
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarter Ended September 30, 2017

Commission File Number 001-36202

NAVIGATOR HOLDINGS LTD.

(Translation of registrant's name into English)

**c/o NGT Services (UK) Ltd
10 Bressenden Place
London, SW1E 5DH
United Kingdom
(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).
Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).
Yes No

NAVIGATOR HOLDINGS LTD.

REPORT ON FORM 6-K FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

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Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless the context otherwise requires, all references in this report to "Navigator Holdings," "our," "we," "us" and the "Company" refer to Navigator Holdings PLC, an Isle of Man corporation, with regard to all periods prior to its redomiciliation in the Republic of the Marshall Islands, and to Navigator Holdings Ltd., a Marshall Islands corporation, with regard to all periods after its redomiciliation in the Republic of the Marshall Islands. All references in this report to our wholly-owned subsidiary "Navigator Gas L.L.C." refer to Navigator Gas Transport PLC, an Isle of Man corporation, with regard to all periods prior to its redomiciliation in the Republic of the Marshall Islands, and to Navigator Gas L.L.C., a Marshall Islands limited liability company, with regard to all periods after its redomiciliation in the Republic of the Marshall Islands. As used in this report, unless the context indicates or otherwise requires, references to "our fleet" or "our vessels" include (i) 37 vessels we owned and operated as of September 30, 2017 and (ii) one newbuilding delivered from Jiangnan Shipyard (Group) Co. Ltd, in China, or "Jiangnan" on November 8, 2017, or the "2017 newbuilding."

This section should be read in conjunction with the interim financial statements and notes thereto presented elsewhere in this report, as well as the historical consolidated financial statements and notes thereto of Navigator Holdings Ltd. included in our Annual Report on Form 20-F, filed with the United States Securities and Exchange Commission, or the SEC, on March 1, 2017 (the 2016 Annual Report). Among other things, those financial statements include more detailed information regarding the basis of presentation for the following information. The financial statements have been prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP, and are presented in U.S. Dollars unless otherwise indicated.

Overview

We provide international and regional seaborne transportation services of liquefied petroleum gas, or "LPG," petrochemical gases and ammonia for energy companies, industrial users and commodity traders. These gases are transported in liquefied form, by applying cooling and/or pressure, to reduce volume by up to 900 times depending on the cargo, making their transportation more efficient and economical. Vessels in our fleet are capable of loading, discharging and carrying cargoes across a range of temperatures from ambient to minus 104° Celsius and pressures from 1 bar to 6.4 bar.

We are the owner and operator of the world's largest fleet of handysize liquefied gas carriers. Of our fleet of 38 vessels, 33 are handysize liquefied gas carriers and five are midsize liquefied gas carriers. We define handysize liquefied gas carriers as those liquefied gas carriers with capabilities between 15,000 and 24,999 cbm, and midsize as those liquefied gas carriers with capabilities between 25,000 and 40,000 cbm. Within our fleet, 14 vessels have the capability of transporting ethylene and ethane cargoes.

Our handysize liquefied gas carriers can accommodate short and medium-haul routes for transporting LPG that may be uneconomical for smaller vessels and can call at ports that are unable to support larger vessels due to limited onshore capacity, absence of fully-refrigerated loading infrastructure and/or vessel size restrictions. Semi-refrigerated liquefied gas carriers are a requisite for the transportation of petrochemicals. Our semi-refrigerated liquefied gas carriers are among the largest in the global fleet, and typically transport petrochemicals on long haul routes.

Our midsize ethylene-capable semi-refrigerated gas carriers enable long-haul transportation of ethane/ethylene that may be less economical for smaller vessels. Of our five midsize liquefied gas carriers, four are 37,300 cbm ethylene-capable semi-refrigerated vessels and one is a 38,000 cbm fully-refrigerated gas carrier, which was built in July 2017 and operates under a 10-year time charter.

Our Fleet

The following table sets forth our vessels as of November 8, 2017:

Operating Vessel	Year Built	Vessel Size (CBM)	Employment Status	Charter Expiration Date
<i>Ethylene/ethane capable semi-refrigerated</i>				
Navigator Orion (formerly known as Navigator Mars)	2000	22,085	Time charter	October 2020
Navigator Neptune	2000	22,085	Contract of affreightment	December 2017
Navigator Pluto	2000	22,085	Time charter	May 2018
Navigator Saturn	2000	22,085	Spot market	—
Navigator Venus	2000	22,085	Contract of affreightment	December 2017
Navigator Atlas	2014	21,000	Contract of affreightment	December 2017
Navigator Europa	2014	21,000	Contract of affreightment	December 2017
Navigator Oberon	2014	21,000	Contract of affreightment	December 2017
Navigator Triton	2015	21,000	Contract of affreightment	December 2017
Navigator Umbrio	2015	21,000	Contract of affreightment	December 2017
Navigator Aurora	2016	37,300	Time charter	December 2026
Navigator Eclipse	2016	37,300	Time charter	October 2020
Navigator Nova	2017	37,300	Time charter	February 2019
Navigator Prominence*	2017	37,300	Spot Market	—
<i>Semi-refrigerated</i>				
Navigator Magellan	1998	20,700	Time charter	November 2017
Navigator Aries	2008	20,750	Time charter	March 2018
Navigator Capricorn	2008	20,750	Contract of affreightment	December 2017
Navigator Gemini	2009	20,750	Spot market	—
Navigator Pegasus	2009	22,200	Spot market	—
Navigator Phoenix	2009	22,200	Spot market	—
Navigator Scorpio	2009	20,750	Time charter	November 2017
Navigator Taurus	2009	20,750	Time charter	April 2018
Navigator Virgo	2009	20,750	Time charter	April 2018
Navigator Leo	2011	20,600	Time charter	December 2023
Navigator Libra	2012	20,600	Time charter	December 2023
Navigator Centauri	2015	21,000	Spot market	—
Navigator Ceres	2015	21,000	Spot market	—
Navigator Ceto	2016	21,000	Spot market	—
Navigator Copernico	2016	21,000	Time charter	December 2017
Navigator Luga	2017	22,000	Time charter	February 2022
Navigator Yauza	2017	22,000	Time charter	April 2022
<i>Fully-refrigerated</i>				
Navigator Glory	2010	22,500	Time charter	December 2017
Navigator Grace	2010	22,500	Time charter	November 2017
Navigator Galaxy	2011	22,500	Time charter	March 2018
Navigator Genesis	2011	22,500	Spot market	—
Navigator Global	2011	22,500	Time charter	November 2017
Navigator Gusto	2011	22,500	Time charter	September 2018
Navigator Jorf	2017	38,000	Time charter	August 2026

* Vessel delivered from the shipyard on November 8, 2017.

Recent Developments

June 2017 Secured Term Loan and Revolving Credit Facility

On June 30, 2017, Navigator Gas L.L.C, as borrower, and the Company, as guarantor, entered into a secured term loan and revolving credit facility agreement with Nordea Bank AB (Publ.), Filial I Norge, BNP Paribas, DVB Bank America N.V., ING Bank N.V. London Branch and Skandinaviska Enskilda Banken AB (Publ.) for a maximum principal amount of \$160.8 million (the “June 2017 Secured Term Loan and Revolving Credit Facility”), to re-finance our \$270.0 million February 2013 secured term loan facility that was due to mature in February 2018 (the “February 2013 Secured Term Loan Facility”) and for general corporate purposes. The June 2017 Secured Term Loan and Revolving Credit Facility consists of a \$100.0 million term loan facility and \$60.8 million revolving credit facility, which will mature in six years and bears interest at an annual rate of U.S. LIBOR plus 230 basis points. The facility is secured by first priority mortgages on each of *Navigator Galaxy*, *Navigator Genesis*, *Navigator Grace*, *Navigator Gusto*, *Navigator Glory*, *Navigator Capricorn*, *Navigator Scorpio* and *Navigator Virgo*, as well as assignment of earnings and insurances on these secured vessels. On July 5, 2017, we drew down an initial \$137.0 million from this facility and repaid in full the February 2013 Secured Term Loan Facility.

Newbuilding Delivery

On July 20, 2017, we took delivery of *Navigator Jorf* from HMD and have provided in-house technical management for this vessel from delivery. On November 8, we took delivery of our final newbuilding, *Navigator Prominence*. We now have 38 vessels on the water, following the delivery earlier this year of *Navigator Nova* from Jiangnan in January 2017, *Navigator Luga* from HMD also in January 2017 and *Navigator Yauza* from HMD in April 2017.

Letter of Intent with Enterprise for Ethylene Marine Export Terminal

In July 2017, we, together with Enterprise Products Partners L.P. (“Enterprise”) announced the execution of a letter of intent to jointly develop a one million ton ethylene export terminal on the Houston Ship Channel. Enterprise would manage the construction, operations and commercial activities of the proposed terminal, which would be located at Enterprise’s Morgan’s Point complex. We have extensive experience with ethylene shipping through our fleet of 14 handysize and midsize ethylene-capable vessels that provide flexibility to deliver ethylene to consuming customers. The commercialization of the project is subject to sufficient long-term customer commitments, as well as the negotiation and execution of definitive agreements and approval by both our and Enterprise’s respective boards of directors.

