DORIAN LPG LTD.
Form 10-Q
February 08, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2017

OR

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

For the transition period from __________ to __________

Commission File Number: 001-36437

Dorian LPG Ltd.

(Exact name of registrant as specified in its charter)

Marshall Islands	66-0818228
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
c/o Dorian LPG (USA) LLC 27 Signal Road, Stamford, CT	06902
(Address of principal executive offices)	(Zip Code)

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

Former name, former address and former fiscal year, if changed since last report: Not Applicable

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

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 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

As of February 5, 2018, there were 55,106,852 shares of the registrant's common stock outstanding.

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FORWARD LOOKING STATEMENTS

This quarterly report on Form 10-Q 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 generally identified by their use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will" and similar terms ar including references to assumptions. Forward-looking statements involve risks and uncertainties that may cause actual future activities and results of operations to be materially different from those suggested or described in this quarterly report.

These risks include the risks that are identified in the "Risk Factors" section of this quarterly report and of our Annual Report on Form 10-K for the fiscal year ended March 31, 2017, and also include, among others, risks associated with the following:

- 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 U.S. 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 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;

- 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;

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- our ability to continue as a going concern;
- 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;
- compliance with the U.S. Foreign Corrupt Practices Act of 1977, the U.K. 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 in this quarterly report if one or more of the underlying assumptions or expectations proves to be inaccurate or is not realized. You should thoroughly read this quarterly report with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this quarterly 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 quarterly 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.

As used in this quarterly report and unless otherwise indicated, references to “Dorian,” the “Company,” “we,” “our,” “us,” or similar terms refer to Dorian LPG Ltd. and its subsidiaries.

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Dorian LPG Ltd.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Dorian LPG Ltd.

Unaudited Condensed Consolidated Balance Sheets

(Expressed in United States Dollars, except for share data)

	As of December 31, 2017	As of March 31, 2017
Assets		
Current assets		
Cash and cash equivalents	$ 55,633,291	$ 17,018,552
Trade receivables, net and accrued revenues	239,390	11,030
Prepaid expenses and other receivables	2,673,214	1,903,804
Due from related parties	31,836,058	42,457,000
Inventories	2,019,128	2,580,742
Total current assets	92,401,081	63,971,128
Fixed assets		
Vessels, net	1,555,034,707	1,603,469,247
Other fixed assets, net	207,833	317,348
Total fixed assets	1,555,242,540	1,603,786,595
Other non-current assets		
Deferred charges, net	1,693,457	1,884,174
Derivative instruments	7,896,497	5,843,368
Due from related parties—non-current	19,800,000	19,800,000
Restricted cash	29,082,958	50,874,146
Other non-current assets	82,558	75,469
Total assets	$ 1,706,199,091	$ 1,746,234,880
Liabilities and shareholders’ equity		
Current liabilities		
Trade accounts payable	$ 5,957,440	$ 7,075,622
Accrued expenses	3,795,365	5,386,397
Due to related parties	55,822	11,162
Deferred income	6,391,801	7,313,048
Current portion of long-term debt	126,557,191	65,978,785
Total current liabilities	142,757,619	85,765,014
Long-term liabilities		
Long-term debt—net of current portion and deferred financing fees	600,905,936	683,985,463
Other long-term liabilities	576,192	482,685
Total long-term liabilities	601,482,128	684,468,148
Total liabilities	744,239,747	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, 58,630,441 and 58,342,201 shares issued, 55,125,094 and 54,974,526 shares outstanding (net of treasury stock), as of December 31, 2017 and March 31, 2017, respectively	586,304	583,422
Additional paid-in-capital	856,948,710	852,974,373
Treasury stock, at cost; 3,505,347 and 3,367,675 shares as of December 31, 2017 and March 31, 2017, respectively	(34,982,171)	(33,897,269)
Retained earnings	139,406,501	156,341,192
Total shareholders’ equity	961,959,344	976,001,718
Total liabilities and shareholders’ equity	$ 1,706,199,091	$ 1,746,234,880

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

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Dorian LPG Ltd.

Unaudited Condensed Consolidated Statements of Operations

(Expressed in United States Dollars)

	Three months ended		Nine months ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Revenues				
Net pool revenues—related party	$ 31,610,427	$ 22,301,512	$ 80,554,166	$ 80,798,208
Time charter revenues	12,498,849	11,921,875	37,570,898	36,919,910
Voyage charter revenues	335,244	1,296,952	2,068,491	1,296,952
Other revenues, net	101,069	214,649	106,527	846,927
Total revenues	44,545,589	35,734,988	120,300,082	119,861,997
Expenses				
Voyage expenses	386,637	1,193,265	1,901,603	2,415,287
Vessel operating expenses	15,794,381	17,114,358	48,420,108	49,549,255
Depreciation and amortization	16,466,322	16,385,921	49,224,187	48,944,183
General and administrative expenses	5,536,028	5,166,239	19,492,082	15,981,464
Total expenses	38,183,368	39,859,783	119,037,980	116,890,189
Other income—related parties	633,883	670,836	1,905,836	1,776,659
Operating income/(loss)	6,996,104	(3,453,959)	3,167,938	4,748,467
Other income/(expenses)				
Interest and finance costs	(8,683,257)	(7,332,260)	(24,763,421)	(21,530,588)
Interest income	103,446	27,711	147,488	81,206
Unrealized gain on derivatives	3,771,160	24,381,306	2,053,129	26,539,650
Realized loss on derivatives	(369,941)	(8,390,014)	(1,418,724)	(12,980,717)
Gain on early extinguishment of debt	—	—	4,117,364	—
Foreign currency loss, net	(147,097)	(193,160)	(238,465)	(255,103)
Total other income/(expenses), net	(5,325,689)	8,493,583	(20,102,629)	(8,145,552)
Net income/(loss)	$ 1,670,415	$ 5,039,624	$ (16,934,691)	$ (3,397,085)
Earnings/(loss) per common share—basic	$ 0.03	$ 0.09	$ (0.31)	$ (0.06)
Earnings/(loss) per common share—diluted	$ 0.03	$ 0.09	$ (0.31)	$ (0.06)

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

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Dorian LPG Ltd.

Unaudited Condensed 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, 2016	58,057,493	$ 580,575	$ (20,943,816)	$ 848,179,471	$ 157,783,007	$ 985,599,237
Net loss for the period	—	—	—	—	(3,397,085)	(3,397,085)
Restricted share award issuances	277,514	2,775	—	(2,775)	—	—
Stock-based compensation	—	—	—	3,650,778	—	3,650,778
Purchase of treasury stock	—	—	(12,953,453)	—	—	(12,953,453)
Balance, December 31, 2016	58,335,007	$ 583,350	$ (33,897,269)	$ 851,827,474	$ 154,385,922	$ 972,899,477

	Number of common shares	Common stock	Treasury stock	Additional paid-in capital	Retained Earnings	Total
Balance, April 1, 2017	58,342,201	$ 583,422	$ (33,897,269)	$ 852,974,373	$ 156,341,192	$ 976,001,718
Net loss for the period	—	—	—	—	(16,934,691)	(16,934,691)
Restricted share award issuances	288,240	2,882	—	(2,882)	—	—
Stock-based compensation	—	—	—	3,977,219	—	3,977,219
Purchase of treasury stock	—	—	(1,084,902)	—	—	(1,084,902)
Balance, December 31, 2017	58,630,441	$ 586,304	$ (34,982,171)	$ 856,948,710	$ 139,406,501	$ 961,959,344

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

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Dorian LPG Ltd.

