

StealthGas Inc.
Form 6-K
February 28, 2008

**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 month of February 2008.

Commission File Number **000-51559**

STEALTHGAS INC.

(Translation of registrant's name into English)

331 Kifissias Avenue Erithrea 14561 Athens, Greece
(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): _____

Edgar Filing: StealthGas Inc. - Form 6-K

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): _____

Indicate by check mark whether the registrant by furnishing the information contained in the Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached hereto as Exhibit 1 is a copy of the release issued by StealthGas Inc. on February 20, 2008.

STEALTHGAS INC. REPORTS FOURTH QUARTER AND FULL-YEAR

2007 RESULTS AND ANNOUNCES QUARTERLY CASH DIVIDEND OF

\$0.1875 PER COMMON SHARE

ATHENS, GREECE, February 20, 2008. STEALTHGAS INC. (NASDAQ: GASS), a ship-owning company serving the liquefied petroleum gas (LPG) sector of the international shipping industry, announced today its unaudited financial and operating results for the three and twelve months ended December 31, 2007.

Fourth Quarter 2007 Results:

For the fourth quarter of 2007, voyage revenues amounted to \$26.1 million and net income was \$6.2 million, an increase of \$5.7 million, or 27.9%, and an increase of \$1.4 million, or 29.2%, respectively, from voyage revenues of \$20.4 million and net income of \$4.8 million for the fourth quarter of 2006.

Basic and diluted earnings per share calculated on 22,114,105 basic weighted average number of shares and 22,169,235 diluted weighted average number of shares were \$0.28 for the fourth quarter of 2007 as compared to basic and diluted earnings per share of \$0.33, calculated on 14,400,000 basic and diluted weighted average number of shares for the fourth quarter of 2006.

Adjusted EBITDA for the fourth quarter of 2007 was \$12.0 million, an increase of \$1.8 million, or 17.6%, from \$10.2 million for the same period of 2006. A reconciliation of Adjusted EBITDA to Net Income and to Net Cash provided by operating activities is set forth below.

For the fourth quarter of 2007, the Company reported a non-cash expense of \$1.5 million, which includes an unrealized, non-cash loss of approximately \$1.2 million on four previously disclosed interest rate swap arrangements and a provision of approximately \$0.3 million for restricted-stock portion of deferred stock-based compensation for the Company's employees and directors. This compares to an approximately \$0.028 million unrealized non-cash loss on three previously disclosed interest rate swap arrangements for the fourth quarter of 2006. Excluding these non-cash items, net income would have been \$7.7 million, or \$0.35 per share, basic and diluted for the fourth quarter 2007 as compared to \$4.8 million, or \$0.33 per share, basic and diluted for the fourth quarter of 2006.

An average of 37.5 vessels were owned by the Company in the fourth quarter of 2007, earning an average time-charter equivalent rate of approximately \$7,214 per day as compared to 28.0 vessels, earning an average time-charter equivalent rate of \$7,323 per day for the same period of 2006.

Full-Year 2007 Results:

For the twelve months ended December 31, 2007, voyage revenues amounted to \$90.0 million and net income was \$22.5 million, an increase of \$16.7 million, or 22.8%, and an increase of \$4.0 million, or 21.6%, respectively, from voyage revenues of \$73.3 million and net income of \$18.5 million for the twelve months ended December 31, 2006.

Basic and diluted earnings per share calculated on 17,900,576 basic weighted average number of shares and 17,943,346 diluted weighted average number of shares were \$1.26 for the twelve

months ended December 31, 2007 as compared to basic and diluted earnings per share of \$1.31, calculated on 14,161,096 basic and diluted weighted average number of shares for the twelve months ended December 31, 2006.

Adjusted EBITDA for the twelve months ended December 31, 2007 was \$45.7 million, an increase of \$8.9 million, or 24.3%, from \$36.7 million for the same period of 2006. A reconciliation of Adjusted EBITDA to Net Income and to Net Cash provided by operating activities is set forth below.

