**Capital Link US**

**Moderator: David Butters**
**13 November 2020**
**2:00 p.m. GMT**

OPERATOR: This is Conference # 5099965.

Operator: Thank you for standing by, ladies and gentlemen, and welcome to the Navigator Holdings Conference Call on the Third Quarter 2020 Financial Results. We have with us Mr. David Butters, Executive Chairman; Mr. Harry Deans, Chief Executive Officer; Mr. Niall Nolan, Chief Financial Officer; and Mr. Oeyvind Lindeman, Chief Financial Officer.

At this time all participants are in a listen-only mode. And there will be a presentation followed by a question-and-answer session. At which time if you wish to ask a question please press star and one on your telephone keypad and wait for your name to be announced.

I must also advise you, the conference is being recorded.

And now I pass the floor to one of your speakers, Mr. Butters. Please go ahead, sir.

David J. Butters: Thank you very much, and good morning, everyone, and welcome to Navigator's third quarter earnings call.

As we conduct today's conference, we will be making various forward-looking statements. These statements include, but are not limited to, future expectations, plans and prospects for both the financial and operational perspective.

These forward-looking statements are based on management assumptions, forecasts and expectations as of today's date and are as such, subject to material risks and uncertainties. Actual results may differ significantly from our forward-looking information and financial forecast. Additional information about these factors and assumptions are included in our annual and quarterly reports filed with the Securities and Exchange Commission.

Now our speakers today will include our usual, Harry Deans, our Chief Executive Officer, will lead off, followed by Niall Nolan, our Chief Financial Officer. And winding up our conference today will be comments from Oeyvind Lindeman, Chief Commercial Officer.

So Harry, why don't you take over the call?

Henry Deans: Thanks, David. Good morning to everybody on the call. I hope you are well and keeping safe.

At the beginning of September, in line with the prevailing government advice, we reopened our company offices on a phased team A, team B basis with staggered working hours to both reduce risk and to maintain social distancing. That's turned out to be temporary measure however, as the second wave of COVID-19 started to take hold in late September, and we've subsequently had to close our offices again.

Once more we're running our business remotely from numerous home offices worldwide; we expect this will remain the case well into Q1 2021, if not beyond. By now, we are all very familiar with the technology, thus ensuring a seamless transition and maintaining business as usual with no impact on our operations, our customers or our employees.

This week, the prospect of the Pfizer vaccine provided a glimmer of hope for all of us and was a welcome shot in the arm for the global economy. We always in hope that this vaccine or one of the others that are currently on the development fast track will prove to have good efficacy and will be quickly rolled out globally, much to the relief of everyone.

U.S. LPG production and exports have been remarkably resilient throughout this pandemic, and there's no sign of that abating. In fact, the recent modest uptick in U.S. brick counts helps further underpin confidence in LPG supply that was needed.

Heading into the winter season, yes, LPG stocks are at five-year highs. This coupled with former oil prices, and improving naphtha LPG spread and robust demand in China should ensure export tons are priced to move.

It was very pleasing to note that despite the impact of the weather headwinds and petrochemical supply from Hurricanes (Laura), Zeta, and (Kyle), that the business continued to be profitable in Q3, albeit at lower levels. We have built on the momentum of Q2 with a net income of $1.5 million and an adjusted EBITDA of $31.9 million in Q3.

Our FE terminal joint venture was profitable for the quarter, helping to more than offset the impact from the shipping business of the weather disruptions in the U.S. Gulf. The quarterly and year-end to date operating revenue, net income and EBITDA have all improved substantially when compared to 2019.

Utilization on the other hand proved to be a bit of a roller coaster this year.

After starting the year in the high 90 percent levels, rates dip to the mid-80 percent levels in February, March and April when the pandemic struck before rallying to the low 90 percent levels in May and June. Unfortunately, that recovery utilization rates was short lived as Hurricane Lauder knocked out over 25 percent of the U.S. global olefins capacity for an extended period of time, causing rates to fall back to just under 80 percent for Q3.

Although October was also impacted, face utilization rates have since started to recover and are currently hovering in the mid to high 80 percent levels. The record 2020 hurricane season was, in many respects, a perfect storm, leaving in its wake, reduced olefin supplies, causing domestic prices to spike and leading to a narrowing of the ethane arbitrage to Asia. Thankfully, we (have) since recovered as units ramp up and product was again priced to move.

