

First Quarter 2015 Results
May 26th, 2015



StealthGas Inc.



Disclaimer




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1 Highlights



StealthGas Key Highlights

Fleet & Operations

- Successful delivery of three new Eco LPG carriers (one in January and two in April).
- Divestment of our two oldest vessels for demolition (both in April)
- Low running costs and low cost of debt lead to an overall low breakeven.
- 66% of vessels on period charters for the remaining of 2015, thus securing steady cash flows in a soft market.
- Proven and long standing client base with low concentration.   

Financial








- Record revenues in Q1 2015, surpassing \$ 35mm.
- Net Revenues for Q1 2015 at \$ 31.4 mm. (\$ 30.7 mm. in Q1 2014).
- Low gearing (34.1% of total Assets) while maintaining strong cash position (about \$ 128 mm. of available cash).
- Active share buyback program of \$ 30 mm, \$ 10mm in November 14 and another \$ 20 mm. approved in February 2015
- Stock repurchase of about 2.0mm. shares for a total of approx. \$ 12.0 mm at an average price of \$ 6.2, from the beginning of the program to date

1 Highlights



StealthGas The Largest LPG Owner by Number of Ships Worldwide

StealthGas Selected Peer Group

Company	Sailing Fleet	New Building	Total
 StealthGas	46	13	59
 Navigator Gas	28	10	38
 Epic Gas	29	7	36
 Exmar	25	8	33
 Lauritzen	29	-	29
 Naftomar	22	-	22
 Daelim	16	-	16

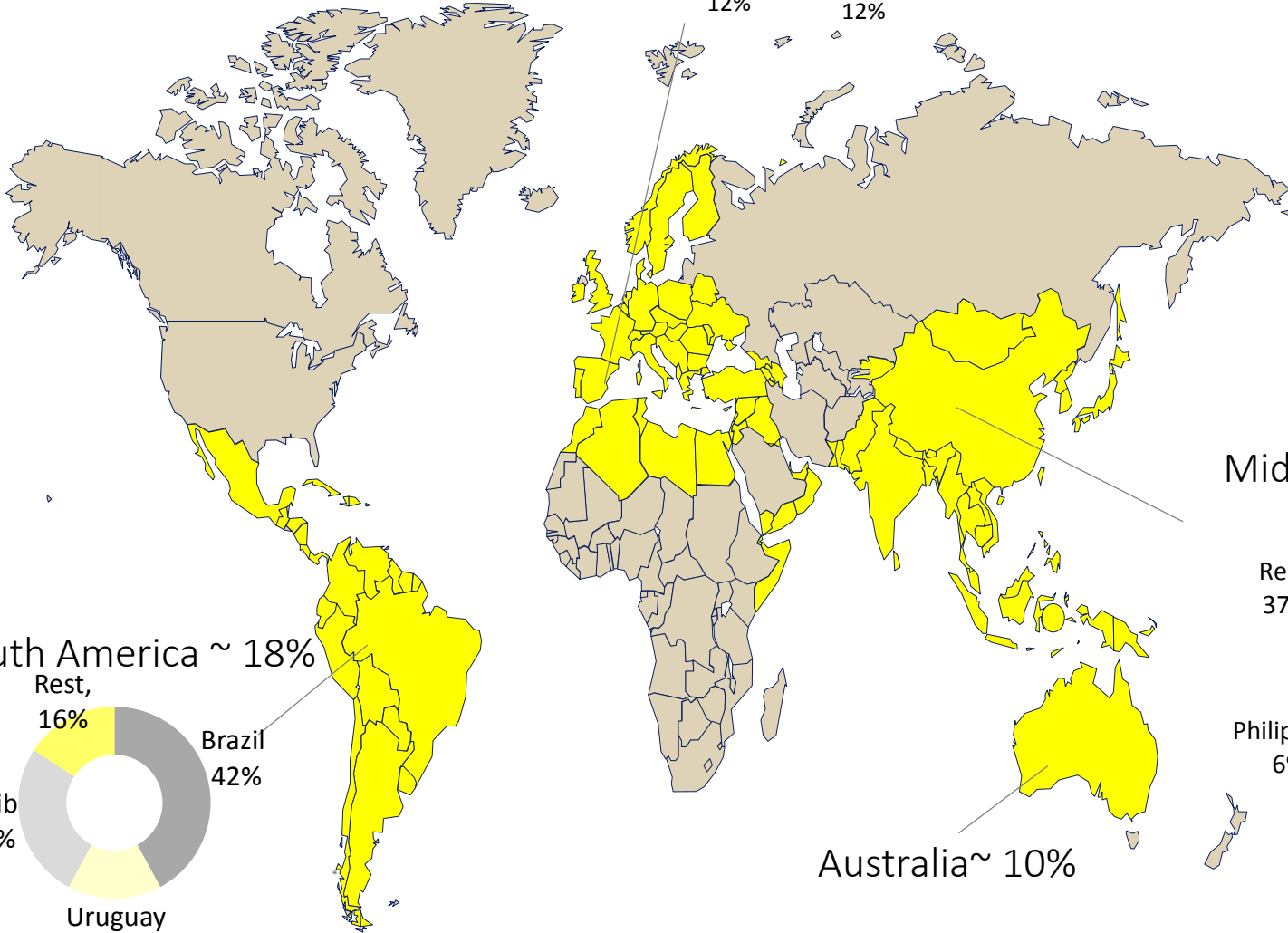
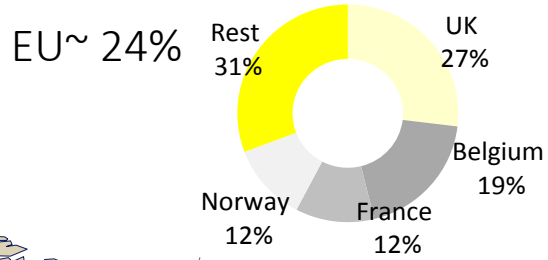
StealthGas Positioning against Peers

