



## **STEALTHGAS INC. REPORTS FIRST QUARTER 2012 FINANCIAL AND OPERATING RESULTS**

**ATHENS, GREECE, May 22, 2012.** STEALTHGAS INC. (NASDAQ: GASS), a ship-owning company primarily serving the liquefied petroleum gas (LPG) sector of the international shipping industry, announced today its unaudited financial and operating results for the first quarter ended March 31, 2012.

### **First Quarter 2012 Results:**

- Net income for the three months ended March 31, 2012 was \$7.4 million, or \$0.36 per share, an increase of \$5.9 million, from net income of \$1.5 million, or \$0.07 per share, for the three months ended March 31, 2011. Lower operating costs, gain on sale of vessel and a lower derivative loss has resulted in the net income being higher despite revenues being lower.
- Voyage revenues for the three months ended March 31, 2012, amounted to \$29.1 million, a decrease of \$1.4 million, or 4.6%, compared to voyage revenues of \$30.5 million for the three months ended March 31, 2011. The decrease in revenues was due to the higher number of vessels under bareboat charters in the 2012 period.
- Voyage expenses and vessels' operating expenses for the three months ended March 31, 2012 were \$2.6 million and \$7.7 million, respectively, compared to \$3.6 million and \$10.5 million for the three months ended March 31, 2011. The \$1.0 million, or 27.8%, decrease of voyage expenses was due primarily to the lower number of vessels under spot charters in the 2012 period. The \$2.8 million, or 26.7%, decrease in vessels' operating expenses was due primarily to the higher number of vessels operating under bareboat charters in the 2012 period.
- Included in the first quarter 2012 results are net losses from interest rate derivative instruments of \$0.5 million. This amount includes \$1.3 million, or \$0.06 per share, of interest paid on recurring interest rate swap arrangements. The Company also realized a \$1.3 million gain on sale of vessel. Excluding non-recurring items, adjusted net income was \$5.3 million or \$0.25 per share compared to \$2.8 million or \$0.13 per share for the same period last year.
- EBITDA for the three months ended March 31, 2012 amounted to \$16.8 million. Reconciliations of Adjusted Net Income and EBITDA to Net Income are set forth below.

An average of 37.0 vessels were owned by the Company in the three months ended March 31, 2012, earning an average time-charter equivalent rate of approximately \$8,126 per day as compared to 38.4 vessels, earning an average time-charter equivalent rate of \$7,930 per day for the same period of 2011.

### **CEO Harry Vafias commented**

I am very pleased with the results we announced today. Our financial performance continues to improve as a result of a strengthening LPG market. The Company's bottom line bears evidence to the solid environment we operate in and to our efforts to take advantage of the increased chartering activity while at the same time we continue our efforts to contain the cost base. As previously announced, during the first quarter we managed to conclude a number of long-term charters, which is usually a sign of positive market expectations. As a result, the forward coverage of our revenues has increased to 80% for 2012 and 55% for 2013.

In terms of fleet capacity, during the first quarter we sold one vessel, Gas Tiny, and took delivery of one newbuilding vessel, Gas Husky. In the second quarter, we delivered Gas Kalogeros to her new owners on May 4<sup>th</sup> and we expect to take delivery of our last newbuilding vessel, Gas Esco,

in June. The remaining capital expenditure for the delivery of the vessel will be covered by bank financing under an existing loan agreement.

The company continues to have moderate leverage and improved cash balances. We are now in a position to expand and renew our fleet and continue to look at opportunities for modern vessels.

**Conference Call details:**

On May 23, 2012 at 11:00 am ET, the Company's management will host a conference call to discuss the results and the Company's operations and outlook.

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1866 966 9439 (US Toll Free Dial In) or 0800 694 0257 (UK Toll Free Dial In).

In case of any problems with the above numbers, please dial +01 631 510 7498 (US Toll Dial In), or +44 (0)1452 555 566 (Standard International Dial In). Please quote "82809437".

