

**FINANCIAL
&
OPERATING RESULTS
Q2 22'**

July 27, 2022



Imperial Petroleum Inc.



This presentation contains forward-looking statements within the meaning of applicable federal securities laws. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as “may,” “will,” “should,” “estimates,” “intends,” and similar expressions are intended to identify forward-looking statements. Actual results and the timing of certain events may differ significantly from the results discussed or implied in the forward-looking statements. Among the factors that might cause or contribute to such a discrepancy include, but are not limited to the risk factors described in the Company’s Registration Statement filed with the Securities and Exchange Commission, particularly those describing variations on charter rates and their effect on the Company’s revenues, net income and profitability as well as the value of the Company’s fleet.



Key Highlights

Operational

- Strategic decision to strengthen our fleet through the acquisition of two handysize dry bulk carriers.
- At the beginning of July 2022, we entered into an agreement with an affiliated party to acquire the *Eco Bushfire* (2011 built) and the *Eco Angelbay* (2009 built) for a total consideration of \$39 million; both vessels are Japanese built with an aggregate capacity of 64,000 dwt.
- Fleet operational utilization of 82.5% in Q2 22' – mainly due to the repositioning of our two suezmax tankers for a total of 56 days.

Financial

- Revenues of \$11.3 million in Q2 22' up by \$6.2 million (c. 122%) compared to Q1 22' due to the market strengthening further and a higher number of vessels.
- EBITDA of \$3.0 million in Q2 22'- 15.4% higher than Q1 22' and 121% (c. 1.7 million) higher than in Q2 21'.
- Net profit of \$0.1 million – despite the \$2.4 million all inclusive cost we incurred for the repositioning of our two suezmax tankers- the benefit of which will appear in Q3 22'.

(in \$ millions)	Revenues	EBITDA	Net Income
Q2 22'	11.3	3.0	0.1
Q1 22'	5.1	2.6	0.2
Q4 21'	4.0	0.8	(1.50)

- Free cash of c. \$80 million as of June 30, 2022.



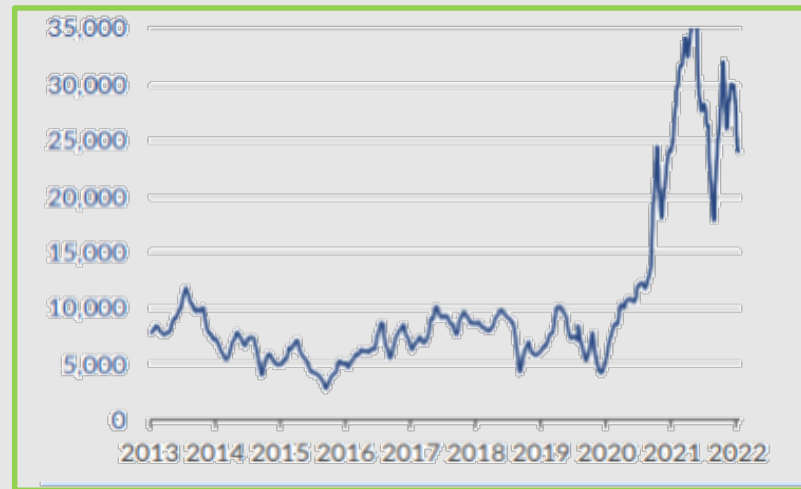
Capital Allocation

- Decision to acquire two handysize bulk carriers, the Eco Bushfire (2011 built) and the Eco Angelbay (2008 built) for a total consideration of \$39 million- increasing our fleet to a total of 10 vessels.
- Similar to the tanker market, the dry segment is experiencing strong rates;

