

NAVIGATOR HOLDINGS LTD
FINANCIAL STATEMENTS FOR THE PERIOD TO
MARCH 31, 2013

Navigator Holdings Ltd

Index to Financial Statements

	Page
First Quarter 2013 financial and operating results	1
Consolidated Balance Sheets as of March 31, 2013 (unaudited) and December 31, 2012	2
Consolidated Statements of Operations for the three month periods ended March 31, 2013 and 2012 (unaudited)	3
Consolidated Statements of Stockholders' Equity for the year ended December 31, 2012 and for the three month period ending March 31, 2013 (unaudited)	4
Consolidated Statements of Comprehensive Income for the three month periods ended March 31, 2013 and 2012 (unaudited)	4
Consolidated Statements of Cash Flows for the three month periods ended March 31, 2013 and 2012 (unaudited)	5
Notes to Consolidated Financial Statements	6

Navigator Holdings Ltd reports First Quarter 2013 financial and operating results.**First Quarter 2013 Results:**

Operating revenue for the three months ended March 31, 2013 amounted to \$42.3 million, an increase of \$12.6 million compared to operating revenue of \$29.7 million for the three months ended March 31, 2012. The average time charter equivalent rate for semi-refrigerated vessels was approximately \$902,000 per calendar month (\$29,661 per day) during this first quarter, compared to \$798,000 for the fourth quarter of 2012 and \$759,000 per calendar month (\$24,950 per day) for the comparative quarter of 2012.

During the quarter the Company took delivery of three vessels from Maersk Tankers under the agreement of November 2012 to purchase their handysized fleet. These vessels are the first fully refrigerated vessels to be owned by Navigator Gas and during the quarter their average time charter equivalent rate was \$512,000 per calendar month (\$16,846 per day).

Fleet utilization was 96.8% for this first quarter compared with 99.3% for the same three month period of 2012 and 99.6% for the whole of 2012.

Net operating revenue, which is operating revenue less voyage expenses, amounted to \$34.6 million for the three months to March 31, 2013, an increase from \$23.7 million from the three months ended March 31, 2012. Of this increase in net operating revenue \$5.7 million of the \$10.9 million derived from additional vessels in the fleet and \$5.2 million from improved charter rates countered by a decreased utilization due largely to one vessel ballasting from the Far East to the US Gulf to take up a time charter.

Vessel operating expenses increased by \$3.1 million from \$6.5 million for the three months to March 31, 2012 to \$9.6 million for the same period in 2013. This increase is principally due to the purchases of additional vessels in both the second quarter of 2012 and in the first quarter of this year.

Net income rose to \$7.6 million for the three month period to March 31, 2013 or \$0.55 per share, based on the increased number of shares in issue, from \$6.3 million or \$0.57 per share for the same three months of 2012.

EBITDA for the quarter was \$20.7 million compared with \$12.8 million for the quarter ended March 31, 2012.

The cash position as of March 31, 2013 of approximately \$103 million reflects the receipt of \$125 million for the bond issue in December 2012 as well as \$75 million following the equity subscription on February 25, 2013 of 2.5 million new shares in Navigator Holdings and \$123.5 million for the purchase of the first three vessels under the agreement with Maersk Tankers concluded last year.

As of March 31, 2013 there were 15,398,216 shares outstanding.

