Dynagas LNG Partners LP
Form 424B4
November 14, 2013
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Registration No. 333-191653

PROSPECTUS

Dynagas LNG Partners LP

12,500,000 Common Units

Representing Limited Partner Interests

$18.00 per common unit

We are selling 8,250,000 of our common units and our Sponsor, Dynagas Holding Ltd., is selling 4,250,000 of our common units. Prior to this offering, there has been no public market for our common units. Although we are organized as a partnership, we have elected to be treated as a corporation solely for U.S. federal income tax purposes. We have applied to list our common units on the Nasdaq Global Select Market under the symbol DLNG.

The underwriters have an option to purchase a maximum of 1,875,000 additional common units from our Sponsor to cover over-allotments.

We are an emerging growth company as that term is used in the Jumpstart Our Business Startups Act (the JOBS Act).

Investing in our common units involves risks. See Risk Factors beginning on page 30. These risks include the following:

We may not be able to pay the minimum quarterly distribution on our common units and subordinated units.

Our Initial Fleet consists of only three LNG carriers. Any limitation in the availability or operation of these vessels could have a material adverse effect on our business, results of operations and financial condition and could significantly reduce or eliminate our ability to pay the minimum quarterly distribution on our common units and subordinated units.

We derive all our revenue and cash flow from two charterers and the loss of either of these charterers could cause us to suffer losses or otherwise adversely affect our business.

The amount of our debt could limit our liquidity and flexibility in obtaining additional financing and in pursuing other business opportunities.

Our Sponsor, our General Partner and their respective affiliates own a controlling interest in us and have conflicts of interest and limited duties to us and our common unitholders, which may permit them to favor their own interests to your detriment.

Demand for LNG shipping could be significantly affected by volatile natural gas prices and the overall demand for natural gas.

Unitholders have limited voting rights, and our Partnership Agreement restricts the voting rights of our unitholders that own more than 4.9% of our common units.

We are a holding company, and our ability to make cash distributions to our unitholders will be limited by the value of investments we currently hold and by the distribution of funds from our subsidiaries.

There is no existing market for our common units, and a trading market that will provide you with adequate liquidity may not develop. The price of our common units may fluctuate significantly, and you could lose all or part of your investment.

You will incur immediate and substantial dilution of $10.16 per common unit.

U.S. tax authorities could treat us as a passive foreign investment company, which would have adverse U.S. federal income tax consequences to U.S. unitholders.

If at any time our General Partner and its affiliates own more than 80% of the outstanding common units, our General Partner has the right, but not the obligation, to purchase all, but not less than all, of the remaining common units, as provided in the Partnership Agreement. Please see The Partnership Agreement Limited Call Right.

	Price per Common Unit	**Total**
Public offering price	$18.00	$225,000,000
Underwriting discounts(1)	$ 1.08	$ 13,500,000
Proceeds to Dynagas Holding Ltd. (before expenses)(2)	$16.92	$ 71,910,000
Proceeds to Dynagas LNG Partners LP (before expenses)	$16.92	$139,590,000

(1) See Underwriting for additional information regarding underwriting compensation.

(2) Dynagas Holding Ltd., our Sponsor, is selling 4,250,000 of our common units. In addition, the underwriters have an option to purchase a maximum of 1,875,000 additional common units from our Sponsor to cover over-allotments. We will not receive any of the proceeds from the sale of these units.

Delivery of the common units will be made on or about November 18, 2013.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse

BofA Merrill Lynch

Morgan Stanley

Barclays

Deutsche Bank Securities

ABN AMRO **Credit Agricole CIB**

The date of this prospectus is November 12, 2013.

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The *Ob River*, one of our LNG carriers, traversing the Northern Sea Route, which is a shipping lane from the Atlantic Ocean to the Pacific Ocean that is entirely in Arctic waters.

The *Clean Energy*, one of our LNG carriers.

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You should rely only on information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to give any information or to make any representations other than those contained in this prospectus. Do not rely upon any information or representations made outside of this prospectus. This prospectus is not an offer to sell, and it is not soliciting an offer to buy, (1) any securities other than our common units or (2) our common units in any circumstances in which such an offer or solicitation is unlawful. The information contained in this prospectus may change after the date of this prospectus. Do not assume after the date of this prospectus that the information contained in this prospectus is still correct.

Through and including December 8, 2013 (the 25th day after the date of this prospectus), federal securities law may require all dealers that effect transactions in these securities, whether or not participating in this offering, to deliver a prospectus. This requirement is in addition to the dealers obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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PROSPECTUS SUMMARY

This section summarizes material information that appears later in this prospectus and is qualified in its entirety by the more detailed information and financial statements included elsewhere in this prospectus. This summary may not contain all of the information that may be important to you. As an investor or prospective investor, you should carefully review the entire prospectus, including the risk factors and the more detailed information that appears later.

Unless otherwise indicated, references to Dynagas LNG Partners, the Company, we, our and us or similar terms refer to Dynagas LNG Partners LP and its wholly-owned subsidiaries, including Dynagas Operating LP, unless the context otherwise indicates. Dynagas Operating LP will own, directly or indirectly, a 100% interest in the entities that own the Clean Energy, the Ob River and the Clean Force, collectively, our Initial Fleet. References in this prospectus to our General Partner refer to Dynagas GP LLC, the general partner of Dynagas LNG Partners LP.

All references in this prospectus to us when used in a historical context refer to our predecessor companies and their subsidiaries, which are subsidiaries of our Sponsor that have interests in the vessels in our Initial Fleet, or the Sponsor Controlled Companies, and when used in the present tense or prospectively refer to us and our subsidiaries, collectively, or individually, as the context may require. We own (i) a 100% limited partner interest in Dynagas Operating LP, (ii) the non-economic general partner interest in Dynagas Operating LP through our 100% ownership of its general partner, Dynagas Operating GP LLC and (iii) 100% of Dynagas Equity Holding Ltd. and its subsidiaries. References to our Sponsor are to Dynagas Holding Ltd. and its subsidiaries other than us or our subsidiaries. References in this prospectus to the Prokopiou Family are to our Chairman, Mr. George Prokopiou, and members of his family.

References in this prospectus to BG Group, Gazprom, Statoil, and Cheniere refer to BG Group Plc, Gazprom Global LNG Limited, Statoil ASA and Cheniere Energy, Inc., respectively, and certain of each of their subsidiaries that are our customers. Unless otherwise indicated, all references to U.S. dollars, dollars and $ in this prospectus are to the lawful currency of the United States. We use the term LNG to refer to liquefied natural gas and we use the term cbm to refer to cubic meters in describing the carrying capacity of our vessels.

Except where we or the context otherwise indicate, the information in this prospectus assumes no exercise of the underwriters over-allotment option described on the cover page of this prospectus.

Overview

We are a growth-oriented limited partnership focused on owning and operating LNG carriers. Our vessels are employed on multi-year time charters, which we define as charters of two years or more, with international energy companies such as BG Group and Gazprom, providing us with the benefits of stable cash flows and high utilization rates (as defined under Summary Historical Consolidated Financial and Operating Data). We intend to leverage the reputation, expertise, and relationships of our Sponsor and Dynagas Ltd., our Manager, in maintaining cost-efficient operations and providing reliable seaborne transportation services to our customers. In addition, we intend to make further vessel acquisitions from our Sponsor and from third parties. There is no guarantee that we will grow the size of our fleet or the per unit distributions that we intend to pay or that we will be able to make further vessel acquisitions from our Sponsor or third parties.

Our Sponsor entered the LNG sector in 2004 by ordering the construction of three LNG carriers, the *Clean Energy*, the *Ob River*, and the *Clean Force*, from Hyundai Heavy Industries Co. Ltd. or HHI, one of the world s leading shipbuilders of LNG carriers. On October 29, 2013, we acquired from our Sponsor these vessels, which

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we refer to as our Initial Fleet, in exchange for 6,735,000 of our common units and all of our subordinated units. The LNG carriers that comprise our Initial Fleet have an average age of 6.3 years and are under time charters with an average remaining term of 3.5 years, as of October 28, 2013.

We believe that we will have the opportunity to grow our per unit distributions by making acquisitions of LNG carriers from our Sponsor or from third parties. Our Sponsor took delivery of two newbuilding LNG carriers in July 2013 and one in October 2013 from HHI, and has contracts for the construction of an additional four LNG carriers with HHI, scheduled to be delivered to our Sponsor in 2014 and 2015. We will receive the right to purchase these seven vessels, which we refer to as the Optional Vessels, at a purchase price to be determined pursuant to the terms and conditions of the Omnibus Agreement within 24 months of their delivery to our Sponsor.

Our Initial Fleet

Our Initial Fleet consists of three LNG carriers currently operating under multi-year charters with BG Group and Gazprom. The *Clean Force* and the *Ob River* have been assigned with Lloyds Register Ice Class notation 1A FS, or Ice Class, designation for hull and machinery and are fully winterized, which means that they are designed to call at ice-bound and harsh environment terminals and to withstand temperatures up to minus 30 degrees Celsius. According to Drewry Consultants, Ltd., or Drewry, an independent consulting and research company, the *Clean Force* and the *Ob River* are two of only five LNG carriers in the global LNG fleet that are currently in operation which have been assigned an Ice Class designation or equivalent rating. This means that only 1.4% of the LNG vessels in the global LNG fleet have this designation, and we are the only company in the world that is currently transiting the Northern Sea Route with LNG carriers. We believe that these specifications enhance our trading capabilities and future employment opportunities because they provide greater flexibility in the trading routes available to our charterers.

We believe that the key characteristics of each of our vessels in our Initial Fleet include the following:

- optimal sizing with a carrying capacity of approximately 150,000 cbm (which is a medium- to large-size class of LNG carrier) that maximizes operational flexibility as such vessel is compatible with most existing LNG terminals around the world;

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each vessel is a sister vessel, which are vessels built at the same shipyard, HHI, that shares (i) a near-identical hull and superstructure layout, (ii) similar displacement, and (iii) roughly comparable features and equipment;

utilization of a membrane containment system that uses insulation built directly into the hull of the vessel with a membrane covering inside the tanks designed to maintain integrity and that uses the vessel s hull to directly support the pressure of the LNG cargo (see The International Liquefied Natural Gas (LNG) Shipping Industry The LNG Fleet for a description of the types of LNG containment systems);

double-hull construction, based on the current LNG shipping industry standard; and

a 99.5% utilization rate over 2012 and 2011.

According to Drewry, there are only 39 LNG carriers currently in operation, including the vessels in our Initial Fleet, with a carrying capacity of between 149,000 and 155,000 cbm and a membrane containment system, representing 9.0% of the global LNG fleet and a total of 113 LNG carriers on order of which eight are being constructed with these specifications.

The following table sets forth additional information about our Initial Fleet as of September 30, 2013:

Vessel Name	Shipyard	Year Built	Capacity (cbm)	Ice Class	Flag State	Charterer	Charter Commencement Date	Earliest Charter Expiration	Latest Charter Expiration Including Non-Exercised Options
Clean Energy	HHI	2007	149,700	No	Marshall Islands	BG Group	February 2012	April 2017	August 2020(2)
Ob River(1)	HHI	2007	149,700	Yes	Marshall Islands	Gazprom	September 2012	September 2017	May 2018(3)
Clean Force	HHI	2008	149,700	Yes	Marshall Islands	BG Group	October 2010	September 2016	January 2020(4)

(1) Formerly named *Clean Power*.
(2) BG Group has the option to extend the duration of the charter for an additional three-year term until August 2020 at an escalated daily rate, upon notice to us before January 2016.
(3) Gazprom has the option to extend the duration of the charter until May 2018 on identical terms, upon notice to us before March 2017.
(4) On January 2, 2013, BG Group exercised its option to extend the duration of the charter by an additional three-year term at an escalated daily rate, commencing on October 5, 2013. BG Group has the option to extend the duration of the charter by an additional three-year term at a further escalated daily rate, which would commence on October 5, 2016, upon notice to us before January 5, 2016. The latest expiration date upon the exercise of all options is January 2020.

The Optional Vessels

The Optional Vessels consist of seven fully winterized newbuilding LNG carriers, four of which have been contracted to operate under multi-year charters with Gazprom, Statoil and Cheniere. Each of the seven newbuilds has or is expected to have upon their delivery the Ice Class designation, or its equivalent, for hull and machinery. Three of these vessels were delivered to our Sponsor in July 2013 and October 2013, and the remaining four vessels are scheduled to be delivered to our Sponsor, as follows: two in 2014 and two in 2015. The three vessels delivered in 2013 are sister-vessels, each with a carrying capacity of 155,000 cbm and the four remaining vessels with expected deliveries in 2014 and 2015 are sister-vessels, each with a carrying capacity of 162,000 cbm. In the event we acquire the Optional Vessels in the future, we believe the staggered delivery dates of these newbuilding LNG carriers will facilitate a smooth integration of the vessels into our fleet, contributing to our annual fleet growth through 2017.

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The Optional Vessels are compatible with a wide range of LNG terminals, providing charterers with the flexibility to trade the vessels worldwide. Each vessel is equipped with a membrane containment system. The compact and efficient utilization of the hull structure reduces the required principal dimensions of the vessel compared to earlier LNG designs and results in higher fuel efficiency and smaller quantities of LNG required for cooling down vessels tanks. In addition, the Optional Vessels will be equipped with a tri-fuel diesel electric propulsion system, which is expected to reduce both fuel costs and emissions.

The following table provides certain information about the Optional Vessels as of September 30, 2013.

Vessel Name / Hull Number	Shipyard	Delivery Date / Expected Delivery Date	Capacity Cbm	Ice Class	Sister Vessels	Charter Commencement	Charterer	Earliest Charter Expiration	Latest Charter Expiration
Yenisei River(1)	HHI	Q3-2013	155,000	Yes	B	Q3 2013	Gazprom	Q3 2018	Q3 2018
Arctic Aurora(1)	HHI	Q3-2013	155,000	Yes	B	Q3 2013	Statoil	Q3 2018	Renewal Options(2)
Lena River(1)	HHI	Q4-2013	155,000	Yes	B	Q4 2013	Gazprom	Q4 2018	Q4 2018
Clean Ocean	HHI	Q1-2014	162,000	Yes	C	Q2 2015	Cheniere	Q2 2020	Q3 2022
Clean Planet	HHI	Q3-2014	162,000	Yes	C				
Hull 2566	HHI	Q1-2015	162,000	Yes	C				
Hull 2567	HHI	Q2-2015	162,000	Yes	C				

(1) In July 2013, our Sponsor took delivery of the *Yenisei River* and the *Arctic Aurora*, which were subsequently delivered to their charterers. In October 2013, our Sponsor took delivery of the *Lena River*, which was subsequently delivered to its charterer.

(2) Statoil has revolving consecutive one-year renewal options following the initial five year period.

Rights to Purchase Optional Vessels

We will receive the right to purchase the Optional Vessels from our Sponsor at a purchase price to be determined pursuant to the terms and conditions of the Omnibus Agreement, which we intend to enter into with our Sponsor and our General Partner at the closing of this offering. These purchase rights will expire 24 months following the respective delivery of each Optional Vessel from the shipyard. If we are unable to agree with our Sponsor on the purchase price of any of the Optional Vessels, the respective purchase price will be determined by an independent appraiser, such as an investment banking firm, broker or firm generally recognized in the shipping industry as qualified to perform the tasks for which such firm has been engaged, and we will have the right, but not the obligation, to purchase each vessel at such price. The independent appraiser will be mutually appointed by our Sponsor and a committee comprised of certain of our independent directors, or the conflicts committee. Please see Certain Relationships and Related Party Transactions Agreements Governing the Transactions Omnibus Agreement Rights to Purchase Optional Vessels for information on how the purchase price is calculated.

The purchase price of the Optional Vessels, as finally determined by an independent appraiser, may be an amount that is greater than what we are able or willing to pay or we may be unwilling to proceed to purchase such vessel if such acquisition would not be in our best interests. We will not be obligated to purchase the Optional Vessels at the determined price and, accordingly, we may not complete the purchase of such vessels, which may have an adverse effect on our expected plans for growth. In addition, our ability to purchase the Optional Vessels, should we exercise our right to purchase such vessels, is dependent on our ability to obtain additional financing to fund all or a portion of the acquisition costs of these vessels. As of the date of this prospectus, we have not secured any financing in connection with the potential acquisition of the Optional Vessels, other than amounts that may be available under our New Senior Secured Revolving Credit Facility

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following the application of the proceeds from such facility as described in Use of Proceeds, since it is uncertain if and when such purchase options will be exercised. Our Sponsor has entered into loan agreements in connection with the seven Optional Vessels. In the event we acquire the Optional Vessels in the future, we may enter into agreements with our Sponsor to novate these loan agreements to us. Any such novation would be subject to each respective lender s consent. Please see Risk Factors Our Sponsor may be unable to service its debt requirements and comply with the provisions contained in the credit agreements secured by the Optional Vessels. If our Sponsor fails to perform its obligations under its loan agreements, our business and expected plans for growth may be materially affected.