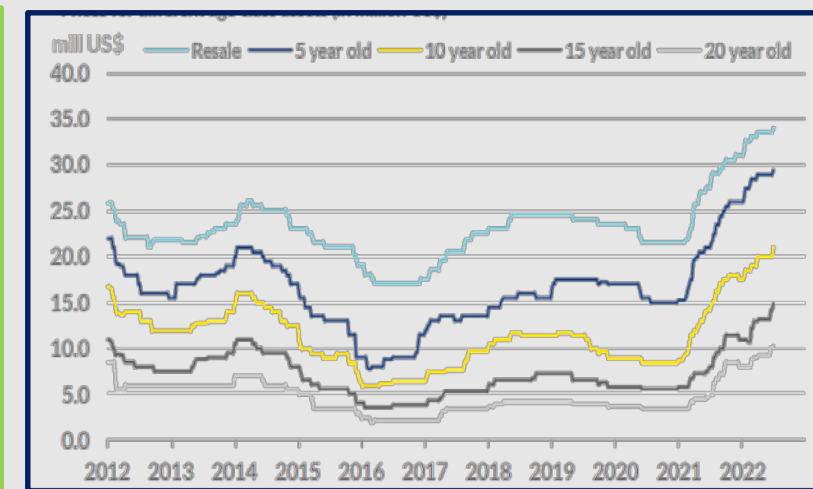
Dry Handysize – 1 year T/C Rate Evolution



Dry Handysize – Average Spot Rate Evolution



Dry Handysize – Asset Prices



- These dry vessels are expected to be delivered in Q3 22’.
- Expected cash- basis this theoretical scenario- of c.\$110 million following the financing of the six vessels acquired since our listing providing impetus for further growth.

Net Proceeds from Capital Offerings & Warrant Exercise	\$156
Less: Capital Spent for Tanker Acquisitions	(\$78)
Less: Capital to be Spent on Dry vessels Acquisitions	(\$39)
Plus: Expected Financing	\$70
Expected Available Funds after Financing	\$109



Fleet Employment Status

- Our fleet is fully employed for July 2022; 5 out of 8 vessels operate in the spot market.
- Tanker market continues to firm, trade patterns have changed; charterers now fix longer spot voyages.

EARNINGS VISIBILITY				Q3 2022			Q4 2022		
Vessel Name	Vessel Type	Charter Type	End Date Fixed Period	Jul	Aug	Sep	Oct	Nov	Dec
1 Magic Wand	MR	TC	May 2023	\$14,500					
2 Falcon Maryam¹	MR	BB	Sep 2022	\$7,800					
3 Clean Justice	MR	TC	Aug 2022	\$28,000					
4 Suez Enchanted	Suezmax	Spot							
5 Clean Thrasher	MR	Spot							
6 Suez Protopia	Suezmax	Spot							
7 Stealth Berana	Aframax	Spot							
8 Clean Nirvana	MR	Spot							

Note: (1) The Falcon Maryam is operating under a bareboat charter. The Company does not incur any vessel operating expenses under bareboat contracts.

Market Spot Rates (avg. for June) ¹	
MRs	\$53,751
Aframax	\$25,135
Suezmax	\$22,438