A telephonic replay of the conference call will be available until May 29, 2012 by dialing 1866 247 4222 (US Toll Free Dial In), 0800 953 1533 (UK Toll Free Dial In) or +44 (0)1452 5500 00 (Standard International Dial In). Access Code: 82809437#

**Slides and audio webcast:**

There will also be a live-and then archived webcast of the conference call, through the STEALTHGAS INC. website ([www.stealthgas.com](http://www.stealthgas.com)). Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

**About STEALTHGAS INC.**

Headquartered in Athens, Greece, STEALTHGAS INC. is a ship-owning company primarily serving the LPG sector of the international shipping industry. As of the date of this press release, STEALTHGAS INC. has a fleet of 32 LPG carriers with a total capacity of 154,322 cbm, three medium range (M.R.) product tankers and one Aframax oil tanker. The Company has also entered into agreement to acquire a new building LPG carrier with expected delivery in June 2012. Once this acquisition is completed, STEALTHGAS INC 's fleet will be composed of 33 LPG carriers with a total capacity of 161,822 cbm, three M.R. product tankers and one Aframax oil tanker with a total capacity of 255,804 deadweight tons (dwt). STEALTHGAS INC's shares are listed on the NASDAQ Global Select Market and trade under the symbol "GASS".

**Forward-Looking Statements**

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may 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 forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although STEALTHGAS INC. believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, STEALTHGAS INC. cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, charter counterparty performance, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry dockings, changes in STEALTHGAS INC's operating expenses, including bunker prices, dry-docking and insurance costs, ability to obtain financing and comply with covenants in our financing arrangements, or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by STEALTHGAS INC. with the U.S. Securities and Exchange Commission.

Visit our website at [www.stealthgas.com](http://www.stealthgas.com)

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**Fleet Data:**

The following key indicators highlight the Company's operating performance during the first quarters ended March 31, 2011 and March 31, 2012.

<b>FLEET DATA</b>	<b>Q1 2011</b>	<b>Q1 2012</b>
Average number of vessels (1)	38.4	37.0
Period end number of vessels in fleet	39	37
Total calendar days for fleet (2)	3,452	3,367
Total voyage days for fleet (3)	3,395	3,265
Fleet utilization (4)	98.3%	97.0%
Total charter days for fleet (5)	2,778	2,962
Total spot market days for fleet (6)	617	303
Fleet operational utilization (7)	92.8%	95.9%
<b>AVERAGE DAILY RESULTS</b>		
Time Charter Equivalent – TCE (8)	\$7,930	\$8,126
Vessel operating expenses (9)	3,044	2,277
Management fees	373	321
General and administrative expenses	166	185
Total operating expenses (10)	3,210	2,462

1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the sum of the number of days each vessel was a part of our fleet during the period divided by the number of calendar days in that period.

2) Total calendar days are the total days the vessels were in our possession for the relevant period including off-hire days associated with major repairs, drydockings or special or intermediate surveys.

3) Total voyage days for fleet reflect the total days the vessels were in our possession for the relevant period net of off-hire days associated with major repairs, drydockings or special or intermediate surveys.

4) Fleet utilization is the percentage of time that our vessels were available for revenue generating voyage days, and is determined by dividing voyage days by fleet calendar days for the relevant period.

5) Total charter days for fleet are the number of voyage days the vessels in our fleet operated on time or bareboat charters for the relevant period.

6) Total spot market charter days for fleet are the number of voyage days the vessels in our fleet operated on spot market charters for the relevant period.

7) Fleet operational utilization is the percentage of time that our vessels generated revenue, and is determined by dividing voyage days (excluding commercially idle days) by fleet calendar days for the relevant period.

8) Time charter equivalent, or TCE, is a measure of the average daily revenue performance of a vessel on a per voyage basis. Our method of calculating TCE is consistent with industry standards and is determined by dividing voyage revenues (net of voyage expenses) by voyage days for the relevant time period. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract, as well as commissions. TCE is a standard shipping industry performance

measure used primarily to compare period-to-period changes in a shipping company's performance despite changes in the mix of charter types (i.e., spot charters, time charters and bareboat charters) under which the vessels may be employed between the periods.

9) Vessel operating expenses, which include crew costs, provisions, deck and engine stores, lubricating oil, insurance, maintenance and repairs, is calculated by dividing vessel operating expenses by fleet calendar days for the relevant time period.

10) Total operating expenses, or TOE, is a measurement of our total expenses associated with operating our vessels. TOE is the sum of vessel operating expenses and general and administrative expenses. Daily TOE is calculated by dividing TOE by fleet calendar days for the relevant time period.