Our Relationship with Our Sponsor and members of the Prokopiou Family

We believe that one of our principal strengths is our relationships with our Sponsor, our Manager and members of the Prokopiou Family, including Mr. George Prokopiou, the Chairman of our board of directors, and his daughters Elisavet Prokopiou, Johanna Prokopiou, Marina Kalliope Prokopiou, and Maria Eleni Prokopiou, (who in addition to Mr. Prokopiou, own interests in our Sponsor), which provide us access to their long-standing relationships with major energy companies and shipbuilders and their technical, commercial and managerial expertise. As of September 30, 2013, our Sponsor s LNG carrier fleet consisted of three LNG carriers and four newbuildings on order, excluding the vessels in our Initial Fleet. While our Sponsor intends to utilize us as its primary growth vehicle to pursue the acquisition of LNG carriers employed on time charters of four or more years, we can provide no assurance that we will realize any benefits from our relationship with our Sponsor or the Prokopiou Family and there is no guarantee that their relationships with major energy companies and shipbuilders will continue. Our Sponsor, our Manager and other companies controlled by members of the Prokopiou Family are not prohibited from competing with us pursuant to the terms of the Omnibus Agreement which we will enter into with our Sponsor and our General Partner at the closing of this offering. Our General Partner, which is wholly-owned by our Sponsor, owns 100% of the 30,000 general partner units, representing a 0.1% general partner interest in us, or the General Partner Units, and 100% of the incentive distribution rights. Please see Summary of Conflicts of Interest and Fiduciary Duties below and the section entitled Conflicts of Interest and Fiduciary Duties which appears later in this prospectus.

Positive Industry Fundamentals

We believe that the following factors collectively present positive industry fundamental prospects for us to execute our business plan and grow our business:

Natural gas and LNG are vital and growing components of global energy sources. According to Drewry, global demand for LNG is forecasted to increase by approximately 146 million tonnes (7 trillion cubic feet), an increase of 44%, during the period from 2012 to 2018. We can provide no assurance that such growth will occur. Natural gas accounted for 24% of the world s primary energy consumption in 2012, and is expected to increase to 25% in 2013. Over the last two decades, natural gas has been one of the world s fastest growing energy sources, increasing at twice the rate of oil consumption over the same period. We believe that LNG, which accounted for 32% of overall cross-border trade of natural gas in 2012, according to Drewry, will continue to increase its share in the mid-term future. A cleaner burning fuel than both oil and coal, natural gas has become an increasingly attractive fuel source in the last decade.

Demand for LNG shipping is experiencing growth. The growing distances between the location of natural gas reserves and the nations that consume natural gas have caused an increase in the percentage of natural gas traded between countries. This has resulted in an increase in the portion of natural gas that is being transported in the form of LNG, which provides greater flexibility and generally lowers capital costs of shipping natural gas, as well as a reduction in the environmental impact compared to transportation by pipeline. Increases in planned

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capacity of liquefaction and regasification terminals are anticipated to increase export capacity significantly, requiring additional LNG carriers to facilitate transportation activity. According to Drewry, based on the current projections of liquefaction terminals that are planned or under construction, liquefaction capacity is expected to increase by approximately 29% by 2016. Approximately one million tonnes of LNG export capacity creates demand for approximately one to two LNG carriers with carrying capacity of 160,000 to 165,000 cbm each. According to Drewry, as of August 2013, global liquefaction capacity was 290.6 million tonnes, and an additional 84.0 million tonnes of liquefaction capacity was under construction and scheduled to be available by the end of 2016. Over the past three years, global LNG demand has continued to rise, but at a slower pace than previously predicted. Drewry estimates that LNG trade decreased by 1.2% in 2012 primarily due to delays at many liquefaction plants under construction and lower production as a result of planned and unplanned outages at various LNG facilities and weakness in the world economy. Based on current construction projects in Australia and the United States, LNG supply is expected to increase, and to have a beneficial impact on demand for shipping capacity, however, continued economic uncertainty and continued acceleration of unconventional natural gas production could have an adverse effect on our business.

A limited newbuilding orderbook and high barriers to entry should restrict the supply of new LNG carriers. According to Drewry, the current orderbook of LNG carriers represents 33.9% of current LNG carrier fleet carrying capacity. During the period from 2002 to 2012, the newbuilding orderbook of LNG carriers represented on average approximately 47.1% of the LNG carrier fleet carrying capacity. As of August 2013, 113 LNG carriers, with an aggregate carrying capacity of 18.3 million cbm, were on order for delivery for the period between 2013 to 2017, while the existing fleet consisted of 363 vessels with an aggregate capacity of 53.9 million cbm. We believe that the current orderbook is limited due to constrained construction capacity at high-quality shipyards and the long lead-time required for the construction of LNG carriers. While we believe this has restricted additional supply of new LNG carriers in the near-term, any increase in LNG carrier supply may place downward pressure on charter rates. In addition, we believe that there are significant barriers to entry in the LNG shipping sector, which also limit the current orderbook due to large capital requirements, limited availability of qualified vessel personnel, and the high degree of technical management required for LNG vessels.

Stringent customer certification standards favor established, high-quality operators. Major energy companies have developed stringent operational, safety and financial standards that LNG operators generally are required to meet in order to qualify for employment in their programs. Based on our Manager s track record and long established operational standards, we believe that these rigorous and comprehensive certification standards will be a barrier to entry for less qualified and less experienced vessel operators and will provide us with an opportunity to establish relationships with new customers.

Increasing ownership of the global LNG carrier fleet by independent owners. According to Drewry, as of August 2013, 64% of the LNG fleet was owned by independent shipping companies, 21% was owned by LNG producers and 8% was owned by energy majors and end-users, respectively. We believe that private and state-owned energy companies will continue to seek high-quality independent owners, such as ourselves, for their growing LNG shipping needs in the future, driven in part by large capital requirements, and level of expertise necessary, to own and operate LNG vessels.

We can provide no assurance that the industry dynamics described above will continue or that we will be able to capitalize on these opportunities. Please see Risk Factors and The International Liquefied Natural Gas (LNG) Shipping Industry.

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Competitive Strengths

We combine a number of features that we believe distinguish us from other LNG shipping companies.

Management

Broad based Sponsor experience. Under the leadership of Mr. George Prokopiou, our founder and Chairman, we, through our Sponsor and Manager, have developed an extensive network of relationships with major energy companies, leading LNG shipyards, and other key participants throughout the shipping industry. Although we were formed in May 2013, we believe that these longstanding relationships with shipping industry participants, including chartering brokers, shipbuilders and financial institutions, should provide us with profitable vessel acquisition and employment opportunities in the LNG sector, as well as access to financing that we will need to grow our Company. Since entering the shipping business in 1974, Mr. Prokopiou has founded and controlled various companies, including Dynacom Tankers Management Ltd., or Dynacom Tankers Management, a Liberian company engaged in the management and operation of crude oil tankers and refined petroleum product tankers, Sea Traders S.A., or Sea Traders, a Panamanian company that manages and operates drybulk carriers and container vessels, and our Manager. Please see Business Our Relationship with our Sponsor and members of the Prokopiou Family.

Strong management experience in the LNG shipping sector. Our management has managed and operated LNG carriers since 2004, and we believe that, through our Sponsor and Manager, we have acquired significant experience in the operation and ownership of LNG carriers. Our senior executives and our Chairman have an average of 25 years of shipping experience, including experience in the LNG sector. Furthermore, one of the vessels in our Initial Fleet, the *Ob River*, while operated by our Manager, became the world s first LNG carrier to complete an LNG shipment via the Northern Sea Route, that is a shipping lane from the Atlantic Ocean to the Pacific Ocean entirely in Arctic waters, which demonstrated its extensive Ice Class capabilities. During this voyage, it achieved a significant reduction in navigation time, compared to the alternative route through the Suez Canal, and accordingly, generated significant cost savings for its charterer, Gazprom. We believe this expertise, together with our reputation and track record in LNG shipping, positions us favorably to capture additional commercial opportunities in the LNG industry.

Cost-competitive and efficient operations. Our Manager will provide the technical and commercial management of our Initial Fleet and any other vessels we may acquire in the future. We believe that our Manager, through comprehensive preventive maintenance programs and by retaining and training qualified crew members, will be able to manage our vessels efficiently, safely and at a competitive cost.

Demonstrated access to financing. Our Sponsor funded the construction of the Optional Vessels through debt financing as well as equity provided by entities owned and controlled by members of the Prokopiou Family. Should we exercise our right to purchase any of the seven Optional Vessels, our Sponsor may novate to us the loan agreements secured by the Optional Vessels, subject to each respective lender s consent. We believe that our access to financing will improve our ability to capture future market opportunities and make further acquisitions, which we expect will increase the minimum quarterly distribution to our unitholders. In addition, upon the completion of this offering, our Sponsor has agreed to provide us with a $30.0 million revolving credit facility to be used for general partnership purposes, including working capital. This revolving credit facility will have a term of five years and will bear interest at LIBOR plus a margin. As of October 28, 2013, we had outstanding borrowings under our secured loan facilities of $346.1 million.

Fleet

Modern and high specification fleet. Two of the three vessels in our Initial Fleet, the *Clean Force* and the *Ob River*, have been assigned with the Ice Class designation, or its equivalent, for hull and machinery and are fully winterized, which means that they are designed to call at ice-bound and harsh environment terminals and to withstand temperatures up to minus 30 degrees Celsius. In addition, all of the Optional Vessels are being and have been constructed with the same characteristics and all of the Optional Vessels have or are expected to have upon their delivery the Ice Class designation, or its equivalent. We believe that these attractive characteristics should provide us with a competitive advantage in securing future charters with customers and enhance our vessels earnings potential. According to Drewry, the *Clean Force* and the *Ob River* are two of only five LNG carriers in the global LNG fleet that are currently in operation which have been assigned an Ice Class designation, or its equivalent, and we are the only company in the world that is currently transiting the Northern Sea Route with LNG carriers. This means that only 1.4% of the LNG vessels in the global LNG fleet have this designation. We believe that these specifications enhance our trading capabilities and future employment opportunities because they provide greater flexibility in the trading routes available to our charterers. In addition, each of the Optional Vessels is being constructed with an efficient tri-fuel diesel electric propulsion system, which is expected to reduce both fuel costs and emissions. There is no guarantee that we will ever purchase the Optional Vessels and for so long as we do not own these vessels, we will be in competition with these vessels.

Sister vessel efficiencies. The seven Optional Vessels consist of two series of sister vessels, vessels of the same type and specification, and our Initial Fleet of three LNG carriers are also sister vessels, which we believe will enable us to benefit from more chartering opportunities, economies of scale and operating and cost efficiencies in ship construction, crew training, crew rotation and shared spare parts. We believe that more chartering opportunities will be available to us because many charterers prefer sister vessels due to their interchangeability and ease of cargo scheduling associated with the use of sister vessels.

Built-in opportunity for fleet growth. In addition to our Initial Fleet, we will have the right to purchase the Optional Vessels from our Sponsor. We believe the staggered delivery dates of the seven Optional Vessels will facilitate a smooth integration of these vessels into our fleet if we purchase and take delivery of the vessels. Additionally, we will have the right to acquire from our Sponsor any LNG carrier it owns and employs under a charter with an initial term of four or more years. We believe these acquisition opportunities will provide us with a way to grow our cash distributions per unit. However, we can make no assurances regarding our ability to acquire these vessels from our Sponsor or our ability to increase cash distributions per unit as a result of any such acquisition. As of the date of this prospectus, we have not secured any financing in connection with the potential acquisition of the Optional Vessels or other vessels, other than amounts that may be available under our New Senior Secured Revolving Credit Facility following the application of the proceeds from such facility as described in Use of Proceeds, since it is uncertain if and when such purchase options will be exercised. Please see Certain Relationships and Related Party Transactions Omnibus Agreement.

Commercial

Capitalize on growing demand for LNG shipping. We believe our Sponsor s and our Manager s industry reputation and relationships position us well to further expand our fleet to meet the growing demand for LNG shipping. We intend to leverage the relationships that we, our Sponsor and our Manager have with a number of major energy companies beyond our current customer base and explore relationships with other leading energy companies, with an aim to supporting their growth programs.

Pursue a multi-year chartering strategy. We currently focus on, and have entered into, multi-year time charters with international energy companies, which provide us with the benefits of stable cash flows and high utilization rates. All of the vessels in our Initial Fleet are currently time chartered on multi-year contracts, which should result in 100% of our calendar days being under charter coverage in 2013, 2014 and 2015 and as of October 28, 2013, are expected to provide us with total contracted revenue in excess of $297 million, excluding options to extend and assuming full utilization for the full term of the charter. The actual amount of revenues earned and the actual periods during which revenues are earned may differ from the amounts and periods described above due to, for example, off-hire for maintenance projects, downtime, scheduled or unscheduled dry-docking and other factors that result in lower revenues than our average contract backlog per day. In the LNG sector, shipowners generally tend to employ their vessels on multi-year charters for steady and secure returns. Charterers also want to have access to vessels for secured supply of cargoes at pre-determined charter rates which can meet their contractual sale and purchase commitments.

Strengthen relationships with customers. We, through our Sponsor and our Manager, have, over time, established relationships with several major LNG industry participants. The vessels in our Initial Fleet have, in the past, been chartered to numerous major international energy companies and conglomerates, in addition to our current charterers, BG Group and Gazprom. We expect that BG Group and Gazprom will further expand their LNG operations, and that their demand for additional LNG shipping capacity will also increase. While we cannot guarantee that BG Group and Gazprom will further expand their LNG operations or that they will use our services, we believe we are well positioned to support them in executing their growth plans if their demand for LNG carriers and services increases in the future. We intend to continue to adhere to the highest standards with regard to reliability, safety and operational excellence.

Borrowing Activities

For a complete description of our credit facilities and the financial and restrictive covenants contained therein, please see Management s Discussion and Analysis of Financial Condition and Results of Operations Our Borrowing Activities.

On October 25, 2013, we entered into a binding commitment letter with one of our lenders, an affiliate of Credit Suisse Securities (USA) LLC, or Credit Suisse, for a new $262.13 million senior secured credit facility, which we refer to as the New Senior Secured Revolving Credit Facility. A portion of the proceeds of the New Senior Secured Revolving Credit Facility, together with the net proceeds of this offering, will be used to repay all of our outstanding indebtedness under our existing credit facilities, certain of which contain provisions that prohibit us from paying distributions to our unitholders, effective upon the closing of this offering. The material terms of this new credit facility will permit, among other things, distributions to our unitholders and the other transactions contemplated herein and are more fully set forth under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Borrowing Activities New Senior Secured Revolving Credit Facility.

We have guaranteed three credit agreements of our Sponsor, with outstanding borrowings of an aggregate of up to $795.9 million, which are secured by five of the Optional Vessels, the *Yenisei River*, the *Lena River*, the *Clean Ocean*, the *Clean Planet* and the *Arctic Aurora*. The guarantees have been provided through certain of our subsidiaries, including the subsidiaries that own the vessels comprising our Initial Fleet. On October 31, 2013 and November 1, 2013, our Sponsor entered into binding commitments with its lenders to amend these three credit agreements at or prior to the closing of this offering to, among other things, release us from our obligations as guarantor effective upon the closing of this offering. As a result of the amendment to these three credit agreements, effective as of the closing of this offering, we will be released from our obligations as guarantor under the loan agreements and will no longer guarantee any of our Sponsor s debt. Please see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Sponsor s Credit Agreements.

The consummation of this offering is contingent upon our entry into the definitive facility agreement and related security documents for the New Senior Secured Revolving Credit Facility and the amendment of our Sponsor s three credit agreements to release us from the guarantees described above.

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As of June 30, 2013, we were in breach of the minimum liquidity requirement relating to our $193 Million Ob River Credit Facility, which requires us to maintain minimum liquidity of $30 million, while we maintained $2.8 million in cash and cash equivalents. We were in compliance with the remaining financial and liquidity covenants in our loan agreements but we were not in compliance with certain restrictive covenants relating to our credit agreements, which are described under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Borrowing Activities Waivers, Consents and The Violation of Certain Covenants Under Our Credit Facilities.

On July 19, 2013, one of our lenders declared an event of default under one of our credit facilities. On October 29, 2013, our lenders (i) provided us with their consent to issue guarantees under three of our Sponsor s credit facilities and to repay the $140 Million Shareholder Loan, which we repaid in April 2012 prior to obtaining our lenders required consent, and (ii) waived their rights in respect of our non-compliance with the minimum liquidity requirement of $30.0 million contained in the $193 Million Ob River Facility until September 30, 2014, which are described in Note 7 of our audited consolidated financial statements included elsewhere in this prospectus. Following the receipt of the waivers and the consents described above, all of our debt is no longer considered callable by our lenders. Please see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Borrowing Activities Waivers, Consents and The Violation of Certain Covenants Under Our Credit Facilities.