- Highest number of sailing vessels, the biggest in number of new orders and the market leader in terms of total vessels owned.
- Average age of our LPG fleet down to 10.3 years from 10.9 in Q4 2014 which will be lowered further as our remaining Nb's get delivered.

(Note: StealthGas stated sailing fleet does not include the 2 vessels chartered-in by the Company)

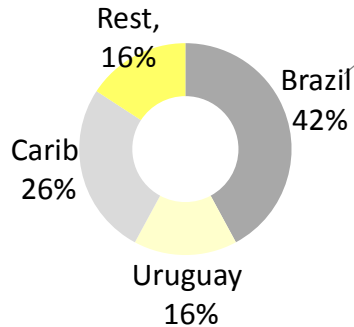
1 Highlights

Fleet Trading Profile

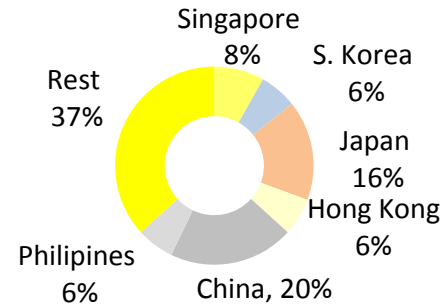


- Stealthgas focuses on regional trade and local distribution of gas.
- Approximately 70% of the LPG we carry is for household usage (cooking and heating) and remaining 30% for industrial usage.
- Currently 48% of the fleet trades in the Middle- Far East , 24% in Europe, 18% in South America and 10% in Australia.

