

NAVIGATOR HOLDINGS LTD

FINANCIAL STATEMENTS FOR THE QUARTER TO

MARCH 31, 2012

Navigator Holdings Ltd

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Navigator Holdings Ltd reports First Quarter 2012 financial and operating results.**First Quarter 2012 Results:**

Operating revenue for the three months ended March 31, 2012 amounted to \$29.7 million, an increase of \$8.4 million compared to operating revenue of \$21.3 million for the three months ended March 31, 2011. The average time charter equivalent rate was approximately \$759,000 per calendar month (\$24,950 per day) during this first quarter, compared to \$683,000 for Q4, 2011 and \$697,500 per calendar month (\$22,934 per day) for the comparative quarter of 2011. Fleet utilization was 99.3% for this first quarter compared with 98.1% for the same three month period of 2011 and 97.4% for the whole of 2011.

Net operating revenue, which is operating revenue less voyage expenses, amounted to \$23.7 million for the three months ended March 31, 2012 compared to \$16.2 million for the three months ended March 31, 2011. However \$5.9 million of this increase relates to additional vessels in the fleet and \$1.6 million of from improved charter rates and a slightly increased utilization. There were three additional vessels in the fleet for the first quarter of 2012, of which two are new-build vessels delivered in September 2011 and February 2012 and one chartered-in vessel, delivered in December 2011 for a period of two years.

Vessel operating expenses increased by \$1.3 million from \$5.2 million for the three months to March 31, 2011 to \$6.5 million for the same period in 2012 solely as a result of additional new vessels.

Net income rose to \$6.3 million for the three month period to March 31, 2012 or \$0.57 per share, from \$4.1 million or \$0.40 per share for the same three months of 2011.

EBITDA for the quarter was \$12.8 million compared with \$9.2 million for the quarter ended March 31, 2011.

Trading in the first quarter of 2012 is in line with management expectations.

The cash position as of March 31, 2012 of approximately \$70 million reflects the sale on March 30 of 1.875 million new shares in Navigator Holdings Ltd at \$25 per share (\$46.87 million) to WL Ross & Co., under a previously agreed commitment. WL Ross & Co. also purchased a further 950,000 shares from existing shareholders bringing its position to 3.45 million shares representing a 26.8% ownership of the Company.

As of March 31, 2012 there were 12,884,516 shares outstanding.

Navigator Holdings Ltd

Consolidated Balance Sheets

	March 31, <u>2012</u> (Unaudited)	December 31, <u>2011</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 68,999,384	\$ 26,734,435
Accounts receivable, net	1,629,914	1,303,445
Prepaid expenses and other current assets	8,232,558	5,427,643
Inventories	4,492,355	4,448,830
	83,354,211	37,914,353
Vessels in operation, net	504,901,624	455,268,366
Vessels under construction	-	30,183,159
Other fixed assets, net	176,923	202,881
Restricted cash	10,033,400	-
Deferred finance costs, net	1,132,262	1,224,375
	599,598,420	524,793,134
	\$ 599,598,420	\$ 524,793,134
 Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long term debt	\$ 15,272,140	\$ 14,827,696
Accounts payable	3,043,708	4,351,463
Accrued expenses and other liabilities	4,132,369	2,087,847
Deferred income	1,968,225	1,968,225
	24,416,442	23,235,231
	24,416,442	23,235,231
 Non – current liabilities		
Long term debt, net of current portion	152,239,938	129,529,712
	152,239,938	129,529,712
 Stockholders' equity		
Common stock – \$.01 par value; 20,000,000 shares authorized; 12,884,516 shares issued and outstanding (2011: 10,996,450)	128,846	109,965
Additional paid-in capital	351,995,675	305,009,507
Accumulated other comprehensive loss	(91,501)	(146,673)
Retained earnings	70,909,020	67,055,392
	422,942,040	372,028,191
	422,942,040	372,028,191
Total liabilities and stockholders' equity	\$ 599,598,420	\$ 524,793,134
	\$ 599,598,420	\$ 524,793,134

See accompanying notes to consolidated financial statements.

Navigator Holdings Ltd

**Consolidated Statements of Operations
(Unaudited)**

	Three Months ended March 31, <u>2012</u>	Three months ended March 31, <u>2011</u>
Revenues		
Operating revenue	\$ 29,697,292	\$ 21,298,290
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Expenses		
Address and brokerage commissions	891,653	677,494
Voyage expenses	5,956,045	5,107,528
Charter-in cost	1,800,000	-
Vessel operating expenses	6,543,590	5,202,775
Depreciation and amortization	5,299,957	4,556,459
General and administrative costs	1,341,058	947,592
Other corporate expenses	342,217	170,019
	<hr/>	<hr/>
	22,174,520	16,661,867
	<hr/>	<hr/>
Operating income	7,522,772	4,636,423
Other income/(expense)		
Interest expense	(1,127,380)	(506,608)
Interest income	1,716	1,947
	<hr/>	<hr/>
Income before income taxes	6,397,108	4,131,762
Income taxes	(124,261)	(15,378)
	<hr/>	<hr/>
Net income	\$ 6,272,847	\$ 4,116,384
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Earnings per share:		
Basic and diluted	\$ 0.57	\$ 0.40
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Weighted average number of shares outstanding:		
Basic and diluted	11,022,511	10,351,000
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See accompanying notes to consolidated financial statements.

