

Second Quarter 2018 Earnings Presentation

July 27, 2018

Capital Product Partners L.P.



PRODUCT PARTNERS L.P.

www.capitalplp.com

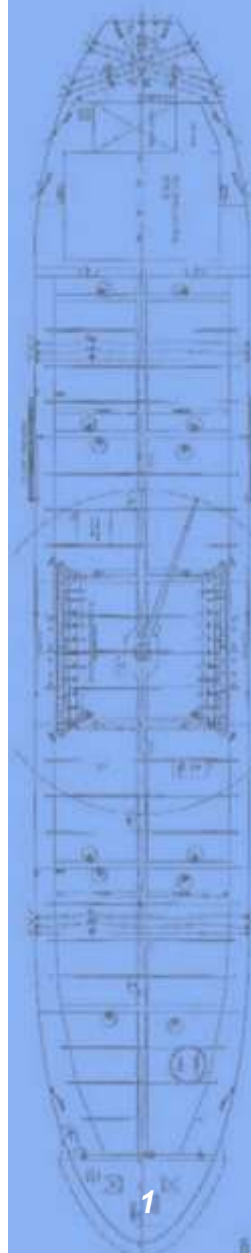
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Forward Looking Statements

This presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect CPLP management's current assumptions and expectations with respect to expected future events and performance. The statements in this presentation that are not historical facts, including, among other things, cash generation, future debt levels and repayment, assumed net book value, our ability to pursue growth opportunities, our expectations or objectives regarding future distribution amounts, distribution coverage, acquisitions, the capital reserve, future earnings, our expectations regarding employment of our vessels, redelivery dates and charter rates, fleet growth, market and charter rate expectations, may be forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). These forward-looking statements involve risks and uncertainties that could cause actual results to be materially different from those expressed or implied in the forward-looking statements.

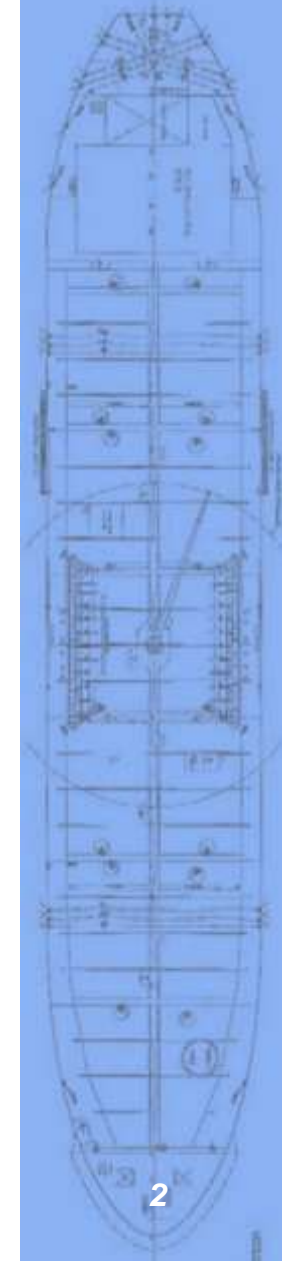
Factors that could cause actual results to be materially different include those set forth in the "Risk Factors" section of our annual report on Form 20-F filed with the U.S. Securities and Exchange Commission. Unless required by law, we expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, to conform them to actual results or otherwise. We assume no responsibility for the accuracy and completeness of the forward-looking statements. We make no prediction or statement about the performance of our units.

For more information about the Partnership, please visit our website:
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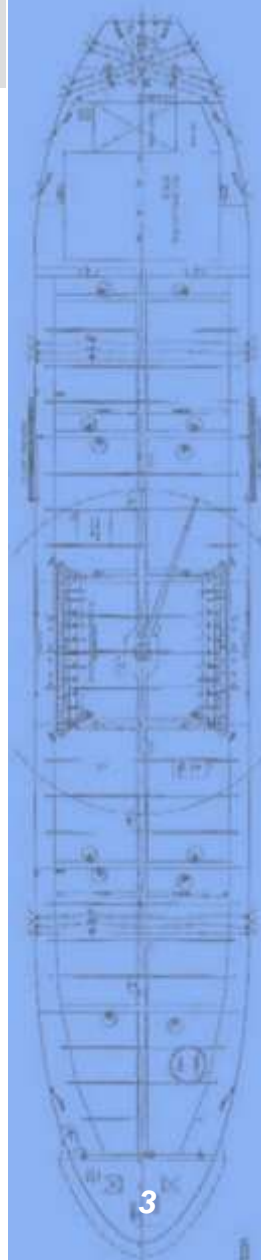
Second Quarter 2018 Highlights