Navigator Holdings Ltd

Consolidated Balance Sheets

	March 31, 2013 (Unaudited)	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	\$ 93,427,304	\$ 140,870,317
Short term investments	10,000,000	10,000,000
Accounts receivable, net	4,686,325	3,873,849
Prepaid expenses and other current assets	10,125,306	11,809,203
Inventories	5,941,708	4,821,346
Total current assets	<u>124,180,643</u>	<u>171,374,715</u>
Vessels in operation, net	716,743,308	586,660,699
Deposit on vessel acquisitions	33,350,000	47,000,000
Vessels under construction	25,327,801	20,110,888
Property, plant and equipment, net	468,255	497,362
Deferred finance costs, net	10,956,074	6,610,820
Total assets	<u>\$ 911,026,081</u>	<u>\$ 832,254,484</u>
Liabilities and stockholders' equity		
Current liabilities		
Current portion of long-term debt	\$ 26,842,508	\$ 26,842,508
Accounts payable	7,372,489	7,943,797
Accrued expenses and other liabilities	9,632,052	5,368,092
Deferred income	1,972,081	2,883,352
Total current liabilities	<u>45,819,130</u>	<u>43,037,749</u>
Non-current liabilities		
Long-term debt, net of current portion	209,682,618	216,393,245
9% Senior unsecured bond issue	125,000,000	125,000,000
Total non-current liabilities	<u>334,682,618</u>	<u>341,393,245</u>
Commitments and contingencies		
Stockholders' equity		
Common stock – \$.01 par value; 20,000,000 shares authorized; 15,398,216 shares issued and outstanding, (2012: 12,898,216)	153,982	128,982
Additional paid-in capital	427,782,518	352,636,997
Accumulated other comprehensive loss	(202,501)	(114,507)
Retained earnings	102,790,334	95,172,018
Total stockholders' equity	<u>530,524,333</u>	<u>447,823,490</u>
Total liabilities and stockholders' equity	<u>\$ 911,026,081</u>	<u>\$ 832,254,484</u>

See accompanying notes to consolidated financial statements.

Navigator Holdings Ltd

Consolidated Statements of Income
(Unaudited)

	Three months ended March 31, <u>2013</u>	Three months ended March 31, <u>2012</u>
Revenues		
Operating revenue	\$ 42,312,898	\$ 29,697,292
	<hr/>	<hr/>
Expenses		
Address and brokerage commissions	1,119,922	891,653
Voyage expenses	7,723,446	5,956,045
Charter in costs	1,374,718	1,800,000
Vessel operating expenses	9,590,390	6,543,590
Depreciation and amortization	7,146,376	5,299,957
General and administrative costs	1,398,261	1,341,058
Other corporate expenses	445,321	342,217
	<hr/>	<hr/>
	28,798,434	22,174,520
	<hr/>	<hr/>
Operating income	13,514,464	7,522,772
Other income/(expense)		
Interest expense	(5,796,876)	(1,127,380)
Interest income	33,528	1,716
	<hr/>	<hr/>
Income before income taxes	7,751,116	6,397,108
Income taxes	(132,800)	(124,261)
	<hr/>	<hr/>
Net income	\$ 7,618,316	\$ 6,272,847
	<hr/> <hr/>	<hr/> <hr/>
Earnings per share:		
Basic and diluted	\$ 0.55	\$ 0.57
	<hr/> <hr/>	<hr/> <hr/>
Weighted average number of shares outstanding:		
Basic and diluted	13,870,438	11,022,511
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to consolidated financial statements.

Navigator Holdings Ltd

Consolidated Statements of Comprehensive Income
(Unaudited)

	Three months ended March 31, <u>2013</u>	Three months ended March 31, <u>2012</u>
Net income	\$ 7,618,316	\$ 6,272,847
Other Comprehensive Income/(Loss):		
Foreign currency translation gain / (loss)	(87,994)	55,172
Total Comprehensive Income	<u>\$ 7,530,322</u>	<u>\$ 6,328,019</u>

Consolidated Statements of Stockholders' Equity
(Unaudited)

	<u>Common Stock at 0.01 par value</u>	<u>Additional Paid in Capital</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Retained Earnings</u>	<u>Total</u>
January 1, 2012	\$ 109,965	\$ 305,009,507	\$ (146,673)	\$ 67,055,392	\$ 372,028,191
Issuance of common stock	18,750	46,830,997	-	-	46,849,747
Restricted shares issued February 22, 2012	167	-	-	-	167
Restricted shares issued April 24, 2012	100	-	-	-	100
Net income	-	-	-	30,535,845	30,535,845
Dividends paid	-	-	-	(2,419,219)	(2,419,219)
Foreign currency translation	-	-	32,166	-	32,166
Share-based compensation plan	-	796,493	-	-	796,493
December 31, 2012	<u>128,982</u>	<u>352,636,997</u>	<u>(114,507)</u>	<u>95,172,018</u>	<u>447,823,490</u>
Issuance of common stock	25,000	74,955,023	-	-	74,980,023
Net income	-	-	-	7,618,316	7,618,316
Foreign currency translation	-	-	(87,994)	-	(87,994)
Share-based compensation plan	-	190,498	-	-	190,498
March 31, 2013	<u>\$ 153,982</u>	<u>\$ 427,782,518</u>	<u>\$ (202,501)</u>	<u>\$ 102,790,334</u>	<u>\$ 530,524,333</u>

See accompanying notes to consolidated financial statements.