For the twelve months ended December 31, 2007, the Company reported a non-cash expense of \$3.9 million, which includes an unrealized, non-cash loss of \$2.6 million on four previously disclosed interest rate swap arrangements and approximately \$1.3 million of share-based compensation expense related to restricted share awards granted to the Company's employees and directors during the twelve months ended December 31, 2007 as compared to 2006, where the Company reported a non-cash loss of \$0.2 million on four previously disclosed interest rate swap arrangements. Excluding these non-cash items, net income would have been \$26.4 million, or \$1.47 per share, basic and diluted for the twelve months ended December 31, 2007, as compared to \$18.7 million, or \$1.32 per share, basic and diluted for the twelve months ended December 31, 2006.

An average of 32.8 vessels were owned by the Company in the twelve months ended December 31, 2007, earning an average time-charter equivalent rate of approximately \$7,129 per day as compared to 25.9 vessels earning an average time-charter equivalent rate of \$7,174 per day for 2006.

CEO Harry Vafias commented

We are very pleased to report another very solid quarter in terms of financial performance and to highlight once again the sound financial base upon which the Company is being developed.

The fourth quarter saw us continue to expand our fleet of handy size LPG carriers thus continuing our policy of being the market leader in this sector which continues to have extremely strong fundamentals over the next two to three years. We also took the decision to deploy a limited amount of the capital we raised last July in the accretive acquisition of two new product carriers which are being deployed on long term secure bare boat charters thus ensuring their steady contribution to earnings over the next seven years. However as can be evidenced by our ongoing financial structure this limited use of equity in these two vessels in no way hinders our ability to continue to expand our presence in our core sector something I am confident we will continue to achieve during 2008 and beyond.

Overall I am pleased to report continued increases in revenue, EBITDA and net income both in the fourth quarter and for 2007 as a whole, where revenues grew by 22.8%, operating profit was up by 28.8% and net income increased from \$18.5 million to \$22.5 million.

Finally with some 90% of our fleet fixed on period charter for the remainder of 2008, several of which vessels we announced during last year would commence or recommence much improved charter rates during this year, we look forward with confidence not only to continuing to expand the business during 2008, but we expect to achieve further attractive growth in our financial performance during this time.

CFO Andrew Simmons commented.

We remain well placed financially to continue upon the growth path embarked upon by the Company when it went public in October 2005. With our existing cash resources, as well as the expected improved cash generation by the Company in 2008, along with our low level of gearing, with net debt to capitalization standing at just 23.3% at the end of last year, we are well positioned to facilitate the expansion of the business we expect to achieve during 2008 and beyond, something to date we have more than adequately demonstrated we are able to achieve while at the same time

maintaining a very sound financial structure, backed up by a secure and transparent earnings stream.

3

Quarterly Dividend:

At today's meeting, the Company's Board of Directors declared a quarterly cash dividend of \$0.1875 per common share, payable on March 6, 2008 to shareholders of record on February 29, 2008.

This is the ninth consecutive quarterly dividend since the company went public in October 2005. Since then, the Company has declared quarterly dividends aggregating \$1.6875 per common share.

Fleet Developments:

During the fourth quarter of 2007, the Company took delivery of two LPG Carriers it had previously agreed to acquire, the M/V Gas Sophie on October 15, 2007, and the M/V Gas Haralambos on October 30, 2007, expanding its fleet to 38 vessels, with an aggregate carrying capacity of 164,429 cubic meters (cbm).

The M/V Gas Sophie is a 1995 built, 3,500 cbm Fully Pressurized (F.P.) LPG carrier. Upon its delivery, it was deployed on time charter for 12 months to an international gas trader.

The M/V Gas Haralambos is a 2007 built, 7,000 cbm Fully Pressurized (F.P.) LPG carrier. Upon its delivery, it was deployed on a 2 year time charter to a major international commodity trader.

As previously announced, the Company has an agreement to acquire an additional LPG carrier, the M/V Gas Premiership, a 2001 built, 7,200 cbm, Fully Pressurized (F.P) vessel with expected delivery in February 2008. Once this acquisition is complete, and following the sales of the three vessels described below, the Company's fleet will be composed of 36 LPG carriers with an aggregate carrying capacity of 160,286 cbm.