- Cash distribution of \$0.08 per common unit and \$0.21375 per class B unit.
- Net income for 2Q2018: \$4.0 million.
- 0.9x common unit distribution coverage after the capital reserve and the Class B distributions.
- Completed the acquisition of the M/T 'Anikitos' for a total consideration of \$31.5 million and the sale of the M/T 'Aristotelis' for a price of \$29.4 million.
- Secured new time charter employment for eight of our product tankers.
- Average remaining charter duration at 4.6 years with 77% charter coverage for the remainder of 2018.



Statements Of Comprehensive Income

(\$ In Thousands)



	For the Three-Month Period Ended <u>June 30, 2018</u>	For the Three-Month Period Ended <u>June 30, 2017</u>
Revenues	\$60,959	\$49,856
Revenues – related party	4,583	12,205
Total Revenues	65,542	62,061
Expenses:		
Voyage expenses	9,419	3,537
Vessel operating expenses	22,291	19,139
Vessel operating expenses – related party	3,126	2,902
General and administrative expenses	1,464	1,540
Vessel depreciation and amortization	18,667	18,544
Operating income	10,575	16,399
Other income / (expense), net:		
Interest expense and finance cost	(7,209)	(6,709)
Interest and other income	661	129
Total other expense, net	(6,548)	(6,580)
Partnership's net income	\$4,027	\$9,819

Operating Surplus For Calculation Of Unit Distribution

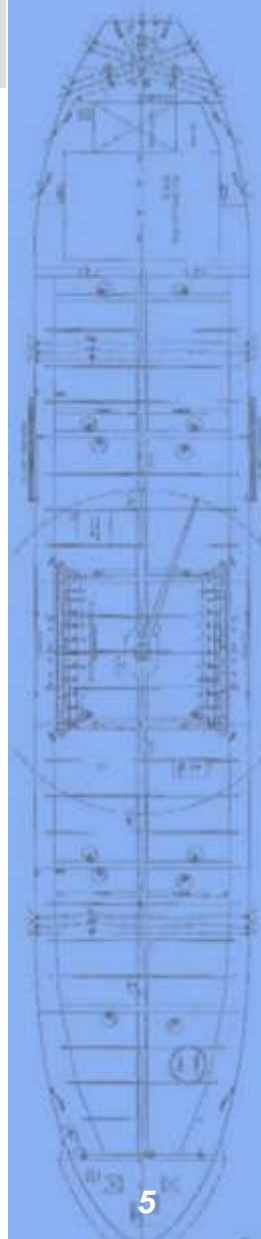
(\$ In Thousands)

	For the Three-Month Period Ended June 30, 2018		For the Three-Month Period Ended March 31, 2018	
Partnership's net income		\$4,027		\$5,260
Adjustments to net income				
Depreciation and amortization	19,462		18,954	
Amortization of above market acquired charters and straight line revenue adjustments	1,379		1,762	
OPERATING SURPLUS PRIOR TO CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION		\$24,868		\$25,976
Capital reserve		(13,208)		(13,208)
Class B preferred units distribution		(2,775)		(2,775)
OPERATING SURPLUS AFTER CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION		\$8,885		\$9,993
Decrease in recommended reserves		1,490		382
AVAILABLE CASH		\$10,375		\$10,375

Common Unit Coverage: 0.9x

Strong Balance Sheet

(\$ In Thousands)



	<u>As Of June 30, 2018</u>	<u>As Of December 31, 2017</u>
Assets		
Total Current Assets	55,158	105,457
Total Fixed Assets	1,304,172	1,265,196
Other Non-Current Assets	97,231	95,563
Total Assets	\$1,456,561	\$1,466,216
Liabilities and Partners' Capital		
Total Current Liabilities	\$118,658	\$123,071
Total Long-Term Liabilities	421,045	409,740
Total Partners' Capital	916,858	933,405
Total Liabilities and Partners' Capital	\$1,456,561	\$1,466,216