#### **Reconciliation of Adjusted Net Income, EBITDA, adjusted EBITDA and adjusted EPS:**

EBITDA represents net income before interest, income tax expense, depreciation and amortization. Adjusted EBITDA represents EBITDA before (gain)/loss on sale of assets, loss on derivatives, excluding swap interest paid, and non-cash exchange difference. EBITDA, adjusted EBITDA, adjusted net income and adjusted EPS are not recognized measurements under US GAAP. Our calculation of EBITDA, adjusted EBITDA, adjusted net income and adjusted EPS may not be comparable to that reported by other companies in the shipping or other industries.

EBITDA, adjusted EBITDA, adjusted net income and adjusted EPS are included herein because they are a basis, upon which we assess our financial performance. They allow us to present our performance from period to period on a comparable basis and provide additional information on fleet operational results. We also use EBITDA to assess our liquidity position and believe it represents useful information for investors regarding a company's ability to service and/or incur indebtedness.

(Expressed in United States Dollars, except number of shares)	First Quarter Ended March 31st,	
	2011	2012
<b><u>Net Income - Adjusted Net Income</u></b>		
<b>Net income</b>	<b>1,526,493</b>	<b>7,379,512</b>
Loss on derivatives	2,336,268	451,528
Less swap interest paid	(1,564,811)	(1,317,148)
Net gain on sale of vessel	--	(1,274,965)
Unrealized exchange (gain)/loss	469,621	(20,416)
<b>Adjusted Net Income</b>	<b>2,767,571</b>	<b>5,218,511</b>
<b><u>EBITDA - Adjusted EBITDA</u></b>		
Net income	1,526,493	7,379,512
Plus interest and finance costs	2,006,932	2,457,523
Less interest income	(4,520)	(47,487)
Plus depreciation	6,961,021	7,035,342
<b>EBITDA</b>	<b>10,489,926</b>	<b>16,824,890</b>
Adjusted Net Income	2,767,571	5,218,511
Plus interest and finance costs	2,006,932	2,457,523
Less interest income	(4,520)	(47,487)
Plus depreciation	6,961,021	7,035,342
<b>ADJUSTED EBITDA</b>	<b>11,731,004</b>	<b>14,663,889</b>
<b><u>EPS - Adjusted EPS</u></b>		
Net income	1,526,493	7,379,512
Adjusted net income	2,767,571	5,218,511
Weighted average number of shares	21,099,319	20,552,568
<b>EPS</b>	<b>0.07</b>	<b>0.36</b>
<b>Adjusted EPS</b>	<b>0.13</b>	<b>0.25</b>

**StealthGas Inc.**  
**Unaudited Statements of Income**  
**(Expressed in United States Dollars, except number of shares)**

	<b>For The Three Months Ended March 31,</b>	
	<b>2011</b>	<b>2012</b>
<b>Revenues</b>		
Voyage revenues	30,537,640	29,122,817
<b>Expenses</b>		
Voyage expenses	3,613,851	2,591,935
Vessels' operating expenses	10,507,306	7,665,065
Dry-docking costs	1,181,374	1,283,085
Management fees	1,287,985	1,080,170
General and administrative expenses	573,512	623,011
Depreciation	6,961,021	7,035,342
Net gain on sale of vessel	--	(1,274,965)
<b>Total expenses</b>	<b>24,125,049</b>	<b>19,003,643</b>
<b>Income from operations</b>	<b>6,412,591</b>	<b>10,119,174</b>
<b>Other (expenses)/income</b>		
Interest and finance costs	(2,006,932)	(2,457,523)
Loss on derivatives	(2,336,268)	(451,528)
Interest income	4,520	47,487
Foreign exchange gain/(loss)	(547,418)	121,902
<b>Other expenses, net</b>	<b>(4,886,098)</b>	<b>(2,739,662)</b>
<b>Net income</b>	<b>1,526,493</b>	<b>7,379,512</b>
<b>Earnings per share</b>		
- Basic	0.07	0.36
- Diluted	0.07	0.36
<b>Weighted average number of shares</b>		
-Basic	21,099,319	20,552,568
-Diluted	<u>21,099,319</u>	<u>20,552,568</u>