Trends and Outlook

Charter revenue from spot voyages remained significantly focused on the petrochemical sector, with the transportation of petrochemicals accounting for 96% of our spot revenue for the three months ended September 30, 2017. Typically, the summer months offer fewer opportunities in the LPG freight markets as was the case during the summer of 2017, which reflect a continuing lack of LPG and petrochemical arbitrage between producing and consuming areas. Our charter rates achieved during the quarter reflect a premium to those available to the general market as a result of our strategic positioning of seeking a mixed portfolio of customers and charter durations across the gas spectrum of LPG, petrochemicals and ammonia.

We delivered our first 38,000 cbm fully-refrigerated ammonia carrier to our partner, Office Cherifien des Phosphates (“OCP”) on August 22, 2017, commencing a ten year time charter facilitating the transportation of ammonia from Europe and the U.S. to Morocco. We are also now discussing charter and contract of affreightment renewals with a number of charterers for at least eight vessels with contracts maturing over the coming months.

Factors Affecting Comparability

You should consider the following factors when evaluating our historical financial performance and assessing our prospects:

- ***We have been and are increasing our fleet size.*** Our historical financial performance and future prospects have been and will be significantly impacted by the increasing size of our fleet.
 - *Historical Fleet Size.* Following the delivery of *Navigator Nova* and *Navigator Luga* in January 2017, the delivery of *Navigator Yauza* in April 2017 and the delivery during the most recent quarter of *Navigator Jorf* on July 20, 2017, our fleet size increased to 37 vessels owned and operating as of September 30, 2017, with a weighted average fleet size of 35.8 vessels for the nine months ended September 30, 2017. During 2016, we took delivery of four vessels; *Navigator Ceto* in January 2016, *Navigator Copernico* in April 2016, *Navigator Aurora* in August 2016 and *Navigator Eclipse* in October 2016 giving a weighted average fleet size of 31.3 vessels for the year ended December 31, 2016.
 - *Future Fleet Size.* On November 8, 2017, we took delivery of *Navigator Prominence*, our final newbuilding.

Given the increase in the number of operating vessels in our fleet, our historical financial statements reflect, and in the future will reflect, significantly different levels of ownership and operating days as well as different levels of voyage expenses, vessel operating expenses, interest expense and other related costs.

- ***We will have different financing arrangements.*** We have entered into secured term loan facilities and revolving credit facilities and have issued new senior unsecured bonds to finance the acquisitions of vessels and the construction of all the vessels in our newbuilding program, and to refinance certain debt maturities. Please read “—Secured Term Loan Facilities and Revolving Credit Facility” and “—2017 Senior Unsecured Bonds.”

Results of Operations for the Three Months Ended September 30, 2017 Compared to the Three Months Ended September 30, 2016

The following table compares our operating results for the three months ended September 30, 2016 and 2017:

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2017	Percentage Change
	(in thousands, except percentages)		
Operating revenue	\$ 69,741	\$ 70,211	0.7%
Operating expenses:			
Brokerage Commissions	1,372	1,191	(13.2%)
Voyage expenses	11,869	12,246	3.2%
Vessel operating expenses	22,126	25,106	13.5%
Depreciation and amortization	15,804	18,787	18.9%
General administration costs	3,120	3,932	26.0%
Other corporate expenses	377	653	72.9%
Write off of insurance amount receivable	504	—	—
Total operating expenses	<u>\$ 55,172</u>	<u>\$ 61,915</u>	12.2%
Operating income	<u>\$ 14,569</u>	<u>\$ 8,296</u>	(43.1%)
Interest expense	(7,957)	(9,426)	18.5%
Interest income	71	139	95.7%
Income/(loss) before income taxes	<u>\$ 6,683</u>	<u>\$ (991)</u>	(114.8%)
Income taxes	207	102	(50.7%)
Net income/(loss)	<u>\$ 6,476</u>	<u>\$ (1,093)</u>	(116.9%)

Operating Revenue. Operating revenue, net of address commission, increased by \$0.5 million or 0.7% to \$70.2 million for the three months ended September 30, 2017, from \$69.7 million for the three months ended September 30, 2016. This increase was principally due to:

- an increase in operating revenue of approximately \$10.4 million attributable to an increase in the weighted average number of vessels from 31.6 for the three months ended September 30, 2016 to 36.8 for the three months ended September 30, 2017, and a corresponding increase in vessel ownership days by 473 days, or 16.2 %, for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016;
- a decrease in operating revenue of approximately \$8.2 million attributable to a decrease in average charter rates, which reduced to an average of approximately \$615,195 per vessel per calendar month (\$20,226 per day) for the three months ended September 30, 2017, compared to an average of approximately \$698,813 per vessel per calendar month (\$22,975 per day) for the three months ended September 30, 2016, as a result of the continued weak LPG freight market during 2017;
- a decrease in operating revenue of approximately \$2.1 million attributable to a decrease in fleet utilization from 88.1% during the three months ended September 30, 2016 to 85.0% during the three months ended September 30, 2017; and
- an increase in operating revenue of approximately \$0.4 million, primarily attributable to an increase in pass through voyage costs, as the number and duration of voyage charters during the three months ended September 30, 2017 increased, as compared to the three months ended September 30, 2016.

The following table presents selected operating data for the three months ended September 30, 2016 and 2017, which we believe are useful in understanding our operating revenue.

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2017
Fleet Data:		
Weighted average number of vessels	31.6	36.8
Ownership days	2,911	3,384
Available days	2,860	3,371
Operating days	2,519	2,866
Fleet utilization	88.1%	85.0%
Average daily time charter equivalent rate (*)	\$ 22,975	\$ 20,226

* **Non-GAAP Financial Measure -Time charter equivalent:** Time charter equivalent, or “TCE”, rate is a measure of the average daily revenue performance of a vessel. TCE is not calculated in accordance with U.S. GAAP. For all charters, we calculate TCE by dividing total operating revenues, less any voyage expenses, by the number of operating days for the relevant period. Under a time charter, the charterer pays substantially all of the vessel voyage related expenses, whereas for voyage charters, also known as spot market charters, we pay all voyage expenses. TCE rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in a company’s performance despite changes in the mix of charter types (i.e., spot charters, time charters and contracts of affreightment) under which the vessels may be employed between the periods. We include average daily TCE rate, as we believe it provides additional meaningful information in conjunction with net operating revenues, because it assists our management in making decisions regarding the deployment and use of our vessels and in evaluating their financial performance. Our calculation of TCE rate may not be comparable to that reported by other companies.

Reconciliation of Operating Revenue to TCE rate

The following table represents a reconciliation of operating revenue to TCE rate. Operating revenue is the most directly comparable financial measure calculated in accordance with U.S. GAAP for the periods presented.

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2017
Fleet Data:		
Operating revenue	69,741	70,211
Voyage expenses	11,869	12,246
Operating revenue less Voyage expenses	57,872	57,965
Operating days	2,519	2,866
Average daily time charter equivalent rate	\$ 22,975	\$ 20,226

Brokerage Commissions. Brokerage commissions, which typically vary between 1.25% and 5% of operating revenue, decreased by 13.2% to \$1.2 million for the three months ended September 30, 2017, from \$1.4 million for the three months ended September 30, 2016.

Voyage Expenses. Voyage expenses increased by 3.2% to \$12.2 million for the three months ended September 30, 2017, from \$11.9 million for the three months ended September 30, 2016. This was primarily due to an increase in the number and duration of voyage charters undertaken during the three months ended September 30, 2017, compared to the three months ended September 30, 2016, with these increased voyage costs being pass through costs, compensated for by increased revenue of the same amount.

Vessel Operating Expenses. Vessel operating expenses increased by 13.5% to \$25.1 million for the three months ended September 30, 2017, from \$22.1 million for the three months ended September 30, 2016, as the average number of vessels in our fleet increased by 16.5%, from an average of 31.6 vessels in the fleet during the three months ended September 30, 2016 to 36.8 vessels during the three months ended September 30, 2017. Average daily vessel operating expenses decreased by \$153 per day, or 2.0% to \$7,448 per vessel per day for the three months ended September 30, 2017, compared to \$7,601 per vessel per day for the three months ended September 30, 2016 primarily due to operating costs being lower for relatively newer vessels joining our fleet and active management of vessel operating costs.

Depreciation and Amortization. Depreciation and amortization expense increased by 18.9% to \$18.8 million for the three months ended September 30, 2017, from \$15.8 million for the three months ended September 30, 2016. This increase was due to an increase in our fleet size. Depreciation and amortization expense includes amortization of capitalized drydocking costs of \$2.5 million for the three months ended September 30, 2017, compared to \$2.2 million for the three months ended September 30, 2016.

Other Operating Results

General Administration Costs. General administration costs increased by 26.0%, or \$0.8 million, to \$3.9 million for the three months ended September 30, 2017, from \$3.1 million for the three months ended September 30, 2016. The increase in general administration costs was primarily due to increased office lease costs and an increase in the number of employees during the three months ended September 30, 2017, to enable us to provide in-house technical management for an increasing number of our vessels.

Other Corporate Expenses. Other corporate expenses increased by 72.9%, or \$0.3 million, to \$0.7 million for the three months ended September 30, 2017, from \$0.4 million for the three months ended September 30, 2016.

Write off of insurance amount receivable. The write off of insurance amount receivable of \$0.5 million for the three months ended September 30, 2016 was due to an expected reduction in the total insurance proceeds receivable, as a result of lower than expected total costs incurred for repairing *Navigator Aries*, following the June 2015 collision.