Low Leverage: Net Debt⁽¹⁾/Capitalization: 30.7%

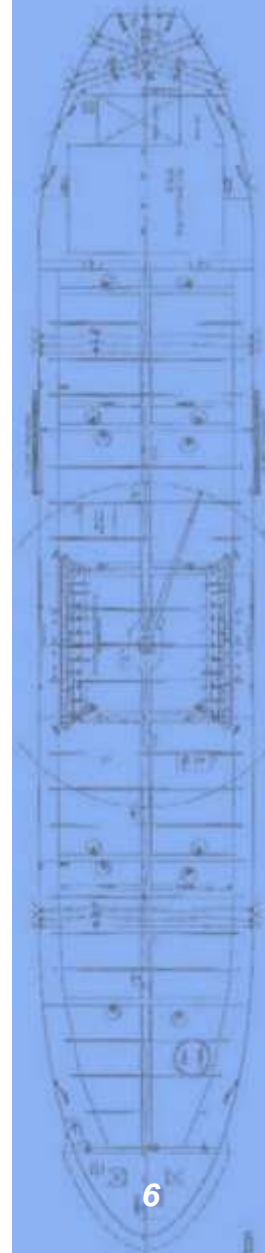
⁽¹⁾ Gross of deferred loan issuance costs

Acquisition of M/T 'Anikitos'

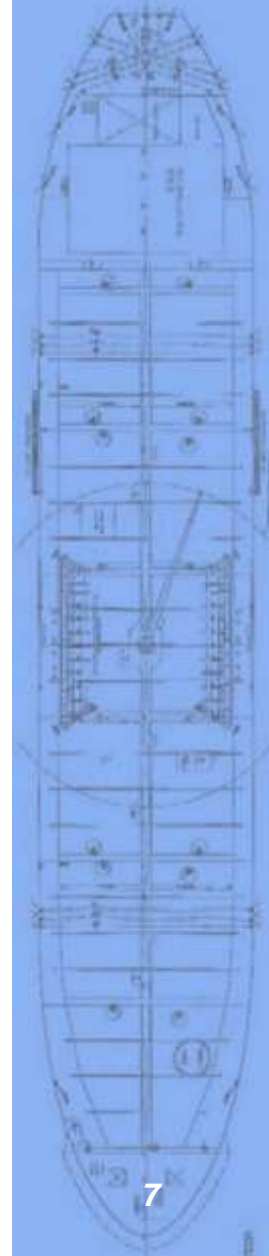
- Completed the acquisition of the M/T 'Anikitos' for a total consideration of \$31.5 million in May.
- The purchase price was funded through \$15.0 million in net proceeds received from the sale of the M/T 'Aristotelis' which was concluded in April.
- The remaining balance was financed by \$0.9 million in available cash and the assumption of \$15.6 million term loan under a credit facility with ING Bank NV.









ACQUISITION OF THE M/T 'ANIKITOS'

Vessel Name	Type	Capacity	Built	Yard	Dry-dock Due Date	Employment	Gross Rate (per day)	Charter Expiry	Acquisition Price
Anikitos	Eco IMO II/III Chemical/Product Tanker	50,082 Dwt	Jun-2016	Samsung, PRC	Jun-2021		\$15,300	Jun-2020	\$31.5 Million



Fleet Employment Update



Name	DWT	Built	Gross Rate (Per Day)	Employment	Duration
M/T Avax	47,834	2007	\$13,850		2 Years + 11 Months
M/T Axios	47,872	2007	\$13,850		2 Years + 11 Months
M/T Assos*	47,872	2006	\$13,850		2 Years + 11 Months
M/T Alexandros II	51,258	2008	\$14,700		2 Years + 11 Months
M/T Aristotelis II*	51,226	2008	\$14,700		2 Years + 11 Months
M/T Ayrton II*	51,260	2009	\$14,700		2 Years + 11 Months
M/T Aris II*	51,218	2008	\$14,700		2 Years + 11 Months
M/T Alkiviadis	36,721	2006	\$12,500		20 Months

* Subject to vetting approval.