Unaudited Condensed Consolidated Statements of Cash Flows

(Expressed in United States Dollars)

	Nine months ended December 31, 2017	December 31, 2016
Cash flows from operating activities:		
Net loss	$ (16,934,691)	$ (3,397,085)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	49,224,187	48,944,183
Amortization of financing costs	4,585,593	2,820,407
Unrealized gain on derivatives	(2,053,129)	(26,539,650)
Stock-based compensation expense	3,977,219	3,238,940
Gain on early extinguishment of debt	(4,117,364)	—
Unrealized foreign currency (gain)/loss, net	(141,903)	346,165
Other non-cash items	77,342	256,630
Changes in operating assets and liabilities		
Trade receivables, net and accrued revenue	(228,360)	(1,274,994)
Prepaid expenses and other receivables	(769,410)	168,632
Due from related parties	10,620,942	27,610,954
Inventories	561,614	(598,164)
Other non-current assets	(7,089)	1,854
Trade accounts payable	(1,070,331)	(1,460,727)
Accrued expenses and other liabilities	(2,361,552)	(227,353)
Due to related parties	44,660	(151,846)
Payments for drydocking costs	(461,478)	(533,096)
Net cash provided by operating activities	40,946,250	49,204,850
Cash flows from investing activities:		
Capital expenditures	(297,534)	(1,755,832)
Restricted cash deposits	(11,008,812)	—
Restricted cash released	32,800,000	—
Payments to acquire other fixed assets	(5,305)	(7,029)
Net cash provided by/(used in) investing activities	21,488,349	(1,762,861)
Cash flows from financing activities:		
Proceeds from long-term debt borrowings	149,000,000	—
Repayment of long-term debt borrowings	(168,814,690)	(48,646,448)
Purchase of treasury stock	(1,084,902)	(12,953,453)
Financing costs paid	(3,002,235)	(99,785)
Net cash used in financing activities	(23,901,827)	(61,699,686)
Effects of exchange rates on cash and cash equivalents	81,967	(314,626)
Net increase/(decrease) in cash and cash equivalents	38,614,739	(14,572,323)
Cash and cash equivalents at the beginning of the period	17,018,552	46,411,962

Cash and cash equivalents at the end of the period	$ 55,633,291	$ 31,839,639

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

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Dorian LPG Ltd.

Notes to Unaudited Condensed 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. Specifically, Dorian 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, in the LPG shipping industry. Our fleet currently consists of twenty-two VLGCs, including nineteen fuel-efficient 84,000 cbm ECO-design VLGCs (“ECO VLGCs”) and three 82,000 cbm VLGCs.

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. Refer to Note 4 below for further description of the Helios Pool.

The accompanying unaudited interim condensed consolidated financial statements and related notes have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and related Securities and Exchange Commission (“SEC”) rules for interim financial reporting. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In our opinion, all adjustments, consisting of normal recurring items, necessary for a fair presentation of financial position, operating results and cash flows have been included in the accompanying unaudited interim condensed consolidated financial statements and related notes. The accompanying unaudited interim condensed consolidated financial statements and related notes should be read in conjunction with the audited consolidated financial statements and related notes for the year ended March 31, 2017 included in our Annual Report on Form 10-K filed with the SEC on June 14, 2017.

Our interim results are subject to seasonal and other fluctuations, and the operating results for any quarter are therefore not necessarily indicative of results that may be otherwise expected for the entire year.

Our subsidiaries as of December 31, 2017, which are all wholly-owned and are incorporated in Republic of the Marshall Islands (unless otherwise noted), are listed below.

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Vessel Subsidiaries

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

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 7 and 13 below for further information.

2. Significant Accounting Policies

The same accounting policies have been followed in these unaudited interim condensed consolidated financial statements as were applied in the preparation of our audited financial statements for the year ended March 31, 2017 (refer to Note 2 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2017).

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. 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 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 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. The new standard requires a modified retrospective transition approach for all leases 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 are currently assessing the impact the amended guidance will have on our financial statements.

In July 2015, the FASB issued accounting guidance requiring entities to measure most inventory at the lower of cost and net realizable value. The pronouncement is effective prospectively for annual periods beginning after December 15, 2016, and interim periods within that reporting period. The impact of the adoption of this amended guidance did not have a material effect on our 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 resulted in additional disclosure of our going-concern uncertainties (refer to Note 3 below).

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. It also 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. We intend to adopt the amended guidance in fiscal year 2019 using the modified retrospective transition method applied to those contracts which were not completed as of March 31, 2018. Upon adoption, we will recognize the 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.

3. Going Concern

As reflected in the accompanying unaudited interim condensed consolidated financial statements and related notes, as of December 31, 2017, our current liabilities exceeded our current assets by $50.4 million, mainly as a result of the 2017 Bridge Loan (defined in Note 7 below), of which $66.9 million of principal is due on December 31, 2018, and for which we have not yet secured refinancing. As we have not yet implemented a refinancing of the remaining portion of the 2017 Bridge Loan, we are required under U.S. GAAP to state that the absence of such refinancing raises substantial doubt about the Company's ability to continue as a going concern, before consideration of our plans.

On November 7, 2017, we refinanced one of the four VLGCs that was secured under the 2017 Bridge Loan pursuant to a memorandum of agreement and a bareboat charter agreement (refer to Note 7 below). We used a portion of the proceeds from this transaction to repay $30.1 million of the remaining principal on the 2017 Bridge Loan. We believe it is probable that we will raise additional funds in the short-term through alternative sources of debt financings and/or through equity financings by way of a private or public offering, which, together with free cash on hand and cash generated from operations, will be sufficient to pay our short-term obligations, including the remaining $66.9 million outstanding under the 2017 Bridge Loan. Therefore, our accompanying unaudited interim condensed consolidated financial statements and related notes have been prepared assuming that we will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business. Accordingly, the accompanying unaudited interim condensed consolidated financial statements and related notes do not include any adjustments related to the recoverability of assets and classification of assets and liabilities that might be necessary should we be unable to continue as a going concern.

4. 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 had 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 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 (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 less than $0.1 million and $0.1 million for the three months ended December 31, 2017 and 2016, respectively, and $0.1 million and $0.3 million for the nine months ended December 31, 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 $0.1 million for both the three months ended December 31, 2017 and 2016 and $0.3 for both the nine months ended December 31, 2017 and 2016, respectively.

As of December 31, 2017, $0.9 million was due from DHSA and included in “Due from related parties” in the unaudited interim condensed consolidated balance sheets included herein. As of March 31, 2017, $0.8 million was due from DHSA and included in “Due from related parties” in the audited consolidated balance sheets.

Helios LPG Pool LLC

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

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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 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. In March 2016, the Helios Pool reached an agreement with Oriental Energy Company Ltd. ("Oriental Energy") whereby Oriental Energy would contribute certain vessels to the Helios Pool, have certain of its vessels time chartered by the Helios Pool and simultaneously enter into a multi-year contract of affreightment covering Oriental Energy's shipments from the United States Gulf. The agreement with Oriental Energy had no impact on the ownership structure or the power to direct significant activities of the Helios Pool. As of December 31, 2017, the Helios Pool operated twenty-five VLGCs, including eighteen of our vessels, three Oriental Energy vessels and four Phoenix vessels. Oriental Energy has given notice that it intends to withdraw its remaining vessels from the Helios Pool by March 31, 2018. We expect this withdrawal to have no material impact on us or the Helios Pool.