South America ~ 18%



Middle- Far East ~ 48%



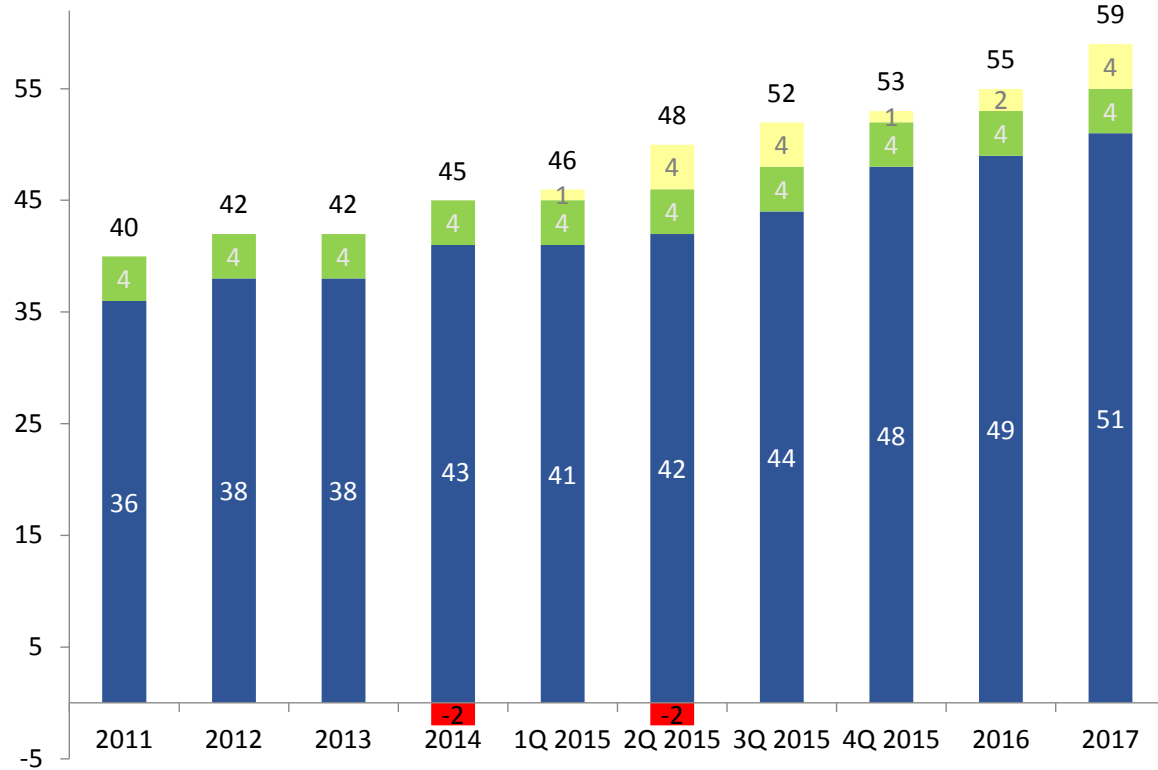
Trading Areas

Note: Rounding discrepancy of +/- 1%

1 Highlights



Fleet Development



- As of April 30th, 2015 StealthGas owned 46 vessels

GASS S&P activity 2015

LPG Vessel	Capacity (cbm)	Built	Status	Date
Gas Kaizen	4,109	1991	sold for scrapping	Apr-15
Gas Crystal	3,211	1990	sold for scrapping	Apr-15
Eco Lucidity	3,500	Newbuilding	delivered	Jan-15
Eco Enigma	5,000	Newbuilding	delivered	Apr-15
Eco Royalty	3,500	Newbuilding	delivered	Apr-15

- On going investment plan aiming to reach 59 vessels by 2017.
- Currently it is better to use company cash to acquire our own shares than buy additional LPG vessels.

1 Highlights

Capex Program Analysis



STEALTHGAS New buildings

- Remaining investment program of c. 323 USD mm. for the period Q2 2015- Q42017.
- 13 LPG orders of 138,400 cbm aggregate capacity, majority of which are under construction in Japan.

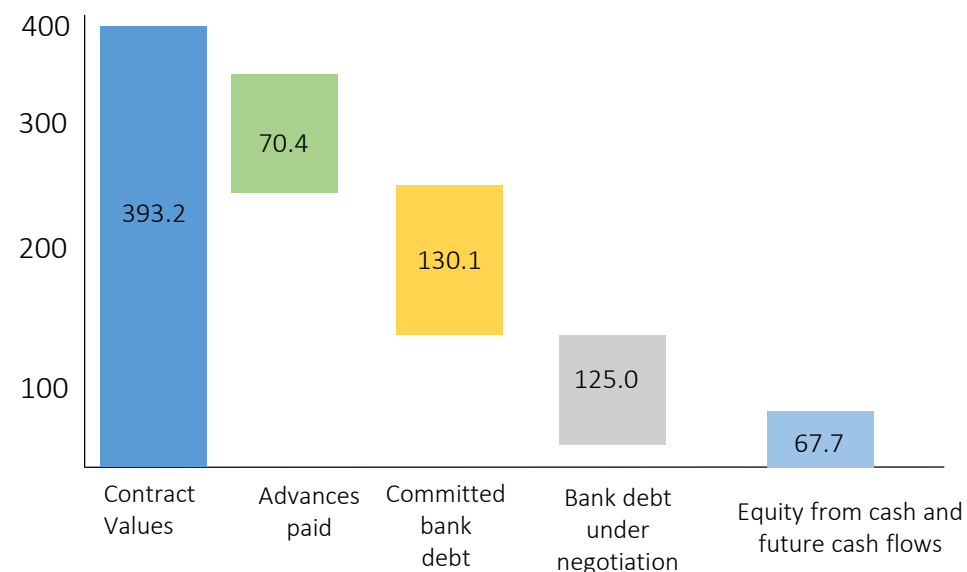
	2015	2016	2017	Total
No of Vessels (LPG)	7 pressurized	2 pressurized	4 semi refrigerated	13
Capacity (cbm)	35,700	14,700	88,000	138,400
Remaining Capex (USD mm.)	111	35	177	323*

Note: * Excludes advances paid

- 55% of remaining capital will be deployed in 2017 as deliveries for the year are semi refrigerated vessels of 22,000 cbm average capacity.
- Strategic expansion with 22,000 cbm. new generation semi-ref ships in order to provide clients with a more integrated service at lower costs.

Capital Expenditure Analysis

(Amounts in USD mm.)



- Only the debt for 2017 deliveries is under negotiation.
(estimated time for completion of this debt discussion is Q1 16)
- Further equity commitments are feasible since cash as per Balance Sheet stands at about USD 127 mm.