Strong Charter Coverage

Charter Profile

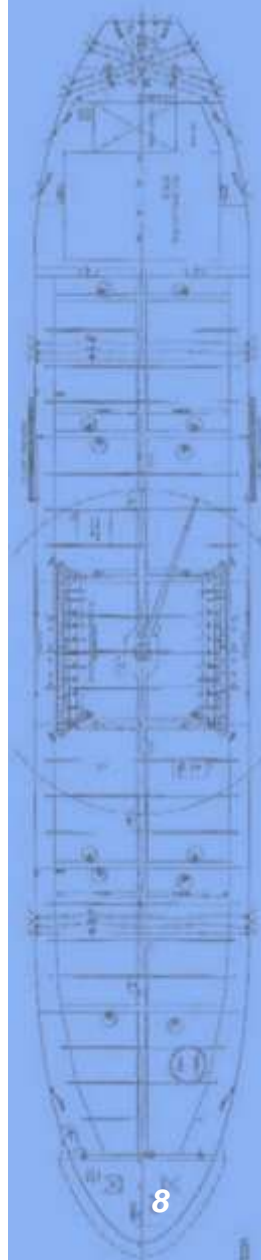
Expiry Of Current Charters

Rates

Vessel Type	Vessel Name	Jul-18	Jul-19	Jul-20	Jul-21	Gross Rate Per Day
Crude tanker	Amore Mio II					Spot
Product tanker	Amor					Spot
Crude tanker	Amoureux					Spot
Crude tanker	Aias					Spot
Product tanker	Arionas					\$10,750
Product tanker	Active					\$15,550
Product tanker	Aiolos					\$11,000 +50/50 PS
Product tanker	Atlantas II					\$11,000 +50/50 PS
Crude tanker	Miltiadis M II					\$18,000 +50/50 PS above \$22,000
Product tanker	Atrotos					\$17,750
Product tanker	Aktoras					\$13,500
Product tanker	Agisilaos					\$19,000
Product tanker	Apostolos					\$17,750
Product tanker	Anemos I					\$17,750
Product tanker	Akeraios					\$17,750
Containership	Agamemnon					\$20,000
Product tanker	Amadeus					\$14,500/\$14,750
Product tanker	Alkiviadis					\$12,500 ²
Containership	Archimidis					\$18,000
Containership	CMA CGM Amazon					\$39,250
Product tanker	Anikitos					\$15,300
Dry Bulk	Cape Agamemnon					\$42,200
Product tanker	Assos					\$13,850
Product tanker	Alexandros II					\$14,700
Product tanker	Ayrton II					\$14,700
Product tanker	Aristotelis II					\$14,700
Product tanker	Avax					\$13,850
Product tanker	Axios					\$13,850
Product tanker	Aris II					\$14,700
Containership	CMA CGM Uruguay					\$39,250
Containership	CMA CGM Magdalena					\$39,250
Crude tanker	Aristaios					\$26,400
Containership	Hyundai Prestige					\$29,350 ¹
Containership	Hyundai Premium					\$29,350 ¹
Containership	Hyundai Paramount					\$29,350 ¹
Containership	Hyundai Privilege					\$29,350 ¹
Containership	Hyundai Platinum					\$29,350 ¹