On November 19, 2007, the Company announced that it reached an agreement to sell to an unaffiliated entity on an en bloc basis the M/V Gas Oracle, the M/V Gas Renovatio and the M/V Gas Nemesis. The aggregate sale price of these vessels was \$27.3 million. On January 28, 2008 the Gas Oracle was delivered to her new owners and on January 29, 2008, the Gas Nemesis was delivered to her new owners. Delivery of the Gas Renovatio to her new owners is expected by the end of February 2008.

On December 6, 2007, the Company announced that it had agreed to acquire from an unaffiliated entity two new 47,000 deadweight M.R. type product tankers ex- yard for delivery in 2008. The first of these vessels the Navig8 Fidelity was delivered to the Company on January 9, 2008 while the second the Navig8 Faith is scheduled for delivery on February 21, 2008.

Fleet Profile and Fleet Deployment:

The table below show the Company s fleet development and deployment as of today:

LPG Carrier Fleet

Vessel

**Vessel
Size
(cbm)**

**Vessel
Type**

**Year
Built**

**Delivered
To GASS**

**Employment
Status**

**Charter
Expiration(1)**

CURRENT FLEET

Gas Cathar

7,517

F.P.

2001

Oct-05

Time Charter

Aug-08

Gas Haralambos

7,000

F.P.

2007

Oct-07

Time Charter

Oct-09

Gas Marathon

6,572

F.P.

1995

Nov-05

Bareboat

Oct-09

Gas Chios (2)

6,562

F.P.

1991

Oct-05

Time Charter

Mar-10

Gas Amazon

6,526

F.P.

1992

May-05

Time Charter

Nov -08

Gas Flawless

6,300

F.P.

2007

Feb-07

Time Charter

Feb-09

Gas Monarch

5,018

F.P.

1997

Dec-05

Bareboat

Jun-10

Lyne (3)

5,014

F.P.

1996

May-06

Bareboat

May-09

Gas Emperor (4)

5,013

F.P.

1995

Feb-05

Time Charter

Jun-08

Birgit Kosan

5,012

F.P.

1995

Apr-05

Bareboat

Oct-11

Catterick (5)

5,001

F.P

1995

Nov-05

Time Charter

Jan-09

Sir Ivor (6)

5,000

F.P.

2003

May-06

Bareboat

May-09

Gas Icon (7)

5,000

F.P.

1994

Jun-07

Time Charter

Jul-10

Gas Kalogeros (8)

5,000

F.P.

2007

Jul-07

Time Charter

Apr-10

Gas Sincerity (9)

4,123

F.P.

2000

Nov-05

Time Charter

Jul-09

Gas Spirit (10)

4,112

F.P.

2001

Dec-05

Time Charter

Jun-10

Gas Zael (11)

4,111

F.P.

2001

Dec-05

Time Charter

Mar-09

Gas Courchevel

4,109

S.R.

1991

Nov-04

Time Charter

Mar-08

Gas Prophet (12)

3,556

F.P.

1996

Oct-04

Bareboat

Sep-09

Gas Shanghai (13)

3,526

F.P.

1999

Dec-04

Time Charter

Sep-09

Sea Bird II

3,518

F.P.

1996

May-07

Bareboat

May-09

Gas Evoluzione

3,517

F.P.

1996

Jul-07

Time Charter

Aug-08

Gas Czar (14)

3,510

F.P.

1995

Feb-06

Time Charter

Dec-08

Gas Sophie

3,500

F.P.

1995

Oct-07

Time Charter

Oct-08

Gas Legacy (15)

3,500

F.P.

1998

Oct-05

Time Charter

Apr-10

Gas Fortune (16)

3,500

F.P.

1995

Feb-06

Time Charter

Dec-08

Gas Eternity (17)

3,500

F.P.

1998

Mar-06

Bareboat

Apr-10

Gas Sikousis (18)

3,500

F.P.

2006

Aug-07

Time Charter

May-09

Gas Artic

3,434

S.R.