2 Financials

Financials – Income Statement Q1 2015



Income Statement (Amounts in USD'000s)	Q1 2014	Q1 2015
Voyage revenues	33,884	35,676
Voyage costs	(3,114)	(4,253)
Net revenues	30,770	31,423
Running costs	(10,677)	(11,701)
Charter hire expenses		(1,032)
Drydocking costs	(363)	
Management fees	(1,277)	(1,510)
G&A	(665)	(924)
Depreciation	(8,091)	(8,371)
Income from operations	9,697	7,885
Interest and finance costs	(2,066)	(2,214)
Other income/(expenses)	0.76	161
Net income	7,632	5,832
Net income Adjusted	7,166	5,764
EBITDA	18,321	16,699
EBITDA Adjusted	17,854	16,631
EPS	0.23	0.14
EPS Adjusted	0.21	0.14
Number of Shares	33,751,847	42,037,738
Number of Vessels	43	46

Note: Any difference in totals is attributed to rounding

Comparing Q1 2015 to Q1 2014

- **Net Revenues** increased by \$ 650 thousands to \$31.5 mm compared to Q1 2014 due to the increased number of operating vessels. Decline in spot rates suppressed revenues and therefore the contribution of the 4 additional vessels was not significant.
- **EBITDA** declined by \$ 1.6 mm mostly as a result of
 - Lower spot rates
 - increase in voyage costs by \$ 1 mm due to higher number of spot days and
 - running costs rising by 9.5% as a result of our fleet expansion

2 Financials

Financials -Performance Highlights Q1 2015



Fleet Data	Q1 2014	Q1 2015
Average number of vessels in fleet	42.04	45.9
Period number of vessels in fleet	43	46
Total calendar days for fleet	3,784	4,312
Total voyage days for fleet	3,750	4,301
Fleet utilization	99.1%	99.7%
Total charter days for fleet	3,417	3,603
Total spot market days for fleet	333	698
Fleet operational utilization	98.3%	95.6%
Average Daily Results (in \$)	Q1 2014	Q1 2015
Adjusted Time Charter Equivalent - TCE *	9,720	8,708
Vessel Operating Expenses- Adjusted *	4,461	4,067
Management Fees	337	350
General and Administrative Expenses	176	214
Total Vessel Operating Expenses- Adjusted *	4,637	4,281

(Note: * Assuming no BB charters)

Key Comments

- Soft market conditions are evident as:
 - **Operational utilization** was 95.6% in Q1 15 compared to 98.3% in Q1 14
 - **Spot market days** more than doubled in Q1 15 as a result of market weakening and our fleet expansion
 - **Time charter equivalent** is lower by 10% but is in line with current market levels.
- Effective fleet management and adjustment to market conditions as:
 - **Daily operational expenses** decreased by 9%
 - Moderate increases to both **G&A** and **Management fees**

2 Financials

Financials – Balance Sheet Q1 2015

Balance Sheet (Amounts in \$'000s)	12M 2014	Q1 2015
Assets		
Cash & cash equivalents	129,115	127,520
Current assets excl. cash	10,568	14,872
Advances for vessels under construction	88,965	81,985
Vessel, net	711,353	715,814
Other assets	5,879	6,074
Total Assets	945,880	946,266
Liabilities & Stockholders Equity		
Current portion of long term debt	42,614	46,306
Current liabilities	25,164	27,344
Long term debt	282,890	276,727
Other liabilities	2,046	3,148
Stockholders' equity	593,166	592,741
Total Liabilities & Stockholders Equity	945,880	946,266

Key Remarks

Assets Q1 2015 (total assets stand at shade below \$ 1 bn.)

- Moderate change in our **vessels net value** as only one vessel was added to our fleet in Q1 2015
- Strong **liquidity** continues as cash amounts to \$ 128 mm.