Turning now to crew relief, I am pleased to report that we've been able to dramatically reduce the overdue crew changes by completing a significant number of crew reliefs. Currently, we have less than 50 seafarers who have overdue leave, and we continue to work hard to reduce the backlog whenever and wherever possible. We are working pragmatically with the flack space and classification societies as we resolve the many practical inspection and dry dock challenges that have been caused by this pandemic.

Our Mortgage Point joint venture ethylene terminal continues to exceed our expectations and has had an impressive quarter, both in terms of profitability and throughput. We have now exported just over 300,000 tons in the terminal. The terminal complex is working extremely well, and we're impressed by the workmanship, the quality and the performance of the installation.

As you can see from the photographs in the supplemental information part, construction of the ethylene tank is progressing safely, on budget and on time, with commissioning and start-up scheduled for December this year. We expect the first ethylene turns to be loaded into the tank in mid-December, which will be a key milestone and a crucial step in our journey to our nameplate capacity of 1 million tons. So what we see, and we fully expect that terminal will exceed the input capacity with these in the future.

Over Q3 Niall and his team have been very busy, progressing our refinancing initiatives. The long and short of it is that the company now has a much improved balance sheet and has significantly boosted our liquidity to around $120 million. With a clear loan expiry runway until March 2022 and with no maturities over the next 17 months. Niall in his prepared remarks, he'll provide much more color on our recent refinancing success.

Q3 has been a mixed quarter for our business with considerably mostly weather-related headwinds, which have impacted our overall utilization rates, some of which lingered well into October. This has been more than offset by our term of SC JV tailwinds, which (will go including some one-off gains), has ensured that Q3 continued in the same vein as Q2 and remained profitable.

Our ethylene terminal out diversification strategy is now demonstrably starting to pay dividends as the stable cash flows from this infrastructure investment with its take-or-pay contracts start to hit our bottom line. On the terminal silicon and the volumes are ramped up, this stable cash stream will grow further and help offset volatility in our shipping business.

Thankfully, we'll now come out of the Holigen season. Our utilization rates have started to improve. As the handysize newbuild vessel lag the books at historical lows and with the imminent ramp up of several new North American export facilities in late 2020 and the first half of 2021, include our Morgan's Point SC JV, the Repauno terminal and the Pinch throughput facility.

We believe these factors will help fund vessel utilization rates. This, coupled with an improving (inaudible) arbitrage and increasing demand for ethane and LPG in China will help boost exports. And should all things being equal be good news for the Handysize segment and for Navigator Gas.

We are in poll position to capitalize on these opportunities with our terminal joint venture, our Luna Poll, our existing fleet and our strong balance sheet.

With these remarks, I'd like to hand you over to our CFO, Niall Nolan. Niall?

Niall Nolan: Thanks, Harry, and good morning all.

As Harry mentioned, the company generated profits of $1.5 million for the third quarter, the second consecutive quarterly profit. This compares to a quarterly loss of $2.9 million for the third quarter of last year. EBITDA for this third quarter was $31.9 million with $4.4 million being generated from the operations of the terminal and $27.5 million from the shipping segment.

Total operating revenue from the vessels was $81.4 million for the quarter, an increase of $5.7 million from the $75.6 million generated during the third quarter of last year. Net revenue for the third quarter of both years was the same at $62.2 million, however, with some differences.

Cost revenue increased by $4.1 million between the two comparative quarters as a result of an increase in average charter rates, which rose to just under $700,000 per month or $22,892 per day from just over $650,000 per month or $21,466 per day for the third quarter of 2019. Average charter rates across the nine months of this year averaged $21,733 per day, an increase despite any negative impacts of COVID-19 from the $21,000 a day achieved during this equivalent nine months of last year.

However, although charter rates continue to see some upward movement, utilization was a challenge during the third quarter, reducing to 78.8 percent from 90 – from 84.6 percent for the third quarter of last year, primarily as a result of the effects of Hurricanes Lora and Delta, (inaudible) will refer to later. This reduction in utilization had a $4.5 million negative impact on revenue. However, notwithstanding this reduction in utilization over the nine months of 2020 remained higher at 85.4 percent than the equivalent period in 2019.

Our Luna Pool earnings, which are aggregated and allocated to pool participants in accordance with pool, resulted in the other participants' vessels contributing $1.2 million to our vessels in the Luna Pool during the quarter.