Revenue Weighted Average Remaining Charter Duration: 4.6 Years

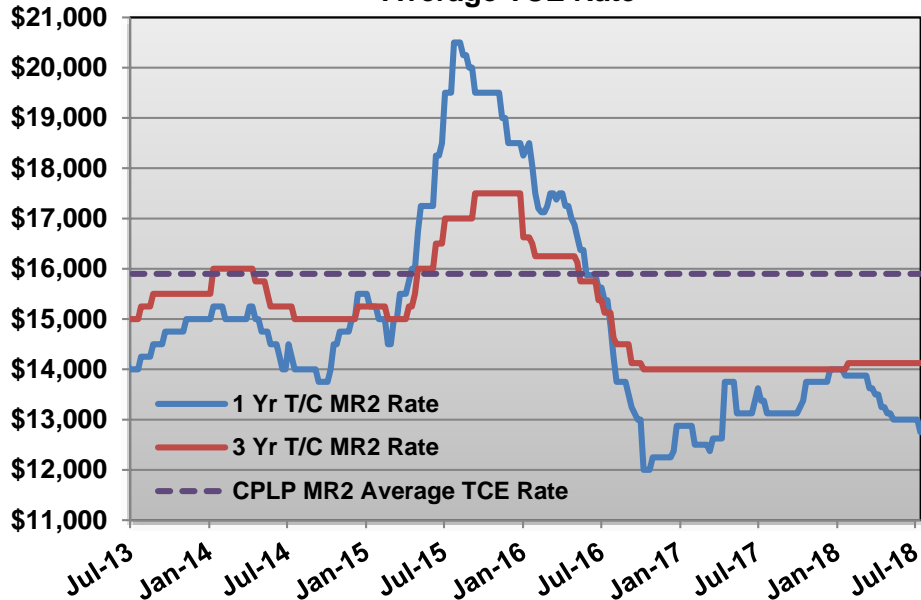
¹ \$23,480pd between July 18, 2016 to December 31, 2019. ² \$12,750pd through August 2018.



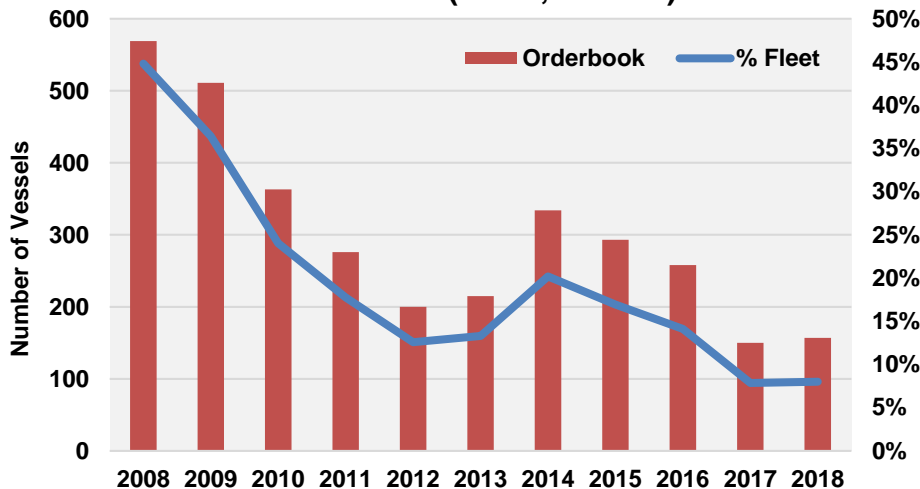
Product Tanker Market Overview

- Depressed MR spot charter rates during 2Q2018.
- Crude tanker newbuilds carrying clean cargoes on maiden voyages negatively affected demand.
- Strong growth in USAC gasoline imports offset by high tonnage supply.
- Robust period activity but rates were weaker compared to 1Q2018.
- Improving fundamentals to support the market going forward:
- Refinery capacity expansion East of Suez increasing tonne/miles.
- Orderbook for MR product tankers close to record low levels at 8.0% of total fleet.
- Reduction of product tanker newbuilding capacity.
- Slippage at 36% (1H2018).
- Product tanker dwt supply to grow by 1.5% in 2018 vs. demand growth of 2.6%.

