

DORIAN LPG LTD.
Form 10-K
June 28, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-36437

Dorian LPG Ltd.

(Exact name of registrant as specified in its charter)

Marshall Islands
(State or other jurisdiction of incorporation or organization)

66-0818228
(I.R.S. Employer Identification No.)

27 Signal Road, Stamford, CT 06902
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (203) 674-9900

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
Common stock, par value \$0.01 per share	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer	Non-accelerated filer
Smaller reporting company	Emerging growth company	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the registrant's common stock held by non-affiliates, based upon the closing price of common stock as reported on the New York Stock Exchange as of September 30, 2017, was approximately \$213,530,640. For this purpose, all outstanding shares of common stock have been considered held by non-affiliates, other than the shares beneficially owned by directors, officers and shareholders of 10% or more of the registrant's outstanding common shares, without conceding that any of the excluded parties are "affiliates" of the registrant for purposes of the federal securities laws. As of June 26, 2018, there were 55,228,723 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

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Portions of the Registrant's definitive proxy statement for its 2018 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission, or the Commission, pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year covered by this Form 10-K are incorporated by reference into Part III of this Form 10-K.

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FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including analyses and other information based on forecasts of future results and estimates of amounts not yet determinable and statements relating to our future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “will” and similar terms and phrases, including references to assumptions.

The forward-looking statements in this report 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 we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to important factors and matters discussed elsewhere in this report, and in the documents incorporated by reference herein, important factors that, in our view, could cause our actual results to differ materially from those discussed in the forward-looking statements include:

- our future operating or financial results;
- our acquisitions, business strategy and expected capital spending or operating expenses;
- shipping trends, including changes in charter rates, scrapping rates and vessel and other asset values;
- factors affecting supply of and demand for liquefied petroleum gas, or LPG, shipping;
- changes in trading patterns that impact tonnage requirements;
- general economic conditions and specific economic conditions in the oil and natural gas industry and the countries and regions where LPG is produced and consumed;
- the supply of and demand for LPG, which is affected by the production levels and price of oil, refined petroleum products and natural gas, including production from United States shale fields;

- completion of infrastructure projects to support marine transportation of LPG, including export terminals and pipelines;
 - changes to the supply and demand for LPG vessels as a result of the expansion of the Panama Canal;
 - oversupply of or limited demand for LPG vessels comparable to ours or higher specification vessels;
 - competition in the LPG shipping industry;
 - our ability to profitably employ our vessels, including vessels participating in the Helios Pool (defined below);
 - the failure of our or the Helios Pool's (defined below) significant customers to perform their obligations to us or to the Helios Pool;
 - the performance of the Helios Pool;
 - the loss or reduction in business from our or the Helios Pool's significant customers;
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- our financial condition and liquidity, including our ability to obtain financing in the future to fund capital expenditures, acquisitions and other general corporate purposes, the terms of such financing and our ability to comply with covenants set forth in our existing and future financing arrangements;
- our costs, including crew wages, insurance, provisions, repairs and maintenance, and general and administrative expenses;
- our dependence on key personnel;
- the availability of skilled workers and the related labor costs;
- the effects of new products and new technology in our industry;
- operating hazards in the maritime transportation industry, including piracy;
- the adequacy of our insurance coverage in the event of a catastrophic event;
- compliance with and changes to governmental, tax, environmental and safety laws and regulations;
- changes in domestic and international political and geopolitical conditions, including the imposition of tariffs or otherwise on LPG or LPG products;
- compliance with the United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act 2010, or other applicable regulations relating to bribery; and
- the volatility of the price of our common shares.

Actual results could differ materially from expectations expressed in the forward-looking statements if one or more of the underlying assumptions or expectations proves to be inaccurate or is not realized. You should thoroughly read this report with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this report include additional factors that could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of the forward-looking statements by these cautionary statements.

We caution readers of this report not to place undue reliance on forward-looking statements. Any forward-looking statements contained herein are made only as of the date of this report, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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PART I

ITEM 1. BUSINESS

Unless otherwise indicated, references to "Dorian," the "Company," "we," "our," "us," or similar terms refer to Dorian LPG Ltd. and its subsidiaries and predecessors. The terms "Predecessor" and "Predecessor Business" refer to the owning companies of the four vessels that comprised our initial fleet, prior to their acquisition by us. We use the term "VLGC" to refer to very large gas carriers. We use the term "LPG" to refer to liquefied petroleum gas and we use the term "cbm" to refer to cubic meters in describing the carrying capacity of our vessels. Unless otherwise indicated, all references to "U.S. dollars," "USD," and "\$" in this report are to the lawful currency of the United States of America and references to "Norwegian Krone" and "NOK" are to the lawful currency of Norway.

Overview

We are a Marshall Islands corporation incorporated on July 1, 2013 and headquartered in the United States. We are focused on owning and operating VLGCs in the LPG shipping industry. Our founding executives have managed vessels in the LPG shipping market since 2002. Our fleet currently consists of twenty-two VLGCs, including nineteen new fuel-efficient 84,000 cbm ECO-design VLGCs, or our ECO VLGCs, and three 82,000 cbm VLGCs. The twenty-two VLGCs in our fleet have an aggregate carrying capacity of approximately 1.8 million cbm and an average age of 4.0 years as of June 26, 2018. We provide in-house commercial and technical management services for all of our vessels, including our vessels deployed in the Helios Pool, which may also receive commercial management services from Phoenix (defined below).

Sixteen of our ECO VLGCs were constructed at Hyundai Heavy Industries Co., Ltd., or Hyundai, and three of our ECO VLGCs were constructed at Daewoo Shipping and Marine Engineering Ltd, or Daewoo. Our nineteen ECO VLGCs, which incorporate fuel efficiency and emission-reducing technologies and certain custom features, were delivered to us between July 2014 and February 2016, seventeen of which were delivered during calendar year 2015 or later.

On April 1, 2015, we and Phoenix Tankers Pte. Ltd., or Phoenix, a wholly-owned subsidiary of Mitsui OSK Lines Ltd., an unaffiliated third party, began operation of Helios LPG Pool LLC, or the Helios Pool, a joint venture owned 50% by us and 50% by Phoenix. We believe that the operation of certain of our VLGCs in this pool allows us to achieve better market coverage and utilization. Vessels entered into the Helios Pool are commercially managed jointly by Dorian LPG (UK) Ltd., our wholly-owned subsidiary, and Phoenix. The members of the Helios Pool share in the net pool revenues generated by the entire group of vessels participating in the pool, weighted according to certain technical vessel characteristics, and net pool revenues are distributed as variable rate time charter hire to each participant. The vessels entered into the Helios Pool may operate either in the spot market, pursuant to contracts of

affreightment, or COAs, or on time charters of two years' duration or less. We and Phoenix have agreed that the Helios Pool will have a right of first refusal to operate each VLGC of our respective fleets not employed on a time charter of more than two years duration. As of June 26, 2018, the Helios Pool operated twenty-six VLGCs, including eighteen of our vessels, five Phoenix vessels, and three other vessels.

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Our Fleet

The following table sets forth certain information regarding our fleet as of June 26, 2018:

	Capacity (Cbm)	Shipyard	Year Built	ECO Vessel(1)	Employment	Charter Expiration(2)
VLGCs						
Captain Markos						
NL(3)	82,000	Hyundai	2006	—	Time Charter(4)	Q4 2019
Captain John NP(3)	82,000	Hyundai	2007	—	Pool(5)	—
Captain Nicholas					Special	
ML(3)	82,000	Hyundai	2008	—	Survey(6)	—
Comet	84,000	Hyundai	2014	X	Time Charter(7)	Q3 2019
Corsair(3)	84,000	Hyundai	2014	X	Pool(5)	—
Corvette(3)	84,000	Hyundai	2015	X	Pool(5)	—
Cougar	84,000	Hyundai	2015	X	Pool(5)	—
Concorde(3)	84,000	Hyundai	2015	X	Pool(5)	—
Cobra	84,000	Hyundai	2015	X	Pool-TCO(8)	Q3 2018
Continental	84,000	Hyundai	2015	X	Pool(5)	—
Constitution	84,000	Hyundai	2015	X	Pool(5)	—
Commodore	84,000	Hyundai	2015	X	Pool(5)	—
Cresques	84,000	Daewoo	2015	X	Pool(5)	—
Constellation	84,000	Hyundai	2015	X	Pool(5)	—
Cheyenne	84,000	Hyundai	2015	X	Pool(5)	—
Clermont	84,000	Hyundai	2015	X	Pool(5)	—
Cratis	84,000	Daewoo	2015	X	Pool(5)	—
Chaparral	84,000	Hyundai	2015	X	Pool(5)	—
Copernicus	84,000	Daewoo	2015	X	Pool(5)	—
Commander	84,000	Hyundai	2015	X	Time Charter(9)	Q4 2020
Challenger	84,000	Hyundai	2015	X	Pool(5)	—
Caravelle	84,000	Hyundai	2016	X	Pool(5)	—
Total	1,842,000					

(1) Represents vessels with very low revolutions per minute, long stroke, electronically controlled engines, larger propellers, advanced hull design, and low friction paint.

(2) Represents calendar year quarters.

(3) Operated pursuant to a bareboat chartering agreement. See Notes 9 and 23 to our consolidated financial statements included herein.

- (4) Currently on time charter with an oil major that began in December 2014.

- (5) “Pool” indicates that the vessel operates in the Helios Pool on voyage charters with third parties and receives as charter hire a portion of the net revenues of the pool calculated according to a formula based on the vessel’s pro rata performance in the pool.

- (6) Currently undergoing special survey.

- (7) Currently on time charter with an oil major that began in July 2014.

- (8) “Pool-TCO” indicates that the vessel is operated in the Helios Pool on a time charter out to a third party and receives as charter hire a portion of the net revenues of the pool calculated according to a formula based on the vessel’s pro rata performance in the pool.

- (9) Currently on time charter with a major oil company that began in November 2015.

The LPG Shipping Industry

International seaborne LPG transportation services are generally provided by two types of operators: LPG distributors and traders and independent shipowners. Traditionally the main trading route in our industry has been the transport of LPG from the Arabian Gulf to Asia. With the emergence of the United States as a major LPG export hub, the United States Gulf to Asia has become an important trade route. Vessels are generally operated under time charters, bareboat charters, spot charters, or COAs. LPG distributors and traders use their fleets not only to transport their own LPG, but also to transport LPG for third-party charterers in direct competition with independent owners and operators in the tanker charter market. We operate in markets that are highly competitive and based primarily on supply and demand of

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available vessels. Generally, we compete for charters based upon charter rate, customer relationships, operating expertise, professional reputation and vessel specifications (size, age and condition). We also believe that our in-house technical and commercial management allows us to provide superior customer service and reliability that enhances our relationships with our charterers. Our industry is subject to strict environmental regulation, including the treatment of ballast water and greenhouse gas emissions regulations, and we believe our modern, ECO-class fleet and our high level of crew training and vessel maintenance make us a preferred provider of VLGC tonnage.

Our Customers

Our customers, either directly or through the Helios Pool, include or have included global energy companies such as Exxon Mobil Corp., China International United Petroleum & Chemicals Co., Ltd., Royal Dutch Shell plc, Statoil ASA, and Oriental Energy Company Ltd., commodity traders such as Itochu Corporation and the Vitol Group and importers such as E1 Corp., SK Gas Co. Ltd. and Indian Oil Corporation. See “Item 7. Management Discussion and Analysis—Overview” for a discussion of our customers that accounted for more than 10% of our total revenues and “Item 1A. Risk Factors—We expect to be dependent on a limited number of customers for a material part of our revenues, and failure of such customers to meet their obligations could cause us to suffer losses or negatively impact our results of operations and cash flows.” For the years ended March 31, 2018, 2017 and 2016 approximately 67.1%, 69.1% and 70.2% of our revenues, respectively, were generated through the Helios Pool as net pool revenues—related parties. See “Item 1A. Risk Factors—We and the Helios Pool operate exclusively in the LPG shipping industry. Due to our lack of diversification and the lack of diversification of the Helios Pool, adverse developments in the LPG shipping industry may adversely affect our business, financial condition and operating results.”

We intend to continue to pursue a balanced chartering strategy by employing our vessels on a mix of multi-year time charters, some of which may include a profit-sharing component, shorter-term time charters, spot market voyages and COAs. Three of our vessels are currently on fixed time charters outside of the Helios Pool with an average remaining term of 1.7 years as of June 26, 2018, and one of our VLGCs is on Pool-TCO within the Helios Pool. See “Our Fleet” above for more information.

Further, each of our vessels serve the same type of customer, have similar operations and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, we have determined that we operate in one reportable segment, the international transportation of LPG. Furthermore, when we charter a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable.

Competition

LPG carrier capacity is primarily a function of the size of the existing world fleet, the number of newbuildings being delivered and the scrapping of older vessels. According to industry sources, as of May 17, 2018, there were 1,450 LPG capable carriers with an aggregate capacity of approximately 33.33 million cbm. As of such date, a further 69

LPG capable carriers with an aggregate carrying capacity of roughly 3.28 million cbm were on order for delivery by the end of 2020, equivalent to 9.84% of the existing fleet in capacity terms. In contrast to oil tankers and drybulk carriers, according to industry sources, the number of shipyards with LPG carrier experience is more limited. Due to an influx of newbuild tonnage since early 2015 and continuing through late 2017, we believe it is unlikely that significant vessel orders will be placed prior to the delivery of the contracted orderbook as of the time of writing. In the VLGC sector in which we operate, as of May 17, 2018, there were 269 vessels with an aggregate carrying capacity of 22.05 million cbm in the world fleet with 34 vessels on order for delivery by the second half of 2020.

Our largest competitors for VLGC shipping services include BW LPG Limited, or BWLPG, Avance Gas Holding Ltd., or Avance, Petredec, and Astomos Energy Corporation. According to industry sources, there were approximately 63 owners in the worldwide VLGC fleet as of May 17, 2018, with the top ten owners possessing 51% of the total fleet on a vessel count basis. Competition for the transportation of LPG depends on the price, location, size, age, condition and acceptability of the vessel to the charterer. We believe we own and operate the youngest and second largest fleet in the VLGC size segment, which, in our view, enhances our position relative to that of our competitors. But see “Item 1A. Risk

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Factors—We will face substantial competition in trying to expand relationships with existing customers and obtain new customers.”

Seasonality

Liquefied gases are primarily used for industrial and domestic heating, as a chemical and refinery feedstock, as a transportation fuel and in agriculture. The LPG shipping market historically has been stronger in the spring and summer months in anticipation of increased consumption of propane and butane for heating during the winter months. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and the supply of certain commodities. Demand for our vessels therefore may be stronger in our quarters ending June 30 and September 30 and relatively weaker during our quarters ending December 31 and March 31, although 12-month time charter rates tend to smooth out these short-term fluctuations and recent LPG shipping market activity has not yielded the expected seasonal results. To the extent any of our time charters expire during the typically weaker fiscal quarters ending December 31 and March 31, it may not be possible to re-charter our vessels at similar rates. As a result, we may have to accept lower rates or experience off-hire time for our vessels, which may adversely impact our business, financial condition and operating results.

Employees

As of March 31, 2018, we employed 69 persons in our offices in the United States, Greece and the United Kingdom. In addition to our shore-based employees, we had approximately 499 seafaring staff serving on our commercially-managed vessels. Seafarers are sourced from seafarer recruitment and placement service agencies and are employed with short-term employment contracts.

Classification, Inspection and Maintenance

Every large commercial seagoing vessel must be "classed" by a classification society. A classification society certifies that a vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the classification society and the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned.

For maintenance of the class certificate, regular and special surveys of hull, machinery, including the electrical plant and any special equipment classed, are required to be performed by the classification society, to ensure continuing

compliance. Vessels are drydocked at least once during a five year class cycle for inspection of the underwater parts and for repairs related to inspections. Vessels under five years of age can waive drydocking provided the vessel is inspected underwater. If any defects are found, the classification surveyor will issue a "recommendation" which must be rectified by the shipowner within prescribed time limits. The classification society also undertakes on request of the flag state other surveys and checks that are required by the regulations and requirements of that flag state. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned. Every vessel is also required to be drydocked every 30 to 36 months for inspection of the underwater parts of the vessel. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey, drydocking or special survey, the vessel will be unable to carry cargo between ports and will be unemployable and uninsurable which could cause us to be in violation of certain covenants in our loan agreements and financing arrangements. Any such inability to carry cargo or be employed, or any such violation of covenants, could have a material adverse impact on our financial condition and results of operations.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as "in class" by a classification society, which is a member of the International Association of Classification Societies, or the IACS. In December 2013, the IACS adopted harmonized Common Structure Rules that align with International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels, or the IMO, goal standards. Our VLGCs are currently classed with either Lloyd's Register, the American Bureau of Shipping, or ABS, or Det Norske Veritas, all members of the IACS. All of the vessels in our fleet have been awarded International Safety Management, or ISM, certification and are currently "in class."

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We also carry out inspections of the ships on a regular basis; both at sea and while the vessels are in port. The results of these inspections are documented in a report containing recommendations for improvements to the overall condition of the vessel, maintenance, safety and crew welfare. Based in part on these evaluations, we create and implement a program of continual maintenance and improvement for our vessels and their systems.

Safety, Management of Ship Operations and Administration

Safety is our top operational priority. Our vessels are operated in a manner intended to protect the safety and health of the crew, the general public and the environment. We actively manage the risks inherent in our business and are committed to preventing incidents that threaten safety, such as groundings, fires and collisions. We are also committed to reducing emissions and waste generation. We have established key performance indicators to facilitate regular monitoring of our operational performance. We set targets on an annual basis to drive continuous improvement, and we review performance indicators every three months to determine if remedial action is necessary to reach our targets. Our shore staff performs a full range of technical, commercial and business development services for us. This staff also provides administrative support to our operations in finance, accounting and human resources.

Risk of Loss and Insurance

The operation of any vessel, including LPG carriers, has inherent risks. These risks include mechanical failure, personal injury, collision, property loss, vessel or cargo loss or damage and business interruption due to political circumstances in foreign countries or hostilities. In addition, there is always an inherent possibility of marine disaster, including explosions, spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. We believe that our present insurance coverage is adequate to protect us against the accident related risks involved in the conduct of our business and that we maintain appropriate levels of environmental damage and pollution insurance coverage consistent with standard industry practice. However, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates.

We have obtained hull and machinery insurance on all our vessels against marine and war risks, which include the risks of damage to our vessels, salvage or towing costs, and actual or constructive total loss. However, our insurance policies contain deductible amounts for which we are responsible. We have also arranged additional total loss coverage for each vessel. This coverage, which is called hull interest and freight interest coverage, provides us additional coverage in the event of the total loss of a vessel.

We have also obtained loss of hire insurance to protect us against loss of income in the event one of our vessels cannot be employed due to damage that is covered under the terms of our hull and machinery insurance (marine and war risks). Under our loss of hire policies, our insurer will pay us an agreed daily rate in respect of each VLGC in excess

of 14 days for marine risks and zero days for war risks for the time that the vessel is out of service as a result of damage, for a maximum of 180 days.

We have also obtained protection and indemnity insurance, which covers our third-party legal liabilities in connection with our shipping activities, and is provided by mutual protection and indemnity associations, or P&I clubs. This insurance includes third-party liability and other expenses related to the injury or death of crew members, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels or from contact with jetties or wharves and other damage to other third-party property, including pollution arising from oil or other substances, and other related costs, including wreck removal. Subject to the capping discussed below, our coverage, except for pollution, is unlimited.

Our current protection and indemnity insurance coverage for pollution is \$1.0 billion per vessel per incident. The thirteen P&I clubs that compose the International Group of Protection and Indemnity Clubs, or the International Group, insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities. Each P&I club has capped its exposure in this pooling agreement so that the maximum claim covered by the pool and its reinsurance would be approximately \$5.45 billion per accident or occurrence. We are a member of three P&I clubs: The Standard Club Europe Ltd., The United Kingdom Mutual Steamship Assurance Association

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(Europe) Limited and The London Steam Ship Owners' Mutual Insurance Association Limited. As a member of these P&I clubs, we are subject to a call for additional premiums based on the clubs' claims record, as well as the claims record of all other members of the P&I clubs comprising the International Group. However, our P&I clubs have reinsured the risk of additional premium calls to limit our additional exposure. This reinsurance is subject to a cap, and there is the risk that the full amount of the additional call would not be covered by this reinsurance.

Environmental and Other Regulation in the Shipping Industry

General

Government regulation and laws significantly affect the ownership and operation of our fleet. We are subject to international conventions and treaties, national, state and local laws and regulations in force in the countries in which our vessels may operate or are registered relating to safety and health and environmental protection including the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, and the remediation of contamination and liability for damage to natural resources. Compliance with such laws, regulations and other requirements entails significant expense, including vessel modifications and implementation of certain operating procedures. For the years ending March 31, 2019 and 2020, we estimate that capital expenditures for reducing our environmental emissions would total approximately \$0.3 million on one of our VLGCs relating to performance enhancing devices to achieve power savings resulting in lower fuel consumption.

A variety of government and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (applicable national authorities such as the United States Coast Guard, or USCG, harbor master or equivalent), classification societies, flag state administrations (countries of registry) and charterers, particularly terminal operators. Certain of these entities require us to obtain permits, licenses, certificates and other authorizations for the operation of our vessels. Failure to maintain necessary permits or approvals could require us to incur substantial costs or result in the temporary suspension of the operation of one or more of our vessels.

We believe that the heightened level of environmental and quality concerns among insurance underwriters, regulators and charterers is leading to greater inspection and safety requirements on all vessels and may accelerate the scrapping of older vessels throughout the industry. Increasing environmental concerns have created a demand for vessels that conform to the stricter environmental standards. We are required to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with United States and international regulations. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations and that our vessels have all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations frequently change and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a future serious marine incident that causes significant adverse environmental impact could

result in additional legislation or regulation that could negatively affect our profitability.

It should be noted that the United States is currently experiencing changes in its environmental policy, the results of which have yet to be fully determined. For example, in April 2017, the President Trump signed an executive order regarding environmental regulations, specifically targeting the U.S. offshore energy strategy, which may affect parts of the maritime industry and our operations. Furthermore, recent action by the IMO's Maritime Safety Committee and United States agencies indicate that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. For example, cyber-risk management systems must be incorporated by ship-owners and managers by 2021. This might cause companies to cultivate additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. However, the impact of such regulations is hard to predict at this time.

International Maritime Organization

The IMO has adopted (i) the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as "MARPOL,"

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(ii) the International Convention for the Safety of Life at Sea of 1974, or the SOLAS Convention, and (iii) the International Convention on Load Lines of 1966, or the LL Convention. MARPOL establishes environmental standards relating to oil leakage or spilling, garbage management, sewage, air emissions, handling and disposal of noxious liquids and the handling of harmful substances in packaged forms. MARPOL is applicable to drybulk, tanker and LPG carriers, among other vessels, and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annexes II and III relate to harmful substances carried in bulk in liquid or in packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI, lastly, relates to air emissions. Annex VI was separately adopted by the IMO in September of 1997.

Vessels that transport gas, including LPG carriers, are also subject to regulation under the International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk, or the IGC Code, published by the IMO. The IGC Code provides a standard for the safe carriage of LPG and certain other liquid gases by prescribing the design and construction standards of vessels involved in such carriage. The completely revised and updated IGC Code entered into force in 2016, and the amendments were developed following a comprehensive five-year review and are intended to take into account the latest advances in science and technology. Compliance with the IGC Code must be evidenced by a Certificate of Fitness for the Carriage of Liquefied Gases in Bulk. Non-compliance with the IGC Code or other applicable IMO regulations may subject a shipowner or a bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. We believe that each of our vessels is in compliance with the IGC Code.

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air pollution from vessels. Effective May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits “deliberate emissions” of ozone depleting substances (such as halons and chlorofluorocarbons), emissions of volatile compounds from cargo tanks, and the shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions, as explained below. Emissions of “volatile organic compounds” from certain tankers, and the shipboard incineration (from incinerators installed after January 1, 2000) of certain substances (such as polychlorinated biphenyls, or PCBs) are also prohibited. We believe that all our vessels are currently compliant in all material respects with these regulations.

The IMO’s Marine Environmental Protection Committee, or MEPC, adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. On October 27, 2016, at its 70th session, the MEPC agreed to implement a global 0.5% m/m sulfur oxide emissions limit (reduced from the current 3.50%) starting from January 1, 2020. This limitation can be met by using low-sulfur compliant fuel oil, alternative fuels, or certain exhaust gas cleaning systems. Once the cap becomes effective, ships will be required to obtain bunker delivery notes and International Air Pollution Prevention, or IAPP, Certificates from their flag states that specify sulfur content. This subjects ocean-going vessels in these areas to stringent emissions controls, and may cause us to incur additional costs.

Sulfur content standards are even stricter within certain “Emission Control Areas,” or ECAs. As of January 1, 2015, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 0.1%. Amended Annex VI establishes procedures for designating new ECAs. Currently, the IMO has designated four ECAs, including specified portions of the Baltic Sea area, North Sea area, North American area and United States Caribbean area.

Ocean-going vessels in these areas will be subject to stringent emission controls and may cause us to incur additional costs. If other ECAs are approved by the IMO, or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency, or the EPA, or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

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Amended Annex VI also establishes new tiers of stringent nitrogen oxide emissions standards for marine diesel engines, depending on their date of installation. At the MEPC meeting held from March to April 2014, amendments to Annex VI were adopted which address the date on which Tier III Nitrogen Oxide (NOx) standards in ECAs will go into effect. Under the amendments, Tier III NOx standards apply to ships that operate in the North American and U.S. Caribbean Sea ECAs designed for the control of NOx with a marine diesel engine installed and constructed on or after January 1, 2016. Tier III requirements could apply to areas that will be designated for Tier III NOx in the future. At MEPC 70 and MEPC 71, the MEPC approved the North Sea and Baltic Sea as ECAs for nitrogen oxide for ships built after January 1, 2021. The EPA promulgated equivalent (and in some senses stricter) emissions standards in late 2009. As a result of these designations or similar future designations, we may be required to incur additional operating or other costs.

As determined at the MEPC 70, the new Regulation 22A of MARPOL Annex VI is effective as of March 1, 2018 and requires ships above 5,000 gross tonnage to collect and report annual data on fuel oil consumption to an IMO database, with the first year of data collection commencing on January 1, 2019. The IMO intends to use such data as the first step in its roadmap (through 2023) for developing its strategy to reduce greenhouse gas emissions from ships, as discussed further below.

As of January 1, 2013, MARPOL made mandatory certain measures relating to energy efficiency for ships. All ships are now required to develop and implement Ship Energy Efficiency Management Plans, or SEEMPS, and new ships must be designed in compliance with minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index, or EEDI. Under these measures, by 2025, all new ships built will be 30% more energy efficient than those built in 2014.

We may incur costs to comply with these revised standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition.

Safety Management System Requirements

The SOLAS Convention was amended to address the safe manning of vessels and emergency training drills. The Convention of Limitation of Liability for Maritime Claims, or the LLMC, sets limitations of liability for a loss of life or personal injury claim or a property claim against ship owners. We believe that all of our vessels are in substantial compliance with SOLAS and LLMC Convention standards.

Under Chapter IX of the SOLAS Convention, or the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention, or the ISM Code, our operations are also subject to environmental standards and requirements. The ISM Code requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies. We rely upon the safety management system that we and our technical management team have developed for compliance with the ISM Code. The failure of a vessel owner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports.

The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel's management with the ISM Code requirements for a safety management system. No vessel can obtain a safety management certificate unless its manager has been awarded a document of compliance, issued by each flag state, under the ISM Code. We have obtained applicable documents of compliance for our offices and safety management certificates for all of our vessels for which the certificates are required by the IMO.

The document of compliance and safety management certificate are renewed as required.

Regulation II-1/3-10 of the SOLAS Convention governs ship construction and stipulates that ships over 150 meters in length must have adequate strength, integrity and stability to minimize risk of loss or pollution. Goal-based standards amendments in the SOLAS Convention regulation II-1/3-10 entered into force in 2012.

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Amendments to the SOLAS Convention Chapter VII apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code, or the IMDG Code. Effective January 1, 2018, the IMDG Code includes (1) updates to the provisions for radioactive material, reflecting the latest provisions from the International Atomic Energy Agency, (2) new marking, packing and classification requirements for dangerous goods, and (3) new mandatory training requirements.

The IMO has also adopted the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, or the STCW. As of February 2017, all seafarers are required to meet the STCW standards and be in possession of a valid STCW certificate. Flag states that have ratified the SOLAS Convention and STCW generally employ the classification societies, which have incorporated the SOLAS Convention and STCW requirements into their class rules, to undertake surveys to confirm compliance.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for pollution in international waters and the territorial waters of the signatories to such conventions. For example, the IMO adopted an International Convention for the Control and Management of Ships' Ballast Water and Sediments, or the BWM Convention, in 2004. The BWM Convention entered into force on September 9, 2017. The BWM Convention requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of new or invasive aquatic organisms and pathogens within ballast water and sediments. The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits, and require all ships to carry a ballast water record book and an international ballast water management certificate.

On December 4, 2013, the IMO Assembly passed a resolution revising the application dates of BWM Convention so that the dates are triggered by the entry into force date and not the dates originally in the BWM Convention. This, in effect, makes all vessels delivered before the entry into force date "existing vessels" and allows for the installation of ballast water management systems on such vessels at the first International Oil Pollution Prevention, or IOPP, renewal survey following entry into force of the convention. The MEPC adopted updated guidelines for approval of ballast water management systems (G8) at MEPC 70. At MEPC 71, the schedule regarding the BWM Convention's implementation dates was also discussed and amendments were introduced to extend the date existing vessels are subject to certain ballast water standards. Ships over 400 gross tons generally must comply with a "D-1 standard," requiring the exchange of ballast water only in open seas and away from coastal waters. The "D-2 standard" specifies the maximum amount of viable organisms allowed to be discharged, and compliance dates vary depending on the IOPP renewal dates. Depending on the date of the IOPP renewal survey, existing vessels must comply with the D2 standard on or after September 8, 2019. For most ships, compliance with the D2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms.

Once mid-ocean ballast exchange ballast water treatment requirements become mandatory under the BWM Convention, the cost compliance could increase for ocean carriers and may be material. However, many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The United States, for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements. Currently, sixteen of our VLGCs are in compliance with the BWM Convention guidelines. Ballast water management systems, or BWMS, are expected to be installed on the remaining six VLGCs not equipped with BWMS between July 2019 and July 2023 for approximately \$0.8 million per vessel.

The IMO also adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage, or the Bunker Convention, to impose strict liability on ship owners (including the registered owner, bareboat charterer,

manager or operator) for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the LLMC). With respect to non-ratifying states, liability for spills or

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releases of oil carried as fuel in ship's bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur.

Ships are required to maintain a certificate attesting that they maintain adequate insurance to cover an incident. In jurisdictions, such as the United States where the Bunker Convention has not been adopted, various legislative schemes or common law govern, and liability is imposed either on the basis of fault or on a strict-liability basis.

Anti Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti fouling Systems on Ships, or the Anti fouling Convention. The Anti fouling Convention, which entered into force on September 17, 2008, prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. We have obtained Anti fouling System Certificates for all of our VLGCs that are subject to the Anti fouling Convention.

Compliance Enforcement

Noncompliance with the ISM Code or other IMO regulations may subject the ship owner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. The USCG and European Union authorities have indicated that vessels not in compliance with the ISM Code by applicable deadlines will be prohibited from trading in U.S. and European Union ports, respectively. As of the date of this report, each of our vessels is ISM Code certified. However, there can be no assurance that such certificates will be maintained in the future. The IMO continues to review and introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations might have on our operations.

Hazardous Substances

In 1996, the International Convention on Liability and Compensation for Damages in Connection with the Carriage of Hazardous and Noxious Substances by Sea, or HNS, was adopted and subsequently amended by the 2010 Protocol, or the 2010 HNS Convention. Our LPG vessels may also become subject to the HNS Convention if it is entered into force. The 2010 HNS Convention creates a regime of liability and compensation for damage from HNS, including liquefied gases. The 2010 HNS Convention introduces strict liability for the shipowner and covers pollution damage as well as the risks of fire and explosion, including loss of life or personal injury and damage to property. The 2010 HNS Convention sets up a two-tier system of compensation composed of compulsory insurance taken out by shipowners and an HNS Fund which comes into play when the insurance is insufficient to satisfy a claim or does not cover the incident. Under the 2010 HNS Convention, if damage is caused by bulk HNS, claims for compensation will first be sought from the shipowner up to a maximum of 100 million Special Drawing Rights, or SDR. If the damage is caused by packaged HNS or by both bulk and packaged HNS, the maximum liability is 115 million SDR. Once the limit is reached, compensation will be paid from the HNS Fund up to a maximum of 250 million SDR. The 2010 HNS Convention has not come into effect. It will come into force eighteen months after the date on which certain consent and administrative requirements are satisfied. While a majority of the necessary number of states has indicated their consent to be bound by the 2010 HNS Convention, the required minimum has not been met. We cannot estimate the costs that may be needed to comply with any such requirements that may be adopted with any certainty at this time.

In 2012, MEPC adopted a resolution amending the International Code for the Construction of Equipment of Ships Carrying Dangerous Chemicals in Bulk, or the IBC Code. The provisions of the IBC Code are mandatory under MARPOL and the SOLAS Convention. These amendments, which entered into force in June 2014, pertain to revised international certificates of fitness for the carriage of dangerous chemicals in bulk and identifying new products that

fall under the IBC Code. In May 2014, additional amendments to the IBC Code were adopted that became effective in January 2016. These amendments pertain to the installation of stability instruments and cargo tank purging. Our ECO VLGCs are equipped with stability instruments and cargo tank purging. We may need to make certain minor financial expenditures to comply with these amendments for our three modern VLGCs.

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United States Regulations

The U.S. Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation and Liability Act

The U.S. Oil Pollution Act of 1990, or OPA, established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. OPA affects all “owners and operators” whose vessels trade or operate within the United States, its territories and possessions or whose vessels operate in U.S. waters, which includes the U.S.’s territorial sea and its 200 nautical mile exclusive economic zone around the United States. The U.S. has also enacted the Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, which applies to the discharge of hazardous substances other than oil, except in limited circumstances, whether on land or at sea. OPA and CERCLA both define “owner and operator” in the case of a vessel as any person owning, operating or chartering by demise, the vessel. Both OPA and CERCLA impact our operations.

Under OPA, vessel owners and operators are “responsible parties” and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, including bunkers (fuel). OPA defines these other damages broadly to include:

- (i) injury to, destruction or loss of, or loss of use of, natural resources and related assessment costs;
- (ii) injury to, or economic losses resulting from, the destruction of real and personal property;
- (iii) loss of subsistence use of natural resources that are injured, destroyed or lost;
- (iv) net loss of taxes, royalties, rents, fees or net profit revenues resulting from injury, destruction or loss of real or personal property, or natural resources;
- (v) lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and
- (vi) net cost of increased or additional public services necessitated by removal activities following a discharge of oil, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA contains statutory caps on liability and damages; such caps do not apply to direct cleanup costs. Effective December 21, 2015, the USCG adjusted the limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of \$1,100 per gross ton or \$939,800 (subject to periodic adjustment for inflation). These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship), or a responsible party's gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident where the responsibility party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

CERCLA contains a similar liability regime whereby owners and operators of vessels are liable for cleanup, removal and remedial costs, as well as damages for injury to, or destruction or loss of, natural resources, including the reasonable costs associated with assessing same, and health assessments or health effects studies. There is no liability if the discharge of a hazardous substance results solely from the act or omission of a third party, an act of God or an act of war. Liability under CERCLA is limited to the greater of \$300 per gross ton or \$5.0 million for vessels carrying

a hazardous substance as cargo and the greater of \$300 per gross ton or \$500,000 for any other vessel. These limits do not apply (rendering the responsible person liable for the total cost of response and damages) if the release or threat of release of a

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hazardous substance resulted from willful misconduct or negligence, or the primary cause of the release was a violation of applicable safety, construction or operating standards or regulations. The limitation on liability also does not apply if the responsible person fails or refused to provide all reasonable cooperation and assistance as requested in connection with response activities where the vessel is subject to OPA.

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. OPA and CERCLA both require owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet the maximum amount of liability to which the particular responsible person may be subject. Vessel owners and operators may satisfy their financial responsibility obligations by providing a proof of insurance, a surety bond, qualification as a self-insurer or a guarantee. We comply with the USCG's financial responsibility regulations by providing applicable certificates of financial responsibility.

The 2010 Deepwater Horizon oil spill in the Gulf of Mexico resulted in additional regulatory initiatives or statutes, including the raising of liability caps under OPA, new regulations regarding offshore oil and gas drilling, and a pilot inspection program for offshore facilities. However, the status of several of these initiatives and regulations is currently in flux. For example, the U.S. Bureau of Safety and Environmental Enforcement, or the BSEE, announced a new Well Control Rule in April 2016, but pursuant to orders by President Trump in early 2017, the BSEE announced in August 2017 that this rule would be revised. In January 2018, President Trump proposed leasing new sections of U.S. waters to oil and gas companies for offshore drilling, vastly expanding the U.S. waters that are available for such activity over the next five years. The effects of the proposal are currently unknown. Compliance with any new requirements of OPA may substantially impact our cost of operations or require us to incur additional expenses to comply with any new regulatory initiatives or statutes. Additional legislation or regulations applicable to the operation of our vessels that may be implemented in the future could adversely affect our business.

OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA and some states have enacted legislation providing for unlimited liability for oil spills. Many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. federal law. Moreover, some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters, although in some cases, states that have enacted this type of legislation have not yet issued implementing regulations defining tanker owners' responsibilities under these laws. We intend to comply with all applicable state regulations in the ports where our VLGCs call.

We currently maintain pollution liability coverage insurance in the amount of \$1.0 billion per incident for each of our VLGCs. If the damages from a catastrophic spill were to exceed our insurance coverage, it could have an adverse effect on our business and results of operation.

Other United States Environmental Initiatives

The U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990), or the CAA, requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. The CAA requires states to adopt State Implementation Plans, or SIPs, some of which regulate emissions resulting from vessel loading and unloading operations which may affect our vessels.

The U.S. Clean Water Act, or the CWA, prohibits the discharge of oil, hazardous substances and ballast water in U.S. navigable waters unless authorized by a duly-issued permit or exemption, and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA.

The EPA and the USCG have also enacted rules relating to ballast water discharge, compliance with which requires the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial costs, and/or otherwise restrict our vessels

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from entering U.S. Waters. The EPA requires a permit regulating ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters under the Vessel General Permit for Discharges Incidental to the Normal Operation of Vessels, or the VGP. On March 28, 2013, the EPA re-issued the VGP for another five years from the effective date of December 19, 2013, or the 2013 VGP. The 2013 VGP focuses on authorizing discharges incidental to operations of commercial vessels, and contains numeric ballast water discharge limits for most vessels to reduce the risk of invasive species in U.S. waters, stringent requirements for exhaust gas scrubbers, and requirements for the use of environmentally acceptable lubricants. For a new vessel delivered to an owner or operator after December 19, 2013 to be covered by the VGP, the owner must submit a Notice of Intent, or a NOI, at least 30 days (or 7 days for eNOIs) before the vessel operates in United States waters. We have submitted NOIs for our VLGCs where required.