1992

Apr-05

Bareboat

Apr-09

Gas Ice (19)

3,434

S.R.

1991

Apr-05

Bareboat

Apr-11

Gas Renovatio (20) (23)

3,313

F.P.

1997

May-07

Time Charter

Jan-09

Chiltern

3,312

F.P.

1997

Jun-07

Bareboat

Apr-08

Batangas

3,244

F.P.

1995

Jun-06

Bareboat

Jul-08

Gas Crystal

3,211

S.R.

1990

Nov-05

Time Charter

Jul-08

Gas Prodigy (21)

3,014

F.P.

1995

Oct-05

Time Charter

Dec-08

Gas Tiny

1,320

S.R.

1991

Oct-04

Time Charter

Oct-09

**FLEET TOTAL:
36 VESSELS**

156,399 cbm

Additional Vessels (with expected delivery date)

Gas Premiership (22)

7,200

F.P.

2001

Feb-08

Time Charter

Feb-12

**TOTAL LPG CARRIERS FLEET:
37 VESSELS**

163,699 cbm

5

Product Tanker Fleet

Vessel

**Vessel
Size
(dwt)**

**Vessel
Type**

**Year
Built**

**Delivered
To GASS**

**Employment
Status**

**Charter
Expiration(1)**

Navig8 Fidelity

47,000

MR Product Tanker

2008

Jan-08

Bareboat

Jan-15

Navig8 Faith

47,000

MR Product Tanker

2008

Feb-08

Bareboat

Feb-15

**TOTAL MR PRODUCT TANKER FLEET:
2 VESSELS**

94,000 dwt

Grand Total: 39 Vessels

F.P.: Fully-Pressurized

S.R.: Semi-Refrigerated

M.R.: Medium Range

(1)

Earliest date charters could expire. Most charters include options to shorten or extend their term.

(2)

Gas Chios is currently employed under a time charter expiring in March 2008, which has been extended until March 2010.

(3)

Lyne is employed under a bareboat charter until May 2009. Thereafter, at the charterer's option, the bareboat charter can be extended for an additional year.

(4)

Gas Emperor is currently employed under a time charter until June 2008, Thereafter she will be employed under a new 4 year time charter to a major international gas operator until June 2012.

(5)

Catterick is currently employed under a time charter with an initial term expiring in January 2008, which has been extended to January 2009.

(6)

Sir Ivor is employed under a bareboat charter until May 2009. Thereafter, at the charterer's option, the bareboat charter can be extended for an additional year.

(7)

Gas Icon is currently employed under a time charter with an initial term expiring in July 2008, which has been extended for two years until July 2010.

(8)

Gas Kalogeros is currently employed under a time charter until May 2008, which has been extended to April 2010.

(9)

Gas Sincerity is currently employed under a time charter until July 2008, which has been extended to July 2009.

(10)

Gas Spirit is currently employed under a time charter until June 2008, which has been extended to June 2010.

(11)

Gas Zael is currently employed under a time charter until March 2008, which has been extended to March 2009.

(12)

Gas Prophet has for the three year duration of bareboat charter been renamed the *M.T. Ming Long*.

(13)

Gas Shanghai is currently employed under a time charter until September 2008, which has been extended until September 2009.

(14)

Gas Czar is currently employed under a time charter until December 2007. Thereafter, she will be employed under a new time charter until December 2008.

(15)

Gas Legacy is currently employed under a time charter until April 2008, which has been extended for two years until April 2010.

(16)

Gas Fortune is currently employed under a time charter expiring in December 2007, which has been extended until December 2008.

(17)

Gas Eternity has for the duration of bareboat charter been renamed the *M.T. Yu Tian 9*.

(18)

Gas Sikousis is currently employed under a time charter until May 2009. Thereafter, at the charterer option, the time charter can be extended for two one-year periods, the first one to be negotiated in May 2009.

(19)

Gas Ice is currently employed under a bareboat charter until April 2008. Thereafter, she will be employed under a new three year bareboat charter, until April 2011.

(20)

Gas Renovatio is currently employed under a time charter until January 2008, which has been extended for twelve months until January 2009.