As of December 31, 2017, we had receivables from the Helios Pool of $50.7 million, 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 December 31, 2017 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 unaudited interim condensed consolidated statement of operations included herein and were $0.5 million and $0.6 million for the three months ended December 31, 2017 and 2016, respectively, and $1.6 million and $1.5 million for the nine months ended December 31, 2017 and 2016, respectively. Additionally, we receive 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 for both the three and nine months ended December 31, 2017, and $0.2 million and $0.7 million for the three and nine months ended December 31, 2016, respectively, and are included in "Other revenues, net" in the unaudited interim condensed consolidated statement of operations included herein.

Through our vessel owning subsidiaries, we have chartered vessels to the Helios Pool during the three and nine months ended December 31, 2017. 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 costs and commissions. At the end of each month, the Helios Pool calculates net pool revenues using gross revenues, less voyage expenses of all 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 each relevant vessel has participated in the pool during the period and the amount of net pool revenues for the month can be estimated reliably. Revenue earned from the Helios Pool is presented in Note 9.

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5. Deferred Charges, Net

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

	Drydocking costs	Equity offering costs	Total deferred charges, net
Balance, April 1, 2017	$ 1,884,174	$ —	$ 1,884,174
Additions	183,876	52,546	236,422
Amortization	(368,200)	—	(368,200)
Other	(6,393)	(52,546)	(58,939)
Balance, December 31, 2017	$ 1,693,457	$ —	$ 1,693,457

6. Vessels, Net

	Cost	Accumulated depreciation	Net book Value
Balance, April 1, 2017	$ 1,728,769,295	$ (125,300,048)	$ 1,603,469,247
Other additions	218,685	—	218,685
Depreciation	—	(48,653,225)	(48,653,225)
Balance, December 31, 2017	$ 1,728,987,980	$ (173,953,273)	$ 1,555,034,707

Additions to vessels, net were largely due to capital improvements made to one of our VLGCs during the nine months ended December 31, 2017. Our vessels, with a total carrying value of $1,555.0 million and $1,603.5 million as of December 31, 2017 and March 31, 2017, respectively, are first priority mortgaged as collateral for our long-term debt (refer to Note 7 below). No impairment loss was recorded for the periods presented.

7. Long-term Debt

RBS Loan Facility

Refer to Note 10 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2017 for information on our former term loans with the Royal Bank of Scotland (the "RBS Loan Facility"). 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. In connection with the Corsair Japanese Refinancing (defined below), the security interests related to the Corsair were released under the facility.

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On November 7, 2017, we repaid $30.1 million of the outstanding principal in November 2017 with proceeds from the Corsair Japanese Financing.

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 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.

The 2017 Bridge Loan 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. The 2017 Bridge Loan includes customary events of default, including those relating to a failure to pay principal or interest, breaches of covenants, representations and warranties, a cross-default to other indebtedness and non-compliance with security documents, and customary restrictions on the borrowers from paying dividends if an event of default has occurred and is continuing, or if an event of default would result therefrom.

The following financial covenants are the most restrictive from the 2017 Bridge Loan with which the Company is required to comply, calculated on a consolidated basis, determined and defined according to the provisions of the loan agreement:

- Consolidated liquidity shall be at least $50.0 million, of which an amount at least equal to $10.0 million shall be held by the Parent Guarantor (as defined in the 2017 Bridge Loan agreement) on a freely available and unencumbered basis, and shall mean, on a consolidated basis, the sum of (a) cash and (b) cash equivalents, in each case held by the Parent Guarantor on a freely available and unencumbered basis, provided, that (1) cash and cash equivalents shall at all times be deemed to include cash held in the Earnings Accounts (as defined in the 2015 Debt Facility agreement), (2) cash and cash equivalents shall at all times be deemed to include all cash amounts on the balance sheet of the Parent Guarantor, and (3) at all times prior to and through May 31, 2018 only, all cash held in accounts by the Helios Pool attributable to the vessels owned directly or indirectly by the Parent Guarantor or its subsidiaries;

- The ratio of consolidated net debt to consolidated total capitalization shall not exceed 0.60 to 1.00;

- Minimum interest coverage ratio of consolidated EBITDA to consolidated net interest expense must be maintained greater than or equal to (i) 1.25 until and including the quarter ending March 31, 2018, and (ii) 1.50 thereafter;

- Minimum shareholders' equity must be equal to the aggregate of (i) $400.0 million, (ii) 50% of new equity raised after June 8, 2017, and (iii) 25% of the positive net income for the immediately preceding fiscal year;

- The ratio of current assets and long-term restricted cash divided by current liabilities less the current portion of long-term debt shall always be greater than 1.00; and

- The ratio of the aggregate market value of the vessels securing the loan to the principal amount outstanding under such loan at all times shall be in excess of 150%.

2015 Debt Facility

Refer to Notes 10 and 24 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2017 for information on our $758 million debt financing facility that we entered into in March 2015 with a group of banks and financial institutions (the "2015 Debt Facility"). We entered into an agreement to amend the 2015 Debt Facility on May 31, 2017. Refer to "Amendment to the 2015 Debt Facility" below for more information.

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Amendment to the 2015 Debt Facility

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 2015 Debt 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.

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

- if we complete a common stock offering of at least $50 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 following covenants were relaxed under the 2015 Debt Facility Amendment:

- 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

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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 covenants were added under the 2015 Debt Facility Amendment:

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

· Restrictions on voluntary payments of the RBS Loan Facility, excluding refinancing, until the earlier of (i) an Approved Equity Offering and (ii) the second anniversary of the 2015 Debt Facility Amendment Date.

Fees related to the 2015 Debt Facility Amendment totaled approximately $1.1 million.

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"). The structure provides for the transfer of the VLGC to the buyer for $65.0 million and, as part of the agreement, Corsair LPG Transport LLC, our wholly-owned subsidiary, will bareboat charter the vessel back for a period of 12 years, with a mandatory buyout in 2029 and purchase options from the

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end of year 2 onwards. We will continue to technically manage, commercially charter, and operate the VLGC. 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 “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 repay $30.1 million of the 2017 Bridge Loan’s then outstanding principal amount. The remaining proceeds were, or will be, 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 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.

Debt Obligations

The table below presents our debt obligations:

	December 31, 2017	March 31, 2017
RBS Loan Facility		
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	$ 51,458,333	$ —
2015 Debt Facility		
Commercial Financing	$ 214,769,820	$ 227,512,277
KEXIM Direct Financing	162,520,518	177,680,534
KEXIM Guaranteed	167,351,357	175,773,718
K-sure Insured	83,303,444	89,253,699
Total 2015 Debt Facility	$ 627,945,139	$ 670,220,228
Total debt obligations	$ 746,343,877	$ 770,102,728
Less: deferred financing fees	18,880,750	20,138,480
Debt obligations—net of deferred financing fees	$ 727,463,127	$ 749,964,248
Presented as follows:		
Current portion of long-term debt	$ 126,557,191	$ 65,978,785
Long-term debt—net of current portion and deferred financing fees	600,905,936	683,985,463
Total	$ 727,463,127	$ 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, 2017	$ 20,138,480
Additions	3,154,659
Amortization	(4,585,593)
Gain on early extinguishment of debt	173,204
Balance, December 31, 2017	$ 18,880,750

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8. Stock-Based Compensation Plans

Our stock-based compensation expense is included within general and administrative expenses in the unaudited interim condensed consolidated statements of operations included herein and was $1.3 million and $1.2 million for the three months ended December 31, 2017 and 2016, respectively, and $4.0 million and $3.2 million for the nine months ended December 31, 2017 and 2016, respectively. Unrecognized compensation cost was $7.7 million as of December 31, 2017 and will be recognized over the remaining weighted average life of 1.12 years. For more information on our equity incentive plan, refer to Note 12 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2017.

