



## STEALTHGAS INC. REPORTS THIRD QUARTER AND NINE-MONTH 2005 RESULTS

**ATHENS, GREECE, November 14, 2005.** STEALTHGAS INC. (NASDAQ: GASS) today announced unaudited operating results for the third quarter and for the nine-month period ended September 30, 2005.

STEALTHGAS INC. was incorporated in December 2004, and its initial public offering of common stock was completed on October 12, 2005. The company offered 8,000,000 shares of its common stock at a price to the public of \$14.50 per share with net proceeds before expenses of approximately \$109 million.

### **Third Quarter 2005 Results:**

For the third quarter ended September 30, 2005, revenues amounted to \$6.9 million and net income for the third quarter was \$3.6 million. Earnings per share basic and diluted for the third quarter, calculated on 6,000,000 shares outstanding, were \$0.60. EBITDA for the third quarter of 2005 was \$5.1 million.

An average of 9 vessels were owned and operated in the third quarter 2005 earning an average time-charter-equivalent rate of approximately \$8,027 per day.

### **Nine Months 2005 Results:**

For the nine-month period ended September 30, 2005, revenues amounted to \$16.5 million and net income amounted to \$7.7 million. Earnings per share basic and diluted for the nine-month period ended September 30, 2005, calculated on 6,000,000 shares outstanding, were \$1.28. EBITDA for the nine-month period ended September 30, 2005 was \$109 million.

An average of 7.3 vessels were owned and operated in the nine-month period ended September 30, 2005 earning an average time-charter-equivalent rate of approximately \$7,948 per day.

CEO Harry Vafias commented: "We are very pleased to report strong results for the third quarter of 2005 and the nine-month period ended September 30, 2005, a period during which we were at the initial stages of building our company and expanding its fleet.

Charter rates for handysize LPG carriers - those with a cargo carrying capacity between 3,000 and 8,000 cbm - were fairly stable over the summer and into the beginning of September. For example a 3,500 semi-refrigerated vessel earned \$9,500 per day during the summer while so far in the fourth quarter charter rates for this type of vessel averaged \$10,000 per day. At the present time charter rates for both pressurized and semi-refrigerated ships are stronger in the Mediterranean and European regions than in the Far East and we expect this trend to continue. All but one of our vessels are employed on time charters and we are looking forward to renewing employment contracts on certain vessels which end in the 1st quarter of 2006. We believe that charter rates may strengthen further during the winter months thereby enabling us to renew these expiring charters and enter into additional contracts for our fleet at better or at least comparable levels.

As of September 30, 2005, STEALTHGAS had a fleet of 9 LPG carriers and we had identified, as detailed in the IPO Prospectus, an additional 10 vessels, for acquisition. As of today, November 14, 2005, our fleet has already expanded to 16 vessels and by the end of November 2005 we

expect to take delivery of another 2 vessels, with the last delivery occurring in February 2006, thereby completing the acquisition of the then-identified fleet of 19 LPG carriers.

Furthermore, we are also proceeding with further expansion. In this context today we have announced the agreement to acquire one additional vessel, beyond the identified fleet, with expected delivery by the end of November 2005, which will expand the fleet to a total of 20 vessels. This additional vessel, "Catterick" is a Fully-Pressurised (F.P.) LPG carrier built in Japan in 1995 with a capacity of 5,000 cbm and is acquired for a total consideration of \$ 12.75 million. Consistent with our strategy to seek employment of our vessels under time charters, it will be immediately deployed under a time charter with a major gas trader for a period of 14 months ending in February 2007 and with a monthly rate of \$ 300,000.

So, at the beginning of December 2005, with 19 out of the 20 vessels delivered to us, STEALTHGAS will be in the position to benefit from the earnings potential of nearly the whole fleet."

CFO Andrew Simmons commented: "STEALTHGAS has so far utilized \$92 million of the net IPO proceeds, before expenses, of \$109 million to acquire seven of the ten identified vessels. As previously mentioned a further two identified vessels will be delivered by the end of November and the last identified vessel in February 2006.

Furthermore, during October 2005 we negotiated a \$ 50 million ten-year term secured credit facility with DnB Nord Bank to facilitate further vessel acquisitions. We consider the terms achieved by us to be highly competitive and favorable".