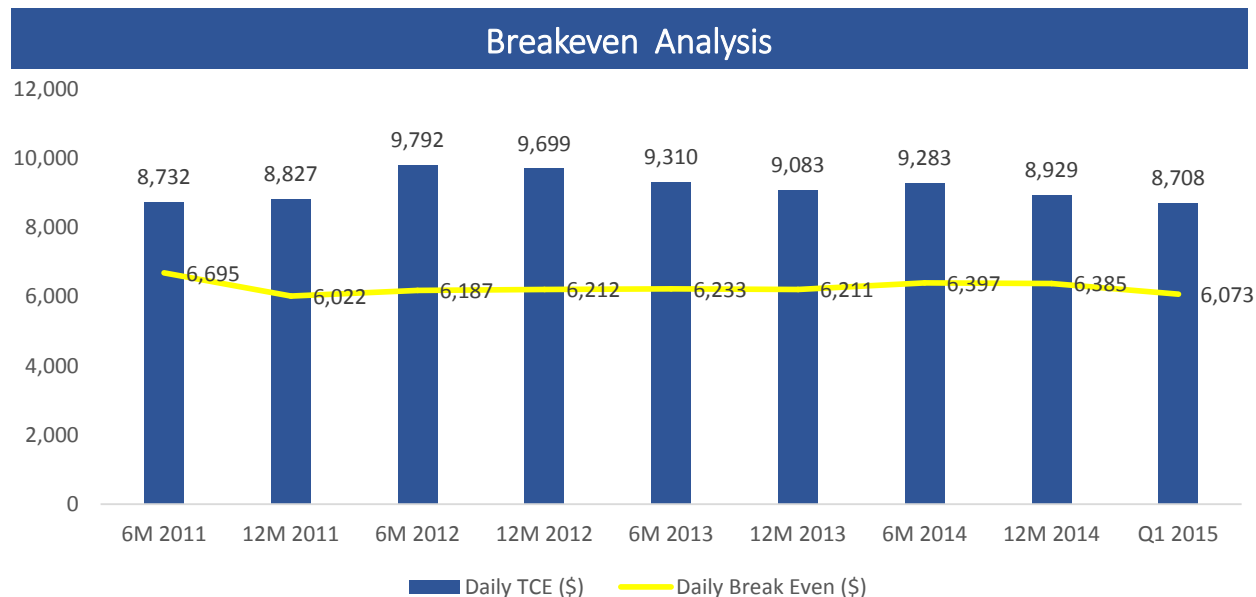
Equity & Liabilities Q1 2015

- Low **gearing** as total debt corresponds to 34.1% of total assets, bound to increase in the remaining of 2015 with the nb deliveries.
- Company **leverage** decreased by \$2.5 mm.
 - Loan proceeds for Q1 2015 were \$ 21 mm. whereas
 - Repayments were \$ 23.3 mm.

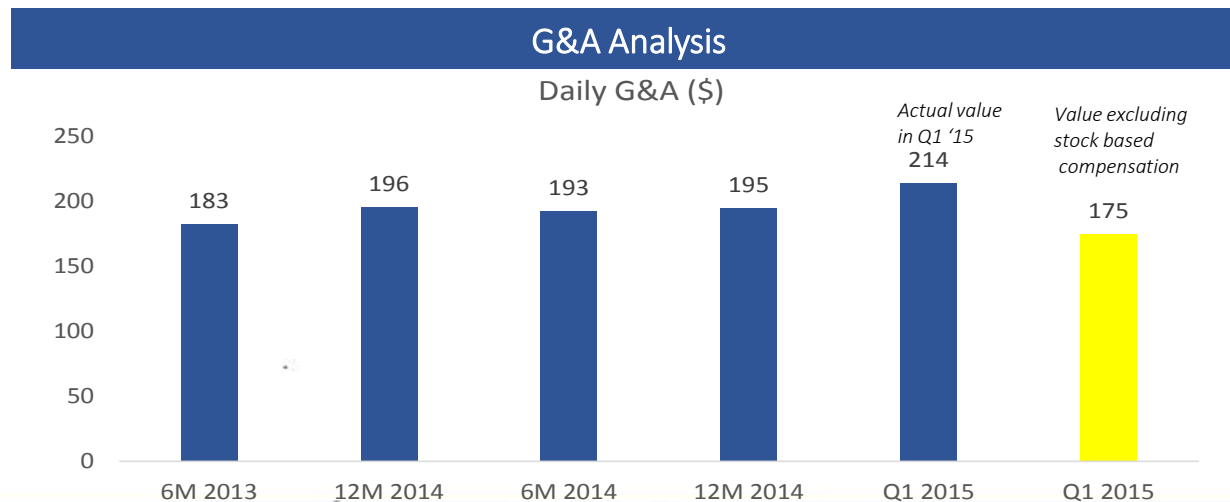


2 Financials

Financials – Break Even and G&A Analysis



(Note: Adjusted TC Assuming no BB charters)

