

**FINANCIAL
&
OPERATING RESULTS
Q3 22'**

October 24, 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

- Fleet operational utilization of 86.3% in Q3 22' – with a predominant presence in the spot market.
- 69% of our fleet days dedicated to spot activity, due to favorable market conditions
- Delivery of our second dry bulk handysize vessel the Eco Angelbay on October 19, 2022.

Financial

- Revenues of \$42.6 million in Q3 22' - up \$ 31.3 million or 277% up from Q2 22'.
- Net income of \$15.5 million in Q3 22' - up \$15.4 million or 15,400% from Q2 22' and equivalent to c.23% of our current market capitalization.
- TCE revenues of \$24.2 million in Q3 22' corresponding to an average daily TCE of \$33,000.
- EBITDA of \$18.7 million in Q3 22' up \$15.7 million or 523% from Q2 22'

<i>(in \$ millions)</i>	Revenues	EBITDA	Net Income
Q3 22'	42.6	18.7	15.4
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- including time deposits - of c. \$92.4 million as of September 30, 2022 = 1.3 times higher than our current market cap.



Capital Allocation

Vessel Acquisitions

- As previously announced we took delivery of our first dry bulk carrier the *Eco Bushfire* on September 21, 2022.
- We took delivery of our second dry bulk carrier, the *Eco Angelbay*, on October 19, 2022

Loan Financings

- On September 29, 2022 we finalized a \$17.0 million financing for and secured by the product tankers *Clean Nirvana* and *Clean Justice*.
- We have an official commitment and are progressing with a \$30.8 million financing for the suezmax vessels *Suez Enchanted* and *Suez Protopia*.

Liquidity Going Forward

- Strong quarterly cashflow along with loan proceeds have enhanced our free cash base.
- Following the acquisition of our second dry bulk carrier and the conclusion of the c.\$31million financing for our two suezmax tankers, we expect to have an even stronger free cash balance of almost \$105 million partly available for further fleet expansion.

(Amounts in \$ millions)

Free Cash as of September 2022	92.5
Less: Capital Spent on Dry vessel acquisition	(18.5)
Plus: Financing against the 2 suezmax vessels	30.8
Expected Available Funds	104.8



Fleet Employment Status

- 37% period coverage for Q4 22’.
- We are taking advantage of a firm tanker charter market with our tankers enjoying an upcycle in the spot market.

EARNINGS VISIBILITY				Q4 2022		
Vessel Name	Vessel Type	Charter Type	End Date	Oct	Nov	Dec
			Fixed Period			
1 Magic Wand	MR Tanker	TC	May 2023	\$14,500		
2 Suez Protopia ¹	Suezmax	TC	Dec 2022	\$50,000		
3 Clean Nirvana ¹	Mr Tanker	TC	Dec 2022	\$40,000		
4 Eco Angelbay	Dry Handysize	TC	Nov 2022	\$28,000		
5 Stealth Berana	Aframax	Spot				
6 Clean Thrasher	MR Tanker	Spot				
7 Clean Sancturary	MR Tanker	Spot				
8 Suez Enchanted	Suezmax	Spot				
9 Clean Justice	MR Tanker	Spot				
10 Eco Bushfire	Dry Handysize	Spot				

Note: 1. These time charters have an optional period of 30 days

- Current tanker spot daily charter rates which strengthened in October, particularly for suezmax and aframax vessels, are depicted below:

Daily Spot Rates (10/21/2022)	
MRs	\$32,500
Aframax	\$71,300
Suezmax	\$62,300

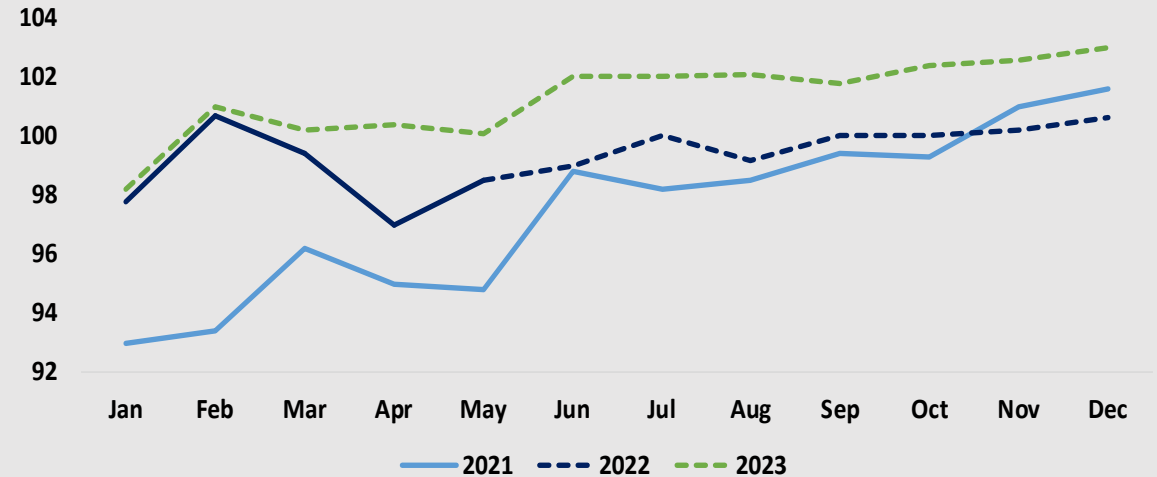
Time Charter Contracts (Fixed Period)



