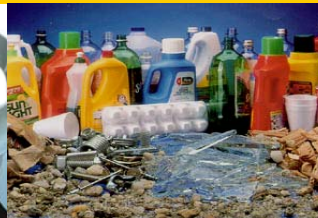
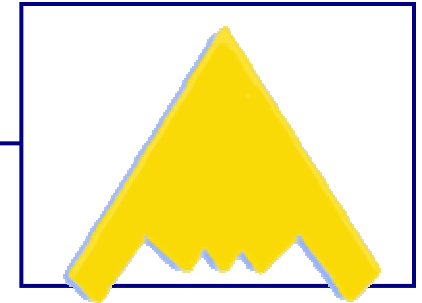




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# StealthGas Inc.

Energy Drives Success



LISTED ON NASDAQ,  
UNDER TICKER "GASS"



# Disclaimer

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## Forward-Looking Statements

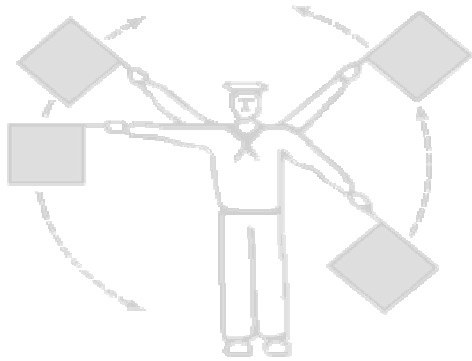
This presentation contains forward-looking statements within the meaning of applicable federal securities laws. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as "may," "will," "should," "estimates," "predicts," "potential," "continue," "strategy," "believes," "anticipates," "plans," "expects," "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:

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**LORENTZEN & STEMOCO AS**



**INGE STEENSLAND AS**  
**SHIPBROKERS**



## **STEALTHGAS is No.1 in GAS**

You might not have heard of us, we've only been operating since the end of 2004. But in that time, we've gone from nothing to being the biggest fleet of handysize liquified petroleum carries in the world-not bad for a two year old!!!

With 28 vessels ranging from 1,600 to 7,500 cbm we are able to transport various LPG and petchem gases safely and always on time. STEALTHGAS is listed on the Nasdaq stock exchange in NY under the ticker symbol 'GASS' and our IPO was nearly three times oversubscribed.



# The Outlook for LPG

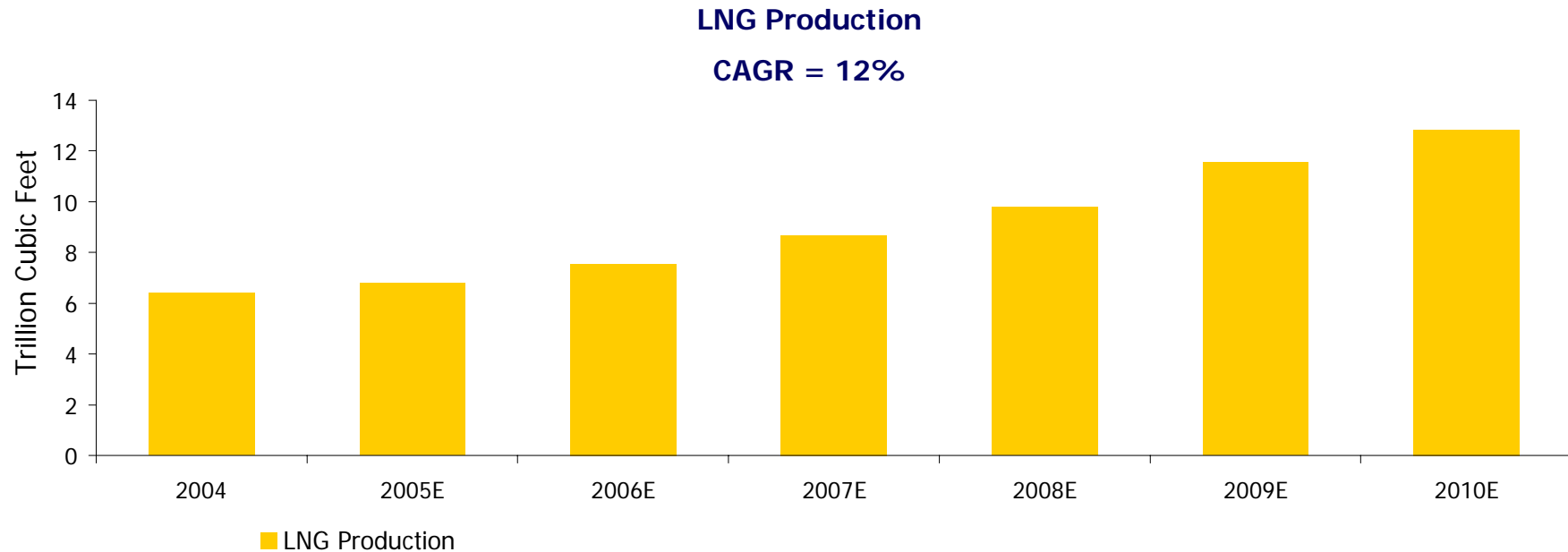
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- ⊖ International seaborne LPG trade is 50 mill tons, will increase to over 70 mill tons in 2009
- ⊖ Volatile and unreliable feedstock from Saudi Arabia will be replaced by more reliable LNG derived cargo volumes
- ⊖ Increased export from Middle East and WAfrica
- ⊖ Increased demand from US, India and China
- ⊖ Fleet growth will be more than absorbed by fleet replacement and stable demand



