Ardmore Shipping

ARDMORE SHIPPING CORPORATION

Investor Day Presentation

May 18th, 2015

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Investor Day May 18th, 2015

Ardmore Shipping

Agenda

I. Introduction

II. Overview of Ardmore Shipping

III. Refinery Developments: The IEA View

IV. Product Tanker Fundamentals: Aggregate Demand and Supply

V. Impact of the New Oil Market on Cargo Movements

VI. Closing Remarks

VII. Q&A

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What's Driving The Product Tanker Market?

- Strong Demand Fundamentals
- New Oil Market Creating Extra Demand for the Foreseeable Future – the "New Normal"?
- Acceleration of Oil Consumption Growth
- Product Tanker Supply Growth Slower than Expected, Orderbook Declining

Overview of Ardmore Shipping

Our Company

Ardmore Shipping

- Leading public product tanker company listed on the New York Stock Exchange ("ASC")
- Owns and operates a fleet of 24 "Eco" medium size ("MR") product and chemical tankers[1]
- Effective chartering strategy: value maximization through opportunistic employment in spot and time charter markets
- Recorded profits in 1Q15 with 20 cents EPS and significant fleet growth to come in 2015
- Current earnings at annualized equivalent of ~$1.47 / share on a fully delivered fleet basis
- Significant earnings upside:
  - Every $1,000 increase in charter rates adds 34 cents to EPS[3]
- Dividend of 40 cents / share annually representing yield of 3.2%[2]

1. Including vessels under construction
2. Based on a share price of $12.53
3. Realized across a fully delivered fleet of 24 ships

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Our Fleet

Ardmore Shipping

High Quality Vessels

- ✓ Modern "Eco" Fleet
- ✓ Average age of ~4 yrs at end of 2015
- ✓ Upgraded for enhanced commercial capability
- ✓ Built at high-quality yards in Korea and Japan
- ✓ Quality fleet = lower operating cost, higher utilization and maximum value appreciation
- ✓ Complementary fleet

Fleet List

Vessel Name	Type	Dwt	Built	Country	Employment	Specification
Ardmore Seavaliant	Product/Chemical	49,998	Feb-13	Korea	Spot	Eco-design
Ardmore Seaventure	Product/Chemical	49,998	Jun-13	Korea	Time Charter	Eco-design
Ardmore Seavanguard	Product/Chemical	49,998	Feb-14	Korea	Time Charter	Eco-design
Ardmore Endeavour	Product/Chemical	49,997	Jul-13	Korea	Spot	Eco-design
Ardmore Seavantage	Product/Chemical	49,997	Jan-14	Korea	Time Charter	Eco-design
Ardmore Sealifter	Product	47,472	Jul-08	Japan	Spot	Eco-mod
Ardmore Sealeader	Product	47,463	Aug-08	Japan	Spot	Eco-mod
Ardmore Seatrader	Product	47,141	Dec-02	Japan	Spot	Eco-mod
Ardmore Seamaster	Product/Chemical	45,840	Sep-04	Japan	Spot	Eco-mod
Ardmore Seafarer	Product	45,744	Aug-04	Japan	Time Charter	Eco-mod
Ardmore Seamariner	Product	45,726	Oct-06	Japan	Spot	Eco-mod
Ardmore Dauntless	Product/Chemical	37,764	Feb-15	Korea	Pool	Eco-design
Ardmore Defender	Product/Chemical	37,791	Feb-15	Korea	Pool	Eco-design
Ardmore Centurion	Product/Chemical	29,006	Nov-05	Korea	Time Charter	Eco-mod
Ardmore Cherokee	Product/Chemical	25,215	Jan-15	Japan	Pool	Eco-design
Ardmore Cheyenne	Product/Chemical	25,217	Mar-15	Japan	Time Charter	Eco-design
Ardmore Calypso	Product/Chemical	17,589	Jan-10	Korea	Pool	Eco-mod
Ardmore Capella	Product/Chemical	17,567	Jan-10	Korea	Pool	Eco-mod
Ardmore Sealion	Product/Chemical	50,300	2Q15	Korea	Pool	Eco-design
Ardmore Seafox	Product/Chemical	50,300	2Q15	Korea	Pool	Eco-design
Ardmore Seawolf	Product/Chemical	50,300	3Q15	Korea	Pool	Eco-design
Ardmore Seahawk	Product/Chemical	50,300	4Q15	Korea	Pool	Eco-design
Ardmore Chinook	Product/Chemical	25,000	3Q15	Japan	TBD	Eco-design
Ardmore Chippewa	Product/Chemical	25,000	4Q15	Japan	TBD	Eco-design
Total	**24**	**970,723**	**4.15** (1)			

1. Average age at Dec. 31, 2015

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Our Strategy

1 Consistent Focus on MR Product and Chemical Tankers

2 Cost Efficiency

- Acquire vessels at cyclical lows: low cash breakeven and maximum ship value appreciation
- Operate and maintain vessels efficiently
- Low overhead at approx. $1,000 per ship / day (1)

3 Highly Effective Chartering Strategy

- Time charter and spot employment - mix adjusted to maximise TCE
- 2Q15: Spot 70% v Time Charter 30%
- Maintain close dialogue with charterers at all times for time-charter opportunities

4 Value Added Service = Max Earnings

- Maintain a high-quality, fuel efficient fleet
- Exploit the product and chemical overlap
- Close operational collaboration with charterers
- Focus on building the voyage for maximum TCE

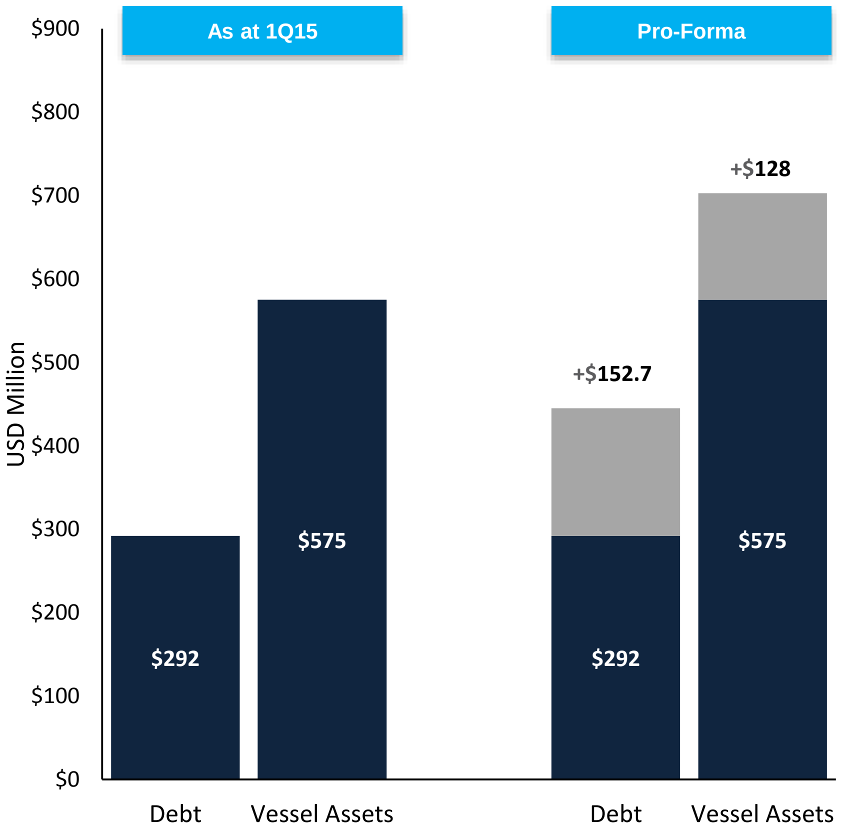
Superior Operational and Financial Performance

1. Based on full fleet of 24 ships

Fully Funded with a Conservative Capital Structure

Ardmore Shipping

Newbuilds Fully Funded



- Fully funded:
  - $152.7mln committed debt available and $128mln remaining in yard installments for newbuildings
- Total vessel assets ~$700 mln when all vessels deliver
- Six vessels delivering over the remainder of 2015:
  - 2Q15: 50,000 Dwt x 2
  - 3Q15: 50,000 x 1, 25,000 Dwt x 1
  - 4Q15: 50,000 x 1, 25,000 Dwt x 1
- Low corporate leverage: ~47% as at March 31, 2015, peaking at ~56% with significant balance sheet cash

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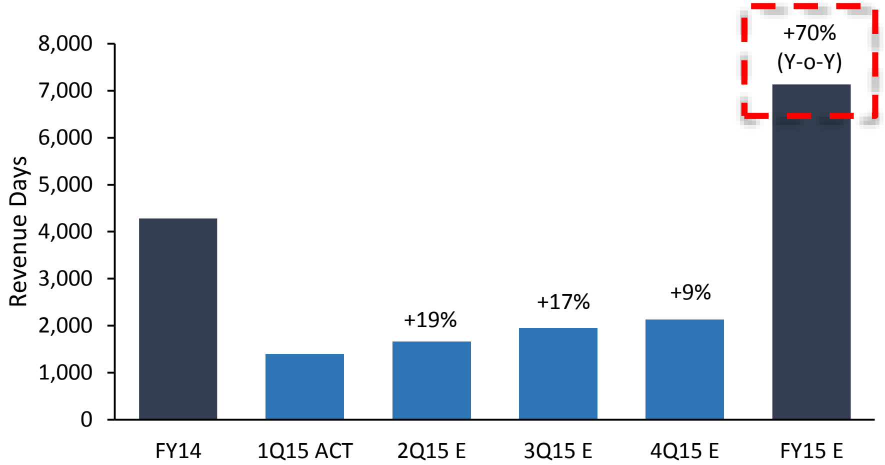
Earnings: Review of 1Q15 and Outlook

Ardmore Shipping

Delivered Strong Financial Performance in 1Q15

- Reported EPS of 20 cents with an average of 15.9 ships (24 vessels in water by year-end)
- Continued improvement in charter rates:
  - MR Product Spot (50k Dwt): $21,594 / day
  - MR Chem (25k-37k Dwt): $16,600 / day
- Overhead: <$1,000 per ship / day[(2)]

Newbuild Deliveries = 70% Increase in Revenue Days[(1)]



More to Come … Significant Upside to Improving Rates

Vessel Type	TCE per day	TCE per day	TCE per day
MR Product (50k)	$19,000	$22,000	$25,000
MR Chem (25-37k)	$16,500	$19,500	$22,500
Earnings Per Share[(3)]	$1.47	$2.49	$3.51
		+$3,000 per day	+$6,000 per day

Every **$1,000 / day** increase in rates equals **34 cents** per share in **EPS and Cashflow**

1. Revenue Days based on managements estimates
2. Realized across a fully delivered fleet of 24 ships
3. Management estimate based 1Q15 results and proforma for 24 ship fleet for 363 revenue days / ship

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Refinery Developments: The IEA View

OIL Medium-Term Market Report 2015

Ardmore Shipping Corporation Investor Day

University Club - New York, 18 May 2015

Toril Bosoni, International Energy Agency

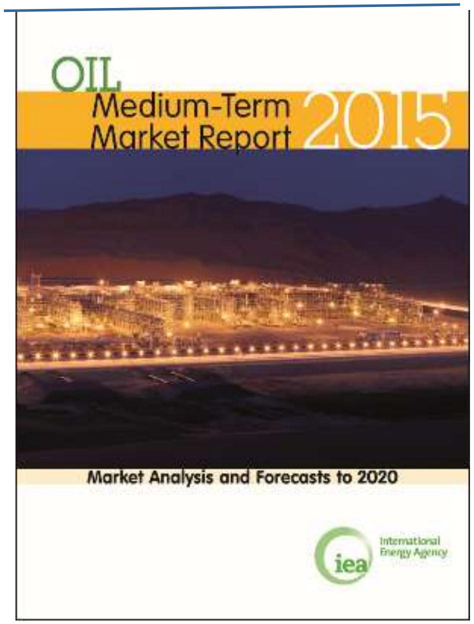
Market Analysis and Forecasts to 2020

About the International Energy Agency

- The IEA was established in 1974 and is the energy forum for 28 advanced economies
- IEA member countries are committed to taking joint measures to meet oil supply emergencies
- The also have agreed to share energy information, to co-ordinate energy policy and to co-operate in the development of rational energy programmes that ensure:
  - Energy Security
  - Encourage Economic Growth
  - Protect the Environment

Benchmark Oil Market Analysis

Medium-Term Market Report 2015

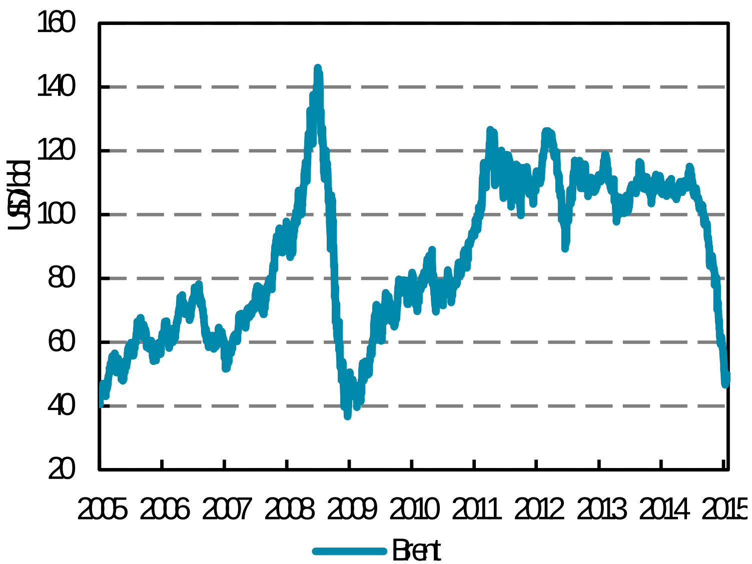


- The ‘first stop’ oil market report since 1983, with the latest, extensive statistical data plus 12-18 month fundamentals outlook
- Detailed, up to the minute market analysis underpins the IEA’s emergency response mandate

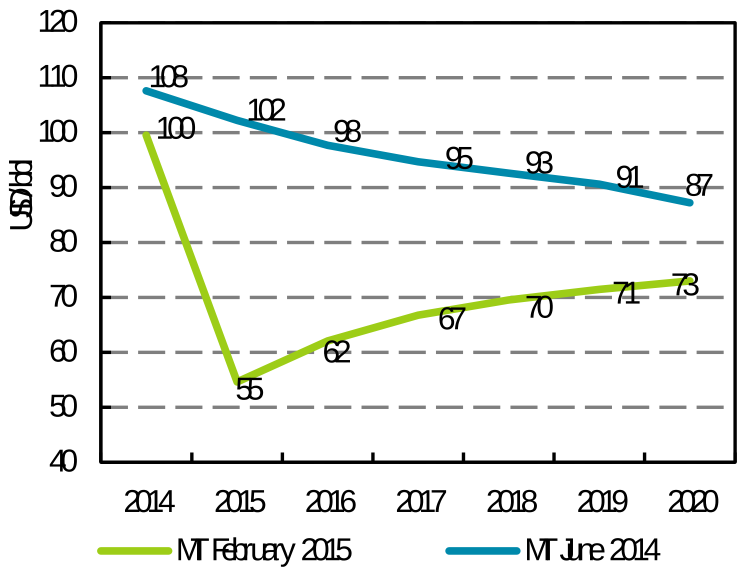
- Annual outlook 5 years ahead, assessing industry investment trends
- Closes previous gap between short-term OMR and long-term World Energy Outlook (‘WEO’)