Upon completion of this offering and the related transactions, we plan to fund the loan interest and scheduled loan repayments with cash expected to be generated from operations.

Formation Transactions

We were formed on May 30, 2013 as a Marshall Islands limited partnership to own, operate and acquire LNG carriers initially employed on multi-year charters. We own (i) a 100% limited partner interest in Dynagas Operating LP, (ii) the non-economic general partner interest in Dynagas Operating LP through our 100% ownership of its general partner, Dynagas Operating GP LLC and (iii) 100% of Dynagas Equity Holding Ltd. and its subsidiaries, which are the Sponsor Controlled Companies that own directly and indirectly the three vessels comprising our Initial Fleet.

On October 29, 2013, we acquired from our Sponsor the vessels in our Initial Fleet in exchange for 6,735,000 of our common units and 14,985,000 of our subordinated units, and on the same date, we issued to our General Partner, a company owned and controlled by our Sponsor, 30,000 General Partner Units (the General Partner Units, together with the issued common units and subordinated units represent all of the outstanding interests in us) and all of our incentive distribution rights, which will entitle our General Partner to increasing percentages of the cash we distribute in excess of $0.420 per unit per quarter.

In addition, at or prior to the closing of this offering, the following transactions will occur:

- we will sell 8,250,000 common units to the public in this offering, representing a 27.5% limited partner interest in us;

- our Sponsor will sell (i) 4,250,000 common units to the public in this offering, representing a 14.2% limited partner interest in us and (ii) an additional 1,875,000 common units if the underwriters exercise their over-allotment option; and

- we expect to receive net proceeds of approximately $137.3 million from the sale of common units offered by this prospectus after deducting estimated underwriting discounts and commissions and paying estimated offering expenses. We intend to use the net proceeds from this offering, as follows:

  - Approximately $132.0 million to repay in part the outstanding indebtedness under our $193 million Ob River Credit Facility, which bears interest at LIBOR plus a margin and matures in July 2017; and

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- Approximately $5.3 million for general partnership purposes, including working capital.

We intend to use the proceeds from our New Senior Secured Revolving Credit Facility, as follows:

- Approximately $129.0 million to repay in full all of the outstanding indebtedness under our $150 million Clean Energy Credit Facility, which bears interest at LIBOR plus a margin and matures in July 2017;
- Approximately $79.1 million to repay in full all of the outstanding indebtedness under our $128 million Clean Force Credit Facility following the application of the use of proceeds of this offering, which bears interest at LIBOR plus a margin and matures in April 2020;
- Approximately $6.0 million to repay the remaining outstanding indebtedness under our $193 million Ob River Credit Facility, which bears interest at LIBOR plus a margin and matures in July 2017; and
- Approximately $48.0 million will remain undrawn and available for vessel acquisitions.

See Use of Proceeds.

In addition, at or prior to the closing of this offering:

- we will enter into the definitive facility agreement and related security documents for the New Senior Secured Revolving Credit Facility;
- we will enter into a $30 million revolving credit facility with our Sponsor;
- our Sponsor and its lenders will amend the three loan agreements secured by five of the Optional Vessels to release us from our obligations as guarantor; and
- we will enter into an Omnibus Agreement with our Sponsor and our General Partner, governing, among other things:
  - to what extent we and our Sponsor may compete with each other;
  - our options to purchase from our Sponsor the Optional Vessels within 24 months after their respective deliveries from the shipyard;
  - certain rights of first offer on LNG carriers operating under charters with an initial term of four or more years as described under Certain Relationships and Related Party Transactions Agreements Governing the Transactions Omnibus Agreement ; and
  - our Sponsor s provision of certain indemnities to us.

Our Corporate Structure

Dynagas LNG Partners LP was organized as a limited partnership in the Republic of the Marshall Islands on May 30, 2013, as a wholly-owned subsidiary of Dynagas Holding Ltd., our Sponsor. Upon the closing of this offering and the completion of the Formation Transactions described above, our Sponsor will own 16.6% of our outstanding common units and all of our outstanding subordinated units, assuming the underwriters do not exercise their over-allotment option.

Dynagas Operating LP, our wholly-owned subsidiary, owns a 100% interest in the *Clean Energy*, the *Ob River* and the *Clean Force* through intermediate holding companies.

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The following diagram provides a summary of our corporate and ownership structure after giving effect to this offering, assuming no exercise of the underwriters over-allotment option.

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Vessel Management

Our Manager provides us with commercial and technical management services for our Initial Fleet and certain corporate governance and administrative and support services, pursuant to three identical agreements with our three wholly-owned vessel owning subsidiaries, or the Management Agreements. Our Manager is wholly-owned by Mr. George Prokopiou and has been providing these services for the vessels in our Initial Fleet for over eight years. In addition, our Manager performs the commercial and technical management of each of the Optional Vessels, which also includes the supervision of the construction of these vessels. Through our Manager, we have had a presence in LNG shipping for over eight years, and during that time we believe our Manager has established a track record for efficient, safe and reliable operation of LNG carriers.

We pay our Manager a technical management fee of $2,500 per day for each vessel, pro-rated for the calendar days we own each vessel, for providing the relevant vessel owning subsidiaries with services, including engaging and providing qualified crews, maintaining the vessel, arranging supply of stores and equipment, arranging and supervising periodic dry-docking, cleaning and painting and ensuring compliance with applicable regulations, including licensing and certification requirements.

In addition, we pay our Manager a commercial management fee equal to 1.25% of the gross charter hire, ballast bonus which is the amount paid to the ship owner as compensation for all or a part of the cost of positioning the vessel to the port where the vessel will be delivered to the charterer, or other income earned during the course of the employment of our vessels, during the term of the management agreements, for providing the relevant vessel-owning subsidiary with services, including chartering, managing freight payment, monitoring voyage performance, and carrying out other necessary communications with the shippers, charterers and others.

Under the terms of the Management Agreements, we may terminate the Management Agreements upon written notice if our Manager fails to fulfill its obligations to us under the Management Agreements. The Management Agreements terminate automatically following a change of control in us. If the Management Agreements are terminated as a result of a change of control in us, then we will have to pay our Manager a termination penalty. For this purpose a change of control means (i) the acquisition of fifty percent or more by any individual, entity or group of the beneficial ownership or voting power of the outstanding shares of us or our vessel owning subsidiaries, (ii) the consummation of a reorganization, merger or consolidation of us and/or our vessel owning subsidiaries or the sale or other disposition of all or substantially all of our assets or those of our vessel owning subsidiaries and (iii) the approval of a complete liquidation or dissolution of us and/or our vessel owning subsidiaries. Additionally, the Management Agreements may be terminated by our Manager with immediate effect if, among other things, (i) we fail to meet our obligations and/or make due payments within ten business days from receipt of invoices, (ii) upon a sale or total loss of a vessel (with respect to that vessel), or (iii) if we file for bankruptcy.

We expect to pay an aggregate of approximately $2.8 million to our Manager in connection with the management of our Initial Fleet under the Management Agreements for the twelve months ending December 31, 2014.

In addition to such fees, we expect to pay for any capital expenditures, financial costs, operating expenses and any general and administrative expenses, including payments to third parties, in accordance with the Management Agreements.

The term of the Management Agreements with our Manager will expire on December 31, 2020, and will renew automatically for successive eight-year terms thereafter unless earlier terminated. The technical

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management fee of $2,500 per day for each vessel is fixed until December 31, 2013 and will thereafter increase annually by 3%, subject to further annual increases to reflect material unforeseen costs of providing the management services, by an amount to be agreed between us and our Manager, which amount will be reviewed and approved by our conflicts committee.

Pursuant to the terms of the Management Agreements, liability of our Manager to us is limited to instances of negligence, gross negligence or willful default on the part of our Manager. Further, we are required to indemnify our Manager for liabilities incurred by our Manager in performance of the Management Agreements, except in instances of negligence, gross negligence or willful default on the part of our Manager.

Additional LNG carriers that we acquire in the future may be managed by our Manager or other unaffiliated management companies.

Implications of Being an Emerging Growth Company

We had less than $1.0 billion in revenue during our last fiscal year, which means that we qualify as an emerging growth company as defined in the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- the ability to present only two years of audited financial statements and only two years of related Management s Discussion and Analysis of Financial Condition and Results of Operations in the registration statement for our initial public offering;

- exemption from the auditor attestation requirement in the assessment of the emerging growth company s internal controls over financial reporting, for so long as a company qualifies as an emerging growth company ;

- exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies; and

- exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to our auditor s report in which the auditor would be required to provide additional information about the audit and our financial statements.

We may take advantage of these provisions until the end of the fiscal year following the fifth anniversary of our initial public offering or such earlier time that we are no longer an emerging growth company. We will cease to be an emerging growth company if, among other things, we have more than $1.0 billion in total annual gross revenues during the most recently completed fiscal year, we become a large accelerated filer with market capitalization of more than $700 million, or as of any date on which we have issued more than $1.0 billion in non-convertible debt over the three year period to such date. We may choose to take advantage of some, but not all, of these reduced burdens. For as long as we take advantage of the reduced reporting obligations, the information that we provide to our unitholders may be different from information provided by other public companies.

Summary of Conflicts of Interest and Fiduciary Duties

Our General Partner and our directors will have a legal duty to manage us in a manner beneficial to our unitholders, subject to the limitations described under Conflicts of Interest and Fiduciary Duties. This legal duty is commonly referred to as a fiduciary duty. Our directors also will have fiduciary duties to manage us in a manner beneficial to us, our General Partner and our limited partners. As a result of these relationships,

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conflicts of interest may arise between us and our unaffiliated limited partners on the one hand, and our Sponsor and its affiliates, including our General Partner, on the other hand. The resolution of these conflicts may not be in the best interest of us or our unitholders. In particular:

- certain of our directors and officers may also serve as officers of our Sponsor or its affiliates and as such will have fiduciary duties to our Sponsor or its affiliates that may cause them to pursue business strategies that disproportionately benefit our Sponsor or its affiliates or which otherwise are not in the best interests of us or our unitholders;

- our Partnership Agreement permits our General Partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our General Partner, which entitles our General Partner to consider only the interests and factors that it desires, and it has no duty or obligations to give any consideration to any interest of or factors affecting us, our affiliates or any unitholder; when acting in its individual capacity, our General Partner may act without any fiduciary obligation to us or the unitholders whatsoever;

- our Sponsor and its affiliates may compete with us, subject to the restrictions contained in the Omnibus Agreement, which we will enter into with our Sponsor and our General Partner, and could own and operate LNG carriers under time charters that may compete with our vessels, including charters with an initial term of four or more years if we do not acquire such vessels when they are offered to us pursuant to the terms and conditions of the Omnibus Agreement;

- any agreement between us, on the one hand, and our General Partner and its affiliates, on the other, will not grant to the unitholders, separate and apart from us, the right to enforce the obligations of our General Partner and its affiliates in our favor;

- borrowings by us and our affiliates may constitute a breach of any duty owed by our General Partner or our directors to our unitholders, including borrowings that have the purpose or effect of: (i) enabling our General Partner or its affiliates to receive distributions on any subordinated units held by them or the incentive distribution rights or (ii) hastening the expiration of the subordination period;

- our General Partner, as the holder of the incentive distribution rights, will have the right to reset the minimum quarterly distribution and the cash target distribution levels, upon which the incentive distributions payable to our General Partner would be based without the approval of unitholders or the conflicts committee of our board of directors at any time when there are no subordinated units outstanding and we have made cash distributions to the holders of the incentive distribution rights at the highest level of incentive distribution for each of the prior four consecutive fiscal quarters, and in connection with such resetting and the corresponding relinquishment by our General Partner of incentive distribution payments based on the cash target distribution levels prior to the reset, our General Partner would be entitled to receive a number of newly issued common units and General Partner Units based on a predetermined formula described under How We Make Cash Distributions General Partner s Right to Reset Incentive Distribution Levels ; and

- in connection with this offering, we will enter into agreements, and may enter into additional agreements, with our General Partner and our Sponsor and certain of its subsidiaries, relating to the purchase of additional vessels, the provision of certain services to us by our Manager and its affiliates and other matters. In the performance of their obligations under these agreements, our Sponsor and its subsidiaries, other than our General Partner, are not held to a fiduciary duty standard of care to us, our General Partner or our limited partners, but rather to the standard of care specified in these agreements.

For a more detailed description of our management structure, please see Management Directors and Senior Management and Certain Relationships and Related Party Transactions.

Although a majority of our directors will over time be elected by our common unitholders, our General Partner will have influence on decisions made by our board of directors. Our board of directors will have a conflicts committee comprised of certain of our independent directors. Our board of directors may, but is not obligated to, seek approval of

the conflicts committee for resolutions of conflicts of interest that may arise as a result of the relationships between our Sponsor and its affiliates, including our General Partner, on the one hand, and us and our unaffiliated limited partners, on the other. There can be no assurance that a conflict of interest will be resolved in favor of us.

Company Information

The address of our principal executive offices is 97 Poseidonos Avenue & 2 Foivis Street, Glyfada, 16674 Greece. Our telephone number at that address is 011 30 210 89 17 260. After the completion of this offering, we will maintain a website at www.dynagaspartners.com. Information contained on our website does not constitute part of this prospectus.

We own our vessels through separate wholly-owned subsidiaries that are incorporated in the Republic of the Marshall Islands, Republic of Liberia and the Island of Nevis.

Recent Developments

On October 29, 2013, we acquired from our Sponsor the vessels in our Initial Fleet in exchange for 6,735,000 of our common units and 14,985,000 of our subordinated units, and on the same date we issued to our General Partner, a company owned and controlled by our Sponsor, 30,000 General Partner Units (the General Partner Units, together with the issued common units and subordinated units represent all of the outstanding interests in us) and all of our incentive distribution rights, which will entitle our General Partner to increasing percentages of the cash we distribute in excess of $0.420 per unit per quarter.

On October 25, 2013, we entered into a binding commitment letter with one of our lenders, an affiliate of Credit Suisse, for a new $262.13 million senior secured credit facility, which we refer to as the New Senior Secured Revolving Credit Facility. A portion of the proceeds of the New Senior Secured Revolving Credit Facility, together with the net proceeds of this offering, will be used to repay all of our existing outstanding indebtedness effective upon the closing of this offering. Please see Capitalization. The material terms of this new credit facility will permit, among other things, distributions to our unitholders and the other transactions contemplated herein and are more fully set forth under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Borrowing Activities New Senior Secured Revolving Credit Facility.

We have guaranteed three credit agreements of our Sponsor, with outstanding borrowings of an aggregate of up to $795.9 million, which are secured by five of the Optional Vessels, the *Yenisei River*, the *Lena River*, the *Clean Ocean*, the *Clean Planet* and the *Arctic Aurora*. The guarantees have been provided through certain of our subsidiaries, including the subsidiaries that own the vessels comprising our Initial Fleet. On October 31, 2013 and November 1, 2013, our Sponsor entered into binding commitments with its lenders to amend these three credit agreements at or prior to the closing of this offering to, among other things, release us from our obligations as guarantor effective upon the closing of this offering. As a result of the amendment to these three credit agreements, effective as of the closing of this offering, we will be released from our obligations as guarantor under the loan agreements and will no longer guarantee any of our Sponsor s debt. Please see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Sponsor s Credit Agreements.

The consummation of this offering is contingent upon our entry into the definitive facility agreement and related security documents for the New Senior Secured Revolving Credit Facility and the amendment of our Sponsor s three credit agreements to release us from the guarantees described above.

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On October 29, 2013, our lenders (i) provided us with their consent to issue guarantees under three of our Sponsor s credit facilities and to repay the $140 Million Shareholder Loan, and (ii) waived their rights in respect of our non-compliance with the minimum liquidity requirement of $30.0 million contained in the $193 Million Ob River Facility until September 30, 2014, which are described in Note 7 of our audited consolidated financial statements included elsewhere in this prospectus. Following the receipt of the waivers and the consents described above, all of our debt is no longer considered callable by our lenders. Please see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Borrowing Activities Waivers, Consents and The Violation of Certain Covenants Under Our Credit Facilities.

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THE OFFERING

Common units offered to the public by us	8,250,000 common units.
Common units offered to the public by the Sponsor	4,250,000 common units.
	6,125,000 common units if the underwriters exercise their over-allotment option in full.
Common units and subordinated units outstanding immediately after this offering	14,985,000 common units and 14,985,000 subordinated units, representing a 49.95% and 49.95% limited partner interest in us, respectively.
Over-allotment option	Our Sponsor will grant the underwriters a 30-day option to purchase up to 1,875,000 additional common units to cover over-allotments, if any. The exercise of the underwriters option will not affect the total number of units outstanding or the amount of cash needed to pay the minimum quarterly distribution.
Sponsor	Dynagas Holding Ltd., our Sponsor, owned 100% of our common and subordinated units as of the date of this prospectus. Following the completion of this offering, our Sponsor will own approximately 16.6% of our outstanding common units and 100% of our outstanding subordinated units.
Use of proceeds from sale of common units offered to the public by us	We will receive net proceeds of approximately $137.3 million from the sale of common units offered by this prospectus after deducting estimated underwriting discounts and commissions and paying estimated offering expenses. We intend to use the net proceeds from this offering, as follows:
	Approximately $132.0 million to repay in part the outstanding indebtedness under our $193 million Ob River Credit Facility, which bears interest at LIBOR plus a margin and matures in July 2017; and
	Approximately $5.3 million for general partnership purposes, including working capital.

