

First Quarter 2017 Earnings Presentation

April 28, 2017

Capital Product Partners L.P.



PRODUCT PARTNERS L.P.

www.capitalpplp.com

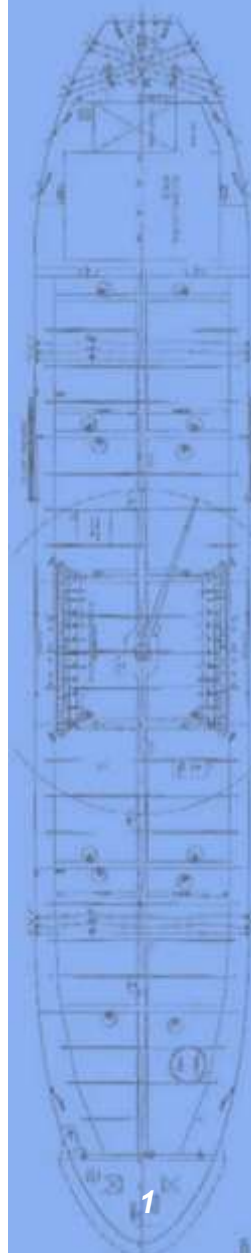
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Forward Looking Statements

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, our ability to repay or refinance external debt, future earnings, our expectations regarding employment of our vessels, redelivery dates and charter rates, fleet growth, as well as market and charter rate expectations, charterer's performance, and our expectations or objectives regarding future distribution amounts, our ability to pursue growth opportunities and grow our distributions and annual distribution guidance, 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.

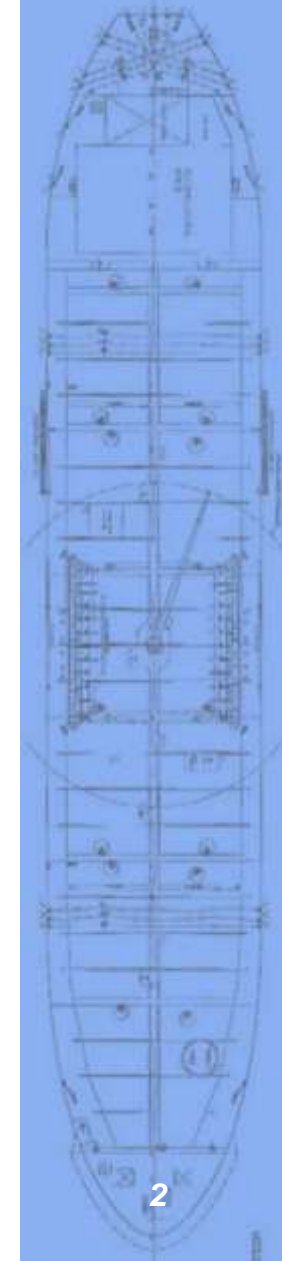
Factors that could cause actual results to be materially different include those set forth in the "Risk Factors" section of our annual report on Form 20-F filed with the U.S. Securities and Exchange Commission. Unless required by law, we expressly disclaim any obligation to update or revise any of these 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:
www.capitalpplp.com**



First Quarter 2017 Highlights

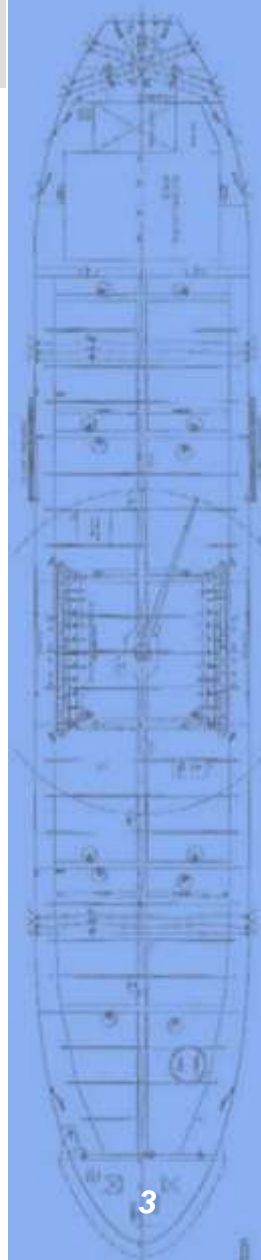
- Cash distribution of \$0.08 per common unit and \$0.21375 per class B unit.
- Net income for 1Q2017: \$12.3 million.
- 1.5x common unit distribution coverage after the capital reserve and the Class B distributions.
- Secured one-year time charter employment for the M/T 'Amoureux' with our sponsor Capital Maritime & Trading Corp. ('Capital Maritime').
- Agreed with Pacific International Lines ('PIL') to extend the time charter of the M/V 'Agamemnon' and M/V 'Archimidis' for one year.
- Average remaining charter duration 5.5 years with 85% charter coverage for 2017 and 50% coverage for 2018.