The USCG regulations adopted under the U.S. National Invasive Species Act impose mandatory ballast water management practices for all vessels equipped with ballast water tanks entering or operating in U.S. waters, which require the installation of certain engineering equipment and water treatment systems to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures, and/or may otherwise restrict our vessels from entering U.S. waters. The USCG has implemented revised regulations on ballast water management by establishing standards on the allowable concentration of living organisms in ballast water discharged from ships in U.S. waters. As of January 1, 2014, vessels were technically subject to the phasing-in of these standards, and the USCG must approve any technology before it is placed on a vessel. The USCG first approved said technology in December 2016, and continues to review ballast water management systems. The USCG may also provide waivers to vessels that demonstrate why they cannot install the new technology. The USCG has set up requirements for ships constructed before December 1, 2013 with ballast tanks trading within the exclusive economic zones of the U.S. to install water ballast treatment systems as follows: (1) ballast capacity 1,500-5,000m³—first scheduled drydock after January 1, 2014; and (2) ballast capacity above 5,000m³—first scheduled drydock after January 1, 2016. All of our vessels have ballast capacities over 5,000m³, and those of our vessels trading in the U.S. will have to install water ballast treatment plants at their first drydock after January 1, 2016, or have received an extension is granted by the USCG.

The EPA, on the other hand, has taken a different approach to enforcing ballast discharge standards under the VGP. On December 27, 2013, the EPA issued an enforcement response policy in connection with the new VGP in which the EPA indicated that it would take into account the reasons why vessels do not have the requisite technology installed, but will not grant any waivers. In addition, through the CWA certification provisions that allow U.S. states to place additional conditions on the use of the VGP within state waters, a number of states have proposed or implemented a variety of stricter ballast requirements including, in some states, specific treatment standards. Compliance with the EPA, USCG and state regulations could require the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial cost, or may otherwise restrict our vessels from entering U.S. waters.

Two recent United States court decisions should be noted. First, in October 2015, the Second Circuit Court of Appeals issued a ruling that directed the EPA to redraft the sections of the 2013 VGP that address ballast water. However, the Second Circuit stated that the 2013 VGP will remain in effect until the EPA issues a new VGP. The effect of such redrafting remains unknown. Second, on October 9, 2015, the Sixth Circuit Court of Appeals stayed the Waters of the United States, or WOTUS, rule, which aimed to expand the regulatory definition of “waters of the United States,” pending further action of the court. In response, regulations have continued to be implemented as they were prior to the stay on a case-by-case basis. In February 2017, President Trump issued an executive order directing the EPA and U.S. Army Corps of Engineers to publish a proposed rule rescinding or revising the WOTUS rule. In January 2018, the U.S. Supreme Court held that the federal district courts, not the appellate courts, have jurisdiction to hear challenges to the WOTUS rule. Also in January 2018, the EPA and Army Corps of Engineers issued a final rule pursuant to President Trump’s order, under which the agencies will interpret the term “waters of the United States” to

mean waters covered by the regulations, as they are currently being implemented, within the context of the Supreme Court decisions and agency guidance documents, until February 6, 2020. Litigation regarding the status of the WOTUS rule is currently underway, and the effect of future actions in these cases upon our operations is unknown.

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European Union Regulations

In October 2009, the European Union amended a directive to impose criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. The directive applies to all types of vessels, irrespective of their flag, but certain exceptions apply to warships or where human safety or that of the ship is in danger. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. Regulation (EU) 2015/757 of the European Parliament and of the Council of April 29, 2015 (amending EU Directive 2009/16/EC) governs the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and, subject to some exclusions, requires companies with ships over 5,000 gross tonnage to monitor and report carbon dioxide emissions annually starting on January 1, 2018, which may cause us to incur additional expenses.

The European Union has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age, and flag as well as the number of times the ship has been detained. The European Union also adopted and extended a ban on substandard ships and enacted a minimum ban period and a definitive ban for repeated offenses. The regulation also provided the European Union with greater authority and control over classification societies, by imposing more requirements on classification societies and providing for fines or penalty payments for organizations that failed to comply. Furthermore, the EU has implemented regulations requiring vessels to use reduced sulfur content fuel for their main and auxiliary engines. The EU Directive 2005/33/EC (amending Directive 1999/32/EC) introduced requirements parallel to those in Annex VI relating to the sulfur content of marine fuels. In addition, the EU imposed a 0.1% maximum sulfur requirement for fuel used by ships at berth in EU ports.

International Labour Organization

The International Labour Organization is a specialized agency of the UN that has adopted the Maritime Labor Convention 2006, or the MLC 2006. A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance is required to ensure compliance with the MLC 2006 for all ships above 500 gross tons in international trade. We believe that all our vessels are in substantial compliance with and are certified to meet MLC 2006.

Greenhouse Gas Regulation

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions with targets extended through 2020. International negotiations are continuing with respect to a successor to the Kyoto Protocol, and restrictions on shipping emissions may be included in any new treaty. In December 2009, more than 27 nations, including the U.S. and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and does not directly limit greenhouse gas emissions from ships. On June 1, 2017, President Trump announced that the United States intends to withdraw from the Paris Agreement. The timing and effect of such action has yet to be determined, but the Paris Agreement provides for a four-year exit process.

At MEPC 70 and MEPC 71, a draft outline of the structure of the initial strategy for developing a comprehensive IMO strategy on reduction of greenhouse gas emissions from ships was approved. In accordance with this roadmap, in April 2018, nations at the MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from ships. The

initial strategy identifies “levels of ambition” to reducing greenhouse gas emissions, including (1) decreasing the carbon intensity from ships through implementation of further phases of the EEDI for new ships; (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008; and (3) reducing the total annual greenhouse emissions by at least 50% by 2050 compared to 2008 while pursuing efforts towards phasing them out entirely. The initial strategy notes that technological innovation, alternative fuels and/or energy sources for international shipping will be integral to achieve the overall ambition. These regulations could cause us to incur additional substantial expenses.

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The EU made a unilateral commitment to reduce overall greenhouse gas emissions from its member states from 20% of 1990 levels by 2020. The EU also committed to reduce its emissions by 20% under the Kyoto Protocol's second period from 2013 to 2020. Starting in January 2018, large ships calling at EU ports are required to collect and publish data on carbon dioxide emissions and other information.

In the United States, the EPA issued a finding that greenhouse gases endanger the public health and safety, adopted regulations to limit greenhouse gas emissions from certain mobile sources, and proposed regulations to limit greenhouse gas emissions from large stationary sources. However, in March 2017, President Trump signed an executive order to review and possibly eliminate the EPA's plan to cut greenhouse gas emissions. In response to that order, on October 16, 2017, the EPA proposed to repeal the Clean Power Plan, its first standards on carbon dioxide emissions from power plants. On December 28, 2017, the EPA published an Advance Notice of Proposed Rulemaking outlining its plans to replace the Clean Power Plan if the repeal moves forward. Although the mobile source emissions regulations do not apply to greenhouse gas emissions from vessels, the EPA or individual U.S. states could enact environmental regulations that would affect our operations. For example, California has introduced a cap-and-trade program for greenhouse gas emissions, aiming to reduce emissions 40% by 2030.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the United States or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol or Paris Agreement, that restricts emissions of greenhouse gases could require us to make significant financial expenditures that we cannot predict with certainty at this time. Even in the absence of climate control legislation, our business may be indirectly affected to the extent that climate change may result in sea level changes or more intense weather events.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001 in the United States, there have been a variety of initiatives intended to enhance vessel security such as the U.S. Maritime Transportation Security Act of 2002, or the MTSA. To implement certain portions of the MTSA, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities, some of which are regulated by the EPA.

Similarly, Chapter XI-2 of the SOLAS Convention imposes detailed security obligations on vessels and port authorities and mandates compliance with the International Ship and Port Facilities Security Code, or the ISPS Code. The ISPS Code is designed to enhance the security of ports and ships against terrorism. To trade internationally, a vessel must attain an International Ship Security Certificate, or an ISSC, from a recognized security organization approved by the vessel's flag state. Ships operating without a valid certificate may be detained, expelled from, or refused entry at port until they obtain an ISSC. The following are among the various requirements, some of which are found in the SOLAS Convention:

- on-board installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped ships and shore stations, including information on a ship's identity, position, course, speed and navigational status;
- on-board installation of ship security alert systems, which do not sound on the vessel but only alert the authorities on shore;
- the development of vessel security plans;

- ship identification number to be permanently marked on a vessel's hull;
- a continuous synopsis record kept onboard showing a vessel's history including the name of the ship, the state whose flag the ship is entitled to fly, the date on which the ship was registered with that state, the ship's identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address; and

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· compliance with flag state security certification requirements.

The USCG regulations, intended to be aligned with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid ISSC that attests to the vessel's compliance with the SOLAS Convention security requirements and the ISPS Code. Future security measures could have a significant financial impact on us. We comply with the various security measures addressed by MTSA, the SOLAS Convention and the ISPS Code.

Taxation

The following is a discussion of the material Marshall Islands and United States federal income tax considerations relevant to an investment decision by a United States Holder and a Non United States Holder, each as defined below, with respect to the common shares. This discussion does not purport to deal with the tax consequences of owning our common shares to all categories of investors, some of which, such as financial institutions, regulated investment companies, real estate investment trusts, tax exempt organizations, insurance companies, persons holding our common stock as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, traders in securities that have elected the mark to market method of accounting for their securities, persons liable for alternative minimum tax, persons who are investors in partnerships or other pass through entities for United States federal income tax purposes or hold our common shares through an applicable partnership interest, dealers in securities or currencies, United States Holders whose functional currency is not the United States dollar and investors that own, actually or under applicable constructive ownership rules, 10% or more of our shares of common stock, may be subject to special rules. This discussion deals only with holders who purchase and hold the common shares as a capital asset. You are encouraged to consult your own tax advisors concerning the overall tax consequences arising in your own particular situation under United States federal, state, local or non United States law of the ownership of common shares.

Marshall Islands Tax Considerations

In the opinion of Seward & Kissel LLP, the following are the material Marshall Islands tax consequences of our activities to us and of our common shares to our shareholders. We are incorporated in the Marshall Islands. Under current Marshall Islands law, we are not subject to tax on income or capital gains, and no Marshall Islands withholding tax will be imposed upon payments of dividends by us to our shareholders.

United States Federal Income Tax Considerations

In the opinion of Seward & Kissel LLP, the following are the material United States federal income tax consequences to us of our activities and to United States Holders and Non United States Holders, each as defined below, of the common shares. The following discussion of United States federal income tax matters is based on the United States Internal Revenue Code of 1986 as amended, or the Code, judicial decisions, administrative pronouncements, and

existing and proposed regulations issued by the United States Department of the Treasury, or the Treasury Regulations, all of which are subject to change, possibly with retroactive effect. The discussion below is based, in part, on the description of our business as described in this report and assumes that we conduct our business as described herein.

United States Federal Income Taxation of Operating Income: In General

We anticipate that we will earn substantially all our income from the hiring of vessels for use on a time or spot charter basis, including through the Helios Pool, and from the performance of services directly related to those uses, all of which we refer to as "shipping income."

Unless we qualify for an exemption from United States federal income taxation under the rules of Section 883 of the Code, or Section 883, as discussed below, a foreign corporation such as the Company will be subject to United States federal income taxation on its "shipping income" that is treated as derived from sources within the United States, to which we refer as "United States source shipping income." For United States federal income tax purposes, "United States source

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shipping income" includes 50% of shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States.

Shipping income attributable to transportation exclusively between non United States ports will be considered to be 100% derived from sources entirely outside the United States. Shipping income derived from sources outside the United States will not be subject to any United States federal income tax.

Shipping income attributable to transportation exclusively between United States ports is considered to be 100% derived from United States sources. However, we are not permitted by United States law to engage in the transportation of cargoes that produces 100% United States source shipping income.

Unless we qualify for the exemption from tax under Section 883, our gross United States source shipping income would be subject to a 4% tax imposed without allowance for deductions as described below.

Exemption of Operating Income from United States Federal Income Taxation

Under Section 883 and the Treasury Regulations thereunder, a foreign corporation will be exempt from United States federal income taxation of its United States source shipping income if:

- 1) it is organized in a "qualified foreign country" which is one that grants an "equivalent exemption" from tax to corporations organized in the United States in respect of each category of shipping income for which exemption is being claimed under Section 883; and
- 2) one of the following tests is met:
 - A) more than 50% of the value of its shares is beneficially owned, directly or indirectly, by "qualified shareholders," which as defined includes individuals who are "residents" of a qualified foreign country, to which we refer as the "50% Ownership Test"; or
 - B) its shares are "primarily and regularly traded on an established securities market" in a qualified foreign country or in the United States, to which we refer as the "Publicly Traded Test."

The Republic of The Marshall Islands, the jurisdiction where we and our ship owning subsidiaries are incorporated, has been officially recognized by the United States Internal Revenue Service, or the IRS, as a qualified foreign country that grants the requisite "equivalent exemption" from tax in respect of each category of shipping income we earn and currently expect to earn in the future. Therefore, we will be exempt from United States federal income taxation with respect to our United States source shipping income if we satisfy either the 50% Ownership Test or the Publicly Traded Test.

We believe that we satisfy the Publicly Traded Test, a factual determination made on an annual basis, with respect to our taxable year ended March 31, 2018, and we expect to continue to do so for our subsequent taxable years, and we intend to take this position for United States federal income tax reporting purposes. We do not currently anticipate circumstances under which we would be able to satisfy the 50% Ownership Test.

Publicly Traded Test

The Treasury Regulations under Section 883 provide, in pertinent part, that shares of a foreign corporation will be considered to be "primarily traded" on an established securities market in a country if the number of shares of each class of stock that are traded during any taxable year on all established securities markets in that country exceeds the number of shares in each such class that are traded during that year on established securities markets in any other single country. The Company's common shares, which constitute its sole class of issued and outstanding stock is "primarily traded" on the New York Stock Exchange, or the NYSE, an established securities market for these purposes.

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Under the Treasury Regulations, our common shares will be considered to be "regularly traded" on an established securities market if one or more classes of our shares representing more than 50% of our outstanding stock, by both total combined voting power of all classes of stock entitled to vote and total value, are listed on such market, to which we refer as the "listing threshold." Since all of our common shares are listed on the NYSE, we expect to satisfy the listing threshold.

The Treasury Regulations also require that with respect to each class of stock relied upon to meet the listing threshold, (i) such class of stock traded on the market, other than in minimal quantities, on at least 60 days during the taxable year or one sixth of the days in a short taxable year, which we refer to as the "trading frequency test"; and (ii) the aggregate number of shares of such class of stock traded on such market during the taxable year must be at least 10% of the average number of shares of such class of stock outstanding during such year or as appropriately adjusted in the case of a short taxable year, which we refer to as the "trading volume" test. We anticipate that we will satisfy the trading frequency and trading volume tests. Even if this were not the case, the Treasury Regulations provide that the trading frequency and trading volume tests will be deemed satisfied if, as is expected to be the case with our common shares, such class of stock is traded on an established securities market in the United States and such shares are regularly quoted by dealers making a market in such shares.

Notwithstanding the foregoing, the Treasury Regulations provide, in pertinent part, that a class of shares will not be considered to be "regularly traded" on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class are owned on more than half the days during the taxable year by persons who each own 5% or more of the vote and value of such class of outstanding stock, to which we refer as the "5% Override Rule."

For purposes of being able to determine the persons who actually or constructively own 5% or more of the vote and value of our common shares, or "5% Shareholders," the Treasury Regulations permit us to rely on those persons that are identified on Schedule 13G and Schedule 13D filings with the Commission, as owning 5% or more of our common shares. The Treasury Regulations further provide that an investment company which is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Shareholder for such purposes.

In the event the 5% Override Rule is triggered, the Treasury Regulations provide that the 5% Override Rule will nevertheless not apply if we can establish that within the group of 5% Shareholders, qualified shareholders (as defined for purposes of Section 883) own sufficient number of shares to preclude non-qualified shareholders in such group from owning 50% or more of our common shares for more than half the number of days during the taxable year.

We believe that we satisfy the Publicly Traded Test and will not be subject to the 5% Override Rule for taxable year ended March 31, 2018 and we also expect to continue to do so for our subsequent taxable years. However, there are factual circumstances beyond our control that could cause us to lose the benefit of the Section 883 exemption. For example, we may no longer qualify for Section 883 exemption for a particular taxable year if 5% Shareholders were to own, in the aggregate, 50% or more of our outstanding common shares on more than half the days of the taxable year,

unless we could establish that within the group of 5% Shareholders, qualified shareholders own sufficient number of our shares to preclude the non-qualified shareholders in such group from owning 50% or more of our common shares for more than half the number of days during the taxable year. Under the Treasury Regulations, we would have to satisfy certain substantiation requirements regarding the identity of our shareholders. These requirements are onerous and there is no assurance that we would be able to satisfy them. Given the factual nature of the issues involved, we can give no assurances in regards of our or our subsidiaries' qualification for the Section 883 exemption.

Taxation in Absence of Section 883 Exemption

If the benefits of Section 883 are unavailable, our United States source shipping income would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions, or the "4% gross basis tax regime," to the extent that such income is not considered to be "effectively connected" with the conduct of a United States trade or business, as described below. Since under the sourcing rules described above, no more than 50% of our shipping income would be treated as being United States source shipping income, the maximum effective rate of United States federal income tax on our shipping income would never exceed 2% under the 4% gross basis tax regime.

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To the extent our United States source shipping income is considered to be "effectively connected" with the conduct of a United States trade or business, as described below, any such "effectively connected" United States source shipping income, net of applicable deductions, would be subject to United States federal income tax, currently imposed at rates of up to 35% for taxable years beginning prior to January 1, 2018 and at a rate of 21% for taxable years beginning on or after January 1, 2018. In addition, we would generally be subject to the 30% "branch profits" tax on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of our United States trade or business.

Our United States source shipping income would be considered "effectively connected" with the conduct of a United States trade or business only if:

- we have, or are considered to have, a fixed place of business in the United States involved in the earning of United States source shipping income; and
- substantially all of our United States source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

We do not intend to have, or permit circumstances that would result in having, any vessel sailing to or from the United States on a regularly scheduled basis. Based on the foregoing and on the expected mode of our shipping operations and other activities, it is anticipated that none of our United States source shipping income will be "effectively connected" with the conduct of a United States trade or business.

United States Taxation of Gain on Sale of Vessels

Regardless of whether we qualify for exemption under Section 883, we will not be subject to United States federal income tax with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States under United States federal income tax principles. In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if title to the vessel, and risk of loss with respect to the vessel, pass to the buyer outside of the United States. It is expected that any sale of a vessel by us will be considered to occur outside of the United States.

United States Federal Income Taxation of United States Holders

As used herein, the term "United States Holder" means a holder that for United States federal income tax purposes is a beneficial owner of common shares and is an individual United States citizen or resident, a United States corporation or other United States entity taxable as a corporation, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust.

If a partnership holds the common shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding the common shares, you are encouraged to consult your tax advisor.

Distributions

Subject to the discussion of passive foreign investment companies below, any distributions made by us with respect to our common shares to a United States Holder will generally constitute dividends to the extent of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Distributions in excess of such earnings and profits will be treated first as a nontaxable return of capital to the extent of the United States Holder's tax basis in its common shares and thereafter as capital gain. Because we are not a United States corporation, United States Holders that are corporations will generally not be entitled to claim a dividends-received deduction with respect to any distributions they receive from us. Dividends paid with respect to our common shares will generally be treated as foreign

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source dividend income and will generally constitute "passive category income" for purposes of computing allowable foreign tax credits for United States foreign tax credit purposes.

Dividends paid on our common shares to certain non corporate United States Holders will generally be treated as "qualified dividend income" that is taxable to such United States Holders at preferential tax rates provided that (1) the common shares are readily tradable on an established securities market in the United States (such as the NYSE, on which our common shares will be traded), (2) the shareholder has owned the common stock for more than 60 days in the 121 day period beginning 60 days before the date on which the common stock becomes ex dividend, and (3) we are not a passive foreign investment company for the taxable year during which the dividend is paid or the immediately preceding taxable year.

There is no assurance that any dividends paid on our common shares will be eligible for these preferential rates in the hands of such non corporate United States Holders, although, as described above, we expect such dividends to be so eligible provided an eligible non corporate United States Holder meets all applicable requirements and we are not a passive foreign investment company in the taxable year during which the dividend is paid or the immediately preceding taxable year. Any dividends paid by us which are not eligible for these preferential rates will be taxed as ordinary income to a non corporate United States Holder.

Special rules may apply to any "extraordinary dividend"—generally, a dividend in an amount which is equal to or in excess of 10% of a shareholder's adjusted tax basis in a common share—paid by us. If we pay an "extraordinary dividend" on our common shares that is treated as "qualified dividend income," then any loss derived by certain non corporate United States Holders from the sale or exchange of such common shares will be treated as long-term capital loss to the extent of such dividend.

Sale, Exchange or Other Disposition of Common Shares

Assuming we do not constitute a passive foreign investment company for any taxable year, a United States Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our common shares in an amount equal to the difference between the amount realized by the United States Holder from such sale, exchange or other disposition and the United States Holder's tax basis in such shares. Such gain or loss will be treated as long term capital gain or loss if the United States Holder's holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as United States source income or loss, as applicable, for United States foreign tax credit purposes. Long term capital gains of certain non corporate United States Holders are currently eligible for reduced rates of taxation. A United States Holder's ability to deduct capital losses is subject to certain limitations.

Passive Foreign Investment Company Status and Significant Tax Consequences

Special United States federal income tax rules apply to a United States Holder that holds shares in a foreign corporation classified as a "passive foreign investment company," or a PFIC, for United States federal income tax purposes. In general, we will be treated as a PFIC with respect to a United States Holder if, for any taxable year in which such holder holds our common shares, either

- at least 75% of our gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or
- at least 50% of the average value of our assets during such taxable year produce, or are held for the production of, passive income.

For purposes of determining whether we are a PFIC, we will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of our ship owning subsidiaries in which we own at least 25% of the value of the subsidiary's stock. Income earned, or deemed earned, by us in connection with the performance of services

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would not constitute passive income. By contrast, rental income would generally constitute "passive income" unless we were treated under specific rules as deriving our rental income in the active conduct of a trade or business.

We believe that income we earn from the voyage charters, and also from time charters, for the reasons discussed below, will be treated as active income for PFIC purposes and as a result, we intend to take the position that we satisfy the 75% income test for our taxable year ended March 31, 2018.

As of the date of this Annual Report, we have taken delivery of all of the vessels under our newbuilding contracts. Accordingly, based on our current and anticipated operations, we do not believe that we will be treated as a PFIC for our taxable year ended March 31, 2018, or subsequent taxable years, and we intend to take such position for our United States federal income tax reporting purposes. Our belief is based principally on the position that the gross income we derive from our voyage or time chartering activities should constitute services income, rather than rental income. Accordingly, such income should not constitute passive income, and the assets that we own and operate in connection with the production of such income, in particular, the vessels, should not constitute passive assets for purposes of determining whether we are a PFIC. There is substantial legal authority supporting this position consisting of case law and IRS pronouncements concerning the characterization of income derived from time charters as services income for other tax purposes. However, there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, no assurance can be given that the IRS or a court of law will accept this position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future.

As discussed more fully below, for any taxable year in which we are, or were to be treated as, a PFIC, a United States Holder would be subject to different taxation rules depending on whether the United States Holder makes an election to treat us as a "Qualified Electing Fund," which election we refer to as a "QEF election." As an alternative to making a QEF election, a United States Holder should be able to make a "mark to market" election with respect to our common shares, as discussed below. A United States holder of shares in a PFIC will be required to file an annual information return containing information regarding the PFIC as required by applicable Treasury Regulations. We intend to promptly notify our shareholders if we determine we are a PFIC for any taxable year.

Taxation of United States Holders Making a Timely QEF Election

If a United States Holder makes a timely QEF election, which United States Holder we refer to as an "Electing Holder," the Electing Holder must report for United States federal income tax purposes its pro rata share of our ordinary earnings and net capital gain, if any, for each of our taxable years during which we are a PFIC that ends with or within the taxable year of the Electing Holder, regardless of whether distributions were received from us by the Electing Holder. No portion of any such inclusions of ordinary earnings will be treated as "qualified dividend income." Net capital gain inclusions of certain non corporate United States Holders would be eligible for preferential capital gains tax rates. The Electing Holder's adjusted tax basis in the common shares will be increased to reflect any

income included under the QEF election. Distributions of previously taxed income will not be subject to tax upon distribution but will decrease the Electing Holder's tax basis in the common shares. An Electing Holder would not, however, be entitled to a deduction for its pro rata share of any losses that we incur with respect to any taxable year. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of our common shares. A United States Holder would make a timely QEF election for our common shares by filing one copy of IRS Form 8621 with his United States federal income tax return for the first year in which he held such shares when we were a PFIC. If we take the position that we are not a PFIC for any taxable year, and it is later determined that we were a PFIC for such taxable year, it may be possible for a United States Holder to make a retroactive QEF election effective for such year. If we determine that we are a PFIC for any taxable year, we will provide each United States Holder with all necessary information required for the United States Holder to make the QEF election and to report its pro rata share of our ordinary earnings and net capital gain, if any, for each of our taxable years during which we are a PFIC that ends with or within the taxable year of the Electing Holder as described above.

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Taxation of United States Holders Making a "Mark to Market" Election

Alternatively, for any taxable year in which we determine that we are a PFIC, and, assuming as we anticipate will be the case, our shares are treated as "marketable stock," a United States Holder would be allowed to make a "mark to market" election with respect to our common shares, provided the United States Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury Regulations. If that election is made, the United States Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the common shares at the end of the taxable year over such Holder's adjusted tax basis in the common shares. The United States Holder would also be permitted an ordinary loss in respect of the excess, if any, of the United States Holder's adjusted tax basis in the common shares over its fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark to market election. A United States Holder's tax basis in his common shares would be adjusted to reflect any such income or loss amount recognized. In a year when we are a PFIC, any gain realized on the sale, exchange or other disposition of our common shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the common shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark to market gains previously included by the United States Holder.

Taxation of United States Holders Not Making a Timely QEF or Mark to Market Election

For any taxable year in which we determine that we are a PFIC, a United States Holder who does not make either a QEF election or a "mark to market" election for that year, whom we refer to as a "Non Electing Holder," would be subject to special rules with respect to (i) any excess distribution (i.e., the portion of any distributions received by the Non Electing Holder on the common shares in a taxable year in excess of 125% of the average annual distributions received by the Non Electing Holder in the three preceding taxable years, or, if shorter, the Non Electing Holder's holding period for the common shares), and (ii) any gain realized on the sale, exchange or other disposition of our common shares. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non Electing Holder's aggregate holding period for the common shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, would be taxed as ordinary income and would not be "qualified dividend income"; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed tax deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

United States Federal Income Taxation of "Non United States Holders"

As used herein, the term "Non United States Holder" means a holder that, for United States federal income tax purposes, is a beneficial owner of common shares (other than a partnership) that is not a United States Holder.

If a partnership holds our common shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our common shares, you are encouraged to consult your tax advisor.

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Dividends on Common Shares

A Non United States Holder generally will not be subject to United States federal income or withholding tax on dividends received from us with respect to our common shares, unless:

- the dividend income is effectively connected with the Non United States Holder's conduct of a trade or business in the United States; or
- the Non United States Holder is an individual who is present in the United States for 183 days or more during the taxable year of receipt of the dividend income and other conditions are met.

Sale, Exchange or Other Disposition of Common Shares

A Non United States Holder generally will not be subject to United States federal income or withholding tax on any gain realized upon the sale, exchange or other disposition of our common shares, unless:

- the gain is effectively connected with the Non United States Holder's conduct of a trade or business in the United States; or
- the Non United States Holder is an individual who is present in the United States for 183 days or more during the taxable year of disposition and other conditions are met.

Income or Gains Effectively Connected with a United States Trade or Business

If the Non United States Holder is engaged in a United States trade or business for United States federal income tax purposes, dividends on our common shares and gain from the sale, exchange or other disposition of our common shares, that are effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), will generally be subject to regular United States federal income tax in the same manner as discussed in the previous section relating to the taxation of United States Holders. In addition, in the case of a corporate Non United States Holder, its earnings and profits that are attributable to the effectively connected income, which are subject to certain adjustments, may be subject to an additional branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable United States income tax treaty.

Backup Withholding and Information Reporting

In general, dividend payments, or other taxable distributions, and the payment of the gross proceeds on a sale of our common shares, made within the United States to a non-corporate United States Holder will be subject to information reporting. Such payments or distributions may also be subject to backup withholding if the non-corporate United States Holder:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that it has have failed to report all interest or dividends required to be shown on its federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Non-United States Holders may be required to establish their exemption from information reporting and backup withholding with respect to dividends payments or other taxable distribution on our common shares by certifying their status on an appropriate IRS Form W-8. If a Non-United States Holder sells our common shares to or through a United States office of a broker, the payment of the proceeds is subject to both United States backup withholding and information reporting unless the Non-United States Holder certifies that it is a non-United States person, under penalties of perjury, or

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it otherwise establish an exemption. If a Non United States Holder sells our common shares through a Non United States office of a Non United States broker and the sales proceeds are paid outside the United States, then information reporting and backup withholding generally will not apply to that payment. However, United States information reporting requirements, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the United States, if a Non United States Holder sells our common shares through a Non United States office of a broker that is a United States person or has some other contacts with the United States. Such information reporting requirements will not apply, however, if the broker has documentary evidence in its records that the Non United States Holder is not a United States person and certain other conditions are met, or the Non United States Holder otherwise establishes an exemption.

Backup withholding is not an additional tax. Rather, a refund may generally be obtained of any amounts withheld under backup withholding rules that exceed the taxpayer's United States federal income tax liability by filing a timely refund claim with the IRS.

Individuals who are United States Holders (and to the extent specified in applicable Treasury regulations, Non United States Holders and certain United States entities) who hold "specified foreign financial assets" (as defined in Section 6038D of the Code) are required to file IRS Form 8938 with information relating to the asset for each taxable year in which the aggregate value of all such assets exceeds \$75,000 at any time during the taxable year or \$50,000 on the last day of the taxable year (or such higher dollar amount as prescribed by applicable Treasury Regulations). Specified foreign financial assets would include, among other assets, our common shares, unless the common shares are held in an account maintained with a United States financial institution. Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event an individual United States Holder (and to the extent specified in applicable Treasury Regulations, a Non United States Holder or a United States entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of United States federal income taxes of such holder for the related tax year may not close until three years after the date that the required information is filed. United States Holders (including United States entities) and Non United States Holders are encouraged consult their own tax advisors regarding their reporting obligations in respect of our common shares.

Available Information

Our website is located at www.dorianlpg.com. Information on our website does not constitute a part of this annual report. Our goal is to maintain our website as a portal through which investors can easily find or navigate to pertinent information about us, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and any other reports, after we file them with the Commission. The public may obtain a copy of our filings, free of charge, through our corporate internet website as soon as reasonably practicable after we have electronically filed such material with, or furnished it to, the Commission. Additionally, these materials, including this annual report and the accompanying exhibits, may be inspected and copied at the public reference facilities maintained by the Commission at 100 F Street, N.E. Washington, D.C. 20549, or from the Commission's website <http://www.sec.gov>.

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ITEM 1A. RISK FACTORS

The following risks relate principally to us and our business and the industry in which we operate. Other risks relate principally to the securities markets and ownership of our common shares. Any of the risk factors described below could significantly and negatively affect our business, financial condition and results of operations and our ability to pay dividends, and lower the trading price of our common shares.

Risks Relating to Our Company

We and the Helios Pool operate exclusively in the LPG shipping industry. Due to our lack of diversification and the lack of diversification of the Helios Pool, adverse developments in the LPG shipping industry may adversely affect our business, financial condition and operating results.

We currently rely exclusively on the cash flow generated from the vessels in our fleet, all of which are VLGCs operating in the LPG shipping industry (including through the Helios Pool). Unlike some other shipping companies, which have vessels of varying sizes that can carry different cargoes, such as containers, dry bulk, crude oil and oil products, we depend and expect to continue to depend exclusively on VLGCs transporting LPG. Similarly, the Helios Pool also depends exclusively on the cash flow generated from VLGCs operating in the LPG shipping industry. Our lack of diversification and the lack of diversification of the Helios Pool make us vulnerable to adverse developments in the LPG shipping industry, which would have a significantly greater impact on our business, financial condition and operating results than it would if we or the Helios Pool owned and operated more diverse assets or engaged in more diverse lines of business.

The downturn in spot market charter rates that began in 2016 has had and may continue to have a negative effect on our results of operations and cash flows, including as a result of seasonal fluctuations, which may adversely affect our earnings.

As of the date of this annual report, eighteen of our twenty-two vessels operate in the Helios Pool, which employs vessels on short-term time charters, COAs, or in the spot market, the latter of which exposes us to fluctuations in spot market charter rates. We also employ three of our VLGCs on fixed time charters outside of the Helios Pool. As these fixed time charters expire, we may employ these vessels in the spot market.

Generally, VLGC spot market rates are highly seasonal, with typical strength in the second and third calendar quarters as suppliers build inventory for high consumption during the northern hemisphere winter, although 12-month time charter rates tend to smooth out these short-term fluctuations and recent LPG shipping market activity has not yielded the expected seasonal results. The successful operation of our vessels in the competitive and highly volatile spot charter market depends on, among other things, obtaining profitable spot charters, which depends greatly on vessel supply and demand, and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo.

Recently, there have been periods when spot charter rates have declined below the operating costs of vessels. For example, the Baltic Exchange Liquid Petroleum Gas Index, an index published daily by the Baltic Exchange for the spot market rate for the benchmark Ras Tanura Chiba route (expressed as U.S. dollars per metric ton), averaged \$27.455 for the year ended March 31, 2018 compared to an average of \$50.991 for the 10-year period ended March 31, 2018. If future spot charter rates decline, or remain depressed, then we may not profitably operate our vessels trading in the spot market or those participating in the Helios Pool, meet our obligations, including payments on indebtedness, or pay dividends.

Further, although our three fixed time charters outside of the Helios Pool generally provide reliable revenues, they also limit the portion of our fleet available for spot market voyages during an upswing in the market when spot market voyages might be more profitable. Conversely, when the current charters for the three vessels in our fleet on fixed time charter expire (or are terminated early), it may not be possible to re-charter these vessels at similar or higher rates, or at all. As a result, we may have to accept lower rates or experience off hire time for our vessels, which would adversely impact our revenues, results of operations and financial condition.

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We and/or our pool managers may not be able to successfully secure employment for our vessels or vessels in the Helios Pool, which could adversely affect our financial condition and results of operations.

As of June 26, 2018, eighteen of our vessels are operating within the Helios Pool, which employs vessels on short-term time charters, COAs, or in the spot market, and three of our vessels are on fixed time charters outside of the Helios Pool that expire between the third calendar quarter of 2019 and the fourth calendar quarter of 2020. We cannot assure you that we will be successful in finding employment for our vessels in the spot market, on time charters or otherwise, or that any employment will be at profitable rates. Moreover, as vessels entered into the Helios Pool are commercially managed by our wholly-owned subsidiary and Phoenix, we also cannot assure you that we or they will be successful in finding employment for the vessels in the Helios Pool or that any employment will be profitable. Any inability to locate suitable employment for our vessels or the vessels in the Helios Pool could affect our general financial condition, results of operation and cash flow as well as the availability of financing.

We face substantial competition in trying to expand relationships with existing customers and obtain new customers.

The process of obtaining new charter agreements is highly competitive and generally involves an intensive screening and competitive bidding process, which, in certain cases, extends for several months. Contracts are awarded based upon a variety of factors, including:

- the location, size, age, and condition of a vessel;
- the operator's industry relationships, experience and reputation for customer service, quality operations and safety;
- the quality, experience and technical capability of the crew;
- the experience of the crew with the operator and type of vessel;
- the operator's relationships with shipyards and the ability to get suitable berths;
- the operator's construction management experience, including the ability to obtain on time delivery of new vessels according to customer specifications;
- the operator's willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and

- the competitiveness of the bid in terms of overall price.

Our vessels, and the vessels operating in the Helios Pool, operate in a highly competitive market and we expect substantial competition for providing transportation services from a number of companies (both LPG vessel owners and operators). We anticipate that an increasing number of maritime transport companies, including many with strong reputations and extensive resources and experience, have or will enter the LPG shipping market. Our existing and potential competitors may have significantly greater financial resources than us. In addition, competitors with greater resources may have larger fleets, or could operate larger fleets through consolidations, acquisitions, newbuildings or pooling of their vessels with other companies, and, therefore, may be able to offer a more competitive service than us or the Helios Pool, including better charter rates. We expect competition from a number of experienced companies providing contracts for gas transportation services to potential LPG customers, including state-sponsored entities and major energy companies affiliated with the projects requiring shipping services. As a result, we (including the Helios Pool) may be unable to expand our relationships with existing customers or to obtain new customers on a profitable basis, if at all, which would have a material adverse effect on our business, financial condition and operating results.

We and the Helios Pool are subject to risks with respect to counterparties, and failure of such counterparties to meet their obligations could cause us to suffer losses or negatively impact our results of operations and cash flows.

We have entered into, and expect to enter into in the future, various contracts, including charter agreements, COAs, shipbuilding contracts, credit facilities and financing arrangements that subject us to counterparty risks. Similarly,

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the Helios Pool has entered into, and expects to enter into in the future, various contracts, including charters and COAs, that subject it to counterparty risks. The ability and willingness of our and the Helios Pool's counterparties to perform their obligations under any contract will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the maritime and LPG industries, the overall financial condition of the counterparty, charter rates for specific types of vessels, and various expenses. For example, a reduction of cash flow resulting from declines in world trade or the lack of availability of debt or equity financing may result in a significant reduction in the ability of our charterers or the Helios Pool's charterers to make required charter payments. In addition, in depressed market conditions, charterers and customers may no longer need a vessel that is then under charter or contract or may be able to obtain a comparable vessel at lower rates. As a result, charterers and customers may seek to renegotiate the terms of their existing charter agreements or avoid their obligations under those contracts. Should a counterparty fail to honor its obligations under agreements with us or the Helios Pool, we could sustain significant losses and a significant reduction in the charter hire we earn from the Helios Pool, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We expect to be dependent on a limited number of customers for a material part of our revenues, and failure of such customers to meet their obligations could cause us to suffer losses or negatively impact our results of operations and cash flows.

For the year ended March 31, 2018, the Helios Pool and two other individual charterers accounted for 67%, 13%, and 11% of our total revenues, respectively. Within the Helios Pool, one charterer represented 28% of net pool revenues—related party for the year ended March 31, 2018. We expect that a material portion of our revenues will continue to be derived from a limited number of customers. The ability of each of our customers to perform their obligations under a contract with us will depend on a number of factors that are beyond our control. Should the aforementioned customers fail to honor their obligations under agreements with us or the Helios Pool, we could sustain material losses that could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Increased toll charges at the Panama Canal may have an adverse effect on our results of operations.