Oil price plunge triggers market reset

Historical Brent crude oil prices



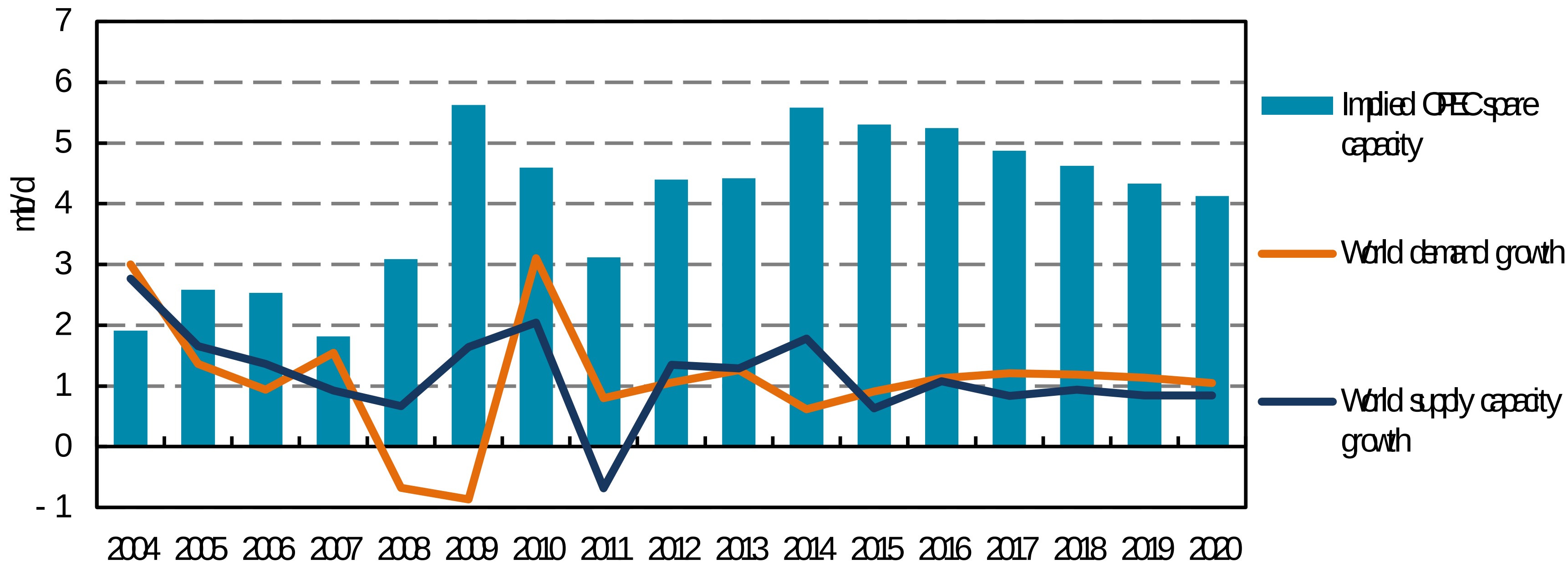
IEA import price assumptions



- **60% drop in crude oil prices June 2014 - early January 2015**
- **Partial rebound since then, but market does not expect full recovery**
- **From backwardation to contango**
- **Is the age of triple-digit oil prices over?**

Business as unusual

Medium-Term Market Report 2015

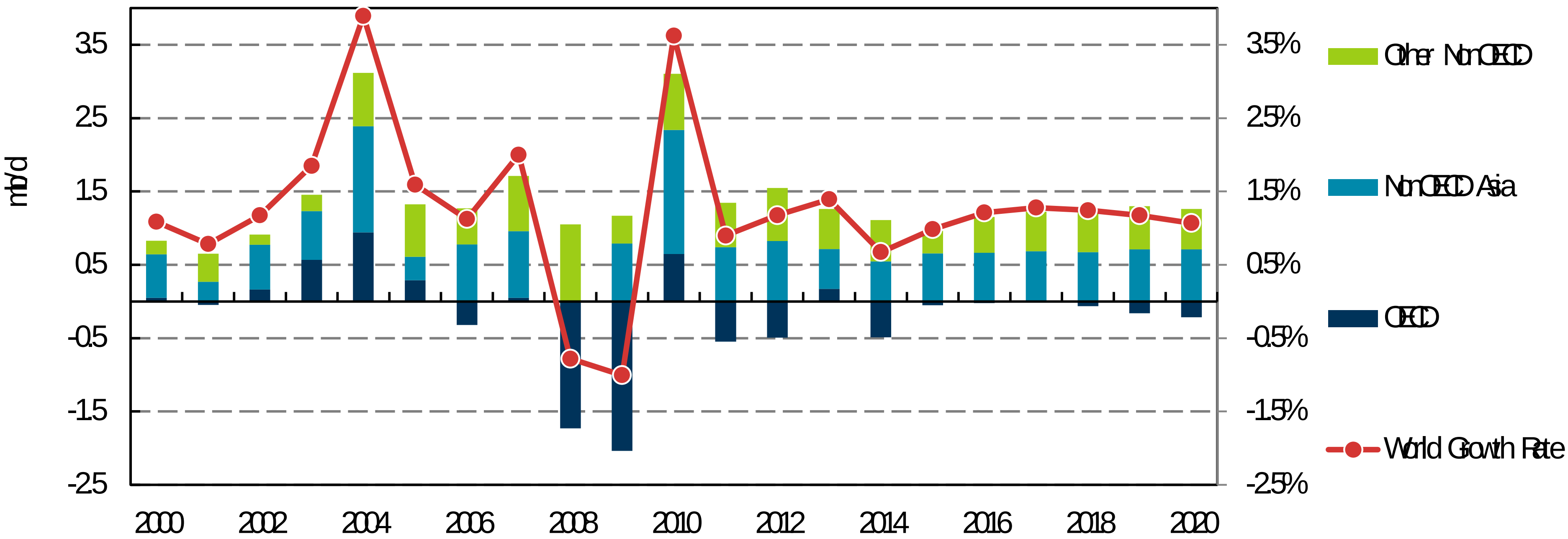


The market response to lower prices is asymmetrical

Supply has become more price-elastic, demand less so

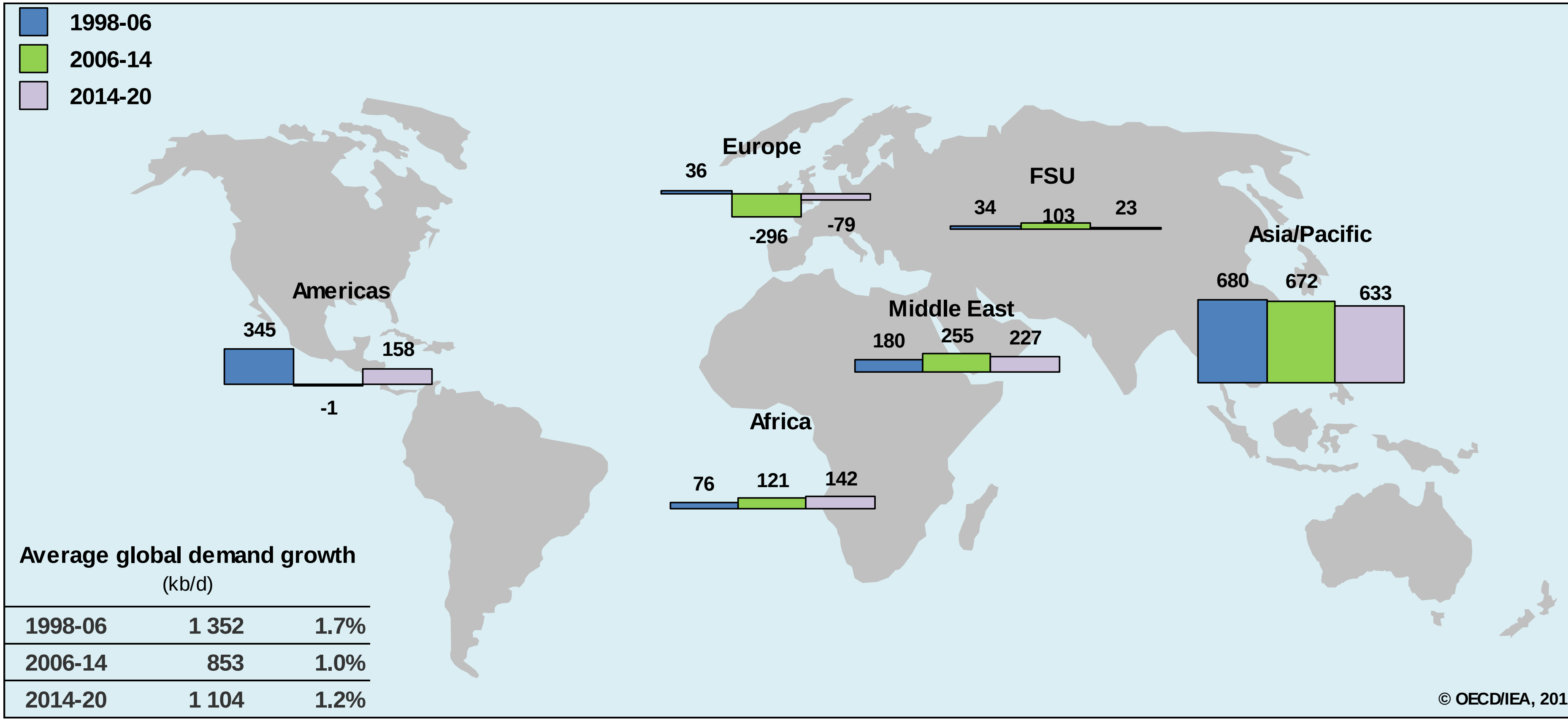
Medium-Term Market Report 2015

Modest demand growth still foreseen



- **+1.2% per annum, 2014-20**
- **Below pre-Great Recession trend (1.9%, 2001-07)**
- **Net gain of 6.6 mb/d, nearly 1 mb/d above supply capacity growth**

Eastward pull unabated



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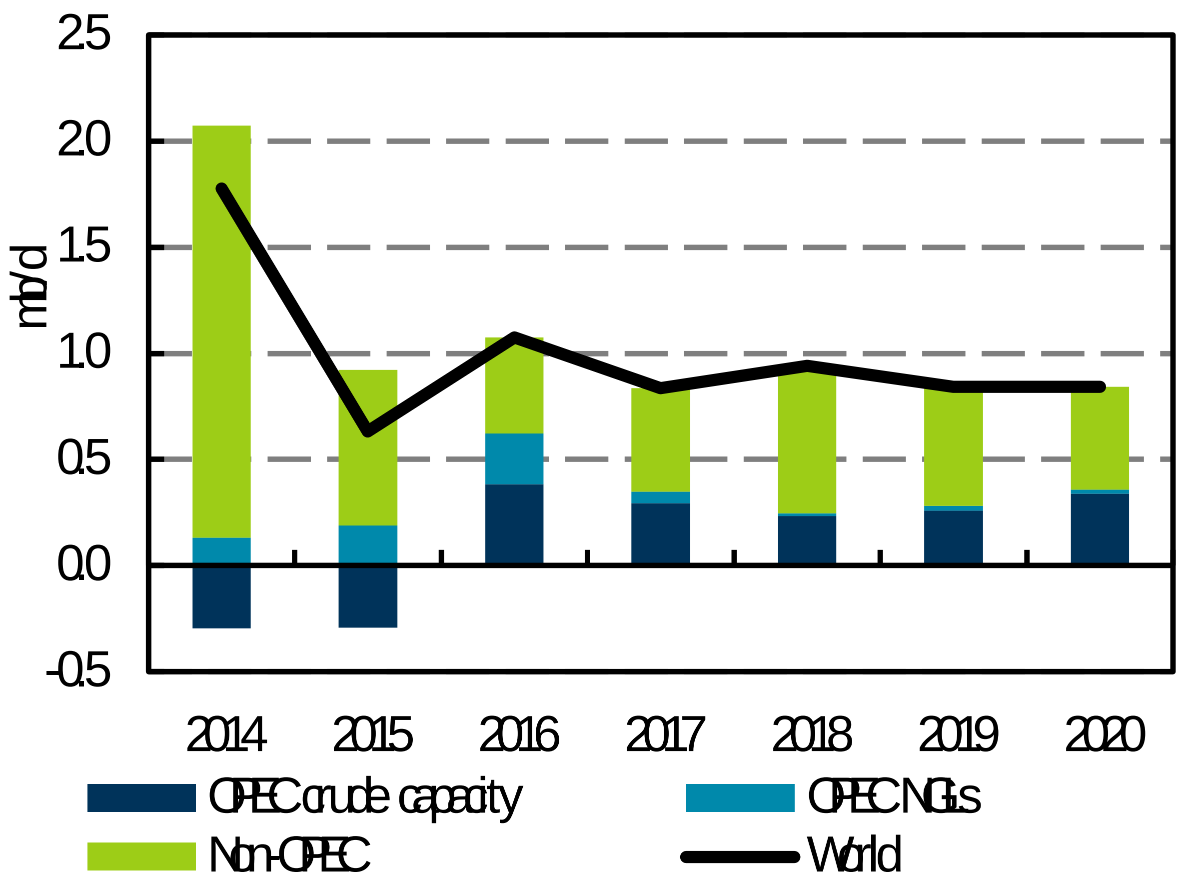
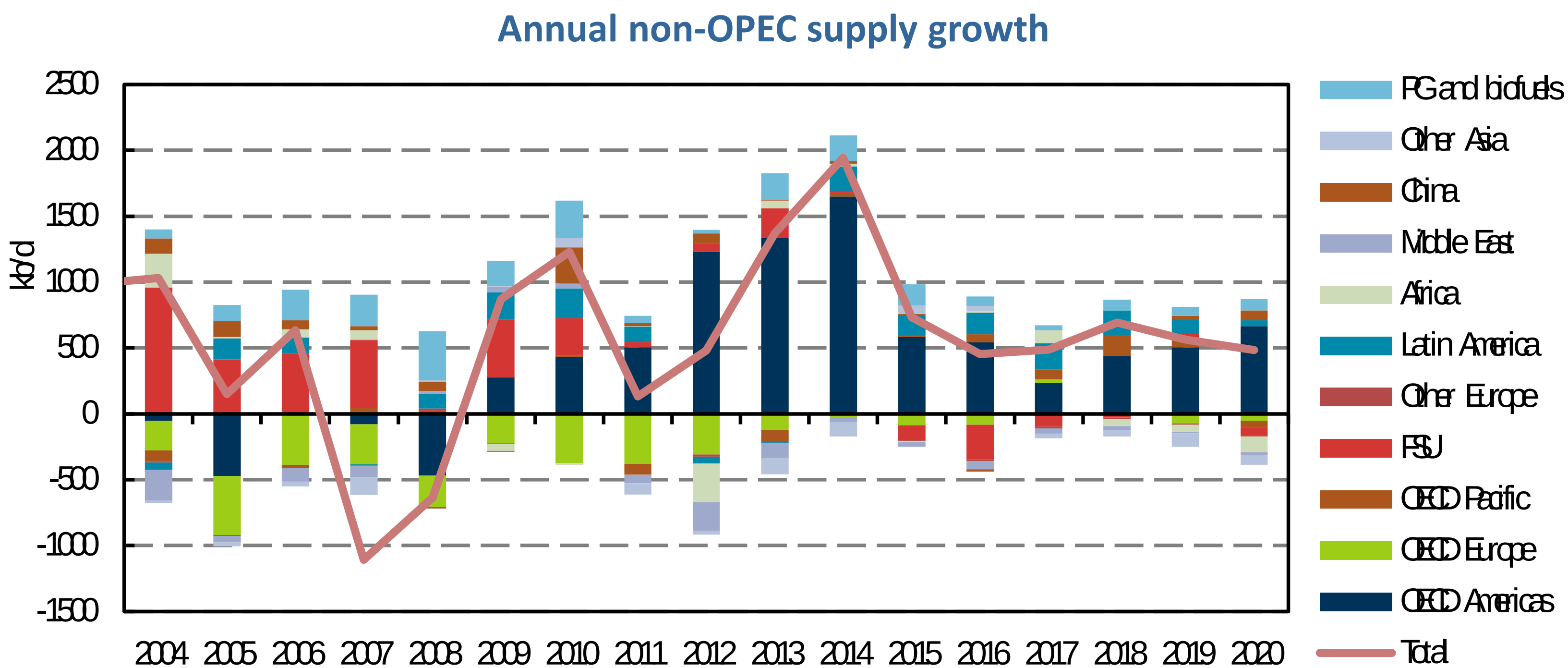
Slowing supply growth



Global capacity growth cut to annual average 860 kb/d through 2020, down from 1.4 mb/d in 2008-14