Statements Of Comprehensive Income

(\$ In Thousands)

	For the Three-Month Period Ended <u>March 31, 2017</u>	For the Three-Month Period Ended <u>March 31, 2016</u>
Revenues	\$50,308	\$47,329
Revenues – related party	9,962	10,718
Total Revenues	60,270	58,047
Expenses:		
Voyage expenses	2,288	1,852
Voyage expenses – related party	-	101
Vessel operating expenses	16,845	16,719
Vessel operating expenses – related party	2,783	2,616
General and administrative expenses	1,435	1,265
Depreciation & amortization	18,526	17,453
Operating income	18,393	18,041
Other income / (expense), net:		
Interest expense and finance cost	(6,350)	(6,097)
Other income	210	158
Total other expense, net	(6,140)	(5,939)
Partnership's net income	\$12,253	\$12,102



Operating Surplus For Calculation Of Unit Distribution

(\$ In Thousands)

	For the Three-Month Period Ended March 31, 2017		For the Three-Month Period Ended December 31, 2016	
Net income		\$12,253		\$13,744
Adjustments to net income				
Depreciation and amortization	19,054		18,928	
Amortization of above market acquired charters and straight line revenue adjustments	1,401		1,355	
OPERATING SURPLUS PRIOR TO CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION		\$32,708		\$34,027
Capital reserve		(14,644)		(14,644)
Class B preferred units distribution		(2,775)		(2,775)
OPERATING SURPLUS AFTER CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION		\$15,289		\$16,608
Increase in recommended reserves		(5,203)		(6,625)
AVAILABLE CASH		\$10,086		\$9,983

Common Unit Coverage: 1.5x

Strong Balance Sheet

(\$ In Thousands)

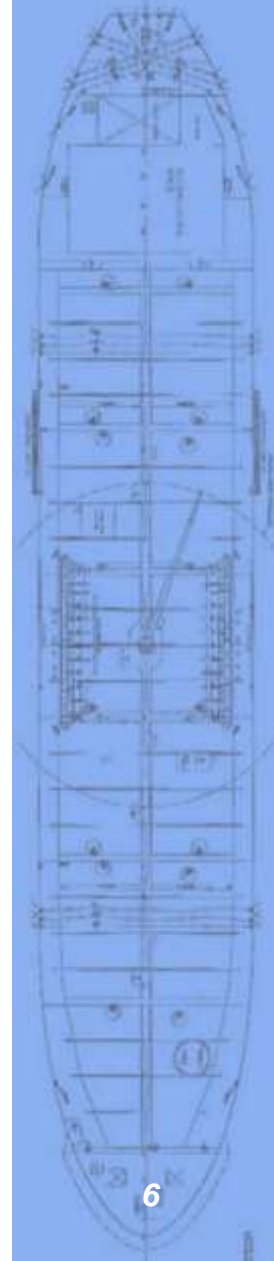
	<u>As Of March 31, 2017</u>	<u>As Of December 31, 2016</u>
Assets		
Total Current Assets	135,304	117,879
Total Fixed Assets	1,350,719	1,367,731
Other Non-Current Assets	109,316	112,995
Total Assets	\$1,595,339	\$1,598,605
Liabilities and Partners' Capital		
Total Current Liabilities	\$126,955	\$92,196
Total Long-Term Liabilities	536,868	578,652
Total Partners' Capital	931,516	927,757
Total Liabilities and Partners' Capital	\$1,595,339	\$1,598,605




Low Leverage: Net Debt⁽¹⁾/Capitalization: 29.9%

⁽¹⁾ Debt gross of unamortized debt discount



Fleet Developments Update



Name	DWT	Built	Gross Rate (Per Day)	Charterer	Charter Expiry
M/T Amoureux	149,993	2008	\$22,000		April 2018
M/V Archimidis	108,892	2007	Confidential		April 2018
M/T Agamemnon	108,892	2006			May 2018

- Chartered the M/T 'Amoureux' to Capital Maritime for a year at a gross daily rate of \$22,000.
- Agreed with Pacific International Lines to extend the time charter contracts for the M/V 'Agamemnon' and M/V 'Archimidis' for one year at similar rate to previous employment.