# Increased LPG Supplies => Higher Freight Rates

- ▶ Expanding LPG supplies are driven by increased LNG production and crude oil refining

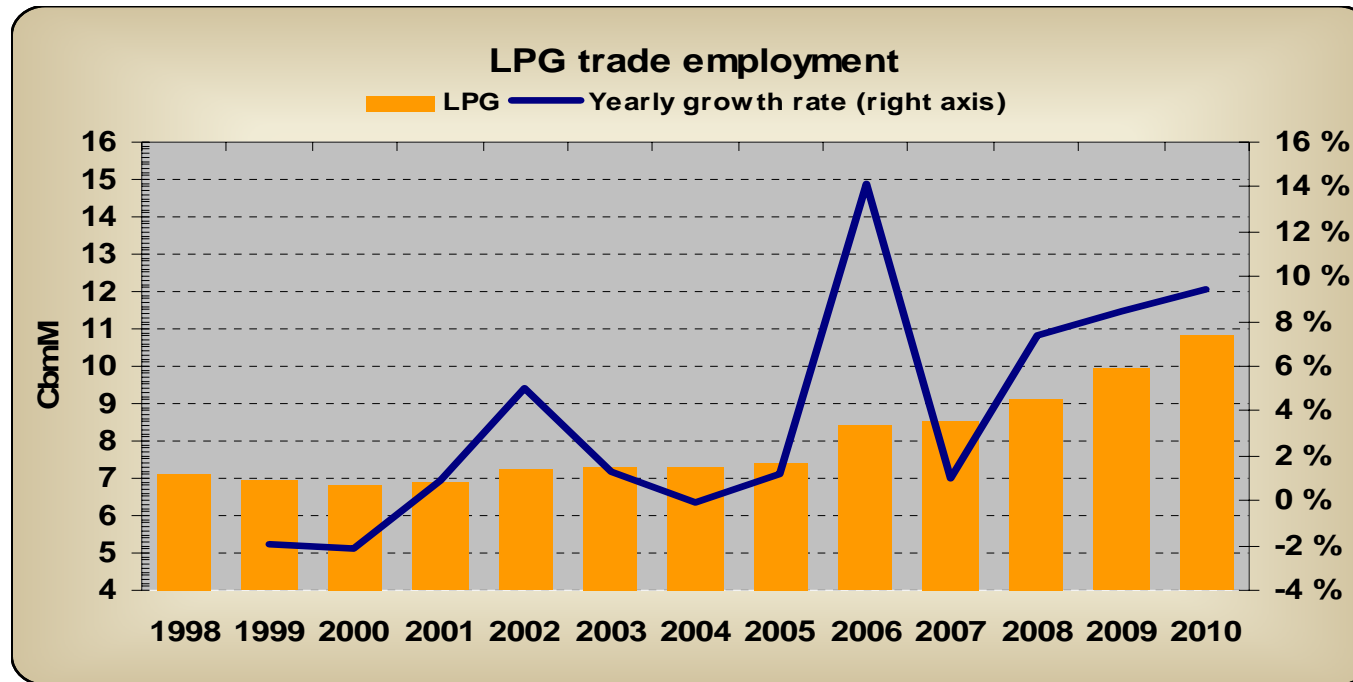


- ▶ LPG supplies are expected to increase by 50% from the present 50 million tons to 75 million tons by 2010 and then to 85 million tons by 2015
- ▶ Increased LPG supplies have already had a beneficial impact on freight rates and we believe this trend will continue

Source: CMAI, Drewrys, VLO, ESAI, Purvin Gertz, PIRA, Poten & Partners.



