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;

- 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

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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.

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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.

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

·

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:

RBS Loan Facility	December 31, 2017	March 31, 2017
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:

Derivatives not designated as hedging instruments	Location of gain/(loss) recognized	Three months ended December 31, 2017	Three months ended 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

Derivatives not designated as hedging instruments	Location of gain/(loss) recognized	Nine months ended December 31, 2017	Nine months ended 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, 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.	
	As of	As of
(in U.S. dollars)	December 31, 2017	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)