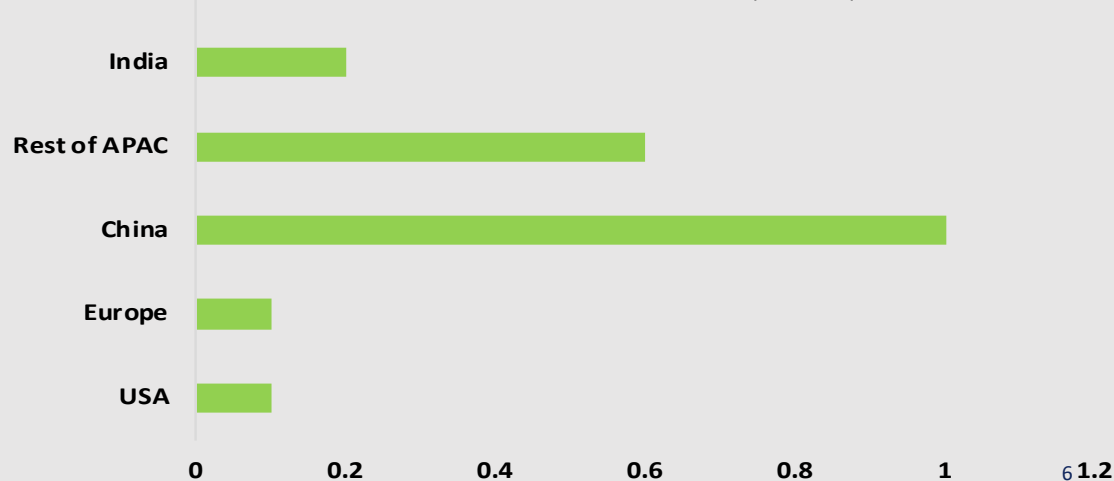
Tanker Market

- In Q3 22' we witnessed a slow down in oil prices, mainly due to fears of global economy entering into a recession.
- However OPEC + decision, close to the end of Q3 22', to cut oil production by 2 million barrels a day has exerted an upward pressure on the price of oil.
- Apart from OPEC+ strategy to preserve oil prices at high levels, several recent events mainly the ongoing war of Russia against Ukraine but also the China's imposition of export quotas on oil and the US sanctions on Iran have affected the tanker market.
- All of the above have created an uncertainty around oil seaborne trade; nevertheless and up to date we see oil prices being sustained at high levels and tanker demand and rates at firm levels.
- The EU sanctions on Russian oil have altered trade patterns; this has favored tonne-mile growth and broader tanker market outlook.

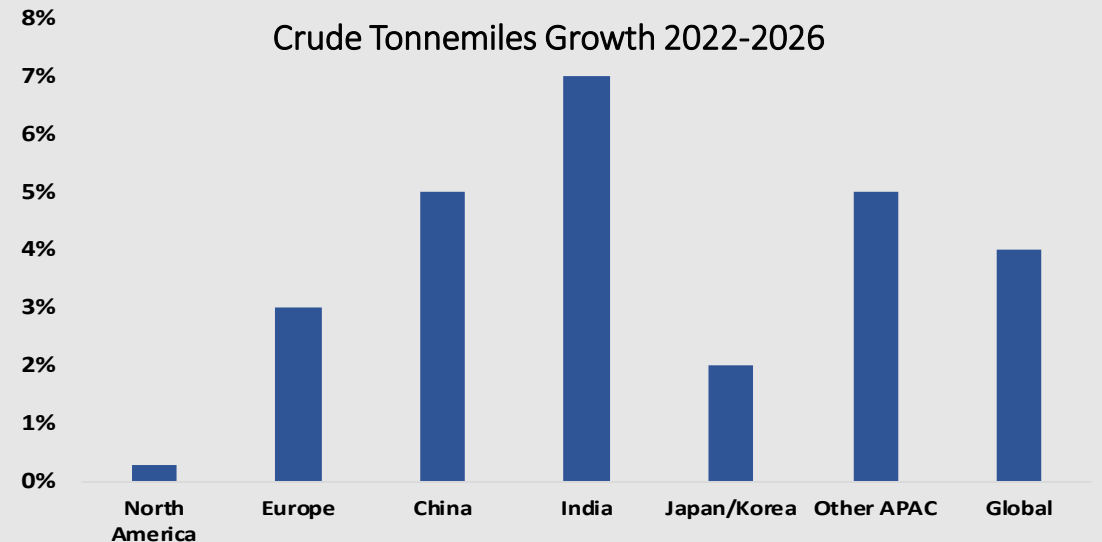
World Oil Demand Forecast (m b/d)