# Increased trade of LPG



- **CBM miles increase from 7,4 m to 11,2 m from 2005 to 2010**
- **Tons carried increases from 49 m to 75 m 2005 to 2010**



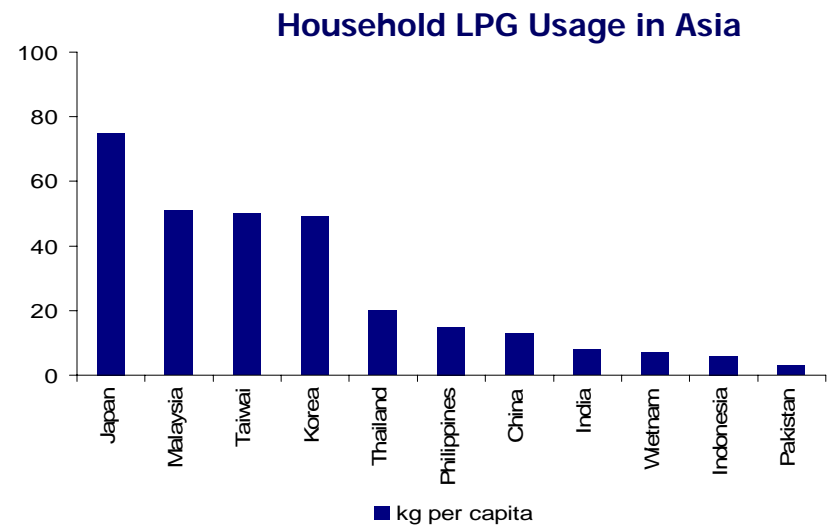
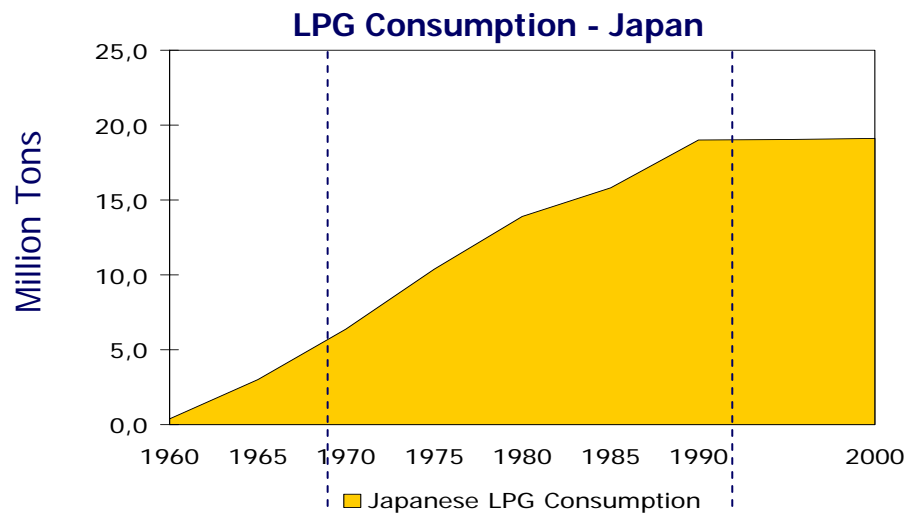
# LPG Export Volumes

| <i>Major Estimated Total LPG Export Volumes (Million MT) 2002-2010</i> |    |       |       |       |       |       |       |       |       |       |
|--|----|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Country  | MT | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  |
| Total Middle East (Base Case)  |    | 18,56 | 21,92 | 25,97 | 26,50 | 27,53 | 30,54 | 34,53 | 39,30 | 41,96 |
| Total Middle East (High Case)  |    | 18,56 | 21,92 | 25,97 | 26,50 | 27,53 | 30,54 | 35,03 | 40,30 | 42,96 |
| Total Africa   |    | 10,18 | 9,83  | 9,92  | 10,65 | 12,45 | 13,83 | 15,32 | 16,13 | 17,14 |
| Total Americas   |    | 4,50  | 3,45  | 3,09  | 3,32  | 3,32  | 3,22  | 3,64  | 3,67  | 3,57  |
| Total Asia   |    | 1,10  | 1,80  | 1,90  | 2,22  | 2,00  | 2,28  | 2,57  | 2,42  | 2,49  |
| Total Australasia  |    | 1,75  | 1,74  | 1,80  | 1,63  | 1,45  | 1,80  | 2,10  | 2,60  | 2,50  |
| Total North Sea  |    | 5,33  | 5,63  | 6,07  | 6,59  | 7,22  | 7,56  | 8,03  | 7,65  | 7,65  |
| EST TOTAL (Base Case)  |    | 41,7  | 44,6  | 48,7  | 50,9  | 54,0  | 59,2  | 66,2  | 71,8  | 75,3  |
| Y-o-Y Change MT  |    |       | 3,0   | 4,1   | 2,2   | 3,1   | 5,3   | 7,0   | 5,6   | 3,5   |
| % Increase   |    |       | 7,1%  | 9,2%  | 4,5%  | 6,0%  | 9,8%  | 11,8% | 8,4%  | 4,9%  |