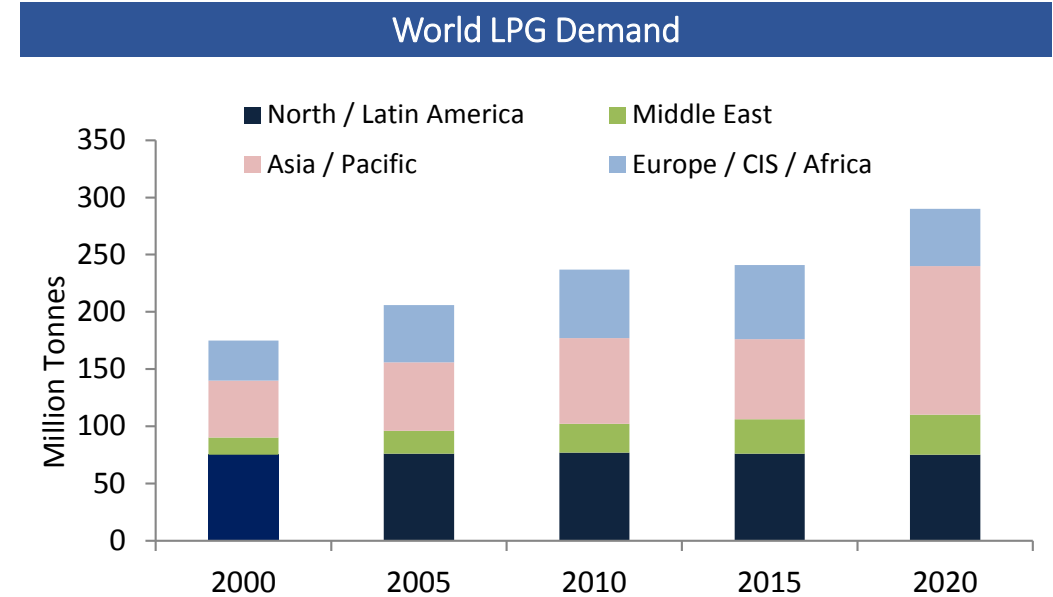
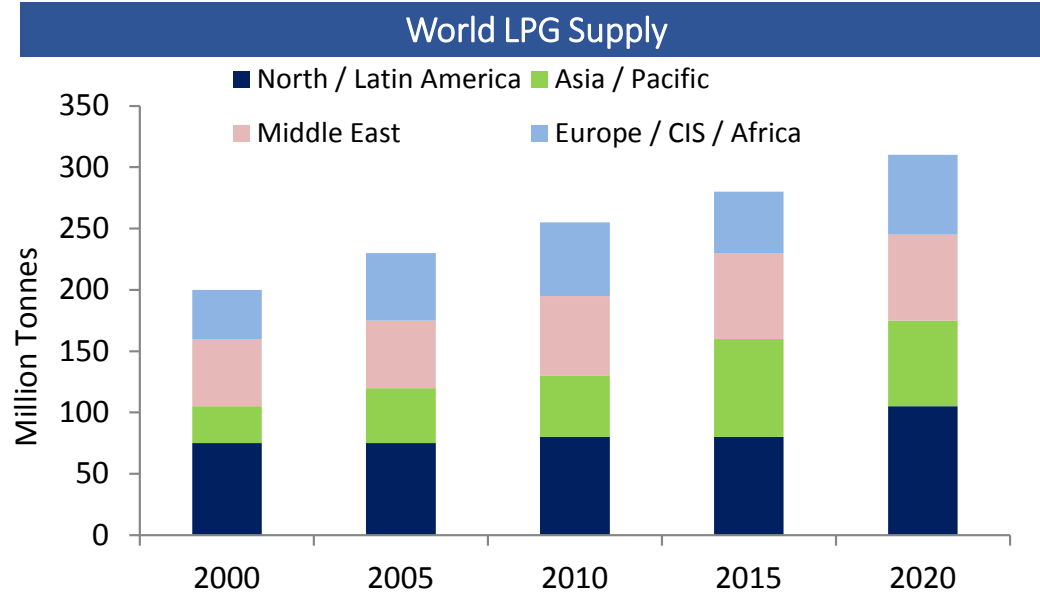


- LPG charter rates volatility history: \$ 7,000 at the bottom of the cycle vs. \$ 13,000 at the peak. Currently we are closer to the bottom of the rate cycle.
- Our tightly managed cost base, plus our low cost of debt (average interest rate of 2.3%), allows us to have a low break-even and be consistently profit making, even at market lows.

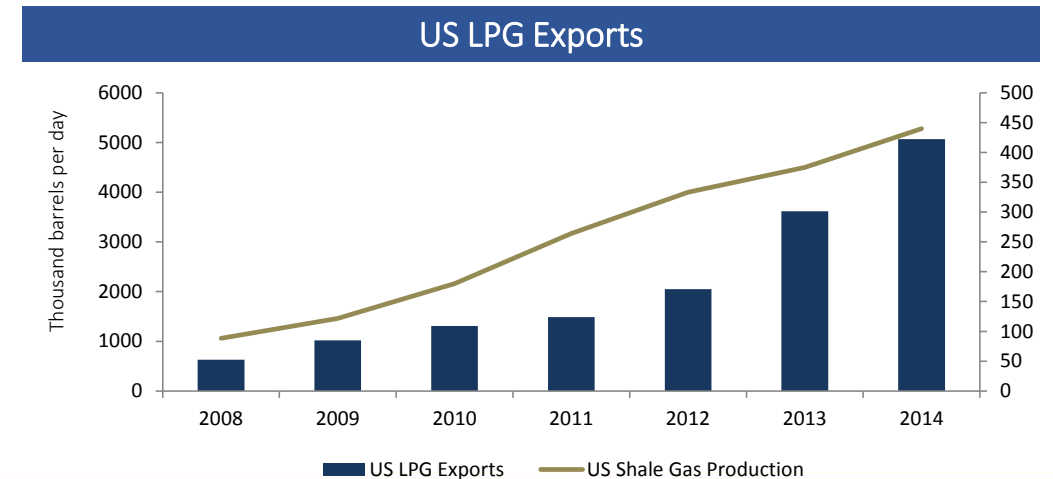
- Consistently low G&A costs, below \$ 200/day even in Q1 2015 where actual value excluding stock compensation , decreased to \$ 175/day.