Interest Expense. Interest expense increased by 18.5%, or \$1.5 million, to \$9.4 million for the three months ended September 30, 2017, from \$7.9 million for the three months ended September 30, 2016. The increase was primarily due to interest on an additional \$262.4 million borrowed under our loan facilities since September 30, 2016 associated with delivery of six newbuilding vessels, partially offset by a \$1.0 million saving as a result of the refinancing of our unsecured bond in February 2017. Interest capitalized on newbuilding installment payments for the three months ended September 30, 2017 was \$0.3 million, a decrease of \$1.0 million from the \$1.3 million of interest capitalized for the three months ended September 30, 2016.

Income Taxes. Income tax related to taxes on our subsidiaries incorporated in the United Kingdom, Poland and Singapore. Our United Kingdom and Polish subsidiaries earn management and other fees from affiliates, and our Singaporean subsidiary earns interest from loans to our variable interest entity in Indonesia. The main corporate tax rates are 19%, 19% and 17% in the United Kingdom, Poland and Singapore, respectively. For the three months ended September 30, 2017, we had a tax charge of \$101,717, as compared to taxes of \$207,019 for the three months ended September 30, 2016.

Results of Operations for the Nine Months Ended September 30, 2017 Compared to the Nine Months Ended September 30, 2016

The following table compares our operating results for the nine months ended September 30, 2016 and 2017:

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Percentage Change
	(in thousands, except percentages)		
Operating revenue	\$ 218,657	\$ 221,911	1.5%
Operating expenses:			
Brokerage Commissions	4,382	4,105	(6.3%)
Voyage expenses	28,287	40,761	44.1%
Vessel operating expenses	68,243	74,012	8.5%
Depreciation and amortization	45,655	54,725	19.9%
General administration costs	9,180	10,262	11.8%
Other corporate expenses	1,610	1,605	(0.3%)
Write off of insurance amount receivable	504	—	—
Total operating expenses	\$ 157,861	\$ 185,470	17.5%
Operating income	\$ 60,796	\$ 36,441	(40.1%)
Interest expense	(23,442)	(27,724)	18.3%
Write off of deferred financing costs	—	(1,281)	—
Write off of call premium and redemption charges on 9% unsecured bond	—	(3,517)	—
Interest income	240	371	54.6%
Income before income taxes	\$ 37,594	\$ 4,290	(88.6%)
Income taxes	602	391	(35.0%)
Net income	\$ 36,992	\$ 3,899	(89.5%)

Operating Revenue. Operating revenue net of address commission, increased by \$3.3 million or 1.5 % to \$221.9 million for the nine months ended September 30, 2017, from \$218.7 million for the nine months ended September 30, 2016. This increase was primarily due to:

- an increase in operating revenue of approximately \$34.9 million attributable to an increase in the weighted average number of vessels from 30.8 for the nine months ended September 30, 2016, to 35.8 for the nine months ended September 30, 2017, and a corresponding increase in vessel ownership days by 1,335 days, or 15.8%, for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016;
- a decrease in operating revenue of approximately \$45.3 million attributable to a reduction in average monthly charter rates, which decreased to an average of approximately \$643,916 per vessel per calendar month (\$21,170 per day) for the nine months ended September 30, 2017, compared to an average of approximately \$806,011 per vessel per calendar month (\$26,499 per day) for the nine months ended September 30, 2016, as a result of the significant decline in the LPG freight market which began during the second quarter of 2016;
- an increase in operating revenue of approximately \$1.2 million attributable to an increase in fleet utilization from 87.2% for the nine months ended September 30, 2016 to 87.8% for the nine months ended September 30, 2017, primarily due to a decrease in the number of idle days for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016;
- an increase in operating revenue of approximately \$12.5 million primarily attributable to an increase in pass through voyage costs as the number and duration of voyage charters during the nine months ended September 30, 2017 increased, compared to the nine months ended September 30, 2016.

The following table presents selected operating data for the nine months ended September 30, 2016 and 2017, which we believe is useful in understanding our operating revenue:

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2017
Fleet Data:		
Weighted average number of vessels	30.8	35.8
Ownership days	8,435	9,770
Available days	8,235	9,745
Operating days	7,184	8,557
Fleet utilization	87.2%	87.8%
Average daily time charter equivalent rate (*)	\$ 26,499	\$ 21,170

* **Non-GAAP Financial Measure -Time charter equivalent:** Time charter equivalent, or “TCE”, rate is a measure of the average daily revenue performance of a vessel. TCE is not calculated in accordance with U.S. GAAP. For all charters, we calculate TCE by dividing total operating revenues, less any voyage expenses, by the number of operating days for the relevant period. Under a time charter, the charterer pays substantially all of the vessel voyage related expenses, whereas for voyage charters, also known as spot market charters, we pay all voyage expenses. TCE rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in a company’s performance despite changes in the mix of charter types (i.e., spot charters, time charters and contracts of affreightment) under which the vessels may be employed between the periods. We include average daily TCE rate, as we believe it provides additional meaningful information in conjunction with net operating revenues, because it assists our management in making decisions regarding the deployment and use of our vessels and in evaluating their financial performance. Our calculation of TCE rate may not be comparable to that reported by other companies.

The following table represents a reconciliation of operating revenue to TCE rate. Operating revenue is the most directly comparable financial measure calculated in accordance with U.S. GAAP for the periods presented.

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2017
Fleet Data:		
Operating revenue	218,657	221,911
Voyage expenses	<u>28,287</u>	<u>40,761</u>
Operating revenue less Voyage expenses	<u>190,370</u>	<u>181,150</u>
Operating days	7,184	8,557
Average daily time charter equivalent rate	\$ 26,499	\$ 21,170

Brokerage Commissions. Brokerage commissions, which typically vary between 1.25% and 5%, decreased by 6.3% to \$4.1 million for the nine months ended September 30, 2017, from \$4.4 million for the nine months ended September 30, 2016.

Voyage Expenses. Voyage expenses increased by 44.1% to \$40.8 million for the nine months ended September 30, 2017, from \$28.3 million for the nine months ended September 30, 2016. This was primarily due to an increase in the number and duration of voyage charters undertaken during the nine months ended September 30, 2017, compared to the nine months ended September 30, 2016, with these increased voyage costs being pass through costs, compensated for by increased revenue of the same amount.

Vessel Operating Expenses. Vessel operating expenses increased by 8.5% to \$74.0 million for the nine months ended September 30, 2017, from \$68.2 million for the nine months ended September 30, 2016, as the number of vessels in our fleet increased. Average daily vessel operating expenses decreased by \$497 per vessel per day, or 6.1%, to \$7,594 per vessel per day for the nine months ended September 30, 2017, compared to \$8,091 per vessel per day for the nine months ended September 30, 2016, primarily due to operating costs being lower for the relatively newer vessels joining our fleet, active management of vessel operating costs and higher maintenance expenditure incurred as a result of a number of dry dockings undertaken during the nine months ended September 30, 2016.

Depreciation and Amortization. Depreciation and amortization expense increased by 19.9% to \$54.7 million for the nine months ended September 30, 2017, from \$45.7 million for the nine months ended September 30, 2016. This increase was primarily due to an increase in our fleet size. Depreciation and amortization expense included amortization of capitalized drydocking costs of \$7.1 million for the nine months ended September 30, 2017, and \$6.2 million for the nine months ended September 30, 2016.

Other Operating Results

General Administration Costs. General administration costs increased by \$1.1 million or 11.8% to \$10.3 million for the nine months ended September 30, 2017, from \$9.2 million for the nine months ended September 30, 2016. The increase in general administration costs was primarily due to increased office lease costs and an increase in the number of employees during the nine months ended September 30, 2017, to enable us provide in-house technical management for an increasing number of our vessels.

Write off of insurance amount receivable. The write off of insurance amount receivable of \$0.5 million for the nine months ended September 30, 2016 was due to an expected reduction in the total insurance proceeds receivable, as a result of lower than expected total costs incurred for repairing *Navigator Aries*, following the June 2015 collision.

Interest Expense. Interest expense increased by \$4.3 million, or 18.3%, to \$27.7 million for the nine months ended September 30, 2017, from \$23.4 million for the nine months ended September 30, 2016. This was primarily due to interest on the additional \$324.7 million borrowed under our loan facilities from the first nine months of 2016 until the end of the first nine months of 2017 associated with delivery of eight newbuilding vessels partially offset by a \$2.4 million saving as a result of refinancing our unsecured bond in February 2017. Interest capitalized on newbuilding installment payments for the nine months ended September 30, 2017 was \$1.6 million, a decrease of \$2.3 million from the \$3.9 million of interest capitalized from the nine months ended September 30, 2016.

Write off of Deferred Financing Costs. The write off of deferred financing costs of \$1.3 million for the nine months ended September 30, 2017 related to the remaining unamortized deferred financing costs of the 2012 Bonds that we redeemed prior to their maturity date, and the associated unamortized deferred financing costs on the February 2013 Secured Term Loan Facility that was re-financed prior to its maturity date. No loan refinancing occurred in the nine months ended September 30, 2016.