1 & 3 Year MR2 Time Charter Rates vs. CPLP MR2 Average TCE Rate



MR Product Tankers (25-55,000 dwt) Orderbook

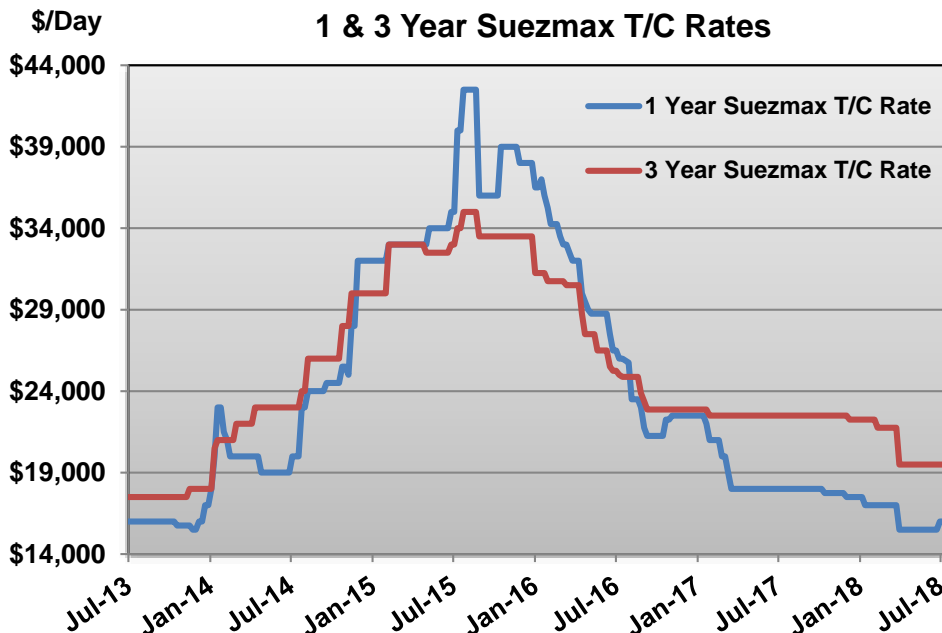


T/C Rates	10-Year Average
1-Year T/C MR Rate	\$14,894
3-Year T/C MR Rate	\$15,321

Source: Clarksons, EIA, IEA

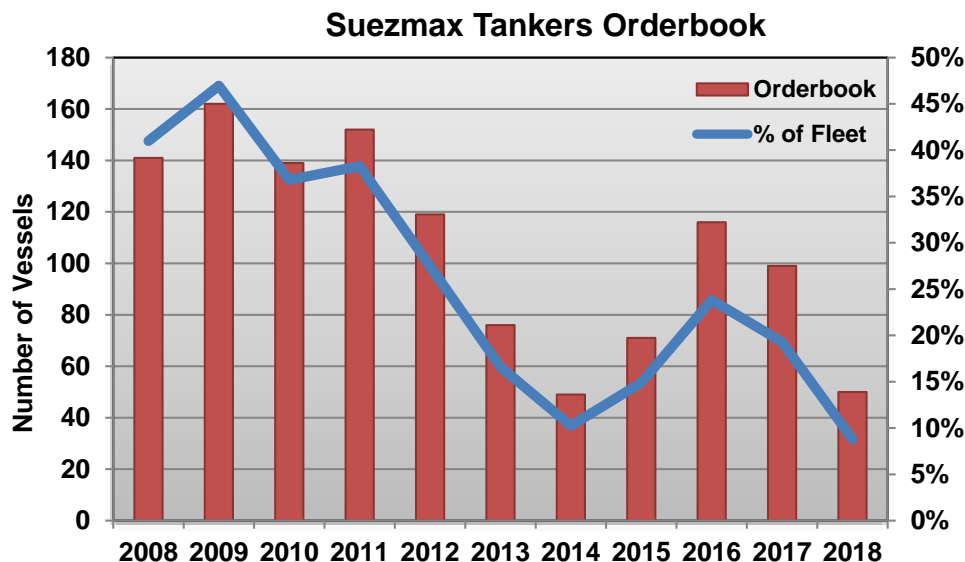
Suezmax Tanker Market Overview

- Suezmax spot rates improved in 2Q2018 but were overall close to historical low levels:
- Market remains oversupplied following record deliveries in 2017.
- Slower Chinese oil demand growth.
- Increasing U.S. crude oil exports partially ameliorated pressure on rates.
- Rates for period close to historical lows with little liquidity.
- World oil demand growth estimated at 1.4 mb/d for both 2018 and 2019.
- Suezmax tanker orderbook through 2021 corresponding to 8.8% of current fleet.
- No new orders placed in 1H2018.
- Strong demolition activity: 13 Suezmaxes scrapped in 1H2018.
- Suezmax tanker dwt demand forecast to grow by 3.5% in 2018.