Note: (1) Average daily- basis the Baltic Rates



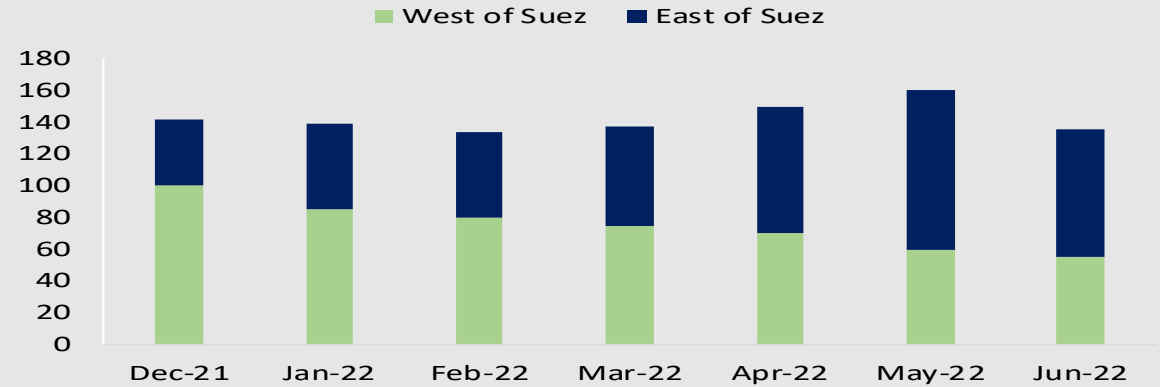
Tanker Market



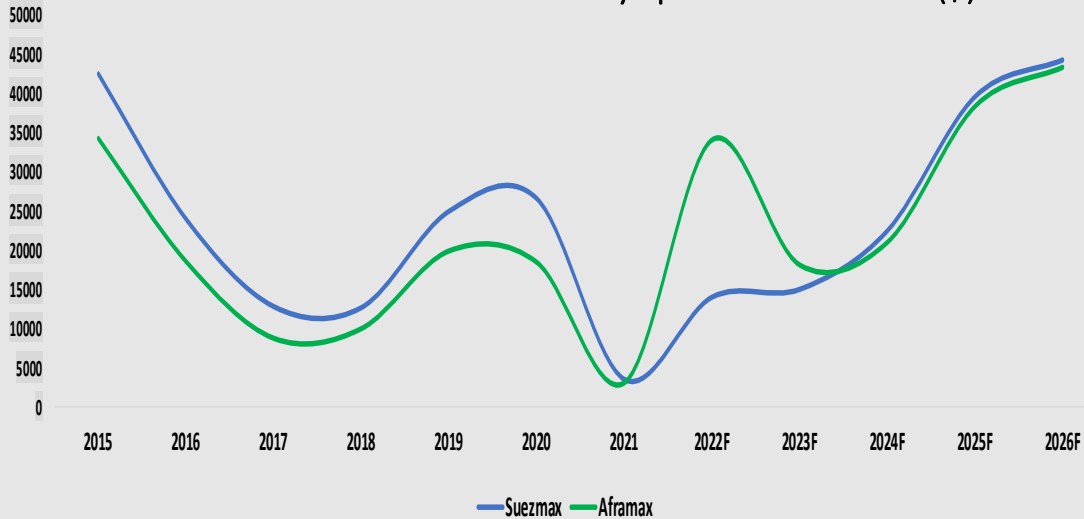
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- The Russian war against Ukraine has reshaped the global oil markets.
- Following the sanctions against Russia, Europe has reduced Russian oil imports.
- We notice a gradual increase of Russian crude oil heading East of Suez.
- Majority of Russian oil exported priorly to Europe is now imported by India.
- Due to changes in trade patterns, tanker voyages have become longer haul.
- Supply shortages and trade shifts have caused a rise in rates leading to a promising outlook for the broader tanker market.

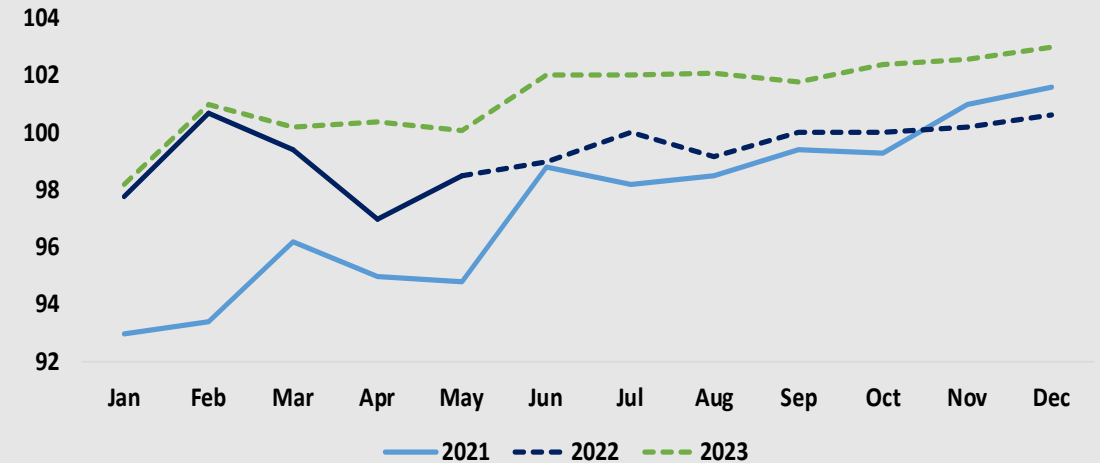
Russian Refined Product Exports (million barrels pd.)