Write off of Call Premium and Redemption Charges on 9.0% Senior Unsecured Bond. In connection with a call option under the terms of our then outstanding 2012 Bonds, pursuant to which we redeemed all of the outstanding principal amount thereof in February 2017, we incurred \$3.5 million in charges for the nine months ended September 30, 2017 that were written off, consisting of a redemption premium of \$2.5 million and \$1.0 million in interest notice penalty on such bonds prior to maturity.

Income Taxes. Income tax relates to taxes on our subsidiaries incorporated in the United Kingdom, Poland and Singapore. Our United Kingdom subsidiary earns management and other fees from affiliates, and our Singaporean subsidiary earns interest from loans to our variable interest entity in Indonesia, the main corporate tax rates are 19%, 19% and 17% in the United Kingdom, Poland and Singapore, respectively. For the nine months ended September 30, 2017, we incurred taxes of \$390,621, as compared to taxes for the nine months ended September 30, 2016 of \$602,525.

Liquidity and Capital Resources

Liquidity and Cash Needs

Our primary sources of funds have been cash from operations, bank borrowings, proceeds from our initial public offering, equity investments from existing shareholders, and proceeds from bond issuances. As of September 30, 2017, we had cash and cash equivalents and short-term investments of \$60.1 million. In addition, we had approximately \$48.1 million in aggregate available borrowing capacity under the October 2016 Secured Term Loan and Revolving Credit Facility and \$3.8 million in available borrowing capacity under the June 2017 Secured Term Loan and Revolving Credit Facility (as defined below), both of which can be used for general corporate purposes. We believe that these sources of funds will be sufficient to meet our liquidity needs for the next twelve months.

Our primary uses of funds have been capital expenditures for the acquisition and construction of vessels, voyage expenses, vessel operating expenses, general and administrative costs, expenditures incurred in connection with ensuring that our vessels comply with international and regulatory standards, financing expenses and repayments of bank loans. We are required to maintain certain minimum liquidity amounts in order to comply with our various debt instruments. Please see “Secured Term Loan Facilities and Revolving Credit Facilities”.

In addition to operating expenses, our medium-term and long-term liquidity needs relate to debt repayments, potential future newbuildings or acquisitions and the potential development of an ethylene marine export terminal in Houston. At September 30, 2017, we had one contracted newbuilding that was delivered on November 8, 2017, the details of which are as follows:

<u>Vessels</u>	<u>CBM</u>	<u>Shipyard</u>	<u>Contract price</u> (in millions)	<u>Balance of contract price due as at September 30, 2017</u>	<u>Funds available from existing credit facilities</u>	<u>Cash paid from cash on hand</u>
Navigator Prominence	37,300	Jiangnan	78.4	54.9	51.2	3.7

Ongoing Capital Expenditures

Liquefied gas transportation is a capital-intensive business, requiring significant investment to maintain an efficient fleet and to stay in regulatory compliance.

We are required to drydock each vessel once every five years until it reaches 15 years of age, after which we are required to drydock the applicable vessel every two and one-half to three years. Drydocking each vessel takes approximately 20-30 days. Drydocking days generally include approximately 5-10 days of travel time to and from the drydocking shipyard and approximately 15-20 days of actual drydocking time. One of our vessels was drydocked during the third quarter of 2017 (rather than the anticipated date in 2018) to facilitate the future employment pattern of the vessel. The next vessel to enter drydocking is scheduled for the first quarter of 2018.

We spend significant amounts of funds for scheduled drydocking (including the cost of classification society surveys) of each of our vessels. As our vessels age and our fleet expands, our drydocking expenses will increase. We estimate the current cost of the five-year drydocking of one of our vessels is approximately \$0.8 million, the ten-year drydocking cost is approximately \$1.2 million, and the 15 and 17 year drydocking costs are approximately \$1.5 million each. Ongoing costs for compliance with environmental regulations are primarily included as part of our drydocking, such as the classification society survey costs, with a balance included as a component of our operating expenses.

Cash Flows

The following table summarizes our cash and cash equivalents provided by (used in) operating, financing and investing activities for the nine months ended September 30, 2016 and 2017:

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2017
	(in thousands)	
Net cash provided by operating activities	\$ 58,754	\$ 51,956
Net cash used in investing activities	(163,432)	(150,614)
Net cash provided by financing activities	66,746	76,525
Net decrease in cash and cash equivalents	(37,932)	(22,133)

Operating Cash Flows. Net cash provided by operating activities for the nine months ended September 30, 2017 decreased to \$52.0 million, from \$58.8 million for the nine months ended September 30, 2016, a decrease of 11.6%. This \$6.8 million decrease in net cash provided by operating activities for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016, was primarily due to the reduction in net income, offset by a reduction in payments for drydocking costs during 2017 and movements in working capital.

Net cash flow from operating activities depends upon the size of our fleet, charter rates attainable, fleet utilization, fluctuations in working capital balances, repairs and maintenance activity, changes in interest rates and foreign currency rates.

Investing Cash Flows. Net cash used in investing activities of \$150.6 million for the nine months ended September 30, 2017 primarily represents \$115.9 million for payments made to Jiangnan and HMD, representing final installments on the deliveries of the newbuildings *Navigator Nova*, *Navigator Luga*, *Navigator Yauza* and *Navigator Jorf* and \$10.7 million of other construction related costs, including capitalized interest of \$1.9 million associated with our newbuildings, partially offset by \$1.0 million received in respect of outstanding insurance claims. In addition, we placed \$25.0 million on a six month bank deposit, defined as a short-term investment.

Net cash used in investing activities of \$163.4 million for the nine months ended September 30, 2016, primarily represents \$146.4 million for payments made to Jiangnan and Hyundai Mipo shipyards, representing final installments on the deliveries of *Navigator Ceto*, *Navigator Copernico* and *Navigator Aurora*, along with \$13.0 million of other costs including capitalized interest of \$3.9 million associated with newbuildings and \$8.7 million for payments of collision repair costs for *Navigator Aries*, partially offset by \$4.7 million received from the insurances in relation to the June 2015 collision.

Financing Cash Flows. Net cash provided by financing activities of \$76.5 million for the nine months ended September 30, 2017, primarily represents \$334.0 million drawn from our secured term loan and revolving credit facilities to finance the delivery installments of the newbuildings *Navigator Nova*, *Navigator Luga*, *Navigator Yauza* and *Navigator Jorf* as well as for general corporate purposes, partially offset by the repayment of a net \$27.5 million in our bonds, being the difference between our issuance of \$100.0 million in aggregate principal amount of our 2017 Bonds less the repayment of \$127.5 million in outstanding principal and redemption premium of our 2012 Bonds, \$143.1 to redeem the February 2013 Secured Term Loan Facility, \$80.0 million in regular quarterly loan repayments and financing costs of \$3.9 million associated with the issuance of debt.

Net cash provided by financing activities was \$66.8 million for the nine months ended September 30, 2016, primarily consisting of \$117.0 million drawn from a secured term loan facility to finance the delivery installments of *Navigator Ceto*, *Navigator Copernico* and *Navigator Aurora*, offset by \$50.1 million in quarterly loan repayments and a payment of \$0.1 million in financing costs associated with the December 2015 revolving loan facility.

Secured Term Loan Facilities and Revolving Credit Facility

General. Navigator Gas L.L.C., our wholly-owned subsidiary, and certain of our vessel-owning subsidiaries have entered into various secured term loan facilities as summarized in the table below. For additional information regarding our secured term loan facilities and revolving credit facilities, please read “Item 5—Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Secured Term Loan Facilities and Revolving Credit Facilities” in our 2016 Annual Report.

<u>Facility agreement date</u>	<u>Credit Facility amount</u>	<u>Principal Amount outstanding</u> (in millions)	<u>Available amounts undrawn at September 30, 2017</u>	<u>Interest rate</u>	<u>Loan Maturity date</u>
January 2015	278.1	227.6	—	US Libor + 270 BPS	June 2020 - 2023*
December 2015**	290.0	216.0	51.2	US Libor + 210 BPS	December 2022
October 2016	220.0	140.3	48.1	US Libor + 260 BPS	November 2023
June 2017	160.8	152.9	3.8	US Libor + 230 BPS	June 2023
Total	\$948.9	\$ 736.8	\$ 103.1		

* The January 2015 facility installments mature over a range of dates, from June 2020 to April 2023.

** On November 3, 2017, we drew down \$51.2 million under the December 2015 Secured Term Loan and Revolving Credit Facility to partially finance the delivery installment of *Navigator Prominence*. The remaining portion of the delivery installment was financed with cash on hand.

On June 30, 2017, Navigator Gas L.L.C., as borrower, and the Company entered into a secured facility agreement with Nordea Bank AB, BNP Paribas, DVB Bank and ING Bank, pursuant to which such lenders made available to the Borrower an aggregate amount of up to \$160.8 million as of the date of the facility agreement, subject to the terms and conditions set forth in the facility agreement, to refinance the February 2013 Secured Term Loan Facility, that was due to mature in February 2018 and for general corporate purposes. On July 5, 2017, we drew down an initial \$137.0 million from this facility and repaid in full the February 2013 Secured Term Loan Facility.

As of September 30, 2017, the Company had approximately \$51.9 million in available borrowing capacity under our October 2016 and June 2017 revolving credit facilities.