Oil Demand Growth 2023 (m b/d)



Crude Tonnemiles Growth 2022-2026

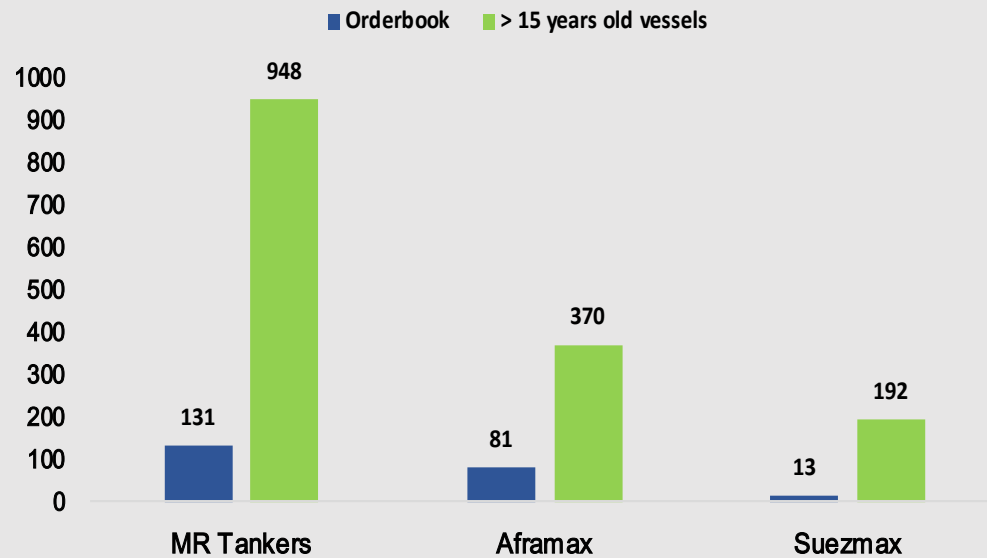




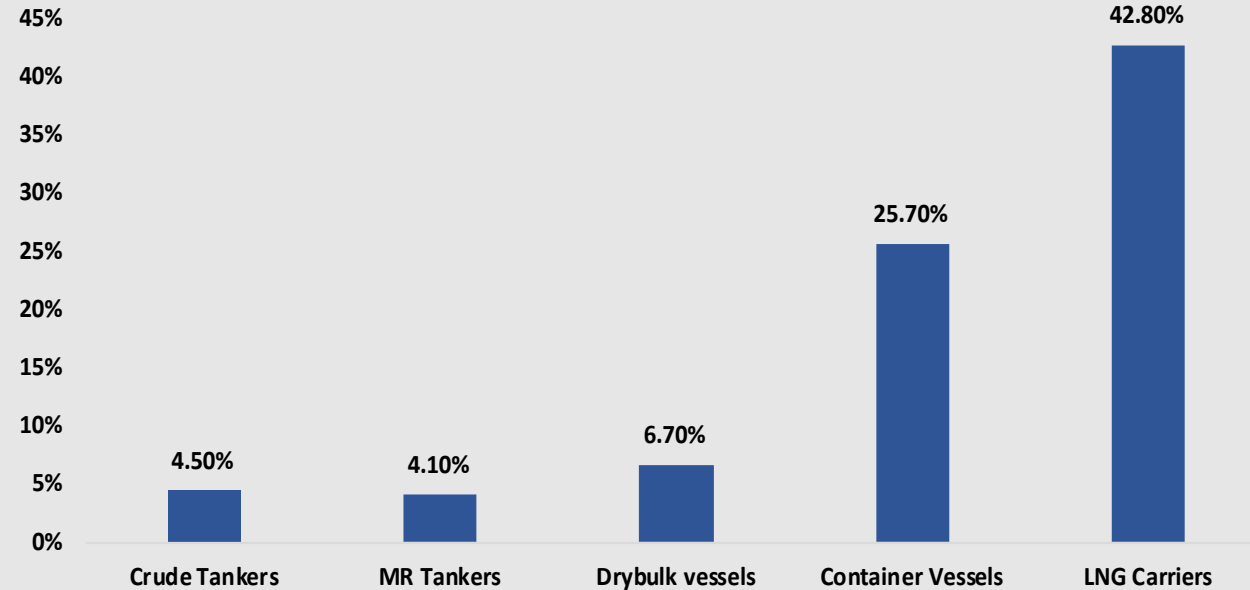
Tanker Market

- Apart from broader market conditions we view tanker segment fundamentals as favorable, given the low order book, the relatively old fleet and the fact that very few yard slots remain available before 2025.
- Looking at the product tanker segment, the orderbook to fleet ratio is currently at 4.1%- the lowest figure since 1996.
- More scrapping is expected as tanker fleet ages- thus tightening supply.

Tanker Orderbook Vs Current fleet > 15 Years of Age



NBs Orderbook as a % of Existing Fleet



Financial Results Q3 22'



Imperial Petroleum Inc.

Income Statement (Amounts in USD'000s)	Q3 2021	Q3 2022	9M 2021	9M 2022
Voyage revenues	4,129	42,641	13,356	59,105
Voyage costs	(732)	(18,385)	(2,663)	(23,309)
Net revenues	3,398	24,256	10,693	35,796
Running costs	(1,899)	(4,930)	(5,636)	(10,003)
Management fees	(133)	(307)	(394)	(649)
G&A	(116)	(312)	(292)	(840)
Depreciation	(2,169)	(3,407)	(6,506)	(8,310)
Income from operations	(919)	15,300	(2,136)	15,995
Interest and finance costs	(4)	(274)	(7)	(727)
Interest Income	0	402	0	446
Foreign exchange (loss)/gain	(6)	23	(14)	40
Net income/(Loss)	(928)	15,451	(2,157)	15,755
EBITDA	1,244	18,730	4,356	24,345
EPS	(0.19)	0.08	(0.45)	0.13
Period End Number of Vessels	4	9	4	9
Operational Utilization	84.8%	86.3%	89.7%	87.8%

Comparing Q3 2022 to Q3 2021

- **Revenues** came in at \$42.6 million up by \$38.5 million due to a further increase in market rates and the increase of our fleet by 5 vessels.
- **Voyage Costs** increased by \$17.7 million due to the increase of spot days by 456 days (786%) and the rise in bunker prices. This quarter we incurred \$1.2 million of voyage costs for the repositioning of three of our product tankers- the benefit of which will appear in Q4 22'.