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We intend to use the proceeds from our New Senior Secured Revolving Credit Facility, as follows:

- Approximately $129.0 million to repay in full all of the outstanding indebtedness under our $150 million Clean Energy Credit Facility, which bears interest at LIBOR plus a margin and matures in July 2017;

- Approximately $79.1 million to repay in full all of the outstanding indebtedness under our $128 million Clean Force Credit Facility, following the application of the use of proceeds of this offering, which bears interest at LIBOR plus a margin and matures in April 2020;

- Approximately $6.0 million to repay the remaining outstanding indebtedness under our $193 million Ob River Credit Facility, which bears interest at LIBOR plus a margin and matures in July 2017; and

- Approximately $48.0 million will remain undrawn and available for vessel acquisitions.

See Use of Proceeds.

Use of proceeds from sale of common units offered to the public by our Sponsor

Our Sponsor will receive approximately $71.9 million in net proceeds from the sale of 4,250,000 common units offered by this prospectus to the public and if the underwriters exercise their over-allotment option in full, our Sponsor will receive an aggregate of approximately $103.6 million in net proceeds. and we will not receive any proceeds from the sale of these common units. See Use of Proceeds.

Cash distributions

Following this offering, we intend to make minimum quarterly distributions of $0.365 per unit, or $1.46 per unit on an annualized basis, to the extent we have sufficient cash from operations after establishment of cash reserves and payment of fees and expenses, including payments to our General Partner. In general, we will pay any cash distributions we make each quarter in the following manner:

- first, 99.9% to the holders of common units and 0.1% to our General Partner, until each common unit has received a minimum quarterly distribution of $0.365 plus any arrearages from prior quarters;

- second, 99.9% to the holders of subordinated units and 0.1% to our General Partner, until each subordinated unit has received a minimum quarterly distribution of $0.365; and

- third, 99.9% to all unitholders, pro rata, and 0.1% to our General Partner, until each unit has received an aggregate distribution of $0.420.

Within 45 days after the end of each fiscal quarter (beginning with the quarter ending December 31, 2013), we will distribute all of our available cash to unitholders of record on the applicable record date. We will adjust the minimum quarterly distribution for the period from the closing of the offering through December 31, 2013 based on the actual length of the period. Our ability to pay our minimum quarterly

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distribution is subject to various restrictions and other factors described in more detail under the caption Our Cash Distribution Policy and Restrictions on Distributions. If cash distributions to our unitholders exceed $0.420 per unit in a quarter, holders of our incentive distribution rights (initially, our General Partner) will receive increasing percentages, up to 49.9%, of the cash we distribute in excess of that amount. We refer to these distributions as incentive distributions. We must distribute all of our cash on hand at the end of each quarter, less, among other things, reserves established by our board of directors to provide for the proper conduct of our business, to comply with any applicable debt instruments or to provide funds for future distributions. We refer to this cash as available cash, which is defined in our Partnership Agreement attached hereto as Appendix A. The amount of available cash may be greater than or less than the aggregate amount of the minimum quarterly distribution to be distributed on all units.

We believe, based on the estimates contained in and the assumptions listed under Our Cash Distribution Policy and Restrictions on Distributions Forecasted Cash Available for Distribution, that we will have sufficient cash available for distribution to enable us to pay the minimum quarterly distribution of $0.365 on all of our common and subordinated units for each quarter through December 31, 2014. However, unanticipated events may occur which could adversely affect the actual results we achieve during the forecast period. Consequently, our actual results of operations, cash flows and financial condition during the forecast period may vary from the forecast, and such variations may be material. Prospective investors are cautioned to not place undue reliance on the forecast and should make their own independent assessment of our future results of operations, cash flows and financial condition.

Dynagas LNG Partners LP is a holding company, and its ability to make cash distributions to its unitholders is limited by the distribution of funds from its subsidiaries and the covenants contained in its credit facilities. In addition, all of our credit agreements, other than the $150 Million Clean Energy Credit Facility, contain provisions that restrict our ability to declare and make distributions to our unitholders. On October 25, 2013, we entered into a binding commitment letter with one of our lenders, an affiliate of Credit Suisse, for a new $262.13 million senior secured credit facility to be entered at or prior to the closing of this offering to permit, among other things, distributions to the Company s unitholders and the other transactions contemplated herein. A portion of the proceeds of this credit facility, together with the net proceeds of this offering, will be used to repay all of our existing outstanding indebtedness effective as of the closing of this offering. The material terms of the New Senior Secured Revolving Credit Facility are set forth under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Borrowing Activities New Senior Secured Revolving Credit Facility.

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	See Our Cash Distribution Policy and Restrictions on Distributions Forecasted Cash Available for Distribution.
Subordinated units	Our Sponsor will initially own all of our subordinated units. The principal difference between our common units and subordinated units is that in any quarter during the subordination period the subordinated units are entitled to receive the minimum quarterly distribution of $0.365 per unit only after the common units have received the minimum quarterly distribution and arrearages in the payment of the minimum quarterly distribution from prior quarters. Subordinated units will not accrue arrearages. The subordination period will end on the first business day after we have earned and paid in the applicable period at least $1.46 (the minimum quarterly distribution on an annualized basis) on each outstanding common and subordinated unit and the corresponding distribution on the General Partner s 0.1% interest for any three consecutive four-quarter periods ending on or after December 31, 2016. For purposes of determining whether the subordination period will end, the three consecutive four-quarter periods for which the determination is being made may include one or more quarters with respect to which arrearages in the payment of the minimum quarterly distribution on the common units have accrued, provided that all such arrearages have been repaid prior to the end of each such four-quarter period. If the subordination period ends as a result of us having met the tests described above, all subordinated units will convert into common units on a one-for-one basis, and the common units will no longer be entitled to arrearages. The subordination period will also end upon the removal of our General Partner other than for cause if the units held by our General Partner and its affiliates are not voted in favor of such removal. When the subordination period ends, all subordinated units will convert into common units on a one-for-one basis and the common units will no longer be entitled to arrearages.
General Partner s right to reset the target distribution levels	Our General Partner has the right, at a time when there are no subordinated units outstanding and it has received incentive distributions at the highest level to which it is entitled (49.9%) for each of the prior four consecutive fiscal quarters, to reset the initial cash target distribution levels at higher levels based on the distribution at the time of the exercise of the reset election. If our General Partner transfers all or a portion of the incentive distribution rights it holds in the future, then the holder or holders of a majority of our incentive distribution rights will be entitled to exercise this right. Following a reset election by our General Partner, the minimum quarterly distribution amount will be reset to an amount equal to the average cash distribution amount per common unit for the two fiscal quarters immediately preceding the reset election (we refer to such amount as the reset minimum quarterly distribution amount), and the target distribution levels will be reset to correspondingly higher levels based on the same percentage increases above the reset minimum quarterly distribution amount as our current target distribution levels.

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	In connection with resetting these target distribution levels, our General Partner will be entitled to receive a number of common units equal to that number of common units whose aggregate quarterly cash distributions equaled the average of the distributions to it on the incentive distribution rights in the prior two quarters. See How We Make Cash Distributions General Partner s Right to Reset Incentive Distribution Levels.
Issuance of additional units	We can issue an unlimited number of additional units, including units that are senior to the common units in rights of distribution, liquidation and voting, on the terms and conditions determined by our board of directors, without the consent of our unitholders.
	See Units Eligible for Future Sale and The Partnership Agreement Issuance of Additional Securities.
Board of Directors	Upon the closing of this offering, our board of directors will consist of five members appointed by our General Partner. We will hold a meeting of the limited partners every year to elect one or more members of our board of directors and to vote on any other matters that are properly brought before the meeting. Our General Partner has the right to appoint two of the five members of our board of directors who will serve as directors for terms determined by our General Partner. At our first annual meeting in 2014, the common unitholders will elect three of our directors. The three directors will be nominated by our General Partner. The three directors elected by our common unitholders at our 2014 annual meeting will be divided into three classes to be elected by our common unitholders annually on a staggered basis to serve for three-year terms. Initially, the majority of our directors will be non-United States citizens or residents. Directors elected by our common unitholders will be nominated by the board of directors or by any limited partner or group of limited partners that holds at least 15% of the outstanding common units. See Management Management of Dynagas LNG Partners LP.
Voting Rights	Each outstanding common unit is entitled to one vote on matters subject to a vote of common unitholders. However, to preserve our ability to be exempt from U.S. federal income tax under Section 883 of the U.S. Internal Revenue Code of 1986, as amended, or the Code, if at any time, any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes (except for purposes of nominating a person for election to our board of directors), determining the presence of a quorum or for other similar purposes under our Partnership Agreement, unless otherwise required by law. The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed *pro rata* among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our General Partner, its affiliates and persons who acquired

	common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.
	You will have no right to elect our General Partner on an annual or other continuing basis. Our General Partner may not be removed except by a vote of the holders of at least 66 2/3% of the outstanding common and subordinated units, including any common and subordinated units owned by our General Partner and its affiliates, voting together as a single class. Upon consummation of this offering, our Sponsor will own 16.6% of our common units and all of our subordinated units, representing 58.3% of the outstanding common and subordinated units. If the underwriters over-allotment option is exercised in full, our Sponsor will own 610,000 of our common units and all of our subordinated units, representing 52.0% of the outstanding common and subordinated units. As a result, you will initially be unable to remove our General Partner without our Sponsor s consent because it will own sufficient units upon completion of this offering to be able to prevent the General Partner s removal.
	See The Partnership Agreement Voting Rights.
Limited call right	If at any time our General Partner and its affiliates own more than 80% of the outstanding common units, our General Partner has the right, but not the obligation, to purchase all, but not less than all, of the remaining common units at a price equal to the greater of (x) the average of the daily closing prices of the common units over the 20 trading days preceding the date three days before the notice of exercise of the call right is first mailed and (y) the highest price paid by our General Partner or any of its affiliates for common units during the 90-day period preceding the date such notice is first mailed. Our Sponsor is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon the exercise of this limited call right.
Material U.S. Federal Income Tax Considerations	Although we are organized as a partnership, we have elected to be treated as a corporation solely for U.S. federal income tax purposes. Consequently, all or a portion of the distributions you receive from us will constitute dividends for such purposes. The remaining portion of such distributions will be treated first as a non-taxable return of capital to the extent of your tax basis in your common units and, thereafter, as capital gain. We estimate that if you hold the common units that you purchase in this offering through the period ending December 31, 2016, the distributions you receive, on a cumulative basis, that will constitute dividends for U.S. federal income tax purposes will be approximately 100% of the total cash distributions received during that period. See Material U.S. Federal Income Tax Considerations U.S. Federal Income Taxation of U.S. Holders Ratio of Dividend Income to Distributions for the basis for this estimate. For a discussion of material U.S. federal income tax

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	consequences that may be relevant to prospective unitholders who are individual citizens or residents of the United States, see Material U.S. Federal Income Tax Considerations U.S. Federal Income Taxation of U.S. Holders and for a discussion of material U.S. federal income tax consequences that may be relevant to prospective unitholders who are non-U.S. citizens or residents, see Material U.S. Federal Income Tax Considerations U.S. Federal Income Taxation of Non-U.S. Holders. Please also see Risk Factors Tax Risks.
Exchange listing	We have applied to have our common units approved for listing on the Nasdaq Global Select Market under the symbol DLNG.
Risk factors	Investing in our common units involves substantial risks. You should carefully consider all the information in this prospectus prior to investing in our common units. In particular, we urge you to consider carefully the factors set forth in the section of this prospectus entitled Risk Factors beginning on page 28.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

We were formed on May 30, 2013 by our Sponsor as a new LNG carrier subsidiary focused on owning and operating LNG carriers that are employed on multi-year time charters with international energy companies. On October 29, 2013, we acquired from our Sponsor its subsidiaries that have interests in the LNG carriers in our Initial Fleet, or the Sponsor Controlled Companies. In addition, prior to the completion of this offering, we will complete a series of formation transactions that are described in the section of the prospectus entitled Summary Formation Transactions. Our business will be a direct continuation of the Sponsor Controlled Companies. We do not intend to engage in any business or other activities prior to the closing of the offering, except in connection with our formation. The Sponsor Controlled Companies are limited to entities that are under the control of our Sponsor and its affiliates, and, as such, this acquisition was accounted for as a transaction between entities under common control. As a result, the financial statements of the Sponsor Controlled Companies and us from May 30, 2013 (the date of our inception) have been presented using combined historical carrying costs of the assets and liabilities of the Sponsor Controlled Companies, and present the consolidated financial position and results of operations as if Dynagas Partners and the Sponsor Controlled Companies were consolidated for all periods presented.

The following table summarizes our summary historical consolidated financial and other operating data at the dates and for the periods indicated. The summary historical consolidated financial data in the table as of December 31, 2012 and 2011 and for the years then ended is derived from our audited consolidated financial statements for 2012 and 2011 included elsewhere in this prospectus, which have been prepared in accordance with U.S. GAAP. Our summary historical consolidated financial data presented below as of and for the six months ended June 30, 2013 and 2012 has been prepared on the same basis as our audited consolidated financial statements, are derived from our unaudited interim condensed consolidated financial statements included herein and, in the opinion of management, include all adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation thereof. Our interim results are not necessarily indicative of our results for the entire year or for any future periods. The following financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, and our consolidated financial statements and related notes included elsewhere in this prospectus.

Our financial position, results of operations and cash flows could differ from those that would have resulted if we operated autonomously or as an entity independent of our Sponsor in the periods for which historical financial data are presented below, and such data may not be indicative of our future operating results or financial performance.

	Six Months Ended June 30,		Year Ended December 31,	
	2013	2012	2012	2011
	(dollars in thousands)			
Income Statement Data				
Voyage revenues	$ 42,444	$ 37,105	$ 77,498	$ 52,547
Voyage expenses[(1)]	(832)	(1,928)	(3,468)	(1,353)
Vessel operating expenses	(6,232)	(7,376)	(15,722)	(11,350)
General and administrative expenses	(21)		(278)	(54)
Management fees	(1,358)	(1,328)	(2,638)	(2,529)
Depreciation	(6,733)	(6,771)	(13,616)	(13,579)
Dry-docking and special survey costs		(719)	(2,109)	
Operating income	27,268	18,983	39,667	23,682
Interest income		1	1	4
Interest and finance costs	(4,591)	(4,452)	(9,576)	(3,977)
Loss on derivative financial instruments		(138)	(196)	(824)
Other, net	51	(1)	(60)	(65)
Net Income	$ 22,728	$ 14,393	$ 29,836	$ 18,820

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	Six Months Ended June 30, 2013	2012	Year Ended December 31, 2012	2011
	(dollars in thousands except fleet data and average daily data)			
Balance Sheet Data (as revised):				
Total current assets	$ 5,069		$ 8,981	$ 3,453
Vessels, net	460,021		466,754	480,370
Total assets	468,332		476,275	484,363
Total current liabilities	368,069		398,434	439,024
Total Long Term Debt and stockholders loan, including current portion	359,045		380,715	402,189
Total partners equity	97,903		75,175	45,339
Cash Flow Data (as revised):				
Net cash provided by operating activities	$ 17,728	$ 2,988	$ 27,902	$ 28,974
Net cash used in financing activities	(17,728)	(2,988)	(27,902)	(28,974)
Fleet Data:				
Number of vessels at the end of the year	3	3	3	3
Average number of vessels in operation(2)	3	3	3	3
Average age of vessels in operation at end of period (years)	5.9	4.9	5.4	4.4
Available days(3)	543	530	1,056	1,095
Time Charter Equivalent(4)	$ 76,633	$ 66,372	$ 70,104	$ 46,753
Fleet utilization(5)	100.0%	99.0%	99.5%	99.5%
Other Financial Data:				
Adjusted EBITDA(6)	$ 34,052	$ 25,753	$ 53,223	$ 37,196

(1) Voyage expenses include commissions of 1.25% paid to our Manager and third party ship brokers.

(2) Represents 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 the period.

(3) Available days are the total number of calendar days our vessels were in our possession during a period, less the total number of scheduled off-hire days during the period associated with major repairs, or dry-dockings.