Suezmax & Aframax Daily Spot Rates Forecast (\$)



World Oil Demand Forecast (million barrels pd.)





Tanker Market - MRs

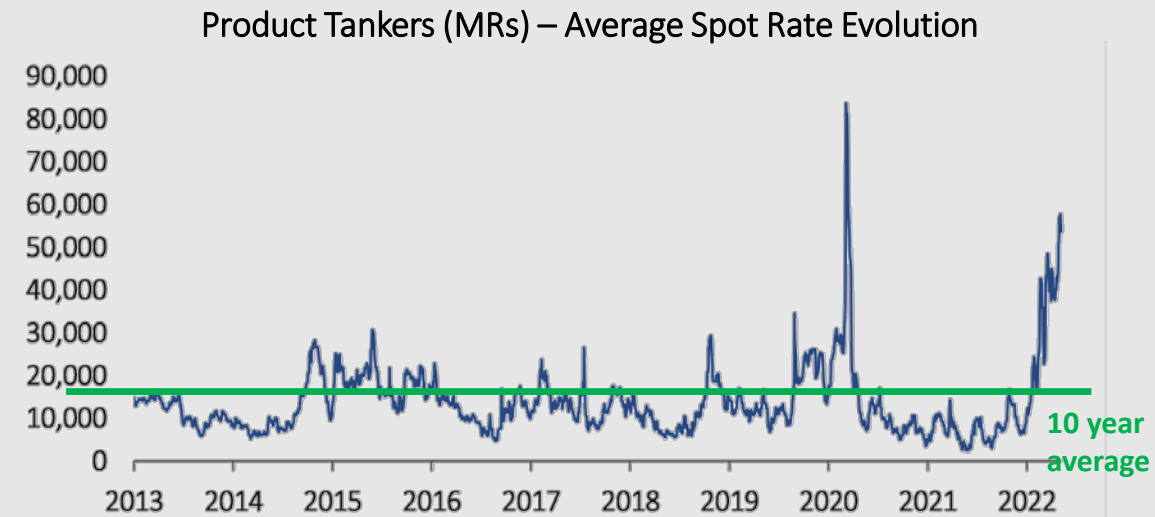
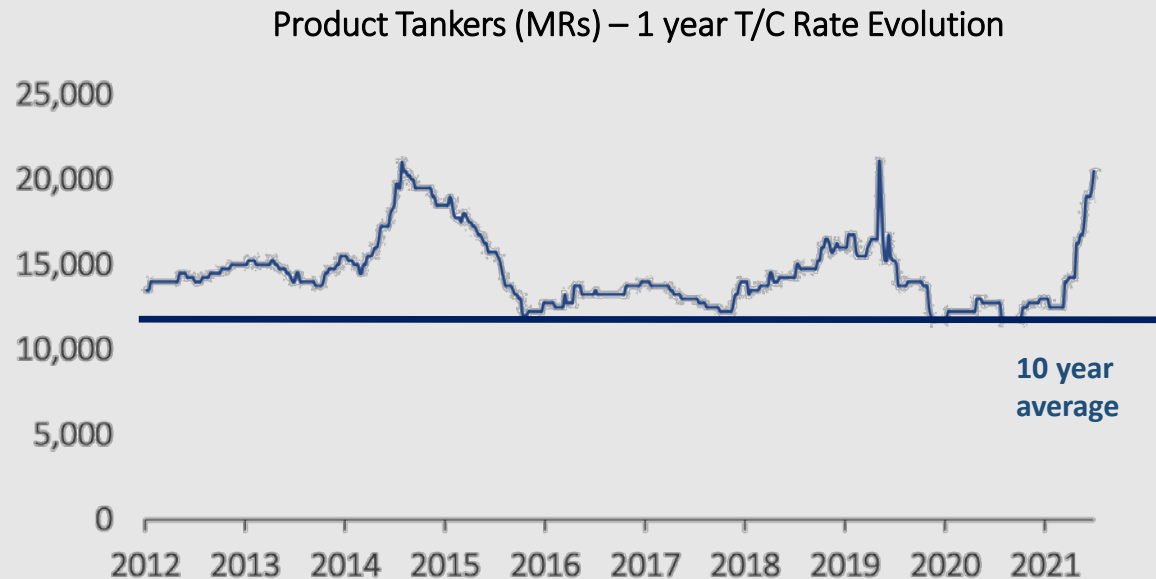
- The outlook especially for the product tankers is bullish.
- We witness a healthy supply demand balance for this market.