# LPG Macro Consumption Trends

- Increasing Urbanization and Rising Living Standards --> Rapid increase in consumption
- Japanese LPG consumption steady post-rapid development
- Average 22 years rapid growth, China should realize another decade
- China Urbanization: 20 Million/p.a., India: Further growth potential



## Periods of Rapid LPG Demand Growth

## Duration

|                |             |                    |
|----------------|-------------|--------------------|
| <b>America</b> | 1950 - 1972 | 22 years           |
| <b>Europe</b>  | 1960 - 1980 | 20 years           |
| <b>Japan</b>   | 1965 - 1988 | 23 years           |
| <b>Korea</b>   | 1977 - 1998 | 24 years           |
| <b>China</b>   | 1993 -      | 12 years so far... |



# StealthGas – Fleet list – Average Age, excluding n/b's 10.5 Years – Industry Average 16 Years

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## Pressured vessels

|               |      |          |
|---------------|------|----------|
| Gas Cathar    | 2001 | 7500 cbm |
| Gas Chios     | 1991 | 6500 cbm |
| Gas Amazon    | 1992 | 6500 cbm |
| Gas Marathon  | 1995 | 6500 cbm |
| Gas Monarch   | 1997 | 5000 cbm |
| Gas Emperor   | 1994 | 5000 cbm |
| Birgit Kosan  | 1994 | 5000 cbm |
| Catterick     | 1995 | 5000 cbm |
| Sir Ivor      | 2003 | 5000 cbm |
| Lyne          | 1996 | 5000 cbm |
| Gas Nemesis   | 1995 | 5000 cbm |
| Gas Zael      | 2001 | 4100 cbm |
| Gas Spirit    | 2001 | 4100 cbm |
| Gas Sincerity | 2000 | 4100 cbm |
| Gas Legacy    | 1998 | 3500 cbm |
| Gas Eternity  | 1998 | 3500 cbm |
| Batangas      | 1995 | 3500 cbm |



# StealthGas – Fleet list - continued

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## Pressurized vessels-contd.

|              |      |          |
|--------------|------|----------|
| Gas Prophet  | 1996 | 3500 cbm |
| Gas Shanghai | 1999 | 3500 cbm |
| Gas Fortune  | 1995 | 3500 cbm |
| Gas Czar     | 1995 | 3500 cbm |
| Gas Prodigy  | 1995 | 3000 cbm |
| Gas Oracle   | 1990 | 3000 cbm |

## Semi Refridgerated

|                |      |          |
|----------------|------|----------|
| Gas Courchevel | 1991 | 4000 cbm |
| Gas Ice        | 1991 | 3400 cbm |
| Gas Arctic     | 1992 | 3400 cbm |
| Gas Crystal    | 1990 | 3200 cbm |
| Gas Tiny       | 1991 | 1320 cbm |