In June 2016, the expansion of the Panama Canal, or the Canal, was completed. The new locks allow the Canal to accommodate significantly larger vessels, including VLGCs, which we operate. Transit from the United States Gulf to Asia, an important trade route for our customers, can now be shortened by approximately 15 days compared to transiting via the Cape of Good Hope. According to industry sources, over 90% of the US-to-Asia LPG voyages had switched to the Canal by November 2016, and in response, Panamanian authorities increased tolls for VLGCs crossing the Canal by approximately 29% in October 2017. If Panamanian authorities increase rates further for our VLGCs to cross the Canal and it is not reflected in charter rates, it may have an adverse effect on our results of operations and cash flows.

Our indebtedness and financial obligations may adversely affect our operational flexibility and financial condition.

As of March 31, 2018, we had outstanding indebtedness of \$775.2 million. Amounts owed under our current credit facility and financing arrangements, and any future credit facilities or financing arrangements, will require us to dedicate a part of our cash flow from operations to paying interest and principal payments, as applicable. These payments will limit funds available for working capital, capital expenditures, acquisitions, dividends, and other purposes and may also limit our ability to undertake further equity or debt financing in the future. Our indebtedness and obligations under our financing arrangements also increase our vulnerability to general adverse economic and industry conditions, limits our flexibility in planning for and reacting to changes in the industry, and places us at a disadvantage to other, less leveraged, competitors.

Our credit facility bears interest at variable rates and we anticipate that any future credit facilities will also bear interest at variable rates. Increases in prevailing rates could increase the amounts that we would have to pay to our lenders or financing counterparties, even though the outstanding principal amount remains the same, and our net income and available cash flows would decrease as a result.

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We expect our earnings and cash flow to vary from year to year mainly due to the cyclical nature of the LPG shipping industry. If we do not generate or reserve enough cash flow from operations to satisfy our debt or financing obligations, we may have to undertake alternative financing plans, such as:

- seeking to raise additional capital;
- refinancing or restructuring our debt or financing obligations;
- selling our VLGCs; and/or
- reducing or delaying capital investments.

However, these alternative financing plans, if necessary, may not be sufficient to allow us to meet our debt or financing obligations. If we are unable to meet our debt or financing obligations and we default on our obligations under our debt agreement or financing arrangements, our lenders could elect to declare our outstanding borrowings and certain other amounts owed, together with accrued interest and fees, to be immediately due and payable and foreclose on the vessels securing that debt, and our counterparties may seek to repossess the vessels subject to our debt agreement or financing arrangements.

Our existing and future debt agreements contain and are expected to contain restrictive covenants that may limit our liquidity and corporate activities, which could have an adverse effect on our financial condition and results of operations.

Our debt agreement and financing arrangements contain, and any future debt agreements or financing arrangements are expected to contain, customary covenants and event of default clauses, including cross default provisions and restrictive covenants and performance requirements, which may affect operational and financial flexibility. Such restrictions could affect, and in many respects limit or prohibit, among other things, our ability to pay dividends, incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. These restrictions could limit our ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. There can be no assurance that such restrictions will not adversely affect our ability to finance our future operations or capital needs.

Our agreements relating to the \$758 million debt facility that we entered into in March 2015 with a group of banks and financial institutions, which are secured by, among other things, sixteen of our VLGCs, require us to maintain specified financial ratios and satisfy financial covenants. In May 2017, we entered into an agreement to amend the \$758 million debt facility, which, included the relaxation of certain covenants under the debt financing facility. Collectively, we refer to the \$758 million debt facility and its amendments as the 2015 Debt Facility, and the aforementioned May 2017 amendment as the 2015 Debt Facility Amendment. As of March 31, 2018, we were in compliance with the financial covenants for the 2015 Debt Facility.

In addition, under the 2015 Debt Facility, our payment of dividends to shareholders as well as payment of dividends by our subsidiaries to us is generally subject to no event of default. Further, under the 2015 Debt Facility Amendment, we are temporarily restricted from paying dividends and repurchasing shares of our common stock until the earlier of (i) when we complete a common stock offering with net proceeds of at least \$50.0 million and (ii) May 31, 2019.

As a result of the restrictions in our debt agreement and financing arrangements, or similar restrictions in our future debt agreements or financing arrangements, we may need to seek permission from our lenders or counterparties in order to engage in certain corporate actions. Our lenders' or counterparties' interests may be different from ours and we may not be able to obtain their permission when needed or at all. This may prevent us from taking actions that we believe are in our best interest, which may adversely impact our revenues, results of operations and financial condition.

A failure by us to meet our payment and other obligations, including our financial and value to loan covenants, could lead to defaults under our current or future secured loan agreements. In addition, a default under one of our current

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or future credit facilities could result in the cross-acceleration of our other indebtedness. Our lenders could then accelerate our indebtedness and foreclose on our fleet.

The market values of our vessels may decrease, which could cause us to breach covenants in our loan agreements or record an impairment loss, or negatively impact our ability to enter into future financing arrangements, and as a result could have a material adverse effect on our business, financial condition and results of operations.

Our existing debt agreement, which is secured by, among other things, liens on the vessels in our fleet contains various financial covenants, including requirements that relate to our financial condition, operating performance and liquidity. For example, we are required to maintain a minimum ratio of the market value of the vessels securing a loan to the principal amount outstanding under such loan. The market value of LPG carriers is sensitive to, among other things, changes in the LPG carrier charter markets, with vessel values deteriorating in times when LPG carrier charter rates are falling and improving when charter rates are anticipated to rise. While the market values of LPG carriers generally have increased since the economic slowdown in 2008-2009, they still remain below the reported high levels achieved in 2014-2015. LPG vessel values remain subject to significant fluctuation. A decline in the fair market values of our vessels could result in our not being in compliance with these loan covenants. Furthermore, if the value of our vessels deteriorates and our estimated future cash flows decrease, we may have to record an impairment adjustment in our financial statements or we may be unable to enter into future financing arrangements acceptable to us or at all, which would adversely affect our financial results and further hinder our ability to raise capital.

If we are unable to comply with any of the restrictions and covenants in our debt agreement, or in current or future debt financing agreements, and we are unable to obtain a waiver or amendment from our lenders or counterparties for such noncompliance, a default could occur under the terms of those agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, is dependent on our future performance and may be affected by events beyond our control. If a default occurs under these agreements, lenders could terminate their commitments to lend or in some circumstances accelerate the outstanding loans and declare all amounts borrowed due and payable. Our vessels serve as security under our debt agreement. If our lenders were to foreclose their liens on our vessels in the event of a default, this may impair our ability to continue our operations. In addition, our current debt agreement contains, and future debt agreements are expected to contain, cross-default provisions, meaning that if we are in default under certain of our current or future debt obligations, amounts outstanding under our current or other future debt agreements may also be in default, accelerated and become due and payable. If any of these events occur, we cannot guarantee that our assets will be sufficient to repay in full all of our outstanding indebtedness, and we may be unable to find alternative financing. Even if we could obtain alternative financing, that financing might not be on terms that are favorable or acceptable to us. In addition, if we find it necessary to sell our vessels at a time when vessel prices are low, we will recognize losses and a reduction in our earnings, which could affect our ability to raise additional capital necessary for us to comply with our debt agreement.

We are exposed to volatility in the London Interbank Offered Rate and we have and we intend to selectively enter into derivative contracts, which can result in higher than market interest rates and charges against our income.

The amounts outstanding under our existing credit facility have been advanced at a floating rate based on the London Interbank Offered Rate, or LIBOR, and changes in LIBOR could affect the amount of interest payable on our debt, and, in turn, could have an adverse effect on our earnings and cash flow. In recent years, LIBOR has been at relatively low levels, but it may rise in the future. Our financial condition could be materially adversely affected if LIBOR rises, although only \$60.2 million of our debt with a floating rate based on LIBOR of \$534.1 million, or 11.3%, is unhedged as of June 26, 2018.

We have entered into and may selectively in the future enter into derivative contracts to hedge our overall exposure to interest rate risk related to our credit facility. Entering into swaps and derivatives transactions is inherently risky and presents various possibilities for incurring significant expenses. The derivatives strategies that we employ currently and in the future may not be successful or effective, and we could, as a result, incur substantial additional interest costs or losses.

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Investments in derivative instruments, such as forward freight agreements, could result in losses.

From time to time, we may take hedging or speculative positions in derivative instruments, including freight forward agreements, or FFAs. Upon settlement, if an FFA contracted charter rate is less than the average of the rates, as reported by an identified index, for the specified route and period, the seller of the FFA is required to pay the buyer an amount equal to the difference between the contracted rate and the settlement rate, multiplied by the number of days in the specified period. Conversely, if the contracted rate is greater than the settlement rate, the buyer is required to pay the seller the settlement sum. If we take positions in FFAs or other derivative instruments and do not correctly anticipate charter rate movements over the specified route and time period, we could suffer losses in the settling or termination of the FFA. This could adversely affect our results of operations and cash flows.

Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could adversely affect our results of operations.

We generate all of our revenues in U.S. dollars and the majority of our expenses are also in U.S. dollars. However, a portion of our overall expenses is incurred in other currencies, particularly Euro, Singapore Dollar, Danish Krone, Japanese Yen, British Pound Sterling, and Norwegian Krone. Changes in the value of the U.S. dollar relative to the other currencies, in particular the Euro, or the amount of expenses we incur in other currencies could cause fluctuations in our net income. See “Item 7A. Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Exchange Rate Risk.”

If we fail to manage our growth properly, we may incur significant expenses and losses.

As and when market conditions permit, we may prudently grow our fleet. Acquisition opportunities may arise from time to time, and any such acquisition could be significant. Successfully consummating and integrating acquisitions will depend on:

- locating and acquiring suitable vessels at a suitable price;
- identifying and completing acquisitions or joint ventures;
- integrating any acquired vessels or businesses successfully with our existing operations;
- hiring, training and retaining qualified personnel and crew to manage and operate our growing business and fleet;

- expanding our customer base; and
- obtaining required financing.

Certain acquisition and investment opportunities may not result in the consummation of a transaction. Any acquisition could involve the payment by us of a substantial amount of cash, the incurrence of a substantial amount of debt or the issuance of a substantial amount of equity. In addition, we may not be able to obtain acceptable terms for the required financing for any such acquisition or investment that arises.

Growing a business by acquisition presents numerous risks such as undisclosed liabilities and obligations, difficulty in obtaining additional qualified personnel, managing relationships with customers and suppliers and integrating newly acquired vessels into existing infrastructures. Moreover, acquiring any business is subject to risks related to incorrect assumptions regarding the future results of acquired operations or assets or expected cost reductions or other synergies expected to be realized as a result of acquiring operations or assets.

Additionally, the expansion of our fleet may impose significant additional responsibilities on our management and staff, including the management and staff of our in-house commercial and technical managers, and may necessitate that we increase the number of personnel. Further, there is the risk that we may fail to successfully and timely integrate the operations or management of any acquired businesses or assets and the risk of diverting management's attention from

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existing operations or other priorities. If we fail to consummate and integrate our acquisitions in a timely and cost effective manner, our financial condition, results of operations and ability to pay dividends, if any, to our shareholders could be adversely affected. Moreover, we cannot predict the effect, if any, that any announcement or consummation of an acquisition would have on the trading price of our common shares.

An inability to effectively time investments in and divestments of vessels could prevent the implementation of our business strategy and negatively impact our results of operations and financial condition.

Our strategy is to own and operate a fleet large enough to provide global coverage, but not larger than what the demand for our services can support over a longer period by both contracting newbuildings and through acquisitions and divestitures in the second-hand market. Our business is influenced by the timing of investments and/or divestments and contracting of newbuildings. If we are unable able to identify the optimal timing of such investments, divestments or contracting of newbuildings in relation to the shipping value cycle due to capital restraints, or otherwise, this could have a material adverse effect on our competitive position, future performance, results of operations, cash flows and financial position.

If our fleet grows in size, we may need to improve our operations and financial systems and recruit additional staff and crew; if we cannot improve these systems or recruit suitable employees, our business and results of operations may be adversely affected.

As and when market conditions permit, we intend to continue to prudently grow our fleet over the long term. We have and may continue to have to invest in upgrading our operating and financial systems. In addition, we may have to recruit additional well qualified seafarers and shoreside administrative and management personnel. We may not be able to hire suitable employees to the extent we continue to expand our fleet. Our vessels require technically skilled staff with specialized training. If our crewing agents are unable to employ such technically skilled staff, they may not be able to adequately staff our vessels. If we are unable to operate our financial and operations systems effectively or we are unable to recruit suitable employees as we expand our fleet, our results of operation and our ability to expand our fleet may be adversely affected.

We may be unable to attract and retain key management personnel and other employees in the shipping industry without incurring substantial expense as a result of rising crew costs, which may negatively affect the effectiveness of our management and our results of operations.

The successful development and performance of our business depends on our ability to attract and retain skilled professionals with appropriate experience and expertise. The loss of the services of any of our senior management or key personnel could have a material adverse effect on our business and operations.

Additionally, obtaining voyage and time charters with leading industry participants depends on a number of factors, including the ability to man vessels with suitably experienced, high-quality masters, officers and crew. In recent years, the limited supply of and increased demand for well-qualified crew has created upward pressure on crewing costs, which we generally bear under our time and spot charters. Increases in crew costs may adversely affect our profitability. In addition, if we cannot retain sufficient numbers of quality on-board seafaring personnel, our fleet utilization will decrease, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Our directors and officers may in the future hold direct or indirect interests in companies that compete with us.

Our directors and officers have a history of involvement in the shipping industry and some of them currently, and some of them may in the future, directly or indirectly, hold investments in companies that compete with us. In that case, they may face conflicts between their own interests and their obligations to us.

We cannot provide assurance that our directors and officers will not be influenced by their interests in or affiliation with other shipping companies, or our competitors, and seek to cause us to take courses of action that might involve risks

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to our other shareholders or adversely affect us or our shareholders. However, we have written policies in place to address such situations if they arise.

Our business and operations involve inherent operating risks, and our insurance and indemnities from our customers may not be adequate to cover potential losses from our operations.

Our vessels are subject to a variety of operational risks caused by adverse weather conditions, mechanical failures, human error, war, terrorism, piracy, or other circumstances or events. We procure hull and machinery insurance, protection and indemnity insurance, which includes environmental damage and pollution insurance coverage, and war risk insurance for our fleet. While we endeavor to be adequately insured against all known risks related to the operation of our ships, there remains the possibility that a liability may not be adequately covered and we may not be able to obtain adequate insurance coverage for our fleet in the future. The insurers may also not pay particular claims. Even if our insurance coverage is adequate, we may not be able to timely obtain a replacement vessel in the event of a loss. There can be no assurance that such insurance coverage will remain available at economic rates. Furthermore, such insurance coverage will contain deductibles, limitations and exclusions, which are standard in the shipping industry and may increase our costs or lower our revenue if applied in respect of any claim.

We may be unable to procure adequate insurance coverage at commercially reasonable rates in the future.

We may not be able to obtain adequate insurance coverage at reasonable rates in the future during adverse insurance market conditions. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. A marine disaster could exceed our insurance coverage, which could harm our business, financial condition and operating results. Any uninsured or underinsured loss could harm our business and financial condition. In addition, our insurance may be voidable by the insurers as a result of certain of our actions, such as our vessels failing to maintain certification with applicable maritime self-regulatory organizations.

Changes in the insurance markets attributable to terrorist attacks may also make certain types of insurance more difficult for us to obtain. In addition, upon renewal or expiration of our current policies, the insurance that may be available to us may be significantly more expensive than our existing coverage.

Because we obtain some of our insurance through protection and indemnity associations, we may be required to make additional premium payments.

Although we believe we carry protection and indemnity insurance consistent with industry standards, all risks may not be adequately insured against, and any particular claim may not be paid. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material. Certain of our insurance coverage is maintained through mutual protection and indemnity associations, and as a member of such associations we may be required to make additional payments, or calls, over and above budgeted premiums if member claims exceed association reserves. These calls will be in amounts based on our claim records, as well as the claim records of other members of the protection and indemnity associations through which we receive insurance coverage for tort liability, including pollution-related liability. In addition, our protection and indemnity associations may not have enough resources to cover claims made against

them. Our payment of these calls could result in significant expense to us, which could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends.

We may incur increasing costs for the drydocking, maintenance or replacement of our vessels as they age, and, as our vessels age, the risks associated with older vessels could adversely affect our ability to obtain profitable charters.

The drydocking of our vessels requires significant capital expenditures and loss of revenue while our vessels are off hire. Any significant increase in the number of days of off hire due to such drydocking or in the costs of any repairs could have a material adverse effect on our business, results of operations, cash flows and financial condition.

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we do not anticipate that more than one vessel will be out of service at any given time, we may underestimate the time required to drydock our vessels, or unanticipated problems may arise.

In addition, although all of our vessels were built within the past twelve years, we estimate that our vessels have a useful life of 25 years. In general, the costs to maintain a vessel in good operating condition increase with the age of the vessel. Older vessels are typically less fuel-efficient than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers.

As our vessels become older, we may have to replace such vessels upon the expiration of their useful lives. Unless we maintain reserves or are able to borrow or raise funds for vessel replacement, we will be unable to replace such older vessels. The inability to replace the vessels in our fleet upon the expiration of their useful lives could have a material adverse effect on our business, results of operations, cash flows and financial condition. Any reserves set aside for vessel replacement will not be available for the payment of dividends to shareholders.

If we purchase secondhand vessels, we will be exposed to increased costs which could adversely affect our earnings.

We may acquire secondhand vessels in the future, and while we typically inspect secondhand vessels prior to purchase, this does not provide us with the same knowledge about their condition that we would have had if these vessels had been built for and operated exclusively by us. A secondhand vessel may have conditions or defects that we were not aware of when we bought the vessel and which may require us to incur costly repairs to the vessel. These repairs may require us to put a vessel into drydock which would reduce our fleet utilization and increase our operating costs.

Certain shareholders have a substantial ownership stake in us, and their interests could conflict with the interests of our other shareholders.

According to information contained in public filings, Kensico Capital Management; BW Euroholdings Ltd., an affiliate of BW Group Ltd.; Wellington Management Group LLP; John C. Hadjipateras, our Chief Executive Officer, President and Chairman of the Board of Directors; and SeaDor Holdings, an affiliate of SEACOR Holdings, Inc. (NYSE:CKH), as of June 26, 2018, own, or may be deemed to beneficially own, 14.5%, 14.2%, 11.4%, 11.1% and 9.4%, respectively, of our total shares outstanding. SeaDor Holdings, Kensico Capital Management and John C. Hadjipateras are represented on our Board of Directors. As a result of substantial ownership interest along with their participation on the Board of Directors, SeaDor Holdings, Kensico Capital Management, and John C. Hadjipateras (our "Principal Shareholders") currently have the ability to influence certain actions requiring shareholders' approval, including increasing or decreasing the authorized share capital, the election of directors, declaration of dividends, the appointment of management, and other policy decisions. While any future transaction with our Principal Shareholders

or other significant shareholders could benefit us, their interests could at times conflict with the interests of our other shareholders. For example, in June 2018, our board of directors, after a thorough review and in consultation with financial and legal advisors, unanimously declined an unsolicited conditional proposal from BW LPG Ltd., an affiliate of BW Group Ltd., to combine with the Company in a stock-for-stock transaction, after concluding that the proposal is not in the best interests of the Company and its shareholders. Conflicts of interest may also arise between us and our Principal Shareholders or their affiliates, which may result in the conclusion of transactions on terms not determined by market forces. Any such conflicts of interest could adversely affect our business, financial condition and results of operations, and the trading price of our common shares. Moreover, the concentration of ownership may delay, deter or prevent acts that would be favored by our other shareholders or deprive shareholders of an opportunity to receive a premium for their shares as part of a sale of our business. Similarly, this concentration of share ownership may adversely affect the trading price of our shares because investors may perceive disadvantages in owning shares in a company with concentrated ownership.

United States tax authorities could treat us as a "passive foreign investment company," which could have adverse United States federal income tax consequences to United States holders.

A foreign corporation will be treated as a PFIC for United States federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of "passive income" or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of "passive income." For purposes of these tests, "passive income" generally includes dividends, interest, and gains from the sale or exchange of investment property and rents and

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royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services generally does not constitute "passive income." United States shareholders of a PFIC are subject to an adverse United States federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

Whether we will be treated as a PFIC for our taxable year 2018 and subsequent taxable years will depend upon the nature and extent of our operations. In this regard, we intend to treat the gross income we derive from our voyage and time chartering activities as services income, rather than rental income. Accordingly, such income should not constitute passive income, and the assets that we own and operate in connection with the production of such income, in particular, our vessels, should not constitute passive assets for purposes of determining whether we are a PFIC. There is substantial legal authority supporting this position consisting of case law and the United States Internal Revenue Service, or the IRS, pronouncements concerning the characterization of income derived from time charters as services income for other tax purposes. However, there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, no assurance can be given that the IRS or a court of law will accept this position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future.

For any taxable year in which we are, or were to be treated as, a PFIC, United States shareholders would face adverse United States federal income tax consequences. Under the PFIC rules, unless a shareholder makes an election available under the Code (which election could itself have adverse consequences for such shareholders, as discussed below under "Item 1. Business—Taxation—United States Federal Income Tax Considerations—United States Federal Income Taxation of United States Holders"), excess distributions and any gain from the disposition of such shareholder's common shares would be allocated ratably over the shareholder's holding period of the common shares and the amounts allocated to the taxable year of the excess distribution or sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed with respect to such tax. See "Item 1. Taxation—United States Federal Income Tax Considerations—United States Federal Income Taxation of United States Holders" for a more comprehensive discussion of the United States federal income tax consequences to United States shareholders if we are treated as a PFIC.

We may have to pay tax on United States source shipping income, which would reduce our earnings.

Under the Code, 50% of the gross shipping income of a corporation that owns or charters vessels, as we and our subsidiaries do, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States may be subject to a 4%, or an effective 2%, United States federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the applicable Treasury Regulations promulgated thereunder.

We believe that we qualify, and we expect to qualify, for exemption under Section 883 for our taxable year ended March 31, 2018 and our subsequent taxable years and we intend to take this position for United States federal income tax return reporting purposes. However, there are factual circumstances beyond our control that could cause us to lose the benefit of this tax exemption and thereby become subject to United States federal income tax on our United States source shipping income. For example, we would no longer qualify for exemption under Section 883 of the Code for a particular taxable year if certain "non qualified" shareholders with a 5% or greater interest in our common shares owned, in the aggregate, 50% or more of our outstanding common shares for more than half the days during the taxable year. Due to the factual nature of the issues involved, there can be no assurances on that we or any of our subsidiaries will qualify for exemption under Section 883 of the Code.

If we or our subsidiaries were not entitled to exemption under Section 883 of the Code for any taxable year based on our failure to satisfy the publicly traded test, we or our subsidiaries would be subject for such year to an effective 2% United States federal income tax on the gross shipping income we or our subsidiaries derive during the year that is

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attributable to the transport of cargoes to or from the United States. The imposition of this taxation would have a negative effect on our business and would decrease our earnings available for distribution to our shareholders.

Risks Relating to our Industry

The cyclical nature of the demand for LPG transportation may lead to significant changes in charter rates, vessel utilization and vessel values, which may adversely affect our revenues, profitability and financial condition.

Historically, the LPG shipping market has been cyclical with attendant volatility in profitability, charter rates and vessel values. The degree of charter rate volatility among different types of gas carriers has varied widely. Because many factors influencing the supply of, and demand for, vessel capacity are unpredictable, the timing, direction and degree of changes in the LPG shipping market are also not predictable. If charter rates decline, our earnings may decrease, particularly with respect to our vessels deployed in the spot market, including through the Helios Pool, but also with respect to our other vessels when their charters expire, as they may not be rechartered on favorable terms when compared to the terms of the expiring charters. Accordingly, a decline in charter rates would have an adverse effect on our revenues, profitability, liquidity, cash flow and financial position.

Future growth in the demand for LPG carriers and charter rates will depend on economic growth in the world economy and demand for LPG product transportation that exceeds the capacity of the growing worldwide LPG carrier fleet. We believe that the future growth in demand for LPG carriers and the charter rate levels for LPG carriers will depend primarily upon the supply and demand for LPG, particularly in the economies of China, India, Japan, Southeast Asia, the Middle East and the United States and upon seasonal and regional changes in demand and changes to the capacity of the world fleet. The capacity of the world LPG shipping fleet appears likely to increase in the near term. Economic growth may be limited in the near term, and possibly for an extended period, as a result of global economic conditions, or otherwise, which could have an adverse effect on our business and results of operations.

The factors affecting the supply of and demand for LPG carriers are outside of our control, and the nature, timing and degree of changes in industry conditions are unpredictable.

The factors that influence demand for our vessels include:

- global or regional economic, political or geopolitical conditions, particularly in LPG consuming regions;

changes in global or general industrial activity specifically in the plastics and chemical industries;

- changes in the cost of oil and natural gas from which LPG is derived;

- changes in the consumption of LPG or natural gas due to availability of new, alternative energy sources or changes in the price of LPG or natural gas relative to other energy sources or other factors making consumption of LPG or natural gas less attractive;

- supply of and demand for LPG products;

- the development and location of production facilities for LPG products;

- regional imbalances in production and demand of LPG products;

- the distance LPG and LPG products are to be moved by sea;

- worldwide production of natural gas;

- availability of competing LPG vessels;

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- availability of alternative transportation means, including pipelines for LPG, which are currently few in number, linking production areas and industrial and residential areas consuming LPG, or the conversion of existing non petroleum gas pipelines to petroleum gas pipelines in those markets;
- changes in seaborne and other transportation patterns;
- development and exploitation of alternative fuels and non-conventional hydrocarbon production;
- governmental regulations, including environmental or restrictions on offshore transportation of natural gas;
- local and international political, economic and weather conditions;
- domestic and foreign tax policies; and
- accidents, severe weather, natural disasters and other similar incidents relating to the natural gas industry.

The factors that influence the supply of vessel capacity include:

- the number of newbuilding deliveries (including the equivalent of 13% of the capacity of the existing LPG capable carrier fleet expected to be delivered by the end of calendar 2020);
- the scrapping rate of older vessels;
- LPG vessel prices, including financing costs and the price of steel, other raw materials and vessel equipment;
- the availability of shipyards to build LPG vessels when demand is high;
- changes in environmental and other regulations that may limit the useful lives of vessels;
- technological advances in LPG vessel design and capacity; and
- the number of vessels that are out of service.

A significant decline in demand for the seaborne transport of LPG or a significant increase in the supply of LPG vessel capacity without a corresponding growth in LPG vessel demand could cause a significant decline in prevailing charter rates, which could materially adversely affect our financial condition and operating results and cash flow.

A shift in consumer demand from LPG towards other energy sources or changes to trade patterns may have a material adverse effect on our business.

Substantially all of our earnings are related to the LPG industry. A shift in the consumer demand from LPG towards other energy resources such as oil, wind energy, solar energy, or water energy will affect the demand for our LPG carriers. This could have a material adverse effect on our future performance, results of operations, cash flows and financial position.

Seaborne trading and distribution patterns are primarily influenced by the relative advantage of the various sources of production, locations of consumption, pricing differentials and seasonality. Changes to the trade patterns of LPG may have a significant negative or positive impact on the demand for our vessels. This could have a material adverse effect on our future performance, results of operations, cash flows and financial position.

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The market values of our vessels may fluctuate significantly. When the market values of our vessels are low, we may incur a loss on sale of a vessel or record an impairment charge, which may adversely affect our earnings and possibly lead to defaults under our loan agreements or under future loan agreements we may enter into.

Vessel values are both cyclical and volatile, and may fluctuate due to a number of different factors, including general economic and market conditions affecting the shipping industry; sophistication and condition of the vessels; types and sizes of vessels; competition from other shipping companies; the availability of other modes of transportation; increases in the supply of vessel capacity; charter rates; the cost and delivery of newbuildings; governmental or other regulations; supply of and demand for LPG products; prevailing freight rates; and the need to upgrade secondhand and previously owned vessels as a result of charterer requirements, technological advances in vessel design or equipment or otherwise. In addition, as vessels grow older, they generally decline in value.

Due to the cyclical nature of the market, if for any reason we sell any of our owned vessels at a time when prices are depressed and before we have recorded an impairment adjustment to our financial statements, the sale may be for less than the vessel's carrying value in our financial statements, resulting in a loss and reduction in earnings. Furthermore, if vessel values experience significant declines and our estimated future cash flows decrease, we may have to record an impairment adjustment in our financial statements, which could adversely affect our financial results. If the market value of our fleet declines, we may not be in compliance with certain provisions of our loan agreements and we may not be able to refinance our debt or obtain additional financing or pay dividends, if any. If we are unable to pledge additional collateral, our lenders could accelerate our debt and foreclose on our vessels.

Our revenues, operations and future growth could be adversely affected by a decrease in the supply of or demand for LPG or natural gas.

In recent years, there has been a strong supply of natural gas and an increase in the construction of plants and projects involving natural gas, of which LPG is a byproduct. If the supply of natural gas decreases, we may see a concurrent reduction in the production of LPG and resulting lesser demand and lower charter rates for our vessels and the vessels in the Helios Pool, which could ultimately have a material adverse impact on our revenues, operations and future growth. Additionally, changes in environmental or other legislation establishing additional regulation or restrictions on LPG production and transportation, including the adoption of climate change legislation or regulations, or legislation in the United States placing additional regulation or restrictions on LPG production from shale gas could result in reduced demand for LPG shipping.

General economic, political and regulatory conditions could materially adversely affect our business, financial position and results of operations, as well as our future prospects.

The global economy remains subject to downside risks, including substantial sovereign debt burdens in countries throughout the world, the United Kingdom's pending exit from the EU, continuing turmoil and hostilities in the Middle East, Afghanistan and other geographic areas and the refugee crisis in Europe and the Middle East. There has historically been a strong link between the development of the world economy and demand for LPG shipping. Accordingly, an extended negative outlook for the world economy could reduce the overall demand for our services. More specifically, LPG is used as a feedstock in cyclical businesses, such as the manufacturing of plastics and in the petrochemical industry, that were adversely affected by the economic downturn and, accordingly, continued weakness and any further reduction in demand in those industries could adversely affect the LPG shipping industry. In particular, an adverse change in economic conditions affecting China, India, Japan or Southeast Asia generally could have a negative effect on the demand for LPG products, thereby adversely affecting our business, financial position and results of operations, as well as our future prospects.

Further, governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. In particular, leaders in the United States have indicated the United States may seek to implement more protective trade measures. President Trump was elected on a platform promoting trade protectionism. The results of the presidential election have thus created significant uncertainty about the future relationship between the United States, China and other exporting countries, including with respect to trade policies, treaties, government regulations and tariffs. For example, on January 23, 2017, President Trump signed an executive order withdrawing the

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United States from the Trans-Pacific Partnership, a global trade agreement intended to include the United States, Canada, Mexico, Peru and a number of Asian countries. Further, President Trump has called for substantial changes to foreign trade policy with China and has recently raised, and has proposed to further raise in the future, tariffs on several Chinese goods in order to reverse what he perceives as unfair trade practices that have negatively impacted U.S. businesses. China has retaliated with increased tariffs on U.S. goods, including a proposed 25% tariff on imports of American propane. Protectionist developments, or the perception they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade. Moreover, increasing trade protectionism may cause an increase in (a) the cost of goods exported from regions globally, particularly the Asia-Pacific region, (b) the length of time required to transport goods and (c) the risks associated with exporting goods. Such increases may significantly affect the quantity of goods to be shipped, shipping time schedules, voyage costs and other associated cost. We are unable to assess the potential for future action by the United States government that could significantly disrupt the LPG market in the United States and elsewhere.

Separately, as a result of the ongoing economic turmoil in Greece and the related austerity measures implemented by the Greek government, our operations in Greece may be subjected to new regulations that may require us to incur new or additional compliance or other administrative costs and may require that we pay to the Greek government new taxes or other fees. We also face the risk that strikes, work stoppages, civil unrest and violence within Greece may disrupt our shoreside operations located in Greece.

The state of global financial markets and general economic conditions may adversely impact our ability to obtain financing or refinance our credit facility on acceptable terms, which may hinder or prevent us from operating or expanding our business.

There has been a steady decline in the traditional sources of finance for the shipping industry due to heavy losses incurred in the aftermath of the 2008-2009 financial crisis. As a result of the disruptions in the credit markets and higher capital requirements, many lenders have increased margins on lending rates, enacted tighter lending standards, required more restrictive terms (including higher collateral ratios for advances, shorter maturities and smaller loan amounts), or refused to refinance existing debt on terms similar to current debt or at all. New banking regulations, including tightening of capital requirements and the resulting policies adopted by lenders, could further reduce lending activities. We may experience difficulties obtaining financing commitments or be unable to fully draw on the capacity under our credit facilities committed in the future or refinance our credit facilities when our facilities mature if our lenders are unwilling to extend financing to us or unable to meet their funding obligations due to their own liquidity, capital or solvency issues. We cannot be certain that financing will be available when needed on acceptable terms or at all. In the absence of available financing, we may be unable to satisfy our obligations, take advantage of business opportunities or respond to competitive pressures.

Our operating results are subject to seasonal fluctuations, which could affect our operating results and the amount of available cash with which we can pay dividends.

We operate our LPG carriers in markets that have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. The LPG shipping market is typically stronger in the spring and summer months in anticipation of increased consumption of propane and butane for heating during the winter months, although 12-month time charter rates tend to smooth out these short-term fluctuations and recent LPG shipping market activity has not yielded the expected seasonal results. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. As a result, our revenues may be stronger in fiscal quarters ended June 30 and September 30, and conversely, our revenues may be weaker during the fiscal quarters ended December 31 and March 31. This seasonality could materially affect our quarterly operating results.

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Future technological innovation could reduce our charter hire income and the value of our vessels.

The charter hire rates and the value and operational life of a vessel are determined by a number of factors including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. The length of a vessel's physical life is related to its original design and construction, its maintenance and the impact of the stress of operations. We believe that our fleet is among the youngest and most eco friendly fleet of all our competitors. However, if new LPG carriers are built that are more efficient or more flexible or have longer physical lives than our vessels, competition from these more technologically advanced vessels could adversely affect the amount of charter hire payments we receive for our vessels and the resale value of our vessels could significantly decrease. Similarly, if the vessels of the other participants in the Helios Pool fleet become outdated, the amount of charter hire payments to the Helios Pool may be adversely affected. As a result of the foregoing, our results of operations and financial condition could be adversely affected.

Changes in fuel, or bunker, prices may adversely affect profits.

While we do not bear the cost of fuel, or bunkers, under time and bareboat charters, including for our vessels employed on time charters through the Helios Pool, fuel is a significant expense in our shipping operations when vessels are off-hire or deployed under spot charters. Changes in the price of fuel may adversely affect our profitability. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by the Organization of Petroleum Exporting Countries and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. Further, fuel may become much more expensive in the future, including as a result of the imposition of sulfur oxide emissions limits in 2020 under new regulations adopted by the IMO, which may reduce profitability.

We are subject to regulation and liability, including environmental laws, which could require significant expenditures and adversely affect our financial conditions and results of operations.

Our business and the operation of our VLGCs are subject to complex laws and regulations and materially affected by government regulation, including environmental regulations in the form of international conventions and national, state and local laws and regulations in force in the jurisdictions in which the vessels operate, as well as in the country or countries in which the vessels operate, as well as in the country or countries of their registration.

These regulations include, but are not limited to OPA90 that establishes an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills and applies to any discharges of oil from a vessel, including discharges of fuel oil and lubricants, the CAA, the CWA, and requirements of the USCG and the EPA, and

the MTSA, and regulations of the IMO, including MARPOL, the Bunker Convention, the IMO International Convention of Load Lines of 1966, as from time to time amended, and the SOLAS Convention. To comply with these and other regulations we may be required to incur additional costs to modify our vessels, meet new operating maintenance and inspection requirements, develop contingency plans for potential spills, and obtain insurance coverage. We are also required by various governmental and quasi-governmental agencies to obtain permits, licenses, certificates and financial assurances with respect to our operations. These permits, licenses, certificates and financial assurances may be issued or renewed with terms that could materially and adversely affect our operations. Because these laws and regulations are often revised, we cannot predict the ultimate cost of complying with them or the impact they may have on the resale prices or useful lives of our vessels. However, a failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our operations. Additional laws and regulations may be adopted which could limit our ability to do business or increase the cost of our doing business and which could materially adversely affect our operations. For example, a future serious incident, such as the April 2010 Deepwater Horizon oil spill in the Gulf of Mexico may result in new regulatory initiatives.

The operation of our vessels is affected by the requirements set forth in the ISM Code. The ISM Code requires ship owners and bareboat charterers to develop and maintain an extensive "Safety Management System" that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. The failure of a ship owner or bareboat charterer

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to comply with the ISM Code may subject the owner or charterer to increased liability, may decrease available insurance coverage for the affected vessels, or may result in a denial of access to, or detention in, certain ports. In our case, noncompliance with the ISM Code may result in breach of our loan covenants. Currently, each of the vessels in our fleet is ISM Code certified. Because these certifications are critical to our business, we place a high priority on maintaining them. Nonetheless, there is the possibility that such certifications may not be renewed.

We currently maintain, for each of our vessels, pollution liability insurance coverage in the amount of \$1.0 billion per incident. In addition, we carry hull and machinery and protection and indemnity insurance to cover the risks of fire and explosion. Under certain circumstances, fire and explosion could result in a catastrophic loss. We believe that our present insurance coverage is adequate, but not all risks can be insured, and there is the possibility that any specific claim may not be paid, or that we will not always be able to obtain adequate insurance coverage at reasonable rates. If the damages from a catastrophic spill exceeded our insurance coverage, the effect on our business would be severe and could possibly result in our insolvency.

Recent action by the IMO's Maritime Safety Committee and United States agencies indicate that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. This might cause companies to cultivate additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. However, the impact of such regulations is hard to predict at this time.

Regulations relating to ballast water discharge coming into effect starting in September 2019 and thereafter may adversely affect our revenues and profitability. The IMO has imposed updated guideline of ballast water management systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel's ballast water. Depending on the date of the IOPP renewal survey, existing vessels must comply with the updated D-2 standard on or after September 8, 2019. For most vessels, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Currently, sixteen of our VLGCs are in compliance with the updated guidelines. Ballast water management systems, or BWMS, are expected to be installed on the remaining six VLGCs between July 2019 and July 2023 for approximately \$0.8 million per vessel.

In October 2016, the IMO set January 1, 2020 as the implementation date for vessels to comply with its low sulfur fuel oil requirement, which cuts sulfur levels from 3.5% to 0.5%. The interpretation of "fuel oil used on board" includes use in main engine, auxiliary engines and boilers. We may comply with this regulation by (i) using 0.5% sulfur fuels on board, which is likely to be available around the world by 2020 but likely at a higher cost; (ii) installing scrubbers for cleaning of the exhaust gas; or (iii) by retrofitting vessels to be powered by liquefied natural gas or LPG, which may be a viable option subject to compliant fuel pricing. Costs of compliance with these regulatory changes may be significant and may have a material adverse effect on our future performance, results of operations, cash flows and financial position.