In June 2017, 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 are expensed on a straight-line basis over the vesting periods.

In June, September, and December 2017, we granted 7,220, 8,385, and 8,095 shares of stock, respectively, to our non-executive directors, which were valued and expensed at their grant date fair market value.

In June, September, and December 2017, we granted 1,444, 1,677, and 1,619 shares of stock, respectively, to a non-employee consultant, which were valued and expensed at their grant date fair market value.

A summary of the activity of restricted shares awarded under our equity incentive plan as of December 31, 2017 and changes during the nine months ended December 31, 2017, is as follows:

Incentive Share Awards	Numbers of Shares	Weighted-Average Grant-Date Fair Value
Unvested as of April 1, 2017	1,114,625	$ 17.72
Granted	288,240	7.36
Vested	(373,599)	16.59

Unvested as of December 31, 2017	1,029,266	$	15.23

9. Revenues

Revenues comprise the following:

	Three months ended		Nine months ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Net pool revenues—related party	$ 31,610,427	$ 22,301,512	$ 80,554,166	$ 80,798,208
Time charter revenues	12,498,849	11,921,875	37,570,898	36,919,910
Voyage charter revenues	335,244	1,296,952	2,068,491	1,296,952
Other revenues, net	101,069	214,649	106,527	846,927
Total revenues	$ 44,545,589	$ 35,734,988	$ 120,300,082	$ 119,861,997

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 Note 2 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2017.

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

10. 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, derivative instruments, accounts payable, amounts due to related parties and accrued liabilities.

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(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.

(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 our 2015 Debt Facility. In September 2015, we entered into interest rate swaps with Citibank N.A. ("Citibank") and ING Bank N.V. to effectively convert a notional amount of $200 million and $50 million, respectively, of debt related to our 2015 Debt Facility from a floating rate to a fixed rate of 1.93% and 2.00%, respectively, each with a termination date of March 23, 2022. In October 2015, we entered into interest rate swaps with the Commonwealth Bank of Australia and Citibank to effectively convert amortizing notional amounts of $85.7 million and $128.6 million, respectively, of debt related to our 2015 Debt Facility from a floating rate to a fixed rate of 1.43% and 1.38%, respectively, each with a termination date of March 23, 2022. In June 2016, we entered into two interest rate swaps with Citibank to effectively convert amortizing notional amounts of $73.0 million and $30.0 million, respectively, of debt related to our 2015 Debt Facility from a floating rate to a fixed rate of 1.21% and 1.16%, respectively, each with a termination date of March 23, 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:

	December 31, 2017		March 31, 2017	
	Other non-current assets	Long-term liabilities	Other non-current assets	Long-term liabilities
Derivatives not designated as hedging instruments	Derivative instruments	Derivative instruments	Derivative instruments	Derivative instruments
Interest rate swap agreements	$ 7,896,497	$ —	$ 5,843,368	$ —

The effect of derivative instruments within the unaudited interim condensed consolidated statements of operations included herein for the periods presented is as follows:

		Three months ended	
Derivatives not designated as hedging instruments	Location of gain/(loss) recognized	December 31, 2017	December 31, 2016
Interest Rate Swap—Change in fair value	Unrealized gain on derivatives	$ 3,771,160	$ 24,381,306
Interest Rate Swap—Realized loss	Realized loss on derivatives	(369,941)	(8,390,014)
Gain/(loss) on derivatives, net		$ 3,401,219	$ 15,991,292

		Nine months ended	
Derivatives not designated as hedging instruments	Location of gain/(loss) recognized	December 31, 2017	December 31, 2016
Interest Rate Swap—Change in fair value	Unrealized gain on derivatives	$ 2,053,129	$ 26,539,650
Interest Rate Swap—Realized loss	Realized loss on derivatives	(1,418,724)	(12,980,717)
Gain/(loss) on derivatives, net		$ 634,405	$ 13,558,933

As of December 31, 2017 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 other assets or liabilities measured at fair value on a non-recurring basis during the three and nine months ended December 31, 2017 and 2016.

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(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 also 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 hierarchy. Cash and cash equivalents and restricted cash are considered Level 1 items.

11. 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, and as a result, 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 are as follows:

	Three months ended		Nine months ended	
(In U.S. dollars except share data)	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Numerator:				
Net income/(loss)	$ 1,670,415	$ 5,039,624	$ (16,934,691)	$ (3,397,085)
Denominator:				
Basic weighted average number of common shares outstanding	54,086,431	53,845,777	54,013,164	54,153,218
Effect of dilutive restricted stock	156,516	33,568	—	—
Diluted weighted average number of common shares outstanding	54,242,947	53,879,345	54,013,164	54,153,218
EPS:				
Basic	$ 0.03	$ 0.09	$ (0.31)	$ (0.06)
Diluted	$ 0.03	$ 0.09	$ (0.31)	$ (0.06)

For the three months ended December 31, 2017 and 2016, there were 436,666 and 865,500 shares of unvested restricted stock, respectively, and for the nine months ended December 31, 2017 and 2016, there were 1,029,266 and 1,114,625 shares of unvested restricted stock, respectively, which were excluded from the calculation of diluted EPS because the effect of their inclusion would be anti-dilutive.

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12. Commitments and Contingencies

Operating Leases

Operating lease rent expense was as follows:

	Three months ended		Nine months ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Operating lease rent expense	$ 97,382	$ 110,601	$ 311,932	$ 316,623

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

	December 31, 2017
Less than one year	$ 174,676
One to three years	67,812
Total	$ 242,488

Fixed Time Charter Contracts

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

	December 31, 2017
Less than one year	$ 40,093,114
One to three years	33,806,365
Total	$ 73,899,479

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 that is reasonably possible and should be disclosed or probable and for which a provision should be established in the accompanying unaudited interim condensed consolidated financial statements.

13. Subsequent Events

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,

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

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. The structure provides for the transfer of the VLGC to the buyer for $70.0 million and, as part of the agreement, Concorde LPG Transport LLC, our wholly-owned subsidiary, will bareboat charter the vessel back for a period of 13 years, with a mandatory buyout in 2031 and purchase options from the end of year 3 onwards. We will continue to technically manage, commercially charter, and operate the VLGC. 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 “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 repay $35.1 million of the 2015 Debt Facility’s then outstanding principal amount. Pursuant to the Amendment to the 2015 Debt Facility and in conjunction with this repayment, $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 will be treated as a financing transaction and the VLGC will continue 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 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.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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" herein and in our Annual Report on Form 10-K for the year ended March 31, 2017, our actual results may differ materially from those anticipated in these forward looking statements. Please also see the section "Forward-Looking Statements" included in this quarterly report.