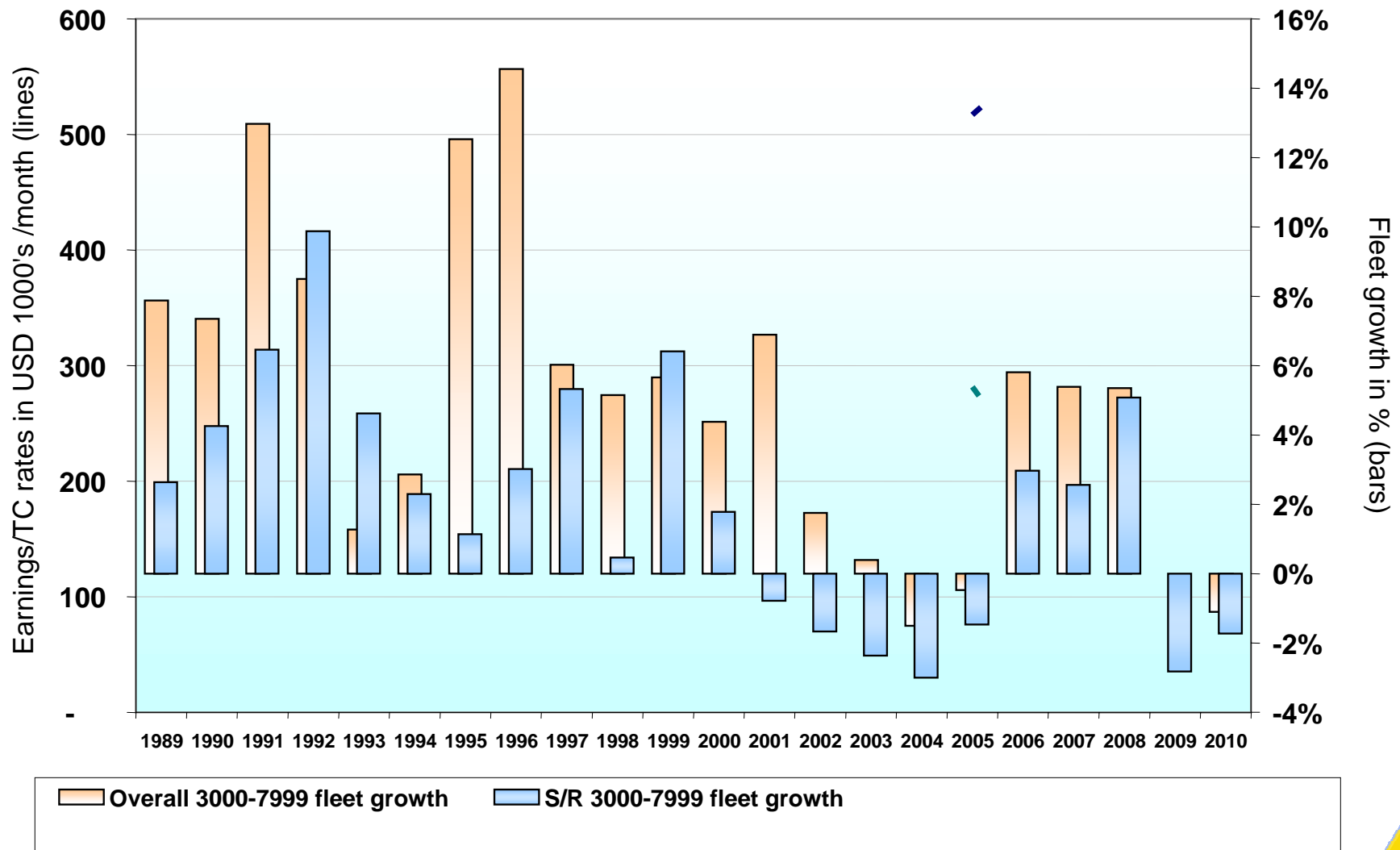
## New buildings – ordered by Affiliates

|       |    |      |          |       |    |      |           |
|-------|----|------|----------|-------|----|------|-----------|
| N/B 1 | PR | 2008 | 5000 cbm | N/B 5 | SR | 2008 | 3300 cbm  |
| N/B 2 | PR | 2009 | 5000 cbm | N/B 6 | SR | 2008 | 3300 cbm  |
| N/B 3 | PR | 2008 | 3500 cbm | N/B 7 |    | 2009 | 84000 cbm |
| N/B 4 | PR | 2009 | 3500 cbm | N/B 8 |    | 2010 | 84000 cbm |



# Small LPG – Fleet Growth Profile

- ▶ Stealthgas focuses on the Small LPG Segment
- ▶ Small LPG Segment (3000-8000 cbm) has balanced outlook with average fleet growth ahead



# Business Strategy – Since IPO (Oct 05) to Present Day

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## Business Strategy

## Implementation

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Triple Fleet by mid-2006

- Doubled Fleet by end of Q1 06
- Tripled fleet (27 vessels) by end of Q2 06
- Currently owns 28 vessels

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Moderate Leverage

- Q2 2006 net debt to capitalization: 45.6%

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Visible Revenue Stream

- 85% of voyage days fixed for Q4 2006
- 46% of voyage days fixed for FY 2006

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Modern Fleet

- Our fleet average age is 10.5 years
- Industry average age is 16 years

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Close Customer Relations

- Utilization of 98.8 % in Q2 2006
- All additional vessels acquired with Time Charters or Bareboat Charters ranging from 6 months to 3 years
- High quality customer base – low counterparty risk