We believe that regulation of the shipping industry will continue to become more stringent and compliance with such new regulations will be more expensive for us and our competitors. Substantial violations of applicable requirements or a catastrophic release from one of our vessels could have a material adverse impact on our financial condition and results of operations.

Climate change and greenhouse gas restrictions may adversely impact our operations and markets.

Due to concern over the risk of climate change, a number of countries and the IMO have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards, and incentives or mandates for renewable energy. Compliance with changes in laws, regulations and obligations relating to climate change could increase our costs related to operating and maintaining our vessels and require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions, or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities could also be adversely affected by compliance with such changes.

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Our vessels may call on ports located in countries that are subject to sanctions and embargoes imposed by the United States or other governments, which could adversely affect our reputation and the market for our common shares.

Since January 1, 2010, none of our vessels has called on ports located in countries subject to countrywide U.S. sanctions and countries identified by the United States government as state sponsors of terrorism, such as Iran, Sudan, North Korea and Syria. The United States sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. In 2010, the United States enacted the Comprehensive Iran Sanctions Accountability and Divestment Act, or CISADA, which expanded the scope of the Iran Sanctions Act of 1996. Among other things, CISADA expands the application of the prohibitions involving Iran to include ships or shipping services by non-United States companies, such as our company, and introduces limits on the ability of companies and persons to do business or trade with Iran when such activities relate to the investment, supply or export of refined petroleum or petroleum products. In addition, in October 2012, President Obama issued an executive order implementing the Iran Threat Reduction and Syria Human Rights Act of 2012, or the ITRA, which extends the application of all United States laws and regulations relating to Iran to non-United States companies controlled by United States companies or persons as if they were themselves United States companies or persons, expands categories of sanctionable activities, adds additional forms of potential sanctions and imposes certain related reporting obligations with respect to activities of the Commission registrants and their affiliates. The ITRA also includes a provision requiring the President of the United States to impose five or more sanctions from Section 6(a) of the Iran Sanctions Act, as amended, on a person the President determines is controlling beneficial owner of, or otherwise owns, operates or controls or insures a vessel that was used to transport crude oil from Iran to another country and (1) if the person is a controlling beneficial owner of the vessel, the person had actual knowledge the vessel was so used or (2) if the person otherwise owns, operates, controls, or insures the vessel, the person knew or should have known the vessel was so used. Such a person could be subject to a variety of sanctions, including exclusion from United States capital markets, exclusion from financial transactions subject to United States jurisdiction, and exclusion of that person's vessels from United States ports for up to two years. Finally, in January 2013, the United States enacted the Iran Freedom and Counter Proliferation Act of 2012 (the "IFCPA") which expanded the scope of United States sanctions on any person that is part of Iran's energy, shipping or shipbuilding sector and operators of ports in Iran, and imposes penalties on any person who facilitates or otherwise knowingly provides significant financial, material or other support to these entities.

The United States, United Kingdom, Germany, France, Russia, China, the European Union, and Iran entered into an agreement with Iran titled the Joint Comprehensive Plan of Action Regarding the Islamic Republic of Iran's Nuclear Program, or the JCPOA, which was intended to significantly restrict Iran's ability to develop and produce nuclear weapons by easing certain sanctions directed toward non-United States persons for conduct involving Iran. Pursuant to the JCPOA, which was implemented on January 16, 2016, the United States, the EU and the UN suspended or lifted a significant number of their nuclear-related sanctions on Iran following an announcement by the International Atomic Energy Agency that Iran had satisfied its obligations under the JCPOA. On May 8, 2018, President Trump announced that the United States will withdraw from the JCPOA, resulting in the re-institution of sanctions against Iran that were lifted or waived under the JCPOA since 2016 and suspended under the JPOA since 2013. President Trump directed the U.S. Department of Treasury to re-impose shipping and petroleum-related sanctions after a 180-day wind-down period ends on November 4, 2018. Certain other sanctions are to be re-imposed after a 90-day wind-down period ends on August 6, 2018.

United States sanctions prohibiting certain conduct that is now permitted under the JCPOA have not actually been repealed or permanently terminated at this time. Rather, the United States government has implemented changes to the sanctions regime by: (1) issuing waivers of certain statutory sanctions provisions; (2) committing to refrain from exercising certain discretionary sanctions authorities; (3) removing certain individuals and entities from the Office of Foreign Assets Control's sanctions lists; and (4) revoking certain Executive Orders and specified sections of Executive Orders. These sanctions will not be permanently "lifted" until the earlier of "Transition Day," set to occur on October 20, 2023, or upon a report from the IAEA stating that all nuclear material in Iran is being used for peaceful activities.

Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may vary or may be subject to changing interpretations and we may be unable to prevent our charterers from violating contractual and legal restrictions on their operations of the vessels. Any such violation could

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result in fines or other penalties for us and could result in some investors deciding, or being required, to divest their interest, or not to invest, in the Company. Additionally, some investors may decide to divest their interest, or not to invest, in the Company simply because we do business with companies that do business in sanctioned countries. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. Investor perception of the value of our common shares may also be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries. The Trump Administration must periodically renew sanctions waivers and its refusal to do so could result in the reinstatement of certain sanctions currently suspended under the JCPOA.

Our vessels are subject to periodic inspections by a classification society.

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and SOLAS. Our VLGCs are currently classed with either Lloyd's Register, ABS or Det Norske Veritas.

A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five year period. Our vessels are on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel is also required to be drydocked every two to three years for inspection of the underwater parts of such vessel. However, for vessels not exceeding 15 years that have means to facilitate underwater inspection in lieu of drydocking, the drydocking can be skipped and be conducted concurrently with the special survey.

If a vessel does not maintain its class and/or fails any annual survey, intermediate survey or special survey, the vessel will be unable to trade between ports and will be unemployable, and we could be in violation of covenants in our loan agreements and insurance contracts or other financing arrangements. This would adversely impact our operations and revenues.

Maritime claimants could arrest our vessels, which could interrupt our cash flow.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and others may be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting or attaching a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt our cash flow and require us to pay large sums of funds to have the arrest lifted.

In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel which is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert "sister ship" liability against one vessel in our fleet for claims relating to another of our ships or, possibly, another vessel managed by one of our shareholders holding more than 5% of our common stock or entities affiliated with them.

Governments could requisition our vessels during a period of war or emergency, resulting in loss of revenues.

The government of a vessel's registry could requisition for title or seize our vessels. Requisition for title occurs when a government takes control of a vessel and becomes the owner. A government could also requisition our vessels for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of our vessels could have a material adverse effect on our business, results of operations, cash flows and financial condition.

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The operation of ocean-going vessels is inherently risky, and an incident resulting in significant loss or environmental consequences involving any of our vessels could harm our reputation and business.

The operation of an ocean-going vessel carries inherent risks. Our vessels and their cargoes are at risk of being damaged or lost because of events such as marine disasters, bad weather, mechanical failures, grounding, fire, explosions, collisions, human error, war, terrorism, piracy, cargo loss, latent defects, acts of God and other circumstances or events. Changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes and boycotts. Damage to the environment could also result from our operations, particularly through spillage of fuel, lubricants or other chemicals and substances used in operations, or extensive uncontrolled fires. These hazards may result in death or injury to persons, loss of revenues or property, environmental damage, higher insurance rates, damage to our customer relationships, market disruptions, delay or rerouting, any of which may also subject us to litigation. As a result, we could be exposed to substantial liabilities not recoverable under our insurances. Further, the involvement of our vessels in a serious accident could harm our reputation as a safe and reliable vessel operator and lead to a loss of business.

If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and may be substantial. We may have to pay drydocking costs that our insurance does not cover at all or in full. The loss of earnings while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, may adversely affect our business and financial condition. In addition, space at drydocking facilities is sometimes limited and not all drydocking facilities are conveniently located. We may be unable to find space at a suitable drydocking facility or our vessels may be forced to travel to a drydocking facility that is not conveniently located to our vessels' positions. The loss of earnings while these vessels are forced to wait for space or to travel or be towed to more distant drydocking facilities may adversely affect our business, financial condition, results of operations and cash flows.

We may be subject to litigation that could have an adverse effect on our business and financial condition.

We are currently not involved in any litigation matters that are expected to have a material adverse effect on our business or financial condition. Nevertheless, we anticipate that we could be involved in litigation matters from time to time in the future. The operating hazards inherent in our business expose us to litigation, including personal injury litigation, environmental litigation, contractual litigation with clients, intellectual property litigation, tax or securities litigation, and maritime lawsuits including the possible arrest of our vessels. We cannot predict with certainty the outcome or effect of any claim or other litigation matter. Any future litigation may have an adverse effect on our business, financial position, results of operations and our ability to pay dividends, because of potential negative outcomes, the costs associated with prosecuting or defending such lawsuits, and the diversion of management's attention to these matters. Additionally, our insurance may not be applicable or sufficient to cover the related costs in all cases or our insurers may not remain solvent.

Acts of piracy on ocean-going vessels could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Strait of Malacca, the Indian Ocean, the Arabian Sea, the Red Sea, off the coast of West Africa and in the Gulf of Aden off the coast of Somalia. Sea piracy incidents continue to occur. If these piracy attacks occur in regions in which our vessels are deployed and are characterized by insurers as "war risk" zones or Joint War Committee "war and strikes" listed areas, premiums payable for such coverage, for which we are responsible with respect to vessels employed on spot charters, but not vessels employed on bareboat or time charters, could increase significantly and such insurance coverage may be more difficult to obtain. In addition, costs to employ onboard security guards could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, detention hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability of insurance for our vessels, could have a material adverse impact on our business, financial condition and results of operations.

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Our operations outside the United States expose us to global risks, such as political conflict and terrorism, which may interfere with the operation of our vessels and could have a material adverse impact on our operating results, revenues and costs.

We are an international company and primarily conduct our operations outside the United States. Changing economic, political and governmental conditions in the countries where we are engaged in business or where our vessels are registered affect us. In the past, political conflicts resulted in attacks on vessels, mining of waterways and other efforts to disrupt shipping. As a result of the military response of the United States and other nations to threats of terrorism as well as the ongoing conflicts in Syria and Afghanistan, the likelihood of future acts of terrorism may increase, and our vessels may face higher risks of being attacked. In addition, future hostilities or other political instability in regions where our vessels trade could affect our trade patterns and adversely affect our operations and performance. Hostilities in or closure of major waterways in the Middle East or Black Sea region could adversely affect the availability of and demand for crude oil and petroleum products, as well as LPG, and negatively affect our investment and our customers' investment decisions over an extended period of time. In addition, sanctions against oil exporting countries such as Iran, Russia, Sudan and Syria may also impact the availability of crude oil, petroleum products and LPG and which would increase the availability of applicable vessels thereby impacting negatively charter rates.

Terrorist attacks, or the perception that LPG or natural gas facilities or oil refineries and LPG carriers are potential terrorist targets, could materially and adversely affect the continued supply of LPG. Concern that LPG and natural gas facilities may be targeted for attack by terrorists has contributed to a significant community and environmental resistance to the construction of a number of natural gas facilities, primarily in North America. If a terrorist incident involving a gas facility or gas carrier did occur, the incident may adversely affect necessary LPG facilities or natural gas facilities currently in operation. Furthermore, future terrorist attacks could result in increased volatility of the financial markets in the United States and globally and could result in an economic recession in the United States or the world. Any of these occurrences could have a material adverse impact on our operating results, revenues and costs.

If labor or other interruptions are not resolved in a timely manner, they could have a material adverse effect on our financial condition.

We employ masters, officers and crews to man our vessels. If not resolved in a timely and cost-effective manner, industrial action or other labor unrest or any other interruption arising from incidents of whistleblowing whether proven or not, could prevent or hinder our operations from being carried out as we expect and could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Information technology failures and data security breaches, including as a result of cybersecurity attacks, could negatively impact our results of operations and financial condition, subject us to increased operating costs, and expose us to litigation.

We rely on our computer systems and network infrastructure across our operations. Despite our implementation of security and back-up measures, all of our technology systems are vulnerable to damage, disability or failures due to physical theft, fire, power loss, telecommunications failure, operational error, or other catastrophic events. Our technology systems are also subject to cybersecurity attacks including malware, other malicious software, phishing email attacks, attempts to gain unauthorized access to our data, the unauthorized release, corruption or loss of our data, loss or damage to our data delivery systems, and other electronic security breaches. In addition, as we continue to grow the volume of transactions in our businesses, our existing IT systems infrastructure, applications and related functionality may be unable to effectively support a larger scale operation, which can cause the information being processed to be unreliable and impact our decision-making or damage our reputation with customers.

Despite our efforts to ensure the integrity of our systems and prevent future cybersecurity attacks, it is possible that our business, financial and other systems could be compromised, especially because such attacks can originate from a wide variety of sources including persons involved in organized crime or associated with external service providers. Those parties may also attempt to fraudulently induce employees, customers or other users of our systems to disclose sensitive information in order to gain access to our data or use electronic means to induce the company to enter into fraudulent transactions. Past and future occurrences of such attacks could damage our reputation and our ability to conduct

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our business, impact our credit and risk exposure decisions, cause us to lose customers or revenues, subject us to litigation and require us to incur significant expense to address and remediate or otherwise resolve these issues, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Further, data protection laws apply to us in certain countries in which we do business. Specifically, the EU General Data Protection Regulation, or GDPR, which is applicable beginning May 2018, increases penalties up to a maximum of 4% of global annual turnover for breach of the regulation. The GDPR requires mandatory breach notification, the standard for which is also followed outside the EU (particularly in Asia). Non-compliance with data protection laws could expose us to regulatory investigations, which could result in fines and penalties. In addition to imposing fines, regulators may also issue orders to stop processing personal data, which could disrupt operations. We could also be subject to litigation from persons or corporations allegedly affected by data protection violations. Violation of data protection laws is a criminal offence in some countries, and individuals can be imprisoned or fined. Any violation of these laws or harm to our reputation could have a material adverse effect on our earnings, cash flows and financial condition.

Risks Relating to Our Common Shares

The price of our common shares may be highly volatile.

The market price of our common shares has and may continue to fluctuate significantly in response to many factors, such as actual or anticipated fluctuations in our operating results and those of other public companies in the LPG shipping or related industries, market conditions in the LPG shipping industry, changes in financial estimates by securities analysts, significant sales of our shares by us or our shareholders, economic and regulatory trends, general market conditions, rumors and other factors, many of which are beyond our control. An adverse development in the market price for our common shares could also negatively affect our ability to issue new equity to fund our activities.

Our board of directors may not declare dividends.

We have not paid any dividends since our inception in July 2013. In general, under the terms of our credit facility, we are not permitted to pay dividends if there is a default or a breach of a loan covenant. Further, under the 2015 Debt Facility Amendment, we are temporarily restricted from paying dividends and repurchasing shares of our common stock until the earlier of (i) when we complete a common stock offering with net proceeds of at least \$50.0 million and (ii) May 31, 2019.

In the future, we will evaluate the potential level and timing of dividends as soon as profits and cash flows allow. However, the timing and amount of any dividend payments will always be subject to the discretion of our board of directors and will depend on, among other things, earnings, capital expenditure commitments, market prospects, current capital expenditure programs, investment opportunities, the provisions of Marshall Islands law affecting the payment of distributions to shareholders, and the terms and restrictions of our existing and future credit facilities. The LPG shipping industry is highly volatile, and we cannot predict with certainty the amount of cash, if any, that will be available for distribution as dividends in any period. Also, there may be a high degree of variability from period to period in the amount of cash that is available for the payment of dividends.

We may incur expenses or liabilities or be subject to other circumstances in the future that reduce or eliminate the amount of cash that we have available for distribution as dividends, including as a result of the risks described herein. Our growth strategy contemplates that we will primarily finance our acquisitions of additional vessels through debt financings or the net proceeds of future equity issuances on terms acceptable to us. If financing is not available to us on acceptable terms, our board of directors may determine to finance or refinance acquisitions with cash from operations, which would reduce the amount of any cash available for the payment of dividends.

The Republic of Marshall Islands laws also generally prohibit the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. We may not have sufficient surplus in the future to pay dividends and our subsidiaries may not have sufficient funds or surplus to make distributions to us. We can give no assurance that dividends will be paid at all.

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We are a holding company, and depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make dividend payments.

We are a holding company, and our subsidiaries conduct all of our operations and own all of our operating assets. As a result, our ability to satisfy our financial obligations and to pay dividends, if any, to our shareholders depends on the ability of our subsidiaries to generate profits available for distribution to us. The ability of a subsidiary to make these distributions could be affected by a claim or other action by a third party, including a creditor, the terms of our financing arrangements or by the law of its jurisdiction of incorporation which regulates the payment of dividends.

We may issue additional shares in the future, which could cause the market price of our common stock to decline.

We may issue additional shares of our common stock in the future in connection with, among other things, future vessel acquisitions or repayment of outstanding indebtedness, without shareholder approval, in a number of circumstances. Our issuance of additional shares would have the following effects: our existing shareholders' proportionate ownership interest in us will decrease; the amount of cash available for dividends payable per share may decrease; the relative voting strength of each previously outstanding share may be diminished; and the market price of our shares may decline.

A future sale of shares by major shareholders may reduce the share price.

As of the date of this report and based on information contained in documents publicly filed by our Principal Shareholders, our Principal Shareholders own an aggregate of 19.4 million common shares, or approximately 35% of our outstanding common shares, and two other major shareholders own, in aggregate, approximately 25% of our outstanding common shares. Sales or the possibility of sales of substantial amounts of our common shares by any of our Principal Shareholders or other major shareholders could adversely affect the market price of our common shares.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate or case law. As a result, shareholders may have fewer rights and protections under Marshall Islands law than under a typical jurisdiction in the United States. Our corporate affairs are governed by our articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act, or BCA. The provisions of the BCA resemble provisions of

the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain United States jurisdictions. Shareholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, we cannot predict whether Marshall Islands courts would reach the same conclusions as United States courts. Therefore, our public shareholders may have more difficulty in protecting their interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction.

It may be difficult to enforce a United States judgment against us, our officers and our directors because we are a foreign corporation.

We are incorporated in the Republic of the Marshall Islands and most of our subsidiaries are organized in the Republic of the Marshall Islands. Substantially all of our assets and those of our subsidiaries are located outside the United States. As a result, our shareholders should not assume that courts in the countries in which we or our subsidiaries are incorporated or where our assets or the assets of our subsidiaries are located (1) would enforce judgments of United States courts obtained in actions against us or our subsidiaries based upon the civil liability provisions of applicable United States federal and state securities laws or (2) would enforce, in original actions, liabilities against us or our subsidiaries based upon these laws.

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We are an "emerging growth company," as defined in the JOBS Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies make our common shares less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." We cannot determine if investors will find our common stock less attractive because we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our share price may be more volatile.

In addition, under the JOBS Act, our independent registered public accounting firm is not required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes Oxley Act of 2002 for so long as we are an emerging growth company. For as long as we take advantage of the reduced reporting obligations, the information that we provide shareholders may be different from information provided by other public companies, which could impact the trading price of our shares.

Our organizational documents contain anti takeover provisions.

Several provisions of our articles of incorporation and our bylaws could make it difficult for our shareholders to change the composition of our board of directors in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable. These provisions include:

- authorizing our board of directors to issue "blank check" preferred shares without shareholder approval;
- providing for a classified board of directors with staggered, three year terms;
- authorizing the removal of directors only for cause;
- limiting the persons who may call special meetings of shareholders;
- establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by shareholders at shareholder meetings; and
- restricting business combinations with interested shareholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

VLGCs are our principal physical properties and are more fully described in "Our Fleet" in "Item 1. Business." We do not own any real estate. We lease office space at 27 Signal Road, Stamford, Connecticut, 06902, USA; River House, 143-145 Farringdon Road, London, EC1R 3AB, UK; and 24 Poseidonos Avenue, 17674, Kallithea, Greece.

ITEM 3. LEGAL PROCEEDINGS.

We have not been involved in any legal proceedings that we believe may have a material effect on our business, financial position, results of operations or liquidity, and we are not aware of any proceedings that are pending or threatened that may have a material effect on our business, financial position, results of operations or liquidity. From time to time we are and expect to be subject to legal proceedings and claims in the ordinary course of our business, such as personal injury and property casualty claims. These claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

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ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common shares have traded on the New York Stock Exchange, or NYSE, since May 9, 2014, under the symbol "LPG." As of June 26, 2018, we had 166 registered holders of our common shares, including Cede & Co., the nominee for the Depository Trust Company. This number excludes shareholders whose stock is held in nominee or street name by brokers.

The following tables set forth the high and low prices for our common shares as reported on the NYSE for the calendar periods listed below.

For the Quarter Ended	NYSE	
	High (US\$)	Low (US\$)
June 30, 2016	10.83	6.90
September 30, 2016	7.74	5.07
December 31, 2016	9.85	5.63
March 31, 2017	12.50	8.35
June 30, 2017	10.85	7.01
September 30, 2017	8.73	6.20
December 31, 2017	8.72	6.78
March 31, 2018	8.50	7.15

Stock Repurchase Program

See Note 10 to our consolidated financial statements included herein for a discussion of our stock repurchase program that expired on December 31, 2016.

Equity Compensation Plans

Information about the securities authorized for issuance under our equity compensation plan is incorporated by reference from our Proxy Statement for the 2018 Annual Meeting of Shareholders, which will be filed with the Commission within 120 days of March 31, 2018.

Dividends

We have not paid any dividends since our inception in July 2013. In general, under the terms of our credit facility, we are not permitted to pay dividends if there is a default or a breach of a loan covenant. Further, under the 2015 Debt Facility Amendment, we are temporarily restricted from paying dividends and repurchasing shares of our common stock until the earlier of (i) when we complete a common stock offering with net proceeds of at least \$50.0 million and (ii) May 31, 2019.

In the future, we will evaluate the potential level and timing of dividends as soon as profits and capital expenditure requirements allow. In addition, since we are a holding company with no material assets other than the shares of our subsidiaries through which we conduct our operations, our ability to pay dividends will depend on our subsidiaries' distributing to us their earnings and cash flows. The timing and amount of any dividend payments will always be subject to the discretion of our board of directors and will depend on, among other things, earnings, potential future capital expenditure commitments, market prospects, current capital expenditure programs, investment opportunities, the provisions of Marshall Islands law affecting the payment of distributions to shareholders, and the terms and restrictions of our existing and future credit facilities. Marshall Islands law generally prohibits the payment of dividends other than from operating surplus or while a company is insolvent or would be rendered insolvent upon the payment of such dividend.

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Taxation

Please see “Item 1. Business—Taxation” for a discussion of certain tax considerations related to holders of our common shares.

Issuer Purchases of Equity Securities

The table below sets forth information regarding our purchases of our common stock during the quarterly period ended March 31, 2018:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plan or Programs
January 1 to 31, 2018	5,539	\$ 7.70	—	\$ —
February 1 to 28, 2018	—	—	—	—
March 1 to 31, 2018	26,407	7.47	—	—
Total	31,946	\$ 7.51	—	\$ —

Purchases of our common stock during the quarterly period ended March 31, 2018 represent our shares of common stock withheld in satisfaction of tax withholding obligations upon vesting of employee restricted equity awards.

Stock Performance Graph

The performance graph below shows the cumulative total return to shareholders of our common stock relative to the cumulative total returns of the Russell 2000 Index and the Dorian Peer Group Index (defined below). The graph tracks the performance of a \$100 investment in our common stock and in each of the indices (with the reinvestment of dividends) from May 7, 2014 (the date our common stock was listed on the New York Stock Exchange) to March 31, 2018. The stock price performance included in this graph is not necessarily indicative of future stock price performance.

The Dorian Peer Group Index is a self-constructed peer group that consists of the following direct competitors on a line-of-business basis: BWLPG, NVGS and Avance. NVGS's common stock trades on the New York Stock Exchange, while the common stock of Avance and BWLPG trade on the Oslo Stock Exchange. For the purposes of the below comparison, the cumulative total returns for Avance and BWLPG were converted into U.S. dollars based on the relevant NOK to one USD exchange rate prevailing on the dates listed below.

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	5/7/14	9/30/14	3/31/15	9/30/15	3/31/16	9/30/16	3/31/17	9/30/17	3/31/18
Dorian LPG Ltd. ("LPG")	100.00	93.79	68.58	54.26	49.47	31.58	55.42	35.89	54.84
Russell 2000 Index ("RTY Index")	100.00	99.95	114.41	101.20	103.24	116.84	130.27	141.05	129.94
Peer Index	100.00	106.57	73.33	59.45	62.47	28.34	53.12	43.28	53.13
NOK to USD exchange conversion rate	5.9098	6.4261	8.0608	8.5155	8.2685	7.9846	8.5985	7.9626	7.8413

This performance graph shall not be deemed "soliciting material" or to be "filed" with the Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Act.

ITEM 6. SELECTED FINANCIAL DATA.

The following table presents selected historical financial and other data of Dorian LPG Ltd. and its subsidiaries and the Predecessor Businesses of Dorian LPG Ltd. for the periods indicated. The selected historical financial data of Dorian LPG Ltd. as of March 31, 2018 and 2017, and for the years ended March 31, 2018, 2017, and 2016 has been derived from our audited consolidated financial statements and notes thereto, all included in "Item 8. Financial Statements and Supplementary Data" of this annual report. The selected historical financial data of Dorian LPG Ltd. and its subsidiaries as of March 31, 2016, 2015 and 2014, for the years ended March 31, 2016 and 2015, and for the period July 1, 2013 (inception) to March 31, 2014, and the selected historical financial data of the Predecessor for the period April 1, 2013 to July 28, 2013, have been derived from our audited consolidated financial statements and notes thereto and the Predecessor Businesses' audited combined financial statements not appearing in this Form 10-K. The following table should be read together with and are qualified in its entirety by reference to such financial statements, which have been prepared in

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accordance with United States generally accepted accounting principles, or U.S. GAAP, and with “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	Dorian LPG Ltd.					Predecessor Businesses of Dorian LPG Ltd.
	Year ended	Year ended	Year ended	Year ended	Period July 1, 2013 (inception) to	Period April 1, 2013 to
U.S. dollars, (except fleet data)	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	July 28, 2013
Statement of Operations Data						
Revenues	\$ 159,334,760	\$ 167,447,171	\$ 289,207,829	\$ 104,129,149	\$ 29,633,700	\$ 15,383,116
Expenses						
Bunker expenses	2,213,773	2,965,978	12,064,682	22,081,856	6,670,971	3,623,872
Bunker expenses—related party	—	—	—	—	—	198,360
Vessel operating expenses	64,312,644	66,108,062	47,119,990	21,256,165	8,394,959	4,638,725
Management expenses—related party	—	—	—	1,125,000	3,122,356	601,202
Impairment	—	—	—	1,431,818	—	—
Depreciation and amortization	65,329,951	65,057,487	42,591,942	14,093,744	6,620,372	3,955,309
General and administrative expenses	26,186,332	21,732,864	29,836,029	14,145,086	433,674	28,204
Loss on disposal of assets	—	—	1,125,395	—	—	—
Total expenses	158,042,700	155,864,391	132,738,038	74,133,669	25,242,332	13,045,672
Other						
Income—related parties	2,549,325	2,410,542	1,945,396	93,929	—	—
Operating income	3,841,385	13,993,322	158,415,187	30,089,409	4,391,368	2,337,444
Other						
Income/(expenses)						
Interest and finance costs	(35,658,045)	(28,971,942)	(12,757,013)	(289,090)	(1,579,206)	(762,815)
Interest income	440,059	137,556	148,360	418,597	428,201	98
Unrealized gain/(loss) on derivatives	8,421,531	27,491,333	(8,917,503)	1,331,954	2,623,456	4,684,007
Realized loss on derivatives	(1,328,886)	(13,797,478)	(6,858,126)	(5,291,157)	(3,727,457)	(1,853,802)
Gain on early extinguishment of	4,117,364	—	—	—	—	—

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Foreign currency											
loss, net	(234,094)	(294,606)	(342,523)	(998,931)	697,481	(5)					
Total other											
income/(expenses),											
net	(24,242,071)	(15,435,137)	(28,726,805)	(4,828,627)	(1,557,525)	2,067,483					
net income/(loss)	\$ (20,400,686)	\$ (1,441,815)	\$ 129,688,382	\$ 25,260,782	\$ 2,833,843	\$ 4,404,927					
Earnings/(loss) per											
common share—basic	\$ (0.38)	\$ (0.03)	\$ 2.29	\$ 0.45	\$ 0.09	\$ —					
Earnings/(loss) per											
common											
share—diluted	\$ (0.38)	\$ (0.03)	\$ 2.29	\$ 0.45	\$ 0.09	\$ —					
Other Financial											
Data											
Adjusted											
EBITDA(1)	\$ 74,515,790	\$ 83,279,670	\$ 204,865,215	\$ 47,346,202	\$ 12,137,422	\$ 6,292,846					
Operating Data											
Calendar days(2)	8,030	8,030	5,491	1,986	984	476					
Available days(3)	8,028	7,976	5,406	1,925	964	476					
Operating											
Days(4)(7)	7,153	7,464	5,031	1,652	941	449					
Operating											
Efficiency(5)(7)	89.1	% 93.6	% 93.1	% 85.8	% 97.7	% 94.3					
Average Daily											
Operating											
Results											
Time charter											
Equivalent											
Rate(6)(7)	\$ 21,966	\$ 22,037	\$ 55,087	\$ 49,665	\$ 24,402	\$ 25,748					
Daily vessel											
Operating											
Expenses(8)	\$ 8,009	\$ 8,233	\$ 8,581	\$ 10,703	\$ 8,531	\$ 9,745					

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	Dorian LPG Ltd.				
(in U.S. dollars)	As of March 31, 2018	As of March 31, 2017	As of March 31, 2016	As of March 31, 2015	As of March 31, 2014
Balance Sheet Data					
Cash and cash equivalents	\$ 103,505,676	\$ 17,018,552	\$ 46,411,962	\$ 204,821,183	\$ 279,131,795
Restricted cash, non – current	25,862,704	50,874,146	50,812,789	33,210,000	4,500,000
Total assets	1,736,110,156	1,746,234,880	1,842,178,176	1,099,101,270	840,245,766
Current portion of long-term debt	65,067,569	65,978,785	66,265,643	15,677,553	9,612,000
Long-term debt—net of current portion and deferred financing fees ⁽⁹⁾	694,035,583	683,985,463	746,354,613	171,369,658	118,396,460
Total liabilities	776,696,794	770,233,162	856,578,939	225,887,011	148,046,334
Total shareholders' equity	\$ 959,413,362	\$ 976,001,718	\$ 985,599,237	\$ 873,214,259	\$ 692,199,432

(1) Adjusted EBITDA is an unaudited non-GAAP financial measure and represents net income/(loss) before interest and finance costs, unrealized (gain)/loss on derivatives, realized (gain)/loss on derivatives, gain on early extinguishment of debt, stock-based compensation expense, impairment, and depreciation and amortization and is used as a supplemental financial measure by management to assess our financial and operating performance. We believe that adjusted EBITDA assists our management and investors by increasing the comparability of our performance from period to period. This increased comparability is achieved by excluding the potentially disparate effects between periods of derivatives, interest and finance costs, gain on early extinguishment of debt, stock-based compensation expense, impairment, and depreciation and amortization expense, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income/(loss) between periods. We believe that including adjusted EBITDA as a financial and operating measure benefits investors in selecting between investing in us and other investment alternatives.

Adjusted EBITDA has certain limitations in use and should not be considered an alternative to net income/(loss), operating income, cash flow from operating activities or any other measure of financial performance presented in accordance with GAAP. Adjusted EBITDA excludes some, but not all, items that affect net income/(loss). Adjusted EBITDA as presented below may not be computed consistently with similarly titled measures of other companies and, therefore, might not be comparable with other companies.

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The following table sets forth a reconciliation of net income/(loss) to Adjusted EBITDA (unaudited) for the periods presented:

	Dorian LPG Ltd.					Predecessor Businesses of Dorian LPG Ltd.
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Period July 1, 2013 (inception) to March 31, 2014	Period April 1, 2013 to July 28, 2013
(in U.S. dollars)						
Net income/(loss)	\$ (20,400,686)	\$ (1,441,815)	\$ 129,688,382	\$ 25,260,782	\$ 2,833,843	\$ 4,404,927
Interest and finance costs	35,658,045	28,971,942	12,757,013	289,090	1,579,206	762,815
Unrealized (gain)/loss on derivatives	(8,421,531)	(27,491,333)	8,917,503	(1,331,954)	(2,623,456)	(4,684,007)
Realized loss on derivatives	1,328,886	13,797,478	6,858,126	5,291,157	3,727,457	1,853,802
Gain on early extinguishment of debt	(4,117,364)	—	—	—	—	—
Stock-based compensation expense	5,138,489	4,385,911	4,052,249	2,311,565	—	—
Impairment	—	—	—	1,431,818	—	—
Depreciation and amortization	65,329,951	65,057,487	42,591,942	14,093,744	6,620,372	3,955,309
Adjusted EBITDA	\$ 74,515,790	\$ 83,279,670	\$ 204,865,215	\$ 47,346,202	\$ 12,137,422	\$ 6,292,846

(2) We define calendar days as the total number of days in a period during which each vessel in our fleet was commercially managed. Calendar days are an indicator of the size of the fleet over a period and affect both the amount of revenues and the amount of expenses that are recorded during that period.

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- (3) We define available days as calendar days less aggregate off hire days associated with scheduled maintenance, which include major repairs, drydockings, vessel upgrades or special or intermediate surveys. We use available days to measure the aggregate number of days in a period that our vessels should be capable of generating revenues.
- (4) We define operating days as available days less the aggregate number of days that the commercially-managed vessels in our fleet are off hire for any reason other than scheduled maintenance. We use operating days to measure the number of days in a period that our operating vessels are on hire (refer to 7 below).
- (5) We calculate fleet utilization by dividing the number of operating days during a period by the number of available days during that period. An increase in non-scheduled off hire days would reduce our operating days, and, therefore, our fleet utilization. We use fleet utilization to measure our ability to efficiently find suitable employment for our vessels.
- (6) Time charter equivalent rate, or TCE rate, is a non-GAAP measure of the average daily revenue performance of a vessel. TCE rate is a 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 (such as time charters, voyage charters) under which the vessels may be employed between the periods. Our method of calculating TCE rate is to divide revenue net of voyage expenses by operating days for the relevant time period, which may not be calculated the same by other companies.

The following table sets forth a reconciliation of revenues to TCE rate (unaudited) for the periods presented:

	Dorian LPG Ltd.					Predecessor Businesses of Dorian LPG Ltd.
	Year ended	Year ended	Year ended	Year ended	Period July 1, 2013 (inception) to	Period April 1, 2013 to
(in U.S. dollars, except operating days)	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	July 28, 2013
Numerator:						
Revenues	\$ 159,334,760	\$ 167,447,171	\$ 289,207,829	\$ 104,129,149	\$ 29,633,700	\$ 15,383,116
Voyage expenses	(2,213,773)	(2,965,978)	(12,064,682)	(22,081,856)	(6,670,971)	(3,623,872)
Voyage expenses—related party	—	—	—	—	—	(198,360)
Time charter equivalent	\$ 157,120,987	\$ 164,481,193	\$ 277,143,147	\$ 82,047,293	\$ 22,962,729	\$ 11,560,884

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Pool adjustment*	(1,857,575)	—	—	—	—	—
Time charter equivalent excluding pool adjustment*	\$ 155,263,412	\$ 164,481,193	\$ 277,143,147	\$ 82,047,293	\$ 22,962,729	\$ 11,560,884
Denominator:						
Operating days	7,153	7,464	5,031	1,652	941	449
TCE rate:						
Time charter equivalent rate	\$ 21,966	\$ 22,037	\$ 55,087	\$ 49,665	\$ 24,402	\$ 25,748
TCE rate excluding pool adjustment*	\$ 21,706	\$ 22,037	\$ 55,087	\$ 49,665	\$ 24,402	\$ 25,748

* TCE rate adjusted for the effect of a reallocation of pool profits in accordance with the pool participation agreements due to favorable speed and consumption performance for our vessels operating in the Helios Pool.

(7) We determine operating days for each vessel based on the underlying vessel employment, including our vessels in the Helios Pool, or Our Methodology. If we were to calculate operating days for each vessel within the Helios Pool as a variable rate time charter, or Alternate Methodology, our operating days and fleet utilization would be

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increased with a corresponding reduction to our TCE rate. Operating data using both methodologies since the inception of the Helios Pool is as follows:

	Dorian LPG Ltd.								Predecessor Businesses of Dorian LPG Ltd.	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Period July 1, 2013 (inception) to March 31, 2014	Period April 1, 2013 to July 28, 2013			
Our Methodology:										
Operating Days	7,153	7,464	5,031	1,652	941	449				
Fleet Utilization	89.1 %	93.6 %	93.1 %	85.8 %	97.7 %	94.3 %				
Time charter equivalent	\$ 21,966	\$ 22,037	\$ 55,087	\$ 49,665	\$ 24,402	\$ 25,748				
Alternate Methodology:										
Operating Days	8,028	7,975	5,291	1,652	941	449				
Fleet Utilization	100.0 %	100.0 %	97.9 %	85.8 %	97.7 %	94.3 %				
Time charter equivalent	\$ 19,572	\$ 20,625	\$ 52,380	\$ 49,665	\$ 24,402	\$ 25,748				

We believe that Our Methodology using the underlying vessel employment provides more meaningful insight into market conditions and the performance of our vessels.

- (8) Daily vessel operating expenses are calculated by dividing vessel operating expenses by calendar days for the relevant time period.
- (9) Long-term debt is net of deferred financing fees of \$16.1 million, \$20.1 million, \$23.7 million, \$13.3 million, and \$0.7 million as of March 31, 2018, 2017, 2016, 2015, and 2014, respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read the following discussion of our financial condition and results of operations in conjunction with our consolidated financial statements and related notes included herein. Among other things, those financial statements include more detailed information regarding the basis of presentation for the following information. The financial statements have been prepared in accordance with U.S. GAAP and are presented in U.S. dollars unless otherwise

indicated. The following discussion contains forward looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under "Item 1A—Risk Factors," "Forward Looking Statements" and elsewhere in this report, our actual results may differ materially from those anticipated in these forward looking statements.

Overview

We are a Marshall Islands corporation, headquartered in the United States, focused on owning and operating VLGCs. Our fleet currently consists of twenty-two VLGCs, including nineteen new fuel-efficient 84,000 cbm ECO VLGCs and three 82,000 cbm VLGCs.

Our nineteen ECO VLGCs, which incorporate fuel efficiency and emission-reducing technologies and certain custom features, were acquired by us for an aggregate purchase price of \$1.4 billion and delivered to us between July 2014 and February 2016, seventeen of which were delivered during calendar year 2015 or later.

On April 1, 2015, Dorian and Phoenix began operations of the Helios Pool, which entered into pool participation agreements for the purpose of establishing and operating, as charterer, under a variable rate time charter to be entered into with owners or disponent owners of VLGCs, a commercial pool of VLGCs whereby revenues and expenses are shared. The vessels entered into the Helios Pool may operate either in the spot market, pursuant to COAs or on time charters of two years' duration or less. As of June 26, 2018, eighteen of our twenty-two VLGCs were deployed in the Helios Pool.