The borrowers are required to deliver semi-annual compliance certificates, which include valuations of the vessels securing the applicable facility from an independent ship broker. Upon delivery of the valuation, if the market value of the collateral vessels is less than 135% of the outstanding indebtedness under the January 2015 facility or 125% of the outstanding indebtedness under the other facilities, the borrowers must either provide additional collateral or repay any amount in excess of 135% or 125% of the market value of the collateral vessels, as applicable.

Financial Covenants. The secured term loan facilities and the revolving credit facilities contain financial covenants requiring the borrowers, among other things, to ensure that:

- the borrowers have cash and cash equivalents (including undrawn available lines of credit with a maturity exceeding 12 months) of no less than \$25.0 million or (ii) 5% of Net Debt or total debt, as applicable, whichever is greater;
- the ratio of EBITDA to Interest Expense (each as defined in the applicable secured term loan facility and revolving credit facility), on a trailing four quarter basis, is no less than 2.50 or 3.00 to 1.00; and
- the borrower must maintain a minimum ratio of shareholder equity to total assets of 30%.

Restrictive Covenants. The secured term loan facilities and the revolving credit facilities provide that the borrowers may not pay dividends to us out of operating revenues generated by the vessels securing the indebtedness if an event of default has occurred or is continuing. The secured term loan facilities and revolving credit facility also limit the borrowers from, among other things, incurring indebtedness or entering into mergers and divestitures. The secured term loan facilities and revolving credit facilities also contain general covenants that will require the borrowers to maintain adequate insurance coverage and to maintain their vessels. In addition, the secured term loan facilities include customary events of default, including those relating to a failure to pay principal or interest, a breach of covenant, representation and warranty, a cross-default to other indebtedness and non-compliance with security documents.

Our compliance with the covenants listed above is measured as of the end of each fiscal quarter. As of September 30, 2017, we were in compliance with all covenants under the secured term loan facilities and revolving credit facilities.

2017 Senior Unsecured Bonds

General. On February 10, 2017, we issued senior unsecured bonds in an aggregate principal amount of \$100.0 million with Norsk Tillitsmann ASA as the bond trustee (the “2017 Bonds”). The net proceeds of the issuance of the 2017 Bonds, together with cash on hand, were used to redeem in full all of our outstanding 2012 Bonds. The 2017 Bond Agreement has the option to issue additional bonds up to maximum issue amount of a further \$100.0 million, at identical terms as the original bond issue, except that additional bonds may be issued at a different price. The 2017 Bonds are governed by Norwegian law and listed on the Nordic ABM which is operated and organized by Oslo Børs ASA.

Interest. Interest on the 2017 Bonds is payable at a fixed rate of 7.75% per annum, calculated on a 360-day year basis. Interest is payable semi-annually on August 10 and February 10 of each year.

Maturity. The 2017 Bonds mature in full on February 10, 2021.

Optional Redemption. We may redeem the 2017 Bonds, in whole or in part, at any time beginning on or after February 11, 2019. Any 2017 Bonds redeemed; from February 11, 2019 up until February 10, 2020, are redeemable at 103.875% of par, from February 11, 2020 to August 10, 2020, are redeemable at 101.9375% of par, and from August 11, 2020 to the maturity date are redeemable at 100% of par, in each case, in cash plus accrued interest.

Additionally, upon the occurrence of a “Change of Control Event” (as defined in the bond agreement governing the 2017 Bonds (the “2017 Bond Agreement”)), the holders of 2017 Bonds have an option to require us to repay such holders’ outstanding principal amount of 2017 Bonds at 101% of par, plus accrued interest.

Financial Covenants. The 2017 Bond Agreement contains financial covenants requiring us, among other things, to ensure that:

- we and our subsidiaries maintain a minimum liquidity of no less than \$25.0 million;
- we and our subsidiaries maintain an Interest Coverage Ratio (as defined in the 2017 Bond Agreement) of not less than 2.25 to 1.0; and
- we and our subsidiaries maintain an Equity Ratio (as defined in the 2017 Bond Agreement) of at least 30%.

Our compliance with the covenants listed above is measured as of the end of each fiscal quarter. As of September 30, 2017, we were in compliance with all covenants under the 2017 Bonds.

Restrictive Covenants. The 2017 Bond Agreement provides that we may declare dividends so long as such dividends do not exceed 50% of our cumulative consolidated net profits after taxes since June 30, 2016. The 2017 Bond Agreement also limits us and our subsidiaries from, among other things, entering into mergers and divestitures, engaging in transactions with affiliates or incurring any additional liens which would have a material adverse effect. In addition, the 2017 Bond Agreement includes customary events of default, including those relating to a failure to pay principal or interest, a breach of covenant, false representation and warranty, a cross-default to other indebtedness, the occurrence of a material adverse effect, or our insolvency or dissolution.

Tabular Disclosure of Contractual Obligations

The contractual obligations schedule set forth below summarizes our contractual obligations excluding interest payable as of September 30, 2017.

	Remainder of 2017	2018	2019	2020	2021	Thereafter	Total
Vessels under construction	\$ 54,880	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 54,880
Secured term loan facilities and revolving credit facilities	25,016	80,341	67,588	125,713	57,588	380,524	736,770
7.75% senior unsecured bonds due 2021	—	—	—	—	100,000	—	100,000
Office leases	247	1,127	1,548	1,335	1,183	114	5,554
Contracted bunker purchase obligations	1,003	—	—	—	—	—	1,003
Total contractual obligations	<u>\$ 81,146</u>	<u>\$81,468</u>	<u>\$69,136</u>	<u>\$127,048</u>	<u>\$158,771</u>	<u>\$380,638</u>	<u>\$898,207</u>

As part of our growth strategy, we will continue to consider strategic opportunities, including the acquisition of additional vessels. We may choose to pursue such opportunities through internal growth or joint ventures or business acquisitions. We intend to finance any future acquisitions through various sources of capital, which may include, among other things, borrowings under credit facilities or other debt, and the issuance of additional shares of common stock.

Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make estimates in the application of our accounting policies based on our best assumptions, judgments and opinions. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our consolidated financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. For a description of our material accounting policies, please read Note 2 (Summary of Significant Accounting Policies) to our audited historical consolidated financial statements included in our 2016 Annual Report. There have been no significant changes to our estimates and assumptions in the nine months ended September 30, 2017.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates and foreign currency fluctuations, as well as inflation. We may in the future use interest rate swaps to manage interest rate risks, but will not use these financial instruments for trading or speculative purposes.

Interest Rate Risk

Historically, we have been subject to limited market risks relating to changes in interest rates because we did not have significant amounts of floating rate debt outstanding. Navigator Gas L.L.C., our wholly-owned subsidiary, and certain of our vessel-owning subsidiaries are parties to secured term loan facilities that bear interest at an interest rate of US LIBOR plus 210 to 270 basis points. A variation in LIBOR of 100 basis points would result in a variation of \$7.4 million in annual interest paid on our indebtedness outstanding as at September 30, 2017, under the secured term loan facilities.

We invest our surplus funds with reputable financial institutions, with original maturities of no more than six months, in order to provide the Company with flexibility to meet all requirements for working capital and for capital investments.

We do not currently use interest rate swaps to manage the impact of interest rate changes on earnings and cash flows, but we may elect to do so in the future.

Foreign Currency Exchange Rate Risk

Our primary economic environment is the international shipping market. This market utilizes the U.S. Dollar as its functional currency. Consequently, the significant majority of our revenues are in U.S. Dollars, with some revenue in Indonesian Rupiah. Our expenses, however, are in the currency invoiced by each supplier, and we remit funds in the various currencies invoiced, mainly U.S. Dollar, but also the Euro and Sterling. We incur some vessel operating expenses and general administrative costs in foreign currencies and there is a risk that currency fluctuations could have an adverse effect on the value of our cash flows. We believe that any adverse effect would be immaterial and we have not entered into any derivative contracts to mitigate our exposure to foreign currency exchange rate risk.

Inflation

Certain of our operating expenses, including crewing, insurance and drydocking costs, are subject to fluctuations as a result of market forces. Increases in bunker costs could have a material effect on our future operations if the number and duration of our voyage charters or Contracts of Affreightments ("COA's") increases. In the case of the 37 vessels owned and operated as of September 30, 2017, 21 were on time charter and as such it is the charterers who pay for the fuel on those vessels. If our vessels are employed under voyage charters or COA's, freight rates are generally sensitive to the price of fuel. However, a sharp rise in bunker prices may have a temporary negative effect on our results since freight rates generally adjust only after prices settle at a higher level.

Credit Risk

We may be exposed to credit risks in relation to vessel employment and at times may have multiple vessels employed by one charterer. We consider and evaluate concentration of credit risk continuously and perform ongoing evaluations of these charterers for credit risk. At September 30, 2017, no more than four of our vessels were employed by the same charterer.

IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Report on Form 6-K for the quarter ended September 30, 2017 contains certain forward-looking statements concerning plans and objectives of management for future operations or economic performance, or assumptions related thereto, including our financial forecast, contain forward-looking statements. In addition, we and our representatives may from time to time make other oral or written statements that are also forward-looking statements. Such statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business and the markets in which we operate as described in this report. In some cases, you can identify the forward-looking statements by the use of words such as “may,” “could,” “should,” “would,” “expect,” “plan,” “anticipate,” “intend,” “forecast,” “believe,” “estimate,” “predict,” “propose,” “potential,” “continue,” or the negative of these terms or other comparable terminology. Forward-looking statements appear in a number of places in this report. These risks and uncertainties include, but are not limited to:

- future operating or financial results;
- pending acquisitions, business strategy and expected capital spending;
- operating expenses, availability of crew, number of off-hire days, drydocking requirements and insurance costs;
- fluctuations in currencies and interest rates;
- general market conditions and shipping market trends, including charter rates and factors affecting supply and demand;
- our financial condition and liquidity, including our ability to refinance our indebtedness as it matures or obtain additional financing in the future to fund capital expenditures, acquisitions and other corporate activities;
- estimated future capital expenditures needed to preserve our capital base;
- our expectations about the availability of vessels to purchase, the time that it may take to construct new vessels, or the useful lives of our vessels;
- our continued ability to enter into long-term, fixed-rate time charters with our customers;
- changes in governmental rules and regulations or actions taken by regulatory authorities;
- potential liability from future litigation;
- our expectations relating to the payment of dividends;
- our expectation regarding providing in-house technical management for certain vessels in our fleet and our success in providing such in-house technical management;
- our ability to enter into a definitive agreement with Enterprise regarding the proposed joint development of an ethylene marine export terminal on the Houston Ship Channel, our expectations regarding the ability to obtain sufficient long-term customer commitments for such terminal, our expectations regarding financing of our proposed investment in such terminal and our expectations regarding the financial success of such terminal; and
- other factors detailed from time to time in other periodic reports we file with the Securities and Exchange Commission.

All forward-looking statements included in this Report on Form 6-K are made only as of the date of this Report on Form 6-K. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement. We do not intend to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

NAVIGATOR HOLDINGS LTD.

Condensed Consolidated Balance Sheets
(Unaudited)

	December 31, 2016	September 30, 2017
	(in thousands except share data)	
Assets		
Current assets		
Cash and cash equivalents	\$ 57,272	\$ 35,138
Short-term investments	—	25,000
Accounts receivable, net	7,059	17,149
Accrued income	13,134	10,250
Prepaid expenses and other current assets	8,541	11,552
Bunkers and lubricant oils	6,937	7,507
Insurance recoverable	855	370
Total current assets	<u>93,798</u>	<u>106,966</u>
Non-current assets		
Vessels in operation, net	1,480,359	1,673,139
Vessels under construction	150,492	28,591
Property, plant and equipment, net	194	1,605
Total non-current assets	<u>1,631,045</u>	<u>1,703,335</u>
Total assets	<u>\$1,724,843</u>	<u>\$1,810,301</u>
Liabilities and stockholders' equity		
Current liabilities		
Current portion of long-term debt, net of deferred financing costs	\$ 78,464	\$ 85,011
Senior unsecured bond	25,000	—
Accounts payable	6,388	8,057
Accrued expenses and other liabilities	11,377	11,208
Accrued interest	2,932	1,577
Deferred income	3,522	1,432
Total current liabilities	<u>127,683</u>	<u>107,285</u>
Non-current liabilities		
Secured term loan facilities, net of current portion and deferred financing costs	540,680	641,266
Senior unsecured bond	100,000	100,000
Total non-current liabilities	<u>640,680</u>	<u>741,266</u>
Total liabilities	768,363	848,551
Commitments and contingencies (see note 9)		
Stockholders' equity		
Common stock—\$.01 par value; 400,000,000 shares authorized; 55,531,831 shares issued and outstanding, (2016: 55,436,087)	554	555
Additional paid-in capital	588,024	589,142
Accumulated other comprehensive loss	(287)	(35)
Retained earnings	368,189	372,088
Total stockholders' equity	<u>956,480</u>	<u>961,750</u>
Total liabilities and stockholders' equity	<u>\$1,724,843</u>	<u>\$1,810,301</u>

See accompanying notes to condensed consolidated financial statements.

NAVIGATOR HOLDINGS LTD.

**Condensed Consolidated Statements of Income
(Unaudited)**

	Three months ended September 30, (in thousands except share data)		Nine months ended September 30, (in thousands except share data)	
	2016	2017	2016	2017
Revenues				
Operating revenue	\$ 69,741	\$ 70,211	\$ 218,657	\$ 221,911
Expenses				
Brokerage commissions	1,372	1,191	4,382	4,105
Voyage expenses	11,869	12,246	28,287	40,761
Vessel operating expenses	22,126	25,106	68,243	74,012
Depreciation and amortization	15,804	18,787	45,655	54,725
General and administrative costs	3,120	3,932	9,180	10,262
Other corporate expenses	377	653	1,610	1,605
Write off of insurance claim receivable	504	—	504	—
Total operating expenses	<u>55,172</u>	<u>61,915</u>	<u>157,861</u>	<u>185,470</u>
Operating income	14,569	8,296	60,796	36,441
Other income/(expense)				
Interest expense	(7,957)	(9,426)	(23,442)	(27,724)
Write off of deferred financing costs	—	—	—	(1,281)
Write off of call premium and redemption charges on 9% unsecured bond	—	—	—	(3,517)
Interest income	71	139	240	371
Income/(loss) before income taxes	6,683	(991)	37,594	4,290
Income taxes	(207)	(102)	(602)	(391)
Net income/(loss)	<u>\$ 6,476</u>	<u>\$ (1,093)</u>	<u>\$ 36,992</u>	<u>\$ 3,899</u>
Earnings/(Loss) per share:				
Basic:	\$ 0.12	\$ (0.02)	\$ 0.67	\$ 0.07
Diluted:	<u>\$ 0.12</u>	<u>\$ (0.02)</u>	<u>\$ 0.66</u>	<u>\$ 0.07</u>
Weighted average number of shares outstanding:				
Basic:	55,437,695	55,531,831	55,413,855	55,531,831
Diluted:	<u>55,812,935</u>	<u>55,905,571</u>	<u>55,790,240</u>	<u>55,877,163</u>

See accompanying notes to condensed consolidated financial statements.

NAVIGATOR HOLDINGS LTD.

**Condensed Consolidated Statements of Comprehensive Income
(Unaudited)**

	Three months ended September 30, (in thousands)		Nine months ended September 30, (in thousands)	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
	Net income/(loss)	\$6,476	\$(1,093)	\$36,992
Other Comprehensive Income / (Loss):				
Foreign currency translation gain	<u>57</u>	<u>87</u>	<u>64</u>	<u>252</u>
Total Comprehensive Income/(loss)	<u>\$6,533</u>	<u>\$(1,006)</u>	<u>\$37,056</u>	<u>\$4,151</u>

See accompanying notes to condensed consolidated financial statements.

NAVIGATOR HOLDINGS LTD.

**Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)**

(in thousands, except number of shares)

	Common Stock			Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Number of shares	Amount 0.01 par value	Additional Paid-in Capital			
January 1, 2016	55,363,467	\$ 554	\$586,451	\$ (465)	\$323,551	\$910,091
Restricted shares issued March 29, 2016	72,620	—	—	—	—	—
Net income	—	—	—	—	44,638	44,638
Foreign currency translation	—	—	—	178	—	178
Share-based compensation	—	—	1,573	—	—	1,573
December 31, 2016	55,436,087	554	588,024	(287)	368,189	956,480
Restricted shares issued March 23, 2017	95,744	1	—	—	—	1
Net income	—	—	—	—	3,899	3,899
Foreign currency translation	—	—	—	252	—	252
Share-based compensation	—	—	1,118	—	—	1,118
September 30, 2017	<u>55,531,831</u>	<u>\$ 555</u>	<u>\$589,142</u>	<u>\$ (35)</u>	<u>\$372,088</u>	<u>\$961,750</u>

See accompanying notes to condensed consolidated financial statements.

NAVIGATOR HOLDINGS LTD.

**Condensed Consolidated Statements of Cash Flows
(Unaudited)**

	Nine Months ended September 30, 2016 <u>(in thousands)</u>	Nine Months ended September 30, 2017 <u>(in thousands)</u>
Cash flows from operating activities		
Net income	\$ 36,992	\$ 3,899
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	45,655	54,725
Payment of drydocking costs	(9,729)	(401)
Insurance claim debtor	167	—
Call option premium on redemption of 9.00% unsecured bond	—	2,500
Prior year expenses recovered in insurance claim	—	(504)
Amortization of share-based compensation	1,186	1,117
Amortization of deferred financing costs	2,233	3,107
Unrealized foreign exchange	84	243
Changes in operating assets and liabilities		
Accounts receivable	(1,586)	(10,090)
Bunkers and lubricant oils	(3,269)	(570)
Accrued income and prepaid expenses and other current assets	(5,009)	(125)
Accounts payable, accrued interest and other liabilities	(7,970)	(1,946)
Net cash provided by operating activities	<u>58,754</u>	<u>51,955</u>
Cash flows from investing activities		
Payment to acquire vessels	(1,372)	(1,112)
Payment for vessels under construction	(158,403)	(124,149)
Purchase of other property, plant and equipment	(42)	(1,623)
Receipt of shipyard penalty payments	417	280
Insurance recoveries	4,700	990
Capitalized costs for the repairs of <i>Navigator Aries</i>	(8,732)	—
Placement of short term investment	—	(25,000)
Net cash used in investing activities	<u>(163,432)</u>	<u>(150,614)</u>
Cash flows from financing activities		
Proceeds from secured term loan facilities	116,970	333,983
Issuance of 7.75% senior unsecured bonds	—	100,000
Repayment of 9.00% senior unsecured bonds	—	(127,500)
Issuance costs of 7.75% senior unsecured bonds	—	(1,819)
Direct financing costs of senior term loan facilities	(155)	(2,054)
Repayment of secured term loan facilities	(50,069)	(226,085)
Net cash provided by financing activities	<u>66,746</u>	<u>76,525</u>
Net decrease in cash and cash equivalents	<u>(37,932)</u>	<u>(22,134)</u>
Cash and cash equivalents at beginning of period	<u>87,779</u>	<u>57,272</u>
Cash and cash equivalents at end of period	<u>\$ 49,847</u>	<u>\$ 35,138</u>
Supplemental Information		
Total interest paid during the period, net of amounts capitalized	<u>\$ 21,997</u>	<u>\$ 22,108</u>
Total tax paid during the period	<u>\$ 454</u>	<u>\$ 428</u>

See accompanying notes to condensed consolidated financial statements.