Revenue also reduced by $900,000 due to an increased number of days that the vessels were in dry dock during the quarter. Five vessels completed dry docking, taking a total of 112 days when vessels would have been unavailable for charter relative to 64 days dry docking days during the third quarter of last year. This increase in dry dock activity was as a consequence of dry docks being delayed earlier in the year as a result of COVID-19.

Seven dry dockings in total have been undertaken during the nine months of 2020 at a total cost of $8 million, and three vessels remain to be dried off during the fourth quarter at an expected cost of approximately $4 million. Vessel operating expenses were $27.2 million for the third quarter or $7,786 per vessel per day, an increase of 1.5 percent from the $26.8 million or $7,672 per day incurred in the comparative third quarter of 2019.

General and administrative costs increased by $1.9 million for the three months ended September 2020 and $2.9 million year-to-date. This year-to-date increase related to $1 million on foreign exchange losses on our – on the revaluation of an Indonesian Wood peer bank account, which should not be repeated and may reverse, a $1 million increase for audit and related fees and $600,000 for additional top-up insurances for the marine export terminal. The other income of $200,000 in the income statement relates to management fees received for the management of the Luna Pool.

Interest costs for the third quarter reduced by $2.6 million or 21 percent to $9.8 million, primarily as a result of reductions in U.S. LIBOR, which has now fallen since September 2019 by 180 basis points on our approximate $760 million of variable interest rate debt. The share of results of equity accounted joint venture, i.e., the terminal, generated a profit of $3.1 million for the third quarter. Our first quarterly profit following the long-term throughput agreements becoming effective on June 1, 2020.

Net income for the third quarter was therefore $1.5 million or $0.03 per share compared to a loss for the third quarter of 2019 of $2.9 million or a loss per share of $0.05.

During the most recent quarter, we entered into an agreement to amend the terminal credit facility to allow a nearly true-up of $34 million. This amount was drawn down on October 8. We also concluded the refinancing of one of our vessel loan revolving credit facilities on September 24, which provided additional available cash of approximately $30 million, $25 million of which remains undrawn.

At September 30, available cash stood at $61 million. And this, together with the $34 million from the terminal facility and the $25 million currently undrawn on the vessel RCS, provides available liquidity of $120 million. We had a further $6.1 million as restricted cash supporting the cross-currency interest rate swap relating to our Norwegian kroner bond. Although since the quarter end, and as a result of further strengthening of the Norwegian kroner versus the U.S. dollar, this restricted cash has reduced to $3 million as of yesterday.

During the quarter, we also refinanced our $100 million unsecured Norwegian bond with a new five-year like-for-like bond. This bond, which matures in 2025, attracts an interest rate of 8 percent per annum. Importantly, as Harry referred to, the company does now not have any debt facilities maturing until April 2022.

Finally, with respect to the construction of the ethylene terminal, we have contributed a further $7.5 million during the third quarter and an additional $2 million since the quarter end, both fully funded by drawdowns from the terminal facility.

Following these drawdowns, along with the initial true-up of $34 million, the aggregate amount now drawn under that facility is $51 million out of a total available amount of $69 million. The remaining $18 million will be – we fund the remaining capital commitments of only $4 million on the term loan with a final true-up of the balancing $14 million to be released for general corporate purposes prior to the year-end.

And with that, I'd like to hand you over to Oeyvind.

Oeyvind Lindeman: Thank you, Niall.

As Harry mentioned initially, we were in a role during the summer months. Ramping up the ethylene export terminal with record-breaking export volumes of competitively-produced U.S. ethylene. The utilization levels were in excess of 90 percent, and our specialized fleet enabled Asian post-COVID Phase I demand to flourish, ethylene as well as propane were required for the production of personal protection equipment such as face masks.

Once the vessels completed discharge operations in Asian ports, the captains had standing orders to double back the U.S. Gulf to pick up next export parcel. This was all happening when the U.S. Gulf petrochemical industry took precaution in anticipation of Hurricane Laura's land for. From middle of August, 1/4 or 25 percent of the entire U.S. ethylene production was shut in preparation for Laura's landfall. The hurricane did make landfall right in the middle of the ethylene-heavy Lake Charles area.