Non-OPEC growth drops from record high

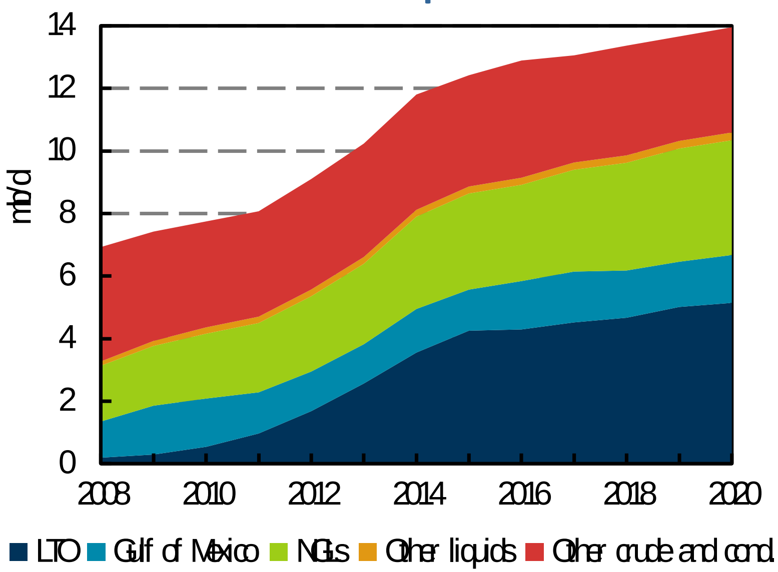
Medium-Term Market Report 2015



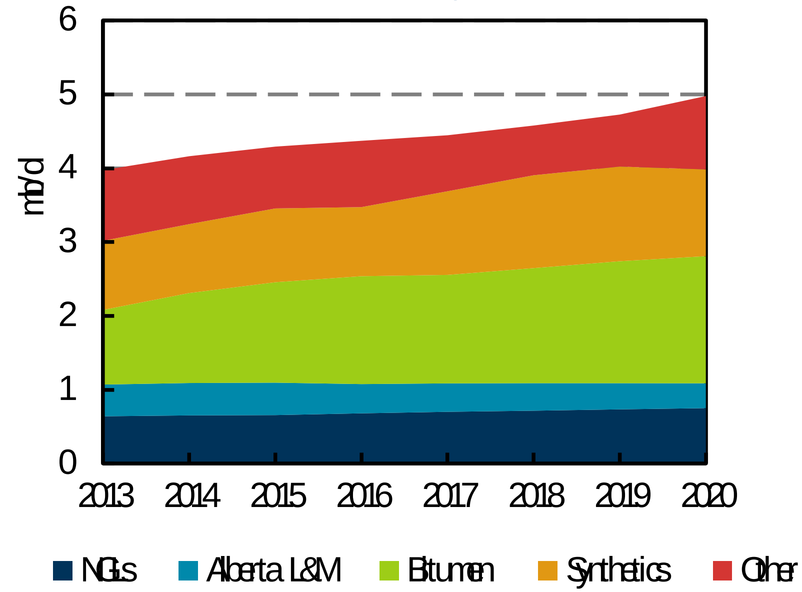
- Non-OPEC supply grows by 3.4 mb/d to 60 mb/d by 2020
- Annual growth slows to average 560 kb/d vs 1.9 mb/d in 2014

North America remains backbone of non-OPEC growth

US total oil production



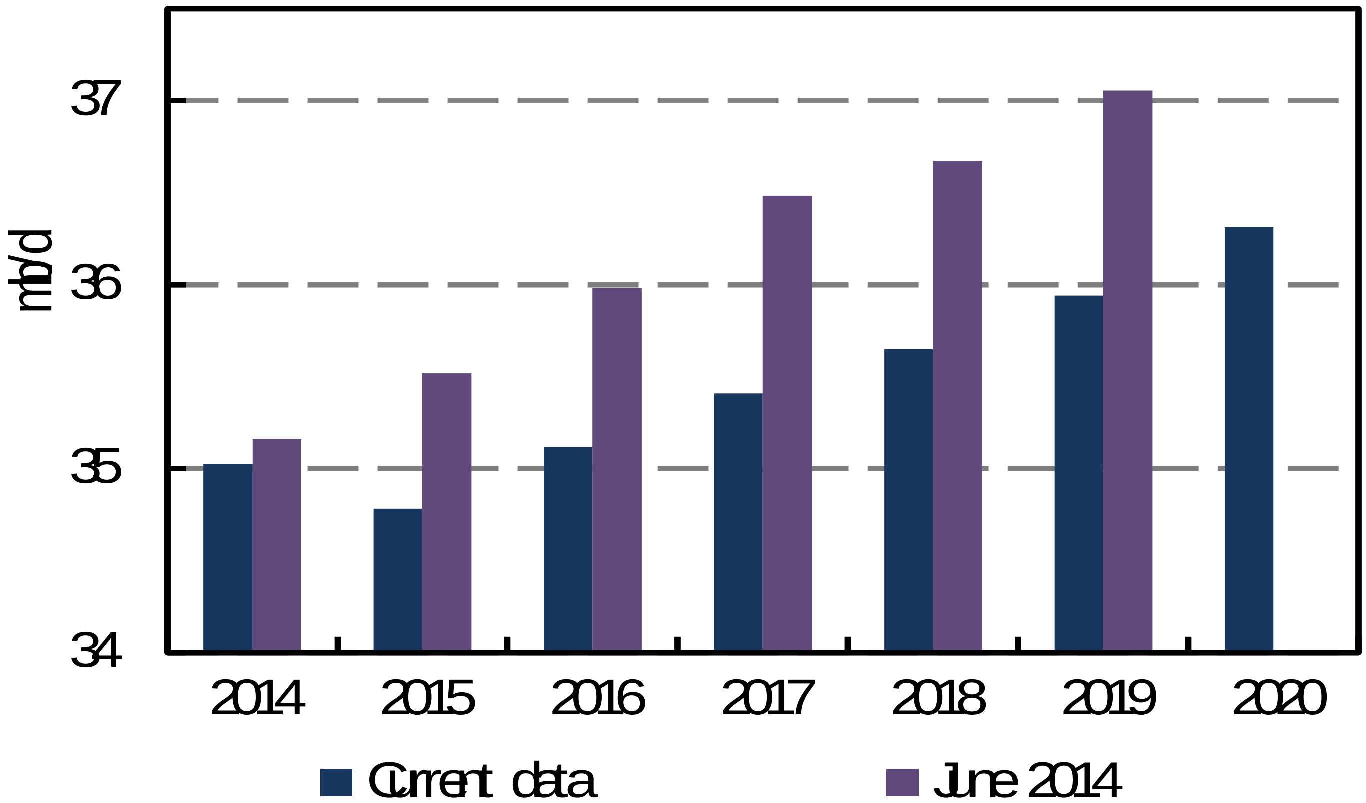
Canada total oil production



- **US production nears 14 mb/d, Canada 5 mb/d by 2020**
- **Most of US output is LTO and NGL by the start of next decade**
- **Bitumen, synthetics make up 60% of Canada's production by 2020**

Price drop curbs OPEC crude capacity growth

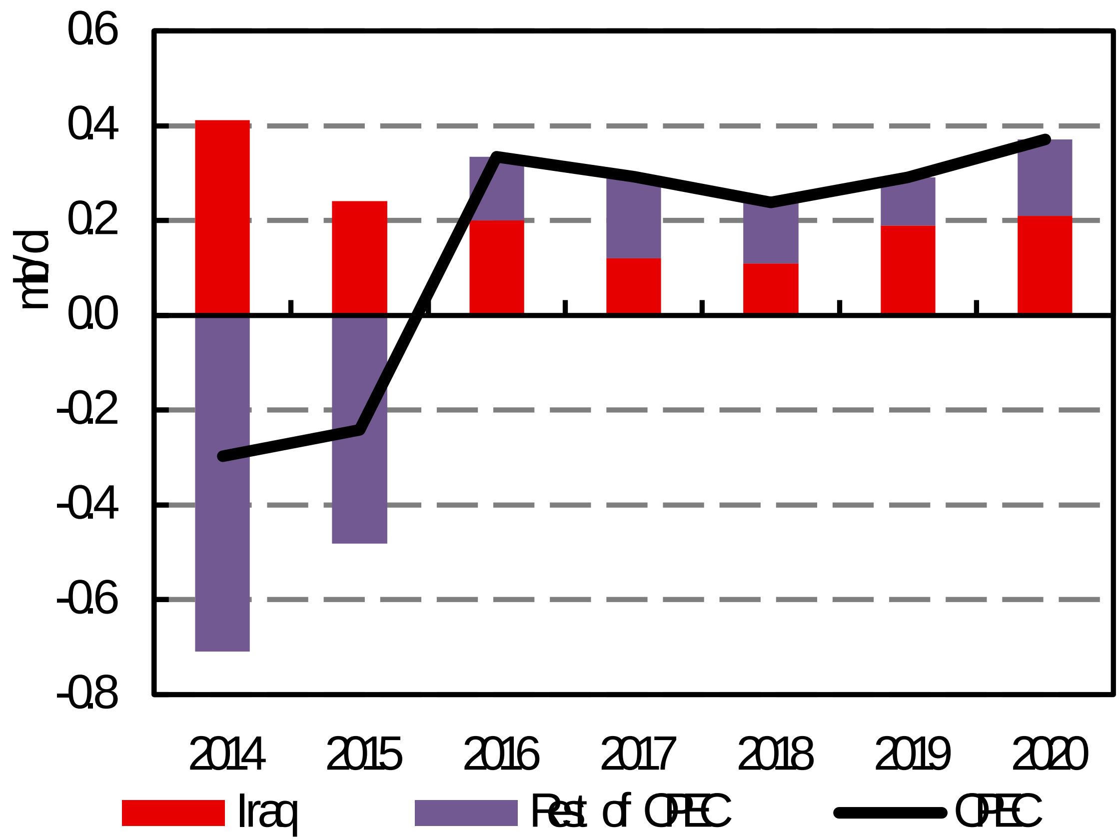
Medium-Term Market Report 2015



Growth expectations reduced to 200 kb/d annually, vs 350 kb/d prior to the price drop

OPEC growth hinges on Iraq

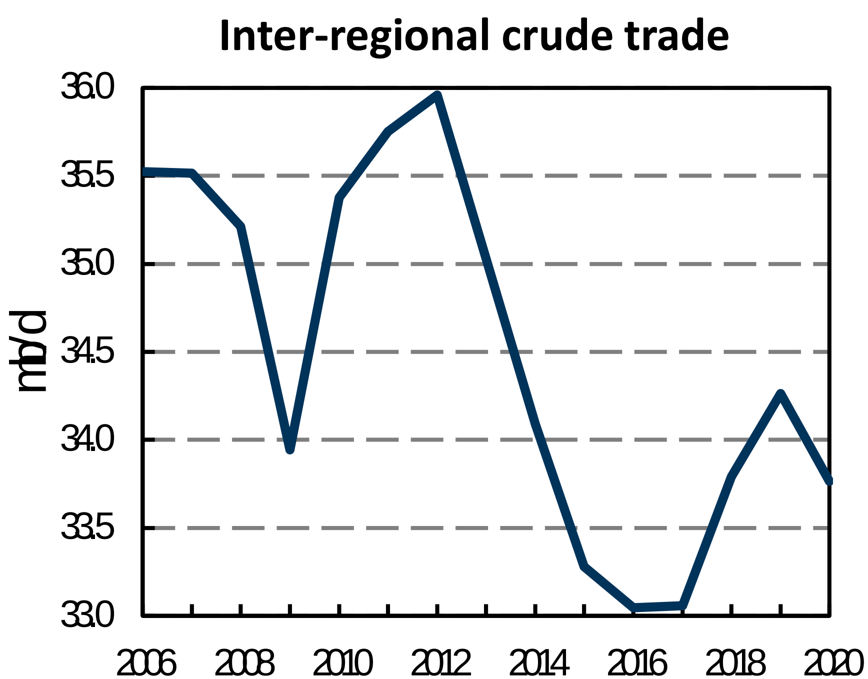
Medium-Term Market Report 2015



- Price drop, ISIL add to Iraq institutional and infrastructure constraints
- Total Iraq growth estimated at 1.1 mb/d in 2014-2020; elevated risks
- Low prices can be double-edged

Crude trade has peaked

Medium-Term Market Report 2015



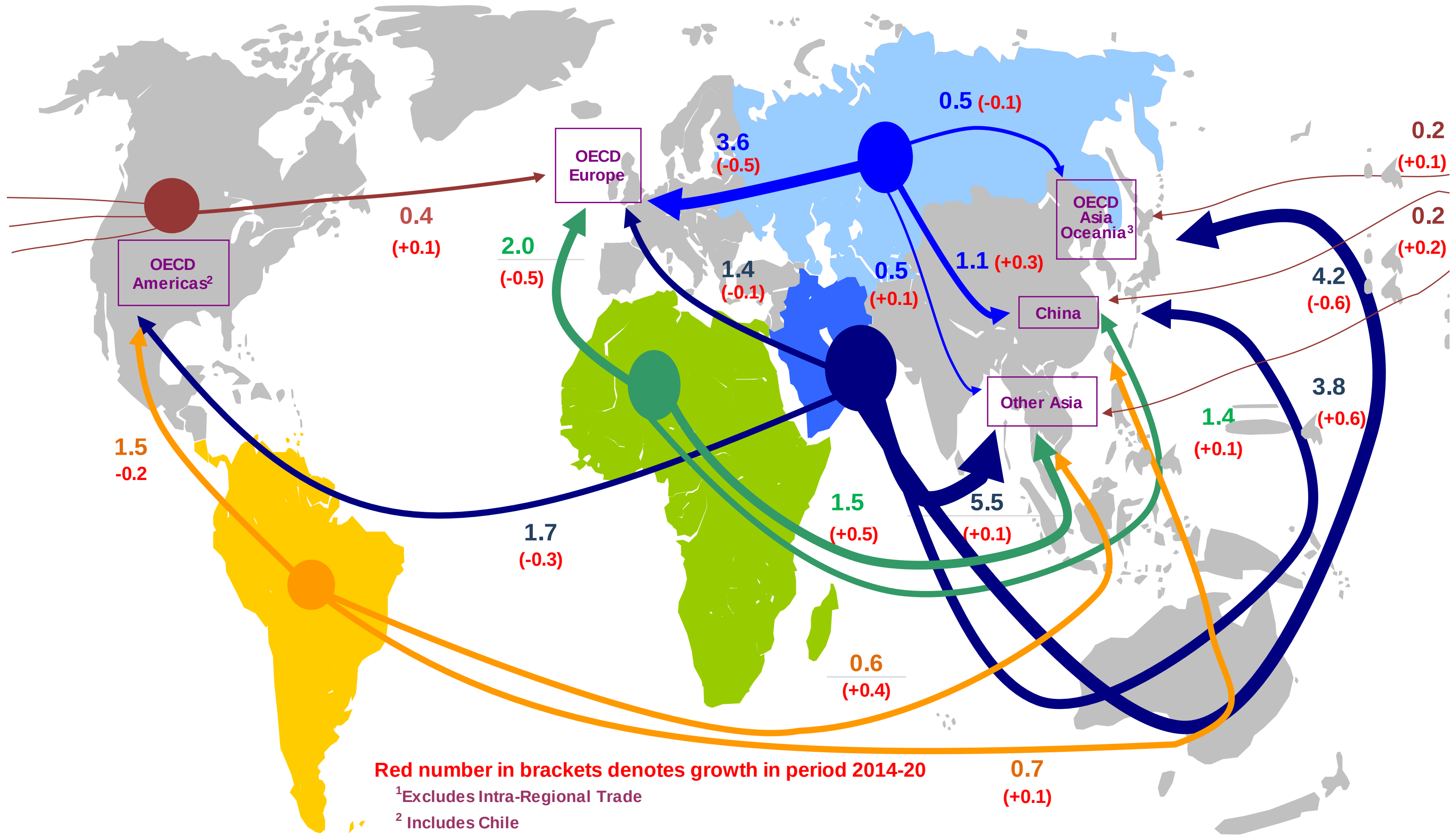
- **Crude trade peaked at 36 mb/d in 2012 and declined swiftly over 2012-2014 on lower US import needs, higher Middle East refinery runs**
- **Declines expected to moderate and partially reverse in the medium term**

World crude markets fragmenting

Medium-Term Market Report 2015

Crude Exports in 2020 and Growth in 2014-20 for Key Trade Routes[1]

(million barrels per day)