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Our customers, either directly or through the Helios Pool, include or have included global energy companies such as Exxon Mobil Corp., China International United Petroleum & Chemicals Co., Ltd., Royal Dutch Shell plc, Statoil ASA, and Oriental Energy Company Ltd., commodity traders such as Itochu Corporation and the Vitol Group and importers such as E1 Corp., SK Gas Co. Ltd. and Indian Oil Corporation. For the year ended March 31, 2018, the Helios Pool and two other individual charterers accounted for 67%, 13%, and 11% of our total revenues, respectively, and within the Helios Pool, one charterer represented 28% of net pool revenues—related party. For the year ended March 31, 2017, the Helios Pool and two other individual charterers represented 69%, 13% and 10% total revenues, respectively, and within the Helios Pool, two charterers represented 26% and 13%, respectively, of net pool revenues—related party. For the year ended March 31, 2016, the Helios Pool and one other individual charterer accounted for 70% and 12% of our total revenues, respectively, and within the Helios Pool, two charterers represented 19% and 14%, respectively of net pool revenues—related party. See “Item 1A. Risk Factors—We operate exclusively in the LPG shipping industry. Due to our lack of diversification and the lack of diversification of the Helios Pool, adverse developments in the LPG shipping industry may adversely affect our business, financial condition and operating results” and “Item 1A. Risk Factors—We expect to be dependent on a limited number of customers for a material part of our revenues, and failure of such customers to meet their obligations could cause us to suffer losses or negatively impact our results of operations and cash flows.”

We intend to pursue a balanced chartering strategy by employing our vessels on a mix of multi-year time charters, some of which may include a profit-sharing component, shorter-term time charters, spot market voyages and COAs. Three of our vessels are currently on fixed time charters outside of the Helios Pool. See “Item 1. Business—Our Fleet” above for more information.

On August 5, 2015, we publicly announced that our Board of Directors authorized the repurchase of up to \$100.0 million of our common stock, which authorization expired on December 31, 2016. We repurchased a total of 3,342,035 shares of our common stock for approximately \$33.7 million under this program through its expiration.

Recent Developments

CJNP Japanese Financing

On June 11, 2018, we refinanced our 2007-built VLGC, the Captain John NP, which was financed by the 2017 Bridge Loan, pursuant to a memorandum of agreement and a bareboat charter agreement, or the CJNP Japanese Financing. Refer to Notes 9 and 23 to our consolidated financial statements included herein for further details.

CMNL Japanese Financing

On June 25, 2018, we refinanced our 2006-built VLGC, the Captain Markos NL, which was financed by the 2017 Bridge Loan, pursuant to a memorandum of agreement and a bareboat charter agreement, or the CMNL Japanese Financing. Refer to Notes 9 and 23 to our consolidated financial statements included herein for further details.

CNML Japanese Financing

On June 26, 2018, we refinanced our 2008-built VLGC, the Captain Nicholas ML, which was financed by the 2017 Bridge Loan, pursuant to a memorandum of agreement and a bareboat charter agreement, or the CNML Japanese Financing. Refer to Notes 9 and 23 to our consolidated financial statements included herein for further details.

Prepayment of the 2017 Bridge Loan

On June 4, 2018, we prepaid \$22.3 million of the then outstanding principal of the \$97.0 million bridge loan agreement with DNB Capital LLC, or the 2017 Bridge Loan, using cash on hand prior to the closing of the CJNP Japanese Financing. On June 20, 2018, we prepaid the remaining \$44.6 million of the then outstanding principal under the 2017 Bridge Loan (related to the Captain Nicholas ML and the Captain Markos NL) using cash on hand prior to the closing of the CMNL Japanese Financing and the CNML Japanese Financing.

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Restricted Stock Awards

On June 15, 2018, we granted an aggregate of 200,000 shares of restricted stock to certain of our officers and employees. Refer to Note 23 to our consolidated financial statements included herein for further details.

Vessel Deployment—Spot Voyages, Time Charters, COAs, and Pooling Arrangements

We seek to employ our vessels in a manner that maximizes fleet utilization and earnings upside through our chartering strategy in line with our goal of maximizing shareholder value and returning capital to shareholders when appropriate, taking into account fluctuations in freight rates in the market and our own views on the direction of those rates in the future. As of June 26, 2018, eighteen of our twenty-two VLGCs were employed in the Helios Pool, which includes time charters with a term of less than two years.

A spot market voyage charter is generally a contract to carry a specific cargo from a load port to a discharge port for an agreed upon freight per ton of cargo or a specified total amount. Under spot market voyage charters, we pay voyage expenses such as port and fuel costs. A time charter is generally a contract to charter a vessel for a fixed period of time at a set daily or monthly rate. Under time charters, the charterer pays voyage expenses such as port and fuel costs. Vessels operating on time charters provide more predictable cash flows, but can yield lower profit margins than vessels operating in the spot market during periods characterized by favorable market conditions. Vessels operating in the spot market generate revenues that are less predictable but may enable us to capture increased profit margins during periods of improvements in tanker rates although we are exposed to the risk of declining tanker rates and lower utilization. Pools generally consist of a number of vessels which may be owned by a number of different ship owners which operate as a single marketing entity in an effort to produce freight efficiencies. Pools typically employ experienced commercial charterers and operators who have close working relationships with customers and brokers while technical management is typically the responsibility of each ship owner. Under pool arrangements, vessels typically enter the pool under a time charter agreement whereby the cost of bunkers and port expenses are borne by the charterer (i.e., the pool) and operating costs, including crews, maintenance and insurance are typically paid by the owner of the vessel. Pools, in return, typically negotiate charters with customers primarily in the spot market. Since the members of a pool typically share in the revenue generated by the entire group of vessels in the pool, and since pools operate primarily in the spot market, including the pools in which we participate, the revenue earned by vessels placed in spot market related pools is subject to the fluctuations of the spot market and the ability of the pool manager to effectively charter its fleet. We believe that vessel pools can provide cost-effective commercial management activities for a group of similar class vessels and potentially result in lower waiting times.

COAs relate to the carriage of multiple cargoes over the same route and enables the COA holder to nominate different ships to perform individual voyages. It constitutes a number of voyage charters to carry a specified amount of cargo during the term of the COA, which usually spans a number of years. All of the vessel's operating, voyage and capital costs are borne by the ship owner.

On April 1, 2015, Dorian and Phoenix began operation of the Helios Pool, which is a pool of VLGC vessels. We believe that the operation of certain of our VLGCs in this pool allows us to achieve better market coverage and utilization. Vessels entered into the Helios Pool are commercially managed jointly by Dorian LPG (UK) Ltd., our wholly-owned subsidiary, and Phoenix. The members of the Helios Pool share in the net pool revenues generated by the entire group of vessels in the pool, weighted according to certain technical vessel characteristics, and net pool revenues (see Note 2 to our consolidated financial statements included herein) are distributed as variable rate time charter hire to each participant. The vessels entered into the Helios Pool may operate either in the spot market, COAs, or on time charters of two years' duration or less. As of June 26, 2018, the Helios Pool operated twenty-six VLGCs, including eighteen of our vessels, five Phoenix vessels, and three other vessels.

For further description of our business, please see “Item 1. Business” above.

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Important Financial and Operational Terms and Concepts

We use a variety of financial and operational terms and concepts in the evaluation of our business and operations including the following:

Vessel Revenues. Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate and the amount of daily rates that our vessels earn under our charters, which, in turn, are affected by a number of factors, including levels of demand and supply in the LPG shipping industry; the age, condition and specifications of our vessels; the duration of our charters; the timing of when the profit-sharing arrangements are earned; the amount of time that we spend positioning our vessels; the availability of our vessels, which is related to the amount of time that our vessels spend in drydock undergoing repairs and the amount of time required to perform necessary maintenance or upgrade work; and other factors affecting rates for LPG vessels.

We generate revenue by providing seaborne transportation services to customers pursuant to three types of contractual relationships:

Pooling Arrangements. As from April 1, 2015, we began operation of the Helios Pool. Net pool revenues—related party for each vessel is determined in accordance with the profit-sharing terms specified within the pool agreement for the Helios Pool. In particular, the pool manager aggregates the revenues and voyage expenses of all of the pool participants and Helios Pool general and administrative expenses and distributes the net earnings to participants based on:

- pool points (vessel attributes such as cargo carrying capacity, fuel consumption, and speed are taken into consideration); and
- number of days the vessel participated in the Helios Pool in the period. We recognize pool revenue on a monthly basis, when the vessel has participated in the Helios Pool during the period and the amount of pool revenue for the month can be estimated reliably. We receive estimated vessel earnings based on the known number of days the vessel has participated in the Helios Pool, the contract terms, and the estimated monthly pool revenue. We receive a report from the Helios Pool that identifies the number of days the vessel participated in the Helios Pool, the total pool points for the period, the total net pool revenues—related party for the period, and the calculated share of pool revenue for the vessel. We review the report for consistency with each vessel’s pool agreement and vessel management records.

For the years ended March 31, 2018, 2017, and 2016, approximately 67.1%, 69.1% and 70.2% of our revenue, respectively, was generated through the Helios Pool as net pool revenues—related party.

Voyage Charters. A voyage charter, or spot charter, is a contract for transportation of a specified cargo between two or more designated ports. This type of charter is priced on a current or "spot" market rate, typically on a price per ton of product carried. Under voyage charters, we are responsible for all of the voyage expenses in addition to providing the crewing and other vessel operating services. Revenues for voyage charters are more volatile as they are typically tied to prevailing market rates at the time of the voyage. Our gross revenue under voyage charters are generally higher than under comparable time charters so as to compensate us for bearing all voyage expenses. As a result, our revenue and voyage expenses may vary significantly depending on our mix of time charters and voyage charters. For the years ended March 31, 2018, 2017, and 2016, approximately 1.3%, 0.8% and 16.0%, respectively, of our revenue was generated pursuant to voyage charters from our VLGCs not in the Helios Pool.

Time Charters. A time charter is a contract under which a vessel is chartered for a defined period of time at a fixed daily or monthly rate. Under time charters, we are responsible for providing crewing and other vessel operating services, the cost of which is intended to be covered by the fixed rate, while the customer is responsible for substantially all of the voyage expenses, including bunker fuel consumption, port expenses and canal tolls. LPG is typically transported under a time charter arrangement, with terms ranging up to seven years. In addition, we may also have profit-sharing arrangements with some of our customers that provide for additional payments

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above a floor monthly rate (usually up to an agreed ceiling) based on the actual, average daily rate quoted by the Baltic Exchange for VLGCs on the benchmark Ras Tanura Chiba route over an agreed time period converted to a TCE monthly rate. For the years ended March 31, 2018, 2017, and 2016, approximately 31.5%, 29.5% and 13.4%, respectively, of our revenue was generated pursuant to time charters from our VLGCs not in the Helios Pool.

Other Revenues, net. Other revenues, net represent income from charterers, including the Helios Pool, relating to reimbursement of expenses such as costs for security guards and war risk insurance for voyages operating in high risk areas. For the years ended March 31, 2018, 2017, and 2016, approximately 0.1%, 0.6% and 0.4%, respectively, of our revenue was generated pursuant to other revenues, net.

Calendar Days. We define calendar days as the total number of days in a period during which each vessel in our fleet was commercially managed. Calendar days are an indicator of the size of the fleet over a period and affect both the amount of revenues and the amount of expenses that are recorded during that period.

Available Days. We define available days as calendar days less aggregate off hire days associated with scheduled maintenance, which include major repairs, drydockings, vessel upgrades or special or intermediate surveys. We use available days to measure the aggregate number of days in a period that our vessels should be capable of generating revenues.

Operating Days. We define operating days as available days less the aggregate number of days that our vessels are off hire for any reason other than scheduled maintenance. We use operating days to measure the number of days in a period that our operating vessels are on hire.

Drydocking. We must periodically drydock each of our vessels for any major repairs and maintenance and for inspection of the underwater parts of the vessel that cannot be performed while the vessels are operating and for any modifications to comply with industry certification or governmental requirements. We are required to drydock a vessel once every five years until it reaches fifteen years of age and thereafter every 2.5 years. We capitalize costs directly associated with the drydockings that extend the life of the vessel and amortize these costs on a straight line basis over the period through the date the next survey is scheduled to become due under the "Deferral" method permitted under U.S. GAAP. Costs incurred during the drydocking period which relate to routine repairs and maintenance are expensed as incurred. The number of drydockings undertaken in a given period and the nature of the work performed determine the level of drydocking expenditures.

Fleet Utilization. We calculate fleet utilization by dividing the number of operating days during a period by the number of available days during that period. An increase in non scheduled off hire days would reduce our operating days, and therefore, our fleet utilization. We use fleet utilization to measure our ability to efficiently find suitable employment for our vessels.

Time Charter Equivalent Rate. TCE rate is a measure of the average daily revenue performance of a vessel. TCE rate is a 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 (such as time charters, voyage charters) under which the vessels may be employed between the periods. Our method of calculating TCE rate is to divide revenue net of voyage expenses by operating days for the relevant time period.

Voyage Expenses. Voyage expenses are all expenses unique to a particular voyage, including bunker fuel consumption, port expenses, canal fees, charter hire commissions, war risk insurance and security costs. Voyage expenses are typically paid by us under voyage charters and by the charterer under time charters, including our VLGCs chartered to the Helios Pool. Accordingly, we generally only incur voyage expenses for our own account when performing voyage charters or during repositioning voyages between time charters for which no cargo is available or travelling to or from drydocking. We generally bear all voyage expenses under voyage charters and, as such, voyage expenses are generally greater under voyage charters than time charters. As a result, our voyage expenses may vary significantly depending on our mix of time charters and voyage charters.

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Vessel Operating Expenses. Vessel operating expenses are expenses that are not unique to a specific voyage. Vessel operating expenses are paid by us under each of our charter types (as we do not employ our vessels on bareboat charters). Vessel operating expenses include crew wages and related costs, the costs for lubricants, insurance, expenses relating to repairs and maintenance, the cost of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Our vessel operating expenses will increase with the expansion of our fleet and are subject to change because of higher crew costs, higher insurance premiums, unexpected repair expenses and general inflation. Furthermore, we expect maintenance costs will increase as our vessels age.

Daily Vessel Operating Expenses. Daily vessel operating expenses are calculated by dividing vessel operating expenses by calendar days for the relevant time period.

Management Fees—Related Party. Management fees to related parties ceased on June 30, 2014. They were paid pursuant to management agreements entered into by each vessel owning subsidiary with Dorian (Hellas) S.A., or DHSA. DHSA provided the financial, strategic, technical, crew and commercial management as well as insurance and accounting services to the vessel owning subsidiaries. Certain of these services were provided through Eagle Ocean Transport Inc., or Eagle Ocean, and Highbury Shipping Services Limited, or Highbury. Mr. John C. Hadjipateras, our Chairman, President and Chief Executive Officer, owns 100% of Eagle Ocean, and our Vice President of Chartering, Insurance and Legal, Nigel Grey Turner, owns 100% of Highbury.

In addition, DHSA provided us with pre-delivery services for each newbuilding, which included engineering and technical support, liaising with the shipyard, and ensuring key suppliers are integrated into the production planning process.

Pursuant to transition agreements that became effective on July 1, 2014, or the Transition Agreements, we pay no further management or pre-delivery services fees to DHSA and we have transitioned all management functions to our wholly owned subsidiaries Dorian LPG Management Corp., Dorian LPG (USA) LLC, and Dorian LPG (UK) Ltd. as of July 1, 2014.

In addition, pursuant to the Transition Agreements, each of DHSA, Eagle Ocean, and Highbury transferred a certain number of employees and selected assets to our wholly owned subsidiaries. Subsequent to the Transition Agreements, Eagle Ocean continues to incur travel-related costs for certain transitioned employees as well as office-related costs. We reimbursed Eagle Ocean \$0.1 million, \$0.4 million, and \$0.8 million at cost for the years ended March 31, 2018, 2017, and 2016, respectively.

Depreciation and Amortization. We depreciate our vessels on a straight line basis using an estimated useful life of 25 years from initial delivery from the shipyard and after considering estimated salvage values.

We amortize the cost of deferred drydocking expenditures on a straight line basis over the period through the date the next drydocking/special survey is scheduled to become due.

General and Administrative Expenses. General and administrative expenses principally consist of the costs incurred in the corporate administration of the vessel and non vessel owning subsidiaries. We have granted restricted stock awards to certain of our officers, directors, employees and non-employee consultants that vest over various periods (see Note 11 to our consolidated financial statements included herein). Granting of restricted stock results in an increase in expenses. Compensation expense for employees is measured at the grant date based on the estimated fair value of the awards and is recognized over the vesting period and for nonemployees is re-measured at the end of each reporting period based on the estimated fair value of the awards on that date and is recognized over the vesting period.

Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make estimates in the application of our accounting policies based on our best assumptions, judgments and opinions. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our consolidated

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financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. Accounting estimates and assumptions discussed in this section are those that we consider to be the most critical to an understanding of our financial statements because they inherently involve significant judgments and uncertainties. For a description of our material accounting policies, see Note 2 of our consolidated financial statements included herein.

Net pool revenues—related party. Net pool revenues—related party for each vessel in the pool is determined in accordance with the profit-sharing terms specified within the pool agreement. In particular, the pool manager calculates the net pool revenues using gross revenues less voyage expenses of all the pool vessels and less the general and administrative expenses of the pool and distributes the net pool revenues as time charter hire to participants based on:

- pool points (vessel attributes such as cargo carrying capacity, fuel consumption, and construction characteristics are taken into consideration); and
- number of days the vessel participated in the pool in the period.

We recognize net pool revenues—related party on a monthly basis, when the vessel has participated in the pool during the period and the amount of net pool revenues for the month can be estimated reliably.

Vessel Depreciation. The cost of our vessels less their estimated residual value is depreciated on a straight line basis over the vessels' estimated useful lives. We estimate the useful life of each of our vessels to be 25 years from the date the vessel was originally delivered from the shipyard. Based on the current market and the types of vessels we plan to purchase, we expect the residual values of our vessels will be based upon a value of approximately \$400 per lightweight ton. An increase in the useful life of our vessels or in their residual value would have the effect of decreasing the annual depreciation charge and extending it into later periods. An increase in the useful life of a vessel may occur as a result of superior vessel maintenance performed, favorable ocean going and weather conditions the vessel is subjected to, superior quality of the shipbuilding or yard, or high freight market rates, which result in owners scrapping the vessels later due to the attractive cash flows. A decrease in the useful life of our vessels or in their residual value would have the effect of increasing the annual depreciation charge and possibly result in an impairment charge. A decrease in the useful life of a vessel may occur as a result of poor vessel maintenance performed, harsh ocean going and weather conditions the vessel is subjected to, or poor quality of the shipbuilding or yard. If regulations place limitations over the ability of a vessel to trade on a worldwide basis, we will adjust the vessel's useful life to end at the date such regulations preclude such vessel's further commercial use.

Impairment of long lived assets. We review our vessels and other fixed assets for impairment when events or circumstances indicate the carrying amount of the asset may not be recoverable. In addition, we compare independent appraisals to our carrying value for indicators of impairment to our vessels. When such indicators are present, an asset is tested for recoverability by comparing the estimate of future undiscounted net operating cash flows expected to be

generated by the use of the asset over its remaining useful life and its eventual disposition to its carrying amount. An impairment charge is recognized if the carrying value is in excess of the estimated future undiscounted net operating cash flows. The impairment loss is measured based on the excess of the carrying amount over the fair market value of the asset. The new lower cost basis would result in a lower annual depreciation than before the impairment.

Our estimates of fair market value assume that our vessels are all in good and seaworthy condition without need for repair and if inspected would be certified in class without notations of any kind. Our estimates are based on information available from various industry sources, including:

- reports by industry analysts and data providers that focus on our industry and related dynamics affecting vessel values;
- news and industry reports of similar vessel sales;

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- approximate market values for our vessels or similar vessels that we have received from shipbrokers, whether solicited or unsolicited, or that shipbrokers have generally disseminated;
- offers that we may have received from potential purchasers of our vessels; and
- vessel sale prices and values of which we are aware through both formal and informal communications with shipowners, shipbrokers, industry analysts and various other shipping industry participants and observers.

As we obtain information from various industry and other sources, our estimates of fair market value are inherently uncertain. In addition, vessel values are highly volatile; as such, our estimates may not be indicative of the current or future fair market value of our vessels or prices that we could achieve if we were to sell them.

As of March 31, 2018, independent appraisals of our VLGC fleet had indicators of impairment in accordance with ASC 360 Property, Plant, and Equipment. We determined estimated net operating cash flows for these VLGCs by applying various assumptions regarding future time charter equivalent revenues net of commissions, operating expenses, scheduled drydockings, expected offhire and scrap values. These assumptions were based on historical data as well as future expectations. We estimated spot market rates by obtaining the trailing 10-year historical average spot market rates, as published by maritime industry researchers. Estimated outflows for operating expenses and drydocking expenses were based on historical and budgeted costs and were adjusted for assumed inflation. Utilization was based on our historical levels achieved in the spot market and estimates of a residual value consistent with scrap rates used in management's evaluation of scrap value. Such estimates and assumptions regarding expected net operating cash flows require considerable judgment and were based upon historical experience, financial forecasts and industry trends and conditions. Therefore, based on this analysis, we concluded that no impairment charge was necessary because we believe the vessel carrying values are recoverable. No impairment charges were recognized for the year ended March 31, 2018.

In addition, we performed a sensitivity analysis as of March 31, 2018 to determine the effect on recoverability of changes in TCE rates. The sensitivity analysis suggests that we would not incur an impairment charge on any of our twenty-two VLGCs if daily TCE rates based on the 10-year historical average spot market rates were reduced by 30%. An impairment charge of approximately \$131.7 million on our twenty-two VLGCs would be triggered by a reduction of 40% in the 10-year historical average spot market rates. The amount, if any, and timing of any impairment charges we may recognize in the future will depend upon the then current and expected future charter rates and vessel values, which may differ materially from those used in our estimates as of March 31, 2018.

As of March 31, 2017, independent appraisals of our VLGC fleet had indicators of impairment in accordance with ASC 360 Property, Plant, and Equipment. Based on the methodology described above on assessing our long-lived assets for impairment, we concluded that no impairment charges were required for the year ended March 31, 2017.

In addition, we performed a sensitivity analysis as of March 31, 2017 to determine the effect on recoverability of changes in TCE rates. The sensitivity analysis suggests that we would not incur an impairment charge on any of our twenty-two VLGCs if daily TCE rates based on the 10-year historical average spot market rates were reduced by 30%. An impairment charge of approximately \$245.7 million on nineteen of our twenty-two VLGCs would be triggered by a reduction of 40% in the 10-year historical average spot market rates.

For the year ended March 31, 2016, independent appraisals of four of our VLGCs had indicators of impairment in accordance with ASC 360 Property, Plant, and Equipment. Based on the methodology described above on assessing our long-lived assets for impairment, we concluded that no impairment charges were required for the year ended March 31, 2016.

In addition, we performed a sensitivity analysis as of March 31, 2016 to determine the effect on recoverability of changes in daily TCE rates. The sensitivity analysis suggests that we would not incur an impairment charge on any of those four VLGCs if daily TCE rates based on the 10-year historical average spot market rates were reduced by 30%. An impairment charge of approximately \$4.9 million on those four VLGCs would be triggered by a reduction of 40% in the 10-year historical average spot market rates.

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The table set forth below indicates the carrying value of each commercially-managed vessel in our fleet as of March 31, 2018 and 2017 at which times none of the vessels listed in the table below were being held for sale:

Vessels	Capacity (Cbm)	Year Built	Date of Acquisition/ Delivery	Purchase Price/ Original Cost	Carrying value at March 31, 2018(1)	Carrying value at March 31, 2017(2)
Captain Nicholas ML(3)	82,000	2008	7/29/2013	\$ 68,156,079	\$ 54,421,743	\$ 57,197,794
Captain John NP(3)	82,000	2007	7/29/2013	64,955,636	51,617,234	54,887,622
Captain Markos NL(3)	82,000	2006	7/29/2013	61,421,882	48,641,643	51,778,685
Comet(3)	84,000	2014	7/25/2014	75,276,432	65,330,898	68,029,872
Corsair(3)	84,000	2014	9/26/2014	80,906,292	70,636,171	73,560,192
Corvette(3)	84,000	2015	1/2/2015	84,262,500	74,342,267	77,400,447
Cougar(3)	84,000	2015	6/15/2015	80,427,640	72,259,846	75,168,321
Concorde(3)	84,000	2015	6/24/2015	81,168,031	73,000,787	75,933,150
Cobra(3)	84,000	2015	6/26/2015	80,467,667	72,418,718	75,330,393
Continental(3)	84,000	2015	7/23/2015	80,487,197	72,651,500	75,563,954
Constitution(3)	84,000	2015	8/20/2015	80,517,226	72,923,580	75,838,206
Commodore(3)	84,000	2015	8/28/2015	80,468,889	72,922,346	75,834,065
Cresques(3)	84,000	2015	9/1/2015	82,960,176	75,162,541	78,175,396
Constellation(3)	84,000	2015	9/30/2015	78,649,026	71,589,117	74,423,824
Clermont(3)	84,000	2015	10/13/2015	80,530,199	73,357,167	76,271,898
Cheyenne(3)	84,000	2015	10/22/2015	80,503,271	73,404,513	76,318,158
Cratis(3)	84,000	2015	10/30/2015	83,186,333	75,867,200	78,889,685
Commander(3)	84,000	2015	11/5/2015	78,056,729	71,333,532	74,144,577
Chaparral(3)	84,000	2015	11/20/2015	80,516,187	73,661,925	76,576,714
Copernicus(3)	84,000	2015	11/25/2015	83,333,085	76,246,304	79,276,014
Challenger(3)	84,000	2015	12/11/2015	80,576,863	73,887,234	76,804,559
Caravelle(3)	84,000	2016	2/25/2016	81,119,450	75,010,087	77,949,896
	1,842,000			\$ 1,727,946,790	\$ 1,540,686,355	\$ 1,605,353,421

(1) Our vessels are stated at carrying values (refer to our accounting policy in Note 2 to our consolidated financial statements included herein) including deferred drydocking costs and, as of March 31, 2018, the carrying value of each of our vessels exceeded their estimated market value. On an aggregate fleet basis, the estimated market value of our vessels was lower than their carrying value as of March 31, 2018 by \$131.7 million. No impairment was recorded during the year ended March 31, 2018 as we believe that the carrying value of our vessels is fully recoverable.

(2) Our vessels are stated at carrying values (refer to our accounting policy in Note 2 to our consolidated financial statements included herein) including deferred drydocking costs and, as of March 31, 2017, the carrying value of each of our vessels exceeded their estimated market value. On an aggregate fleet basis, the estimated market value

of our vessels was lower than their carrying value as of March 31, 2017 by \$272.1 million. No impairment was recorded during the year ended March 31, 2017 as we believed that the carrying value of our vessels was fully recoverable

- (3) VLGCs for which we believe, as of March 31, 2018 and March 31, 2017, that the estimated fair value is lower than the VLGC's carrying value. We believe that the aggregate carrying value of these vessels exceeds their aggregate estimated fair value by \$131.7 million and \$272.1 million as of March 31, 2018 and March 31, 2017, respectively. However, as described above, the estimated net operating cash flows for each of the twenty-two VLGCs was higher than the carrying amount and consequently, no impairment loss was recognized.

Drydocking and special survey costs. We must periodically drydock each of our vessels to comply with industry standards, regulatory requirements and certifications. We are required to drydock a vessel once every five years until it reaches 15 years of age, after which we are required to drydock the applicable vessel every 2.5 years.

Drydocking costs are accounted under the deferral method whereby the actual costs incurred are deferred and are amortized on a straight line basis over the period through the date the next drydocking is scheduled to become due. Costs deferred include expenditures incurred relating to shipyard costs, hull preparation and painting, inspection of hull structure

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and mechanical components, steelworks, machinery works, and electrical works. Drydocking costs do not include vessel operating expenses such as replacement parts, crew expenses, provisions, lubeoil consumption, and insurance during the drydock period. Expenses related to regular maintenance and repairs of our vessels are expensed as incurred, even if such maintenance and repair occurs during the same time period as our drydocking.

If a drydocking is performed prior to the scheduled date, the remaining unamortized balances are immediately written off. Unamortized balances of vessels that are sold are written off and included in the calculation of the resulting gain or loss in the period of the vessel's sale. The nature of the work performed and the number of drydockings undertaken in a given period determine the level of drydocking expenditures.

Fair Value of Derivative Instruments. We use derivative financial instruments to manage interest rate risks. The fair value of our interest rate swap agreements is the estimated amount that we would receive or pay to terminate the agreements at the reporting date, taking into account current interest rates and the current credit worthiness of both us and the swap counterparties. The estimated amount is the present value of estimated future cash flows, being equal to the difference between the benchmark interest rate and the fixed rate in the interest rate swap agreement, multiplied by the notional principal amount of the interest rate swap agreement at each interest reset date.

The fair value of our interest swap agreements at the end of each period are most significantly affected by the interest rate implied by the LIBOR interest yield curve, including its relative steepness. Interest rates have experienced significant volatility in recent years in both the short and long term. While the fair value of our interest rate swap agreements are typically more sensitive to changes in short term rates, significant changes in the long term benchmark interest rates also materially impact our interest.

The fair value of our interest swap agreements is also affected by changes in our own and our counterparty specific credit risk included in the discount factor. Our estimate of our counterparty's credit risk is based on the credit default swap spread of the relevant counterparty which is publicly available. The process of determining our own credit worthiness requires significant judgment in determining which source of credit risk information most closely matches our risk profile, which includes consideration of the margin we would be able to secure for future financing. A 10% increase / decrease in our own or our counterparty credit risk would not have had a significant impact on the fair value of our interest rate swaps.

The LIBOR interest rate yield curve and our specific credit risk are expected to vary over the life of the interest rate swap agreements. The larger the notional amount of the interest rate swap agreements outstanding and the longer the remaining duration of the interest rate swap agreements, the larger the impact of any variability in these factors will be on the fair value of our interest rate swaps. We economically hedge the interest rate exposure on a significant amount of our long term debt and for long durations. As such, we have experienced, and we expect to continue to experience, material variations in the period to period fair value of our derivative instruments.

Although we measure the fair value of our derivative instruments utilizing the inputs and assumptions described above, if we were to terminate the interest rate swap agreements at the reporting date, the amount we would pay or receive to terminate the derivative instruments may differ from our estimate of fair value. If the estimated fair value differs from the actual termination amount, an adjustment to the carrying amount of the applicable derivative asset or liability would be recognized in earnings for the current period. Such adjustments have been and could be material in the future.

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Results of Operations

For the year ended March 31, 2018 as compared to the year ended March 31, 2017

Revenues

The following table compares revenues for the years ended March 31:

	2018	2017	Increase / (Decrease)	Percent Change	
Net pool revenues—related party	\$ 106,958,576	\$ 115,753,153	\$ (8,794,577)	(7.6)	%
Time charter revenues	50,176,166	49,474,510	701,656	1.4	%
Voyage charter revenues	2,068,491	1,296,952	771,539	59.5	%
Other revenues, net	131,527	922,556	(791,029)	(85.7)	%
Total	\$ 159,334,760	\$ 167,447,171	\$ (8,112,411)	(4.8)	%

Revenues, which represent net pool revenues—related party, time charters, voyage charters and other revenues earned by our vessels, were \$159.3 million for the year ended March 31, 2018, a decrease of \$8.1 million, or 4.8%, from \$167.4 million for the year ended March 31, 2017. TCE rates of \$21,966 for the year ended March 31, 2018 were relatively flat when compared to \$22,037 for the year ended March 31, 2017. During the year ended March 31, 2018, the board of the Helios Pool approved a reallocation of pool profits in accordance with the pool participation agreements. This reallocation resulted in a \$260 increase in our fleet's overall TCE rates for the year ended March 31, 2018 due mainly to favorable speed and consumption performance of our VLGCs operating in the Helios Pool compared to other VLGCs operating in the Helios Pool. Excluding this reallocation, TCE rates declined \$331 when comparing the year ended March 31, 2018 with the year ended March 31, 2017. Spot market rates were slightly higher when comparing the year ended March 31, 2018 with the year ended March 31, 2017. The Baltic Exchange Liquid Petroleum Gas Index, an index published daily by the Baltic Exchange for the spot market rate for the benchmark Ras Tanura-Chiba route (expressed as U.S. dollars per metric ton), averaged \$27.455 during the year ended March 31, 2018 compared to an average of \$26.243 for the year ended March 31, 2017. Increased bunker costs and other voyage expenses, which are deducted from gross revenues when calculating TCE rates, drove the decline in TCE rates (excluding the reallocation). This slight decline in TCE rates coupled with a reduction in utilization from 93.6% during the year ended March 31, 2017 to 89.1% during the year ended March 31, 2017 drove the reduction in revenues.

Voyage Expenses

Voyage expenses were \$2.2 million during the year ended March 31, 2018, a decrease of \$0.8 million, or 25.4%, from \$3.0 million for the year ended March 31, 2017. Voyage expenses are all expenses unique to a particular voyage,

including bunker fuel consumption, port expenses, canal fees, charter hire commissions, war risk insurance and security costs. Voyage expenses are typically paid by us under voyage charters and by the charterer under time charters, including our vessels chartered to the Helios Pool. Accordingly, we mainly incur voyage expenses for voyage charters or during repositioning voyages between time charters for which no cargo is available or traveling to or from drydocking. The decrease for the year ended March 31, 2018 when compared to the year ended March 31, 2017 was mainly attributable to a reduction in port charges and other related expenses and decreases in war risk insurance and security costs due to a reduction of transits in high-risk areas.

Vessel Operating Expenses

Vessel operating expenses were \$64.3 million during the year ended March 31, 2018, or \$8,009 per vessel per calendar day, which is calculated by dividing vessel operating expenses by calendar days for the relevant time period for the vessels that were in our fleet. This was a decrease of \$1.8 million, or 2.7%, from \$66.1 million, or \$8,233 per vessel per calendar day, for the year ended March 31, 2017. The decrease in vessel operating expenses was primarily the result of a reduction in crew related costs of \$0.9 million, or \$115 per vessel per calendar day, when comparing the year ended March 31, 2018 with the year ended March 31, 2017, along with a \$0.9 million, or \$113 per vessel per calendar day, reduction in insurance costs.

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General and Administrative Expenses

General and administrative expenses were \$26.2 million for the year ended March 31, 2018, an increase of \$4.5 million, or 20.5%, from \$21.7 million for the year ended March 31, 2017. The increase was mainly due to an increase of \$3.3 million in salaries, wages and benefits and an increase of \$0.8 million in stock-based compensation. The increase in salaries, wages and benefits was primarily due to \$2.3 million in cash bonuses to various employees that were approved by the Compensation Committee of our Board of Directors and expensed and paid during the year ended March 31, 2018. We had no significant expense for cash bonuses during the year ended March 31, 2017 since cash bonuses of \$3.0 million to various employees paid during the year ended March 31, 2017 were approved by the Compensation Committee of our Board of Directors and expensed prior to the year ended March 31, 2017. Additionally, we incurred a \$0.5 million financial advisory fee during the year ended March 31, 2018 that we did not incur during the year ended March 31, 2017. Other general and administrative expenses were comparable during the years ended March 31, 2018 and 2017.

Interest and Finance Costs

Interest and finance costs amounted to \$35.7 million for the year ended March 31, 2018, an increase of \$6.7 million from \$29.0 million for the year ended March 31, 2017. The increase of \$6.7 million during the year ended March 31, 2018 was mainly due to (i) an increase of \$3.8 million resulting from the accelerated amortization of deferred financing fees from the refinancings of the Corsair, Concorde, and Corvette (see Note 9 to our consolidated financial statements for more details on these refinancings) along with the amortization of the 2017 Bridge Loan deferred financing fees during the year ended March 31, 2018, (ii) an increase of \$2.7 million in interest incurred on our long-term debt, primarily resulting from an increase in LIBOR and the fixed interest rates on the Corsair Japanese Financing (defined below), Concorde Japanese Financing (defined below) and Corvette Japanese Financing (defined below) during the year ended March 31, 2018 being higher than floating rates on our long-term debt during the year ended March 31, 2017, partially offset by a decrease in average indebtedness, and (iii) an increase of \$0.2 million in loan expenses. Average indebtedness, excluding deferred financing fees, decreased from \$810.4 million for the year ended March 31, 2017 to \$754.1 million for the year ended March 31, 2018. As of March 31, 2018, the outstanding balance of our long-term debt, excluding deferred financing fees, was \$775.2 million.

Unrealized Gain on Derivatives

Unrealized gain on derivatives amounted to approximately \$8.4 million for the year ended March 31, 2018 compared to \$27.5 million for the year ended March 31, 2017. The \$19.1 million decrease was primarily attributable to changes in the fair value of our interest rate swaps caused by changes in forward LIBOR yield curves, reductions in notional amounts, and an \$8.1 million unrealized gain as a result of the termination of interest rate swaps related to our since repaid loan facility with the Royal Bank of Scotland, or the RBS Loan Facility, during the year ended March 31, 2017 that did not recur during the year ended March 31, 2018.

Realized Loss on Derivatives

Realized loss on derivatives amounted to approximately \$1.3 million for the year ended March 31, 2018, a decrease of \$12.5 million, or 90.4%, from a realized loss of \$13.8 million for the year ended March 31, 2017. The decrease is attributable to (i) the realized loss on interest rate swaps related to the termination of the RBS Loan Facility during the year ended March 31, 2017 that did not recur during the year ended March 31, 2018, (ii) the realized loss on interest rate swaps related to our since repaid RBS Loan Facility prior to their termination during the year ended March 31, 2017 that did not recur during the year ended March 31, 2018 and (iii) a decrease in realized loss on interest rate swaps related to the 2015 Debt Facility primarily resulting from increases in floating LIBOR.

Gain on early extinguishment of debt

Gain on early extinguishment of debt amounted to \$4.1 million for the year ended March 31, 2018 and was attributable to the repayment of the RBS Loan Facility, net of deferred financing fees. Refer to Note 9 to our consolidated financial statements included herein for further details on the repayment of the RBS Loan Facility. There was no gain on early extinguishment of debt for the year ended March 31, 2017.

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For the year ended March 31, 2017 as compared to the year ended March 31, 2016

Revenues

The following table compares revenues for the years ended March 31:

	2017	2016	Increase / (Decrease)	Percent Change	
Net pool revenues—related party	\$ 115,753,153	\$ 202,918,232	\$ (87,165,079)	(43.0)	%
Time charter revenues	49,474,510	38,737,172	10,737,338	27.7	%
Voyage charter revenues	1,296,952	46,194,134	(44,897,182)	(97.2)	%
Other revenues	922,556	1,358,291	(435,735)	(32.1)	%
Total	\$ 167,447,171	\$ 289,207,829	\$ (121,760,658)	(42.1)	%

Revenues of \$167.4 million for the year ended March 31, 2017, including net pool revenues—related party, voyage charters, time charters and other revenues earned by our vessels, decreased \$121.8 million, or 42.1%, from \$289.2 million for the year ended March 31, 2016. The decrease is primarily attributable to a decrease in average TCE rates from \$55,087 for the year ended March 31, 2016 to \$22,037 for the year ended March 31, 2017. The general decline in rates during the year ended March 31, 2017 was driven by several factors, including, but not limited to, a large number of newbuildings delivered into the global fleet during the year, commodity price fluctuations causing LPG to be less competitive with naphtha for petrochemical users and LPG price firmness in the United States resulting in marginal East-West arbitrage economics, thereby subduing demand for long-haul LPG transportation. The Baltic Exchange Liquid Petroleum Gas Index, an index published daily by the Baltic Exchange for the spot market rate for the benchmark Ras Tanura Chiba route (expressed as U.S. dollars per metric ton), averaged \$26.380 during the year ended March 31, 2017 compared to an average of \$79.857 for the year ended March 31, 2016, a decline of 67.0%. The decrease in rates was partially offset by an increase in operating days and vessel utilization from 5,031 and 93.1% for the year ended March 31, 2016, respectively, to 7,464 and 93.6% for the year ended March 31, 2017, respectively. Additionally, there was a decrease of \$2.9 million in revenues contributed by the Grendon during the year ended March 31, 2016 that was sold prior to the year ended March 31, 2017.