Suezmax T/C Rates – 10 Year Average

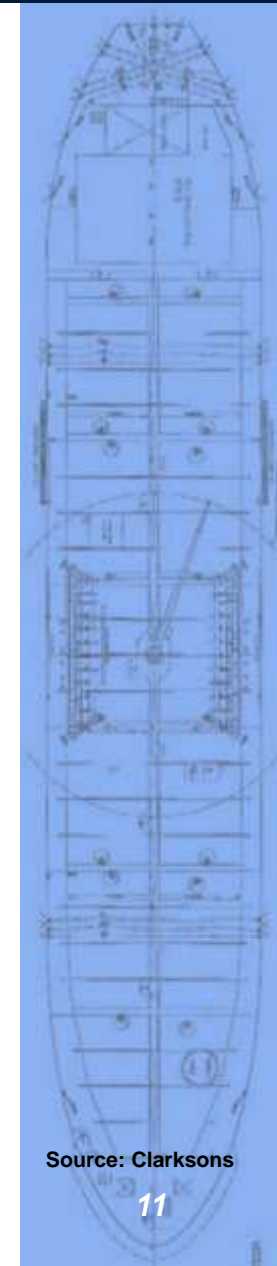
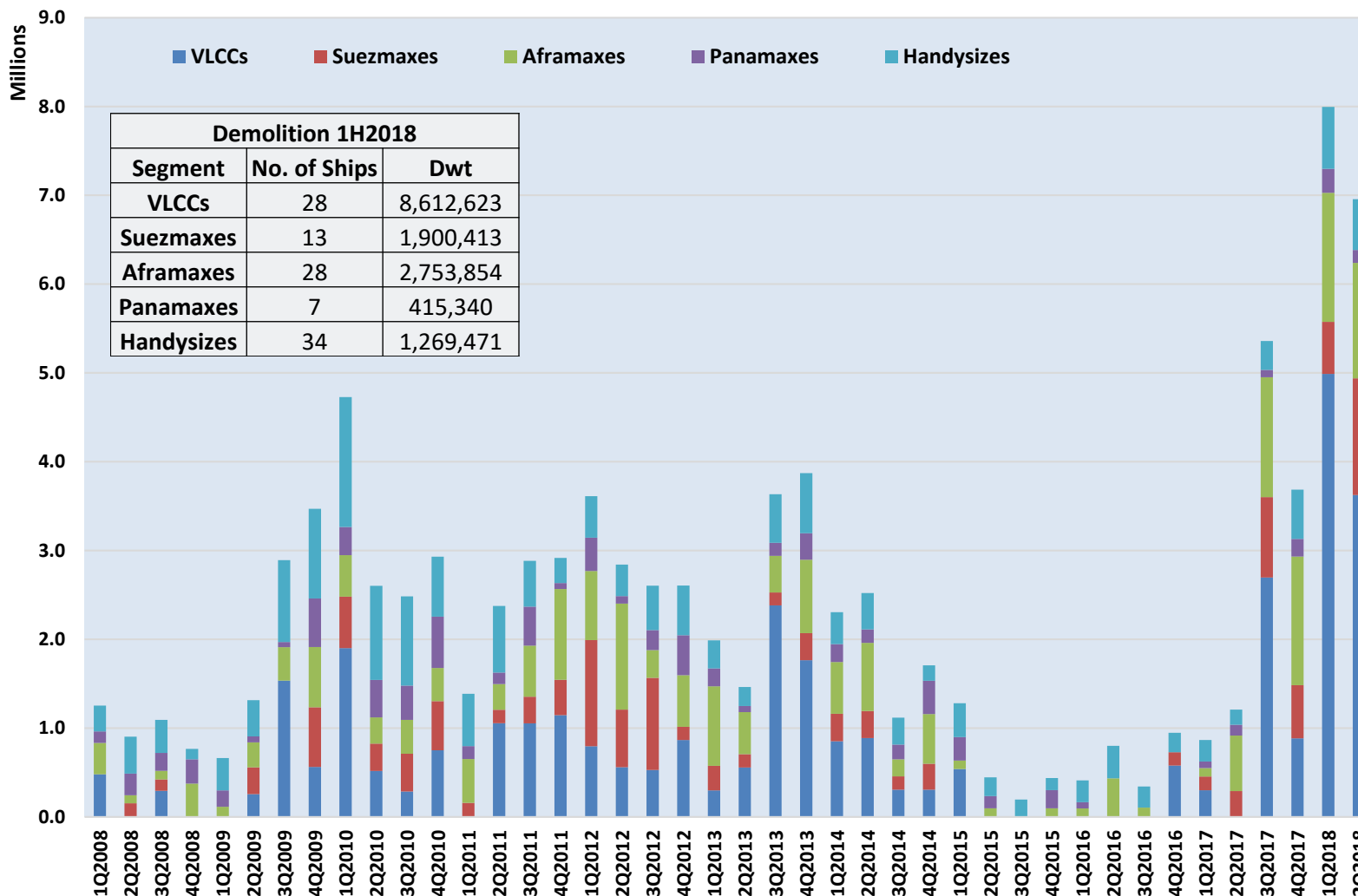
1-Year Rate	\$24,959
3-Year Rate	\$25,706