Red number in brackets denotes growth in period 2014-20

[1] Excludes Intra-Regional Trade

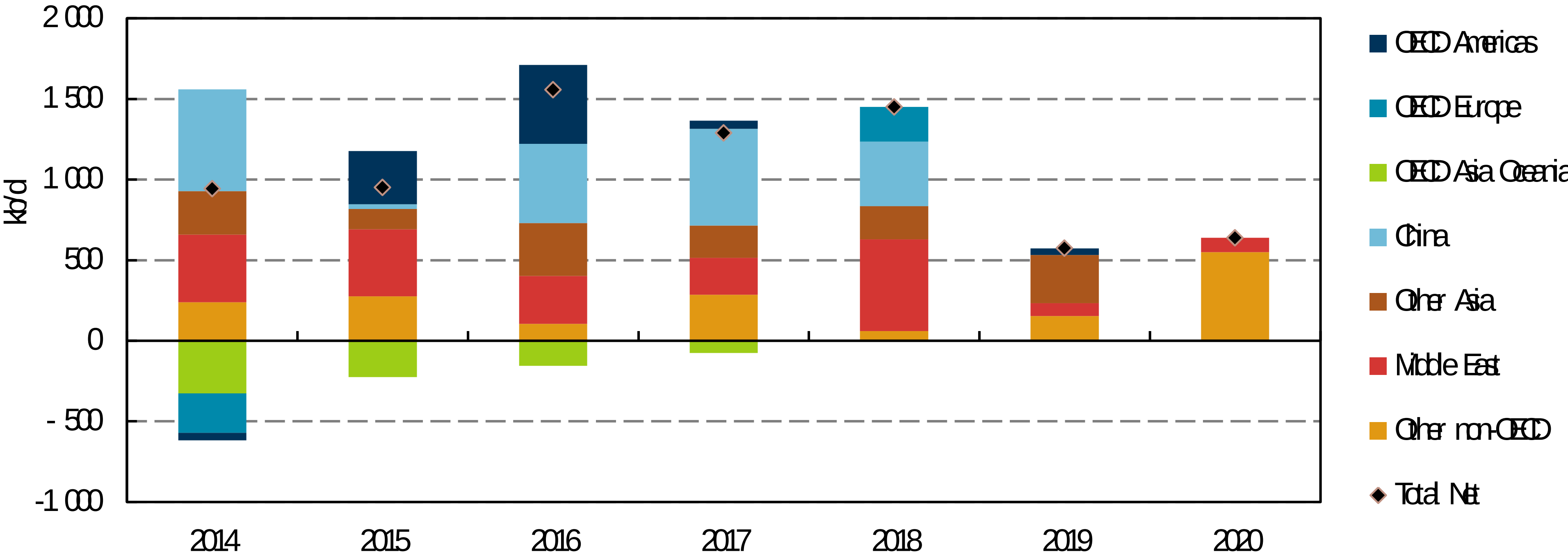
[2] Includes Chile

[3] Includes Israel

Crude trade will continue to shift eastwards

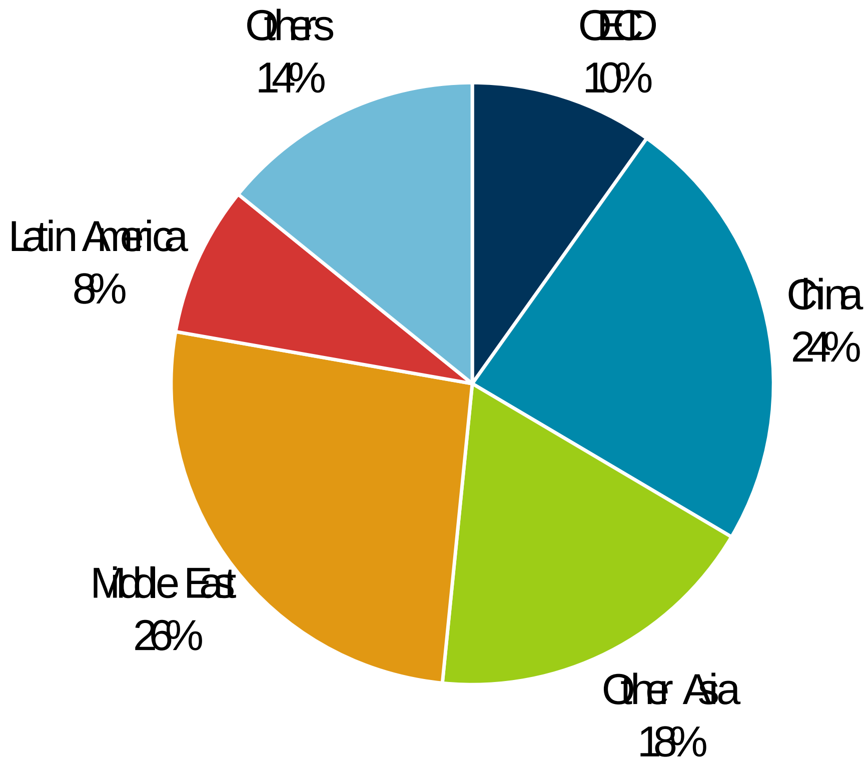
Refining surplus lingers despite scaling back

Global crude distillation capacity additions



- **New capacity of 6.4 mb/d by 2020, led by non-OECD Asia, Middle East**
- **Brief margin respite in 2014 and 1H15 on shutdowns and temporary factors**

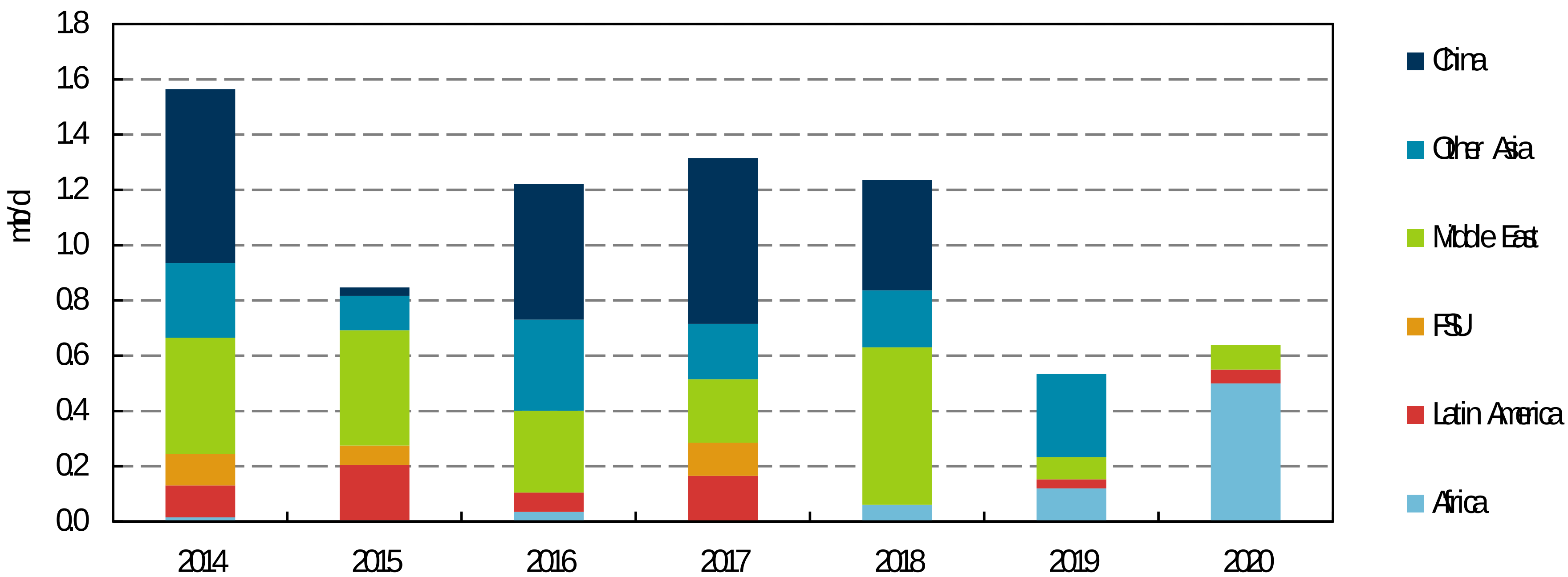
Non-OECD accounts for 90% of growth



- **Non-OECD Asia adds 42% of total, or 2.7 mb/d of crude distillation capacity**
- **Middle East expands capacity by a further 1.7 mb/d, taking total capacity to 10.3 mb/d at the end of the decade**

Non-OECD expansions front-loaded

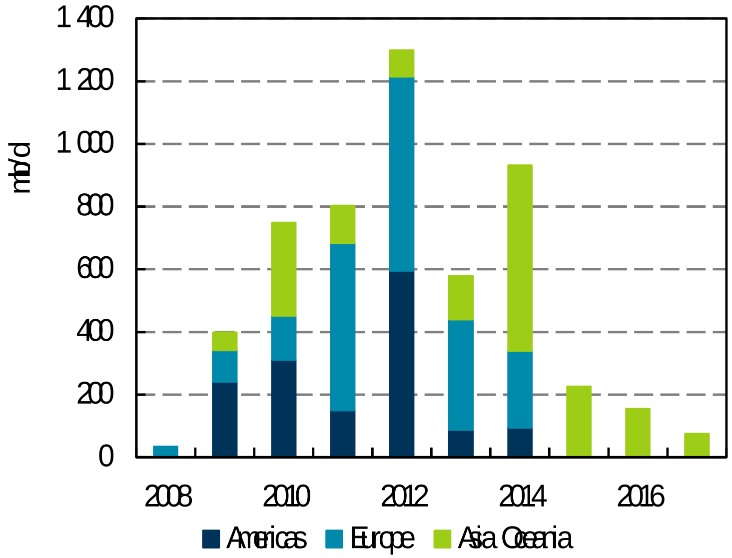
Non- OECD refinery capacity additions



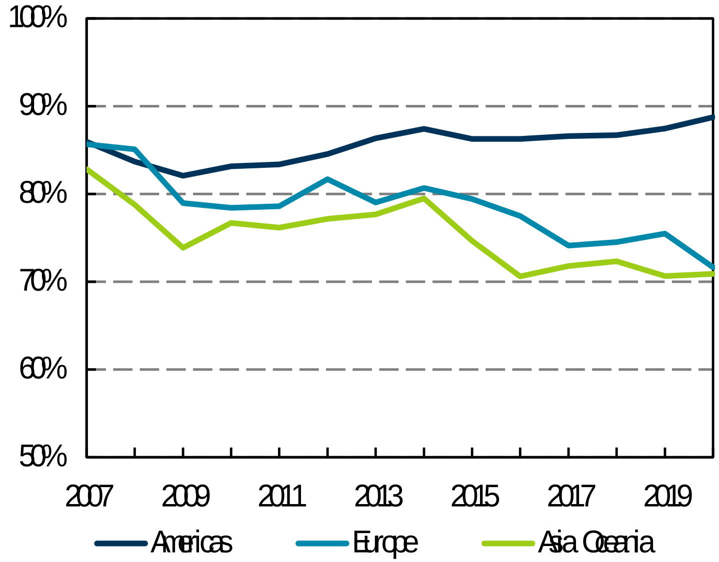
- **Projects planned during boom years are now being completed – strong growth in 2014 despite weak product demand**
- **Expansions slow at the end of the forecast period, but many projects could be revived if conditions allow**

More OECD closures in the cards

OECD refinery closures



OECD refinery utilisation rates



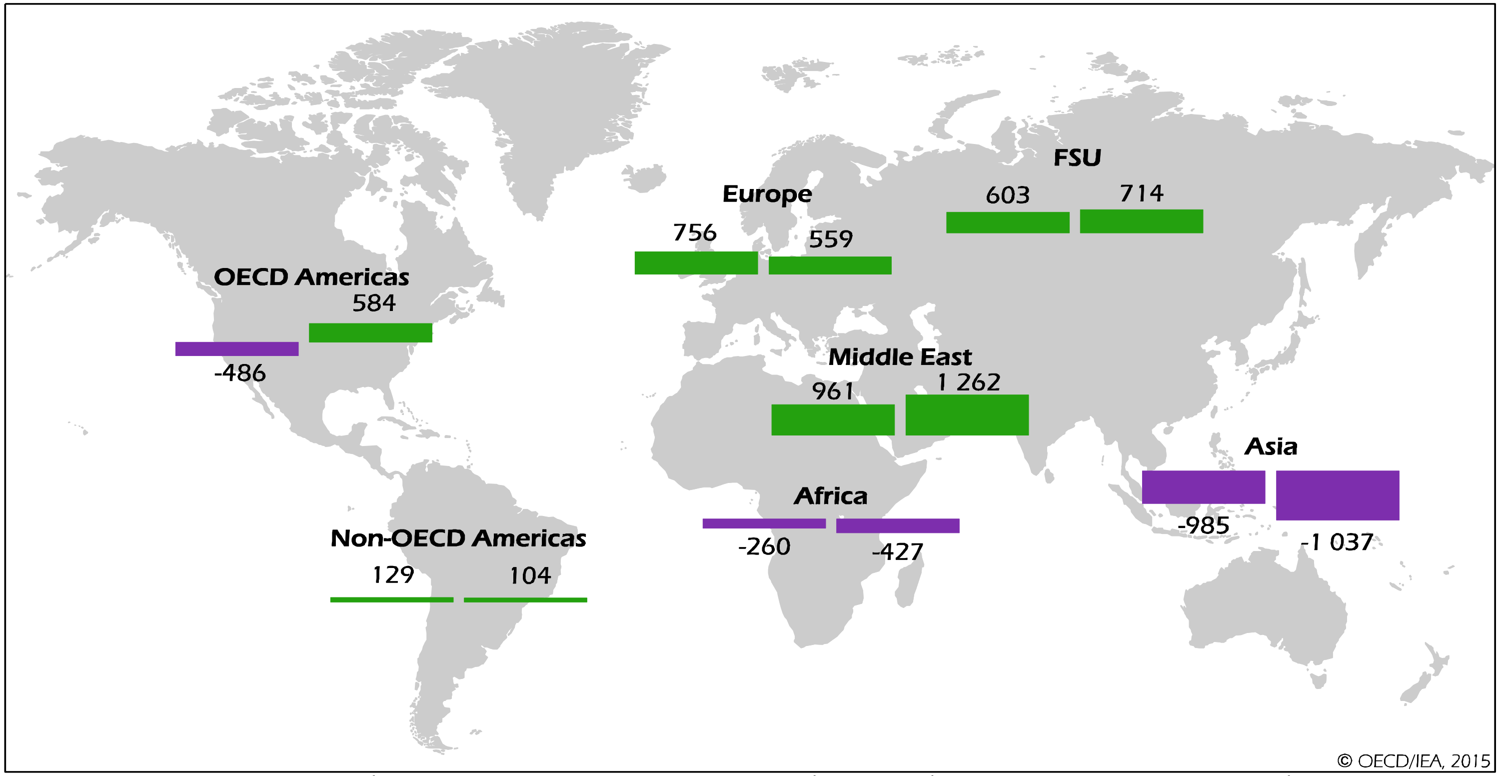
- **Total of 4.8 mb/d of capacity shut in OECD since 2008**
- **Additional 450 kb/d announced in Asia Oceania through 2017**
- **More shutdowns likely to be announced**
  - **Murphy's Milford Haven (UK), Total's Lindsey (UK), Total's La Mede (France) – not included here**

Light distillate surplus emerge

Medium-Term Market Report 2015

Product supply balances: naphtha / gasoline

Regional balances in 2014 and 2020 (kb/d)



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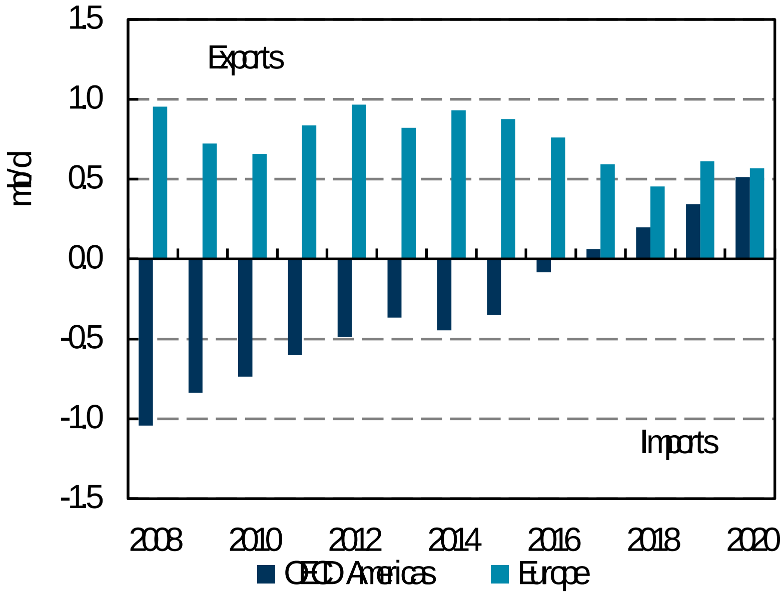
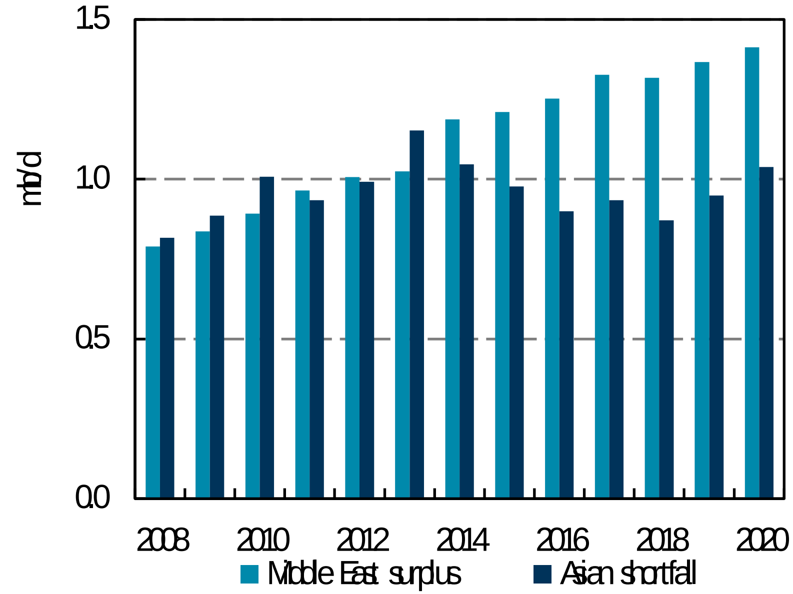
Exporters to fight for market share as traditional outlets vanish