(21)

Gas Prodigy is currently employed under a time charter expiring in December 2007, which has been extended until December 2008.

(22)

Gas Premiership will commence a four year charter upon expected delivery in February 2008 expiring in February 2012.

(23) *Gas Renovatio* is contracted to be sold for delivery with her current charter attached during January, 2008.

6

Fleet Data:

The following key indicators highlight the Company's operating performance during the fourth quarters ended December 31, 2007 and December 31, 2006.

FLEET DATA

Q4 2007

Q4 2006

Average number of vessels (1)

37.5

28.0

Period end number of vessels in fleet

38.0

28.0

Total calendar days for fleet (2)

3,453

2,576

Total voyage days for fleet (3)

3,404

2,564

Fleet utilization (4)

98.6

%

99.5

%

Total charter days for fleet (5)

3,238

2,281

Total spot market days for fleet (6)

166

283

AVERAGE DAILY RESULTS

Q4 2007

Q4 2006

Time Charter Equivalent TCE (7)

\$

7,214

\$

7,323

Vessel operating expenses (8)

2,313

2,113

Management fees

343

320

General and administrative expenses

414

568

Total operating expenses (9)

2,727

2,682

The following key indicators highlight the Company's operating performance during the twelve months ended December 31, 2007 and December 31, 2006.

FLEET DATA

12M 2007

12M 2006

Average number of vessels (1)

32.8

25.9

Period end number of vessels in fleet

38.0

28.0

Total calendar days for fleet (2)

11,986

9,451

Total voyage days for fleet (3)

11,871

9,346

Fleet utilization (4)

99.0

%

98.9

%

Total charter days for fleet (5)

11,170

8,209

Total spot market days for fleet (6)

701

1,137

AVERAGE DAILY RESULTS

12M 2007

12M 2006

Time Charter Equivalent TCE (7)

\$

7,129

\$

7,174

Vessel operating expenses (8)

2,122

2,061

Management fees

344

325

General and administrative expenses

419

366

Total operating expenses (9)

2,541

2,426

1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the sum of the number of days each vessel was a part of our fleet during the period divided by the number of calendar days in that period.

2) Total calendar days are the total days the vessels were in our possession for the relevant period including off-hire days associated with major repairs, drydockings or special or intermediate surveys.

3) Total voyage days for fleet reflect the total days the vessels were in our possession for the relevant period net of off-hire days associated with major repairs, drydockings or special or intermediate surveys.

4) Fleet utilization is the percentage of time that our vessels were available for revenue generating voyage days, and is determined by dividing voyage days by fleet calendar days for the relevant period.

5) Total time charter days for fleet are the number of voyage days the vessels in our fleet operated on time charters for the relevant period.

6) Total spot market charter days for fleet are the number of voyage days the vessels in our fleet operated on spot market charters for the relevant period.

7) Time charter equivalent, or TCE, is a measure of the average daily revenue performance of a vessel on a per voyage basis. Our method of calculating TCE is consistent with industry standards and is determined by dividing voyage revenues (net of voyage expenses) by voyage days for the relevant time period. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract, as well as commissions. TCE is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance despite changes in the mix of charter types (i.e., spot charters, time charters and bareboat charters) under which the vessels may be employed between the periods.

8) Vessel operating expenses, which include crew costs, provisions, deck and engine stores, lubricating oil, insurance, maintenance and repairs is calculated by dividing vessel operating expenses by fleet calendar days for the relevant time period.

9) Total operating expenses, or TOE, is a measurement of our total expenses associated with operating our vessels. TOE is the sum of vessel operating expenses and general and administrative expenses. Daily TOE is calculated by dividing TOE by fleet calendar days for the relevant time period.

Adjusted EBITDA Reconciliation:

Adjusted EBITDA represents net earnings before interest, taxes, depreciation, amortization and amortization of fair value of acquired time charters. Adjusted EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by the United States generally accepted accounting principles, and our calculation of Adjusted EBITDA may not be comparable to that reported by other companies in the shipping or other industries.