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Cost-Efficient Operations

- Low Net Income breakeven of \$ 5,225 per day in Q2 2006 compared to \$5,325 in Q4 2005

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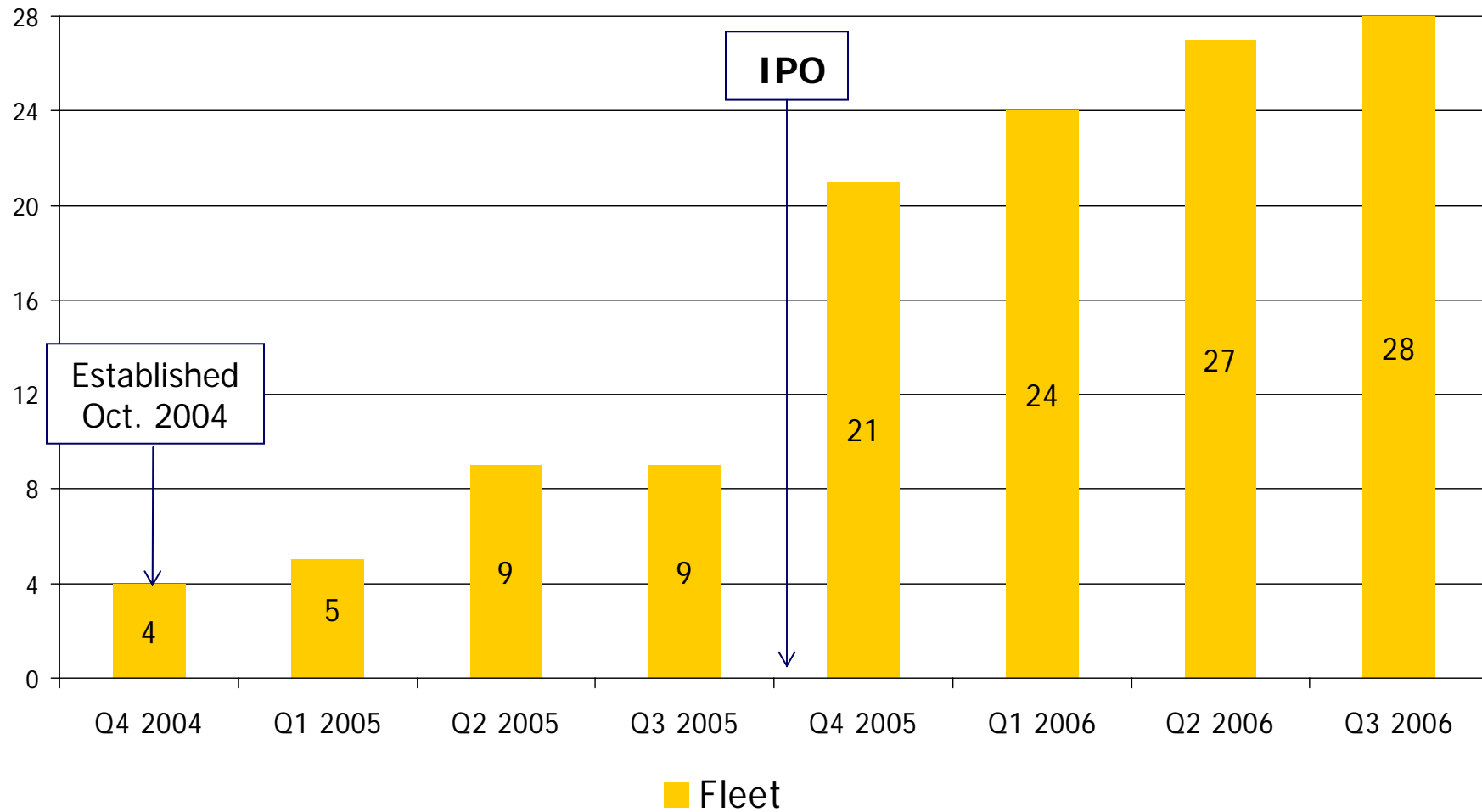
Pay Dividends

- Paid third consecutive dividend of 18.75 cents per share on September 5, 2006 to shareholders of record on August 31, 2006