Overview

We are a Marshall Islands corporation headquartered in the United States and primarily focused on owning and operating VLGCs, each with a cargo carrying capacity of greater than 80,000 cbm, in the LPG shipping industry. Our fleet currently consists of twenty-two VLGC carriers, including nineteen fuel-efficient 84,000 cbm ECO VLGCs and three 82,000 cbm VLGCs.

Our nineteen ECO VLGCs, which incorporate fuel efficiency, emission-reducing technologies, and certain custom features, were acquired by us for an aggregate purchase price of $1.4 billion, which was financed with proceeds from the 2015 Debt Facility, proceeds from equity offerings, and cash generated from operations. These nineteen ECO VLGCs 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, 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 contracts of affreightment, or COAs, or on time charters of two years' duration or less. As of February 5, 2018, eighteen of our twenty-two VLGCs were employed in the Helios Pool.

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, commodity traders such as Itochu Corporation and the Vitol Group and importers such as E1 Corp., SK Gas Co. Ltd. and Indian Oil Corporation.

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.

Currently, four of our VLGCs are on fixed-rate time charters outside of the Helios Pool and three of our VLGCs are on Pool-TCO within the Helios Pool. See “Our Fleet” below for more information and the definition of Pool-TCO.

Recent Developments

On January 26, 2018, the Rights Agreement was amended 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 termination of the Rights Agreement, all of the Rights distributed to holders of our common stock pursuant to the Rights Agreement expired. Refer to Note 13 to our unaudited interim condensed consolidated financial statements included herein for further details.

On January 31, 2018, we refinanced a 2015-built VLGC, the Concorde, pursuant to a memorandum of agreement and a bareboat charter agreement. Refer to Note 13 to our unaudited interim condensed consolidated financial statements included herein for further details.

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Selected Financial Data

The following table presents our selected financial data and other information for the three and nine months ended December 31, 2017 and 2016, and as of December 31, 2017 and March 31, 2017, and should be read in conjunction with our unaudited interim condensed consolidated financial statements and other financial information included in this quarterly report.

	Three months ended		Nine months ended	
(in U.S. dollars, except fleet data)	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Statement of Operations Data				
Revenues	$ 44,545,589	$ 35,734,988	$ 120,300,082	$ 119,861,997
Expenses				
Voyage expenses	386,637	1,193,265	1,901,603	2,415,287
Vessel operating expenses	15,794,381	17,114,358	48,420,108	49,549,255
Depreciation and amortization	16,466,322	16,385,921	49,224,187	48,944,183
General and administrative expenses	5,536,028	5,166,239	19,492,082	15,981,464
Total expenses	38,183,368	39,859,783	119,037,980	116,890,189
Other income—related parties	633,883	670,836	1,905,836	1,776,659
Operating income/(loss)	6,996,104	(3,453,959)	3,167,938	4,748,467
Other income/(expenses)				
Interest and finance costs	(8,683,257)	(7,332,260)	(24,763,421)	(21,530,588)
Interest income	103,446	27,711	147,488	81,206
Unrealized gain on derivatives	3,771,160	24,381,306	2,053,129	26,539,650
Realized loss on derivatives	(369,941)	(8,390,014)	(1,418,724)	(12,980,717)
Gain on early extinguishment of debt	—	—	4,117,364	—
Foreign currency loss, net	(147,097)	(193,160)	(238,465)	(255,103)
Total other income/(expenses), net	(5,325,689)	8,493,583	(20,102,629)	(8,145,552)
Net income/(loss)	$ 1,670,415	$ 5,039,624	$ (16,934,691)	$ (3,397,085)
Earnings/(loss) per common share—basic	$ 0.03	$ 0.09	$ (0.31)	$ (0.06)
Earnings/(loss) per common share—diluted	$ 0.03	$ 0.09	$ (0.31)	$ (0.06)
Other Financial Data				
Adjusted EBITDA(1)	$ 24,696,206	$ 13,927,649	$ 56,278,367	$ 56,757,693
Fleet Data				
Calendar days(2)	2,024	2,024	6,050	6,050
Available days(3)	2,023	1,972	6,048	5,996
Operating days(4)(7)	1,934	1,941	5,585	5,558
Fleet utilization(5)(7)	95.6 %	98.4 %	92.3 %	92.7 %
Average Daily Results				

Time charter equivalent rate(6)(7)	$ 22,833	$ 17,796	$ 21,199	$ 21,131
Daily vessel operating expenses(8)	$ 7,804	$ 8,456	$ 8,003	$ 8,190

	Dorian LPG Ltd.	
(in U.S. dollars)	As of December 31, 2017	As of March 31, 2017
Balance Sheet Data		
Cash and cash equivalents	$ 55,633,291	$ 17,018,552
Restricted cash, non – current	29,082,958	50,874,146
Total assets	1,706,199,091	1,746,234,880
Current portion of long-term debt	126,557,191	65,978,785
Long-term debt—net of current portion and deferred financing fees of $18.9 million	600,905,936	683,985,463
Total liabilities	744,239,747	770,233,162
Total shareholders’ equity	$ 961,959,344	$ 976,001,718

(1) Adjusted EBITDA is a non-GAAP financial measure and represents net income/(loss) before interest and finance costs, unrealized (gain)/loss on derivatives, realized 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

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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.

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

	Three months ended		Nine months ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
(in U.S. dollars)				
Net income/(loss)	$ 1,670,415	$ 5,039,624	$ (16,934,691)	$ (3,397,085)
Interest and finance costs	8,683,257	7,332,260	24,763,421	21,530,588
Unrealized gain on derivatives	(3,771,160)	(24,381,306)	(2,053,129)	(26,539,650)
Realized loss on derivatives	369,941	8,390,014	1,418,724	12,980,717
Gain on early extinguishment of debt	—	—	(4,117,364)	—
Stock-based compensation expense	1,277,431	1,161,136	3,977,219	3,238,940
Depreciation and amortization	16,466,322	16,385,921	49,224,187	48,944,183
Adjusted EBITDA	$ 24,696,206	$ 13,927,649	$ 56,278,367	$ 56,757,693

(2) We define calendar days as the total number of days in a period during which each vessel in our fleet was owned. 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.

(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 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 (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.

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

(in U.S. dollars, except operating days)	Three months ended December 31, 2017	Three months ended December 31, 2016	Nine months ended December 31, 2017	Nine months ended December 31, 2016
Numerator:				
Revenues	$ 44,545,589	$ 35,734,988	$ 120,300,082	$ 119,861,997
Voyage expenses	(386,637)	(1,193,265)	(1,901,603)	(2,415,287)
Time charter equivalent	$ 44,158,952	$ 34,541,723	$ 118,398,479	$ 117,446,710
Pool adjustment*	(1,857,575)	—	(1,857,575)	—
Time charter equivalent excluding pool adjustment*	$ 42,301,377	$ 34,541,723	$ 116,540,904	$ 117,446,710
Denominator:				
Operating days	1,934	1,941	5,585	5,558
TCE rate:				
Time charter equivalent rate	$ 22,833	$ 17,796	$ 21,199	$ 21,131
TCE rate excluding pool adjustment*	$ 21,872	$ 17,796	$ 20,867	$ 21,131

* TCE rate adjusted for the effect of a reallocation of pool profits in accordance with the pool participation agreement 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 increased with a corresponding reduction to our TCE rate. Operating data using both methodologies since the inception of the Helios Pool is as follows:

	Three months ended December 31, 2017	Three months ended December 31, 2016	Nine months ended December 31, 2017	Nine months ended December 31, 2016
Our Methodology:				
Operating Days	1,934	1,941	5,585	5,558
Fleet Utilization	95.6 %	98.4 %	92.3 %	92.7 %
Time charter equivalent	$ 22,833	$ 17,796	$ 21,199	$ 21,131
Alternate Methodology:				
Operating Days	2,023	1,971	6,048	5,995
Fleet Utilization	100.0 %	99.9 %	100.0 %	100.0 %

Time charter equivalent	$ 21,828	$ 17,525	$ 19,576	$ 19,591

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.