- **Running Costs** increased by \$3.0 million due to the increase of the average number of our vessels and one of our product tankers coming off bareboat within Q3 22'
- **EBITDA** of \$18.7 million'- \$17.5 million (c. 1,500%) higher than in Q3 21'.
- **Net Profit** of \$15.5 million in Q3 22' corresponding **EPS** of \$8 cents.



Financial Results Q3 22'

Balance Sheet (Amounts in \$'000s)	12M 2021	9M 2022
<u>Assets</u>		
Cash & cash equivalents	3,390	62,435
Time deposits		30,000
Current assets excl. cash	2,616	15,141
Vessel, net	119,963	211,426
Restricted cash	2,500	3,100
Total Assets	128,469	322,101
<u>Liabilities & Stockholders Equity</u>		
Payable to related party	1,119	1,929
Trade accounts payable	1,430	6,240
Debt	27,837	42,347
Other liabilities	1,337	3,735
Total stockholder equity	96,746	267,851
Total Liabilities & Stockholders Equity	128,469	322,101

Balance Sheet 9M 22'

- Free cash (incl. time deposits) of \$92.4 million
- Total debt of about \$42.0 million; this equates to a gearing ratio of 13%, basis fleet book values and even lower basis market values.
- As of the end of September 2022, our free cash was 2.2 times above our outstanding leverage.



Financial Snapshot

Liquidity and Gearing

\$ 105 million
cash (E)
\$70 million
loans (E)

c.\$10 million
annual loan
repayments

1st balloon
payment due
in 2026

Q3 EBITDA/interest
cost
68.4x

Profitability and Growth

1.5x fleet
increase in
10 months

Q3 Daily TCE
\$33,000

Q3 Daily OPEX
\$6,600

Considerations Going Forward

Inflationary
pressures and
market uncertainty

3 Drydockings
in 2023

Will Russian
sanctions and
price cap take
effect or not



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