Atlantic basin gasoline balances



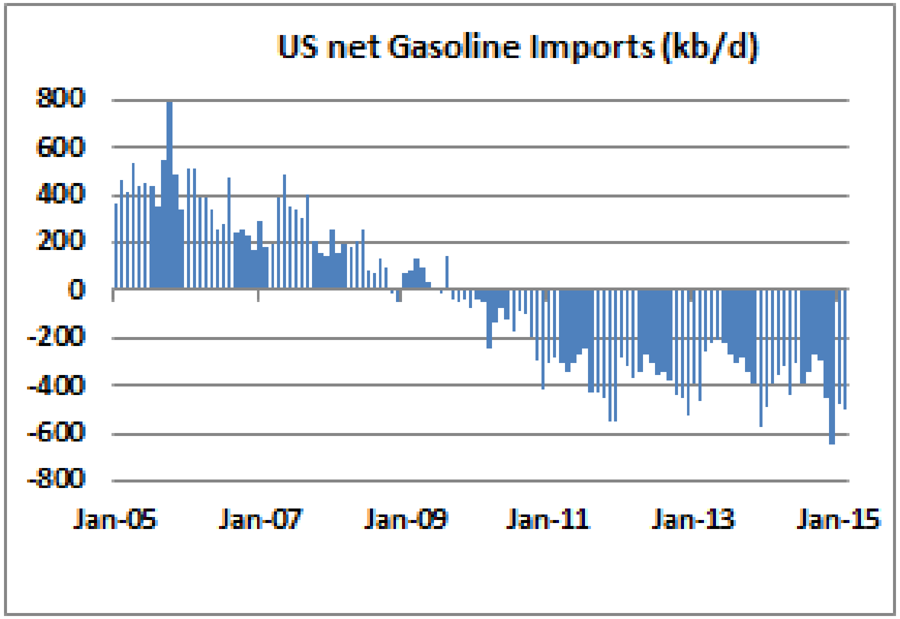
Key regional naphtha balances

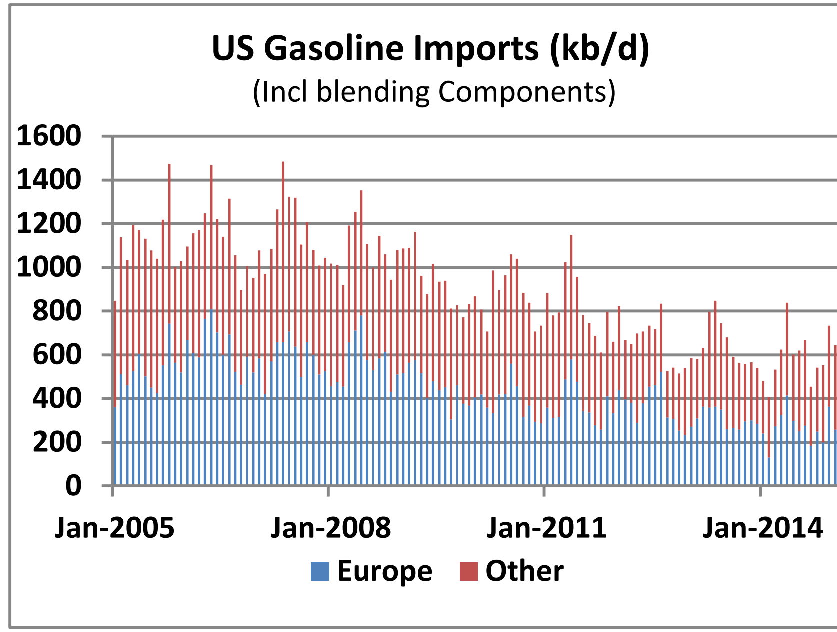


- **OECD Americas turning naphtha/gasoline net exporter**
- **European excess persist despite refinery shutdowns**

US Turns Gasoline Net-Exporter

But Jones Act provides market for Europe on US East Coast

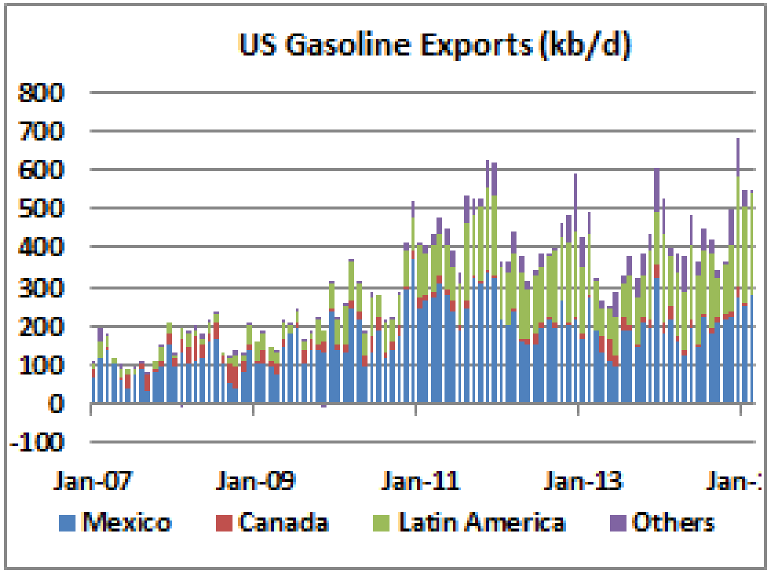


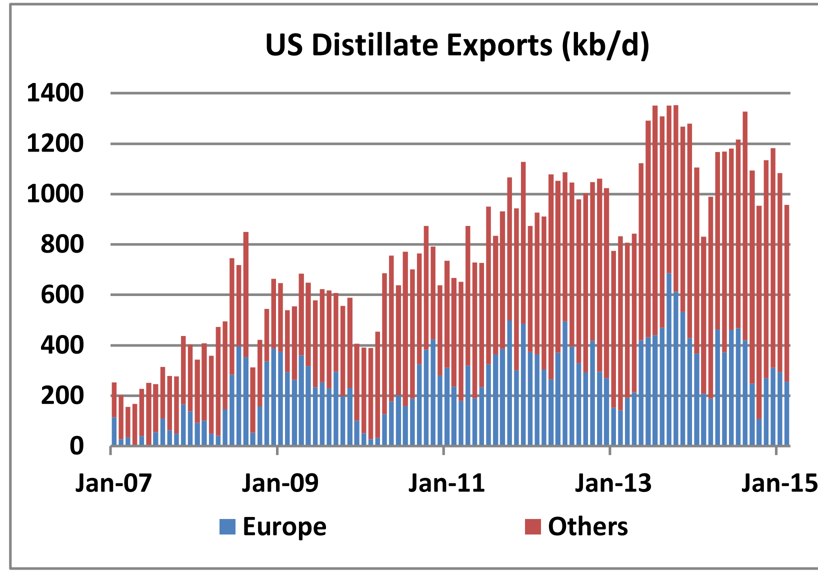


- Higher US refinery runs, lighter feedstocks, and diminished demand, turns US net exporter of gasoline
- The Jones Act, which prevents non US-flagged ships to sail within US waters, creates market for European gasoline on East Coast

US Gasoline Exports Stay in the Americas

But increasing share of Distillates coming to Europe





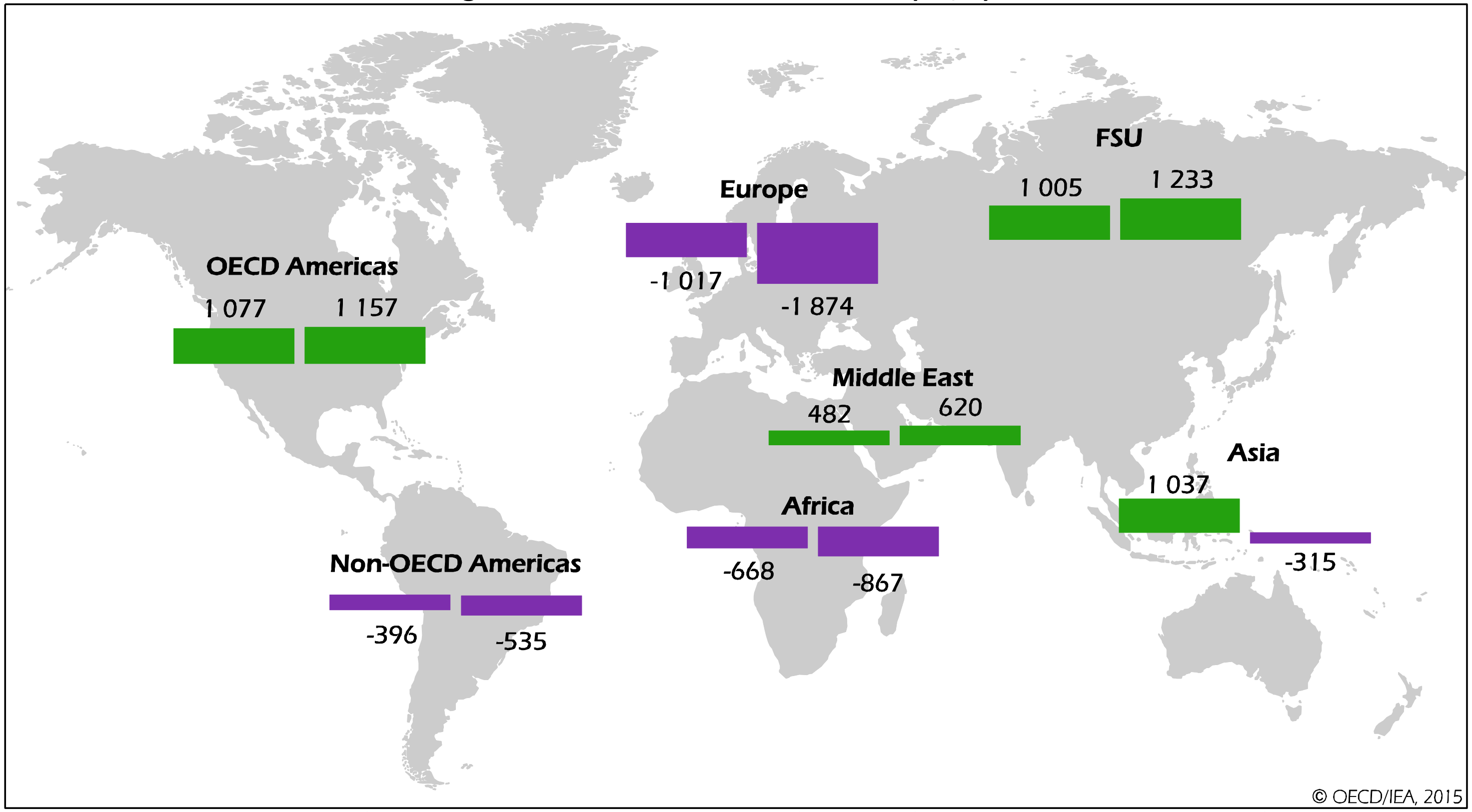
- **Mexico and Latin America remains the key buyers of US gasoline surplus**
- **While Latin America is also main market for US middle distillates, increasing share is coming to Europe (near 28% since start of 2014), but down from end-13 highs on recovery in European throughputs)**

Europe's middle distillate import dependence

Medium-Term Market Report 2015

Product supply balances: gasoil / kerosene

Regional balances in 2014 and 2020 (kb/d)



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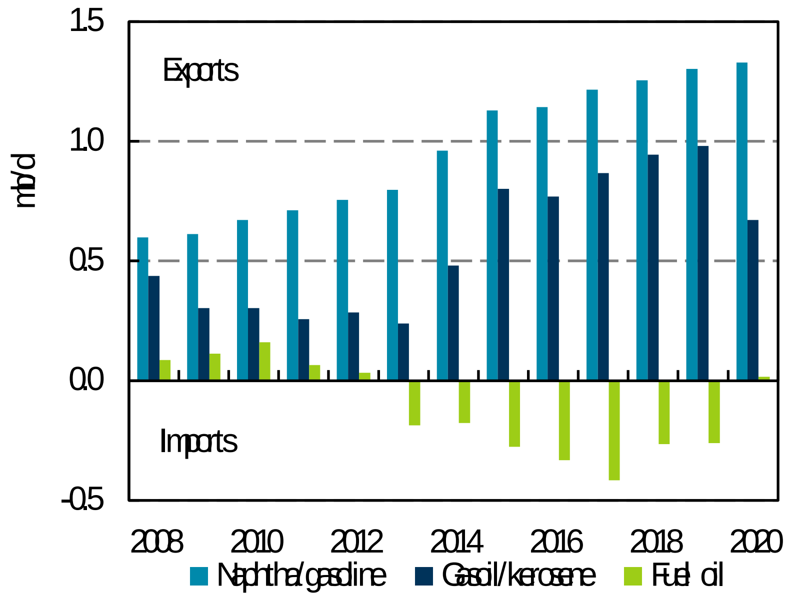
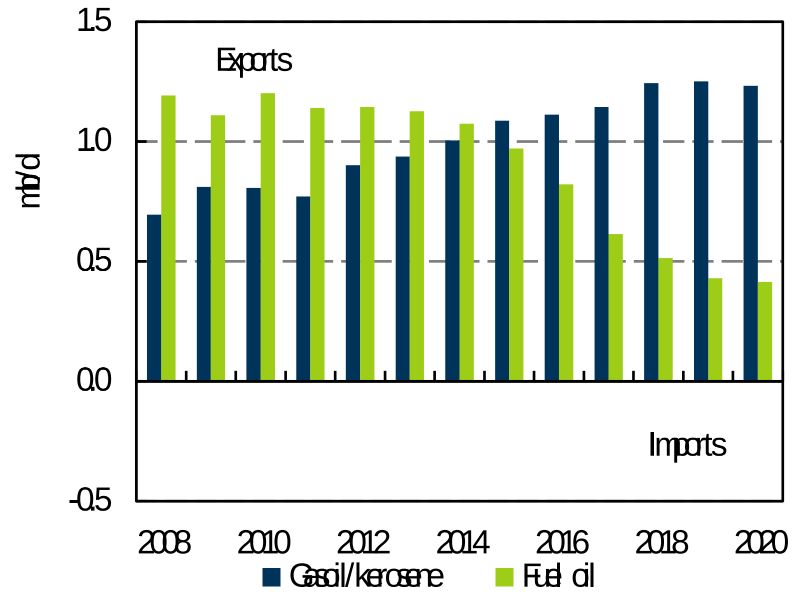
- **Asia set to become a middle distillate net-importer**
  - **China to become a gasoil exporter?**
- **Uncertainty over Marine Fuel 2020-2025**

Middle East and FSU increasingly long distillates

Middle East oil product balances

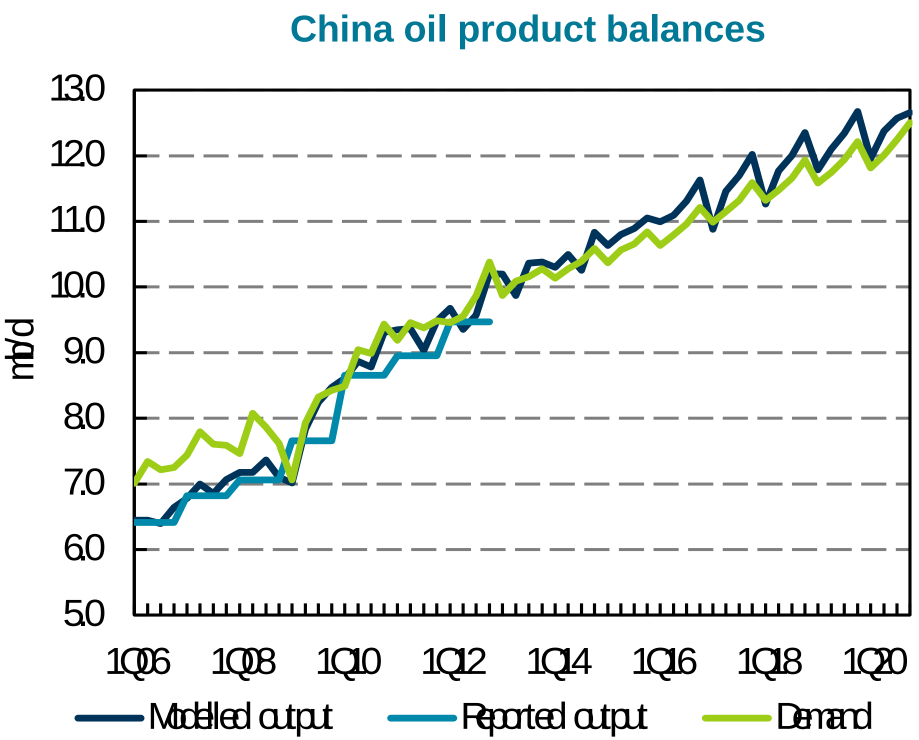


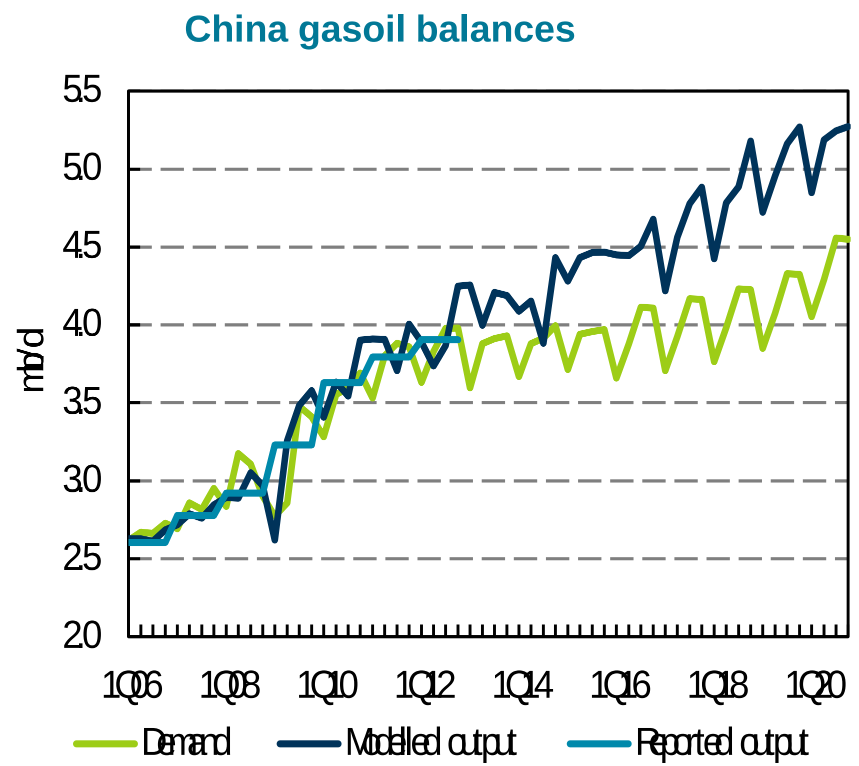
FSU oil product balances



- **Sanctions and cash constraint to derail Russian upgrading investments?**
- **Shipments out of Jubail, Yanbu, Ruwais refineries are starting impact markets**
    - **Saudi still importing gasoil for power generation, exporting ULSD**

What about China?