Voyage Expenses

Voyage expenses were \$3.0 million during the year ended March 31, 2017, a decrease of \$9.1 million, or 75.4%, from \$12.1 million for the year ended March 31, 2016. Voyage expenses are all expenses unique to a particular voyage, including bunker fuel consumption, port expenses, canal fees, charter hire commissions, war risk insurance and security costs. Voyage expenses are typically paid by us under voyage charters and by the charterer under time charters, including our vessels chartered to the Helios Pool. Accordingly, we mainly incur voyage expenses for voyage charters or during repositioning voyages between time charters for which no cargo is available or traveling to or from drydocking. The decrease for the year ended March 31, 2017 when compared to the year ended March 31,

2016 was mainly attributable to a reduction of VLGCs that operated on voyage charters outside of the Helios Pool during the year ended March 31, 2017, resulting in decreases in VLGC bunker costs of \$5.7 million, port expenses of \$1.0 million and other voyage expenses of \$0.8 million. In addition, the Grendon incurred voyage expenses of \$1.6 million for the year ended March 31, 2016 that did not recur during the year ended March 31, 2017 as the vessel was sold prior to the period.

Vessel Operating Expenses

Vessel operating expenses were \$66.1 million during the year ended March 31, 2017, or \$8,233 per vessel per calendar day, which is calculated by dividing vessel operating expenses by calendar days for the relevant time period for the vessels that were in our fleet. This was an increase of \$19.0 million, or 40.3%, from \$47.1 million or \$8,581 per vessel per calendar day, for the year ended March 31, 2016. The increase in vessel operating expenses was primarily the result of an increase in vessel operating days for the year ended March 31, 2017 compared to the year ended March 31, 2016 as sixteen of our ECO VLGCs were delivered during the year ended March 31, 2016. Vessel operating expenses per vessel per calendar day decreased \$348 from \$8,581 for the year ended March 31, 2016 to \$8,233 for the year ended March 31, 2017. The decrease in vessel operating expenses per vessel per calendar day of \$348 was largely due to a \$2.4 million, or \$436 per vessel per calendar day, reduction in costs relating to the training of additional crew for VLGCs delivered during the year ended March 31, 2016 that did not recur in the year ended March 31, 2017. This was partially

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offset by an increase of \$112 per vessel per calendar day relating to additional repairs and maintenance incurred and spares and stores purchased primarily for two VLGCs that underwent drydocking during the year ended March 31, 2017.

Depreciation and Amortization

Depreciation and amortization was approximately \$65.1 million for the year ended March 31, 2017, an increase of \$22.5 million, or 52.7%, from \$42.6 million for the year ended March 31, 2016. The increase is primarily attributable to an increase in VLGC calendar days from 5,491 during the year ended March 31, 2016 to 8,030 during the year ended March 31, 2017 as a result of sixteen of our ECO VLGCs being delivered during the year ended March 31, 2016 and operating for the full year during the year ended March 31, 2017.

General and Administrative Expenses

General and administrative expenses were \$21.7 million for the year ended March 31, 2017, a decrease of \$8.1 million, or 27.2%, from \$29.8 million for the year ended March 31, 2016 mainly due to decreases of \$5.1 million in cash bonuses to various employees, \$3.4 million for certain non-capitalizable costs incurred prior to vessel delivery, and \$1.1 million for other general and administrative expenses. Partially offsetting these decreases were increases of \$1.1 million in salaries, wages and benefits resulting from an increase in the number of employees and merit-based salary increases, \$0.3 million for stock-based compensation and \$0.1 million for professional, legal, audit and accounting fees.

Loss on Disposal of Assets

Loss on disposal of assets amounted to \$1.1 million for the year ended March 31, 2016 and was primarily attributable to the sale of the Grendon. There was no loss on disposal of assets for the year ended March 31, 2017.

Interest and Finance Costs

Interest and finance costs amounted to \$29.0 million for the year ended March 31, 2017, an increase of \$16.2 million from \$12.8 million for the year ended March 31, 2016. The increase of \$16.2 million during this period was mainly due to an \$11.4 million increase in interest incurred on our long-term debt, amortization and other financing expenses, including capitalized interest, from \$17.6 million in the year ended March 31, 2016 to \$29.0 million in the year ended

March 31, 2017. This increase was largely due to an increase in average indebtedness, excluding deferred financing fees, from \$543.1 million for the year ended March 31, 2016 to \$810.4 million for the year ended March 31, 2017. Additionally, we had no capitalized interest during the year ended March 31, 2017 compared to \$4.8 million during the year ended March 31, 2016. The outstanding balance of our long-term debt as of March 31, 2017 was \$770.1 million.

Unrealized Gain/(Loss) on Derivatives

Unrealized gain/(loss) on derivatives amounted to a gain of approximately \$27.5 million for the year ended March 31, 2017 compared to an unrealized loss of \$8.9 million for the year ended March 31, 2016. The \$36.4 million variance was primarily attributable to (i) unrealized gains of \$19.4 million from changes in the fair value of our interest rate swaps due to changes in forward LIBOR yield curves for the year ended March 31, 2017 compared to unrealized losses of \$8.9 million for the year ended March 31, 2016 and (ii) an \$8.1 million unrealized gain attributable to the termination of our interest rate swaps related to the RBS Loan Facility during the year ended March 31, 2017.

Realized Loss on Derivatives

Realized loss on derivatives amounted to a realized loss of approximately \$13.8 million for the year ended March 31, 2017, an increase of \$6.9 million, or 101.2%, from a realized loss of \$6.9 million for the year ended March 31, 2016. The increase is primarily attributable to the termination of the interest rate swaps related to the RBS Loan Facility during the year ended March 31, 2017.

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Liquidity and Capital Resources

Our business is capital intensive, and our future success depends on our ability to maintain a high quality fleet. As of March 31, 2018, we had cash and cash equivalents of \$103.5 million and restricted cash of \$25.9 million.

Our primary sources of capital during the year ended March 31, 2018 were (i) \$57.2 million in cash generated from operations, (ii) \$26.8 million and \$6.0 million of restricted cash released as part of the 2015 Debt Facility Amendment and the repayment of the RBS Loan Facility, respectively, (iii) \$97.0 million in proceeds from the 2017 Bridge Loan, (iv) \$52.0 million in proceeds from the refinancing of the Corsair, (v) \$56.0 million in proceeds from the refinancing of the Concorde, (vi) \$56.0 million in proceeds from the refinancing of the Corvette and (vii) \$3.2 million of restricted cash released under the 2015 Debt Facility as part of the refinancing of the Concorde and Corvette. Proceeds from the 2017 Bridge Loan were used to repay in full the RBS Loan Facility at 96% of the then outstanding principal amount and the remaining proceeds were used to pay accrued interest, legal, arrangement and advisory fees related to the 2017 Bridge Loan. Proceeds from the refinancing of the Corsair were used to prepay \$30.1 million of the 2017 Bridge Loan's then outstanding principal amount. Proceeds from the refinancings of the Concorde and Corvette were used to prepay \$35.1 million and \$33.7 million, respectively, of the 2015 Debt Facility's then outstanding principal amount. The remaining proceeds were, or will be, used to pay legal fees associated with these transactions and for general corporate purposes.

On May 31, 2017, as part of the 2015 Debt Facility Amendment, \$26.8 million of restricted cash was released, which was used to prepay \$24.8 million of the \$66.0 million current portion of our then outstanding long-term debt. As part of the 2015 Debt Facility Amendment, the restricted cash amount was increased by \$11.0 million at the end of November 2017 and was increased by another \$11.0 million on May 31, 2018, the one-year anniversary of the 2015 Debt Facility Amendment. However, if we complete a common stock offering of at least \$50.0 million, including fees, the restricted cash amount shall be calculated as an amount at least equal to 5% of the total principal of the 2015 Debt Facility's then outstanding principal, but at no time less than the lesser of \$20.0 million and \$1.1 million per mortgaged vessel under the 2015 Debt Facility. Refer to Note 9 to our consolidated financial statements included herein for further details of the 2015 Debt Facility Amendment.

On June 8, 2017, we entered into the 2017 Bridge Loan and repaid in full the RBS Loan Facility, of which \$9.6 million was included in the current portion of long-term debt as of March 31, 2017. Additionally, as part of this transaction, \$6.0 million of cash previously restricted under the RBS Loan Facility was released as unrestricted cash for use in operations. Refer to Note 9 to our consolidated financial statements included herein for further details on the 2017 Bridge Loan and the repayment of the RBS Loan Facility. On December 8, 2017, we entered into an agreement to amend the maturity date of the 2017 Bridge Loan from August 8, 2018 to December 31, 2018.

On November 7, 2017, we refinanced our 2014-built VLGC, the Corsair, pursuant to a memorandum of agreement and a bareboat charter agreement, or the Corsair Japanese Financing. The refinancing proceeds of \$52.0 million were used to prepay \$30.1 million of the 2017 Bridge Loan's then outstanding principal amount. The remaining proceeds

were used to pay legal fees associated with this transaction and for general corporate purposes. Refer to Note 9 to our consolidated financial statements included herein for further details of the refinancing of the Corsair.

On January 31, 2018, we refinanced our 2015-built VLGC, the Concorde, pursuant to a memorandum of agreement and a bareboat charter agreement, or the Concorde Japanese Financing. The refinancing proceeds of \$56.0 million were used to prepay \$35.1 million of the 2015 Debt Facility's then outstanding principal amount. Pursuant to the 2015 Debt Facility Amendment and in conjunction with this prepayment, \$1.6 million of restricted cash was released under the 2015 Debt Facility. The remaining proceeds were used to pay legal fees associated with this transaction and for general corporate purposes. Refer to Note 9 to our consolidated financial statements included herein for further details of the refinancing of the Concorde.

On March 16, 2018, we refinanced our 2015-built VLGC, the Corvette, pursuant to a memorandum of agreement and a bareboat charter agreement, or the Corvette Japanese Financing. The refinancing proceeds of \$56.0 million were used to prepay \$33.7 million of the 2015 Debt Facility's then outstanding principal amount. Pursuant to the 2015 Debt Facility Amendment and in conjunction with this prepayment, \$1.6 million of restricted cash was released under the 2015 Debt Facility. The remaining proceeds were used to pay legal fees associated with this transaction and for general corporate

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purposes. Refer to Note 9 to our consolidated financial statements included herein for further details of the refinancing of the Corvette.

As of March 31, 2018, the outstanding balance of our long-term debt, net of deferred financing fees of \$16.1 million, was \$759.1 million including \$65.1 million of principal on our long-term debt scheduled to be repaid within the next twelve months.

On June 4, 2018, we prepaid \$22.3 million of the 2017 Bridge Loan's then outstanding principal using cash on hand prior to the closing of the CJNP Japanese Financing. Refer to Note 23 to our consolidated financial statements included herein for further details on the prepayment of the 2017 Bridge Loan.

On June 11, 2018, we entered into the CJNP Japanese Financing. The refinancing proceeds of \$21.7 million increased our unrestricted cash after we prepaid \$22.3 million of the 2017 Bridge Loan on June 4, 2018 using cash on hand prior to the closing of the CJNP Japanese Financing. Refer to Note 23 to our consolidated financial statements included herein for further details on the refinancing of the Captain John NP.

On June 20, 2018, we prepaid the remaining 2017 Bridge Loan's outstanding principal of \$44.6 million (related to the Captain Nicholas ML and the Captain Markos NL) using cash on hand prior to the closing of the CMNL Japanese Financing and the CNML Japanese Financing. Refer to Note 23 to our consolidated financial statements included herein for further details on the prepayment of the 2017 Bridge Loan

On June 25, 2018, we entered into the CMNL Japanese Financing. The refinancing proceeds of \$20.6 million increased our unrestricted cash after we prepaid \$21.2 million of the 2017 Bridge Loan on June 20, 2018 using cash on hand prior to the closing of the CMNL Japanese Financing. Refer to Note 23 to our consolidated financial statements included herein for further details on the refinancing of the Captain Markos NL.

On June 26, 2018, we entered into the CNML Japanese Financing. The refinancing proceeds of \$22.9 million increased our unrestricted cash after we prepaid \$23.4 million of the 2017 Bridge Loan on June 20, 2018 using cash on hand prior to the closing of the CNML Japanese Financing. Refer to Note 23 to our consolidated financial statements included herein for further details on the refinancing of the Captain Nicholas ML.

Operating expenses, including expenses to maintain the quality of our vessels in order to comply with international shipping standards and environmental laws and regulations, the funding of working capital requirements, long-term debt repayments, and financing costs represent our short term, medium term and long term liquidity needs as of March 31, 2018. Along with the proceeds from the refinancings of the Corsair, Concorde, Corvette, Captain John

NP, Captain Markos NL, and Captain Nicholas ML, restricted cash released as part of the 2015 Debt Facility Amendment and restricted cash released resulting from the repayment of the RBS Loan Facility, we anticipate satisfying our liquidity needs for at least the next twelve months with cash on hand and cash from operations. We may also seek additional liquidity through alternative sources of debt financings and/or through equity financings by way of private or public offerings. However, if these sources are insufficient to satisfy our short-term liquidity needs, or to satisfy our future medium-term or long-term liquidity needs, we may need to seek alternative sources of financing and/or modifications of our existing credit facility and financing arrangements. There is no assurance that we will be able to obtain any such financing or modifications to our existing credit facility and financing arrangements on terms acceptable to us, or at all.

Our dividend policy will also impact our future liquidity position. Marshall Islands law generally prohibits the payment of dividends other than from surplus or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. In addition, under the terms of our credit facility, we may only declare or pay any dividends from our free cash flow and may not do so if an event of default is occurring or the payment of such dividend would result in an event of default. Further, under the 2015 Debt Facility Amendment, we are temporarily restricted from paying dividends and repurchasing shares of our common stock until the earlier of (i) when we complete common stock offerings with net proceeds of at least \$50.0 million and (ii) May 31, 2019.

As part of our growth strategy, we will continue to consider strategic opportunities, including the acquisition of additional vessels. We may choose to pursue such opportunities through internal growth or joint ventures or business

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acquisitions. We expect to finance the purchase price of any future acquisitions either through internally generated funds, public or private debt financings, public or private issuances of additional equity securities or a combination of these forms of financing.

Cash Flows

The following table summarizes our cash and cash equivalents provided by/(used in) operating, financing and investing activities for the periods presented:

	March 31, 2018	March 31, 2017	March 31, 2016
Net cash provided by operating activities	\$ 57,249,103	\$ 52,103,768	\$ 151,027,500
Net cash provided by/(used in) investing activities	24,574,405	(1,981,022)	(910,414,841)
Net cash provided by/(used in) financing activities	4,671,658	(79,318,882)	601,090,409
Net increase/(decrease) in cash and cash equivalents	\$ 86,487,124	\$ (29,393,410)	\$ (158,409,221)

Operating Cash Flows. Net cash provided by operating activities for the year ended March 31, 2018 was \$57.2 million compared with \$52.1 million for the year ended March 31, 2017. The increase is primarily related to the timing of changes in working capital from a reduction in amounts due from the Helios Pool.

Net cash provided by operating activities for the year ended March 31, 2017 was \$52.1 million compared to net cash provided by operating activities of \$151.0 million for the year ended March 31, 2016. The decrease primarily reflects lower operating profits and was driven by a decrease in our average TCE rate from \$55,087 during the year ended March 31, 2016 to \$22,037 for the year ended March 31, 2017. The general decline in rates during the year ended March 31, 2017 was driven by several factors, including, but not limited to, a large number of newbuildings delivered into the global fleet during the year, commodity price fluctuations causing LPG to be less competitive with naphtha for petrochemical users and LPG price firmness in the United States resulting in marginal East-West arbitrage economics, thereby subduing demand for long-haul LPG transportation. The Baltic Exchange Liquid Petroleum Gas Index, an index published daily by the Baltic Exchange for the spot market rate for the benchmark Ras Tanura Chiba route (expressed as U.S. dollars per metric ton), averaged \$26.380 during the year ended March 31, 2017 compared to an average of \$79.857 for the year ended March 31, 2016, a decline of 67.0%.

Net cash flow from operating activities depends upon our overall profitability, market rates for vessels employed on voyage charters, charter rates agreed to for time charters, the timing and amount of payments for drydocking expenditures and unscheduled repairs and maintenance, fluctuations in working capital balances and bunker costs.

Investing Cash Flows. Net cash provided by investing activities was \$24.6 million for the year ended March 31, 2018, compared with net cash used in investing activities of \$2.0 million for the year ended March 31, 2017. For the year ended March 31, 2018, net cash provided by investing activities comprised primarily of (i) \$26.8 million of restricted cash released as part of the 2015 Debt Facility Amendment on May 31, 2017, which was used to prepay \$24.8 million of our long-term debt, (ii) \$6.0 million of cash previously restricted under the RBS Loan Facility, which was paid in full on June 8, 2017, and (iii) \$3.2 million of cash previously restricted under the 2015 Debt Facility released with the refinancing of the Concorde and Corvette. Partially offsetting net cash provided by investing activities was \$11.0 million in restricted cash deposited as part of the 2015 Debt Facility Amendment. Please refer to Note 9 to our consolidated financial statements included herein for more information. Net cash used in investing activities was \$2.0 million for the year ended March 31, 2017, compared with net cash used in investing activities of \$910.4 million the year ended March 31, 2016. For the year ended March 31, 2017, net cash used in investing activities comprised primarily of \$1.9 million of payments for capitalized costs related to our fleet. For the year ended March 31, 2016, net cash used in investing activities comprised primarily of \$895.1 million of scheduled payments to the shipyards, supervision costs, management fees, and other capitalized costs related to newbuildings, and \$17.6 million of restricted cash deposits, partially offset by \$2.7 million of proceeds from asset disposals.

Financing Cash Flows. Net cash provided by financing activities was \$4.7 million for the year ended March 31, 2018, compared with net cash used in financing activities of \$79.3 million for the year ended March 31, 2017. For the year ended March 31, 2018, net cash provided by financing activities consisted of long-term debt borrowings of \$261.0 million related to the 2017 Bridge Loan, Corsair Japanese Financing, Concorde Japanese Financing, and Corvette

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Japanese Financing, partially offset by repayments of long-term debt of \$252.0 million, payment of debt financing costs of \$3.1 million, and treasury stock repurchases of \$1.2 million. Net cash used in financing activities was \$79.3 million for the year ended March 31, 2017, compared with net cash provided by financing activities of \$601.1 million for the year ended March 31, 2016. For the year ended March 31, 2017, net cash used in financing activities consisted of repayments of long-term debt of \$66.3 million, treasury stock repurchases of \$13.0 million and debt financing costs of \$0.1 million. Net cash provided by financing activities for the year ended March 31, 2016 consisted of \$676.8 million of borrowings related to our 2015 Debt Facility partially offset by repayments of long-term debt of \$40.8 million, treasury stock repurchases of \$20.9 million and debt financing costs of \$14.0 million.

Capital Expenditures. LPG transportation is a capital intensive business, requiring significant investment to maintain an efficient fleet and to stay in regulatory compliance.

We are required to complete a special survey for a vessel once every five years until 15 years of age and thereafter every 2.5 years and an intermediate survey every 2.5 years after the first special survey. Drydocking each vessel takes approximately 10 to 20 days. We spend significant amounts for scheduled drydocking (including the cost of classification society surveys) for each of our vessels.

As our vessels age and our fleet expands, our drydocking expenses will increase. We estimate the current cost of a VLGC special survey to be approximately \$1.0 million per vessel (excluding any capital improvements to the vessel that may be made during such drydockings) and the cost of an intermediate survey to be approximately \$100,000 per vessel. As of June 26, 2018, one of our VLGCs is currently undergoing a special survey. Ongoing costs for compliance with environmental regulations are primarily included as part of our drydocking and classification society survey costs. Additionally, ballast water management systems are expected to be installed on six VLGCs between July 2019 and July 2023 for approximately \$0.8 million per vessel. We are not aware of any other future regulatory changes or environmental laws that we expect to have a material impact on our current or future results of operations that we have not already considered. Please see "Item 1A. Risk Factors—Risks Relating to Our Company—We may incur increasing costs for the drydocking, maintenance or replacement of our vessels as they age, and, as our vessels age, the risks associated with older vessels could adversely affect our ability to obtain profitable charters."

Contractual Obligations

The following table summarizes our contractual obligations as of March 31, 2018:

Total	Payments due by period			
	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years

Long term debt obligations(1)	\$ 775,164,186	\$ 65,067,569	\$ 127,936,884	\$ 254,418,037	\$ 327,741,696
Interest payments(1)(2)	181,831,241	32,956,263	57,200,355	41,530,480	50,144,143
Remaining payments on office leases(3)	917,560	464,594	452,966	—	—
Total	\$ 957,912,987	\$ 98,488,426	\$ 185,590,205	\$ 295,948,517	\$ 377,885,839

- (1) Subsequent to March 31, 2018, we prepaid in full the 2017 Bridge Loan's then outstanding principal amount using cash on hand prior to the closing of the CJNP Japanese Financing, the CMNL Japanese Financing, and the CNML Japanese Financing. For further details on the CJNP Japanese Financing, the CMNL Japanese Financing, the CNML Japanese Financing and the prepayment of the 2017 Bridge Loan, refer to Note 23 to our consolidated financial statements included herein.
- (2) Our interest commitment on our 2015 Debt Facility and 2017 Bridge Loan is calculated based on an assumed LIBOR rate of 2.31% (the three month LIBOR rate as of March 31, 2018), plus the applicable margin for the respective period as per the loan agreements and the estimated net settlement of the related interest rate swaps.
- (3) Our United Kingdom and Greece office lease payments were translated into U.S. dollars using foreign currency equivalent rates of British Pound Sterling 1.41 and Euro 1.23, respectively, as of March 31, 2018.

Off-Balance Sheet Arrangements

We currently do not have any off balance sheet arrangements.

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Description of Our Debt Obligations

See Notes 9 and 23 to our consolidated financial statements included herein for a description of our debt obligations.

Compliance with New Accounting Standards

We have elected to “opt out” of the extended transition period relating to the exemption from new or revised financial accounting standards under the JOBS Act and, as a result, we will comply with new or revised financial accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised financial accounting standards is irrevocable.

Recent Accounting Pronouncements

Refer to Note 2 of our consolidated financial statements included herein.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to various market risks, including changes in interest rates, foreign currency fluctuations, and inflation.

Interest Rate Risk

The LPG shipping industry is capital intensive, requiring significant amounts of investment. Much of this investment is provided in the form of long-term debt. Our debt agreement contains interest rates that fluctuate with LIBOR. We have entered into interest rate swap agreements to hedge a majority of our exposure to fluctuations of interest rate risk associated with our 2015 Debt Facility. We have hedged \$250 million of non-amortizing principal and \$233.7 million of amortizing principal of the 2015 Debt Facility as of March 31, 2018 and thus increasing interest rates could adversely impact our future earnings. For the 12 months following March 31, 2018, a hypothetical increase or decrease of 20 basis points in the underlying LIBOR rates would result in an increase or decrease of our interest expense on our unhedged interest bearing debt by approximately \$0.1 million assuming all other variables are held

constant. See Notes 9 and 18 to our audited consolidated financial statements included herein for a description of our debt obligations and interest rate swaps, respectively. Subsequent to March 31, 2018, we prepaid in full the 2017 Bridge Loan's then outstanding principal amount using cash on hand prior to the closing of the CJNP Japanese Financing, the CMNL Japanese Financing, and the CNML Japanese Financing. For further details on the CJNP Japanese Financing, the CMNL Japanese Financing, the CNML Japanese Financing and the prepayment of the 2017 Bridge Loan, refer to Note 23 to our consolidated financial statements included herein.

Foreign Currency Exchange Rate Risk

Our primary economic environment is the international LPG shipping market. This market utilizes the U.S. dollar as its functional currency. Consequently, our revenues are in U.S. dollars and the majority of our operating expenses are in U.S. dollars. However, we incur some of our expenses in other currencies, particularly Euro, Singapore Dollar, Danish Krone, Japanese Yen, British Pound Sterling, and Norwegian Krone. The amount and frequency of some of these expenses, such as vessel repairs, supplies and stores, may fluctuate from period to period. Depreciation in the value of the U.S. dollar relative to other currencies will increase the cost of us paying such expenses. For the year ended March 31, 2018, 18% of our expenses (excluding depreciation and amortization, interest and finance costs and gain/loss on derivatives), were in currencies other than the U.S. dollar, and as a result we expect the foreign exchange risk associated with these operating expenses to be immaterial. We do not have foreign exchange exposure in respect of our credit facility and interest rate swap agreements, as these are denominated in U.S. dollars.

The portion of our business conducted in other currencies could increase in the future, which could expand our exposure to losses arising from currency fluctuations.

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Inflation

Certain of our operating expenses, including crewing, insurance and drydocking costs, are subject to fluctuations caused by market forces. Crewing costs in particular have risen over the past number of years as a result of a shortage of trained crews. Please see "Item 1A. Risk Factors—We may be unable to attract and retain key management personnel and other employees in the shipping industry without incurring substantial expense as a result of rising crew costs, which may negatively affect the effectiveness of our management and our results of operations." A shortage of qualified officers makes it more difficult to crew our vessels and may increase our operating costs. If this shortage were to continue or worsen, it may impair our ability to operate and could have an adverse effect on our business, financial condition and operating results. Inflationary pressures on bunker (fuel and oil) costs could have a material effect on our future operations if the number of vessels employed on voyage charters increases. In the case of any vessels that are time chartered to third parties, it is the charterers who pay for the fuel. If our vessels are employed under voyage charters, freight rates are generally sensitive to the price of fuel. However, a sharp rise in bunker prices may have a temporary negative effect on our results since freight rates generally adjust only after prices settle at a higher level. Please see "Item 1A. Risk Factors—Changes in fuel, or bunker, prices may adversely affect profits."

Forward Freight Agreements

From time to time, we may take hedging or speculative positions in derivative instruments, including FFAs. The usage of such derivatives can lead to fluctuations in our reported results from operations on a period-to-period basis. During the year ended March 31, 2018, we had no open FFA positions.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The financial information required by this Item is set forth on pages F-1 to F-28 and is filed as part of this annual report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our management concluded that our disclosure controls and procedures were effective as of March 31, 2018. Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits to the Commission under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Commission rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, as defined in the Rule 13a-15(f) and 15d-15(f) of the Exchange Act. Our management conducted an evaluation of our effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being

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made in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements. Because of the inherent limitations of internal controls over financial reporting, misstatements may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Based on the evaluation, management concluded that our internal control over financial reporting was effective as of March 31, 2018.

In accordance with the Jumpstart Our Businesses Startups Act of 2012 as an emerging growth company, we are exempt from the requirement to obtain an attestation report from our independent registered public accounting firm on the assessment of our internal controls pursuant to the Sarbanes-Oxley Act of 2002.

Changes in Internal Control over Financial Reporting

Our management with the participation of our principal executive officer and principal financial officer or persons performing similar functions has determined that no change in our internal control over financial reporting (as that term is defined in Rules 13(a)-15(f) and 15(d)-15(f) of the Exchange Act) occurred during the fourth fiscal quarter of our fiscal year ended March 31, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitation on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and our internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and our internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

ITEM 9B. OTHER INFORMATION.

None

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The required information is incorporated by reference from our Proxy Statement to be filed with respect to our 2018 Annual Meeting of Shareholders within 120 days of March 31, 2018.

We have adopted a Code of Ethics that applies to all of our employees, directors, officers, and agents. Our Code of Ethics is publicly available on our website at www.dorianlpg.com/investor-center/corporate-governance/. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendment to, or waiver from, a provision of the Code of Ethics for our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions by posting such information on our website, www.dorianlpg.com. Information on our website is not included in, and should not be deemed incorporated by reference into, this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION.

The required information is incorporated by reference from our Proxy Statement to be filed with respect to our 2018 Annual Meeting of Shareholders within 120 days of March 31, 2018.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The required information is incorporated by reference from our Proxy Statement to be filed with respect to our 2018 Annual Meeting of Shareholders within 120 days of March 31, 2018.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The required information is incorporated by reference from our Proxy Statement to be filed with respect to our 2018 Annual Meeting of Shareholders within 120 days of March 31, 2018.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The required information is incorporated by reference from our Proxy Statement to be filed with respect to our 2018 Annual Meeting of Shareholders within 120 days of March 31, 2018.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

1. Financial Statements

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of March 31, 2018 and 2017

Consolidated Statements of Operations for the years ended March 31, 2018, 2017 and 2016

Consolidated Statements of Shareholders' Equity for the years ended March 31, 2018, 2017 and 2016

Consolidated Statements of Cash Flows for the years ended March 31, 2018, 2017 and 2016

Notes to Consolidated Financial Statements

2. Financial Statement Schedules

All schedules have been omitted because they are not applicable, not required or the information is included elsewhere in the Financial Statements or Notes thereto.

3. Exhibits

See accompanying Exhibit Index included after the signature page of this Report for a list of exhibits filed or furnished with or incorporated by reference in this annual report.

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EXHIBIT INDEX

Exhibit Number	Description
3.1	<u>Articles of Incorporation, incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form F-1 (Registration Number 333-194434), filed with the Commission on March 7, 2014.</u>
3.2	<u>Bylaws, incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form F-1 (Registration Number 333- 194434), filed with the Commission on March 7, 2014.</u>
3.3	<u>Amendment to Articles of Incorporation, incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form F-1/A (Registration Number 333-194434), filed with the Commission on April 28, 2014.</u>
4.1	<u>Form of Common Share Certificate, incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form F-1 (Registration Number 333-194434), filed with the Commission on March 7, 2014.</u>
10.1*	<u>Equity Incentive Plan, incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form F-1/A (Registration Number 333-194434), filed with the Commission on April 28, 2014.</u>
10.2	<u>Shareholders Agreement between Dorian LPG Ltd., Scorpio Tankers Inc., SeaDor Holdings LLC and Dorian Holdings LLC, incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form F-1/A (Registration Number 333-194434), filed with the Commission on March 31, 2014.</u>
10.3	<u>Registration Rights Agreement by and between Dorian LPG Ltd. and Kensico Capital Management Corporation, incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K filed with the Commission on May 31, 2016.</u>
10.4	<u>Form of Vessel Management Agreement with Dorian LPG Management Corp., incorporated by reference to Exhibit 4.21 to the Company's Annual Report on Form 20-F filed with the Commission on July 30, 2014.</u>
10.5	<u>Form of General Agency Agreement with Dorian LPG Management Corp., incorporated by reference to Exhibit 4.22 to the Company's Annual Report on Form 20-F filed with the Commission on July 30, 2014.</u>
10.6	<u>Administrative, Advisory and Support Services Agreement between Dorian LPG Ltd. and Dorian LPG (USA) LLC, incorporated by reference to Exhibit 4.24 to the Company's Annual Report on Form 20-F filed with the Commission on July 30, 2014.</u>
10.7	<u>\$758 million Facility Agreement, dated March 23, 2015, between by and among Dorian LPG Finance LLC, as borrower, the Company, as facility guarantor, certain wholly-owned subsidiaries of the Company as upstream guarantors, ABN Amro Capital USA LLC, Citibank N.A., London Branch, ING Bank N.V., London Branch, and DVB Bank SE, as bookrunners, and the lenders party to the agreement, incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K filed with the Commission on June 4, 2015.</u>
10.8*	<u>2014 Executive Severance and Change in Control Severance Plan, incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K filed with the Commission on May 31, 2016.</u>
10.9	<u>Form of Restricted Stock Award Agreement, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Commission on June 22, 2016.</u>

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10.10	<u>Amendment No. 1 dated June 15, 2015 to the facility agreement originally dated March 23, 2015 by and among Dorian LPG Finance LLC, as borrower, the Company, as facility guarantor, certain wholly-owned subsidiaries of the Company as upstream guarantors, ABN Amro Capital USA LLC, Citibank N.A., London Branch, ING Bank N.V., London Branch, and DVB Bank SE, as bookrunners, and the lenders party to the agreement, incorporated by reference to Exhibit 10.12 to the Company’s Annual Report on Form 10-K filed with the Commission on June 14, 2017.</u>
10.11	<u>Side Letter dated February 1, 2016 to the facility agreement originally dated March 23, 2015 by and among Dorian LPG Finance LLC, as borrower, the Company, as facility guarantor, certain wholly-owned subsidiaries of the Company as upstream guarantors, ABN Amro Capital USA LLC, Citibank N.A., London Branch, ING Bank N.V., London Branch, and DVB Bank SE, as bookrunners, and the lenders party to the agreement, incorporated by reference to Exhibit 10.13 to the Company’s Annual Report on Form 10-K filed with the Commission on June 14, 2017.</u>
10.12	<u>Amendment No. 2 dated May 31, 2017 to the facility agreement originally dated March 23, 2015, as amended, by and among Dorian LPG Finance LLC, as borrower, the Company, as facility guarantor, certain wholly-owned subsidiaries of the Company as upstream guarantors, ABN Amro Capital USA LLC, Citibank N.A., London Branch, ING Bank N.V., London Branch, and DVB Bank SE, as bookrunners, and the lenders party to the agreement, incorporated by reference to Exhibit 10.1 of the Company’s Current Report on Form 8-K filed with the Commission on June 1, 2017.</u>
10.13	<u>Loan Agreement providing for a Senior Secured Bridge Term Loan of \$97,000,000, dated June 8, 2017, by and among Corsair LPG Transport LLC, CNML LPG Transport LLC, CMNL LPG Transport LLC, CJNP LPG Transport LLC, as borrowers, the Company, as parent guarantor, DNB Markets, Inc., as mandated lead arranger and book runner, DNB Bank ASA, New York Branch, as facility agent and security trustee, and DNB Capital LLC, as lender, incorporated by reference to Exhibit 10.1 of the Company’s Current Report on Form 8-K filed with the Commission on June 12, 2017.</u>
10.14	<u>Amendment Agreement, dated as of December 8, 2017, relating to the Loan Agreement providing for a Senior Secured Bridge Term Loan of US\$97,000,000, by and among CNML LPG Transport LLC, CMNL LPG Transport LLC, and CJNP LPG Transport LLC, as borrowers, the Company, as parent guarantor, DNB Markets, Inc., as mandated lead arranger and book runner, DNB Bank ASA, New York Branch, as facility agent and security trustee, and DNB Capital LLC, as lender, incorporated by reference to Exhibit 10.1 of the Company’s Current Report on Form 8-K filed with the Commission on December 14, 2017.</u>
21.1	<u>List of Subsidiaries.</u>
23.1	<u>Consent of Independent Registered Public Accounting Firm.</u>
23.2	<u>Consent of Seward & Kissel LLP.</u>
31.1	<u>Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2	<u>Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1†	<u>Certifications of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2†	<u>Certifications of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	XBRL Document.

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XBRL Taxonomy Extension Schema.

101.SCH

101.CAL XBRL Taxonomy Extension Schema Calculation Linkbase.

101.DEF XBRL Taxonomy Extension Schema Definition Linkbase.

101.LAB XBRL Taxonomy Extension Schema Label Linkbase.

101.PRE XBRL Taxonomy Extension Schema Presentation Linkbase.

†This certification is deemed not filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

*Indicates management contract or compensatory plan.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 27, 2018

Dorian LPG Ltd.
(Registrant)

/s/ John C. Hadjipateras
John C. Hadjipateras
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacity
/s/ John C. Hadjipateras John C. Hadjipateras	President, Chief Executive Officer and Chairman of the Board (Principal Executive Officer)
/s/ Theodore B. Young Theodore B. Young	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ John C. Lycouris John C. Lycouris	Director
/s/ Thomas J. Coleman Thomas J. Coleman	Director
/s/ Ted Kalborg Ted Kalborg	Director
/s/ Øivind Lorentzen Øivind Lorentzen	Director

/s/ Malcolm McAvity Director
Malcolm McAvity

/s/ Christina Tan Director
Christina Tan

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DORIAN LPG LTD.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of

Dorian LPG Ltd.

Majuro, Republic of the Marshall Islands

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Dorian LPG Ltd. and subsidiaries (the "Company") as of March 31, 2018 and 2017, the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included

examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte Certified Public Accountants S.A.

Athens, Greece

June 27, 2018

We have served as the Company's auditor since 2013.

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Dorian LPG Ltd.

Consolidated Balance Sheets

(Expressed in United States Dollars, except for number of shares)

	As of March 31, 2018	As of March 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 103,505,676	\$ 17,018,552
Trade receivables, net and accrued revenues	336,162	11,030
Prepaid expenses and other receivables	2,471,415	1,903,804
Due from related parties	26,880,720	42,457,000
Inventories	2,012,907	2,580,742
Total current assets	135,206,880	63,971,128
Fixed assets		
Vessels, net	1,539,111,833	1,603,469,247
Other fixed assets, net	203,678	317,348
Total fixed assets	1,539,315,511	1,603,786,595
Other non-current assets		
Deferred charges, net	1,574,522	1,884,174
Derivative instruments	14,264,899	5,843,368
Due from related parties—non-current	19,800,000	19,800,000
Restricted cash	25,862,704	50,874,146
Other non-current assets	85,640	75,469
Total assets	\$ 1,736,110,156	\$ 1,746,234,880
Liabilities and shareholders' equity		
Current liabilities		
Trade accounts payable	\$ 6,329,193	\$ 7,075,622
Accrued expenses	4,702,808	5,386,397
Due to related parties	345,515	11,162
Deferred income	5,564,557	7,313,048
Current portion of long-term debt	65,067,569	65,978,785
Total current liabilities	82,009,642	85,765,014
Long-term liabilities		
Long-term debt—net of current portion and deferred financing fees	694,035,583	683,985,463
Other long-term liabilities	651,569	482,685
Total long-term liabilities	694,687,152	684,468,148
Total liabilities	776,696,794	770,233,162
Commitments and contingencies		
Shareholders' equity		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, none issued nor outstanding	—	—
Common stock, \$0.01 par value, 450,000,000 shares authorized, 58,640,161 and 58,342,201 shares issued, 55,090,165 and 54,974,526	586,402	583,422

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shares outstanding (net of treasury stock), as of March 31, 2018 and March 31, 2017, respectively		
Additional paid-in-capital	858,109,882	852,974,373
Treasury stock, at cost; 3,549,996 and 3,367,675 shares as of March 31, 2018 and March 31, 2017, respectively	(35,223,428)	(33,897,269)
Retained earnings	135,940,506	156,341,192
Total shareholders' equity	959,413,362	976,001,718
Total liabilities and shareholders' equity	\$ 1,736,110,156	\$ 1,746,234,880

The accompanying notes are an integral part of these consolidated financial statements.