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(4) Time charter equivalent rates, or TCE rates, is a measure of the average daily revenue performance of a vessel. For time charters, this is calculated by dividing total voyage revenues, less any voyage expenses, by the number of Available days during that period. Under a time charter, the charterer pays substantially all of the vessel voyage related expenses. However, we may incur voyage related expenses when positioning or repositioning vessels before or after the period of a time charter, during periods of commercial waiting time or while off-hire during dry-docking or due to other unforeseen circumstances. The TCE rate is not a measure of financial performance under U.S. GAAP (non-GAAP measure), and should not be considered as an alternative to voyage revenues, the most directly comparable GAAP measure, or any other measure of financial performance presented in accordance with U.S. GAAP. However, TCE rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in a company s performance and assists our management in making decisions regarding the deployment and use of our vessels and in evaluating their financial performance. Our calculation of TCE rates may not be comparable to that reported by other companies. The following table reflects the calculation of our TCE rates for the six month periods ended June 30, 2013 and 2012 and the years ended December 31, 2012 and 2011 (amounts in thousands of U.S. dollars, except for TCE rates, which are expressed in U.S. dollars and Available days):

	Six Months Ended June 30,		**Year Ended December 31,**	
	2013	**2012**	**2012**	**2011**
	(dollars in thousands, except average daily TCE)			
Voyage revenues	$ 42,444	37,105	$ 77,498	$ 52,547
Voyage expenses	(832)	(1,928)	(3,468)	(1,353)
Time charter equivalent revenues	$ 41,612	$ 35,177	$ 74,030	$ 51,194
Total Available days	543	530	1,056	1,095
Time charter equivalent (TCE) rate	76,633	66,372	70,104	46,753

(5) We calculate fleet utilization by dividing the number of our revenue earning days, which are the total number of Available Days of our vessels net of unscheduled off-hire days, during a period, by the number of our Available days during that period. The shipping industry uses fleet utilization to measure a company s efficiency in finding employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons such as unscheduled repairs but excluding scheduled off-hires for vessel upgrades, dry-dockings or special or intermediate surveys.

(6) Adjusted EBITDA is defined as earnings before interest and finance costs, net of interest income, gains/losses on derivative financial instruments, taxes (when incurred), depreciation and amortization (when incurred). Adjusted EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as our investors, to assess our liquidity and our operating performance. We believe that Adjusted EBITDA assists our management and investors by providing useful information that increases the comparability of our performance operating from period to period and against the operating performance of other companies in our industry that provide Adjusted EBITDA information. This increased comparability is achieved by excluding the potentially disparate effects between periods or companies of interest, other financial items, depreciation and amortization and taxes, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. We believe that including Adjusted EBITDA as a measure of operating performance benefits investors in (a) selecting between investing in us and other investment alternatives and (b) monitoring our ongoing financial and operational strength in assessing whether to continue to hold common units.

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Adjusted EBITDA is not a measure of financial performance under U.S. GAAP, does not represent and should not be considered as an alternative to net income, operating income, cash flow from operating activities or any other measure of financial performance presented in accordance with U.S. GAAP. Adjusted EBITDA excludes some, but not all, items that affect net income and these measures may vary among other companies. Therefore, Adjusted EBITDA as presented below may not be comparable to similarly titled measures of other companies. The following table reconciles Adjusted EBITDA to net income (loss), the most directly comparable U.S. GAAP financial measures, for the periods presented:

	Six Months Ended June 30,		Year Ended December 31,	
	2013	2012	2012	2011
	(dollars in thousands)			
Reconciliation to Net Income				
Net Income	$ 22,728	$ 14,393	$ 29,836	$ 18,820
Net interest expense (including loss from derivative instruments)	4,591	4,589	9,771	4,797
Depreciation	6,733	6,771	13,616	13,579
Adjusted EBITDA	$ 34,052	$ 25,753	$ 53,223	$ 37,196

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FORWARD-LOOKING STATEMENTS

Statements included in this prospectus which are not historical facts (including our financial forecast and any other statements concerning plans and objectives of management for future operations or economic performance, or assumptions related thereto) are forward-looking statements. In addition, we and our representatives may from time to time make other oral or written statements which are also forward-looking statements. Our disclosure and analysis in this prospectus pertaining to our operations, cash flows and financial position, including, in particular, the likelihood of our success in developing and expanding our business, include forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as expects, anticipates, intends, plans, believes, estimates, projects, forecasts, may, should and similar expressions are forward-looking statements.

All statements in this prospectus that are not statements of either historical or current facts are forward-looking statements.

Forward-looking statements appear in a number of places and include statements with respect to, among other things:

- statements about LNG market trends, including charter rates, factors affecting supply and demand, and opportunities for the profitable operations of LNG carriers;
- the effect of the worldwide economic slowdown;
- turmoil in the global financial markets;
- fluctuations in currencies and interest rates;
- general market conditions, including fluctuations in charter hire rates and vessel values;
- changes in our operating expenses, including dry-docking and insurance costs and bunker prices;
- forecasts of our ability to make cash distributions on our units and the amount of any borrowings that may be necessary to make such distributions;
- our future financial condition or results of operations and our future revenues and expenses;
- the repayment of debt;
- the anticipated taxation of our Company and distributions to our unitholders;
- our anticipated growth strategies;
- our ability to make additional borrowings and to access public equity and debt capital markets;

our ability to compete successfully for future chartering and newbuild opportunities;

planned capital expenditures and availability of capital resources to fund capital expenditures;

our ability to maintain long-term relationships with major LNG traders;

our ability to leverage our Sponsor s and our Manager s relationships and reputation in the shipping industry;

our ability to purchase vessels from our Sponsor in the future, including the seven newbuilding LNG carriers for which we have rights to purchase;

our continued ability to enter into multi-year time charters;

our ability to maximize the use of our vessels, including the re-deployment or disposition of vessels no longer under time charter; and

timely purchases and deliveries of newbuilding vessels.

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RISK FACTORS

Limited partner interests are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. You should consider carefully the following risk factors, as well as the other information contained in this prospectus, before making an investment in our common units. Any of the risk factors described below could significantly and negatively affect our business, financial condition or operating results, which may reduce our ability to pay dividends and lower the trading price of our common units. You may lose part or all of your investment.

Risks Relating to Our Company

Our Initial Fleet consists of only three LNG carriers. Any limitation in the availability or operation of these vessels could have a material adverse effect on our business, results of operations and financial condition and could significantly reduce or eliminate our ability to pay the minimum quarterly distribution on our common units and subordinated units.

Our Initial Fleet consists of only three LNG carriers. If any of our vessels are unable to generate revenues as a result of off-hire time, early termination of the applicable time charter or otherwise, our business, results of operations financial condition and ability to make minimum quarterly distributions to unitholders could be materially adversely affected.

We currently derive all our revenue and cash flow from two charterers and the loss of either of these charterers could cause us to suffer losses or otherwise adversely affect our business.

We currently derive all of our revenue and cash flow from two charterers, BG Group and Gazprom. For the year ended December 31, 2012, BG Group accounted for 58%, Qatar Gas accounted for 26% and Gazprom accounted for 16% of our total revenue. For the year ended December 31, 2011, BG Group accounted for 33%, Qatar Gas accounted for 37% and Gazprom accounted for 30% of our total revenue. All of the charters for our Initial Fleet have fixed terms, but may be terminated early due to certain events, such as a charterer s failure to make charter payments to us because of financial inability, disagreements with us or otherwise. The ability of each of our counterparties to perform its obligations under a charter with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the LNG shipping industry, prevailing prices for natural gas and the overall financial condition of the counterparty. Should a counterparty fail to honor its obligations under an agreement with us, we may be unable to realize revenue under that charter and could sustain losses, which could have a material adverse effect on our business, financial condition, results of operations and ability to pay minimum quarterly distribution to our unitholders.

In addition, a charterer may exercise its right to terminate the charter if, among other things:

- the vessel suffers a total loss or is damaged beyond repair;
- we default on our obligations under the charter, including prolonged periods of vessel off-hire;
- war or hostilities significantly disrupt the free trade of the vessel;
- the vessel is requisitioned by any governmental authority; or
- a prolonged force majeure event occurs, such as war or political unrest, which prevents the chartering of the vessel.

In addition, the charter payments we receive may be reduced if the vessel does not perform according to certain contractual specifications. For example, charter hire may be reduced if the average vessel speed falls below the speed we have guaranteed or if the amount of fuel consumed to power the vessel exceeds the guaranteed amount.

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If any of our charters are terminated, we may be unable to re-deploy the related vessel on terms as favorable to us as our current charters, or at all. If we are unable to re-deploy a vessel for which the charter has been terminated, we will not receive any revenues from that vessel, and we may be required to pay ongoing expenses necessary to maintain the vessel in proper operating condition. Any of these factors may decrease our revenue and cash flows. Further, the loss of any of our charterers, charters or vessels, or a decline in charter hire under any of our charters, could have a material adverse effect on our business, results of operations, financial condition and ability to make minimum quarterly distributions to our unitholders.

We are subject to certain risks with respect to our contractual counterparties, and failure of such counterparties to perform their obligations under such contracts could cause us to sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have entered into, and may enter in the future, contracts, charters, conversion contracts with shipyards, credit facilities with banks, interest rate swaps, foreign currency swaps and equity swaps. Such agreements subject us to counterparty risks. The ability of each of our counterparties to perform its obligations under a contract with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions and the overall financial condition of the counterparty. Should a counterparty fail to honor its obligations under agreements with us, we could sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may be unable to pay the minimum quarterly distribution on our common units and subordinated units.

Our initial policy is to make minimum quarterly distributions to our unitholders of $0.365 per unit in February, May, August, and November, or $1.46 per unit per year. The amount of cash available for distribution, if any, will principally depend upon the amount of cash we generate from our operations, which may fluctuate from quarter to quarter based on the risks described in this section, including, among other things:

- the rates we obtain from our charters; and

- the level of our operating and other costs and expenses, such as the cost of crews and insurance.

In addition, the actual amount of cash we will have available for distribution to our unitholders will depend on other factors, including:

- the level of capital expenditures we make, including for maintaining or replacing vessels, constructing new vessels, acquiring existing vessels and complying with regulations;

- the number of unscheduled off-hire days for our fleet and the timing of, and number of days required for, scheduled dry-docking of our vessels;

- our debt service requirements and restrictions on distributions contained in our debt instruments;

- the level of debt we will incur if we exercise our right to purchase each of the Optional Vessels from our Sponsor;

- fluctuations in interest rates;

- fluctuations in our working capital needs;

variable tax rates; and

currency exchange rate fluctuations.

In addition, each quarter we will be required to deduct estimated maintenance and replacement capital expenditures from operating surplus, which may result in less cash available to unitholders than if actual maintenance and replacement capital expenditures were deducted. Our ability to pay distributions will also be limited to the extent that we have sufficient cash after establishment of cash reserves and payments to our General Partner.

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The amount of cash we will generate from our operations may differ materially from our profit or loss for the period, which will be affected by non-cash items. As a result of this and the other factors mentioned above, we may make cash distributions during periods when we record losses and may not make cash distributions during periods when we record profits.

Dynagas LNG Partners LP is a holding company, and its ability to make cash distributions to its unitholders is limited by the distribution of funds from its subsidiaries and the covenants contained in its credit facilities. In addition, all of our credit agreements, other than the $150 Million Clean Energy Credit Facility, also contain provisions that restrict our ability to declare and make distributions to our unitholders. On October 25, 2013, we entered into a binding committment letter with one of our lenders, an affiliate of Credit Suisse, for a new $262.13 million senior secured credit facility to be entered at or prior to the closing of this offering to permit, among other things, distributions to the Company s unitholders and the other transactions contemplated herein. A portion of the proceeds of this credit facility, together with the net proceeds of this offering, will be used to repay all of our existing outstanding indebtedness effective as of the closing of this offering. The material terms of the New Senior Secured Revolving Credit Facility are set forth under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Borrowing Activities New Senior Secured Revolving Credit Facility.

Our growth depends on our ability to expand relationships with existing charterers and obtain new charterers, for which we will face substantial competition.

The process of obtaining new time charters is highly competitive and generally involves intensive screening and competitive bidding, and often extends for several months. LNG carrier time charters are generally awarded based upon a variety of factors relating to the vessel operator, including but not limited to:

- LNG shipping experience and quality of vessels;
- shipping industry relationships and reputation for customer service and safety;
- technical ability and reputation for operating highly specialized vessels;
- quality and experience of seafaring crew;
- the ability to finance LNG carriers at competitive rates, and financial stability generally;
- construction management experience, including, (i) relationships with shipyards and the ability to obtain suitable berths; and (ii) the ability to obtain on-time delivery of new LNG carriers according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and
- competitiveness of the bid in terms of overall price.

We expect substantial competition for providing marine transportation services for potential LNG projects from a number of experienced companies, including state-sponsored entities and major energy companies. Many of these competitors have significantly greater financial resources and larger and more versatile fleets than we do. We anticipate that an increasing number of marine transportation companies, including many with strong reputations and extensive resources and experience, will enter the LNG transportation market. This increased competition may cause greater price competition for time charters. As a result of these factors, we may be unable to expand our relationships with existing customers or obtain new customers on a profitable basis, if at all, which could have a material adverse effect on our business, results of operations, financial condition and ability to make minimum quarterly distributions to our unitholders.

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The amount of our debt could limit our liquidity and flexibility in obtaining additional financing and in pursuing other business opportunities.

As of October 28, 2013 and December 31, 2012, we had $346.1 million and $380.7 million, respectively, in gross principal amount of interest bearing debt. In connection with this offering we will enter into the New Senior Secured Revolving Credit Facility for $262.13 million, of which $214.1 million will be used to repay our existing indebtedness. In addition, prior to the closing of this offering we plan to enter into a $30.0 million revolving credit facility with our Sponsor. We expect that a large portion of our cash flow from operations will be used to repay the principal and interest on our debt.

Our current indebtedness and future indebtedness that we may incur could affect our future operations, as a portion of our cash flow from operations will be dedicated to the payment of interest and principal on such debt and will not be available for other purposes. Covenants contained in our debt agreements may affect our flexibility in planning for, and reacting to, changes in our business or economic conditions, limit our ability to dispose of assets or place restrictions on the use of proceeds from such dispositions, withstand current or future economic or industry downturns and compete with others in our industry for strategic opportunities, and limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate and other purposes and our ability to make minimum quarterly distributions to our unitholders.

Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing or eliminating distributions to our unitholders, reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt, or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms, or at all.

We may be unable to comply with covenants in our credit facilities or any future financial obligations that impose operating and financial restrictions on us.

Certain of our existing and future credit facilities, which are secured by mortgages on our vessels, impose and will impose certain operating and financial restrictions on us, mainly to ensure that the market value of the mortgaged vessel under the applicable credit facility does not fall below a certain percentage of the outstanding amount of the loan, which we refer to as the asset coverage ratio and interest coverage ratio. In addition, certain of our credit facilities require us to satisfy certain other financial covenants, including maintenance of minimum cash liquidity levels.

The operating and financial restrictions contained in our credit facilities prohibit or otherwise limit our ability to, among other things:

- obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes on favorable terms, or at all;
- make distributions to unitholders or pay dividends to shareholders, as applicable;
- incur additional indebtedness, create liens or issue guarantees;
- charter our vessels or change the terms of our existing charter agreements;
- sell, transfer or lease our assets or vessels or the shares of our vessel-owning subsidiaries;
- make investments and capital expenditures;

reduce our share capital; and

undergo a change in ownership or Manager.

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In addition, one of our credit facilities contains a cross-default provision that may be triggered by a default under one of our other credit facilities. A cross-default provision means that a default on one loan would result in a default on certain other loans.

We were not in compliance with the following restrictive and financial covenants in our credit facilities as of June 30, 2013 and December 31, 2012. On October 29, 2013, our lenders (i) provided us with their consent to issue guarantees under three of our Sponsor s credit facilities and to repay the $140 Million Shareholder Loan, and (ii) waived their rights in respect of our non-compliance with the minimum liquidity requirement of $30.0 million contained in the $193 Million Ob River Facility until September 30, 2014, which are described in Note 7 of our audited consolidated financial statements included elsewhere in this prospectus. Following the receipt of the waivers and the consents described above, all of our debt is no longer considered callable by our lenders. Please see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Borrowing Activities Waiver Agreements and The Violation of Certain Covenants Under Certain of Our Credit Facilities.

$128 Million Clean Force Credit Facility

Restriction on the Provision of Guarantees. We are prohibited from issuing any guarantees for the obligations of any person without the prior written consent of our lender. In September 2012 and June 2013 without obtaining the required lender consent, we, through certain of our subsidiaries, provided guarantees on three loans of our Sponsor, with outstanding borrowings of an aggregate of up to $795.9 million, which are secured by five of the Optional Vessels, the *Yenisei River*, the *Lena River*, the *Clean Ocean*, the *Clean Planet* and the *Arctic Aurora*.

Restriction on Repayment of Shareholder Loans. We are prohibited from repaying any shareholder loans without the prior written consent of our lender. In April 2012, without obtaining the necessary lender consent, we repaid in full the then outstanding balance of our $140 Million Shareholder Loan using a portion of the proceeds we received from refinancing the *Clean Energy* and the *Ob River*, which resulted in a breach of this covenant as of December 31, 2012.