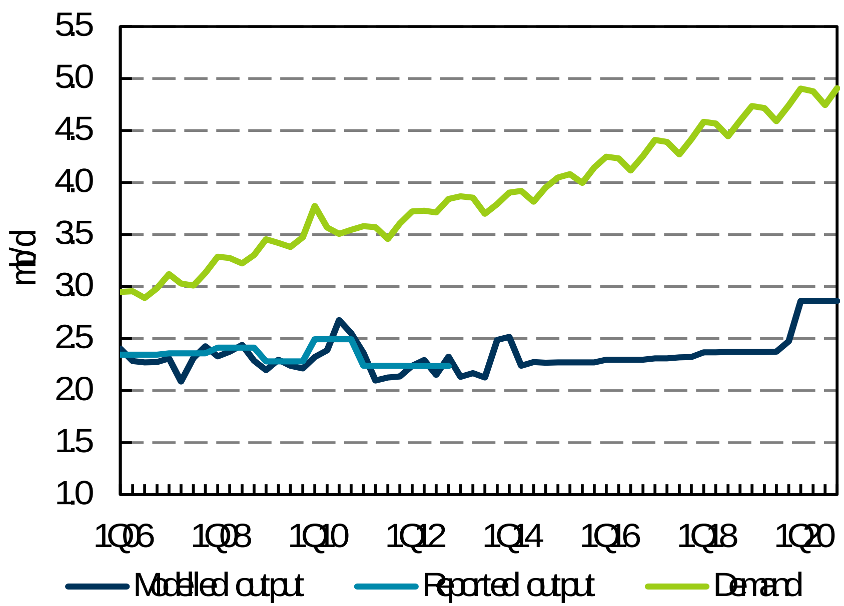


- **Sharply lower domestic gasoil demand growth gives China potential to become major gasoil exporter**

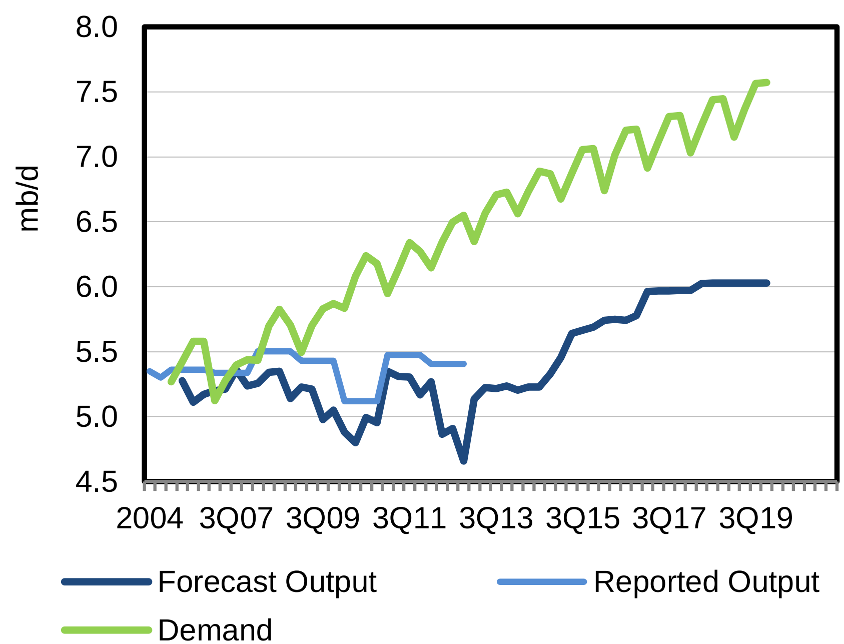
Africa and Latin America remain importers

Medium-Term Market Report 2015

African refinery output vs demand



Latin American refinery output vs demand

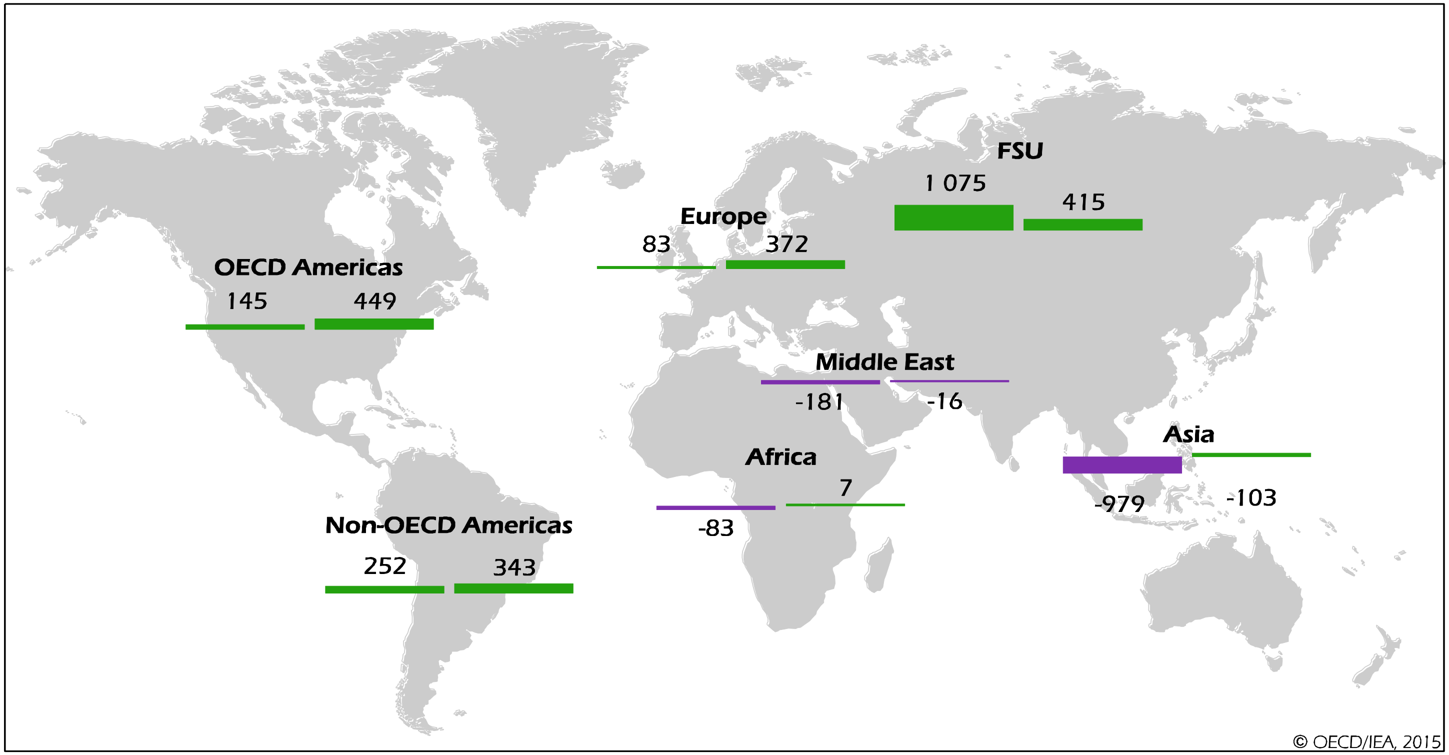


- **Difficulties in bringing new refinery projects on stream, leaves Africa and Latin America with large product import requirements**
- **Heavy financial burden on governments subsidising fuels**

Fuel oil challenges

Medium-Term Market Report 2015

Product supply balances: fuel oil
Regional balances in 2014 and 2020 (kb/d)



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- **Fuel oil tightens ahead of 2020 bunker fuel switch to 0.5% S, as refiners upgrade but then become massively oversupplied**
- **Global fuel oil demand remains remarkably stable through 2019**

https://www.iea.org/oilmarketreport/

Product Tanker Fundamentals

Clarksons

Products Tanker Market Overview

Ardmore Shipping Investor Day

Simon Chattrabhuti, Director, Head of Tanker Market Analysis

Clarksons

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Deep Sea Products Tanker Market Structure

Type	Size Range (dwt)	Avg. Size (dwt)*	Fleet Size (No. of vessels)	Orderbook (No. of vessels)	Cargo Types
LR2 (Coated Aframax)	85-125k	109k	268	70	Clean products, crude oil, dirty products, condensate
Panamax	55-85k	70k	89	6	Dirty products, crude oil, condensate
LR1 (Coated Panamax)	55-85k	73k	333	36	Clean products, dirty products, crude oil, condensate
MR	40-55k	47k	1315	212	Clean products, dirty products, condensate, crude oil, veg./edible oils, bulk chemicals
Handy	25-40k	34k	448	43	Clean products, dirty products, condensate, crude oil, veg./edible oils, bulk chemicals

Data source: Clarksons. *Average size at start of 2015.

Key Products Tanker Cargoes and Uses

Naphtha

Gasoline and blending components

Jet fuel / kerosene

Gasoil / diesel

Fuel Oil / VGO

Transportation

Manufacturing

Construction

Agriculture

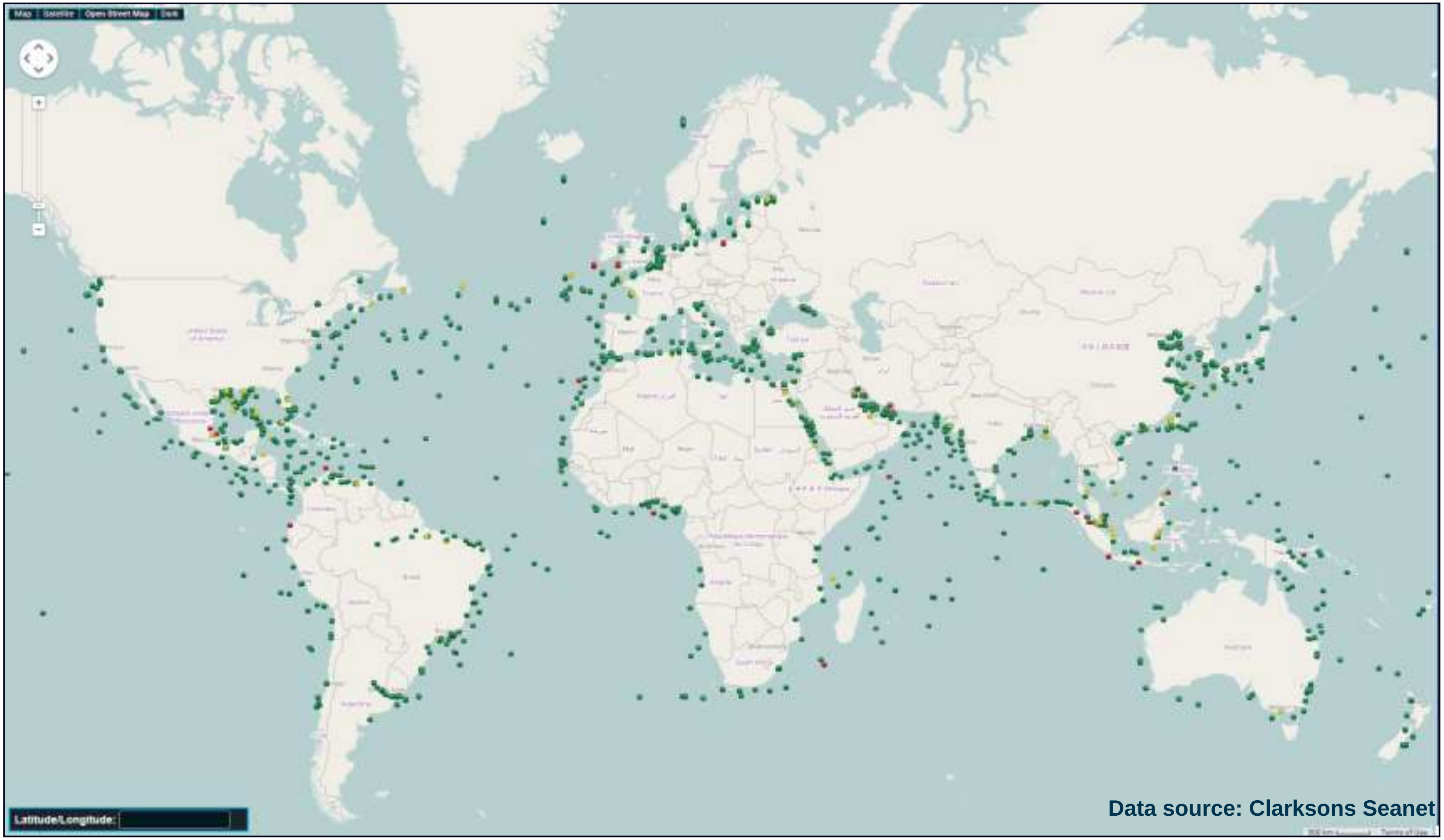
Power generation

Heating

Refinery feedstock / Blending

Data source: Clarksons

MR Products Tanker Trading Map



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Key Products Tanker Demand Drivers

- Middle Eastern and Indian refinery capacity expansion
- US condensate splitter & topping capacity expansions and processed condensate exports
- Russian refinery upgrades
- Closure of European and Australian refineries
- Demand growth in areas of low refinery capacity growth – Africa, Latin America, SE Asia
- Regional product type supply / demand imbalances
- Trading demand / arbitrage movements
- Additional demand / trading inefficiencies