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Our Fleet

The following table sets forth certain information regarding our fleet as of February 5, 2018.

	Capacity (Cbm)	Shipyard	Sister Ships	Year Built	ECO Vessel(1)	Employment	Charter Expiration(2)
VLGCs							
Captain Markos NL	82,000	Hyundai	A	2006	—	Time Charter(3)	Q4 2019
Captain John NP	82,000	Hyundai	A	2007	—	Pool-TCO(4)	Q3 2018
Captain Nicholas ML	82,000	Hyundai	A	2008	—	Pool-TCO(4)	Q2 2018
Comet	84,000	Hyundai	B	2014	X	Time Charter(5)	Q3 2019
Corsair	84,000	Hyundai	B	2014	X	Time Charter(6)	Q3 2018
Corvette	84,000	Hyundai	B	2015	X	Pool(7)	—
Cougar	84,000	Hyundai	B	2015	X	Pool(7)	—
Concorde	84,000	Hyundai	B	2015	X	Pool(7)	—
Cobra	84,000	Hyundai	B	2015	X	Pool-TCO(4)	Q3 2018
Continental	84,000	Hyundai	B	2015	X	Pool(7)	—
Constitution	84,000	Hyundai	B	2015	X	Pool(7)	—
Commodore	84,000	Hyundai	B	2015	X	Pool(7)	—
Cresques	84,000	Daewoo	C	2015	X	Pool(7)	—
Constellation	84,000	Hyundai	B	2015	X	Pool(7)	—
Cheyenne	84,000	Hyundai	B	2015	X	Pool(7)	—
Clermont	84,000	Hyundai	B	2015	X	Pool(7)	—
Cratis	84,000	Daewoo	C	2015	X	Pool(7)	—
Chaparral	84,000	Hyundai	B	2015	X	Pool(7)	—
Copernicus	84,000	Daewoo	C	2015	X	Pool(7)	—
Commander	84,000	Hyundai	B	2015	X	Time Charter(8)	Q4 2020
Challenger	84,000	Hyundai	B	2015	X	Pool(7)	—
Caravelle	84,000	Hyundai	B	2016	X	Pool(7)	—
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) Currently on time charter with an oil major that began in December 2014.

(4) "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.

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

(6) Currently on a time charter with an oil major that began in July 2015.

(7) "Pool" indicates that the vessel is operated 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.

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

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Results of Operations – For the three months ended December 31, 2017 as compared to the three months ended December 31, 2016

Revenues

The following table compares our Revenues for the three months ended December 31:

	2017	2016	Increase / (Decrease)	Percent Change	
Net pool revenues—related party	$ 31,610,427	$ 22,301,512	$ 9,308,915	41.7	%
Time charter revenues	12,498,849	11,921,875	576,974	4.8	%
Voyage charter revenues	335,244	1,296,952	(961,708)	(74.2)	%
Other revenues, net	101,069	214,649	(113,580)	(53)	%
Total	$ 44,545,589	$ 35,734,988	$ 8,810,601	24.7	%

Revenues, which represent net pool revenues—related party, time charters, voyage charters and other revenues earned by our vessels, were $44.5 million for the three months ended December 31, 2017, an increase of $8.8 million, or 24.7%, from $35.7 million for the three months ended December 31, 2016. The increase is primarily attributable to an increase in average TCE rates from $17,796 for the three months ended December 31, 2016 to $22,833 for the three months ended December 31, 2017 as a result of higher spot market rates during the three months ended December 31, 2017 as compared to the three months ended December 31, 2016. 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 $29.857 during the three months ended December 31, 2017 compared to an average of $25.817 for the three months ended December 31, 2016. Additionally, during the three months ended December 31, 2017, the board of the Helios Pool approved a reallocation of pool profits in accordance with the pool participation agreement. This reallocation resulted in a $961 increase in our fleet's overall TCE rates for the three months ended December 31, 2017, due mainly to favorable speed and consumption performance of our VLGCs operating in the Helios Pool. The increase in TCE rates was partially offset by a reduction in utilization of our vessels from 98.4% during the three months ended December 31, 2016 to 95.6% during the three months ended December 31, 2017.

Voyage Expenses

Voyage expenses were $0.4 million during the three months ended December 31, 2017, a decrease of $0.8 million, or 67.6%, from $1.2 million for the three months ended December 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 three months ended December 31, 2017, as compared with the three months ended December 31, 2016, was mainly attributable to a reduction in the number of operating days for our VLGCs operating on voyage charters outside of the Helios Pool during the relevant periods.

Vessel Operating Expenses

Vessel operating expenses were $15.8 million during the three months ended December 31, 2017, or $7,804 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 $1.3 million, or 7.7%, from $17.1 million for the three months ended December 31, 2016. Vessel operating expenses per vessel per calendar day decreased by $652 from $8,456 for the three months ended December 31, 2016 to $7,804 for the three months ended December 31, 2017. The decrease in vessel operating expenses for the three months ended December 31, 2017 when compared with the three months ended December 31, 2016 was primarily the result of (i) a $0.6 million, or $293 per vessel per calendar day, reduction of crew wages and related costs, (ii) a $0.3 million, or $163 per vessel per calendar day, reduction in insurance costs, reflecting a reduction in premiums, and (iii) a $0.3 million, or $159 per vessel per calendar day, reduction in spares, stores, and repairs and maintenance costs.

General and Administrative Expenses

General and administrative expenses were $5.5 million for the three months ended December 31, 2017, an increase of $0.3 million, or 7.2%, from $5.2 million for the three months ended December 31, 2016. The increase was mainly due to an increase of $0.2 million in salaries, wages and benefits and an increase of $0.1 million in stock-based compensation. Other general and administrative expenses remained constant for the three months ended December 31, 2017 as compared to December 31, 2016.

Interest and Finance Costs

Interest and finance costs amounted to $8.7 million for the three months ended December 31, 2017, an increase of $1.4 million, or 18.4%, from $7.3 million for the three months ended December 31, 2016. The increase of $1.4 million during this period was due to an increase of $0.8 million in amortization of deferred financing fees along with an increase of $0.6 million in interest incurred on our long-term debt, primarily resulting from an increase in LIBOR, partially offset by a decrease in average indebtedness. Average indebtedness, excluding deferred financing fees, decreased from $802.0 million for the three months ended December 31, 2016 to $751.3 million for the three months ended December 31, 2017. As of December 31, 2017, the outstanding balance of our long-term debt, net of deferred financing fees of $18.9 million, was $727.5 million.