Adjusted EBITDA is included herein because it is a basis upon which we assess our financial performance and liquidity position and because we believe that it presents useful information to investors regarding a company's ability to service and/or incur indebtedness.

Adjusted EBITDA reconciliation for the quarters ended December 31, 2007 and December 31, 2006:

(figures in US \$)

Q4 2007

Q4 2006

Net Cash Provided By Operating Activities

\$

19,445,999

\$

5,978,537

Net increase in current assets, excluding cash

708,520

612,443

Net decrease / (increase) in current liabilities, excluding short-term portion of long term debt.

(8,411,100

)

1,652,483

Interest income

(684,741

)

(226,324

)

Interest and finance costs, net

2,422,868

2,239,484

Amortization of finance fees

(16,675

)

(8,829

)

Share based compensation

(334,363

)

Change in fair value of derivatives

(1,123,653

)

(28,777

)

Adjusted EBITDA

\$

12,006,855

\$

10,219,017

(figures in US \$)

Q4 2007

Q4 2006

Net Income

\$

6,226,442

\$

4,817,976

Plus interest and finance costs

2,422,868

2,239,484

Less Interest income

(684,741

)

(226,324

)

Plus Depreciation

4,614,070

3,607,787

Plus Amortization of fair value of acquired time charters

(571,784

)

(219,906

)

Adjusted EBITDA

\$

12,006,855

\$

10,219,017

Adjusted EBITDA reconciliation for the twelve months ended December 31, 2007 and December 31, 2006:

(figures in US \$)

12M 2007

12M 2006

Net Cash Provided By Operating Activities

\$

47,704,497

\$

33,224,984

Net increase in current assets, excluding cash

1,310,711

1,993,989

Net (increase) in current liabilities, excluding short-term portion of long term debt.

(7,334,112

)

(5,364,946

)

Interest income

(1,888,070

)

(735,090

)

Interest and finance costs

9,831,404

7,705,602

Amortization of finance fees

(74,708

)

(46,080

)

Net income of vessel acquired from the Vafias Group

99,870

Share based compensation

(1,324,743

)

Change in fair value of derivatives

(2,573,992

)

(192,664

)

Adjusted EBITDA

\$

45,650,987

\$

36,685,665

(figures in US \$)

12M 2007

12M 2006

Net Income

\$

22,538,107

\$

18,492,509

Plus interest and finance costs

9,831,404

7,705,602

Less Interest income

(1,888,070

)

(735,090

)

Plus depreciation

16,546,692

13,058,316

Plus Amortization of fair value of acquired time charters

(1,377,146

)

(1,835,672

)

Adjusted EBITDA

\$

45,650,987

\$

36,685,665

Conference Call details:

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1888 935 4577 (US Toll Free Dial In) or 0800 028 1243 (UK Toll Free Dial In). Please quote STEALTHGAS .

In case of any problems with the above numbers, please dial +1 718 354 1385 (US Toll Dial In), or +44 (0)20 7806 1950 (Standard International Dial In). Please quote STEALTHGAS .

A telephonic replay of the conference call will be available until February 27, 2008 by dialing 1866 239 0765 (US Toll Free Dial In), 0800 559 3271 (UK Toll Free Dial In) or +44 (0)20 7806 1970 (Standard International Dial In). Access Code: 4307550#

Slides and audio webcast:

There will also be a live -and then archived webcast of the conference call, through the STEALTHGAS INC. website (www.stealthgas.com). Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

STEALTHGAS INC.