Luckily, minimal physical damage occurred at the petrochemical industrial parks, however, the shutdowns were prolonged due to slower repairs of the local electricity grid and continuing scare of additional hurricanes. Only after Hurricane Vita made landfall in October in exactly the same location as Laura did. Did we see a meaningful restart of the crackers and subsequent production? Impacted year was extraordinary for the U.S. Gulf with a record 12 main storms and hurricanes making landfall in the area.

Therefore, from mid-August through October, U.S. domestic ethylene prices rose as there were little to no excess production available. It went from its lowest level of $0.09 per pound in the summer reaching above $0.30 per pound during the hurricane period. Exports through the terminal reduced, which directly impacted our ethylene fleet. The vessels that have been balancing back to U.S. Gulf for ethylene prospects have to face idle time or look for alternative employment opportunities, but in the semi or fully refrigerated segment.

However, the ethylene fundamentals are reverting back to where they should be. U.S. production is up and ethylene pricing is trending downwards. This week, we had ethylene quoted sub-$0.18 per pound and Asian demand is still holding strong. Resulting in possible arbitrage of more than $400 a ton today, which is widening by the day.

Consequently, there's been a noticeable uptick in activity and discussions for November and particularly December on both freight and terminal throughput.

Our utilization has recently improved from the lows of the hurricane season, hovering today in the mid- to high 80 percent level. U.S. natural gas liquid production remained strong, which is positive, ensuring competitively priced feedstock for the U.S. ethylene producers. It also bodes well for continuing ethane exports as well as LPG exports. It underpins their prospects full volumes going through the terminal once the tank is operational.

The annual nameplate capacity of 1 million metric tons of ethylene gives about 80,000 tons per month during any seasonality. If we assume that the majority of these molecules will head transpacific to cater for Asian demand, then this translates to about 15 handysize vessels. That is a huge difference compared to the vessel demand from that terminal during the lows of the hurricane season, which were at three to four vessels.

The quoted market rates for handysize ships have been moving sideways since May, including (through) the recent hurricane volatility at about $20,000 a day. With recent developments I think the market funders will find sufficient evidence of a tightening supply-demand balance in our segment and setting the direction for the market quotes into 2021.

The LPG markets remain positive, particularly in an environment with stronger oil appetite going forward. And this enables gas to play out its rightful role, a viable substitute for oil products with the added bonus of reducing greenhouse gas emissions.

With that, I will hand you back to the operator.

Henry Deans: We would be ready to open the conference to questions and answers, please.

Operator: Thank you. Ladies and gentlemen, as a reminder if you'd like to ask a question please press star and one on your telephone keypad. Wait for your name to be announced. If you'd like to cancel you can press star and two. (Star and one) to ask a question.

And your first question comes from Omar Nokta from Clarksons Platou Securities.

Omar Mostafa Nokta: Hey guys. Good afternoon, good morning.

I just wanted to talk about the terminal. Obviously, it turned a profit officially this quarter, which gives you a nice visible stream and can be counted on while the trading fleet can be a bit more volatile as we just saw this quarter. You mentioned in the release that the hurricane – or the hurricane impact, the shipping business in the Gulf Coast. But you also mentioned it affected the terminal. Are you able to quantify what kind of impact that is, so say, the fourth quarter?

Henry Deans: I think during – the point to, Omar, the issue with these hurricanes is plural, is that the production capacity shut-in took a long time before they returned or are returning back to normal. So the impact of months have been kind of second half August, September or October, we've seen stronger throughput in November and we expect that to be back up to expectations for December. So December probably looking at similar levels as we saw in the – in June, July.

Omar Mostafa Nokta: OK. And if we just think of it in terms of numbers, in the third quarter, you got $4.4 million of EBITDA, $3.1 million of earnings. Is that repeatable, you think, with what we've seen so far for the fourth quarter?

Niall Nolan: I think it may be – given what we've seen in October, and the early part of November, that might be on the – slightly on the high side, but not significantly so.

Omar Mostafa Nokta: OK. And then – and just generally, how do the terminal contracts work when it comes to like these types of events, storms, hurricanes, are they take or pay hell or high water type contracts?

Niall Nolan: Yes, they are.