### Current Fleet Profile

The table below describes our fleet development and deployment as of today:

Vessel	Vessel Size (cbm)	Vessel Type	Year Built	Delivered To GASS	Employment Status	Charter Expiration	Monthly Rate (1*) \$
<b>CURRENT FLEET (Initial Fleet plus Identified Vessels already delivered to GASS)</b>							
Gas Cathar	7,517	F.P.	2001	Oct 2005	Time Charter	Feb 2006	335,000
Gas Chios	6,562	F.P.	1991	Oct 2005	Time Charter	Feb 2006	300,000
Gas Marathon	6,550	F.P.	1995	Nov 2005	Bareboat	Oct 2007	220,000
Gas Amazon	6,526	F.P.	1992	May 2005	Time Charter	May 2006	420,000
Gas Emperor	5,013	F.P.	1995	Feb 2005	Time Charter	Feb 2006	350,000
Birgit Kosan	5,012	F.P.	1994	April 2005	Bareboat	April 2007	190,000
Gas Courchevel	4,109	S.R.	1991	Nov 2004	Time Charter	Jan 2006	335,000
Gas Sincerity	4,100	F.P.	2000	Nov 2005	Time Charter	July 2006	285,000
Gas Prophet	3,556	F.P.	1996	Oct 2004	Time Charter	Jan 2006	253,750
Gas Shangai	3,526	F.P.	1999	Dec 2004	Time Charter	Feb 2006	275,000
Gas Legacy	3,500	F.P.	1998	Oct 2005	Time Charter	April 2007	250,000
Gas Artic	3,434	S.R.	1992	Apr 2005	Bareboat	April 2009	190,000
Gas Ice	3,434	S.R.	1991	Apr 2005	Bareboat	April 2008	174,250
Gas Crystal	3,211	S.R.	1990	Nov 2005	Spot	N/A	
Gas Prodigy	3,014	F.P.	1995	Oct 2005	Time Charter	March 2006	125,000
Gas Tiny	1,320	S.R.	1991	Oct 2004	Time Charter	Nov 2006	120,000
<b>Subtotal – 16 vessels</b>	<b>70,384</b>						
<b>REMAINING IDENTIFIED VESSELS (with expected delivery period)</b>							
Sweet Dream(2)	5,018	F.P.	1997	Nov 2005	Time Charter	May/June 2007	295,000
Gas Eternity	3,500	F.P.	1998	Feb 2006	Spot	N/A	
Gas Oracle	3,014	F.P.	1990	Nov 2005	Time Charter	May 2006	118,000
<b>Subtotal – 3 vessels</b>	<b>11,532</b>						
<b>ADDITIONAL VESSELS (with expected delivery period)</b>							
Catterick	5,000	F.P.	1995	Nov 2005	Time Charter	Feb. 2007	300,000
<b>FLEET TOTAL 20 VESSELS</b>	<b>86,916 cbm</b>						

- F.P.: Fully Pressurized
- S.R.: Semi-Refrigerated
- (1): To calculate daily rate divide by 30.4
- (2): Sweet Dream is under a bareboat charter with a rate of \$ 195,000 per month ending Dec 2005/Jan 2006. The time charter in the table commences thereafter.

### EBITDA Reconciliation

STEALTHGAS INC considers EBITDA to represent net earnings before interest, taxes, depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by United States generally accepted accounting principles, or U.S. GAAP, and our calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included herein because it is a basis upon which we assess our liquidity position and because we believe that it presents useful information to investors regarding a company's ability to service and/or incur indebtedness. The Company's definition of EBITDA may not be the same as that used by other companies in the shipping or other industries.

(figures in US \$)	Quarter ended Sept. 30, 2005	Nine Months ended Sept. 30, 2005
<b>Net Cash Provided By (Used in) Operating Activities</b>		
	\$5,474,971	\$13,690,451
Net increase in current assets, excluding cash	725,598	(81,781)
Net (increase) in current liabilities, excluding current portion of long term debt.	(1,841,001)	(3,270,342)
Non-cash G&A expenses	(48,750)	(243,750)
Interest income	(128,137)	(317,370)
Interest and finance costs	599,188	1,161,345
Amortization of finance fees	(4,070)	(14,812)
Profit/(Loss) on derivatives	315,300	(74,000)
<b>EBITDA</b>	<b>\$5,093,099</b>	<b>\$10,849,741</b>

(figures in US \$)	Quarter ended Sept. 30, 2005	Nine Months ended Sept. 30, 2005
<b>Net Income</b>	\$3,623,533	\$7,673,032
Plus net interest expense	471,051	843,975
Plus depreciation	998,515	2,332,734
<b>EBITDA</b>	<b>\$5,093,099</b>	<b>\$10,849,741</b>