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Dorian LPG Ltd.

Consolidated Statements of Operations

(Expressed in United States Dollars, except for number of shares)

	Year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Revenues			
Net pool revenues—related party	\$ 106,958,576	\$ 115,753,153	\$ 202,918,232
Time charter revenues	50,176,166	49,474,510	38,737,172
Voyage charter revenues	2,068,491	1,296,952	46,194,134
Other revenues, net	131,527	922,556	1,358,291
Total revenues	159,334,760	167,447,171	289,207,829
Expenses			
Voyage expenses	2,213,773	2,965,978	12,064,682
Vessel operating expenses	64,312,644	66,108,062	47,119,990
Depreciation and amortization	65,329,951	65,057,487	42,591,942
General and administrative expenses	26,186,332	21,732,864	29,836,029
Loss on disposal of assets	—	—	1,125,395
Total expenses	158,042,700	155,864,391	132,738,038
Other income—related parties	2,549,325	2,410,542	1,945,396
Operating income	3,841,385	13,993,322	158,415,187
Other income/(expenses)			
Interest and finance costs	(35,658,045)	(28,971,942)	(12,757,013)
Interest income	440,059	137,556	148,360
Unrealized gain/(loss) on derivatives	8,421,531	27,491,333	(8,917,503)
Realized loss on derivatives	(1,328,886)	(13,797,478)	(6,858,126)
Gain on early extinguishment of debt	4,117,364	—	—
Foreign currency loss, net	(234,094)	(294,606)	(342,523)
Total other income/(expenses), net	(24,242,071)	(15,435,137)	(28,726,805)
Net income/(loss)	\$ (20,400,686)	\$ (1,441,815)	\$ 129,688,382
Weighted average shares outstanding:			
Basic	54,039,886	54,079,139	56,657,570
Diluted	54,039,886	54,079,139	56,707,094
Earnings/(loss) per common share—basic	\$ (0.38)	\$ (0.03)	\$ 2.29
Earnings/(loss) per common share—diluted	\$ (0.38)	\$ (0.03)	\$ 2.29

The accompanying notes are an integral part of these consolidated financial statements.

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Dorian LPG Ltd.

Consolidated Statements of Shareholders' Equity

(Expressed in United States Dollars, except for number of shares)

	Number of common shares	Common stock	Treasury stock	Additional paid-in capital	Retained Earnings	Total
Balance, April 1, 2015	58,057,493	580,575	—	844,539,059	28,094,625	873,214,259
Net income for the period	—	—	—	—	129,688,382	129,688,382
Stock-based compensation	—	—	—	3,640,412	—	3,640,412
Purchase of treasury stock	—	—	(20,943,816)	—	—	(20,943,816)
Balance, March 31, 2016	58,057,493	580,575	(20,943,816)	848,179,471	157,783,007	985,599,237
Net loss for the period	—	—	—	—	(1,441,815)	(1,441,815)
Restricted share award issuances	284,708	2,847	—	(2,847)	—	—
Stock-based compensation	—	—	—	4,797,749	—	4,797,749
Purchase of treasury stock	—	—	(12,953,453)	—	—	(12,953,453)
Balance, March 31, 2017	58,342,201	\$ 583,422	\$ (33,897,269)	\$ 852,974,373	\$ 156,341,192	\$ 976,001,718
Net loss for the period	—	—	—	—	(20,400,686)	(20,400,686)
Restricted share award issuances	297,960	2,980	—	(2,980)	—	—
Stock-based compensation	—	—	—	5,138,489	—	5,138,489
Purchase of treasury stock	—	—	(1,326,159)	—	—	(1,326,159)
Balance, March 31, 2018	58,640,161	\$ 586,402	\$ (35,223,428)	\$ 858,109,882	\$ 135,940,506	\$ 959,413,362

The accompanying notes are an integral part of these consolidated financial statements.

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Dorian LPG Ltd.

Consolidated Statements of Cash Flows

(Expressed in United States Dollars)

	Year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Cash flows from operating activities:			
Net income/(loss)	\$ (20,400,686)	\$ (1,441,815)	\$ 129,688,382
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:			
Depreciation and amortization	65,329,951	65,057,487	42,591,942
Amortization of financing costs	7,506,509	3,709,421	2,499,185
Unrealized (gain)/loss on derivatives	(8,421,531)	(27,491,333)	8,917,503
Stock-based compensation expense	5,138,489	4,385,911	4,052,249
Loss on disposal of assets	—	—	1,125,395
Gain on early extinguishment of debt	(4,117,364)	—	—
Unrealized foreign currency (gain)/loss, net	(63,761)	222,281	96,550
Other non-cash items	144,545	305,774	138,588
Changes in operating assets and liabilities			
Trade receivables, net and accrued revenue	(325,132)	96,287	22,739,907
Prepaid expenses and other receivables	(579,981)	343,902	(467,158)
Due from related parties	15,576,280	9,847,359	(71,717,616)
Inventories	567,835	(292,669)	1,087,686
Other non-current assets	(10,171)	19,802	2,175
Trade accounts payable	(561,808)	743,993	1,044,595
Accrued expenses and other liabilities	(2,406,945)	(1,172,349)	9,045,077
Due to related parties	334,353	(697,048)	183,040
Payments for drydocking costs	(461,480)	(1,533,235)	—
Net cash provided by operating activities	57,249,103	52,103,768	151,027,500
Cash flows from investing activities:			
Capital expenditures	(297,534)	(1,911,182)	(895,063,383)
Restricted cash deposits	(11,010,780)	(64,146)	(17,602,789)
Restricted cash released	36,022,222	2,789	—
Proceeds from disposal of assets	—	—	2,713,660
Payments to acquire other fixed assets	(139,503)	(8,483)	(462,329)
Net cash provided by/(used in) investing activities	24,574,405	(1,981,022)	(910,414,841)
Cash flows from financing activities:			
Proceeds from long-term debt borrowings	261,000,000	—	676,819,873
Repayment of long-term debt borrowings	(251,994,382)	(66,265,644)	(40,794,928)
Purchase of treasury stock	(1,220,535)	(12,953,453)	(20,943,816)
Financing costs paid	(3,113,425)	(99,785)	(13,990,720)
Net cash provided by/(used in) financing activities	4,671,658	(79,318,882)	601,090,409
Effects of exchange rates on cash and cash equivalents	(8,042)	(197,274)	(112,289)

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Net increase/(decrease) in cash and cash equivalents	86,487,124	(29,393,410)	(158,409,221)
Cash and cash equivalents at the beginning of the period	17,018,552	46,411,962	204,821,183
Cash and cash equivalents at the end of the period	\$ 103,505,676	\$ 17,018,552	\$ 46,411,962
Supplemental disclosure of cash flow information			
Cash paid during the period for interest excluding interest capitalized to vessels	\$ 27,958,102	\$ 24,537,376	\$ 8,354,474
Predelivery costs for vessels and vessels under construction included in liabilities	—	—	1,040,189
Financing costs included in liabilities	\$ 142,434	\$ —	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

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Dorian LPG Ltd.

Notes to Consolidated Financial Statements

(Expressed in United States Dollars)

1. Basis of Presentation and General Information

Dorian LPG Ltd. (“Dorian”) was incorporated on July 1, 2013 under the laws of the Republic of the Marshall Islands, is headquartered in the United States and is engaged in the transportation of liquefied petroleum gas (“LPG”) worldwide through the ownership and operation of LPG tankers. Dorian LPG Ltd. and its subsidiaries (together “we,” “us,” “our,” or the “Company”) are focused on owning and operating very large gas carriers (“VLGCs”), each with a cargo carrying capacity of greater than 80,000 cbm. As of March 31, 2018, our fleet consists of twenty-two VLGCs, including nineteen fuel-efficient 84,000 cbm ECO-design VLGCs (“ECO VLGCs”) and three 82,000 cbm VLGCs.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include the accounts of Dorian LPG Ltd. and its subsidiaries.

On April 1, 2015, Dorian and Phoenix Tankers Pte. Ltd. (“Phoenix”) began operations of Helios LPG Pool LLC (the “Helios Pool”), which entered into pool participation agreements for the purpose of establishing and operating, as charterer, under variable rate time charters to be entered into with owners or disponent owners of VLGCs, a commercial pool of VLGCs whereby revenues and expenses are shared. See Note 3 below for further description of the Helios Pool relationship.

Our subsidiaries, which are all wholly-owned and all are incorporated in Republic of the Marshall Islands (unless otherwise indicated below), as of March 31, 2018 are listed below.

Vessel Owning Subsidiaries

Subsidiary	Type of vessel	Vessel’s name	Built	CBM(1)
CMNL LPG Transport LLC	VLGC	Captain Markos NL(2)	2006	82,000
CJNP LPG Transport LLC	VLGC	Captain John NP(2)	2007	82,000
CNML LPG Transport LLC	VLGC	Captain Nicholas ML(2)	2008	82,000

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Comet LPG Transport LLC	VLGC	Comet	2014	84,000
Corsair LPG Transport LLC	VLGC	Corsair(2)	2014	84,000
Corvette LPG Transport LLC	VLGC	Corvette(2)	2015	84,000
Dorian Shanghai LPG Transport LLC	VLGC	Cougar	2015	84,000
Concorde LPG Transport LLC	VLGC	Concorde(2)	2015	84,000
Dorian Houston LPG Transport LLC	VLGC	Cobra	2015	84,000
Dorian Sao Paulo LPG Transport LLC	VLGC	Continental	2015	84,000
Dorian Ulsan LPG Transport LLC	VLGC	Constitution	2015	84,000
Dorian Amsterdam LPG Transport LLC	VLGC	Commodore	2015	84,000
Dorian Dubai LPG Transport LLC	VLGC	Cresques	2015	84,000
Constellation LPG Transport LLC	VLGC	Constellation	2015	84,000
Dorian Monaco LPG Transport LLC	VLGC	Cheyenne	2015	84,000
Dorian Barcelona LPG Transport LLC	VLGC	Clermont	2015	84,000
Dorian Geneva LPG Transport LLC	VLGC	Cratis	2015	84,000
Dorian Cape Town LPG Transport LLC	VLGC	Chaparral	2015	84,000
Dorian Tokyo LPG Transport LLC	VLGC	Copernicus	2015	84,000
Commander LPG Transport LLC	VLGC	Commander	2015	84,000
Dorian Explorer LPG Transport LLC	VLGC	Challenger	2015	84,000
Dorian Exporter LPG Transport LLC	VLGC	Caravelle	2016	84,000

Management Subsidiaries

Subsidiary

Dorian LPG Management Corp.
Dorian LPG (USA) LLC (incorporated in USA)
Dorian LPG (UK) Ltd. (incorporated in UK)
Dorian LPG Finance LLC
Occident River Trading Limited (incorporated in UK)

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Dormant Subsidiaries

Subsidiary
SeaCor LPG I LLC
SeaCor LPG II LLC
Capricorn LPG Transport LLC
Constitution LPG Transport LLC
Grendon Tanker LLC

- (1) CBM: Cubic meters, a standard measure for LPG tanker capacity
(2) Operated pursuant to a bareboat charter agreement. Refer to Notes 9 and 23 below for further information

Customers

For the year ended March 31, 2018, the Helios Pool and two other individual charterers accounted for 67%, 13% and 11% of our total revenues, respectively. For the year ended March 31, 2017, the Helios Pool and two other individual charterer represented 69%, 13% and 10% of our total revenues, respectively. For the year ended March 31, 2016, the Helios Pool and one other individual charterer accounted for 70% and 12% of our total revenues, respectively.

2. Significant Accounting Policies

(a)Principles of consolidation: The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of operations from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany balances and transactions have been eliminated.

(b)Use of estimates: The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c)Other comprehensive income/(loss): We follow the accounting guidance relating to comprehensive income, which requires separate presentation of certain transactions that are recorded directly as components of shareholders' equity. We have no other comprehensive income/(loss) items and, accordingly, comprehensive income/(loss) equals net income/(loss) for the periods presented and thus we have not presented this in the consolidated statement of operations or in a separate statement.

(d)Foreign currency translation: Our functional currency is the U.S. Dollar. Foreign currency transactions are measured and recorded in the functional currency using the exchange rate in effect at the date of the transaction. As of balance sheet date, monetary assets and liabilities that are denominated in a currency other than the functional currency are adjusted to reflect the exchange rate at the balance sheet date and any gains or losses are included in the statement of operations. For the periods presented, we had no foreign currency derivative instruments.

(e)Cash and cash equivalents: We consider highly liquid investments such as time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents.

(f)Trade receivables, net and accrued revenues: Trade receivables, net and accrued revenues, reflect receivables from vessel charters, net of an allowance for doubtful accounts. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. Provision for doubtful accounts for the periods presented was zero.

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(g)Due from related parties: Due from related parties reflect receivables from the Helios Pool and other related parties. Distributions of earnings due from the Helios Pool are classified as current and working capital contributed to the Helios Pool is classified as non-current.

(h)Inventories: Inventories consist of bunkers on board the vessels when vessels are unemployed or are operating under voyage charters and lubricants and stores on board the vessels. Inventories are stated at the lower of cost or market. Cost is determined by the first in, first out method.

(i)Vessels, net: Vessels, net are stated at cost net of accumulated depreciation and impairment charges. The costs of the vessels acquired as part of a business acquisition are recorded at their fair value on the date of acquisition. The cost of vessels purchased consists of the contract price, less discounts, plus any direct expenses incurred upon acquisition, including improvements, commission paid, delivery expenses and other expenditures to prepare the vessel for her initial voyage. The initial purchase of LPG coolant for the refrigeration of cargo is also capitalized. Allocated interest costs incurred during construction are capitalized. Subsequent expenditures for conversions and major improvements are also capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels. Repairs and maintenance are expensed as incurred.

(j)Impairment of long lived assets: We review our vessels “held and used” for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When the estimate of future undiscounted cash flows, excluding interest charges, expected to be generated by the use of the asset is less than its carrying amount, the asset is evaluated for an impairment loss. Measurement of the impairment loss is based on the fair value of the asset.

(k)Vessel depreciation: Depreciation is computed using the straight line method over the estimated useful life of the vessels, after considering the estimated salvage value. Each vessel’s salvage value is equal to the product of its lightweight tonnage and estimated scrap rate. Management estimates the useful life of its vessels to be 25 years from the date of initial delivery from the shipyard. Second hand vessels are depreciated from the date of their acquisition through their remaining estimated useful life.

(l)Drydocking and special survey costs: Drydocking and special survey costs are accounted under the deferral method whereby the actual costs incurred are deferred and are amortized on a straight line basis over the period through the date the next survey is scheduled to become due. We are required to drydock each of our vessels every five years until it reaches 15 years of age, after which we are required to drydock the applicable vessel every 2.5 years. Costs deferred are limited to actual costs incurred at the yard and parts used in the drydocking or special survey. Costs deferred include expenditures incurred relating to shipyard costs, hull preparation and painting, inspection of hull structure and mechanical components, steelworks, machinery works, and electrical works. If a survey is performed prior to the scheduled date, the remaining unamortized balances are immediately written off. Unamortized balances of vessels that are sold are written off and included in the calculation of the resulting gain or loss in the period of the vessel’s sale. The amortization charge is presented within Depreciation and amortization in the consolidated statement of operations.

(m)Financing costs: Financing costs incurred for obtaining new loans and credit facilities are deferred and amortized to interest expense over the respective term of the loan or credit facility using the effective interest rate method. Any unamortized balance of costs relating to loans repaid or refinanced is expensed in the period the repayment or refinancing is made, subject to the accounting guidance regarding Debt—Modifications and Extinguishments. Any unamortized balance of costs related to credit facilities repaid is expensed in the period. Any unamortized balance of costs relating to credit facilities refinanced are deferred and amortized over the term of the respective credit facility in the period the refinancing occurs, subject to the provisions of the accounting guidance relating to Debt—Modifications and Extinguishments. The unamortized financing costs are reflected as a reduction of Long-term debt—net of current portion and deferred financing fees in the accompanying consolidated balance sheet.

(n)Restricted cash: Restricted cash represents minimum liquidity to be maintained with certain banks under our borrowing arrangements and pledged cash deposits. The restricted cash is classified as non-current in the event

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that its obligation is not expected to be terminated within the next twelve months as they are long-term in nature.

(o) Revenues and expenses: Revenue is recognized when an agreement exists, the vessel is made available to the charterer or services are provided, the charter hire is determinable and collection of the related revenue is reasonably assured.

(p) Net pool revenues: As from April 1, 2015, we began operation of a pool. Net pool revenues—related party for each vessel in the pool is determined in accordance with the profit-sharing terms specified within the pool agreement. In particular, the pool manager calculates the net pool revenues using gross revenues less voyage expenses of all the pool vessels and less the general and administrative expenses of the pool and distributes the net pool revenues as time charter hire to participants based on:

- pool points (vessel attributes such as cargo carrying capacity, fuel consumption, and speed are taken into consideration); and
- number of days the vessel participated in the pool in the period.

We recognize net pool revenues—related party on a monthly basis, when the vessel has participated in the pool during the period and the amount of net pool revenues for the month can be estimated reliably.

(q) Time charter revenues: Time charter revenues are recorded ratably over the term of the charter as service is provided. Time charter revenues received in advance of the provision of charter service are recorded as deferred income and recognized when the charter service is rendered. Deferred income or accrued revenue also may result from straight line revenue recognition in respect of charter agreements that provide for varying charter rates. Deferred income and accrued revenue amounts that will be recognized within the next twelve months are presented as current, with amounts to be recognized thereafter presented as non current. Revenues earned through the profit-sharing arrangements in the time charters represent contingent rental revenues that are recognized when earned and amounts are reasonably assured based on estimates provided by the charterer.

(r) Voyage charter revenues: Under a voyage charter, the revenues are recognized on a pro rata basis over the duration of the voyage determined on a discharge-to-discharge port basis but we do not begin recognizing revenue until a charter has been agreed to by the customer and us, even if the vessel has discharged its cargo and is sailing to the anticipated load port for its next voyage. In the event a vessel is acquired or sold while a voyage is in progress, the revenue recognized is based on an allocation formula agreed between the buyer and the seller. Demurrage income represents payments by the charterer to the vessel owner when loading or discharging time exceeds the stipulated time in the voyage charter and is recognized when earned and collection is reasonably assured. Despatch expense represents payments by us to the charterer when loading or discharging time is less than the stipulated time in the

voyage charter and is recognized as incurred. Voyage charter revenue relating to voyages in progress as of the balance sheet date are accrued and presented in Trade receivables and accrued revenue in the accompanying consolidated balance sheet.

(s)Commissions: Charter hire commissions to brokers or managers, if any, are deferred and amortized over the related charter period and are included in Voyage expenses.

(t)Vessel operating expenses: Vessel operating expenses are accounted for as incurred on the accrual basis. Vessel operating expenses include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the cost of spares and consumable stores and other miscellaneous expenses.

(u)Repairs and maintenance: All repair and maintenance expenses, including underwater inspection costs are expensed in the period incurred. Such costs are included in Vessel operating expenses.

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(v)Stock-based compensation: Stock-based payments to employees and directors are determined based on their grant date fair values and are amortized against income over the vesting period. The fair value is considered to be the closing price recorded on the grant date. We account for restricted stock award forfeitures upon occurrence.

(w)Stock repurchases: We record the repurchase of our shares of common stock at cost based on the settlement date of the transaction. These shares are classified as treasury stock, which is a reduction to shareholders' equity. Treasury shares are included in authorized and issued shares but excluded from outstanding shares.

(x)Segment reporting: Each of our vessels serve the same type of customer, have similar operations and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, we have determined that it operates in one reportable segment, the international transportation of liquid petroleum gas with its fleet of vessels. Furthermore, when we charter a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable.

(y)Derivative instruments: All derivatives are stated at their fair value, as either a derivative asset or a liability. The fair value of the interest rate derivatives is based on a discounted cash flow analysis and their fair value changes are recognized in current period earnings. When the derivatives do qualify for hedge accounting, depending upon the nature of the hedge, changes in fair value of the derivatives are either recognized in current period earnings or in other comprehensive income/(loss) (effective portion) until the hedged item is recognized in the consolidated statements of operations. For the periods presented, no derivatives were accounted for as accounting hedges.

(z)Fair value of financial instruments: In accordance with the requirements of accounting guidance relating to Fair Value Measurements, the Company classifies and discloses its assets and liabilities carried at fair value in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

(aa)Recent accounting pronouncements: In November 2016, the Financial Accounting Standards Board (the "FASB") issued accounting guidance to require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The pronouncement is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years and are applied using a retrospective transition method to each period presented. The implementation of this guidance is anticipated to result in restricted cash transfers not reported as cash flow activities in the consolidated statements of cash flows, and, upon adoption, is not anticipated to have an impact on our consolidated balance sheets and statements of operations.

In August 2016, the FASB issued accounting guidance addressing specific cash flow statement issues with the objective of reducing the existing diversity in practice. The pronouncement is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. We do not believe that the impact of the adoption of this amended guidance will have a material effect on our consolidated financial statements.

In February 2016, the FASB issued accounting guidance to update the requirements of financial accounting and reporting for lessees and lessors. The updated guidance, for lease terms of more than 12 months, will require a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability. For finance leases, the lessee would recognize interest expense and amortization of the right-of-use asset, and for operating leases, the lessee would recognize a straight-line total lease expense. Lessor accounting remains largely unchanged from current U.S. GAAP. We expect that our time charter arrangements will be subject to the requirements of the new lease guidance as we will be regarded as the lessor under these arrangements. The new standard requires a modified retrospective transition approach for all leases

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existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The pronouncement is effective prospectively for public business entities for annual periods beginning after December 15, 2018, and interim periods within that reporting period. Early adoption is permitted for all entities. We intend to adopt the new guidance on its required effective date of April 1, 2019 and are currently assessing the impact the amended guidance will have on our consolidated financial statements.

In August 2014, the FASB issued accounting guidance for disclosure of uncertainties about an entity's ability to continue as a going concern, which provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date that the financial statements are issued. The pronouncement applies to all entities and became effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. The implementation of this guidance did not have a material effect on our financial statements.

In May 2014, the FASB amended its accounting guidance for revenue recognition. The fundamental principles of the new guidance are that companies should recognize revenue in a manner that reflects the timing of the transfer of services to customers and consideration that a company expects to receive for the services provided. The amended guidance introduces a five-step process to achieve the fundamental principles and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing US GAAP. It also provides further guidance on applying collectability criterion to assess whether a contract is valid and represents a substantive transaction on the basis of whether a customer has the ability and intention to pay the promised consideration. The amended guidance requires additional disclosures necessary for the financial statement users to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In August 2015, the FASB voted to defer the effective date by one year for fiscal years beginning on or after December 15, 2017 and interim periods within that reporting period and permit early adoption of the standard, but not before the beginning of 2017. The amended guidance shall be applied either retrospectively to each period presented or as a cumulative effect adjustment as of the date of adoption. We intend to adopt the amended guidance beginning April 1, 2018 using the modified retrospective transition method applied to those contracts which were not completed as of March 31, 2018. Under the amended guidance, voyage charter revenues will be recognized based on load-to-discharge basis as compared to the currently used a discharge-to-discharge basis, provided an agreed non-cancellable charter between the Company and the charterer is in existence, the charter rate is fixed and determinable, and collectability is reasonably assured. Additionally, voyage expenses related to voyage charters, including bunkers and port expenses, will be deferred until load port and expensed on a load-to-discharge basis under the amended guidance. During the year ended March 31, 2018, voyage charter revenues represent 1.3% of our total revenues and none of our VLGCs were operating on voyage charters outside of the Helios Pool as of March 31, 2018. Therefore, we do not expect that the adoption of the amended guidance will have any material impact on our consolidated financial statements from the recognition of a cumulative effect of adopting the amended guidance as an adjustment to our opening balance of retained earnings. Prior periods will not be retrospectively adjusted. Further, the adoption of the amended guidance may impact the timing with which revenue will be recognized in future periods.

3. Transactions with Related Parties

Dorian (Hellas) S.A.

Pursuant to management agreements entered into by each of our then vessel owning subsidiaries on July 26, 2013, as amended, with Dorian (Hellas) S.A. (“DHSA”), the technical, crew and commercial management as well as insurance and accounting services of our vessels was outsourced to DHSA. In addition, under those management agreements, strategic and financial services had also been outsourced to DHSA. DHSA entered into agreements with each of Eagle Ocean Transport Inc. (“Eagle Ocean Transport”) and Highbury Shipping Services Limited (“HSSL”) to provide certain of these services on behalf of our then vessel owning companies. Mr. John C. Hadjipateras, our Chairman, President and Chief Executive Officer, owns 100% of Eagle Ocean Transport, and our Vice President of Chartering, Insurance and Legal, Nigel Grey Turner, owns 100% of HSSL. As of July 1, 2014, vessel management services and the associated agreements for our fleet were transferred from DHSA and are now provided through our wholly-owned subsidiaries Dorian LPG

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(USA) LLC, Dorian LPG (UK) Ltd. and Dorian LPG Management Corp. Eagle Ocean Transport continues to incur related travel costs for certain transitioned employees as well as office-related costs, for which we reimbursed Eagle Ocean Transport \$0.1 million, \$0.4 million and \$0.8 million for the years ended March 31, 2018, 2017, and 2016, respectively. Such expenses are reimbursed based on their actual cost.

Dorian LPG (USA) LLC and its subsidiaries entered into an agreement with DHSA, retroactive to July 2014 and superseding an agreement between Dorian LPG (UK) Ltd. and DHSA, for the provision by Dorian LPG (USA) LLC and its subsidiaries of certain chartering and marine operation services to DHSA, for which income was earned and included in “Other income-related parties” totaling \$0.4 million, \$0.4 million and \$0.5 million for the years ended March 31, 2018, 2017 and 2016, respectively.

As of March 31, 2018, \$0.9 million was due from DHSA and included in “Due from related parties.” As of March 31, 2017, \$0.8 million was due from DHSA and included in “Due from related parties.”

Helios LPG Pool LLC (“Helios Pool”)

On April 1, 2015, Dorian and Phoenix began operations of the Helios Pool, which entered into pool participation agreements for the purpose of establishing and operating, as charterer, under variable rate time charters to be entered into with owners or disponent owners of VLGCs, a commercial pool of VLGCs whereby revenues and expenses are shared. We hold a 50% interest in the Helios Pool as a joint venture with Phoenix and all significant rights and obligations are equally shared by both parties. All profits of the Helios Pool are distributed to the pool participants based on pool points assigned to each vessel as variable charter hire and, as a result, there are no profits available to the equity investors as a share of equity. We have determined that the Helios Pool is a variable interest entity as it does not have sufficient equity at risk. We do not consolidate the Helios Pool because we are not the primary beneficiary and do not have a controlling financial interest. In consideration of Accounting Standards Codification (“ASC”) 810-10-50-4e, the significant factors considered and judgments made in determining that the power to direct the activities of the Helios Pool that most significantly impact the entity’s economic performance are shared, in that all significant performance activities which relate to approval of pool policies and strategies related to pool customers and the marketing of the pool for the procurement of customers for the pool vessels, addition of new pool vessels and the pool cost management, require unanimous board consent from a board consisting of two members from each joint venture investor. Further, in accordance with the guidance in ASC 810-10-25-38D, the Company and Phoenix are not related parties as defined in ASC 850 nor are they de facto agents pursuant to ASC 810-10, the power over the significant activities of the Helios Pool is shared, and no party is the primary beneficiary in the Helios Pool, or has a controlling financial interest. As of March 31, 2018, the Helios Pool operated twenty-five VLGCs, including eighteen of our vessels, four Phoenix vessels and three other vessels.

As of March 31, 2018, we had net receivables from the Helios Pool of \$45.4 million (net of an amount due to Helios Pool of \$0.3 million which is reflected under “Due to related Parties”), including \$19.8 million of working capital contributed for the operation of our vessels in the pool. As of March 31, 2017, we had receivables from the Helios

Pool of \$61.4 million, including \$19.8 million of working capital contributed for the operation of our vessels in the pool. Our maximum exposure to losses from the pool as of March 31, 2018 is limited to the receivables from the pool. The Helios Pool does not have any third-party debt obligations. The Helios Pool has entered into commercial management agreements with each of Dorian LPG (UK) Ltd. and Phoenix as commercial managers and has appointed both commercial managers as the exclusive commercial managers of pool vessels. Fees for commercial management services provided by Dorian LPG (UK) Ltd. are included in “Other income-related parties” in the consolidated statement of operations and were \$2.2 million, \$2.1 million and \$1.4 million for the years ended March 31, 2018, 2017 and 2016, respectively. Additionally, we received a fixed reimbursement of expenses such as costs for security guards and war risk insurance for vessels operating in high risk areas from the Helios Pool, for which we earned \$0.1 million, \$0.9 million and \$1.2 million for the years ended March 31, 2018, 2017 and 2016 respectively, and are included in “Other revenues, net” in the consolidated statement of operations.

Through our vessel owning subsidiaries, we have chartered vessels to the Helios Pool during the years ended March 31, 2018, 2017 and 2016. The time charter revenue from the Helios Pool is variable depending upon the net results of the pool, operating days and pool points for each vessel. The Helios Pool enters into voyage and time charters with external parties and receives freight and related revenue and, where applicable, incurs voyage costs such as bunkers, port

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costs and commissions. At the end of each month, the Helios Pool calculates net pool revenues using gross revenues, less voyage expenses of all the pool vessels, less fixed time charter hire for any chartered-in vessels, less the general and administrative expenses of the pool. Net pool revenues, less any amounts required for working capital of the Helios Pool, are distributed as variable rate time charter hire for the relevant vessel to participants based on pool points (vessel attributes such as cargo carrying capacity, fuel consumption, and speed are taken into consideration) and number of days the vessel participated in the pool in the period. We recognize net pool revenues on a monthly basis, when the vessel has participated in the pool during the period and the amount of net pool revenues for the month can be estimated reliably and collectability is reasonably assured. Revenue earned is presented in Note 12.

Consulting

Since the formation of our predecessor companies, a member of our board of directors, who resigned effective May 1, 2015, provided certain chartering and commercial services to the Company, its subsidiaries, and the Predecessor Companies. This individual entered into a consulting agreement in May 2015 that provided for, among other things, an annual fee of \$250,000, payable for services rendered commencing on May 8, 2014. The agreement was amended in June 2016, retroactive to January 1, 2016, to provide for, among other things, an annual fee for services rendered of \$120,000. Related to this consulting agreement, we expensed \$0.1 million, \$0.1 million, and \$0.2 million for the years ended March 31, 2018, 2017, and 2016, respectively.

Artwork

During the year ended March 31, 2016, we purchased \$0.1 million of artwork for newbuilding vessels, which has been capitalized and presented in "Vessels, net" in the consolidated balance sheets, for our Athens, Greece office and for a shipyard, which are included in "General and administrative expenses" in the consolidated statement of operations. The artist is a relative of one of our executive officers. No artwork was purchased during the years ended March 31, 2018 and 2017.

Commissions

Orient River Trading Ltd., a company 100% owned by a senior officer of our 100% owned subsidiary Dorian Management Corp., provided disponent owner services for certain charterers that do not recognize Marshall Islands vessel-owning subsidiary companies. Commission expenses on voyages utilizing these services, included in "Voyage expenses" in the consolidated statement of operations, amounted to \$0.1 million for the year ended March 31, 2016. There were no services rendered for us by Orient River Trading Ltd. for the years ended March 31, 2018 and 2017.

4. Inventories

Our inventories by type were as follows:

	March 31, 2018	March 31, 2017
Lubricants	\$ 1,600,692	\$ 1,807,617
Victualing	297,014	457,787
Bonded stores	115,201	124,985
Other	—	190,353
Total	\$ 2,012,907	\$ 2,580,742

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5. Vessels, Net

	Cost	Accumulated depreciation	Net book Value
Balance, April 1, 2016	\$ 1,727,979,929	\$ (60,755,453)	\$ 1,667,224,476
Other additions	984,639	—	984,639
Transfers out	(195,273)	—	(195,273)
Depreciation	—	(64,544,595)	(64,544,595)
Balance, March 31, 2017	\$ 1,728,769,295	\$ (125,300,048)	\$ 1,603,469,247
Other additions	218,685	—	218,685
Depreciation	—	(64,576,099)	(64,576,099)
Balance, March 31, 2018	\$ 1,728,987,980	\$ (189,876,147)	\$ 1,539,111,833

Additions to vessels, net were largely due to capital improvements made to one of our VLGCs during the year ended March 31, 2018 and capital improvements made to two of our VLGCs during the year ended March 31, 2017. Our vessels, with a total carrying value of \$1,539.1 million and \$1,603.5 million as of March 31, 2018 and 2017, respectively, are first priority mortgaged as collateral for our long-term debt (refer to Note 9 below). No impairment loss was recorded for the periods presented.

6. Other Fixed Assets, Net

Other fixed assets, net were \$0.2 million and \$0.3 million as of March 31, 2018 and March 31, 2017, respectively, and represent leasehold improvements, software and furniture and fixtures at cost. Accumulated depreciation on other fixed assets, net was \$0.6 million as of March 31, 2018 and \$0.6 million as of March 31, 2017.

7. Deferred Charges, Net

The analysis and movement of deferred charges, net is presented in the table below:

	Drydocking costs	Equity offering costs	Total deferred charges, net
Balance, April 1, 2016	\$ 294,935	\$ —	\$ 294,935

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Additions	1,817,231	—	1,817,231
Amortization	(227,992)	—	(227,992)
Balance, March 31, 2017	\$ 1,884,174	\$ —	\$ 1,884,174
Additions	185,050	52,546	237,596
Amortization	(488,309)	—	(488,309)
Other	(6,393)	(52,546)	(58,939)
Balance, March 31, 2018	\$ 1,574,522	\$ —	\$ 1,574,522

8. Accrued Expenses

Accrued expenses comprised of the following:

	March 31, 2018	March 31, 2017
Accrued voyage and vessel operating expenses	\$ 1,580,468	\$ 2,029,598
Accrued professional services	1,230,069	1,470,298
Accrued loan and swap interest	804,913	999,733
Accrued employee-related costs	992,427	786,467
Accrued board of directors' fees	88,750	88,750
Other	6,181	11,551
Total	\$ 4,702,808	\$ 5,386,397

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9. Long Term Debt

Description of our Debt Obligations

2015 Debt Facility

In March 2015, we entered into a \$758 million debt financing facility with four separate tranches (collectively, with the amendment described below, the "2015 Debt Facility"). Commercial debt financing ("Commercial Financing") of \$249 million was provided by ABN AMRO Capital USA LLC ("ABN"); ING Bank N.V., London Branch, ("ING"); DVB Bank SE ("DVB"); Citibank N.A., London Branch ("Citi"); and Commonwealth Bank of Australia, New York Branch, ("CBA") (collectively the "Commercial Lenders"), while the Export Import Bank of Korea ("KEXIM") directly provided \$204 million of financing ("KEXIM Direct Financing"). The remaining \$305 million of financing was provided under tranches guaranteed by KEXIM of \$202 million ("KEXIM Guaranteed") and insured by the Korea Trade Insurance Corporation ("K-sure") of \$103 million ("K-sure Insured"). Financing under the KEXIM guaranteed and K-sure insured tranches are provided by certain Commercial Lenders; Deutsche Bank AG; and Santander Bank, N.A. The debt financing is secured by, among other things, sixteen of our ECO VLGCs, and represents a loan-to-contract cost ratio before fees of approximately 55%.

The 2015 Debt Facility contains various covenants providing for, among other things, maintenance of certain financial ratios and certain limitations on payment of dividends, investments, acquisitions and indebtedness. A commitment fee was payable on the average daily unused amount under the 2015 Debt Facility of 40% of the margin on each tranche. Certain terms of the borrowings under each tranche of the 2015 Debt Facility are as follows:

		Term	Interest Rate Description(1) London InterBank Offered Rate ("LIBOR") plus a margin(4)	Interest Rate at March 31, 2018(2)	
Tranche 1	Commercial Financing	7 years	LIBOR plus a margin of 2.45%	5.04	%
Tranche 2	KEXIM Direct Financing	12 years(3)	LIBOR plus a margin of 1.40%	4.74	%
Tranche 3	KEXIM Guaranteed	12 years(3)	LIBOR plus a margin of 1.50%	3.69	%
Tranche 4	K-sure Insured	12 years(3)		3.79	%

- (1) The interest rate of the 2015 Debt Facility on Tranche 1 is determined in accordance with the agreement as three or six month LIBOR plus the applicable margin and the interest rate on Tranches 2, 3 and 4 is determined in accordance with the agreement as three month LIBOR plus the applicable margin for the respective tranches.
- (2) The set LIBOR rate in effect as of March 31, 2018 was 2.29%.
- (3) The KEXIM Direct Financing, KEXIM Guaranteed, and K-Sure tranches have put options to call for the prepayment on the final payment date of the Commercial Financing tranche subject to specific notifications and commitments for refinancing/renewal of the Commercial Financing tranche.
- (4) The Commercial Financing tranche margin over LIBOR is 2.75% and is reduced to 2.50% if 50% or more but less than 75% of the vessels financed in the 2015 Debt Facility are employed under time charters as defined in the agreement and to 2.25% if 75% or more of the vessels financed in the 2015 Debt Facility are employed under time charters as defined in the agreement. As of March 31, 2018, the set margin was 2.75%.

The 2015 Debt Facility is secured by, among other things, (i) first priority Bahamian mortgages on the vessels financed; (ii) first priority assignments of all of the financed vessels' insurances, earnings, requisition compensation, and management agreements; (iii) first priority security interests in respect of all issued shares or limited liability company interests of the borrowers and vessel-owning guarantors; (iv) first priority charter assignments of all of the financed vessels' long-term charters; (v) assignments of the interests of any ship manager in the insurances of the financed vessels; (vi) an assignment by the borrower of any bank, deposit or certificate of deposit opened in accordance with the facility; and (vii) a guaranty by the Company guaranteeing the obligations of the borrower and other guarantors under the facility agreement. The 2015 Debt Facility further provides that the facility is to be secured by assignments of the borrower's rights under any hedging contracts in connection with the facility but such assignments have not been entered into at this time.

The 2015 Debt Facility also contains customary covenants that require us to maintain adequate insurance coverage, properly maintain the vessels and to obtain the lender's prior consent before changes are made to the flag, class or management of the vessels, or entry into a new line of business. The loan facility includes customary events of default,

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including those relating to a failure to pay principal or interest, breaches of covenants, representations and warranties, a cross-default to certain other debt obligations and non-compliance with security documents, and customary restrictions from paying dividends if an event of default has occurred and is continuing, or if an event of default would result therefrom.

On May 31, 2017, we entered into an agreement to amend the 2015 Debt Facility (the “2015 Debt Facility Amendment”). The 2015 Debt Facility Amendment includes the relaxation of certain covenants under the debt financing facility; the release of \$26.8 million of restricted cash as of the date of the 2015 Debt Facility Amendment that was applied towards the next two debt principal payments, interest and certain fees; and certain other modifications, including an expanded definition of the components of consolidated liquidity to include all cash held in accounts by Helios LPG Pool LLC attributable to the vessels owned directly or indirectly by us. Fees related to the 2015 Debt Facility Amendment totaled approximately \$1.1 million.