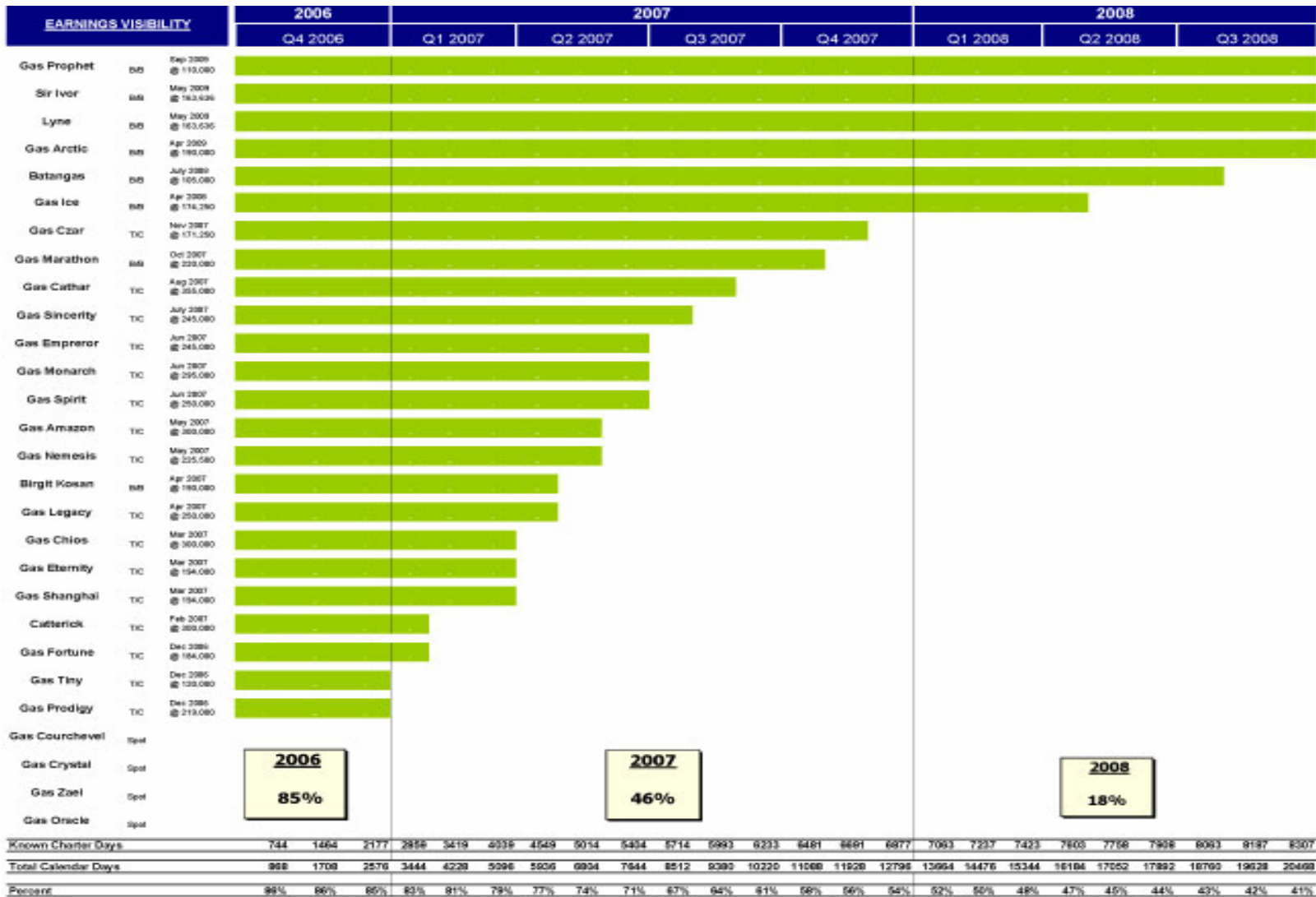


# Fleet Development

- ▶ Grew fleet to 21 vessels by end of 2005
  - ▶ Fleet currently numbers 28 vessels
  - ▶ StealthGas ranks #1 in owned vessels in 3,000 to 8,000 CBM segment



# Fleet Employment Profile



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# 2nd Quarter & 6 Months 2006 Financial Highlights

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## 2<sup>nd</sup> Quarter 2006

- Q2 Net income of \$4.6 million, revenues of \$17.2 million, EBITDA of \$8.9 million
- EPS of \$0.33 on 14 million shares outstanding – dividend declaration of \$ 0.1875 per share
- Cash balance of \$10.0 million
- Conservative leverage: net debt to capitalization of 45.6%
- Concluded a 5-year non amortizing interest rate swap with DNB NOR Bank for \$25 million at a fixed rate of 5.42% per annum (effective as of September 11, 2006) - \$ 70 million of debt covered under various interest rate hedging mechanisms
- Completed acquisition of 4 additional vessels - Total fleet at the end of Q2 2006 – 28 vessels