$150 Million Clean Energy Credit Facility

Restriction on the Provision of Guarantees. We are prohibited from issuing any guarantees for the obligations of any person without the prior written consent of our lender. In September 2012 and June 2013 without obtaining the required lender consent, we, through certain of our subsidiaries, provided guarantees on three loans of our Sponsor, with outstanding borrowings of an aggregate of up to $795.9 million, which are secured by five of the Optional Vessels, the *Yenisei River*, the *Lena River*, the *Clean Ocean*, the *Clean Planet* and the *Arctic Aurora*.

$193 Million Ob River Credit Facility

Minimum Liquidity. We are required to maintain minimum liquidity of $30 million. As of June 30, 2013 and December 31, 2012, we had $2.8 million and $6.8 million in cash and cash equivalents, respectively.

Restriction on Repayment of Shareholder Loans. We are prohibited from repaying any shareholder loans without the prior written consent of our lender. In April 2012, without obtaining the necessary lender consent, we repaid in full the then outstanding balance of our $140 Million Shareholder Loan using a portion of the proceeds we received from refinancing the *Clean Energy* and the *Ob River*, which resulted in a breach of this covenant as of December 31, 2012.

Restriction on the Provision of Guarantees. We are prohibited from issuing any guarantees for the obligations of any person without the prior written consent of our lender. In September 2012 and June 2013 without obtaining the necessary lender consent, we, through certain of our subsidiaries, provided

guarantees on three loans of our Sponsor, with outstanding borrowings of an aggregate of up to $795.9 million, which are secured by five of the Optional Vessels, the *Yenisei River*, the *Lena River*, the *Clean Ocean*, the *Clean Planet* and the *Arctic Aurora*.

See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

On October 25, 2013, we entered into a binding commitment letter with one of our lenders, an affiliate of Credit Suisse, for a new $262.13 million senior secured credit facility, which we refer to as the New Senior Secured Revolving Credit Facility. A portion of the proceeds of the New Senior Secured Revolving Credit Facility, together with the net proceeds of this offering, will be used to repay all of our existing outstanding indebtedness effective upon the closing of this offering. The material terms of this new credit facility will permit, among other things, distributions to our unitholders and the other transactions contemplated herein and are more fully set forth under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Borrowing Activities New Senior Secured Revolving Credit Facility.

As described above, we have guaranteed three credit agreements of our Sponsor, with outstanding borrowings of an aggregate of up to $795.9 million, which are secured by five of the Optional Vessels, the *Yenisei River*, the *Lena River*, the *Clean Ocean*, the *Clean Planet* and the *Arctic Aurora*. The guarantees have been provided through certain of our subsidiaries, including the subsidiaries that own the vessels comprising our Initial Fleet. On October 31, 2013 and November 1, 2013, our Sponsor entered into binding commitments with its lenders to amend these three credit agreements at or prior to the closing of this offering to, among other things, release us from our obligations as guarantor effective upon the closing of this offering. As a result of the amendment to these three credit agreements, effective as of the closing of this offering, we will be released from our obligations as guarantor under the loan agreements and will no longer guarantee any of our Sponsor s debt. Please see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Sponsor s Credit Agreements.

The consummation of this offering is contingent upon our entry into the definitive facility agreement and related security documents for the New Senior Secured Revolving Credit Facility and the amendment of our Sponsor s three credit agreements to release us from the guarantees described above.

As described above, as of June 30, 2013, we were in breach of the minimum liquidity requirement relating to our $193 Million Ob River Credit Facility, which requires us to maintain minimum liquidity of $30 million, while we maintained $2.8 million in cash and cash equivalents. We were in compliance with the remaining financial and liquidity covenants in our loan agreements but we were not in compliance with certain restrictive covenants relating to our credit agreements. On July 19, 2013, one of our lenders declared an event of default under one of our credit facilities. On October 29, 2013, our lenders (i) provided us with their consent to issue guarantees under three of our Sponsor s credit facilities and to repay the $140 Million Shareholder Loan, and (ii) waived their rights in respect of our non-compliance with the minimum liquidity requirement of $30.0 million contained in the $193 Million Ob River Facility until September 30, 2014, which are described in Note 7 of our audited consolidated financial statements included elsewhere in this prospectus. Following the receipt of the waivers and the consents described above, all of our debt is no longer considered callable by our lenders. Please see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Borrowing Activities Waivers, Consents and The Violation of Certain Covenants Under Our Credit Facilities.

A violation of any of the financial covenants contained in our credit facilities described above constitutes an event of default under our credit facilities, which, unless cured under the applicable credit facility, if applicable, or waived or modified by our lenders, provides our lenders with the right to, among other things, require us to post additional collateral, enhance our equity and liquidity, increase our interest payments, pay down our indebtedness to a level where we are in compliance with our loan covenants, sell vessels in our fleet, reclassify our indebtedness as current liabilities and accelerate our indebtedness and foreclose their liens on our vessels and the other assets securing the credit facilities, which would impair our ability to continue to conduct our business.

In addition, under the terms of our credit facilities, we may be prohibited from making cash distributions to our unitholders. See Our Cash Distribution Policy and Restrictions on Distributions.

For more information, please see Prospectus Summary Recent Developments and Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

We were in breach of certain financial and other covenants in our loan agreements, and as a result, our independent registered public accounting firm expressed substantial doubt about our ability to continue as a going concern.

As of June 30, 2013 and December 31, 2012, we were not in compliance with certain restrictive and financial covenants contained in our credit facilities. As a result, our independent registered public accounting firm in its initial report expressed substantial doubt about our ability to continue as a going concern and included an explanatory paragraph in its report relating to our audited financial statements for the year ended December 31, 2012. On October 29, 2013, our lenders waived and consented to our non-compliance with these covenants, and as a result, our independent registered public accounting firm re-issued their report on October 29, 2013 (that was included in Amendment No. 1 to our registration statement that was filed with the SEC on the same date), which stated that the conditions that existed at the time of their initial report, which raised substantial doubt as to whether we will continue as a going concern, no longer exist. Please see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Waivers, Consents and the Violation of Certain Covenants under our Credit Facilities.

Our Sponsor may be unable to service its debt requirements and comply with the provisions contained in the credit agreements secured by the Optional Vessels. If our Sponsor fails to perform its obligations under its loan agreements, our business and expected plans for growth may be materially affected.

Our Sponsor may be unable to service its debt requirements and comply with the provisions contained in the credit agreements secured by the Optional Vessels. Failure on behalf of our Sponsor to perform its obligations under its credit agreements, including paying scheduled installments and complying with certain covenants, may constitute an event of default under these secured loan agreements. If an event of default occurs under these loan agreements, our Sponsor s lenders could accelerate the outstanding loans and declare all amounts borrowed due and payable. In this case, if our Sponsor is unable to obtain a waiver or amendment or does not otherwise have enough cash on hand to repay the outstanding borrowings, its lenders may, among other things, foreclose their liens on the Optional Vessels. In this case, we may not be able to exercise our rights under the Omnibus Agreement to acquire the Optional Vessels, which would likely have a material adverse effect on our business and our expected plans for growth.

In addition, since our Sponsor is a private company and there is little or no publicly available information about it, we or an investor could have little advance warning of potential financial or other problems that might affect our Sponsor that could have a material adverse effect on us.

We are dependent on our affiliated Manager for the management of our fleet.

We have entered into Management Agreements with our affiliated Manager for the commercial and technical management of our fleet, including crewing, maintenance and repair. The loss of our Manager s services or its failure to perform its obligations to us could materially and adversely affect the results of our operations. In addition, our Manager provides us with significant management, administrative, financial and other support services. Our operational success and ability to execute our growth strategy will depend significantly upon the satisfactory performance of these services. Our business will be harmed if our Manager fails to perform these services satisfactorily, if they cancel their agreements with us or if they stop providing these services to us.

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Our Sponsor, our General Partner and their respective affiliates own a controlling interest in us and have conflicts of interest and limited duties to us and our common unitholders, which may permit them to favor their own interests to your detriment.

Members of the Prokopiou Family control our Sponsor, our Manager and our General Partner. Upon completion of this offering, our Sponsor will own 2,485,000 of our common units and all of our subordinated units, representing 58.3% of the outstanding common and subordinated units in aggregate, and our General Partner will own a 0.1% General Partner interest in us and 100% of our incentive distribution rights, assuming the underwriters over-allotment option is not exercised, and therefore may have considerable influence over our actions. The interests of our Sponsor and the members of the Prokopiou family may be different from your interests and the relationships described above could create conflicts of interest. We cannot assure you that any conflicts of interest will be resolved in your favor.

Conflicts of interest may arise between our Sponsor and its affiliates on the one hand, and us and our unitholders, on the other hand. As a result of these conflicts, our Sponsor and its affiliates may favor their own interests over the interests of our unitholders. Although a majority of our directors will over time be elected by our common unitholders, our General Partner will have influence on decisions made by our board of directors. Our board of directors will have a conflicts committee comprised of independent directors. Our board of directors may, but is not obligated to, seek approval of the conflicts committee for resolutions of conflicts of interest that may arise as a result of the relationships between our Sponsor and its affiliates, on the one hand, and us and our unaffiliated limited partners, on the other. There can be no assurance that a conflict of interest will be resolved in favor of us.

These conflicts include, among others, the following situations:

- neither our Partnership Agreement nor any other agreement requires our Sponsor or our General Partner or their respective affiliates to pursue a business strategy that favors us or utilizes our assets, and their officers and directors have a fiduciary duty to make decisions in the best interests of their respective shareholders, which may be contrary to our interests;

- our Partnership Agreement provides that our General Partner may make determinations or take or decline to take actions without regard to our or our unitholders interests. Specifically, our General Partner may exercise its call right, pre-emptive rights, registration rights or right to make a determination to receive common units in exchange for resetting the target distribution levels related to the incentive distribution rights, consent or withhold consent to any merger or consolidation of the company, appoint any directors or vote for the election of any director, vote or refrain from voting on amendments to our Partnership Agreement that require a vote of the outstanding units, voluntarily withdraw from the company, transfer (to the extent permitted under our Partnership Agreement) or refrain from transferring its units, the General Partner interest or incentive distribution rights or vote upon the dissolution of the company;

- our General Partner and our directors and officers have limited their liabilities and any fiduciary duties they may have under the laws of the Marshall Islands, while also restricting the remedies available to our unitholders, and, as a result of purchasing common units, unitholders are treated as having agreed to the modified standard of fiduciary duties and to certain actions that may be taken by the General Partner and our directors and officers, all as set forth in the Partnership Agreement;

- our General Partner and our Manager are entitled to reimbursement of all reasonable costs incurred by them and their respective affiliates for our benefit; our Partnership Agreement does not restrict us from paying our General Partner and our Manager or their respective affiliates for any services rendered to us on terms that are fair and reasonable or entering into additional contractual arrangements with any of these entities on our behalf;

- our General Partner may exercise its right to call and purchase our common units if it and its affiliates own more than 80% of our common units; and is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon the exercise of its limited call right. Although a majority of our directors will over time be elected by common unitholders, our General Partner will likely have substantial influence on decisions made by our board of directors. See Certain Relationships and Related Party Transactions, Conflicts of Interest and Fiduciary Duties and The Partnership Agreement.

Our Sponsor and its affiliates may compete with us.

Pursuant to the Omnibus Agreement that we will enter into with our Sponsor and our General Partner, our Sponsor and its affiliates (other than us, and our subsidiaries) generally have agreed not to acquire, own, operate or contract for any LNG carriers acquired or placed under contracts with an initial term of four or more years after the closing date of this offering. The Omnibus Agreement, however, contains significant exceptions that may allow our Sponsor or any of its affiliates to compete with us, which could harm our business. Our Sponsor and its affiliates may compete with us, subject to the restrictions will be contained in the Omnibus Agreement, and could own and operate LNG carriers under charters of four years or more that may compete with our vessels if we do not acquire such vessels when they are offered to us pursuant to the terms of the Omnibus Agreement. See Certain Relationships and Related Party Transactions Agreements Governing the Transactions Omnibus Agreement Noncompetition.

Mr. Tony Lauritzen, our Chief Executive Officer, Mr. Michael Gregos, our Chief Financial Officer, and certain other officers will not devote all of their time to our business, which may hinder our ability to operate successfully.

Mr. Tony Lauritzen, our Chief Executive Officer, Mr. Michael Gregos, our Chief Financial Officer and certain other officers, will be involved in other business activities with our Sponsor and its affiliates, which may result in their spending less time than is appropriate or necessary to manage our business successfully. Based solely on the anticipated relative sizes of our Initial Fleet and the fleet owned by our Sponsor and its affiliates over the next twelve months, we estimate that Mr. Lauritzen, Mr. Gregos, and certain other officers may spend a substantial portion of their monthly business time on our business activities and their remaining time on the business of our Sponsor and its affiliates. However, the actual allocation of time could vary significantly from time to time depending on various circumstances and needs of the businesses, such as the relative levels of strategic activities of the businesses. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Unitholders have limited voting rights, and our Partnership Agreement restricts the voting rights of our unitholders that own more than 4.9% of our common units.

Unlike the holders of common stock in a corporation, holders of common units have only limited voting rights on matters affecting our business. We will hold a meeting of the limited partners every year to elect one or more members of our board of directors that are eligible for reelection and to vote on any other matters that are properly brought before the meeting. Common unitholders will be entitled to elect only three of the five members of our board of directors. The elected directors will be elected on a staggered basis and will serve for three year terms. Our General Partner will have the right to appoint the remaining two directors and set the terms for which those directors will serve. The Partnership Agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders ability to influence the manner or direction of management. Unitholders will have no right to elect our General Partner, and our General Partner may not be removed except by a vote of the holders of at least 66 2/3% of the outstanding common units and subordinated units, including any units owned by our General Partner, our Sponsor and their respective affiliates, voting together as a single class.

Our Partnership Agreement further restricts unitholders voting rights by providing that if any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes (except for purposes of nominating

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a person for election to our board), determining the presence of a quorum or for other similar purposes under our Partnership Agreement, unless required by law. The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed *pro rata* among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our General Partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.

Our Partnership Agreement limits the duties our General Partner and our directors and officers may have to our unitholders and restricts the remedies available to unitholders for actions taken by our General Partner or our directors and officers.

Our Partnership Agreement provides that our board of directors will have the authority to oversee and direct our operations, management and policies on an exclusive basis. The Marshall Islands Revised Limited Partnership Act, or the Partnership Act, states that a member or manager s duties and liabilities may be expanded or restricted by provisions in the partnership agreement . As permitted by the Partnership Act, our Partnership Agreement contains provisions that reduce the standards to which our General Partner and our directors and our officers may otherwise be held by Marshall Islands law. For example, our Partnership Agreement:

- provides that our General Partner may make determinations or take or decline to take actions without regard to our or our unitholders interests. Our General Partner may consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting us, our affiliates or our unitholders. Decisions made by our General Partner will be made by its sole owner. Specifically, our General Partner may decide to exercise its right to make a determination to receive common units in exchange for resetting the target distribution levels related to the incentive distribution rights, call right, pre-emptive rights or registration rights, consent or withhold consent to any merger or consolidation of the company, appoint any directors or vote for the election of any director, vote or refrain from voting on amendments to our Partnership Agreement that require a vote of the outstanding units, voluntarily withdraw from the company, transfer (to the extent permitted under our Partnership Agreement) or refrain from transferring its units, the general partner interest or incentive distribution rights or vote upon the dissolution of the company;

- provides that our directors and officers are entitled to make other decisions in good faith, meaning they reasonably believe that the decision is in our best interests;

- generally provides that affiliated transactions and resolutions of conflicts of interest not approved by our conflicts committee of our board of directors and not involving a vote of unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third parties or be fair and reasonable to us and that, in determining whether a transaction or resolution is fair and reasonable, our board of directors may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to us; and

- provides that neither our General Partner nor our officers or our directors will be liable for monetary damages to us, our members or assignees for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our General Partner, our directors or officers or those other persons engaged in actual fraud or willful misconduct.

In order to become a member of our company, a common unitholder is required to agree to be bound by the provisions in the Partnership Agreement, including the provisions discussed above. See Conflicts of Interest and Fiduciary Duties Fiduciary Duties.

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Fees and cost reimbursements, which our Manager will determine for services provided to us, will be substantial, will be payable regardless of our profitability and will reduce our cash available for distribution to you.

Our Manager which is wholly-owned by Mr. George Prokopiou, is responsible for the commercial and technical management of the vessels in our fleet pursuant to the Management Agreements. We pay our Manager a fee of $2,500 per day for each vessel for providing our ship owning subsidiaries with technical, commercial, insurance, accounting, financing, provisions, crewing, bunkering services and general administrative services. We expect to pay an aggregate of approximately $2.8 million to our Manager in connection with the management of our Initial Fleet for the twelve months ending December 31, 2014. Pursuant to the Management Agreement, our Manager also provides us with certain administrative and support services.