Condensed Unaudited Consolidated Statement of Income

(Expressed in United States Dollars)

**Three Months Ended
December 31,**

**Year Ended
December 31,**

2006

2007

2006

2007

Revenues

Voyage revenues

\$

20,424,199

\$

26,129,276

\$

73,259,369

\$

89,995,123

Expenses

Voyage expenses

1,648,840

1,571,873

6,213,804

5,369,546

Vessels operating expenses

5,444,135

7,986,348

19,474,344

25,435,578

Dry-docking costs

545,455

197,388

2,243,395

314,181

Management fees

824,896

1,182,900

3,068,609

4,126,610

General and administrative expenses

1,464,036

1,428,551

3,457,688

5,024,912

Depreciation

3,607,787

4,614,070

13,058,316

16,546,692

Total expenses

13,535,149

16,981,130

47,516,156

56,817,519

Income from operations

6,889,050

9,148,146

25,743,213

33,177,604

Other income and (expenses)

Interest and finance costs

(2,239,484

)

(2,422,868

)

(7,705,602

)

(9,831,404

)

Change in fair value of derivatives

(28,777

)

(1,123,653

)

(192,664

)

(2,573,992

)

Interest income

226,324

684,741

735,090

1,888,070

Foreign exchange loss

(29,137

)

(59,924

)

(87,528

)

(122,171

)

Other expenses, net

(2,071,074

)

(2,921,704

)

(7,250,704

)

(10,639,497

)

Net income

\$

4,817,976

\$

6,226,442

\$

18,492,509

\$

22,538,107

Earnings per share

- Basic

\$

0.33

\$

0.28

\$

1.31

\$

1.26

- Diluted

\$

0.33

\$

0.28

\$

1.31

\$

1.26

Weighted average number of shares

-Basic

14,400,000

22,114,105

14,161,096

17,900,576

-Diluted

14,400,000

22,169,235

14,400,000

17,943,346

10

STEALTHGAS INC

Condensed Unaudited Consolidated Balance Sheets

(Expressed in United States Dollars)

December 31,

2006

2007

Assets

Current assets

Cash and cash equivalents

\$

11,146,871

\$

33,114,872

Trade receivables

1,096,645

2,349,275

Claim receivable

289,922

46,070

Inventories

746,874

836,365

Advances and prepayments

270,370

212,919

Fair value of above market acquired time charter

23,718

Restricted cash

4,317,338

7,727,272

Vessels held for sale

25,210,568

Total current assets

17,891,738

69,497,341

Non current assets

Advances for vessel acquisitions

3,483,750

12,450,000

Vessels, net

297,950,257

395,095,322

Restricted cash

200,000

Deferred finance charges, net of accumulated amortization of \$87,424 and \$162,132

279,576

350,663

Fair value of derivatives

368,119

Total non current assets

302,081,702

408,095,985

Total assets

\$

319,973,440

\$

477,593,326

Liabilities and Stockholders Equity

Current liabilities

Payable to related party

\$

2,198,456

\$

7,846,691

Trade accounts payable

2,049,456

3,406,421

Other accrued liabilities

4,681,488

3,928,028

Customer deposits

660,000

Deferred income

2,889,998

3,972,370

Current portion of long-term debt

16,149,600

18,219,156

Total current liabilities

28,628,998

37,372,666

Non current liabilities

Fair value of derivatives

404,021

3,288,989

Customer deposits

1,323,272

5,174,093

Fair value of below market acquired time charter

1,016,281

1,187,417

Long-term debt

124,798,640

127,539,373

Total non current liabilities

127,542,214

137,189,872

Total liabilities

\$

156,171,212

\$

174,562,538

Commitments and contingencies

Stockholders equity

Capital stock

5,000,000 preferred shares authorized and zero outstanding with a par value of \$0.01 per share
100,000,000 common shares authorized 14,400,000 in 2006 and 22,284,105 in 2007 shares issued and
outstanding with a par value of \$0.01 per share

144,000

222,841

Additional paid-in capital

150,607,621

281,612,867

Retained earnings

12,826,845

21,650,412

Accumulated other comprehensive income/(loss)

223,762

(455,332

)

Total stockholders' equity

163,802,228

303,030,788

Total liabilities and stockholders' equity

\$

319,973,440

\$

477,593,326

11

STEALTHGAS INC

Condensed Unaudited Consolidated Statements of Cash Flows

(Expressed in United States Dollars)

December 31,

2006

2007

Cash flows from operating activities

Net income for the year

\$

18,492,509

\$

22,538,107

Items included in net income not affecting cash flows:

Depreciation and amortization

13,104,396

16,621,400

Amortization of fair value of time charter

(1,835,672

)

