																								
Lyne																								
Gas Arctic																								
Gas Ice																								
Gas Crystal																								
Gas Cerberus																								
Gas Haralambos																								
Gas Monarch																								
Chiltern																								
Gas Cathar																								
Gas Moxie																								
Gas Premiership																								
Gas Flawless																								
Gas Kaizen																								
Gas Marathon																								
Gas Evoluzione																								
Gas Emperor																								
Gas Legacy																								

2013  
75%

2014  
42%



# StealthGas Inc.

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*Listed on NASDAQ – under ticker symbol  
"GASS"*

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