Navigator Holdings Ltd

Consolidated Statements of Stockholders' Equity

	<u>Common Stock</u>	<u>Additional Paid in Capital</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Retained Earnings</u>	<u>Total</u>
January 1, 2011	\$ 103,510	\$ 288,905,478	\$ (138,521)	\$ 58,045,449	\$ 346,915,916
Issuance of common stock	6,250	15,262,200	-	-	15,268,450
Restricted shares issued					
March 31, 2011	53	-	-	-	53
Restricted shares issued					
April 10, 2011	152	-	-	-	152
Net income	-	-	-	18,650,279	18,650,279
Dividends paid	-	-	-	(9,640,336)	(9,640,336)
Foreign currency translation	-	-	(8,152)	-	(8,152)
Share based compensation plan	-	841,829	-	-	841,829
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
December 31, 2011	109,965	305,009,507	(146,673)	67,055,392	372,028,191
Issuance of common stock	18,750	46,849,609	-	-	46,868,359
Restricted shares issued					
February 22, 2012	131	-	-	-	131
Net income	-	-	-	6,272,847	6,272,847
Dividends paid	-	-	-	(2,419,219)	(2,419,219)
Foreign currency translation	-	-	55,172	-	55,172
Share based compensation plan	-	136,559	-	-	136,559
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March 31, 2012	\$ 128,846	\$ 351,995,675	\$ 91,501	\$ 70,909,020	\$ 422,942,040

Consolidated Statements of Comprehensive Income

	Three months ended March 31, 2012	Three months ended March 31, 2011
Net income	\$ 6,272,847	\$ 4,116,384
Other Comprehensive Income / (loss):		
Foreign currency translation gain	55,172	(2,404)
Total Comprehensive Income	<u>\$ 6,328,019</u>	<u>\$ 4,113,980</u>

See accompanying notes to consolidated financial statements.

Navigator Holdings Ltd

Consolidated Statements of Cash Flows
(Unaudited)

	Three months ended March 31, <u>2012</u>	Three months ended March 31, <u>2011</u>
Cash flows from operating activities		
Net income	\$ 6,272,847	\$ 4,116,384
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	5,299,957	4,556,459
Stock based compensation	136,690	197,328
Amortization of direct financing costs	92,113	56,250
Unrealized foreign exchange	50,758	(8,221)
Changes in operating assets and liabilities		
Accounts receivable	(326,469)	(2,916,185)
Prepaid expenses and other current assets	(2,804,915)	3,101,652
Accounts payable and other liabilities	736,766	1,073,403
Inventories	(43,525)	870,750
Net cash provided by operating activities	<u>9,414,222</u>	<u>11,047,820</u>
Cash flows from investing activities		
Placement of restricted cash for vessel purchase	(10,033,400)	-
Payment for vessels under construction	(24,719,683)	-
Payment of dry docking costs	-	(6,779)
Purchase of other fixed assets	-	(31,816)
Net cash used in investing activities	<u>(34,753,083)</u>	<u>(38,595)</u>
Cash flows from financing activities		
Proceeds from long term debt, net of direct financing costs	26,528,260	-
Repayment of long term debt	(3,373,590)	-
Proceeds from issuance of stock, net of issuance costs	46,868,359	-
Dividends paid	(2,419,219)	(2,587,750)
Net cash provided by / (used in) financing activities	<u>67,603,810</u>	<u>(2,587,750)</u>
Net increase in cash and cash equivalents	<u>42,264,949</u>	<u>8,421,475</u>
Cash and cash equivalents at beginning of period	26,734,435	16,243,112
Cash and cash equivalents at end of period	<u>\$ 68,999,384</u>	<u>\$ 24,664,587</u>
Supplemental Information		
Total interest paid during the period excluding capitalized interest	<u>\$ 832,198</u>	<u>\$ 450,608</u>
Total tax paid during the period	<u>\$ 43,732</u>	<u>\$ 34,879</u>

See accompanying notes to consolidated financial statements.

Navigator Holdings Ltd

Notes to the unaudited Consolidated Financial Statements

1. Basis of Presentation

In the opinion of the management of Navigator Holdings Ltd (the "Company") the accompanying unaudited financial statements reflect all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the financial position of the Company and its subsidiaries as of March 31, 2012; the results of its operations for the three months ended March 31, 2012 and 2011; statement of stockholders equity for the three months ended March 31, 2012; and cash flows for the three months ended March 31, 2012 and 2011.

These condensed consolidated financial statements of the Company and its subsidiaries have been prepared without an audit in accordance with generally accepted accounting principles in the United States of America. Also, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The results for the period ended March 31, 2012 are not necessarily indicative of results for the full 2012 fiscal year or any other future periods. It is recommended that these financial statements be read in conjunction with our consolidated financial statements and notes thereto for the year ended December 31, 2011.

2. Commitments and Contingencies

The Company occupies office space in London, the lease for which was renegotiated to commence on March 30, 2012 for a period of ten years, with a tenant break clause after five years, and paying approximately \$515,000 (£321,850) per calendar year.

The Company also occupies property in New York paying approximately \$133,500 per year. The lease is for a period of three years ending August 30, 2012.

The Company entered into an agreement on March 2, 2012 to purchase two 22,000 cubic meter, semi refrigerated liquefied gas carriers from Petredec. The first of these vessels, renamed Navigator Pegasus, formerly Desert Orchid, was delivered on April 2 and the Dancing Brave, to be renamed Navigator Phoenix, is scheduled to be delivered on April 30, 2012.

The funding for the new acquisitions will be a mixture of equity, from the issuance of 2.5 million new common shares to WL Ross & Co and new debt finance.