### Fleet Data

FLEET DATA	Third Quarter 2005	Nine Months 2005
Average number of vessels (1)	9.0	7.3
Total calendar days for fleet (2)	828	1,995
Total voyage days for fleet (3)	828	1,995
Fleet utilization (4)	100%	100%
Total time charter days for fleet (5)	828	1,986
Total spot market days for fleet (6)	0	9

AVERAGE DAILY RESULTS	Third Quarter 2005	Nine Months 2005
Time Charter Equivalent – TCE (7)	\$8,027	\$7,948
Vessel operating expenses (8)	1,809	1,972
Management fees	302	320
General and administrative expenses	137	174
Total vessel operating expenses (9)	\$2,248	\$2,466

- 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, drydocks 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 time charter days for fleet are the number of voyage days the vessels in our fleet operated on time 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) 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.
- 8) 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.
- 9) Total vessel operating expenses, or TVOE, is a measurement of our total expenses associated with operating our vessels. TVOE is the sum of vessel operating expenses and general and administrative expenses. Daily TVOE is calculated by dividing TVOE by fleet calendar days for the relevant time period.

#### **Conference Call and Webcast:**

As already announced, **today, Monday, November 14, 2005 at 9:30 AM EST**, the company's management will host a conference call to discuss the results and the company's operations and outlook.

#### **Conference Call details:**

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1866 819 7111(from the US), 0800 953 0329 (from the UK) or +44 (0) 1452 542 301 (from outside the US). Please quote "STEALTHGAS".

In case of any problem with the above numbers, please dial 1866 869 2352 (from the US), 800 694 1449 (from the UK) or +44 (0) 1452 560 304 (from outside the US). Quote "STEALTHGAS".

A telephonic replay of the conference call will be available until November 18, 2005 by dialing 1866 247 4222 (from the US), 0800 953 1533 (from the UK) or +44 1452 550 000 (from outside the US). Access Code: 2201616#

#### **Slides and audio webcast:**

There will also be a live -and then archived- webcast of the conference call, through the internet 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.

**STEALTHGAS INC**  
**Consolidated Statements of Income**  
**for the quarter ended September 30, 2005**

(Expressed in United States Dollars)

Third Quarter ended  
September 30, 2005  
[UNAUDITED]

<b>Revenues</b>		
	Voyage revenues	<u>\$6,894,976</u>
<b>Expenses</b>		
	Voyage expenses	248,850
	Vessels' operating expenses	1,498,313
	Management fees	249,780
	General and administrative expenses	113,380
	Depreciation	<u>998,515</u>
<b>Total expenses</b>		<b><u>3,108,838</u></b>
<b>Income from operations</b>		<b><u>3,786,138</u></b>
<b>Other revenues and (expense)</b>		
	Interest and finance costs, net	(599,188)
	Income/Loss on derivatives	315,300
	Interest income	128,137
	Foreign exchange loss	<u>(6,854)</u>
<b>Other expenses, net</b>		<b><u>(162,605)</u></b>
<b>Net income</b>		<b><u>\$3,623,533</u></b>
<b>Earnings per share, basic and diluted</b>		<u>\$0.60</u>
<b>Weighted average number of shares, outstanding</b>		<u>6,000,000</u>

**STEALTHGAS INC**  
**Consolidated Statements of Income**  
**for the nine months ended September 30, 2005**

(Expressed in United States Dollars)

Nine-months ended  
September 30, 2005  
[UNAUDITED]

<b>Revenues</b>	
Voyage revenues	<u>\$16,487,581</u>
<b>Expenses</b>	
Voyage expenses	632,300
Vessels' operating expenses	3,934,084
Management fees	638,395
General and administrative expenses	347,660
Depreciation	<u>2,332,734</u>
<b>Total expenses</b>	<b><u>7,885,173</u></b>
<b>Income from operations</b>	<b><u>8,602,408</u></b>
<b>Other revenues and (expense)</b>	
Interest and finance costs, net	(1,161,345)
Income/Loss on derivatives	(74,000)
Interest income	317,370
Foreign exchange loss	<u>(11,401)</u>
<b>Other expenses, net</b>	<b><u>(929,376)</u></b>
<b>Net income</b>	<b><u>\$7,673,032</u></b>
<b>Earnings per share, basic and diluted</b>	<u>\$1.28</u>
<b>Weighted average number of shares, outstanding</b>	<u><u>6,000,000</u></u>