3 Market Update

LPG Sector Highlights & Trends



- ### LPG Market Trends
- LPG trade is supply driven and relies on short term regional price differences.
 - US exports play a major role in the development of international LPG trade and it is forecasted that they will continue to increase over the next decade.
 - Majority of the increased exports go to Asia particularly China and India
 - LPG trade in the EU has slowed down as EU economy is weaker



3 Market Update

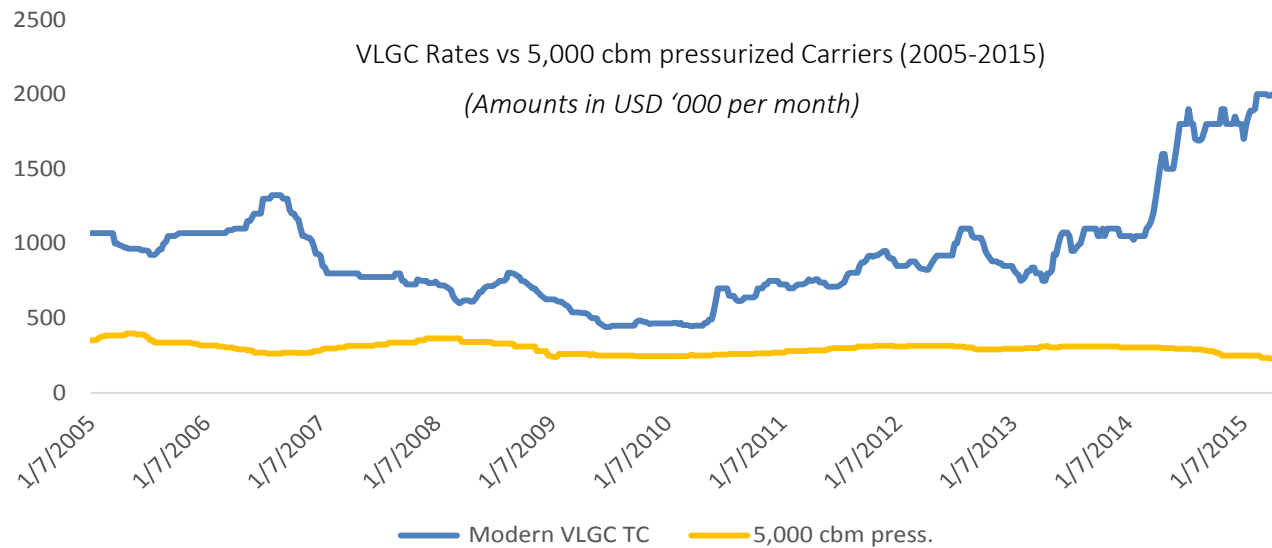


Historical Charter Rates

Small LPG Daily Charter Rates Evolution (last 5 months)

LPG Vessel	Nov. 14	Dec. 14	Jan. 15	Feb. 15	Mar. 15	% Period Change
7,500 PR	11,513	11,431	11,184	11,184	11,184	(2.9%)
5,000 PR	9,046	8,224	8,059	7,895	7,401	(18.2%)
3,500 PR (West)	7,072	7,072	6,908	6,579	6,168	(12.8%)
3,500 PR (East)	6,414	6,250	6,086	5,592	5,592	(12.8%)

- Rates for small LPG's follow a declining trend and are close to historical lows.



- No correlation between VLGC and small LPG rates.
- Small LPGs a less volatile market over time.

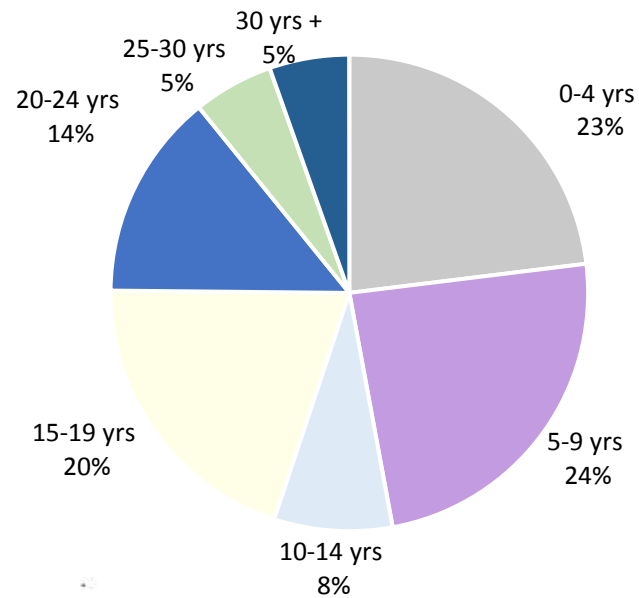
3 Market Update

LPG Sector Highlights & Trends

LPG Fleet Age

- 24% of the small scale LPG fleet is above 20 yrs old and therefore the market could potentially move towards scrapping.