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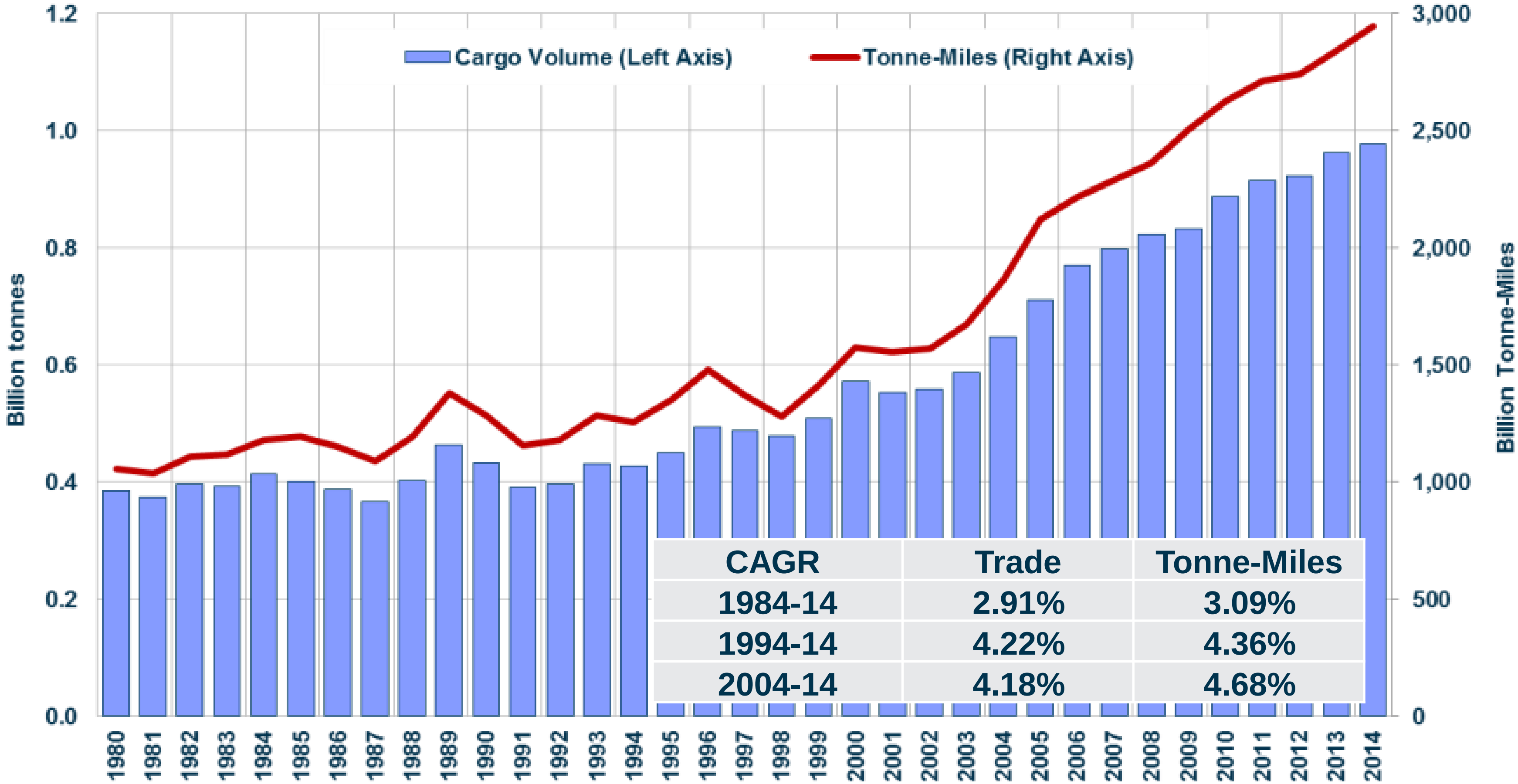
World Seaborne Oil Products Trade



CAGR	Trade	Tonne-Miles
1984-14	2.91%	3.09%
1994-14	4.22%	4.36%
2004-14	4.18%	4.68%

Data Source: Clarksons

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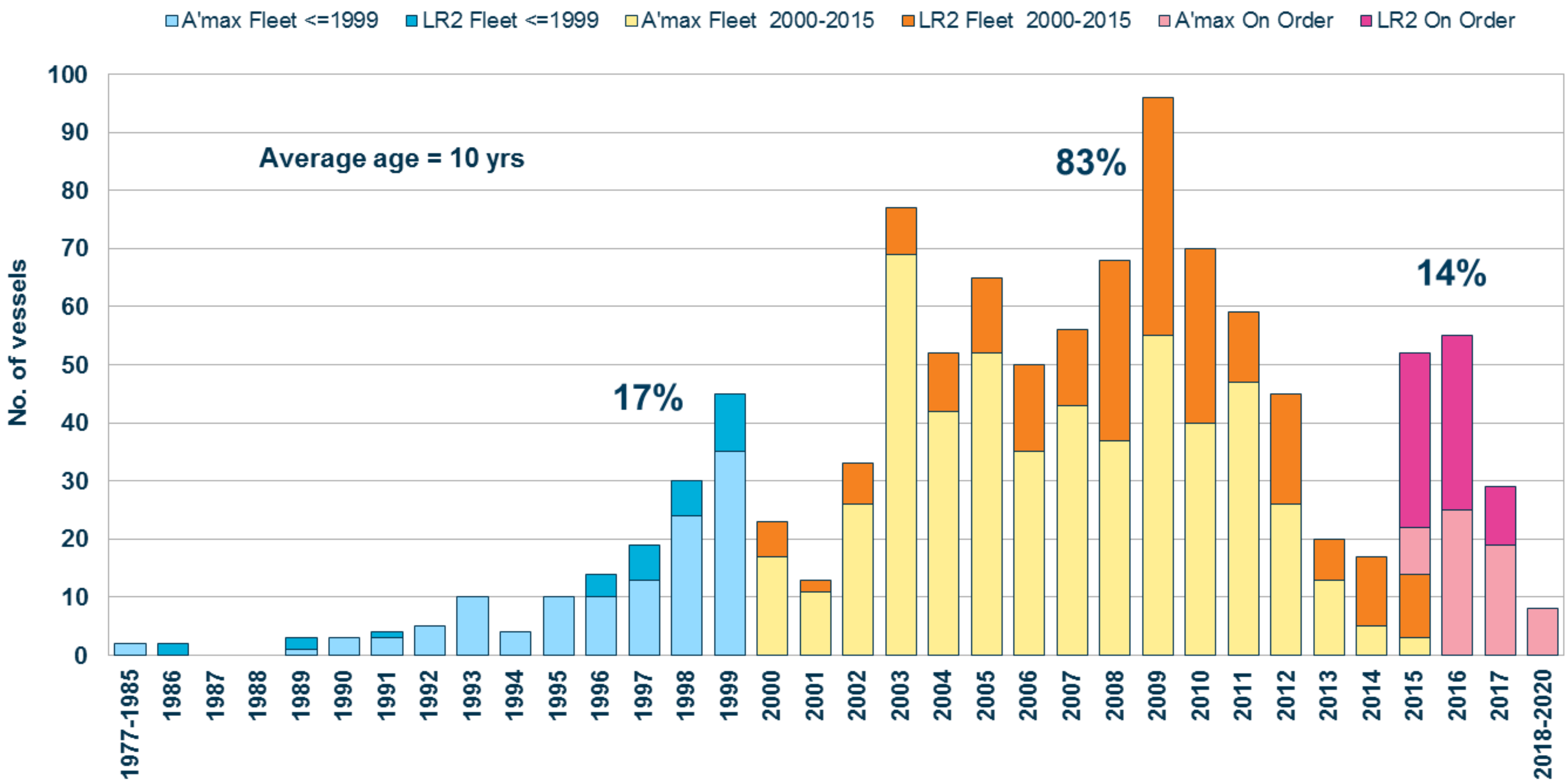
Aframax/LR2 Tanker Fleet Age Profiles



Updated start of May 2015
Data Source: Clarksons

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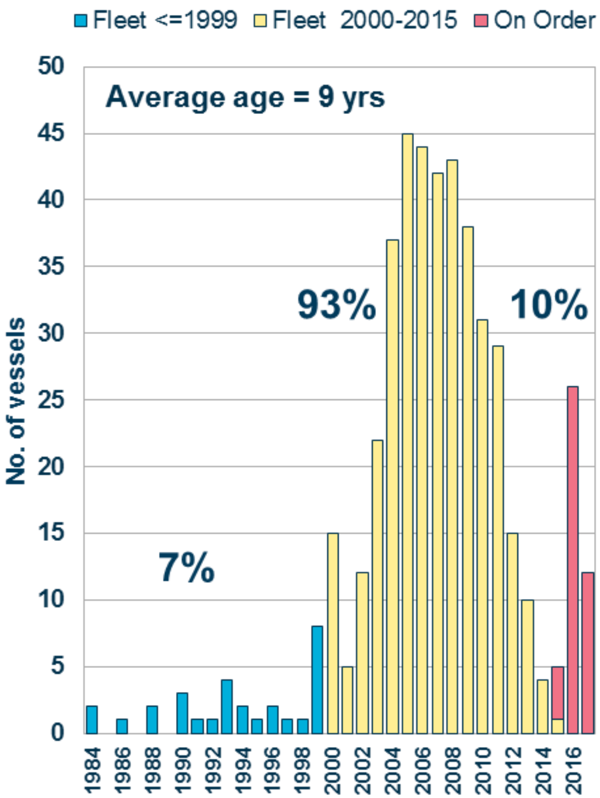
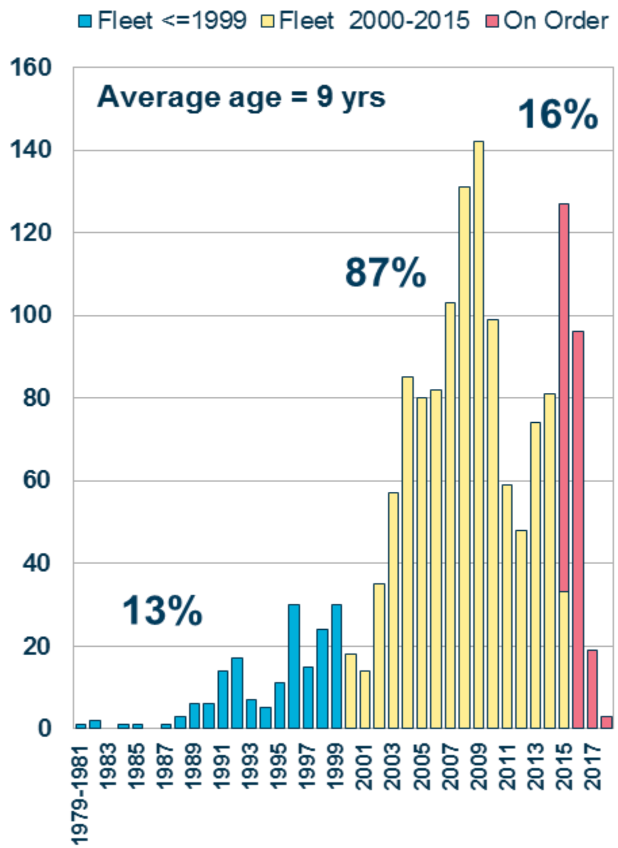
Tanker Fleet Age Profiles

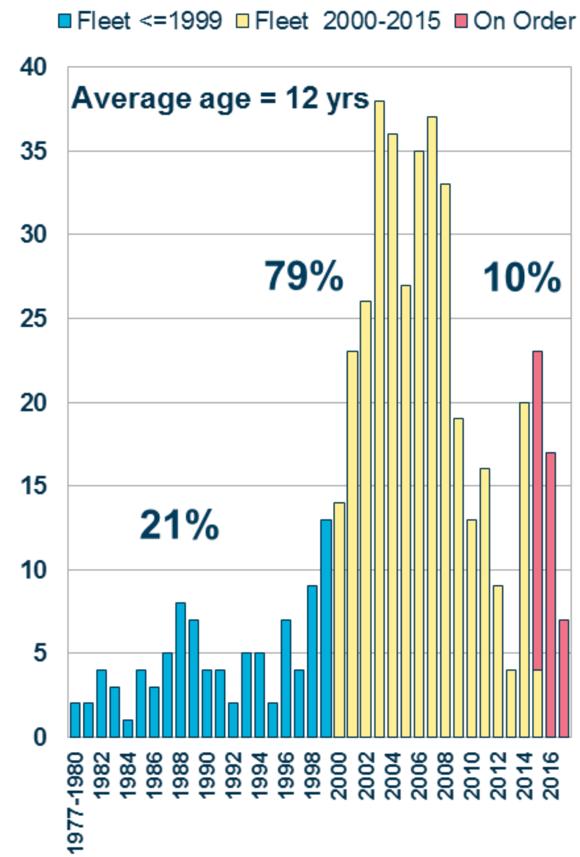
Panamax/LR1



MR



Handy



Updated start of May 2015

Data Source: Clarksons

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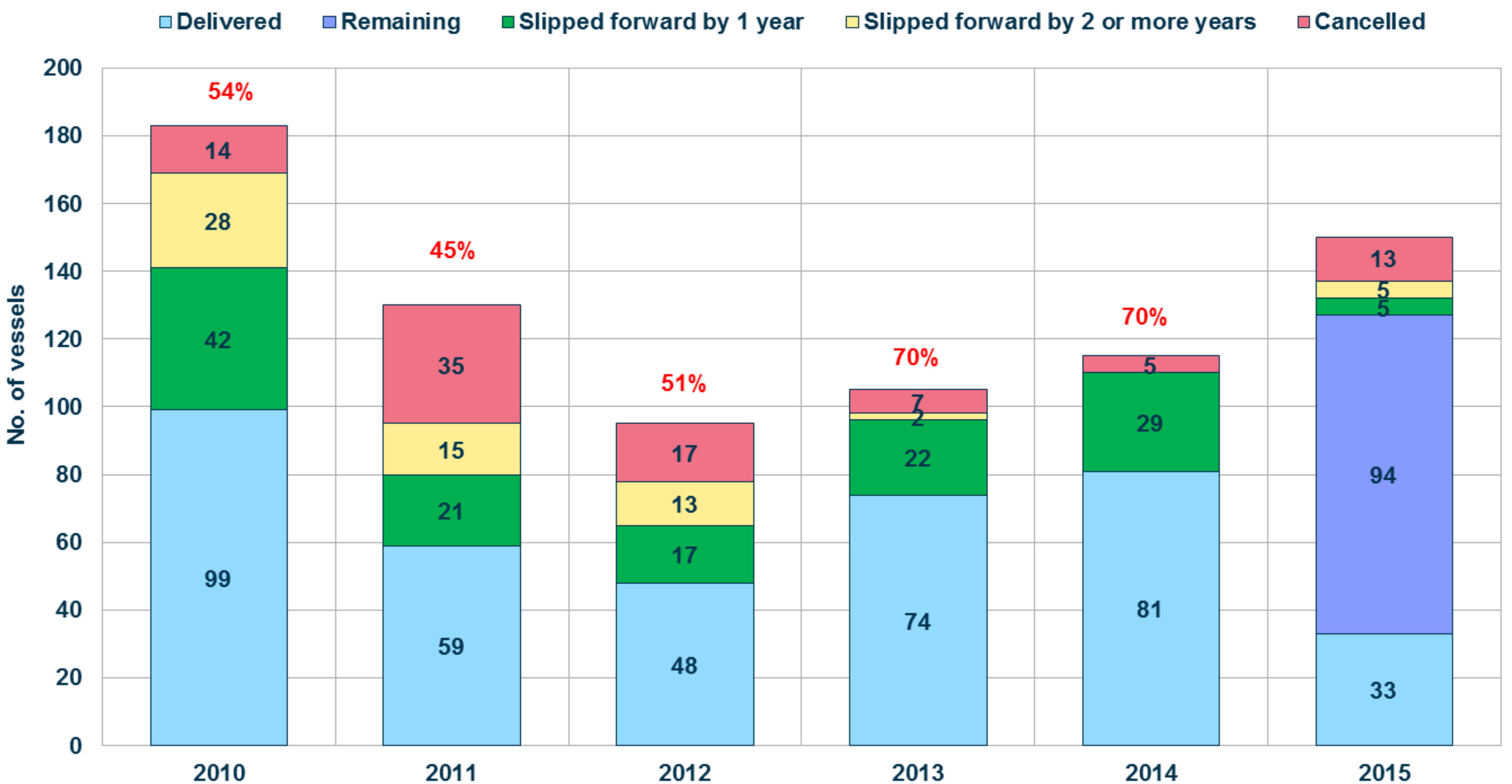
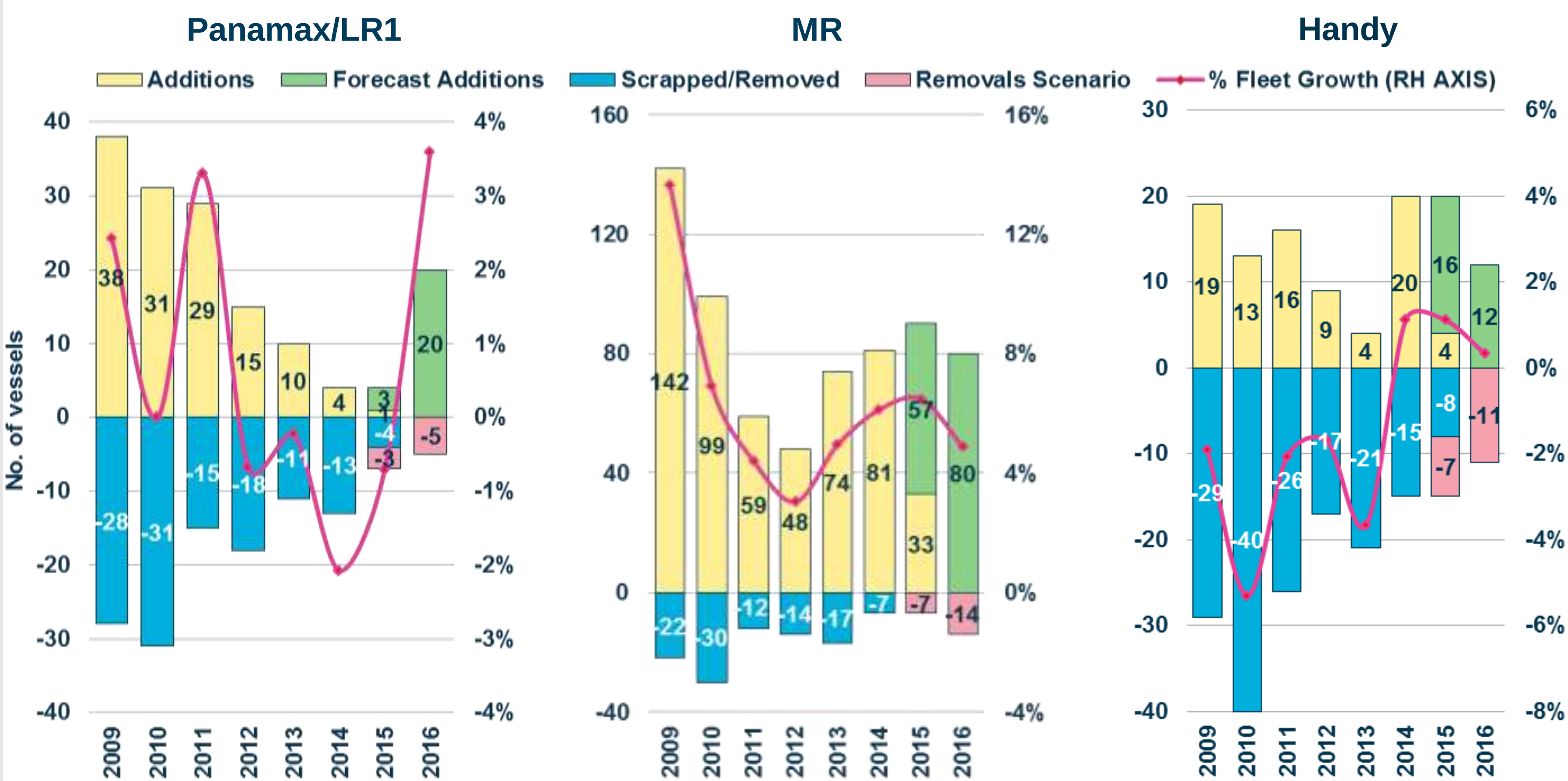
MR Products Tanker Orderbook Delivery Analysis