The management fee is fixed until December 31, 2013 and will thereafter increase by 3% annually unless otherwise agreed, between us, with approval of our conflicts committee, and our Manager. In addition we will pay Dynagas Ltd. a commercial management fee equal to 1.25% of the gross freight, demurrage and charter hire collected from the employment of our vessels. The management fees payable for the vessels may be further increased if our Manager has incurred material unforeseen costs of providing the management services, by an amount to be agreed between us and our Manager, which amount will be reviewed and approved by our conflicts committee.

For a description of our Management Agreement, see Certain Relationships and Related Party Transactions Vessel Management Agreements. The fees and expenses payable pursuant to the management agreement will be payable without regard to our financial condition or results of operations. The payment of fees to could adversely affect our ability to pay cash distributions to you.

Our Partnership Agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our General Partner and even if public unitholders are dissatisfied, they will be unable to remove our General Partner without our Sponsor s consent, unless our Sponsor s ownership interest in us is decreased; all of which could diminish the trading price of our common units.

Our Partnership Agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our General Partner.

The unitholders will be unable initially to remove our General Partner without its consent because our General Partner and its affiliates, including our Sponsor, will own sufficient units upon completion of this offering to be able to prevent its removal. The vote of the holders of at least 66 2/3% of all outstanding common and subordinated units voting together as a single class is required to remove our General Partner. Upon consummation of this offering, our Sponsor will own 2,485,000 of our common units and all of our subordinated units, representing 58.3% of the outstanding common and subordinated units. If the underwriters over-allotment option is exercised in full, our Sponsor will own 610,000 of our common units and all of our subordinated units, representing 52.0% of the outstanding common and subordinated units in aggregate.

If our General Partner is removed without cause during the subordination period and units held by our General Partner and our Sponsor are not voted in favor of that removal, all remaining subordinated units will automatically convert into common units, any existing arrearages on the common units will be extinguished, and our General Partner will have the right to convert its incentive distribution rights into common units or to receive cash in exchange for those interests based on the fair market value of those interests at the time. A removal of our General Partner under these circumstances would adversely affect the common units by prematurely eliminating their distribution and liquidation preference over the subordinated units, which would otherwise have continued until we had met certain distribution and performance tests. Any conversion of our General Partner s interest or incentive distribution rights would be dilutive to existing unitholders. Furthermore, any cash payment in lieu of such conversion could be prohibitively expensive. Cause is narrowly defined to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding our General Partner liable for actual fraud or willful or

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wanton misconduct. Cause does not include most cases of charges of poor business decisions, such as charges of poor management of our business by the directors appointed by our General Partner, so the removal of our General Partner because of the unitholders dissatisfaction with our General Partner s decisions in this regard would most likely result in the termination of the subordination period.

Common unitholders will be entitled to elect only three of the five members of our board of directors. Our General Partner in its sole discretion will appoint the remaining two directors.

Election of the three directors elected by unitholders is staggered, meaning that the members of only one of three classes of our elected directors will be selected each year. In addition, the directors appointed by our General Partner will serve for terms determined by our General Partner.

Our Partnership Agreement contains provisions limiting the ability of unitholders to call meetings of unitholders, to nominate directors and to acquire information about our operations as well as other provisions limiting the unitholders ability to influence the manner or direction of management.

Unitholders voting rights are further restricted by the Partnership Agreement provision providing that if any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes (except for purposes of nominating a person for election to our board), determining the presence of a quorum or for other similar purposes under our Partnership Agreement, unless required by law. The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed *pro rata* among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our General Partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.

There are no restrictions in our Partnership Agreement on our ability to issue additional equity securities.

The effect of these provisions may be to diminish the price at which the common units will trade.

You may not have limited liability if a court finds that unitholder action constitutes control of our business.

As a limited partner in a partnership organized under the laws of the Marshall Islands, you could be held liable for our obligations to the same extent as a General Partner if you participate in the control of our business. Our General Partner generally has unlimited liability for the obligations of the partnership, such as its debts and environmental liabilities, except for those contractual obligations of the partnership that are expressly made without recourse to our General Partner. In addition, the limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some jurisdictions in which we do business. See The Partnership Agreement Limited Liability for a discussion of the implications of the limitations on liability of a unitholder.

We can borrow money to pay distributions, which would reduce the amount of credit available to operate our business.

Our Partnership Agreement allows us to make working capital borrowings to pay distributions. Accordingly, if we have available borrowing capacity, we can make distributions on all our units even though cash generated by our operations may not be sufficient to pay such distributions. Any working capital borrowings by us to make distributions will reduce the amount of working capital borrowings we can make for operating our business. For more information, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

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We depend on our Manager to assist us in operating and expanding our business.

We subcontract the commercial and technical management of our fleet, including crewing, maintenance and repair, to our Manager; the loss of our Manager s services or its failure to perform its obligations to us could materially and adversely affect the results of our operations.

Our operational success and ability to execute our growth strategy will depend significantly upon the satisfactory performance of these services. Our business will be harmed if our service providers fail to perform these services satisfactorily, if they cancel their agreements with us or if they stop providing these services to us.

Our ability to enter into new charters and expand our customer relationships will depend largely on our ability to leverage our relationship with our Manager and its reputation and relationships in the shipping industry. If our Manager suffers material damage to its reputation or relationships, it may harm our ability to:

- renew existing charters upon their expiration;
- obtain new charters;
- successfully interact with shipyards;
- obtain financing on commercially acceptable terms;
- maintain access to capital under the Sponsor credit facility; or
- maintain satisfactory relationships with suppliers and other third parties.

Our current time charter contracts prevent us from changing our Manager, without the written consent of our charterers.

Our ability to change our Manager, with another affiliated or third-party Manager, is prohibited by provisions in our current time charter contracts with BG Group and Gazprom which prohibit us to change the vessel management company, without the written prior consent from BG Group and Gazprom. In addition, we are not in a position to guarantee you that future time charter contracts with our existing or new charterers will not contain similar provisions.

Since our Manager is a privately held company and there is little or no publicly available information about it, an investor could have little advance warning of potential financial and other problems that might affect our Manager that could have a material adverse effect on us.

The ability of our Manager to continue providing services for our benefit will depend in part on its own financial strength. Circumstances beyond our control could impair our Manager s financial strength, and because it is privately held, it is unlikely that information about its financial strength would become public unless our Manager began to default on its obligations. As a result, an investor in our common units might have little advance warning of problems affecting our Manager, even though these problems could have a material adverse effect on us.

We may be unable to attract and retain key management personnel in the LNG industry, which may negatively impact the effectiveness of our management and our results of operation.

Our success depends to a significant extent upon the abilities and the efforts of our senior executives. While we believe that we have an experienced management team, the loss or unavailability of one or more of our senior executives for any extended period of time could have an adverse effect on our business and results of operations.

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A shortage of qualified officers and crew could have an adverse effect on our business and financial condition.

LNG carriers require a technically skilled officer staff with specialized training. As the world LNG carrier fleet continues to grow, the demand for technically skilled officers and crew has been increasing, which has led to a shortfall of such personnel. Increases in our historical vessel operating expenses have been attributable primarily to the rising costs of recruiting and retaining officers for our fleet. If we or our third-party ship Managers are unable to employ technically skilled staff and crew, we will not be able to adequately staff our vessels. A material decrease in the supply of technically skilled officers or an inability of our Manager to attract and retain such qualified officers could impair our ability to operate, or increase the cost of crewing our vessels, which would materially adversely affect our business, financial condition and results of operations and significantly reduce our ability to pay minimum quarterly distributions to our unitholders.

The derivative contracts we may enter into, in the future, to hedge our exposure to fluctuations in interest rates could result in higher than market interest rates and charges against our income.

As of October 28, 2013 and December 31, 2012, we had total outstanding long-term debt of $346.1 million and $380.7 million, respectively, which in its entirety was exposed to a floating interest rate. In order to manage our current or future exposure to interest rate fluctuations, we may use interest rate swaps to effectively fix a part of our floating rate debt obligations. As of December 31, 2012, we have not entered into interest rate swap agreements to fix the interest rate on our floating rate bank debt. Any future hedging strategies, however, may not be effective and we may incur substantial losses if interest rates move materially differently from our expectations.

We are a holding company, and our ability to make cash distributions to our unitholders will be limited by the value of investments we currently hold and by the distribution of funds from our subsidiaries.

We are a holding company whose assets mainly comprise of equity interests in our subsidiaries and other quoted and non-quoted companies. As a result, our ability to make cash distributions to our unitholders will depend on the performance of our operating subsidiaries and other investments. If we are not able to receive sufficient funds from our subsidiaries and other investments, including from the sale of our investment interests, we will not be able to pay distributions unless we obtain funds from other sources. We may not be able to obtain the necessary funds from other sources on terms acceptable to us.

We are an emerging growth company and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common units less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies as described under Summary Implications of Being an Emerging Growth Company. We have elected to take advantage of the reduced reporting obligations, including the extended transition period for complying with new or revised accounting standards under Section 102 of the JOBS Act, and as a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates. We cannot predict if investors will find our common units less attractive because we may rely on these exemptions. If some investors find our common units less attractive as a result, there may be a less active trading market for our common units and our share price may be more volatile.

The assumptions underlying our forecast of cash available for distribution are inherently uncertain and are subject to risks and uncertainties that could cause actual results to differ materially from those forecasted.

The forecast of cash available for distribution set forth in Our Cash Distribution Policy and Restrictions on Distributions includes our (i) forecasted results of operations for the twelve months ending December 31, 2014;

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(ii) our estimated results of operations for the year ended December 31, 2013; (iii) our estimated results of operations for the six months ended December 31, 2013; and (iv) our historical results of operations for the six months ended June 30, 2013. Our estimated results of operations for the year ended December 31, 2013, which were calculated by combining actual results of operations for the six months ended June 30, 2013 (as included in the interim financial statements, which appear elsewhere in this prospectus) with estimated results of operations for the six months ended December 31, 2013. We are providing estimated results of operations for the year ended December 31, 2013 in order to provide a comparative period to our forecast for the year ended December 31, 2014. The financial forecast has been prepared by management and we have not received an opinion or report on it from our or any other independent auditor. The assumptions underlying the forecast are inherently uncertain and are subject to significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those forecasted. If we do not achieve the forecasted results, we may not be able to pay the full minimum quarterly distribution or any amount on our common units or subordinated units, in which event the market price of the common units may decline materially.

Our ability to grow and to meet our financial needs may be adversely affected by our cash distribution policy.

Our cash distribution policy, which is consistent with our partnership agreement, requires us to distribute all of our available cash (as defined in our partnership agreement) each quarter. Accordingly, our growth may not be as fast as businesses that reinvest their available cash to expand ongoing operations.

In determining the amount of cash available for distribution, our board of directors approves the amount of cash reserves to set aside, including reserves for future maintenance and replacement capital expenditures, working capital and other matters. We also rely upon external financing sources, including commercial borrowings, to fund our capital expenditures. Accordingly, to the extent we do not have sufficient cash reserves or are unable to obtain financing, our cash distribution policy may significantly impair our ability to meet our financial needs or to grow.

If capital expenditures are financed through cash from operations or by issuing debt or equity securities, our ability to make cash distributions may be diminished, our financial leverage could increase or our unitholders may be diluted.

Use of cash from operations to expand or maintain our fleet will reduce cash available for distribution to unitholders. Our ability to obtain bank financing or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control. Our failure to obtain the funds for future capital expenditures could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our unitholders. Even if we are successful in obtaining necessary funds, the terms of such financings could limit our ability to pay cash distributions to unitholders. In addition, incurring additional debt may significantly increase our interest expense and financial leverage, and issuing additional equity securities may result in significant unitholder dilution and would increase the aggregate amount of cash required to maintain our current level of quarterly distributions to unitholders, both of which could have a material adverse effect on our ability to make cash distributions.

Due to our lack of diversification, adverse developments in our LNG shipping business could reduce our ability to make distributions to our unitholders.

We rely exclusively on the cash flow generated from our LNG carriers. Due to our lack of diversification, an adverse development in the LNG shipping industry could have a significantly greater impact on our financial condition and results of operations than if we maintained more diverse assets or lines of businesses.

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We may experience operational problems with vessels that reduce revenue and increase costs.

LNG carriers are complex and their operation technically challenging. Marine transportation operations are subject to mechanical risks and problems. Operational problems may lead to loss of revenue or higher than anticipated operating expenses or require additional capital expenditures. Any of these results could harm our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

Upon the expiration of the subordination period, the subordinated units will convert into common units and will then participate pro rata with other common units in distributions of available cash.

During the subordination period, which we define elsewhere in this prospectus, the common units will have the right to receive distributions of available cash from operating surplus in an amount equal to the minimum quarterly distribution of $0.365 per unit, plus any arrearages in the payment of the minimum quarterly distribution on the common units from prior quarters, before any distributions of available cash from operating surplus may be made on the subordinated units. Distribution arrearages do not accrue on the subordinated units. The purpose of the subordinated units is to increase the likelihood that during the subordination period there will be available cash from operating surplus to be distributed on the common units. Upon the expiration of the subordination period, the subordinated units will convert into common units and will then participate pro rata with other common units in distributions of available cash. See How We Make Cash Distributions Subordination Period, Distributions of Available Cash From Operating Surplus During the Subordination Period and Distributions of Available Cash From Operating Surplus After the Subordination Period.

Risks Relating to Our Industry

Our future growth and performance depends on continued growth in LNG production and demand for LNG and LNG shipping.

A complete LNG project includes production, liquefaction, storage, regasification and distribution facilities, in addition to the marine transportation of LNG. Increased infrastructure investment has led to an expansion of LNG production capacity in recent years, but material delays in the construction of new liquefaction facilities could constrain the amount of LNG available for shipping, reducing ship utilization. While global LNG demand has continued to rise, it has risen at a slower pace than previously predicted and the rate of its growth has fluctuated due to several factors, including the global economic crisis and continued economic uncertainty, fluctuations in the price of natural gas and other sources of energy, the continued acceleration in natural gas production from unconventional sources in regions such as North America and the highly complex and capital intensive nature of new or expanded LNG projects, including liquefaction projects. Continued growth in LNG production and demand for LNG and LNG shipping could be negatively affected by a number of factors, including:

- increases in interest rates or other events that may affect the availability of sufficient financing for LNG projects on commercially reasonable terms;
- increases in the cost of natural gas derived from LNG relative to the cost of natural gas generally;
- increases in the production levels of low-cost natural gas in domestic natural gas consuming markets, which could further depress prices for natural gas in those markets and make LNG uneconomical;
- increases in the production of natural gas in areas linked by pipelines to consuming areas, the extension of existing, or the development of new pipeline systems in markets we may serve, or the conversion of existing non-natural gas pipelines to natural gas pipelines in those markets;
- decreases in the consumption of natural gas due to increases in its price, decreases in the price of alternative energy sources or other factors making consumption of natural gas less attractive;

any significant explosion, spill or other incident involving an LNG facility or carrier;

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infrastructure constraints such as delays in the construction of liquefaction facilities, the inability of project owners or operators to obtain governmental approvals to construct or operate LNG facilities, as well as community or political action group resistance to new LNG infrastructure due to concerns about the environment, safety and terrorism;

labor or political unrest or military conflicts affecting existing or proposed areas of LNG production or regasification;

decreases in the price of LNG, which might decrease the expected returns relating to investments in LNG projects;

new taxes or regulations affecting LNG production or liquefaction that make LNG production less attractive; or

negative global or regional economic or political conditions, particularly in LNG consuming regions, which could reduce energy consumption or its growth.

Reduced demand for LNG and LNG shipping or any reduction or limitation in LNG production capacity, could have a material adverse effect on our ability to secure future multi-year time charters upon expiration or early termination of our current charter arrangements, or for any new ships we acquire, which could harm our business, financial condition, results of operations and cash flows, including cash available for distribution to our unitholders.

Fluctuations in overall LNG demand growth could adversely affect our ability to secure future time charters.

Over the past three years, global LNG demand has continued to rise, but at a slower pace than previously predicted. Drewry estimates that LNG trade decreased by 1.2% in 2012 primarily due to lower production as a result of planned and unplanned outages at various liquefaction sites and the weakness in the world economy. Continued economic uncertainty and the continued acceleration of unconventional natural gas production could have an adverse effect on our ability to secure future term charters.

Demand for LNG shipping could be significantly affected by volatile natural gas prices and the overall demand for natural gas.

Gas prices are volatile and are affected by numerous factors beyond our control, including but not limited to the following:

worldwide demand for natural gas;

the cost of exploration, development, production, transportation and distribution of natural gas;

expectations regarding future energy prices for both natural gas and other sources of energy;

the level of worldwide LNG production and exports;

government laws and regulations, including but not limited to environmental protection laws and regulations;

local and international political, economic and weather conditions;

- political and military conflicts; and
- the availability and cost of alternative energy sources, including alternate sources of natural gas in gas importing and consuming countries.