(1,377,146

)

Net (income) of vessel acquired from the Vafias Group

(99,870

)

Share based compensation

1,324,743

Change in fair value of derivatives

192,664

2,573,992

Changes in operating assets and liabilities:

(Increase)/decrease in

Trade receivables

(1,083,315

)

(1,252,630

)

Claim receivable

(454,148

)

(26,041

)

Inventories

(347,250

)

(89,491

)

Advances and prepayments

(109,276

)

57,451

Increase/(decrease) in

Payable to related party

648,619

5,648,235

Trade accounts payable

1,064,459

1,356,965

Other accrued liabilities

3,046,448

(753,460

)

Deferred income

605,420

1,082,372

Net cash provided by operating activities

\$

33,224,984

\$

47,704,497

Cash flows from investing activities

Insurance proceeds

164,226

269,893

Advances for vessel acquisitions

(3,483,750

)

(12,450,000

)

(Increase) in restricted cash account

(2,683,135

)

(3,609,934

)

Acquisition of vessels

(78,279,709

)

(133,846,574

)

Net cash (used in) investing activities

\$

(84,282,368

)

\$

(149,636,615

)

Cash flows from financing activities

Capital stock

4,000

76,601

Additional paid-in capital

5,012,000

Follow-on offering

129,600,000

Underwriters over allotment option exercised

8,281,890

Issuance costs

(8,199,147

)

Deemed dividends

(287,500

)

Dividends paid

(10,650,000

)

(13,714,540

)

Deferred finance charges

(110,000

)

(145,795

)

Overdraft facility

(200,000

)

Customer deposits

1,983,272

3,190,821

Loan repayment

(57,187,760

)

(48,757,211

)

Proceeds from short-term bridge facility

26,500,000

Proceeds from long-term debt

100,430,000

27,067,500

Net cash provided by financing activities

\$

38,994,012

\$

123,900,119

Net (decrease)/increase in cash and cash equivalents

(12,063,372

)

21,968,001

Cash and cash equivalents at beginning of year

23,210,243

11,146,871

Cash and cash equivalents at end of period

\$

11,146,871

\$

33,114,872

Supplemental Cash Flow Information:

Cash paid during the period for interest

\$

5,968,892

\$

9,329,123

Non cash items:

Fair value of below market acquired time charter

1,982,000

1,572,000

12

About STEALTHGAS INC.

Headquartered in Athens, Greece, STEALTHGAS INC. is a ship-owning company principally serving the liquefied petroleum gas (LPG) sector of the international shipping industry. STEALTHGAS INC. currently has a fleet of 36 LPG carriers with a total capacity of 156,399 cubic meters (cbm). Upon the completion of one scheduled disposal by the end of February 2008 and the acquisition and the acquisition of an additional second-hand LPG carrier expected to be delivered in February 2008, STEALTHGAS INC. s fleet will be composed of 36 LPG carriers with a total capacity of 160,286 cbm. In addition, STEALTHGAS INC has entered into agreements to acquire two new M.R. type Product Carrier vessels of 47,000 tons deadweight each. One of these has already been delivered to the Company on January 2008 while the other is to be delivered to the Company at the end of February 2008.

STEALTHGAS Inc. s shares are listed on NASDAQ and trade under the symbol GASS.

Forward-Looking Statements

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management s examination of historical operating trends, data contained in our records and other data available from third parties. Although STEALTHGAS INC. believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, STEALTHGAS INC. cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charterhire rates and vessel values, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in STEALTHGAS INC. s operating expenses, including bunker prices, dry-docking and insurance costs, or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by STEALTHGAS INC. with the US Securities and Exchange Commission.

Visit our website at www.stealthgas.com

Company Contact:

Andrew J. Simmons

Chief Financial Officer

STEALTHGAS INC.

011-30-210-6250-001

E-mail: simmons@stealthgas.com

13

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.

Date: February 28, 2008

STEALTHGAS INC.

By:

/s/ Andrew J. Simmons

Name:

Andrew J. Simmons

Title:

Chief Financial Officer