Navigator Holdings Ltd

Consolidated Statements of Cash Flows
(Unaudited)

	Three months ended March 31, <u>2013</u>	Three months ended March 31, <u>2012</u>
Cash flows from operating activities		
Net income	\$ 7,618,316	\$ 6,272,847
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	7,146,376	5,299,957
Share based compensation	190,498	136,690
Amortization of deferred financing costs	404,925	92,113
Unrealized foreign exchange	(62,214)	50,758
Changes in operating assets and liabilities		
Accounts receivable	(510,452)	(326,469)
Inventories	(1,120,362)	(43,525)
Prepaid expenses and other current assets	1,683,896	(2,804,915)
Accounts payable and other liabilities	2,479,357	736,766
Net cash provided by operating activities	<u>17,830,340</u>	<u>9,414,222</u>
Cash flows from investing activities		
Placement of restricted cash for vessel purchase	-	(10,033,400)
Payment to acquire vessels	(123,543,397)	-
Payment for vessels under construction	(5,216,913)	(24,719,683)
Purchase of other property, plant and equipment	(32,260)	-
Net cash used in investing activities	<u>(128,792,570)</u>	<u>(34,753,083)</u>
Cash flows from financing activities		
Proceeds from long-term debt	-	26,528,260
Direct financing costs of long-term debt	(4,725,000)	-
Repayment of long-term debt	(6,710,627)	(3,373,590)
Issuance costs of 9% bond issue	(25,179)	-
Proceeds from issuance of stock	75,000,000	46,875,000
Issuance costs of stock	(19,977)	(6,641)
Dividends paid	-	(2,419,219)
Net cash provided by financing activities	<u>63,519,217</u>	<u>67,603,810</u>
Net (decrease)/increase in cash and cash equivalents	<u>(47,443,013)</u>	<u>42,264,949</u>
Cash and cash equivalents at beginning of period	140,870,317	26,734,435
Cash and cash equivalents at end of period	<u>\$ 93,427,304</u>	<u>\$ 68,999,384</u>
Supplemental Information		
Total interest paid during the year	\$ 2,167,627	\$ 832,198
Total tax paid during the year	\$ 20,649	\$ 43,732

See accompanying notes to consolidated financial statements.

Navigator Holdings Ltd**Notes to the Unaudited Consolidated Financial Statements****1. Basis of Presentation**

In the opinion of the management of Navigator Holdings Ltd (the "Company") the accompanying unaudited financial statements reflect all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the financial position of the Company and its subsidiaries as of March 31, 2013; the results of its operations for the three months ended March 31, 2013 and 2012; statement of stockholders equity for the three months ended March 31, 2013; and cash flows for the three months ended March 31, 2013 and 2012.

These condensed consolidated financial statements of the Company and its subsidiaries have been prepared without an audit in accordance with generally accepted accounting principles in the United States of America. Also, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The results for the period ended March 31, 2013 are not necessarily indicative of results for the full 2013 fiscal year or any other future periods. It is recommended that these financial statements be read in conjunction with our consolidated financial statements and notes thereto for the year ended December 31, 2012.

2. Commitments and Contingencies

The Company occupies office space in London with a lease commencing in March 2012 for a period of ten years with a mutual break clause after five years, and paying approximately \$515,000 (£321,850) per calendar year.

The Company also occupies property in New York paying approximately \$231,990 per year. The lease is for a period of five years ending June 30, 2017.

The Company chartered in a vessel for a period ending in December 2014 at a fixed monthly rate commensurate with the market rate at the time of fixing the charter.

The Company has entered into agreements during April 2012 to purchase up to four 21,000 cbm, semi refrigerated ethylene gas carriers which will be built at Jiangnan Shipyard (Group) Co. Ltd in China for an aggregate price of approximately \$200,000,000. The first vessel is scheduled to be delivered in April 2014 followed by a vessel delivery each two months thereafter.

The Company signed an agreement to purchase a fleet of eleven semi-refrigerated and fully refrigerated handysized vessels from Maersk Tankers on November 14, 2012 for a total purchase price of \$470,000,000 at which time the Company paid a 10% deposit. Three vessels were delivered in February of this year with a further three in April 2013 and the remaining five being delivered prior to the end of the year.