**STEALTHGAS INC**  
**Consolidated Balance Sheets**

**StealthGas Inc.**  
**Consolidated Balance Sheets**  
**December 31, 2004 and September 30, 2005 (unaudited)**  
**(Expressed in United States Dollars)**

	<u>Historical</u>	
	December 31, 2004	September 30, 2005 [UNAUDITED]
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	--	15,280,897
Receivables from related party	1,075,559	--
Trade receivables, net	19,623	--
Inventories	116,291	116,055
Advances and prepayments	9,130	1,022,767
Deferred offering costs	--	620,338
<b>Total current assets</b>	<b>1,220,603</b>	<b>17,040,057</b>
<b>Non current assets</b>		
Advances for vessels acquisitions	1,905,282	--
Vessels, net	29,385,182	79,896,106
Deferred finance charges	--	147,188
<b>Total non current assets</b>	<b>31,290,464</b>	<b>80,043,294</b>
<b>Total assets</b>	<b>32,511,067</b>	<b>97,083,351</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Payable to related parties	--	1,853,755
Trade accounts payable	410,398	551,133
Other accrued liabilities	286,125	1,284,935
Deferred income	476,413	1,373,793
Current portion of long-term debt	--	5,427,000
<b>Total current liabilities</b>	<b>1,172,936</b>	<b>10,490,616</b>
<b>Non current liabilities</b>		
Derivative liability	--	74,000
Long-term debt	--	43,635,750
<b>Total liabilities</b>	<b>1,172,936</b>	<b>54,200,366</b>
<b>Stockholders' equity</b>		
Capital stock 6,000,000 shares authorized and outstanding with a par value of \$.01	60,000	60,000
Additional paid-in capital	31,018,456	44,890,278
Retained earnings/(accumulated deficit)	259,675	(2,067,293)
<b>Total stockholders' equity</b>	<b>31,338,131</b>	<b>42,882,985</b>
<b>Total liabilities and stockholders' equity</b>	<b>32,511,067</b>	<b>97,083,351</b>

**STEALTHGAS INC**  
**Consolidated Statements of Cash Flows**

(Expressed in United States Dollars)

Nine Months Ended  
September 30,  
2005  
[UNAUDITED]

**Cash flows from operating activities**

Net income for the period \$7,673,032

**Items included in net income not affecting cash flows:**

Depreciation and amortization 2,347,546

Non cash general and administrative expenses 243,750

Loss on derivative 74,000

**Changes in operating assets and liabilities:**

(Increase) decrease in receivable from related party 1,075,559

(Increase) decrease in trade receivables 19,623

(Increase) decrease in inventories 236

(Increase) in advances and prepayments (1,013,637)

Increase in payable to related parties 1,853,755

Increase in trade accounts payable 140,735

Increase in other accrued liabilities 378,472

Increase in deferred income 897,380

**Net cash provided by operating activities**

**13,690,451**

**Cash flows from investing activities**

Advances for vessels acquisitions --

Acquisition of vessels                     

**Net cash used in investing activities**

**(50,938,376)**

**Cash flows from financing activities**

Capital stock --

Additional paid-in capital 13,628,072

Dividends paid (10,000,000)

Deferred finance charges (162,000)

Loan repayment (4,937,250)

Proceeds from long-term debt 54,000,000

**Net cash provided by financing activities**

**52,528,822**

Net Increase in cash and cash equivalents 15,280,897

Cash and cash equivalents at beginning of period                     

**Cash and cash equivalents at end of period**

**\$15,280,897**

**Supplemental Cash Flow Information:**

Cash paid during the period for:

Interest payments \$1,022,532

**Disclosure of non cash items**

Deferred offering costs 620,338

**About StealthGas Inc.**

Headquartered in Athens, Greece, STEALTHGAS INC. is a ship-owning company serving the liquefied petroleum gas (LPG) sector of the international shipping industry. STEALTHGAS INC currently has a fleet of 16 LPG carriers, and intends to acquire 4 additional LPG carriers. Once these acquisitions are completed, STEALTHGAS INC's fleet will be composed of 20 LPG Carriers with a total capacity of 86,916 cubic meters (cbm). STEALTHGAS INC.'s shares are listed on NASDAQ and trade under the symbol "GASS".

**Forward-Looking Statement**

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 charterhire rates and vessel values, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in STEALTHGAS INC.'s operating expenses, including bunker prices, dry-docking and insurance costs, 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 US Securities and Exchange Commission.

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

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