NAVIGATOR HOLDINGS LTD.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation

The accompanying Navigator Holdings Ltd. (the “Company”), unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary for a fair presentation of the financial position of the Company and its subsidiaries as of September 30, 2017; the results of operations for the three and nine months ended September 30, 2017 and 2016, the statement of stockholders equity for the nine months ended September 30, 2017, and cash flows for the nine months ended September 30, 2017 and 2016.

The Company anticipates that its primary sources of funds for our medium-term and long-term liquidity needs will be cash from operations and debt and/or equity financings. The Company believes that these sources of funds will be sufficient to meet its liquidity needs for the next twelve months from November 8, 2017.

During the nine months ended September 30, 2017, the Company adopted Accounting Standards Update (“ASU”) 2015-17, Balance Sheet Classification of Deferred Taxes—which requires entities with a classified balance sheet to present all deferred tax assets and liabilities as noncurrent. The standard provides accounting guidance that will be used along with existing audit standards. The impact of adopting this ASU is immaterial to the financial statements.

During the nine months ended September 30, 2017, the Company adopted ASU 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Accounting. The update requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled. The standard provides accounting guidance that will be used along with existing audit standards. The impact of adopting this ASU was immaterial to the financial statements.

These unaudited condensed consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) for interim reporting. As such, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. 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, 2016 included in our Form 20-F filed on March 1, 2017. The results for the nine months ended September 30, 2017 are not necessarily indicative of results for the full 2017 fiscal year or any other future periods.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), providing a framework that replaces the existing revenue recognition guidance. The main principle is that a company should recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. This update establishes a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP.

The effective date for ASU 2014-09 has been deferred by ASU 2015-14 and is effective for annual and interim periods in fiscal years beginning after December 15, 2017. The guidance permits two methods of adoption: retrospectively to each prior reporting period presented (the full retrospective method), or retrospectively with the cumulative effect at the date of initial application (the modified retrospective method). The Company currently anticipates adopting the standard using the full retrospective method to restate each prior reporting period presented beginning January 1, 2018.

The Company continues to assess the potential impacts that the adoption of this guidance will have on its financial statements and footnote disclosures, as well as the implications for the company’s internal processes, systems and controls. The adoption of this standard is not expected to have a material impact on the revenue recognized for our vessels that operate on time charters. For vessels operating in the spot market, we also expect to recognize revenue over time however, the time period over which revenue is recognized is still being determined.

The Company has taken part in a series of discussions with a collective of global shipping companies, to ensure key industry specifics have been considered, as well as consistent implementation of the new standard.

In February 2016, the FASB issued ASU No. 2016-02, Leases, a standard which will replace previous topics on lease accounting. The revised guidance will require lessees to recognize on their balance sheet a right of use asset and corresponding liability in respect of all material lease contracts. The Company currently has no capital leases, but will review those leases that are currently accounted for as operating leases and potentially include them on the balance sheet in accordance with the new guidance. ASU 2016-02 and related amendments are effective for annual and interim periods, beginning after December 15, 2018, with early adoption permitted, and requires the modified retrospective method of adoption. Management is considering adopting this guidance at the same time as ASC 606 (Revenue from Contracts with Customers).

2. Vessels in Operation

	Vessel	Drydocking (in thousands)	Total
Cost			
December 31, 2016	\$1,727,491	\$ 33,949	\$1,761,440
Additions	1,112	401	1,513
Transfer from vessels under construction	243,250	2,800	246,050
Reduction in contract cost of newbuild vessel	(280)	—	(280)
Disposal	—	(1,492)	(1,492)
September 30, 2017	<u>\$1,971,573</u>	<u>\$ 35,658</u>	<u>\$2,007,231</u>
Accumulated Depreciation			
December 31, 2016	\$ 268,677	\$ 12,404	\$ 281,081
Charge for the period	47,354	7,149	54,503
Disposal	—	(1,492)	(1,492)
September 30, 2017	<u>\$ 316,031</u>	<u>\$ 18,061</u>	<u>\$ 334,092</u>
Net Book Value			
December 31, 2016	<u>\$1,458,814</u>	<u>\$ 21,545</u>	<u>\$1,480,359</u>
September 30, 2017	<u>\$1,655,542</u>	<u>\$ 17,597</u>	<u>\$1,673,139</u>

On January 12, 2017 *Navigator Nova*, the third of a series of four 37,300 cubic meter ethylene/ethane capable semi-refrigerated liquefied gas carriers being built at Jiangnan shipyard in China was delivered for a contract price of \$78.4 million.

The Company took delivery of *Navigator Luga* and *Navigator Yauza*, on January 24, 2017 and April 5, 2017, respectively. These two vessels represent our ice class semi-refrigerated liquefied gas carriers series built at HMD dockyard in South Korea, for a contract price of \$51.0 million per vessel.

On July 20, 2017, the Company took delivery of *Navigator Jorf*, a 38,000 cbm fully refrigerated gas carrier. The vessel was built at the HMD shipyard in South Korea for a contract price of \$50.5 million.

The net book value of vessels that serve as collateral for the Company's bank loans was \$1.5 billion at September 30, 2017.

3. Vessels Under Construction

	(in thousands)
Vessels under construction at January 1, 2017	\$ 150,492
Payments to shipyard	117,980
Other payments including site team costs and initial stores	4,573
Capitalized interest	1,596
Transfer to vessels in operation	(246,050)
Vessels under construction at September 30, 2017	<u>\$ 28,591</u>

4. Secured Term Loan Facilities and Revolving Credit Facilities

The following table shows the breakdown of secured term loan facilities and total deferred financing costs split between current and non-current liabilities at September 30, 2017 and December 31, 2016:

	December 31, 2016	September 30, 2017
	(in thousands)	
Current Liability		
Current portion of long-term debt	\$ (81,128)	\$ (87,046)
Less: current portion of deferred financing costs	2,664	2,035
Current portion of secured term loan facility, net of deferred financing costs	<u>\$ (78,464)</u>	<u>\$ (85,011)</u>
Non-Current Liability		
Secured term loan facilities net of current portion	\$ (547,744)	\$ (649,726)
Less: non-current portion of deferred financing costs	7,064	8,460
Non-current secured term loan facilities, net of current portion and non-current deferred financing costs	<u>\$ (540,680)</u>	<u>\$ (641,266)</u>

June 2017 Secured Term Loan and Revolving Credit Facility. On June 30, 2017, Navigator Gas L.L.C., as borrower, and the Company, as guarantor, entered into a secured term loan and revolving credit facility with Nordea Bank AB (Publ.), Filial I Norge, BNP Paribas, DVB Bank America N.V., ING Bank N.V. London Branch and Skandinaviska Enskilda Banken AB (Publ.), (the “June 2017 Secured Term Loan and Revolving Credit Facility”), to provide \$100.0 million under a term loan facility and \$60.8 million under a revolving credit facility to refinance the outstanding debt under the \$270.0 million February 2013 Secured Term Loan Facility that was due to mature in February 2018 (the “February 2013 Secured Term Loan Facility”) and for general corporate purposes. The June 2017 Secured Term Loan and Revolving Credit Facility has a term of six years from the first utilization date. On July 5, 2017, the Company drew down an initial \$137.0 million from this facility and repaid in full the February 2013 Secured Term Loan facility. Interest on amounts drawn is payable at a rate of U.S. LIBOR plus 230 basis points per annum. The Company also pays a commitment fee of 0.81% per annum based on any undrawn portion of the facility.

5. Senior Unsecured Bond

On February 10, 2017, the Company issued senior unsecured bonds in an aggregate principal amount of \$100.0 million with Norsk Tillitsmann ASA as the bond trustee (the “2017 Bonds”). The net proceeds of the issuance of the 2017 Bonds, together with cash on hand, were used to redeem in full all of the Company’s outstanding 9.0% senior unsecured bonds. The 2017 Bonds are governed by Norwegian law and listed on the Nordic ABM which is operated and organized by Oslo Børs ASA. The 2017 Bonds bear interest at a rate of 7.75% per annum and mature on February 10, 2021. The Company may redeem the 2017 Bonds, in whole or in part, at any time beginning on or after February 11, 2019. Any 2017 Bonds redeemed from February 11, 2019 up until February 10, 2020, are redeemable at 103.875% of par, from February 11, 2020 to August 10, 2020, are redeemable at 101.9375% of par, and from August 11, 2020 to the maturity date are redeemable at 100% of par, in each case, plus accrued interest.