NB: Based on orderbook at the start of the year
Data Source: Clarksons

Tanker Fleet Developments



Updated start of May 2015
Data Source: Clarksons

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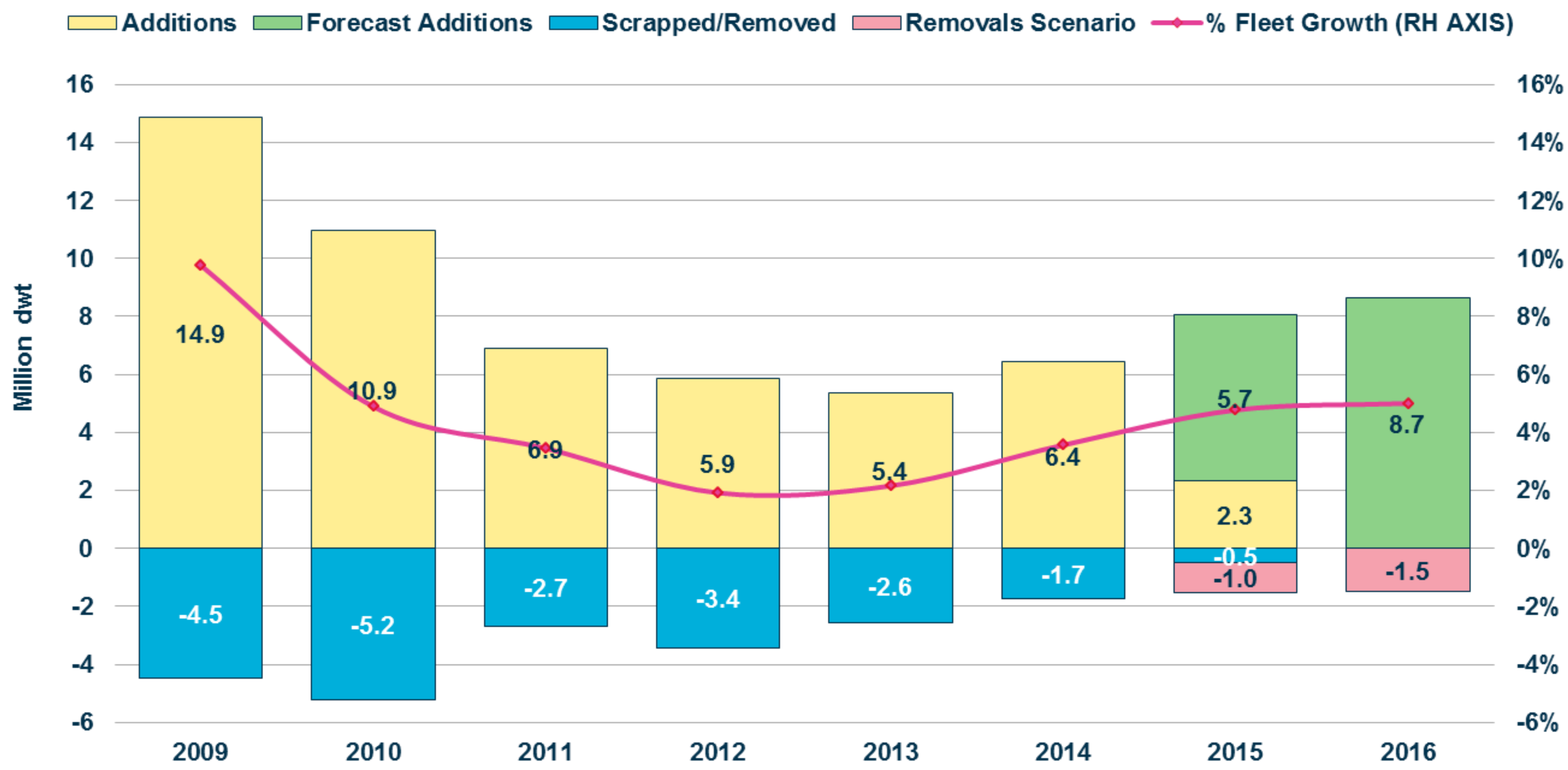
25-125K DWT Products Tanker Fleet Development



Updated start of May 2015
Data Source: Clarksons

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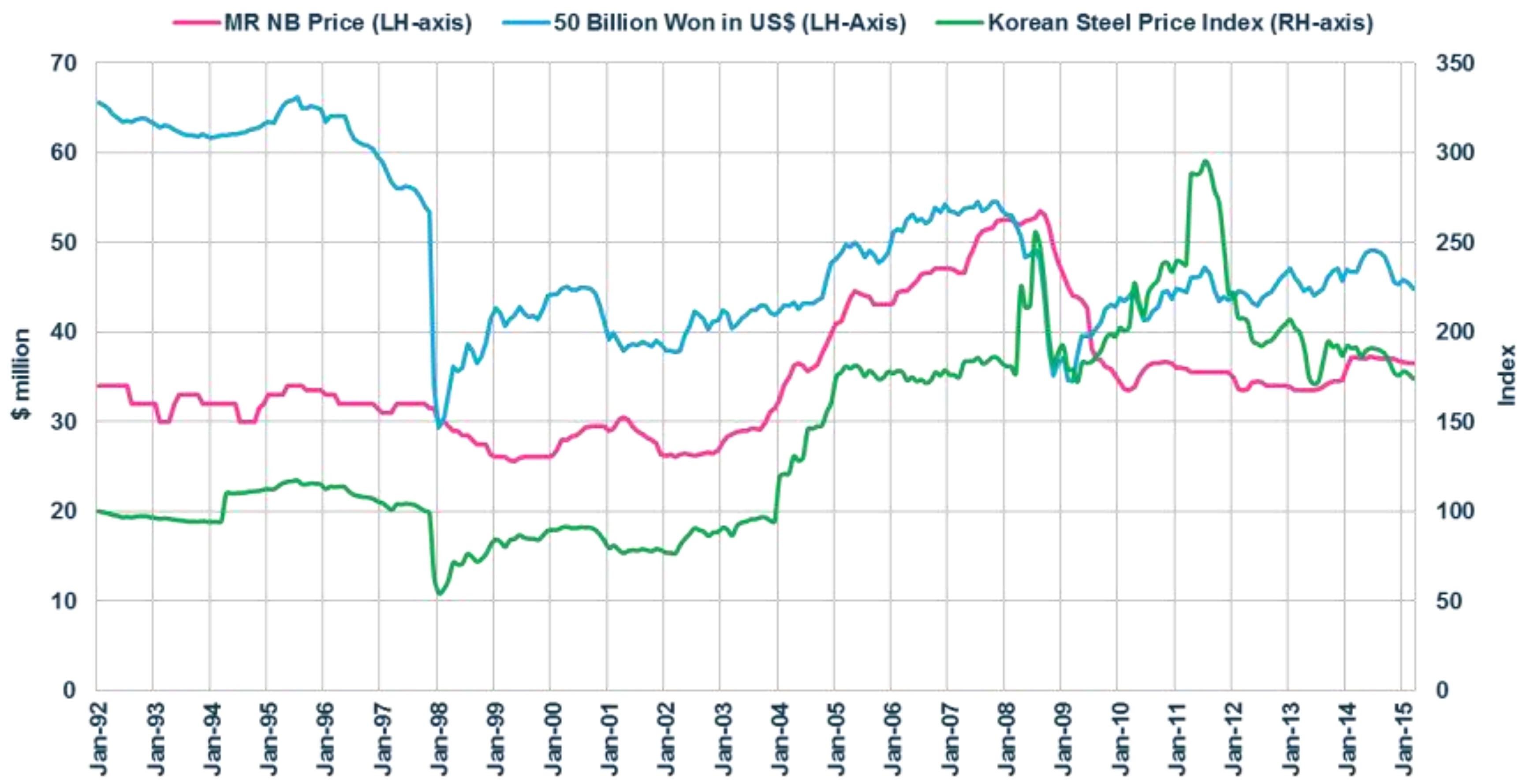
Upcoming Regulations

- Ballast water treatment (US)
- Ballast water treatment (IMO)
- Common Structural Rules Harmonisation
- NOx Tier III

Data source: Clarksons

Newbuilding Dynamics vs. MR NB Price



Data source: Clarksons/TEX/Asiasis/Reuters

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Thank You

Impact of New Oil Market on Product Cargo Movements

Ardmore Shipping

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Example Houston

ASC LISTED NYSE

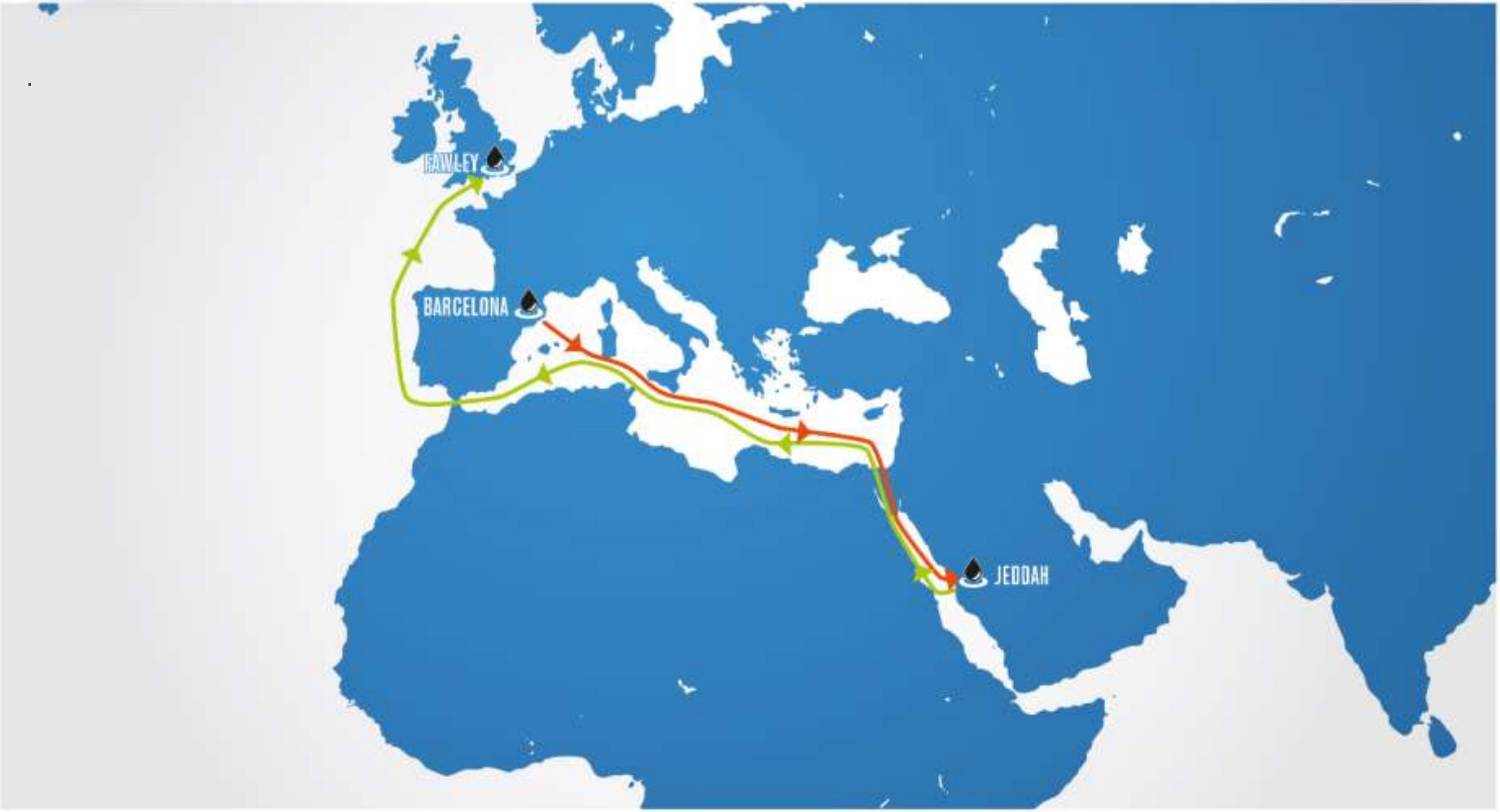
Example Houston – Regional Markets

Example Houston – Superregional Markets

Example Houston – Global Markets

Opportunistic Oil Trading is Expanding Tonne-Miles

Volatility Is Creating Zero Ballast Trades



Increasingly Complex and Time-Consuming Trading

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Port Congestion

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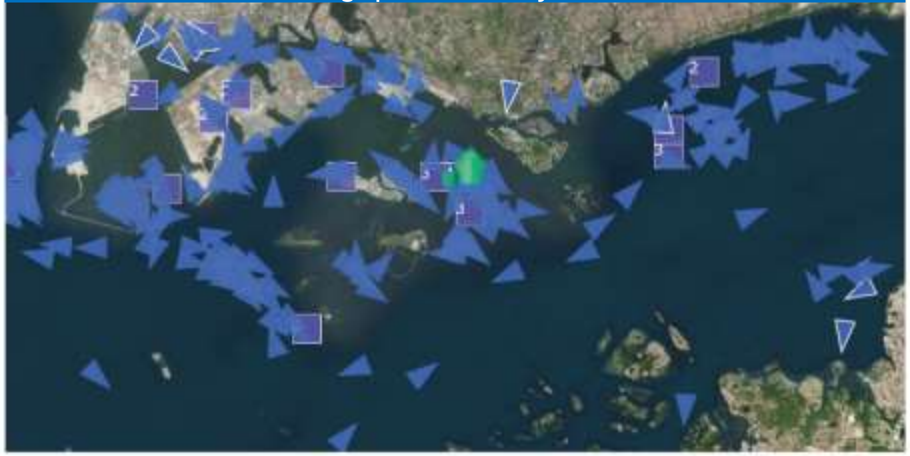
Amsterdam 07-May-2015

Buenos Aires 07-May-2015

Houston 07-May-2015

Singapore 07-May-2015



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Closing Remarks

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Key Takeaways

Why Invest In Ardmore?

- Fundamentals continue to drive underlying demand growth on a long-term basis
- New oil market is creating sustained price volatility, increased volumes and port congestion, adding a new layer of demand for MR tankers
- Our newbuilding program is nearing completion: 18 vessels in operation generating cash-flow, with remaining vessels to be delivered by end of 2015, and resulting in 70% increase in revenue days this year
- Current earnings at an annualized equivalent of $1.47 / share on a fully delivered basis
- Significant earnings upside to improving charter rates: Every $1,000 increase in charter rates adds 34 cents(2) in earnings and cash-flow
- Fully funded with conservative balance sheet leverage and transparent structure
- Focused on building shareholder value and returning capital: dividend yield of 3.2%(3)

1. Average age at December 31, 2015
2. Realized across a fully delivered fleet of 24 ships
3. Based on closing share price on May 15, 2015 of $12.53

Q&A