Omar Mostafa Nokta: OK. Great. And then just sort of one other follow-up. I just wanted to ask, it's been about six to eight months since you guys formed the Luna Pool, and just wondering if you can give an update on how that's working? And also with the disruptions that we saw in the third quarter, that hadn't that pool actually prove beneficial as you kind of work to try to figure out other employment opportunities for those ships ballasting into the Gulf?

Henry Deans: Yes. So the Luna Pool, as we discussed last call as well, it's fully operational. It commenced first of April. And today, all the 14 ships are in the pool and performing accordingly.

So it's the Luna Pool consists of ethylene ships, specialized ships. And of course, the pool is formed in order to better service the ethylene customers and of course, also the U.S. Gulf ethylene exports, including from Targa terminal and our own joint venture terminal. So of course, when there are less ethylene to be exported from there, it will impact the pool, but the whole concept of a pool is collaboration and sharing of earnings.

So therefore, through the pool, we were during this time, more likely – or we were more likely to have the right asset at the right location for other cargoes. So if we only had our own ships, and let's say, we navigate (inaudible) most of them back to U.S. Gulf, we didn't have any other ships available and for other opportunities. But through the pool, those chances are available to us.

Omar Mostafa Nokta: Yes. Great. Well, thanks for that color (inaudible) and thanks Niall.

Operator: And your next question comes from Ben Nolan from Stifel.

Benjamin Joel Nolan: Hey guys. Actually, I wanted to maybe think there a follow-up on Omar's last question there.

In some ways, was the Luna Pool a little bit or did it drive down utilization across the fleet a little bit? Because, obviously, the Luna Pool is carrying ethylene specifically, and so you have to have vessels dedicated to that, whereas maybe in the past, if in ethylene cargo wasn't available, then you can just take propane or something else. And so as a function of dedicated cargo commitments, did you maybe forego business that might have kept utilization otherwise a little bit higher?

Oeyvind Lindeman: I don't think so. And it's a complex question with the 14 ships, clearly, the ambition is to trade with ethane and also ethylene. So whether the pool was in place or not, and you are facing this volatility that the hurricane cost, less exports in that one particular cargo grade, with two or not, we would be chasing other opportunities and working very hard to find alternatives.

The point with the pool is that we have a more global footprint, therefore, the chances are more – more likely that we can find other alternatives. So I wouldn't say that the pool has been detrimental in utilization for Navigate during this time. I think you would have been more or less the same, probably a little bit worse if we haven't had the pool.

David J. Butters: I think I'd add something to that, Oeyvind, that when you have been doing ethylene and intend to do ethylene and you're sitting around And you don't want to take a cargo or propane or butane or whatever else because when you get back to the ethylene, you have to stop clean and refrigerate. And it's a process that takes time and money.

So in the case where you are temporarily down, such as caused by the hurricanes. Your choice is just sit there and wait until it clears and the ethylene becomes available because it's just too expensive and time-consuming to take a spot cargo of propane, do that cargo and then come back to do the ethylene, much more expensive. So that causes an extra delay, if you follow me.

Benjamin Joel Nolan: Yes, sure. So you probably would not have picked up a cargo one way or the other or.

David J. Butters: Unlikely. It would have been unlikely to do. As long as you can see – anticipate that you'll be back doing the ethylene very quickly. And that's what we did because they have these shutdowns were believed to be temporary. They extended longer than we expected because the electricity was down longer than people had expected.

Benjamin Joel Nolan: Right. Right. Is there – in the release, you mentioned a new multiyear contract on a vessel, I believe, with the Chinese counterparty. Any color that you might be able to provide there with respect to rate at all?

Henry Deans: This was in our Q2 actually announcement, I think we put it in where it's a three-year contract at higher than mid-$30,000 rate per day.

Benjamin Joel Nolan: Got you. OK. So it wasn't incremental to 2Q. OK. That's helpful.

And then lastly, for me, this is a little bit more strategic, I guess, David or Harry, as you look at the company, and you've made a lot of progress taking delivery of a lot of ships. Obviously, the terminal has come along nicely, but yet the share price has languished at levels below sort of where you traded initially after the IPO for some time here.

Is there any – has this changed your strategic thinking about the place of the company? Do you – does it push you more towards maybe thinking about consolidation or anything else that, given the progress and yet the lack of share price performance, has your thinking begin to change at all about the long-term view of the business?

Henry Deans: David, you go first.