Unrealized Gain on Derivatives

Unrealized gain on derivatives amounted to approximately $3.8 million for the three months ended December 31, 2017, compared to an unrealized gain of $24.4 million for the three months ended December 31, 2016. The $20.6 million decrease is primarily attributable to changes in the fair value of our interest rate swaps due to 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 the RBS Loan Facility during the three months ended December 31, 2016 that did not recur during the same period in 2017.

Realized Loss on Derivatives

Realized loss on derivatives amounted to approximately $0.4 million for the three months ended December 31, 2017, a decrease of $8.0 million, or 95.6%, from a realized loss of $8.4 million for the three months ended December 31, 2016. The decrease is primarily attributable to the termination of the interest rate swaps related to the RBS Loan Facility during the three months ended December 31, 2016 that did not recur during the three months ended December 31, 2017.

Results of Operations – For the nine months ended December 31, 2017 as compared to the nine months ended December 31, 2016

Revenues

The following table compares our Revenues for the nine months ended December 31:

	2017	2016	Increase / (Decrease)	Percent Change
Net pool revenues—related party	$ 80,554,166	$ 80,798,208	$ (244,042)	(0.3) %
Time charter revenues	37,570,898	36,919,910	650,988	1.8 %
Voyage charter revenues	2,068,491	1,296,952	771,539	59.5 %
Other revenues, net	106,527	846,927	(740,400)	(87.4) %
Total	$ 120,300,082	$ 119,861,997	$ 438,085	0.4 %

Revenues, which represent net pool revenues—related party, time charters, voyage charters and other revenues earned by our vessels, were $120.3 million for the nine months ended December 31, 2017, an increase of $0.4 million, or

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0.4%, from $119.9 million for the nine months ended December 31, 2016. TCE rates of $21,199 for the nine months ended December 31, 2017 were relatively flat when compared to $21,131 for the three months ended December 31, 2016. During the three months ended December 31, 2017, the board of the Helios Pool approved a reallocation of pool profits in accordance with the pool participation agreement. This reallocation resulted in a $332 increase in our fleet's overall TCE rates for the nine months ended December 31, 2017, due mainly to favorable speed and consumption performance of our VLGCs operating in the Helios Pool. Excluding this reallocation, TCE rates declined $264 when comparing the nine months ended December 31, 2017 with the nine months ended December 31, 2016. Spot market rates were slightly higher when comparing the nine months ended December 31, 2017 with the nine months ended December 31, 2016. 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 $26.870 during the nine months ended December 31, 2017 compared to an average of $25.060 for the nine months ended December 31, 2016. Therefore, increased bunker costs, which are deducted from gross revenues when calculating TCE rates, drove the decline in TCE rates excluding the reallocation.

Voyage Expenses

Voyage expenses were $1.9 million during the nine months ended December 31, 2017, a decrease of $0.5 million, or 21.3%, from $2.4 million for the nine months ended December 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 nine months ended December 31, 2017, as compared with the nine months ended December 31, 2016, was mainly attributable to a reduction of port charges and other related expenses along with 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 $48.4 million during the nine months ended December 31, 2017, or $8,003 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 $1.1 million, or 2.3%, from $49.5 million for the nine months ended December 31, 2016. Vessel operating expenses per vessel per calendar day decreased by $187 from $8,190 for the nine months ended December 31, 2016 to $8,003 for the nine months ended December 31, 2017. The decrease in vessel operating expenses was primarily the result of a $0.9 million, or $145 per vessel per calendar day, reduction in insurance costs, reflected by a reduction in premiums. Additionally, crew wages and related costs decreased $0.3 million, or $51 per vessel per calendar day, when comparing the nine months ended December 31, 2017 with the nine months ended December 31, 2016.

General and Administrative Expenses

General and administrative expenses were $19.5 million for the nine months ended December 31, 2017, an increase of $3.5 million, or 22.0%, from $16.0 million for the nine months ended December 31, 2016. The increase was mainly due to an increase of $2.8 million in salaries, wages and benefits and an increase of $0.7 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 nine months ended December 31, 2017. Cash bonuses of $3.0 million to various employees paid during the nine months ended December 31, 2016 were approved by the Compensation Committee of our Board of Directors and expensed prior to the nine months ended December 31, 2016. Other general and administrative expenses remained constant during the nine months ended December 31, 2017 as compared to December 31, 2016.

Interest and Finance Costs

Interest and finance costs amounted to $24.8 million for the nine months ended December 31, 2017, an increase of $3.3 million, or 15.0%, from $21.5 million for the nine months ended December 31, 2016. The increase of $3.3 million during this period was due to (i) an increase of $1.8 million in amortization of deferred financing fees, (ii) an increase of

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$1.4 million in interest incurred on our long-term debt, primarily resulting from an increase in LIBOR, partially offset by a decrease in average indebtedness, and (iii) an increase of $0.1 million in loan expenses. Average indebtedness, excluding deferred financing fees, decreased from $818.6 million for the nine months ended December 31, 2016 to $751.0 million for the nine months ended December 31, 2017. As of December 31, 2017, the outstanding balance of our long-term debt, net of deferred financing fees of $18.9 million, was $727.5 million.

Unrealized Gain on Derivatives

Unrealized gain on derivatives amounted to approximately $2.1 million for the nine months ended December 31, 2017, compared to an unrealized gain of $26.5 million for the nine months ended December 31, 2016. The $24.4 million decrease is primarily attributable to changes in the fair value of our interest rate swaps due to 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 the RBS Loan Facility during the nine months ended December 31, 2016 that did not recur during the same period in 2017.

Realized Loss on Derivatives

Realized loss on derivatives amounted to approximately $1.4 million for the nine months ended December 31, 2017, a decrease of $11.6 million, or 89.1%, from a realized loss of $13.0 million for the nine months ended December 31, 2016. The decrease is attributable to (i) the realized loss on interest rate swaps related to the termination of the RBS Loan Facility during the nine months ended December 31, 2016 that did not recur during the nine months ended December 31, 2017, (ii) the realized loss on interest rate swaps related to the RBS Loan Facility prior to their termination during the nine months ended December 31, 2016 that did not recur during the nine months ended December 31, 2017 and (iii) a decrease in unrealized 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 nine months ended December 31, 2017 and was attributable to the repayment of the RBS Loan Facility, net of deferred financing fees. Refer to Note 7 to our unaudited interim condensed 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 nine months ended December 31, 2016.

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 December 31, 2017, we had cash and cash equivalents of $55.6 million and restricted cash of $29.1 million.

Our primary sources of capital during the nine months ended December 31, 2017 was (i) $40.9 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, and (iv) $52.0 million in proceeds from the refinancing of the Corsair. 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.

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 long-term debt. As part of the 2015 Debt Facility Amendment, the restricted cash was increased by $11.0 million at the end of November 2017 and will be 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 million, including fees, 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. Refer to Note 7 to our unaudited interim condensed consolidated financial statements included herein for further details of the 2015 Debt Facility Amendment.

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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 7 to our unaudited interim condensed 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 a 2014-built VLGC, the Corsair, pursuant to a memorandum of agreement and a bareboat charter agreement. The refinancing proceeds of $52.0 million were used to repay $30.1 million of the 2017 Bridge Loan's then outstanding principal amount. The remaining proceeds were, or will be, used to pay legal fees associated with this transaction and for general corporate purposes. Refer to Note 7 to our unaudited interim condensed consolidated financial statements included herein for further details of the refinancing of the Corsair.