Source: Clarksons, IEA

Strong Tanker Demolition Activity

Tanker Demolition (dwt)

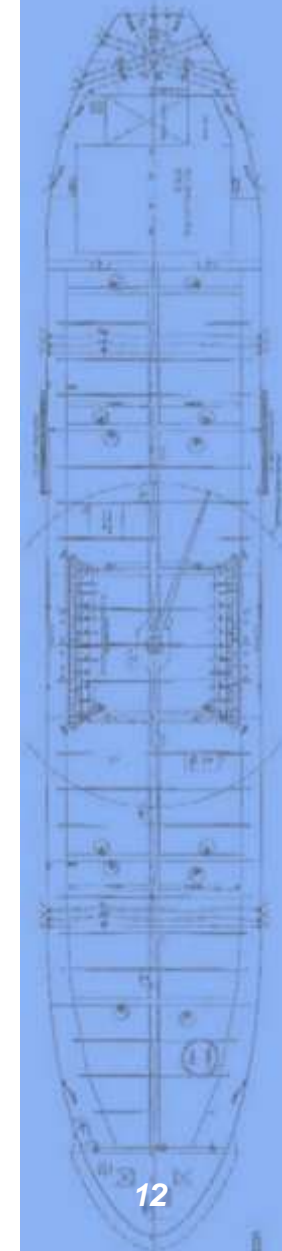


Source: Clarksons

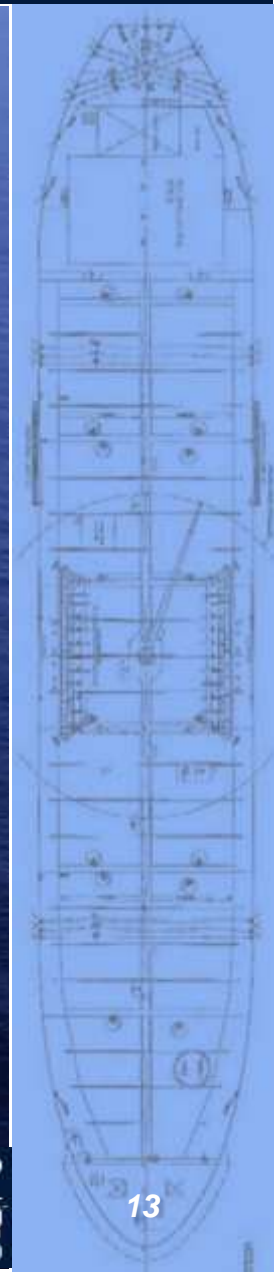
■ Tanker demolition reached 15.0 million dwt in 1H2018, the highest level on record for this period.

Common Unit Distribution Outlook

- **Common Unit Distribution level well underpinned by:**
 - **Vessel acquisitions with long term time charters attached at attractive rates.**
 - **Balance sheet with net debt to cap ratio at 30.7%.**
 - **Solid Common Unit Coverage after capital reserve and Class B distributions: 1.1x over last four quarters.**
 - **77% charter coverage of available days for 2018 and 4.6 years remaining charter duration.**
 - **High specification fleet with cost efficient manager with excellent track record and vetted for period business.**
 - **Long term positive tanker fundamentals.**



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