David J. Butters: OK. On the contrary, if you think about in the last couple of years, what Navigate has gone through from sanctions, through tariffs, through the coronavirus shutdown, global shutdown negative pricing of oil and then back-to-back hurricanes right down the mainstream of where the petrochemical complex is located. And yet we're generating profit. What it has done is put a kind of a fog over the future. The fog being simply a more difficult time period in which to focus on where we anticipate it going.

Now I think a great event occurred this week with the Pfizer vaccine. Now we know a vaccine can be, whether it's the Pfizer one or another one or multi. It clarifies some of that fog, it takes it away. People can now begin to plan. And what I see is what I've always believed that America will begin accelerated export of not just the raw materials, the propane and the butanes, but we will be exporting more and more of the intermediate chemicals. The olefins, the propylenes, the ethylenes. And the infrastructure required for that is still in its infancy.

I mean our little terminal, it's not little, it's a world-class terminal, but it is the beginning. I see far more of that type of infrastructure required. More infrastructure required on the receiving end and more companies willing to start producing these olefins for export, not for domestic use but tailoring down, shrinking down the capital requirement and focusing on building the infrastructure such as an ethylene cracker simply for export, propylene crackers for export. I mean, enterprise is doing that. Now with the second propylene facility being built in Texas, solely for export.

So no, I – look, everyone has taken a step back because of all of these convergent factors that were unforeseeable. Black swans coming so common that they are no longer black swans, they're common day events. But I think we've gotten through them. The conviction of where the U.S. petrochemical industry is going is clearer now than it ever has been. Exports are going to be key, domestic production and the requirement for international infrastructure.

We couldn't be in a sweeter spot. I don't believe. And I think we will continue to build that out. We've had some setbacks, but they were unforeseen and unforeseeable. But no, I think we're fully convinced that we have got the right kind of position. And yes, we're disappointed in the stock price, but I think we're not alone. And I think these things do pass. Perhaps, we're entering into a new phase where focus may be on value stocks such as a Navigator versus a growth stock. But I think if one looked at it, we have a combination of both the solid growth opportunities as well as great value.

So I don't think we have changed at all. I think we're committed. And we're – I am as excited as ever but disappointed on these things that we couldn't see.

Harry, do you have any comments from that?

Henry Deans: Well, thanks, David. Yes, I think you covered it very well. I think (inaudible) (strategy) is on track and it's starting to deliver, as you can see from the terminal.

In the next – when we get that time on some, we'll actually be doubling the capacity through that terminal. And who else is better placed than Navigator to bring together suppliers of ethylene and consumers of ethylene and supply them with the product in the United States to wherever they require it.

So I think our strategy is starting to play out, and we're excited about it. And I think there's other ways that we can develop the strategy going forward. So we're all frustrated about this price, but that's life, isn't it (though)?

Benjamin Joel Nolan: Yes. OK. All right. That’s a – I appreciate the color. Thanks (again).

Operator: Thank you. And your next question comes from Sean Morgan from Evercore. Please go ahead.

Sean Edmund Morgan: Hey David. So I think one of the things you said in your response just now that you kind of view yourself as a value, but also a growth company. And you look at the sort of CapEx and cash requirements through three vessels that need dry docking. And then probably, I think you said only $4 million of additional capital needs to be paid for the existing terminal and mortgage point. But then there was also a lot of work done to refinance the credit facilities and working the debt capital markets. I think you have about $120 million of availability now.

So that's not quite one full terminal contribution, but it's close. So is there a reason sort of in light of this idea of growth that you made that capital available? Or is it just kind of going back to what you said about black swans and being prepared for rainy days?

Henry Deans: Well, (one) has to be prepared for the rainy days. I mean we've been just hit so frequently that these black swans have come in place. But no, look, balance sheet strength and building up is obviously key, and yet being prepared to have additional capital for these potential expansions are clearly, if the – I mean, the most obvious capital requirement early on will be to consider whether or not we need to expand that ethylene terminal.

If things go as we anticipate and continued volumes ramp up, we'll need more money for that. But that's pretty obvious for anyone who looks at the situation. I don't think would have built this thing for 1 million tons. I think there's a lot of capacity. If that happens, obviously, we need more vessels. There wouldn't be enough vessels to accommodate an expansion of that. Whether or not we need to put capital involved into the international expansion, again, it's a logical thing that we would be doing.