Strong Charter Coverage At Attractive Rates

Charter Profile

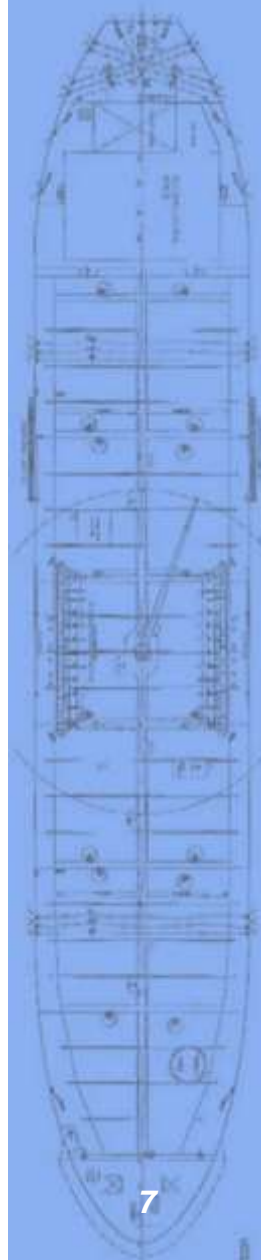
Expiry Of Current Charters

Rates



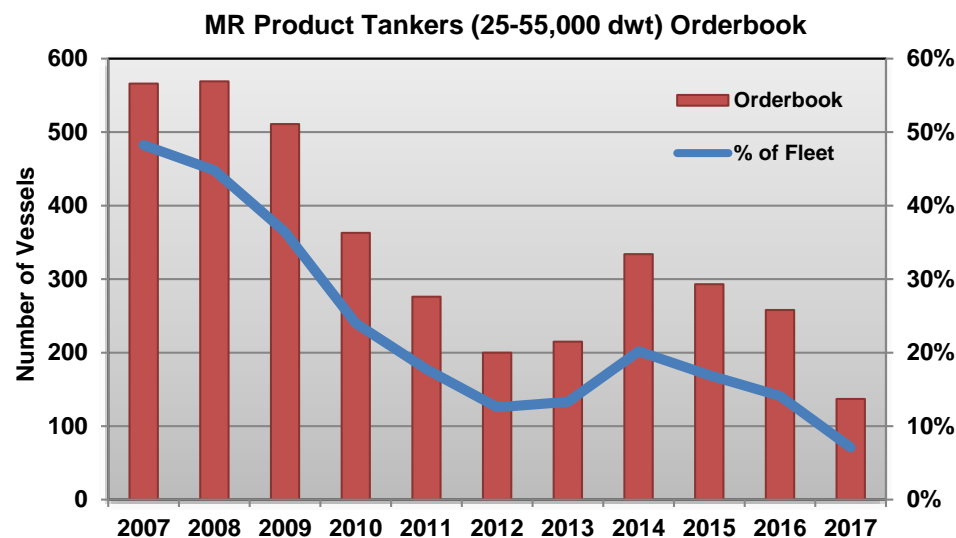
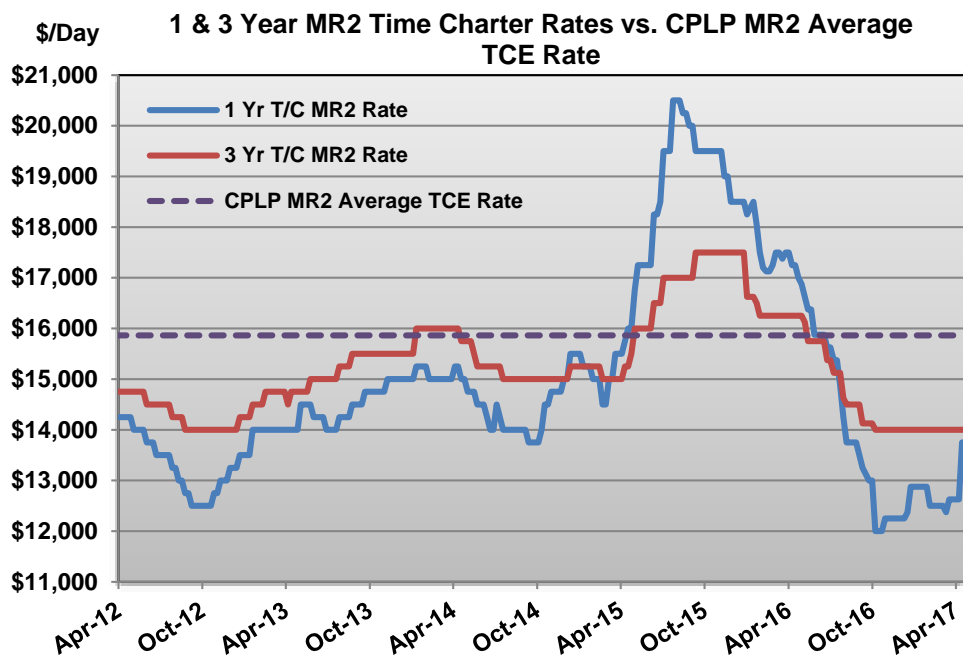
Revenue Weighted Average Remaining Charter Duration: 5.5 Years