As of December 31, 2017, the outstanding balance of our long-term debt, net of deferred financing fees of $18.9 million, was $727.5 million including $126.6 million of principal on our long-term debt scheduled to be repaid within the next twelve months.

As reflected in our unaudited interim condensed consolidated financial statements included herein, as of December 31, 2017, our current liabilities exceeded our current assets by $50.4 million, mainly as a result of the 2017 Bridge Loan, of which $66.9 million of principal is due on December 31, 2018, and for which we have not yet secured refinancing. We believe it is probable that we will raise additional funds in the short-term through alternative sources of debt financings and/or through equity financings by way of a private or public offering, which, together with free cash on hand and cash generated from operations, will be sufficient to pay our short-term obligations, including the remaining $66.9 million outstanding under the 2017 Bridge Loan.

On January 31, 2018, we refinanced a 2015-built VLGC, the Concorde, pursuant to a memorandum of agreement and a bareboat charter agreement. The refinancing proceeds of $54.0 million were used to repay $35.1 million of the 2015 Debt Facility's then outstanding principal amount. Pursuant to the Amendment to the 2015 Debt Facility and in conjunction with this repayment, $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. Refer to Note 13 to our unaudited interim condensed consolidated financial statements included herein for further details of the refinancing of the Concorde.

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

December 31, 2017. Along with the proceeds from the refinancing of the Corsair, 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 have satisfied and anticipate satisfying the remaining needs with cash on hand, cash from operations, and through alternative sources of debt financings and/or through equity financings by way of a private or public offering. 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 facilities. There is no assurance that we will be able to obtain any such financing or modifications to our existing credit facilities 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 facilities, 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.

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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 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 nine months ended December 31:

	2017	2016
Net cash provided by operating activities	$ 40,946,250	$ 49,204,850
Net cash provided by/(used in) investing activities	21,488,349	(1,762,861)
Net cash used in financing activities	(23,901,827)	(61,699,686)
Net increase/(decrease) in cash and cash equivalents	$ 38,614,739	$ (14,572,323)

Operating Cash Flows. Net cash provided by operating activities for the nine months ended December 31, 2017 was $40.9 million, compared with $49.2 million for the nine months ended December 31, 2016. The decrease of $8.3 million is primarily related to the timing of changes in working capital from a reduction in amounts due from the Helios Pool.

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 $21.5 million for the nine months ended December 31, 2017, an increase of $23.3 million compared with net cash used in investing activities of $1.8 million for the nine months ended December 31, 2016. For the nine months ended December 31, 2017, 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 and (ii) $6.0 million of cash previously restricted under the RBS Loan Facility, which was paid in full on June 8, 2017. 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 7 to our unaudited interim condensed consolidated financial statements included herein for more information. Net cash used in investing activities for the nine months ended December 31, 2016 was comprised primarily of $1.8 million of payments for capitalized costs related to our fleet.

Financing Cash Flows. Net cash used in financing activities was $23.9 million for the nine months ended December 31, 2017, a decrease of $37.8 million compared with $61.7 million for the nine months ended December 31, 2016. For the nine months ended December 31, 2017, net cash used in financing activities consisted of repayments of long-term debt of $168.8 million, payment of debt financing costs of $3.0 million, and treasury stock repurchases of $1.1 million, partially offset by long-term debt borrowings of $149.0 million related to the 2017 Bridge Loan and Corsair Japanese Financing. Net cash used in financing activities for the nine months ended December 31, 2016 primarily consisted of $48.6 million of repayments of long-term debt and stock repurchases of $13.0 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 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 or if 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

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may be made during such drydockings) and the cost of an intermediate survey to be approximately $100,000 per vessel. 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 of our VLGCs between July 2018 and March 2022 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 substantial costs for the drydocking or replacement of our vessels as they age" in our Annual Report on Form 10-K for the year ended March 31, 2017.

Debt Agreements

For information relating to our secured term loan facilities, refer to Notes 10 and 24 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2017 and Note 7 to our unaudited interim condensed consolidated financial statements for the three and nine months ended December 31, 2017 included herein.

Off-Balance Sheet Arrangements

We currently do not have any off balance sheet arrangements.

Critical Accounting Policies and Estimates

The following is an update to the Critical Accounting Estimates set forth in “Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended March 31, 2017.

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;
- 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.

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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 December 31, 2017, 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 three and nine months ended December 31, 2017.

In addition, we performed a sensitivity analysis as of December 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 $154.5 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 December 31, 2017.

Recent Accounting Pronouncements

Refer to Note 2 to our unaudited interim condensed consolidated financial statements included herein for a discussion of recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For additional discussion of our exposure to market risk, refer to “Item 7A. Quantitative and Qualitative Disclosures About Market Risk” included in our Annual Report on Form 10-K for the year ended March 31, 2017.

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 agreements contain 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 $243.5 million of amortizing principal of the 2015 Debt Facility as of December 31, 2017 and thus increasing interest rates could adversely impact our future earnings due to additional interest expense on our unhedged debt. For the 12 months following December 31, 2017, 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 all of our non-hedged interest bearing debt by approximately $0.4 million assuming all other variables are held constant.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, of the effectiveness of our disclosure controls and

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procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of December 31, 2017. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosure. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those internal control systems determined to be effective can provide only a level of reasonable assurance with respect to financial statement preparation and presentation.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the three and nine months ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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 that is reasonably possible and should be disclosed or probable and for which a provision should be established in the accompanying unaudited interim condensed consolidated financial statements.

ITEM 1A. RISK FACTORS

Our operations and financial results are subject to various risks and uncertainties that could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our common stock. The following is an update to the risk factors that may cause actual results to differ materially from those anticipated as set forth in "Item 1A. — Risk Factors" of our Annual Report on Form 10-K for the year ended March 31, 2017.

Although our unaudited interim condensed consolidated financial statements included herein have been prepared on a going concern basis, we must raise additional capital before December 31, 2018 to fund our operations in order to continue as a going concern.

Our current liquidity position raises substantial doubt about our ability to continue as a going concern. See Note 3 to the unaudited interim condensed consolidated financial statements included herein. If we are unable to improve our liquidity position we may not be able to continue as a going concern. The accompanying unaudited interim condensed consolidated financial statements do not include any adjustments that might result if we are unable to continue as a going concern and, therefore, be required to realize our assets and discharge our liabilities other than in the normal course of business, which could cause investors to suffer the loss of all or a substantial portion of their investment.

In order to have sufficient cash to fund our operations beyond December 31, 2018, we will need to raise additional equity or debt capital by December 31, 2018 in order to continue as a going concern and we cannot provide any assurance that we will be successful in doing so.

ITEM 6. EXHIBITS

See accompanying Exhibit Index for a list of exhibits filed or furnished with this report.

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EXHIBIT INDEX

Exhibit Number	Description
4.1	Amendment No. 1 to Rights Agreement by and between Dorian LPG Ltd. and Computershare Inc., dated as of January 26, 2018, incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the Commission on January 26, 2018
10.1	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
31.1	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
31.2	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
32.1†	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
32.2†	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
101.INS	XBRL Document
101.SCH	XBRL Taxonomy Extension Schema
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 of 1933, as amended.

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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.

	Dorian LPG Ltd. (Registrant)
Date: February 7, 2018	/s/ John Hadjipateras John Hadjipateras President and Chief Executive Officer (Principal Executive Officer)
Date: February 7, 2018	/s/ Theodore B. Young Theodore B. Young Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)