The following financial covenants, some of which were relaxed under the 2015 Debt Facility Amendment, are the most restrictive from the 2015 Debt Facility with which the Company is required to comply, calculated on a consolidated basis, determined and defined according to the provisions of the loan agreement:

- The ratio of current assets and long-term restricted cash divided by current liabilities, excluding current portion of long-term debt, shall always be greater than 1.00;
- Maintain minimum shareholders’ equity at all times equal to the aggregate of (i) \$400,000,000, (ii) 50% of any new equity raised after loan agreement date and (iii) 25% of the positive net income for the immediately preceding financial year;
- Minimum interest coverage ratio of consolidated EBITDA to consolidated net interest expense must be maintained greater than or equal to (i) 1.25 at all times prior to and through March 31, 2018, (ii) 1.50 at all times from April 1, 2018 through March 31, 2019, and (iii) 2.50 at all times thereafter; and
- The ratio of consolidated net debt to consolidated total capitalization shall not exceed 0.60 to 1.00;
- Fair market value of the mortgaged ships plus any additional security over the outstanding loan balance shall be at least (i) 125% at all times prior to and through March 31, 2018, (ii) 130% at all times from April 1, 2018 through March 31, 2019, (iii) 135% at all times thereafter.

The following negative covenant was added under the 2015 Debt Facility Amendment:

- Restrictions on dividends and stock repurchases until the earlier of (i) an Approved Equity Offering (defined below) and (ii) the second anniversary of the 2015 Debt Facility Amendment Date; and

The 2015 Debt Facility Amendment also includes a provision for the reduction of the minimum balance held as restricted cash. The minimum balance of the restricted cash deposited under the 2015 Debt Facility Amendment is or was:

- the lesser of \$18.0 million and \$1.0 million per mortgaged vessel under the 2015 Debt Facility at all times from the date of the 2015 Debt Facility Amendment (“2015 Debt Facility Amendment Date”) through six months after the 2015 Debt Facility Amendment Date;
- the lesser of \$29.0 million and \$1.6 million per mortgaged vessel under the 2015 Debt Facility at all times from six months from the 2015 Debt Facility Amendment Date through the first anniversary of the 2015 Debt Facility Amendment Date;
- the lesser of \$40.0 million and \$2.2 million per mortgaged vessel under the 2015 Debt Facility at all times thereafter; and

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- if we complete a common stock offering of at least \$50.0 million, including fees (an “Approved Equity Offering”), the restricted cash shall be calculated as an amount at least equal to 5% of the total principal of the 2015 Debt Facility outstanding, but at no time less than the lesser of \$20.0 million and \$1.1 million per mortgaged vessel under the 2015 Debt Facility.

The 2015 Debt Facility permits the lenders to accelerate the indebtedness if, without the prior written consent of the lenders, (i) one-third of our common shares are owned by any shareholder other than certain entities, directors or officers listed in the agreement; (ii) there are certain changes to our board of directors; or (iii) Mr. John C. Hadjipateras ceases to serve on our board of directors.

Royal Bank of Scotland plc. (“RBS”) secured bank debt

We assumed the debt obligations associated with the financing of the vessels that were acquired through the acquisition of CJNP LPG Transport LLC, CMNL LPG Transport LLC, and CNML LPG Transport LLC. The prior loan arrangements associated with those vessels required approval from the lenders to sell the vessels and agreement from the lenders to transfer the borrowings to another party. As a consequence, the Company and the lender negotiated new borrowing terms in connection with this transaction. The new terms are described below. The total borrowings outstanding immediately prior to the debt modification and immediately after remained the same.

CJNP LPG Transport LLC, CMNL LPG Transport LLC, CNML LPG Transport LLC, and Corsair LPG Transport LLC as joint and several borrowers (Borrowers), and Dorian LPG Ltd. as parent guarantor entered into a loan facility of \$135,224,500 (the “RBS Loan Facility”), which replaced the prior borrowing arrangements of our predecessor companies. The RBS Loan Facility was divided into three tranches associated with each of the Captain John NP, Captain Markos NL and the Captain Nicholas ML, respectively.

We repaid in full the RBS Loan Facility at 96% of the then outstanding principal amount using proceeds from a bridge loan agreement entered into on June 8, 2017. Refer to “2017 Bridge Loan” below for further details.

2017 Bridge Loan

On June 8, 2017, we entered into a \$97.0 million bridge loan agreement (the “2017 Bridge Loan”) with DNB Capital LLC. The principal amount of the 2017 Bridge Loan was due on or before August 8, 2018 (the “Original Maturity Date”) and initially accrued interest on the outstanding principal amount at a rate of LIBOR plus 2.50% for the period ended December 7, 2017; LIBOR plus 4.50% for the period from December 8 until March 7, 2018; LIBOR plus 6.50% for the period March 8, 2018 until June 7, 2018, and LIBOR plus 8.50% from June 8, 2018 until the Original Maturity Date.

The proceeds of the 2017 Bridge Loan were used to repay in full the RBS Loan Facility at 96% of the then outstanding principal amount. The remaining proceeds were used to pay accrued interest, legal, arrangement and advisory fees related to the 2017 Bridge Loan. As part of this transaction, \$6.0 million of cash previously restricted under the RBS Loan Facility was released as unrestricted cash for use in operations.

The 2017 Bridge Loan was initially secured by, among other things, (i) first priority mortgages on the four VLGCs that were financed under the RBS Loan Facility, (ii) first assignments of all freights, earnings and insurances relating to these four VLGCs, and (iii) pledges of membership interests of the borrowers.

On November 7, 2017, we prepaid \$30.1 million of the 2017 Bridge Loan's then outstanding principal with proceeds from the Corsair Japanese Financing (defined below) and the security interests related to the Corsair were released under the facility. Refer to "Corsair Japanese Financing" below for further details.

On December 8, 2017, we entered into an agreement to amend the Original Maturity Date and margin on the 2017 Bridge Loan for a fee of \$0.2 million. The remaining outstanding principal amount of the 2017 Bridge Loan is due on or before December 31, 2018 (the "Amended Maturity Date") and accrues interest on the outstanding principal amount

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at a rate of LIBOR plus 2.50% for the period ending March 31, 2018; LIBOR plus 6.50% for the period April 1, 2018 until June 30, 2018, and LIBOR plus 8.50% from July 1, 2018 until the Amended Maturity Date.

On June 4, 2018, we prepaid \$22.3 million of the 2017 Bridge Loan's then outstanding principal using cash on hand prior to the closing of the CJNP Japanese Financing (defined below). On June 20, 2018, we prepaid the remaining 2017 Bridge Loan's outstanding principal of \$44.6 million (\$21.2 million related to the Captain Nicholas ML and \$23.4 million related to the Captain Markos NL) using cash on hand prior to the closing of the CMNL Japanese Financing (defined below) and the CNML Japanese Financing (defined below). See Note 23 below for more information.

Corsair Japanese Financing

On November 7, 2017, we refinanced a 2014-built VLGC, the Corsair, pursuant to a memorandum of agreement and a bareboat charter agreement ("Corsair Japanese Financing"). In connection therewith, we transferred the Corsair to the buyer for \$65.0 million and, as part of the agreement, Corsair LPG Transport LLC, our wholly-owned subsidiary, bareboat chartered the vessel back for a period of 12 years, with purchase options from the end of year 2 onwards through a mandatory buyout by 2029. We continue to technically manage, commercially charter, and operate the Corsair. We received \$52.0 million in cash as part of the transaction with \$13.0 million to be retained by the buyer as a deposit (the "Corsair Deposit"), which can be used by us towards the repurchase of the vessel either pursuant to an early buyout option or at the end of the 12-year bareboat charter term. The refinancing proceeds of \$52.0 million were used to prepay \$30.1 million of the 2017 Bridge Loan's then outstanding principal amount. The remaining proceeds were used to pay legal fees associated with this transaction and for general corporate purposes. The Corsair Japanese Financing is treated as a financing transaction and the VLGC continues to be recorded as an asset on our balance sheet. This debt financing has a fixed interest rate of 4.9%, not including financing costs of \$0.1 million, monthly broker commission fees of 1.25% over the 12-year term on interest and principal payments made, broker commission fees of 1% of the purchase option price excluding the Corsair Deposit, and a monthly fixed straight-line principal obligation of approximately \$0.3 million over the 12-year term with a balloon payment of \$13.0 million.

Concorde Japanese Financing

On January 31, 2018, we refinanced a 2015-built VLGC, the Concorde, pursuant to a memorandum of agreement and a bareboat charter agreement. In connection therewith, we transferred the Concorde to the buyer for \$70.0 million and, as part of the agreement, Concorde LPG Transport LLC, our wholly-owned subsidiary, bareboat chartered the vessel back for a period of 13 years, with purchase options from the end of year 3 onwards through a mandatory buyout by 2031. We continue to technically manage, commercially charter, and operate the Concorde. We received \$56.0 million in cash as part of the transaction with \$14.0 million to be retained by the buyer as a deposit (the "Concorde Deposit"), which can be used by us towards the repurchase of the vessel either pursuant to an early buyout option or at the end of the 13-year bareboat charter term. The refinancing proceeds of \$56.0 million were used to prepay \$35.1 million of the 2015 Debt Facility's then outstanding principal amount. Pursuant to the 2015 Debt Facility Amendment and in conjunction with this prepayment, \$1.6 million of restricted cash was released under the 2015 Debt Facility. The remaining proceeds were, or will be, used to pay legal fees associated with this transaction and for general corporate

purposes. This transaction is treated as a financing transaction and the Concorde continues to be recorded as an asset on our balance sheet. This debt financing has a fixed interest rate of 4.9%, not including estimated financing costs of \$0.1 million, monthly broker commission fees of 1.25% over the 13-year term on interest and principal payments made, broker commission fees of 1% of an exercised purchase option excluding the Concorde Deposit, and a monthly fixed straight-line principal obligation of approximately \$0.3 million over the 13-year term with a balloon payment of \$14.0 million.

Corvette Japanese Financing

On March 16, 2018, we refinanced a 2015-built VLGC, the Corvette, pursuant to a memorandum of agreement and a bareboat charter agreement. In connection therewith, we transferred the Corvette to the buyer for \$70.0 million and, as part of the agreement, Corvette LPG Transport LLC, our wholly-owned subsidiary, bareboat chartered the vessel back for a period of 13 years, with purchase options from the end of year 3 onwards through a mandatory buyout by 2031. We continue to technically manage, commercially charter, and operate the Corvette. We received \$56.0 million in cash as part of the transaction with \$14.0 million to be retained by the buyer as a deposit (the “Corvette Deposit”), which can be used

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by us towards the repurchase of the vessel either pursuant to an early buyout option or at the end of the 13-year bareboat charter term. The refinancing proceeds of \$56.0 million were used to prepay \$33.7 million of the 2015 Debt Facility's then outstanding principal amount. Pursuant to the 2015 Debt Facility Amendment and in conjunction with this prepayment, \$1.6 million of restricted cash was released under the 2015 Debt Facility. The remaining proceeds were, or will be, used to pay legal fees associated with this transaction and for general corporate purposes. This transaction is treated as a financing transaction and the Corvette continues to be recorded as an asset on our balance sheet. This debt financing has a fixed interest rate of 4.9%, not including estimated financing costs of \$0.1 million, monthly broker commission fees of 1.25% over the 13-year term on interest and principal payments made, broker commission fees of 1% of an exercised purchase option excluding the Corvette Deposit, and a monthly fixed straight-line principal obligation of approximately \$0.3 million over the 13-year term with a balloon payment of \$14.0 million.

Debt Obligations

The table below presents our debt obligations:

RBS Loan Facility	March 31, 2018	March 31, 2017
Tranche A	\$ —	\$ 34,000,000
Tranche B	—	25,570,000
Tranche C	—	40,312,500
Total RBS Loan Facility	\$ —	\$ 99,882,500
2017 Bridge Loan	\$ 66,940,405	\$ —
Corsair Japanese Financing	\$ 50,645,833	\$ —
Concorde Japanese Financing	\$ 55,192,308	\$ —
Corvette Japanese Financing	\$ 55,730,769	\$ —
2015 Debt Facility		
Commercial Financing	\$ 187,989,229	\$ 227,512,277
KEXIM Direct Financing	141,004,162	175,773,718
KEXIM Guaranteed	145,348,064	177,680,534
K-sure Insured	72,313,416	89,253,699
Total 2015 Debt Facility	\$ 546,654,871	\$ 670,220,228
Total debt obligations	\$ 775,164,186	\$ 770,102,728
Less: deferred financing fees	16,061,034	20,138,480
Debt obligations—net of deferred financing fees	\$ 759,103,152	\$ 749,964,248
Presented as follows:		
Current portion of long-term debt	\$ 65,067,569	\$ 65,978,785
Long-term debt—net of current portion and deferred financing fees	694,035,583	683,985,463
Total	\$ 759,103,152	\$ 749,964,248

Deferred Financing Fees

The analysis and movement of deferred financing fees is presented in the table below:

	Financing costs
Balance, April 1, 2016	\$ 23,748,116
Additions	99,785
Amortization	(3,709,421)
Balance, March 31, 2017	\$ 20,138,480
Additions	3,255,859
Amortization	(7,506,509)
Gain on early extinguishment of debt	173,204
Balance, March 31, 2018	\$ 16,061,034

Additions represent financing costs associated with the 2015 Debt Facility, 2017 Bridge Loan, Corsair Japanese Financing, Concorde Japanese Financing, and Corvette Japanese Financing for the years ended March 31, 2018 and

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2017, which have been deferred and are amortized over the life of the respective agreements and are included as part of interest expense in the consolidated statements of operations.

Future Cash Payments for Debt

The minimum annual principal payments, in accordance with the loan agreements, required to be made after March 31, 2018 are as follows:

Year ending March 31:	
2019	\$ 65,067,569
2020	63,968,442
2021	63,968,442
2022	202,751,210
2023	51,666,827
Thereafter	327,741,696
Total	\$ 775,164,186

10. Common Stock

Under the articles of incorporation effective July 1, 2013, the Company's authorized capital stock consists of 500,000,000 registered shares, par value \$0.01 per share, of which 450,000,000 are designated as common share and 50,000,000 shares are designated as preferred shares.

Each holder of common shares is entitled to one vote on all matters submitted to a vote of shareholders. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of common shares are entitled to share equally in any dividends, which the Company's board of directors may declare from time to time, out of funds legally available for dividends. Upon dissolution, liquidation or winding up, the holders of common shares will be entitled to share equally in all assets remaining after the payment of any liabilities and the liquidation preferences on any outstanding preferred stock. Holders of common shares do not have conversion, redemption or pre-emptive rights.

In August 2015, we established a stock repurchase program authorizing the repurchase of up to \$100.0 million of our common stock, which expired on December 31, 2016. We repurchased a total of 3,342,035 shares of our common stock for approximately \$33.7 million under this program through its expiration. Purchases under the program were made at our discretion in the form of open market repurchase programs, privately negotiated transactions, accelerated share repurchase programs or a combination of these methods.

Refer to Note 11 below for shares granted under the equity incentive plan during the years ended March 31, 2018, 2017, and 2016.

11. Stock-Based Compensation Plans

In April 2014, we adopted an equity incentive plan, which we refer to as the Equity Incentive Plan, under which we expect that directors, officers, and employees (including any prospective officer or employee) of the Company and its subsidiaries and affiliates, and consultants and service providers to (including persons who are employed by or provide services to any entity that is itself a consultant or service provider to) the Company and its subsidiaries and affiliates, as well as entities wholly owned or generally exclusively controlled by such persons, may be eligible to receive non-qualified stock options, stock appreciation rights, stock awards, restricted stock units and performance compensation awards that the plan administrator determines are consistent with the purposes of the plan and the interests of the Company. We have reserved 2,850,000 of our common shares for issuance under the Equity Incentive Plan, subject to adjustment for changes in capitalization as provided in the Equity Incentive Plan in April 2014. The plan is administered by our compensation committee.

During the year ended March 31, 2017, we granted 250,000 shares of restricted stock to certain of our officers and employees. One-fourth of these restricted shares vested immediately on the grant date, one-fourth vested one year after grant date, one-fourth will vest two years after grant date, and one-fourth will vest three years after grant date. The

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restricted shares were valued at their grant date fair market value and expensed on a straight-line basis over the vesting periods.

During the year ended March 31, 2018, we granted 259,800 shares of restricted stock to certain of our officers and employees. One-fourth of these restricted shares vested immediately on the grant date, one-fourth will vest one year after grant date, one-fourth will vest two years after grant date, and one-fourth will vest three years after grant date. The restricted shares were valued at their grant date fair market value and expensed on a straight-line basis over the vesting periods.

During the years ended March 31, 2018 and 2017, we granted 31,800 and 31,770 shares of stock, respectively, to our non-executive directors, which were valued and expensed at their grant date fair market value. There were no shares granted to our non-executive directors during the year ended March 31, 2016.

During the years ended March 31, 2018 and 2017, we granted 6,360 and 2,938 shares of stock, respectively, to a non-employee consultant, which were valued and expensed at their grant date fair market value. There were no shares granted to this non-employee consultant during the year ended March 31, 2016.

Our stock-based compensation expense was \$5.1 million, \$4.4 million and \$4.1 million (including accrued stock-based compensation of \$0.5 million for our board of directors) for the years ended March 31, 2018, 2017, and 2016, respectively, and is included within general and administrative expenses in our accompanying consolidated statements of operations. Unrecognized compensation cost as of March 31, 2018 was \$6.4 million and the expense will be recognized over a remaining weighted average life of 1.51 years.

A summary of the activity of our restricted shares as of March 31, 2018 and 2017 and changes during the years ended March 31, 2018 and 2017, are as follows:

Incentive Share Awards	Numbers of Shares	Weighted-Average Grant-Date Fair Value
Unvested as of April 1, 2016	929,000	\$ 19.70
Granted	284,708	7.82
Vested	(97,208)	7.82
Forfeited	(1,875)	7.82
Unvested as of March 31, 2017	1,114,625	\$ 17.72
Granted	297,960	7.36
Vested	(481,538)	15.42
Forfeited	(12,703)	10.39
Unvested as of March 31, 2018	918,344	\$ 15.67

12. Revenues

Revenues comprise the following:

	Year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Net pool revenues—related party	\$ 106,958,576	\$ 115,753,153	\$ 202,918,232
Time charter revenues	50,176,166	49,474,510	38,737,172
Voyage charter revenues	2,068,491	1,296,952	46,194,134
Other revenues, net	131,527	922,556	1,358,291
Total revenues	\$ 159,334,760	\$ 167,447,171	\$ 289,207,829

Net pool revenues—related party depend upon the net results of the Helios Pool, and the operating days and pool points for each vessel. Refer to Notes 2 and 3 above for further information.

Other revenues, net represent income from charterers relating to reimbursement of voyage expenses such as costs for security guards and war risk insurance.

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13. Voyage Expenses

Voyage expenses comprise the following:

	Year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Bunkers	\$ 817,676	\$ 804,371	\$ 7,240,544
Port charges and other related expenses	539,605	886,651	2,558,697
Brokers' commissions	631,659	684,302	1,335,584
Security cost	117,368	390,330	370,762
War risk insurances	12,310	40,704	219,261
Other voyage expenses	95,155	159,620	339,834
Total	\$ 2,213,773	\$ 2,965,978	\$ 12,064,682

14. Vessel Operating Expenses

Vessel operating expenses comprise the following:

	Year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Crew wages and related costs	\$ 42,807,373	\$ 43,724,030	\$ 31,449,090
Spares and stores	8,730,107	9,432,845	6,403,785
Insurance	3,758,485	4,668,838	3,527,386
Repairs and maintenance costs	4,028,775	3,867,993	2,076,576
Lubricants	2,677,177	2,742,944	2,489,494
Miscellaneous expenses	2,310,727	1,671,412	1,173,659
Total	\$ 64,312,644	\$ 66,108,062	\$ 47,119,990

15. Interest and Finance Costs

Interest and finance costs is comprised of the following:

	Year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Interest incurred	\$ 27,422,693	\$ 24,695,674	\$ 14,350,900
Amortization of financing costs	7,506,509	3,709,421	2,499,185
Other financing costs	728,843	566,847	715,942
Capitalized interest	—	—	(4,809,014)
Total	\$ 35,658,045	\$ 28,971,942	\$ 12,757,013

16. Income Taxes

Dorian LPG Ltd. and its vessel-owning subsidiaries are incorporated in the Marshall Islands and under the laws of the Marshall Islands, are not subject to tax on income or capital gains and no Marshall Islands withholding tax will be imposed on dividends paid by the Company to its shareholders. Dorian LPG Ltd. and its vessel-owning subsidiaries are also subject to United States federal income taxation in respect of income that is derived from the international operation of ships and the performance of services directly related thereto attributable to the transport of cargo to or from the United States (“Shipping Income”), unless exempt from United States federal income taxation.

If Dorian LPG Ltd. and its vessel-owning subsidiaries do not qualify for the exemption from tax under Section 883, of the Internal Revenue Code of 1986, as amended, Dorian LPG Ltd. and its subsidiaries will be subject to a 4% tax on its “United States source shipping income,” imposed without the allowance for any deductions. For these purposes, “United States source shipping income” means 50% of the Shipping Income derived by Dorian LPG Ltd. and its vessel-owning subsidiaries that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States.

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For our fiscal years ended March 31, 2018, 2017 and 2016, we believe that we qualified, and we expect to qualify, for exemption under Section 883 and as a consequence, our gross United States source shipping income will not be subject to a 4% gross basis tax.

17. Commitments and Contingencies

Operating Leases

Operating lease rent expense was as follows:

	Year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Operating lease rent expense	\$ 426,155	\$ 415,928	\$ 451,240

We had the following commitments as a lessee under operating leases relating to our United States, Greece and United Kingdom offices:

	March 31, 2018
Less than one year	\$ 464,594
One to three years	452,966
Total	\$ 917,560

Fixed Time Charter Commitments

We had the following future minimum fixed time charter hire receipts based on non-cancelable long-term fixed time charter contracts:

	March 31, 2018
Less than one year	\$ 36,403,113
One to three years	25,736,365

Total \$ 62,139,478

Other

From time to time we expect to be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. Such claims, even if lacking in merit, could result in the expenditure of significant financial and managerial resources. We are not aware of any claim, which is reasonably possible and should be disclosed or probable and for which a provision should be established in the accompanying consolidated financial statements.

18. Financial Instruments and Fair Value Disclosures

Our principal financial assets consist of cash and cash equivalents, amounts due from related parties, trade accounts receivable and derivative instruments. Our principal financial liabilities consist of long term debt, accounts payable, amounts due to related parties and accrued liabilities.

- (a) Concentration of credit risk: Financial instruments, which may subject us to significant concentrations of credit risk, consist principally of amounts due from our charterers, including the receivables from Helios Pool, cash and cash equivalents, and restricted cash. We limit our credit risk with amounts due from our charterers, including those through the Helios Pool, by performing ongoing credit evaluations of our charterers' financial condition and generally do not require collateral from our charterers. We limit our credit risk with our cash and cash equivalents and restricted cash by placing it with highly-rated financial institutions.

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- (b) Interest rate risk: Our long-term bank loans are based on LIBOR and hence we are exposed to movements thereto. We entered into interest rate swap agreements in order to hedge a majority of our variable interest rate exposure related to the 2015 Debt Facility.

The principal terms of our interest rate swaps are as follows:

Interest rate swap	Transaction Date	Termination Date	Fixed interest rate		Nominal value March 31, 2018	Nominal value March 31, 2017
2015 Debt Facility - Citibank(1)	September 2015	March 2022	1.933	%	200,000,000	200,000,000
2015 Debt Facility - ING(2)	September 2015	March 2022	2.002	%	50,000,000	50,000,000
2015 Debt Facility - CBA(3)	October 2015	March 2022	1.428	%	60,025,000	71,250,000
2015 Debt Facility - Citibank(4)	October 2015	March 2022	1.380	%	90,037,500	106,875,000
2015 Debt Facility - Citibank(5)	June 2016	March 2022	1.213	%	59,276,849	67,124,650
2015 Debt Facility - Citibank(6)	June 2016	March 2022	1.161	%	24,358,290	27,583,142
					483,697,639	522,832,792

- (1) Non-amortizing with a final settlement of \$200 million in March 2022.
(2) Non-amortizing with a final settlement of \$50 million in March 2022.
(3) Reduces quarterly by \$2.8 million with a final settlement of \$17.9 million due in March 2022.
(4) Reduces quarterly by \$4.2 million with a final settlement of \$26.9 million due in March 2022.
(5) Reduces quarterly by \$2.0 million with a final settlement of \$29.9 million due in March 2022.
(6) Reduces quarterly by \$0.8 million with a final settlement of \$12.3 million due in March 2022.

- (c) Fair value measurements: Interest rate swaps are stated at fair value, which is determined using a discounted cash flow approach based on market based LIBOR swap yield rates. LIBOR swap rates are observable at commonly quoted intervals for the full terms of the swaps and, therefore, are considered Level 2 items in accordance with the fair value hierarchy. The fair value of the interest rate swap agreements approximates the amount that we would have to pay for the early termination of the agreements. The following table summarizes the location on the balance sheet of the financial assets and liabilities that are carried at fair value on a recurring basis, which comprise our financial derivatives all of which are considered Level 2 items in accordance with the fair value hierarchy:

	March 31, 2018		March 31, 2017	
	Other non-current assets	Long-term liabilities	Other non-current assets	Long-term liabilities
Derivatives not designated as hedging instruments				

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	Derivative instruments	Derivative instruments	Derivative instruments	Derivative instruments
Interest rate swap agreements	\$ 14,264,899	\$ —	\$ 5,843,368	\$ —

The effect of derivative instruments within the consolidated statement of operations for the periods presented is as follows:

	Location of gain/(loss) recognized	March 31, 2018	March 31, 2017	March 31, 2016
Derivatives not designated as hedging instruments	Unrealized gain/(loss)			
Interest Rate Swap—Change in fair value	on derivatives	\$ 8,421,531	\$ 27,491,333	\$ (8,917,503)
Interest Rate Swap—Realized loss	Realized loss on			
Gain/(loss) on derivatives, net	derivatives	(1,328,886)	(13,797,478)	(6,858,126)
		\$ 7,092,645	\$ 13,693,855	\$ (15,775,629)

As of March 31, 2018 and March 31, 2017, no fair value measurements for assets or liabilities under Level 1 or Level 3 were recognized in the accompanying consolidated balance sheets. We did not have any assets or liabilities measured at fair value on a non-recurring basis during the years ended March 31, 2018, 2017 and 2016.

(d) Book values and fair values of financial instruments. In addition to the derivatives that we are required to record at fair value on our balance sheet (see (c) above), we have other financial instruments that are carried at historical cost. These financial instruments include trade accounts receivable, amounts due from related parties, cash and cash equivalents, accounts payable, amounts due to related parties and accrued liabilities for which the historical carrying value approximates the fair value due to the short-term nature of these financial instruments. We have long-term bank debt for which we believe the historical carrying value approximates their fair value as the loans bear interest at variable interest rates, being LIBOR, which is observable at commonly quoted intervals for the full terms of the loans, and hence are considered as Level 2 items in accordance with the fair value

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hierarchy. We also have long-term debt related to the refinancing of the Corsair, Concorde, and Corvette that incur interest at a fixed-rate with the initial principal amount amortized to the purchase obligation price of each vessel. The Corsair Japanese Financing, Concorde Japanese Financing, and Corvette Japanese Financing are considered Level 2 items in accordance with the fair value hierarchy and we believe the historical carrying value approximates fair value as of March 31, 2018 as the terms of the transactions are similar, including identical borrowing rates, and represents the market borrowing rate for such transactions as of March 31, 2018. Cash and cash equivalents and restricted cash are considered Level 1 items.

19. Retirement Plans

Defined Contribution Plan

United States-based employees participate in our 401(k) retirement plan and may contribute a portion of their annual compensation to a 401(k) plan on a pre-tax basis, in accordance with Internal Revenue Service guidelines. On behalf of all participants in the plan, we provide a safe harbor contribution subject to certain limitations. Employee contributions and our safe harbor contributions are vested at all times. We recognized and paid compensation expense associated with the safe harbor contributions totaling \$0.1 million for each of the years ended March 31, 2018, 2017, and 2016.

Defined Benefit Plan

Our Greece-based employees have a required statutory defined benefit pension plan according to provisions of Greek law 2112/20 covering all eligible employees (the "Greece Plan"). We recognized compensation expense and recorded a corresponding liability associated with our projected benefit obligation to the Greece Plan totaling \$0.1 million, \$0.1 million, and \$0.2 million for the years ended March 31, 2018, 2017, and 2016, respectively.

Other

We contribute to retirement accounts for certain United Kingdom-based employees based on a percentage of their annual salaries. For each of the years ended March 31, 2018, 2017, and 2016, we recognized compensation expense of \$0.1 million related to these contributions.

20. Termination of Shareholder Rights Plan

On December 16, 2016, our board of directors declared a dividend of one preferred share purchase right (a "Right") for each share of our common stock outstanding, as set forth in the Rights Agreement dated as of December 16, 2016, by and between the Company and Computershare Inc., as rights agent (the "Rights Agreement"). The dividend was paid on December 27, 2016 to the stockholders of record on such date. Each Right attached to and traded with the associated share of common stock. The Rights were exercisable only if a person or group acquired 15% or more of our outstanding common stock or announced a tender offer or exchange offer which, if consummated, would have resulted in ownership by a person or group of 15% or more of our outstanding common stock (an "Acquiring Person"). If a person became an Acquiring Person, each Right would have entitled its holder (other than an Acquiring Person and certain related parties) to purchase for \$60 a number of shares of our common stock having a market value of twice such price. In addition, at any time after a person or group would have acquired 15% or more of our outstanding common stock (unless such person or group would have acquired 50% or more), our board of directors had the option to exchange one share of our common stock for each outstanding Right (other than Rights owned by the Acquiring Person and certain related parties, which would have become void). Any person who, prior to the time of public announcement of the existence of the Rights, publicly disclosed in a Schedule 13D or Schedule 13G (or an amendment thereto) on file with the Securities and Exchange Commission that they beneficially owned 15% or more of our outstanding common stock would not be considered an Acquiring Person so long as such person does not acquire additional shares in excess of certain limitations.

The Rights Agreement was amended on January 26, 2018 to accelerate the expiration of the Rights from August 31, 2018 to January 26, 2018, and had the effect of terminating the Rights Agreement on that date. At the time of the

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termination of the Rights Agreement, all of the Rights distributed to holders of our common stock pursuant to the Rights Agreement expired.

21. Earnings/(Loss) Per Share (“EPS”)

Basic EPS represents net income/(loss) attributable to common shareholders divided by the weighted average number of common shares outstanding during the measurement period. Our restricted stock shares include rights to receive dividends that are subject to the risk of forfeiture if service requirements are not satisfied, thus these shares are not considered participating securities and are excluded from the basic weighted-average shares outstanding calculation. Diluted EPS represent net income/(loss) attributable to common shareholders divided by the weighted average number of common shares outstanding during the measurement period while also giving effect to all potentially dilutive common shares that were outstanding during the period.

The calculations of basic and diluted EPS for the periods presented were as follows:

(In U.S. dollars except share data)	Year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Numerator:			
Net income/(loss)	\$ (20,400,686)	\$ (1,441,815)	\$ 129,688,382
Denominator:			
Basic weighted average number of common shares outstanding	54,039,886	54,079,139	56,657,570
Effect of dilutive restricted stock	—	—	49,524
Diluted weighted average number of common shares outstanding	54,039,886	54,079,139	56,707,094
EPS:			
Basic	\$ (0.38)	\$ (0.03)	\$ 2.29
Diluted	\$ (0.38)	\$ (0.03)	\$ 2.29

For the years ended March 31, 2018, 2017 and 2016, there were 918,344, 1,114,625 and 655,000 shares of unvested restricted stock, respectively, excluded from the calculation of diluted EPS because the effect of their inclusion would be anti-dilutive.

22. Selected Quarterly Financial Information (unaudited)

The following tables summarize the 2018 and 2017 quarterly results:

	Three months ended June 30, 2017	Three months ended September 30, 2017	Three months ended December 31, 2017	Three months ended March 31, 2018
Revenues	\$ 41,025,472	\$ 34,729,021	\$ 44,545,589	\$ 39,034,678
Operating income/(loss)	(293,446)	(3,534,720)	6,996,104	673,447
Net income/(loss)	\$ (6,689,970)	\$ (11,915,136)	\$ 1,670,415	\$ (3,465,995)
Earnings/(loss) per common share, basic and diluted	\$ (0.12)	\$ (0.22)	\$ 0.03	\$ (0.06)

	Three months ended June 30, 2016	Three months ended September 30, 2016	Three months ended December 31, 2016	Three months ended March 31, 2017
Revenues	\$ 50,515,776	\$ 33,611,233	\$ 35,734,988	\$ 47,585,174
Operating income/(loss)	12,413,266	(4,210,840)	(3,453,959)	9,244,855
Net income/(loss)	\$ (1,291,121)	\$ (7,145,558)	\$ 5,039,624	\$ 1,955,240
Earnings/(loss) per common share, basic and diluted	\$ (0.02)	\$ (0.13)	\$ 0.09	\$ 0.04

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23. Subsequent Events

CJNP Japanese Financing

On June 11, 2018, we refinanced our 2007-built VLGC, the Captain John NP, pursuant to a memorandum of agreement and a bareboat charter agreement (the “CJNP Japanese Financing”). In connection therewith, we transferred the Captain John NP to the buyer for \$48.3 million and, as part of the agreement, CJNP LPG Transport LLC, our wholly-owned subsidiary, bareboat chartered the vessel back for a period of 6 years, with purchase options from the end of year 2 through a mandatory buyout by 2024. We continue to technically manage, commercially charter, and operate the Captain John NP. We received \$21.7 million in cash as part of the transaction with \$26.6 million to be retained by the buyer as a deposit (the “CJNP Deposit”), which can be used by us towards the repurchase of the vessel either pursuant to an early buyout option or at the end of the 6-year bareboat charter term. The refinancing proceeds of \$21.7 million increased our unrestricted cash after we prepaid \$22.3 million of the 2017 Bridge Loan on June 4, 2018 using cash on hand prior to the closing of the CJNP Japanese Financing (see “Prepayment of the 2017 Bridge Loan” below). This transaction will be treated as a financing transaction and the Captain John NP will continue to be recorded as an asset on our balance sheet. This debt financing has a fixed interest rate of 6.0%, not including estimated financing costs of \$0.1 million, monthly broker commission fees of 1.25% over the 6-year term on interest and principal payments made, broker commission fees of 1.0% of an exercised purchase option excluding the CJNP Deposit, and a monthly fixed straight-line principal obligation of approximately \$0.1 million over the 6-year term with a balloon payment of \$13.0 million.

CMNL Japanese Financing

On June 25, 2018, we refinanced our 2006-built VLGC, the Captain Markos NL, pursuant to a memorandum of agreement and a bareboat charter agreement. (the “CMNL Japanese Financing”) In connection therewith, we transferred the Captain Markos NL to the buyer for \$45.8 million and, as part of the agreement, CMNL LPG Transport LLC, our wholly-owned subsidiary, bareboat chartered the vessel back for a period of 7 years, with purchase options from the end of year 2 through a mandatory buyout by 2025. We continue to technically manage, commercially charter, and operate the Captain Markos NL. We received \$20.6 million in cash as part of the transaction with \$25.2 million to be retained by the buyer as a deposit (the “CMNL Deposit”), which can be used by us towards the repurchase of the vessel either pursuant to an early buyout option or at the end of the 7-year bareboat charter term. The refinancing proceeds of \$20.6 million increased our unrestricted cash after we prepaid \$21.2 million of the 2017 Bridge Loan on June 20, 2018 using cash on hand prior to the closing of the CMNL Japanese Financing (see “Prepayment of the 2017 Bridge Loan” below). The remaining proceeds were, or will be, used to pay legal fees associated with this transaction and for general corporate purposes. This transaction will be treated as a financing transaction and the Captain Markos NL will continue to be recorded as an asset on our balance sheet. This debt financing has a fixed interest rate of 6.0%, not including estimated financing costs of \$0.1 million, monthly broker commission fees of 1.25% over the 7-year term on interest and principal payments made, broker commission fees of 1.0% of an exercised purchase option excluding the CMNL Deposit, and a monthly fixed straight-line principal obligation of approximately \$0.1 million over the 7-year term with a balloon payment of \$11.0 million.

CNML Japanese Financing

On June 26, 2018, we refinanced our 2008-built VLGC, the Captain Nicholas ML, pursuant to a memorandum of agreement and a bareboat charter agreement (the “CNML Japanese Financing”). In connection therewith, we transferred the Captain Nicholas ML to the buyer for \$50.8 million and, as part of the agreement, CNML LPG Transport LLC, our wholly-owned subsidiary, bareboat chartered the vessel back for a period of 7 years, with purchase options from the end of year 2 through a mandatory buyout by 2025. We continue to technically manage, commercially charter, and operate the Captain Nicholas ML. We received \$22.9 million in cash as part of the transaction with \$27.9 million to be retained by the buyer as a deposit (the “CNML Deposit”), which can be used by us towards the repurchase of the vessel either pursuant to an early buyout option or at the end of the 7-year bareboat charter term. The refinancing proceeds of \$22.9 million increased our unrestricted cash after we prepaid \$23.4 million of the 2017 Bridge Loan on June 20, 2018 using cash on hand prior to the closing of the CNML Japanese Financing (see “Prepayment of the 2017 Bridge Loan” below). The remaining proceeds were, or will be, used to pay legal fees associated with this transaction and for general corporate purposes. This transaction will be treated as a financing transaction and the Captain Nicholas ML will continue to be

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recorded as an asset on our balance sheet. This debt financing has a fixed interest rate of 6.0%, not including estimated financing costs of \$0.1 million, monthly broker commission fees of 1.25% over the 7-year term on interest and principal payments made, broker commission fees of 1.0% of an exercised purchase option excluding the CNML Deposit, and a monthly fixed straight-line principal obligation of approximately \$0.1 million over the 7-year term with a balloon payment of \$13.0 million.

Prepayment of the 2017 Bridge Loan

On June 4, 2018, we prepaid \$22.3 million of the 2017 Bridge Loan's then outstanding principal using cash on hand prior to the closing of the CJNP Japanese Financing. On June 20, 2018, we prepaid the remaining 2017 Bridge Loan's outstanding principal of \$44.6 million (related to the Captain Nicholas ML and the Captain Markos NL) using cash on hand prior to the closing of the CMNL Japanese Financing and the CNML Japanese Financing.

Restricted Stock Awards

On June 15, 2018, we granted an aggregate of 200,000 shares of restricted stock to certain of our officers and employees. One-fourth of these restricted shares vested immediately on the grant date, one-fourth will vest one year after grant date, one-fourth will vest two years after grant date, and one-fourth will vest three years after grant date. The restricted shares were valued at their grant date fair market value and expensed on a straight-line basis over the vesting periods.