**StealthGas Inc.**  
**Unaudited Consolidated Balance Sheets**  
**(Expressed in United States Dollars)**

	December 31, 2011	March 31, 2012
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	43,539,303	46,459,262
Trade and other receivables	1,545,658	1,087,443
Claims receivable	516,403	349,090
Inventories	2,416,108	1,826,613
Advances and prepayments	628,623	709,643
Restricted cash	6,954,363	7,606,052
Vessel held for sale	921,285	16,481,687
<b>Total current assets</b>	<b>56,521,743</b>	<b>74,519,790</b>
<b>Non current assets</b>		
Advances for vessels under construction	22,347,811	13,274,611
Vessels, net	613,832,973	623,715,346
Restricted cash	1,300,000	1,300,000
Deferred finance charges, net of accumulated amortization of \$1,374,020 and \$1,493,306	1,707,624	1,588,338
<b>Total non current assets</b>	<b>639,188,408</b>	<b>639,878,295</b>
<b>Total assets</b>	<b>695,710,151</b>	<b>714,398,085</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Payable to related party	7,874,990	7,482,377
Trade accounts payable	6,453,807	5,966,987
Accrued liabilities	4,749,162	5,045,959
Customer deposits	275,000	275,000
Deferred income	2,789,186	3,404,788
Fair value of derivatives	--	1,683,571
Current portion of long-term debt	33,166,887	34,754,611
Current portion of long-term debt associated with vessel held for sale	791,823	12,826,919
<b>Total current liabilities</b>	<b>56,100,855</b>	<b>71,440,212</b>
<b>Non current liabilities</b>		
Fair value of derivatives	9,401,798	6,833,766
Long-term debt	317,109,471	315,627,727
<b>Total non current liabilities</b>	<b>326,511,269</b>	<b>322,461,493</b>
<b>Total liabilities</b>	<b>382,612,124</b>	<b>393,901,705</b>
<b>Commitments and contingencies</b>	<b>--</b>	<b>--</b>
<b>Stockholders' equity</b>		
Capital stock	205,526	205,526
Additional paid-in capital	275,761,643	275,761,643
Retained earnings	37,058,140	44,437,652
Accumulated other comprehensive income	72,718	91,559
<b>Total stockholders' equity</b>	<b>313,098,027</b>	<b>320,496,380</b>
<b>Total liabilities and stockholders' equity</b>	<b>695,710,151</b>	<b>714,398,085</b>

**StealthGas Inc.**  
**Unaudited Consolidated Statements of Cash Flows**  
**(Expressed in United States Dollars)**

	<b>For The Three Months Ended March 31,</b>	
	<b>2011</b>	<b>2012</b>
<b>Cash flows from operating activities</b>		
Net income for the period	1,526,493	7,379,512
<b>Items included in net income not affecting cash flows:</b>		
Depreciation	6,961,021	7,035,342
Amortization of deferred finance charges	112,674	119,286
Unrealized exchange loss/(gain)	469,621	(20,416)
Share based compensation	4,072	--
Change in fair value of derivatives	771,456	(865,620)
Net gain on sale of vessel	--	(1,274,965)
<b>Changes in operating assets and liabilities:</b>		
<b>(Increase)/decrease in</b>		
Trade and other receivables	(539,315)	458,215
Claims receivable	--	(131,986)
Inventories	(1,580,966)	191,022
Advances and prepayments	221,795	(81,020)
<b>Increase/(decrease) in</b>		
Payable to related party	1,752,875	(392,613)
Trade accounts payable	2,336,801	(486,820)
Accrued liabilities	(59,037)	536,797
Other current liability	(2,687,500)	--
Deferred income	(829,077)	615,602
<b>Net cash provided by operating activities</b>	<b>8,460,913</b>	<b>13,082,336</b>
<b>Cash flows from investing activities</b>		
Insurance proceeds	--	299,299
Advances for vessel under construction	(392,610)	(3,850,854)
Proceeds from sale of vessels, net	--	1,956,249
Acquisition of vessels	(9,416,755)	(20,076,874)
Increase in restricted cash account	(1,419,422)	(651,689)
<b>Net cash used in investing activities</b>	<b>(11,228,787)</b>	<b>(22,323,869)</b>
<b>Cash flows from financing activities</b>		
Deferred finance charges	(275,000)	--
Loan repayment	(8,864,620)	(9,608,924)
Proceeds from long-term debt	16,500,000	21,750,000
<b>Net cash provided by financing activities</b>	<b>7,360,380</b>	<b>12,141,076</b>
Effect of exchange rate changes on cash	(469,621)	20,416
Net increase in cash and cash equivalents	4,122,885	2,919,959
Cash and cash equivalents at beginning of period	29,797,095	43,539,303
<b>Cash and cash equivalents at end of period</b>	<b>33,919,980</b>	<b>46,459,262</b>

## Fleet Profile and Fleet Deployment:

The table below shows the Company's fleet development and deployment as of today:

### LPG Carrier Fleet

Vessel	Vessel Size (cbm)	Vessel Type	Year Built	Delivered To GASS	Employment Status	Charter Expiration (1)
<b>CURRENT FLEET</b>						
Gas Cathar	7,517	F.P.	2001	Oct-05	Time Charter	May-13
Gas Husky	7,500	F.P.	2011	Jan-12	Bareboat	Jan-17
Gas Premiership	7,200	F.P.	2001	Mar-08	Spot	-
Gas Haralambos	7,000	F.P.	2007	Oct-07	Time Charter	Jun -13
Gas Marathon	6,572	F.P.	1995	Nov-05	Time Charter	Dec -12
Gas Moxie	6,526	F.P.	1992	May-05	Spot	-
Gas Flawless	6,300	F.P.	2007	Feb-07	Time Charter	Nov-12
Gas Monarch	5,018	F.P.	1997	Dec-05	Spot	-
Lyne	5,014	F.P.	1996	May-06	Bareboat	May-13
Gas Emperor	5,013	F.P.	1995	Feb-05	Spot	-
Gas Texiana	5,001	F.P.	1995	Nov-05	Time Charter	Jan-14
Sir Ivor	5,000	F.P.	2003	May-06	Bareboat	May-13
Gas Icon	5,000	F.P.	1994	Jun-07	Time Charter	Jul-12
Gas Defiance	5,000	F.P.	2008	Aug-08	Time Charter	Jan-15
Gas Shuriken	5,000	F.P.	2008	Oct-08	Time Charter	Nov-14
Gas Elixir	5,018	F.P.	2011	Feb-11	Bareboat	Dec-15
Gas Cerberus	5,018	F.P.	2011	Apr-11	Time Charter	Jul-12
Gas Myth	5,018	F.P.	2011	Sep-11	Time Charter	Nov-14
Gas Sincerity	4,123	F.P.	2000	Nov-05	Bareboat	Aug-14
Gas Spirit	4,112	F.P.	2001	Dec-05	Bareboat	Jan-16
Gas Zael	4,111	F.P.	2001	Dec-05	Bareboat	Jan-14
Gas Kaizen	4,109	S.R.	1991	Nov-04	Spot	-
Gas Evoluzione	3,517	F.P.	1996	Jul-07	Time Charter	Aug -12
Gas Astrid	3,500	F.P.	2009	Apr-09	Bareboat	Apr-14
Gas Legacy	3,500	F.P.	1998	Oct-05	Time Charter	Oct-12
Gas Sikousis	3,500	F.P.	2006	Aug-07	Bareboat	May-16
Gas Exelero	3,500	F.P.	2009	Jun-09	Bareboat	Jun-14
Gas Arctic	3,434	S.R.	1992	Apr-05	Time Charter	Jan-13
Gas Ice	3,434	S.R.	1991	Apr-05	Time Charter	Jan-13
Chiltern	3,312	F.P.	1997	Jun-07	Bareboat	May-13
Gas Pasha	3,244	F.P.	1995	Jun-06	Time Charter	Jan-15
Gas Crystal	3,211	S.R.	1990	Nov-05	Time Charter	Jun-12
<b>FLEET TOTAL: 32 VESSELS</b>	<b>154,322 Cbm</b>					
<b>Additional Vessels (with expected delivery date)</b>						
Gas Esco	7,500	F.P.	2012	Jun-12	Time Charter	Jun-17
<b>TOTAL LPG CARRIER FLEET: 33 VESSELS</b>	<b>161,822 cbm</b>					

### Tanker Fleet

Vessel	Vessel Size (dwt)	Vessel Type	Year Built	Delivered To GASS	Employment Status	Charter Expiration(1)
Navig8 Fidelity	47,000	MR Product Tanker	2008	Jan-08	Bareboat	Jan-15
Navig8 Faith	47,000	MR Product Tanker	2008	Feb-08	Bareboat	Feb-15
Alpine Endurance	46,000	MR Product Tanker	2009	Jul-09	Time Charter	Jul-16
Spike	115,804	Aframax Oil Tanker	2010	Jul-10	Bareboat	Jul-15
<b>TOTAL TANKER FLEET: 4 VESSELS</b>	<b>255,804 dwt</b>					

- F.P.: Fully-Pressurized
- S.R.: Semi-Refrigerated
- M.R.: Medium Range

(1) Earliest date charters could expire.