## Six Months 2006

- Net income of \$ 11.6 million, revenues of \$ 34.2 million, EBITDA of \$ 19.0 million
- EPS of \$ 0.83 on 14 million shares outstanding
- Q1 and Q2 2006 dividend payments of \$ 0.1875 per share each; \$ 0.375 per share in total

## Post 2nd Quarter Highlights

- 400,000 newly issued shares of common stock (Total shares outstanding increases to 14.4 million)



## 2<sup>nd</sup> Quarter & 6 Months 2006 Income Statement

| In US\$ 000, except per share amounts | Q4 2005    | Q1 2006    | Q2 2006    | 6M 2006    |
|---------------------------------------|------------|------------|------------|------------|
| Net Revenues                          | \$12,810   | \$16,938   | \$ 17, 215 | \$34,153   |
| Operating Income                      | 5,111      | 7,500      | 5,542      | 13,042     |
| Net Income                            | 4,536      | 6,959      | 4,621      | 11,580     |
| EBITDA                                | 7,181      | 10,160     | 8,869      | 19,029     |
| EPS                                   | 0.33       | 0.50       | 0.33       | 0.83       |
| Number of Shares                      | 13,565,217 | 14,000,000 | 14,000,000 | 14,000,000 |

*Note: The total number of shares outstanding after the IPO is 14,000,000*



## 2<sup>nd</sup> Quarter & 6M 2006 Operating Highlights – Fleet Data & Daily Results

| Fleet Data                            | Q4 2005 | Q1 2006 | Q2 2006 | 6M 2006 |
|---------------------------------------|---------|---------|---------|---------|
| Average number of vessels in fleet    | 15.1    | 22.4    | 25.1    | 23.8    |
| Period end number of vessels in fleet | 21.0    | 24.0    | 28.0    | 28.0    |
| Total calendar days for fleet         | 1,387   | 2,019   | 2,280   | 4,299   |
| Total voyage days for fleet           | 1,383   | 2,015   | 2,253   | 4,268   |
| Fleet utilization                     | 99.9%   | 99.9%   | 98.8%   | 99.3%   |
| Total charter days for fleet          | 1,334   | 1,897   | 1,889   | 3,786   |
| Total spot market days for fleet      | 49      | 118     | 364     | 482     |
|                                       |         |         |         |         |
| Average Daily Results (in USD)        | Q4 2005 | Q1 2006 | Q2 2006 | 6M 2006 |
| Time Charter Equivalent – TCE         | \$8,155 | \$7,870 | 6,922   | 7,377   |
| Vessel Operating Expenses             | 2,277   | 2,148   | 2,074   | 2,109   |
| Management Fees                       | 371     | 321     | 329     | 325     |
| General & Administrative Expenses     | 307     | 296     | 444     | 375     |
| Total Vessel Operating Expenses       | 2,584   | 2,444   | 2,519   | 2,484   |



# Daily Breakeven

## ▶ Q2 2006 vs Q1 2006 Daily Cashflow and Net Income Breakeven Composition

(\$ per vessel per day) Q1 2006 fleet calendar days: 2,019  
Q2 2006 fleet calendar days: 2,280

| Expenses                          | Q1 2006      |              | Q2 2006      |              |
|-----------------------------------|--------------|--------------|--------------|--------------|
|                                   | Cash Flow    | Net Income   | Cash Flow    | Net Income   |
| Operating                         | \$2,148      | \$2,148      | \$2,074      | \$2,074      |
| General & Administrative          | 617          | 617          | 773          | 773          |
| Maintenance (surveys/drydockings) | 137          | 137          | 245          | 245          |
| Interest                          | 672          | 672          | 761          | 761          |
| Principal                         | 1,672        | 0            | 1,856        | 0            |
| Depreciation & Amortization       | 0            | 1,391        | 0            | 1,372        |
| <b>Total</b>                      | <b>5,354</b> | <b>4,965</b> | <b>5,709</b> | <b>5,225</b> |

Note: G&A includes Management Fees

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## WHY SHOULD YOU INVEST IN STEALTHGAS INC.?

- Company has 10% market shares in its sector
  - Outlook for production and consumption for LPG positive over the medium term
  - Company has a young and modern fleet compared to industry average
  - Company has grown rapidly, but still has moderate leverage, and majority period employment
  - Company has delivered on all its targets outlined during IPO in October 2005
  - Dynamic and committed management
  - Long term ambition to become a major player in the rapidly developing gas sector
- 0 NASDAQ : GASS



# Contacts

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