So I don't know if this answer is do we have enough of that? No, probably not. We would, as these things unfold and the visibility, hopefully, this begins the period of visibility of earnings and our share price would respond, we would see the kind of appreciation that one would expect with the growth and value orientation and that we'll be able to fund and keep pace with what we think is probably our most promising period for growth and profitability.

I mean, I talked a lot, but did I say enough? I don't know.

Sean Edmund Morgan: Yes. I mean, I think so the takeaway there is there's plenty of room for expansion at the existing facility, and I was kind of maybe hinting at another footprint, but maybe that's kind of further down the road.

So for my last question, I just also – you said that there was some disruption in terms of utilization in October, and you were given kind of a current rate of mid- to high 80s utilization. So 1.5 months in, there's – we have about 50 percent of this quarter on the books. So what does it look like right now in terms of the blended utilization for the first half of November and October?

Oeyvind Lindeman: Yes, October was higher than the third quarter, but we see the trend going north through November and also into December. So where it is at today is the mid-80s, high 80s percent level. But the average at the end of the quarter will be that, I certainly hope so, but that's the direction of travel.

Sean Edmund Morgan: OK. All right. Thanks a lot.

Henry Deans: Sean, sorry, just to come back on your previous question about the opportunities. We've got a lot of opportunities in the business, both, as David said, typically, the best debottleneck is a free debottleneck where you spread the assets, and we're pretty confident we can at least get 10 percent adjusted capacity at our current footprint at Morgan's Point.

And then the next best one is if you expand in an existing facility because the cost per ton of installed capacity is dramatically reduced. That's a good opportunity. But equally, in this marketplace with the low share prices and low profitabilities, there's other opportunities out there as well in the traditional shipping market. So we're looking at all those options and assessing them, but there's nothing imminent in the pipeline today.

Sean Edmund Morgan: OK. All right. Thanks a lot.

Henry Deans: Thanks.

Operator: And your final question comes from Randy Giveans from Jefferies. Go ahead.

Randall Giveans: Howdy gentlemen. How’s it going?

Henry Deans: Hi Randy.

David J. Butters: (Hi).

Randall Giveans: I guess two questions for me. First, any updates on Repauno or Pembina? I know those have been kind of in the pipeline for quite some time here. So seeing if you have any moves on those.

Niall Nolan: Yes. The Pembina, when the scheduled to commence operations back end of first quarter, maybe April next year. So no change there and no change in the volume or the specifications requiring them four to five or six depending on the destination of that Canadian volume, the incremental demand of handysize ships.

So that is going as far as we are aware, talking to Pembina and looking what they publish publicly. So that's one on schedule. Repauno, the East Coast in New Jersey, they have completed their terminal. They are starting to fill it up. They have a cavern there with LPG. They intend to trade domestically in the initial phase and learn to walk before they run, I suppose, and they have publicly stated that they intend to start exporting, which is obviously real interested in and will impact our business from – at the same time frame as Pembina.

So I think we'll come back end of first quarter next year, if you have Pembina, Repauno bulk starting, you have a big kicker in our segment.

Randall Giveans: Got it. All right. And then I guess, one more quick modeling question. In terms of interest expense, that continues to fall here in the last three or four quarters.

So is this kind of current number, the $9.8 million or so, a fair run rate? What should we use for the fourth quarter? And same for G&A, that has certainly bounced around this year. Where is that going to shake out this quarter and then maybe a run rate for '21?

Niall Nolan: Yes. So the interest charge should be something similar to Q3. There's been a slight further reduction in interest rates from Q3 to Q4, but then they have increased debt on the terminal that we mentioned. So there's further interest on that. So one would generally offset the other. So it should be there or thereabouts.

G&A, I mentioned the various component parts, the (inaudible) million dollars should probably – well, certainly – not certainly, is likely to repeat itself. As of today, it has abated somewhat. So there should be somewhat of a reduction in that. The terminal additional insurance will remain as is and the audit and related fees will be something – would be repeated to some extent, but not that full amount that was partly a catch-up.

Randall Giveans: Got it. All right. Well that covers it. Thanks so much.

Niall Nolan: Thanks Randy.

Operator: And we now have no further questions.

Henry Deans: Good. Well, thank you for joining us this morning, and we welcome you back in a few months' time. Thank you.

Operator: Thank you. That does conclude today's presentation. Thank you for joining. You may now disconnect.

END