¹ Bareboat. ² \$23,480pd between July 18, 2016 to December 31, 2019.



Product Tanker Market Overview

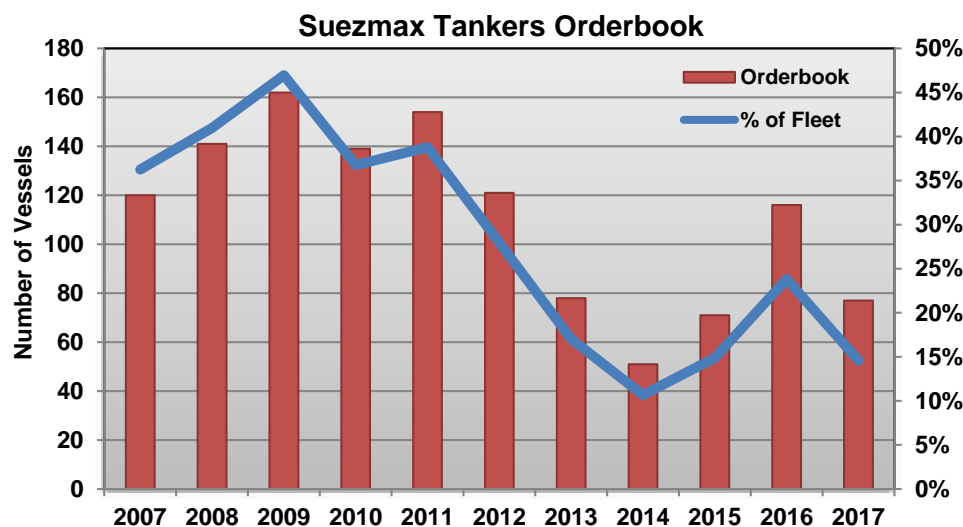
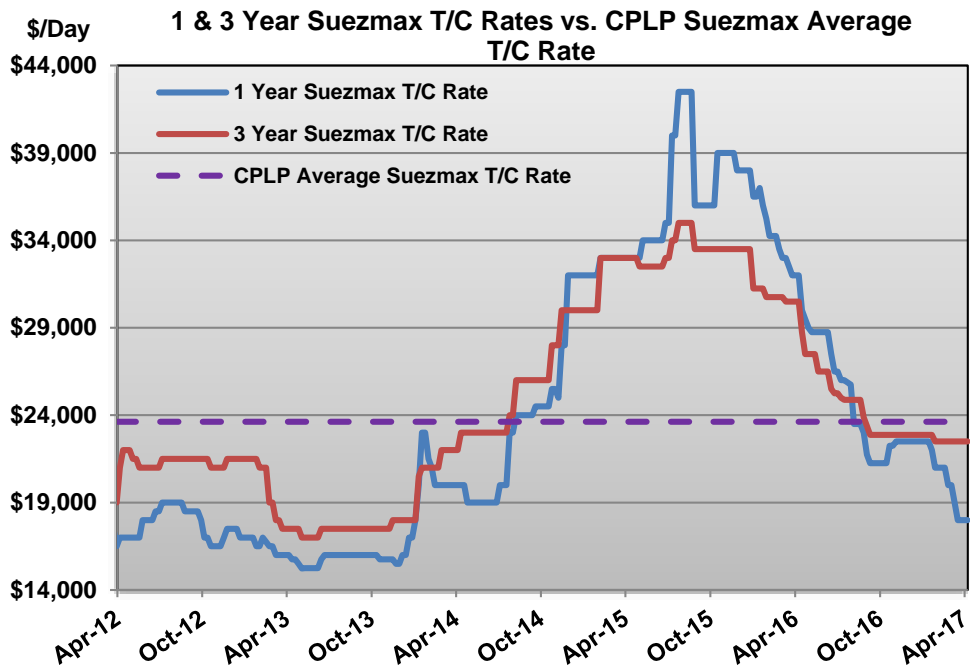
- MR spot charter rates remained at low levels for most of the quarter, but saw improvement towards end of the quarter.
- U.S. refinery maintenance and lack of arbitrage opportunities reduced activity.
- Improved rates in the West during March
- Increased period activity but rates at subdued levels as a result of the soft spot market.
- Improving fundamentals to support the market going forward:
 - Limited ordering activity.
 - Orderbook for MR product tankers at 7.1% of total fleet, lowest on record.
 - Reduction of product tanker newbuilding capacity.
 - Slippage at 38% (1Q2017).
 - Refinery capacity expansion East of Suez increasing tonne/miles.
 - MR product tanker supply and demand projected to grow by 2.6% and 1.9% in 2017.