Small LPG Carriers Age Profile(1,000-8,000 cbm)



LPG Fleet Overview

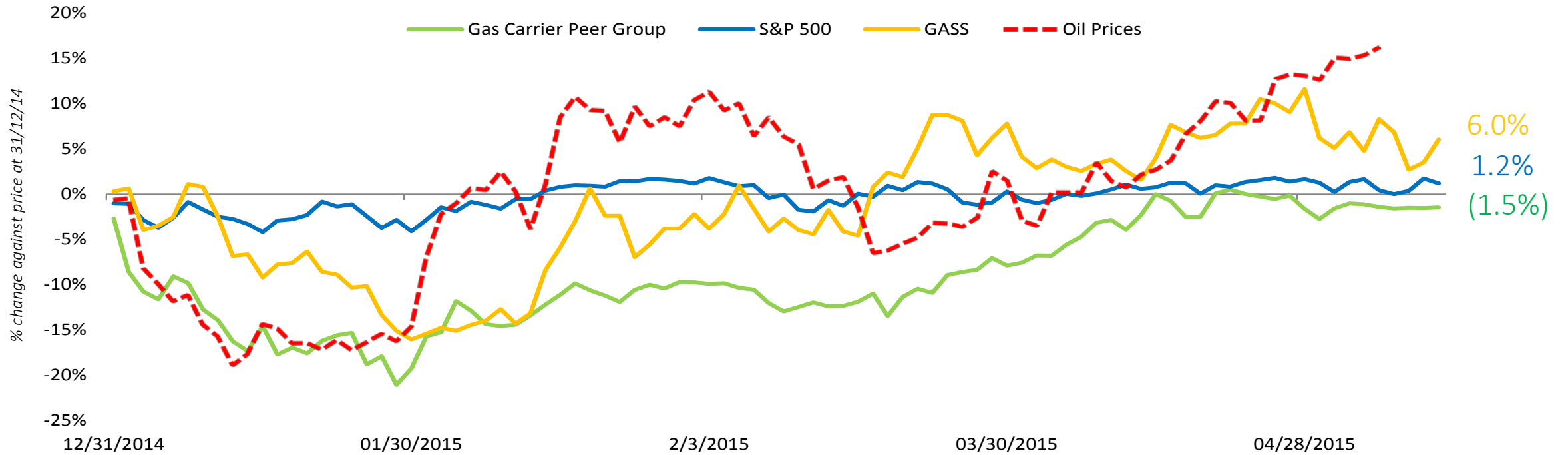
- Moderate order book in the pressurized segment but high number of nb deliveries in 2014, increasing the market fleet capacity while we have seen minimal scrapping.

LPG Orders & Deliveries

Fleet Overview	New Orders		Deliveries		Demolition	
	YTD 2015	2014	YTD 2015	2014	YTD 2015	2014
Press (2,500-11,000 cbm)	1	13	7	22	2	8
VLGC (75,000 - 84,000 cbm)	2	40	2	5	0	1
Total LPG Fleet	11	100	22	48	8	18

4 Share Performance

GASS Share Performance vs Peers (up to May 2015)



- May 2015, Stealthgas share outperformed both S&P 500 and selected gas carrier peers.
- Strong correlation between gas carriers stock performance and oil price fluctuation.

Note: Selected Peer groups is comprised of GasLog, Dorian LPG, Exmar and Navigator gas

5 Outlook



Time Charter Equivalent – Sensitivity Analysis

(Amounts in \$ '000s)

TCE /EBITDA	Q1 2016E	Q2 2016E	Q3 2016E	Q4 2016E	Total 2016E
Number of Operating Vessels	56	57	57	57	57
Percentage Operational Days Open	57%	61%	63%	66%	66%
TCE At 7,000					
	11,435	10,845	11,479	11,170	44,929
TCE at 7,500					
	13,390	12,691	13,363	13,073	52,517
TCE at 8,000					
	15,858	15,035	15,753	15,486	62,133
TCE at 8,500					
	18,125	17,200	17,958	17,712	70,995
TCE at 9,000					
	20,479	19,458	20,257	20,031	80,224
TCE at 9,500					
	22,922	21,812	22,651	22,446	89,830

A: Actual

E: Expected

- Forecast based on existing fixed charters and income used for the open days is as per current market rates
- Forecast excludes the four semiref new builds that deliver in early '17.

5 Outlook



Valuation – Listed Companies Comparables

	P/NAV	EV/ASSETS	EV/EBITDA (15E)
Avance Gas	0.81	0.83	5
BW LPG	0.68	0.75	3.9
Dorian LPG	0.63	0.78	8.3
EPIC GAS	0.45	0.72	27.3
Average	0.64	0.77	11.13
StealthGas	0.45	0.63	6.8
StealthGas Discount to Comps	30%	18%	39%

Source: RS Platou Markets, February 2015