The 2017 Bond Agreement contains an option to issue additional bonds up to a maximum issue amount of a further \$100.0 million, at identical terms as the original bond issue, except that additional bonds may be issued at a different price.

6. Fair Value of Financial Instruments Not Accounted For at Fair Value

The principal financial assets of the Company at September 30, 2017 and December 31, 2016 consist of cash and cash equivalents, short-term investments and accounts receivable. The principal financial liabilities of the Company consist of accounts payable, accrued expenses and other liabilities, secured term loan facilities, revolving credit facilities and the 2017 Bonds.

The carrying values of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and other liabilities are reasonable estimates of their fair value due to the short-term nature or liquidity of these financial instruments.

The 2017 Bonds are classified as a level two liability and the fair value has been calculated based on the most recent trades of the bond on the Oslo Børs prior to September 30, 2017.

The fair value of secured term loan facilities and revolving credit facilities is estimated based on the average of the current rates offered to the Company for all debt facilities. The carrying value approximates the fair market value for the floating rate loans and revolving credit facilities due to their variable interest rate, being LIBOR. This has been categorized at level 3 on the fair value measurement hierarchy.

The following table includes the estimated fair value and carrying value of those assets and liabilities.

Fair Value Hierarchy Level	December 31, 2016			September 30, 2017	
	Fair Value Hierarchy Level	Carrying Amount Asset (Liability)	Fair Value Asset (Liability)	Carrying Amount Asset (Liability)	Fair Value Asset (Liability)
			(in thousands)		
Senior unsecured bond	Level 2	(125,000)	(127,423)	(100,000)	(100,000)
Secured term loan facilities and revolving credit facility	Level 3	(628,872)	(553,346)	(736,772)	(618,960)

7. Earnings/(Loss) per share

Basic earnings per share is calculated by dividing the net income available to common shareholders by the average number of common shares outstanding during the periods. Diluted earnings per share is calculated by adjusting the net income available to common shareholders and adjusting the weighted average number of common shares used for calculating basic earnings per share for the effects of all potentially dilutive shares.

The calculation of both basic and diluted number of weighted average outstanding shares of:

	September 30, 2016	September 30, 2017
Basic and diluted Net Income available to common shareholders (in thousands)	\$ 36,992	\$ 3,899
Basic weighted average number of shares	55,413,855	55,531,831
Effect of dilutive potential share options:	376,385	345,332
Diluted weighted average number of shares	<u>55,790,240</u>	<u>55,877,163</u>

8. Share-Based Compensation

On March 23, 2017, the Company granted 28,194 restricted shares under the Navigator Holdings Ltd. 2013 Long-Term Incentive Plan (the "2013 Plan") to non-employee directors with a weighted average value of \$12.77 per share. These restricted shares vest on the first anniversary of the grant date. On the same date the Company granted 42,023 restricted shares to the Chief Executive Officer of the Company and a further 25,527 restricted shares were granted to officers and employees of the Company with a weighted average value of \$12.77 per share. All these restricted shares vest on the third anniversary of the grant date.

On March 29, 2016, the Company granted 22,782 of restricted shares under the 2013 Plan non-employee directors with a weighted average value of \$15.80 per share. These restricted shares vested at a fair value of \$305,279 on March 29, 2017. On the March 29, 2016, the Company also granted 29,966 restricted shares to the Chief Executive Officer of the Company and a further 19,872 restricted shares were granted to officers and employees of the Company with a weighted average value of \$15.80 per share. All of the foregoing restricted shares vest on the third anniversary of the grant date.

During the nine months ended September 30, 2016, 118,971 restricted shares that were previously granted at a weighted average grant value of \$11.10 vested at a fair value of \$1,893,223.

Restricted share grant activity for the year ended December 31, 2016 and nine months ended September 30, 2017 was as follows:

	Number of non-vested restricted shares	Weighted average grant date fair value	Weighted average remaining contractual term	Aggregate intrinsic value
Balance as of January 1, 2016	121,471	\$ 11.28	0.29 years	\$1,658,079
Granted	72,620	15.80		
Vested	(118,971)	11.10		
Balance as of December 31, 2016	75,120	\$ 15.93	1.59 years	\$ 698,616
Granted	95,744	12.77		
Vested	(22,782)	15.80		
Balance as of September 30, 2017	148,082	\$ 13.90	1.73 years	\$1,643,710

Using the straight-line method of expensing the restricted share grants, the weighted average estimated value of the restricted shares calculated at the date of grant is recognized as compensation costs in the Statement of Income over the period to the vesting date.

During the nine months ended September 30, 2017, the Company recognized \$635,645 in share-based compensation costs relating to share grants (nine months ended September 30, 2016: \$480,934). As of September 30, 2017, there was a total of \$1,247,517 unrecognized compensation costs relating to the expected future vesting of share-based awards (December 31, 2016: \$690,514) which are expected to be recognized over a weighted average period of 1.73 years (December 31, 2016: 1.59 years).

All options in issue which were granted in the years ended December 31, 2014, and December 31, 2015, are exercisable on the third anniversary of the grant date and can be exercised up to tenth anniversary of the date of grant. The fair value of each option is calculated on the date of grant based on the Black-Scholes valuation model using the assumptions listed in the table below. Expected volatilities are based on the historic volatility of the Company's stock price and other factors. The Company does not currently pay dividends and it is assumed this will not change. The expected term of the options granted is anticipated to be between 4 and 6.5 years. The risk free rate is the rate adopted from the U.S. Government Zero Coupon Bond.

Assumptions used to determine the fair value of options granted during the years ended December 31, 2014 and December 31, 2015 were as follows:

Grant Date	April 14, 2014	October 14, 2014	March 17, 2015
Expected volatility	25.0%	35.0%	39.0%
Expected dividend yield	0.0%	0.0%	0.0%
Expected term (in years)	6.5	4 - 6.5	4 - 6.5
Risk free rate	2.17%	1.25% - 1.74%	1.52% - 1.84%

Options activity during the year ended December 31, 2016 and the nine months ended September 30, 2017 was as follows:

Options	Number of non-vested options	Weighted average exercise price per share	Weighted average remaining contractual term years	Aggregate intrinsic value
Balance as of January 1, 2016	378,440	\$ 21.52	8.71	—
Forfeited during the year	(4,700)	20.09	—	—
Balance as of December 31, 2016	373,740	\$ 21.54	7.70	—
Forfeited	—	—	—	—
Vested	(197,055)	24.29	—	—
Balance as of September 30, 2017	176,685	18.47	6.95	\$ —

On April 14, 2017, 197,055 share options granted on April 4, 2014 at an option price of \$24.29 became exercisable. None of the options were exercised as of September 30, 2017.

During the nine months ended September 30, 2017, the Company recognized \$483,037 in share-based compensation costs (nine months ended September 30, 2016: \$705,882) relating to options granted under the 2013 Plan, which was recognized in general and administrative costs. As of September 30, 2017, there was \$189,984 of total unrecognized compensation costs (December 31 2016: \$673,022) related to non-vested options under the 2013 Plan. This cost is expected to be recognized over a weighted average period of 0.41 year. (December 31, 2016: 0.7 years).

9. Commitments and Contingencies

The contractual obligations schedule set forth below summarizes our contractual obligations excluding interest payable as of September 30, 2017.

	Remainder of 2017	2018	2019	2020	2021	Thereafter	Total
	(in thousands)						
Vessels under construction	\$ 54,880	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 54,880
Secured term loan facilities and revolving credit facilities	25,016	80,341	67,588	125,713	57,588	380,524	736,770
7.75% senior unsecured bonds due 2021	—	—	—	—	100,000	—	100,000
Office leases	247	1,127	1,548	1,335	1,183	114	5,554
Contracted bunker purchase obligations	1,003	—	—	—	—	—	1,003
Total contractual obligations	<u>\$ 81,146</u>	<u>\$81,468</u>	<u>\$69,136</u>	<u>\$127,048</u>	<u>\$158,771</u>	<u>\$380,638</u>	<u>\$898,207</u>

The Company occupies office space in London with a lease that commenced in January 2017 for a period of 10 years with a mutual break option in January 2022, which is the fifth anniversary from the lease commencement date. The gross rent per year is approximately \$1.1 million.

The Company entered into a lease for office space in New York commencing on June 1, 2017 and expires on May 31, 2020 to replace an expiring lease. The annual gross rent under this lease is approximately \$0.4 million, subject to certain adjustments.

In April 2014, the Company exercised an option to construct three 37,300 cubic meter semi-refrigerated ethylene/ethane capable gas carriers at a purchase price of \$78.4 million each at Jiangnan. The third and final vessel was delivered on November 8, 2017.

10. Subsequent Events

On November 8, 2017, *Navigator Prominence*, a 37,300 cubic meter semi-refrigerated gas carrier was delivered from Jiangnan shipyard in China. In connection with the delivery of this vessel, \$51.2 million, representing approximately 65% of its

construction price, was drawn under our \$290.0 million December 2015 Secured Term Loan Facility to partially finance the delivery installment of this newbuilding. The remaining portion of the delivery installment was financed with cash on hand.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NAVIGATOR HOLDINGS LTD.

Date: November 8, 2017

By: /s/ Niall J Nolan

Name: Niall J Nolan

Title: Chief Financial Officer

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