Source: Clarksons, EIA, IEA

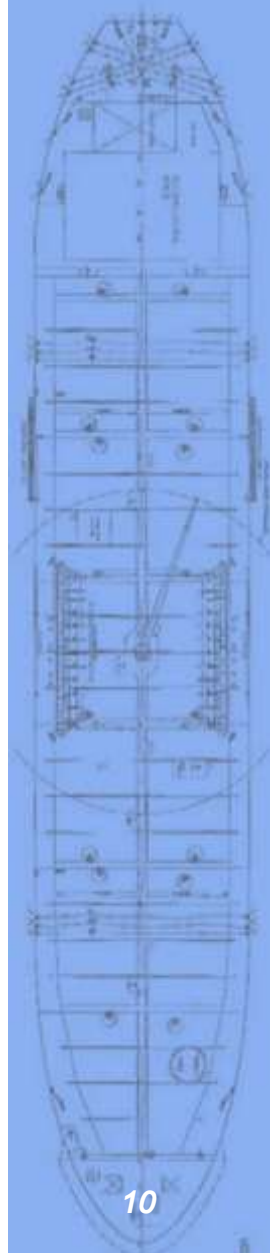
Suezmax Tanker Market Overview

- Suezmax spot market weaker in 1Q2017 on the back of:
 - OPEC/Non-OPEC's oil production cut agreements.
 - High crude oil inventories.
 - Increased tonnage supply due to newbuilding deliveries.
- Firm Chinese crude imports and more crude sourced from the Atlantic provided support to rates.
- Low demand for period business due to the weak spot rates.
- World oil demand growth estimated at 1.3 mb/d for 2017, according to the IEA.
- Suezmax tanker orderbook through 2018 corresponding to 14.6% of current fleet.
- Limited new ordering: no new orders placed YTD and 16 Suezmax orders in FY2016 vs. 59 in FY2015.
- 2017 marks the last year of increased deliveries.
- High slippage of 53% as of end 1Q2017.



Source: Clarksons, IEA

Common Unit Distribution Outlook



- **Common unit distribution well underpinned by:**
 - **Strong balance sheet with capital reserve in place for all debt amortization payments (other than the 2015 credit facility) until end of 2018.**
 - **Solid Common Unit Coverage after the capital reserve and Class B distributions.**
 - **85% charter coverage of available days for 2017.**
 - **Long term positive tanker fundamentals.**
 - **Modern, high specification fleet with cost efficient manager with excellent track record and vetted for period business.**
 - **Additional dropdown and acquisition opportunities.**

- **Distribution growth potential:**
 - **Pursue additional accretive transactions, thus further increasing the long term distributable cash flow of the Partnership.**
 - **Refinancing our debt under favorable terms.**

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