MR Supply

- Limited orderbook and increased demolition activity; So far this year, 27 vessels, equivalent to 11% of the fleet above 20 years of age, have been sold for scrapping.

MR Demand:

- World oil demand is expanding at a time when global oil inventories are low. The war in Ukraine has tightened the market even further causing a surge in rates for product tankers.



Financial Results Q2 22'



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Income Statement (Amounts in USD'000s)	Q2 2021	Q2 2022	6M 2021	6M 2022
Voyage revenues	4,157	11,348	9,227	16,465
Voyage costs	(576)	(4,405)	(1,932)	(4,925)
Net revenues	3,581	6,943	7,295	11,540
Running costs	(1,994)	(3,313)	(3,737)	(5,072)
Management fees	(131)	(210)	(262)	(342)
G&A	(86)	(413)	(176)	(528)
Depreciation	(2,169)	(2,734)	(4,337)	(4,903)
Income from operations	(798)	273	(1,217)	695
Interest and finance costs	(1)	(244)	(3)	(454)
Other income/(expenses)	(3)	57	(8)	62
Net income/(Loss)	(802)	86	(1,229)	303
EBITDA	1,368	3,020	3,112	5,616
EPS	(0.17)	0.00	(0.26)	(0.01)
Average Number of Vessels	4	6	4	5
Operational Utilization	96.7%	82.5%	92.3%	89.1%

Comparing Q2 2022 to Q2 2021

- **Revenues** came in at \$11.3 up by \$7.1 million due to a further increase in market rates and the increase of our fleet by 2 vessels.
- **Voyage Costs** increased by \$3.8 million due to the increase of spot days by 159 days (467%) and the rise in bunker prices. This quarter we incurred \$1.6 million of voyage costs for the repositioning of our two suezmax tankers- the benefit of which will appear in Q3 22'.
- **Running Costs** increased by \$1.3 million (66%) due to the higher number of vessels, along with initial fitting and supply costs incurred for the suezmax vessels.
- **EBITDA** of \$3.0 million'- 121% (c. 1.7 million) higher than in Q2 21'.
- **Net Profit** of \$0.1 million in Q2 22'.

Financial Results Q2 22'



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Balance Sheet (Amounts in \$'000s)

	12M 2021	6M 2022
Assets		
Cash & cash equivalents	3,390	79,136
Current assets excl. cash	2,616	10,495
Vessel, net	119,963	194,134
Restricted cash	2,500	2,500
Total Assets	128,469	286,265

Liabilities & Stockholders Equity

Payable to related party	1,119	394
Trade accounts payable	1,430	5,770
Debt	27,837	25,465
Other liabilities	1,337	1,652
Total stockholder equity	96,746	252,983
Total Liabilities & Stockholders Equity	128,469	286,265

Balance Sheet 6M 22'

- **Free cash** of \$79 million following the completion of our follow-on equity offerings and the three tanker acquisitions completed within Q2 22'.
- **Total debt** of about \$25 million; this equates to a gearing ratio of 9%, basis fleet book values.
- As of the end of June 2022, our free cash was 3 times above our outstanding leverage.



Investment Highlights

- 1 Own a high-quality fleet of crude oil & product tankers and dry bulk carriers
- 2 Expand rapidly our fleet through vessel acquisitions with strong fundamentals
- 3 Active employment of vessels based on charter market developments
- 4 Long-standing relationships with charterers and banks
- 5 Track record of cost-efficient vessel operations along with maintaining a healthy capital structure
- 6 Experienced management and board of directors