Seasonality in demand, peak-load demand, and other short-term factors such as pipeline gas disruptions and maintenance schedules of utilities affect charters of less than two years and rates. In general, reduced demand for LNG, LNG carriers or LNG shipping would have a material adverse effect on our future growth and could harm our business, results of operations and financial condition.

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Our future growth depends on our ability to expand relationships with existing customers, establish relationships with new customers and obtain new time charter contracts, for which we will face substantial competition from established companies with significant resources and potential new entrants.

We will seek to enter into additional multi-year time charter contracts upon the expiration or early termination of our existing charter arrangements, and we may also seek to enter into additional multi-year time charter contracts in connection with an expansion of our fleet. The process of obtaining multi-year charters for LNG carriers is highly competitive and generally involves an intensive screening procedure and competitive bids, which often extends for several months. We believe LNG carrier time charters are awarded based upon a variety of factors relating to the ship and the ship operator, including:

- size, age, technical specifications and condition of the ship;
- efficiency of ship operation;
- LNG shipping experience and quality of ship operations;
- shipping industry relationships and reputation for customer service;
- technical ability and reputation for operation of highly specialized ships;
- quality and experience of officers and crew;
- safety record;
- the ability to finance ships at competitive rates and financial stability generally;
- relationships with shipyards and the ability to get suitable berths;
- construction management experience, including the ability to obtain on-time delivery of new ships according to customer specifications; and
- competitiveness of the bid in terms of overall price.

We expect substantial competition for providing marine transportation services for potential LNG projects from a number of experienced companies, including other independent ship owners as well as state-sponsored entities and major energy companies that own and operate LNG carriers and may compete with independent owners by using their fleets to carry LNG for third parties. Some of these competitors have significantly greater financial resources and larger fleets than we have. A number of marine transportation companies including companies with strong reputations and extensive resources and experience have entered the LNG transportation market in recent years, and there are other ship owners and managers who may also attempt to participate in the LNG market in the future. This increased competition may cause greater price competition for time charters. As a result of these factors, we may be unable to expand our relationships with existing customers or to obtain new customers on a profitable basis, if at all, which could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for distributions to you.

Hire rates for LNG carriers are not generally publicly available and may fluctuate substantially. If rates are lower when we are seeking a new charter, our revenues and cash flows may decline.

Our ability from time to time to charter or re-charter any ship at attractive rates will depend on, among other things, the prevailing economic conditions in the LNG industry. Hire rates for LNG carriers are not generally publicly available and may fluctuate over time as a result of changes in the supply-demand balance relating to current and future ship capacity. This supply-demand relationship largely depends on a number of factors outside our control. The LNG charter market is connected to world natural gas prices and energy markets, which we cannot predict. A substantial or extended decline in demand for natural gas or LNG could adversely affect our ability to re-charter our vessels at acceptable rates or to acquire and profitably operate new ships. Hire rates for newbuildings are correlated with the price of newbuildings. Hire rates at a time when we may be seeking new charters may be lower than the hire rates at which our vessels are currently chartered. If hire rates are lower when

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we are seeking a new charter, our revenues and cash flows, including cash available for distributions to our unitholders, may decline, as we may only be able to enter into new charters at reduced or unprofitable rates or we may have to secure a charter in the spot market, where hire rates are more volatile. Prolonged periods of low charter hire rates or low ship utilization could also have a material adverse effect on the value of our assets.

Vessel values may fluctuate substantially and, if these values are lower at a time when we are attempting to dispose of vessels, we may incur a loss.

Factors that influence vessel values include:

- prevailing economic conditions in the natural gas and energy markets;
- a substantial or extended decline in demand for LNG;
- increases in the supply of vessel capacity;
- the size and age of a vessel; and
- the cost of retrofitting or modifying existing vessels, as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, customer requirements or otherwise.

As our vessels age, the expenses associated with maintaining and operating them are expected to increase, which could have an adverse effect on our business and operations if we do not maintain sufficient cash reserves for maintenance and replacement capital expenditures. Moreover, the cost of a replacement vessel would be significant. If a charter terminates, we may be unable to re-deploy the affected vessels at attractive rates and, rather than continue to incur costs to maintain and finance them, we may seek to dispose of them. Our inability to dispose of vessels at a reasonable value could result in a loss on their sale and adversely affect our ability to purchase a replacement vessel, results of operations and financial condition and ability to pay minimum quarterly distributions to our unitholders.

An oversupply of ships or delays or abandonment of planned projects may lead to a reduction in the charter hire rates we are able to obtain when seeking charters in the future.

Due to an increase in LNG production capacity, the market supply of LNG carriers has been increasing as a result of the construction of new ships. According to Drewry, during the period from 2007 to 2012, the global fleet of LNG carriers grew from 250 vessels to 359 vessels due to the construction and delivery of new LNG carriers and low levels of vessel demolition. Although the global newbuilding orderbook dropped steeply in 2009 and 2010, according to Drewry, orders for 88 newbuilding LNG carriers were placed during 2011 and 2012. According to Drewry, as of August 31, 2013, the newbuilding orderbook consisted of 113 ships, or 33.9% of the current global LNG carrier fleet capacity, with the majority of the newbuildings scheduled for delivery in 2013, 2014 and 2015.

If charter hire rates are lower when we are seeking new time charters upon expiration or early termination of our current charter arrangements, or for any new vessels we acquire beyond our contracted newbuildings, our revenues and cash flows, including cash available for distributions to our unitholders, may decline.

We may have more difficulty entering into multi-year time charters in the future if an active spot LNG shipping market continues to develop.

One of our principal strategies is to enter into additional LNG carrier time charters of four years or more. Most shipping requirements for new LNG projects continue to be provided on a multi-year basis, though the level of spot voyages and time charters of less than 24 months in duration has grown in the past few years. If an active spot market continues to develop, we may have increased difficulty entering into multi-year time charters

upon expiration or early termination of our current charters or for any vessels that we acquire in the future, and, as a result, our cash flow may be less stable. In addition, an active spot LNG market may require us to enter into charters based on changing market prices, as opposed to contracts based on a fixed rate, which could result in a decrease in our cash flow in periods when the market price for shipping LNG is depressed or insufficient funds are available to cover our financing costs for related vessels.

Further technological advancements and other innovations affecting LNG carriers could reduce the charter hire rates we are able to obtain when seeking new employment and this could adversely impact the value of our assets.

The charter rates, asset value and operational life of an LNG carrier are determined by a number of factors, including the ship s efficiency, operational flexibility and physical life. Efficiency includes speed and fuel economy. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. Physical life is related to the original design and construction, the ongoing maintenance and the impact of operational stresses on the asset. If more advanced ship designs are developed in the future and new ships are built that are more efficient or more flexible or have longer physical lives than ours, competition from these more technologically advanced LNG carriers could adversely affect the charter hire rates we will be able to secure when we seek to re-charter our vessels upon expiration or early termination of our current charter arrangements and could also reduce the resale value of our vessels. This could adversely affect our revenues and cash flows, including cash available for distributions to you.

Operating costs and capital expenses will increase as our vessels age.

In general, capital expenditures and other costs necessary for maintaining a ship in good operating condition increase as the age of the ship increases. Accordingly, it is likely that the operating costs of our vessels will increase in the future.

Reliability of suppliers may limit our ability to obtain supplies and services when needed.

We rely, and will in the future rely, on a significant supply of consumables, spare parts and equipment to operate, maintain, repair and upgrade our fleet of ships. Delays in delivery or unavailability of supplies could result in off-hire days due to consequent delays in the repair and maintenance of our fleet. This would negatively impact our revenues and cash flows. Cost increases could also negatively impact our future operations.

Exposure to currency exchange rate fluctuations will result in fluctuations in our cash flows and operating results.

Historically our revenue has been generated in U.S. Dollars, but we incur capital, operating and administrative expenses in multiple currencies, including, among others, the Euro. If the U.S. Dollar weakens significantly, we would be required to convert more U.S. Dollars to other currencies to satisfy our obligations, which would cause us to have less cash available for distribution. Because we report our operating results in U.S. Dollars, changes in the value of the U.S. Dollar also result in fluctuations in our reported revenues and earnings. In addition, under U.S. GAAP, all foreign currency-denominated monetary assets and liabilities such as cash and cash equivalents, accounts receivable, restricted cash and accounts payable are revalued and reported based on the prevailing exchange rate at the end of the reporting period. This revaluation may cause us to report significant non-monetary foreign currency exchange gains and losses in certain periods.

An increase in operating expenses or dry-docking costs could materially and adversely affect our financial performance.

Our operating expenses and dry-dock capital expenditures depend on a variety of factors including crew costs, provisions, deck and engine stores and spares, lubricating oil, insurance, maintenance and repairs and

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shipyard costs, many of which are beyond our control and affect the entire shipping industry. Also, while we do not bear the cost of fuel (bunkers) under our time charters, fuel is a significant expense in our operations when our vessels are, for example, moving to or from dry-dock or when off-hire. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by OPEC and other oil and gas producers, war and unrest in oil-producing countries and regions, regional production patterns and environmental concerns. These may increase vessel operating and dry-docking costs further. If costs continue to rise, they could materially and adversely affect our results of operations.

The operation of LNG carriers is inherently risky, and an incident involving significant loss of or environmental consequences involving any of our vessels could harm our reputation and business.

Our vessels and their cargoes are at risk of being damaged or lost because of events such as:

- marine disasters;
- piracy;
- environmental accidents
- bad weather;
- mechanical failures;
- grounding, fire, explosions and collisions;
- human error; and
- war and terrorism.

An accident involving any of our vessels could result in any of the following:

- death or injury to persons, loss of property or environmental damage;
- delays or failure in the delivery of cargo;
- loss of revenues from or termination of charter contracts;
- governmental fines, penalties or restrictions on conducting business;

- spills, pollution and the liability associated with the same;
- higher insurance rates; and
- damage to our reputation and customer relationships generally.

Any of these events could result in a material adverse effect on our business, financial condition and operating results. If our vessels suffer damage, they may need to be repaired. The costs of vessel repairs are unpredictable and can be substantial. We may have to pay repair costs that our insurance policies do not cover. The loss of earnings while these vessels are being repaired, as well as the actual cost of these repairs, would decrease our results of operations. If any of our vessels is involved in an accident with the potential risk of environmental consequences, the resulting media coverage could have a material adverse effect on our business, our results of operations and cash flows weaken our financial condition and negatively affect our ability to pay minimum quarterly distributions to our unitholders.

Our insurance may be insufficient to cover losses that may occur to our property or result from our operations.

The operation of LNG carriers is inherently risky. Although we carry protection and indemnity insurance consistent with industry standards, all risks may not be adequately insured against, and any particular claim may not be paid. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material. Certain of our insurance coverage is maintained through mutual protection and indemnity associations, and as a member of such associations we may be required to make additional payments over and above budgeted premiums if member claims exceed association reserves. We may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. A marine disaster could exceed our insurance coverage, which could harm our business, financial condition and operating results. Any uninsured or underinsured loss could harm our business and financial condition. In addition, our insurance may be voidable by the insurers as a result of certain of our actions, such as our vessels failing to maintain certification with applicable maritime self-regulatory organizations.

Changes in the insurance markets attributable to terrorist attacks may also make certain types of insurance more difficult for us to obtain. In addition, upon renewal or expiration of our current policies, the insurance that may be available to us may be significantly more expensive than our existing coverage.

Our vessels may suffer damage and we may face unexpected costs and off-hire days.

In the event of damage to our owned vessels, the damaged ship would be off-hire while it is being repaired, which would decrease our revenues and cash flows, including cash available for distributions to our unitholders. In addition, the costs of ship repairs are unpredictable and can be substantial. In the event of repair costs that are not covered by our insurance policies, we may have to pay such repair costs, which would decrease our earnings and cash flows.

The current state of global financial markets and current economic conditions may adversely impact our ability to obtain financing or refinance our future credit facilities on acceptable terms, which may hinder or prevent us from operating or expanding our business.

Global financial markets and economic conditions have been, and continue to be, volatile. These issues, along with significant write-offs in the financial services sector, the re-pricing of credit risk and the current weak economic conditions, have made, and will likely continue to make, it difficult to obtain additional financing. The current state of global financial markets and current economic conditions might adversely impact our ability to issue additional equity at prices which will not be dilutive to our existing unitholders or preclude us from issuing equity at all.

Also, as a result of concerns about the stability of financial markets generally and the solvency of counterparties specifically, the cost of obtaining money from the credit markets has increased as many lenders have increased interest rates, enacted tighter lending standards, refused to refinance existing debt at all or on terms similar to current debt and reduced, and in some cases ceased, to provide funding to borrowers. Due to these factors, we cannot be certain that financing will be available to the extent required, or that we will be able to refinance our future credit facilities, on acceptable terms or at all. If financing or refinancing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our obligations as they come due or we may be unable to enhance our existing business, complete the acquisition of our newbuildings and additional vessel acquisitions or otherwise take advantage of business opportunities as they arise.

As of the date of this prospectus, we have not secured any financing in connection with the potential acquisition of the Optional Vessels, other than amounts that may be available under our New Senior Secured Revolving Credit Facility following the application of the proceeds from such facility as described in Use of Proceeds, since it is uncertain if and when such purchase options will be exercised. Our Sponsor has entered into loan agreements in connection with the seven Optional Vessels. In the event we acquire the Optional Vessels in the future, we may enter into agreements with our Sponsor to novate these loan agreements to us. Any such novation would be subject to each respective lender s consent.

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In addition, volatility and uncertainty concerning current global economic conditions may cause our customers to defer projects in response to tighter credit, decreased capital availability and declining customer confidence, which may negatively impact the demand for our vessels and services and could also result in defaults under our current charters. A tightening of the credit markets may further negatively impact our operations by affecting the solvency of our suppliers or customers which could lead to disruptions in delivery of supplies such as equipment for conversions, cost increases for supplies, accelerated payments to suppliers, customer bad debts or reduced revenues.

Compliance with safety and other requirements imposed by classification societies may be very costly and may adversely affect our business.

The hull and machinery of every commercial LNG carrier must be classed by a classification society. The classification society certifies that the ship has been built and maintained in accordance with the applicable rules and regulations of that classification society. Moreover, every ship must comply with all applicable international conventions and the regulations of the ship s flag state as verified by a classification society. Finally, each ship must successfully undergo periodic surveys, including annual, intermediate and special surveys performed under the classification society s rules.

If any ship does not maintain its class, it will lose its insurance coverage and be unable to trade, and the ship s owner will be in breach of relevant covenants under its financing arrangements. Failure to maintain the class of one or more of our vessels could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for distributions to our unitholders.

The LNG shipping industry is subject to substantial environmental and other regulations, which may significantly limit our operations or increase our expenses.

Our operations are materially affected by extensive and changing international, national, state and local environmental laws, regulations, treaties, conventions and standards which are in force in international waters, or in the jurisdictional waters of the countries in which our vessels operate and in the countries in which our vessels are registered. These requirements include those relating to equipping and operating ships, providing security and to minimizing or addressing impacts on the environment from ship operations. We have incurred, and expect to continue to incur, substantial expenses in complying with these requirements, including expenses for ship modifications and changes in operating procedures. We also could incur substantial costs, including cleanup costs, civil and criminal penalties and sanctions, the suspension or termination of operations and third-party claims as a result of violations of, or liabilities under, such laws and regulations.

In addition, these requirements can affect the resale value or useful lives of our vessels, require a reduction in cargo capacity, necessitate ship modifications or operational changes or restrictions or lead to decreased availability of insurance coverage for environmental matters. They could further result in the denial of access to certain jurisdictional waters or ports or detention in certain ports. We are required to obtain governmental approvals and permits to operate our vessels. Delays in obtaining such governmental approvals may increase our expenses, and the terms and conditions of such approvals could materially and adversely affect our operations.

Additional laws and regulations may be adopted that could limit our ability to do business or increase our operating costs, which could materially and adversely affect our business. For example, new or amended legislation relating to ship recycling, sewage systems, emission control (including emissions of greenhouse gases) as well as ballast water treatment and ballast water handling may be adopted. The United States has enacted legislation and regulations that require more stringent controls of air and water emissions from ocean-going ships. Such legislation or regulations may require additional capital expenditures or operating expenses (such as increased costs for low-sulfur fuel) in order for us to maintain our vessels compliance with international and/or national regulations. We also may become subject to additional laws and regulations if we enter new markets or trades.

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We also believe that the heightened environmental, quality and security concerns of insurance underwriters, regulators and charterers will generally lead to additional regulatory requirements, including enhanced risk assessment and security requirements as well as greater inspection and safety requirements on all LNG carriers in the marine transportation market. These requirements are likely to add incremental costs to our operations, and the failure to comply with these requirements may affect the ability of our vessels to obtain and, possibly, collect on, insurance or to obtain the required certificates for entry into the different ports where we operate.

Some environmental laws and regulations, such as the U.S. Oil Pollution Act of 1990, or OPA , provide for potentially unlimited joint, several, and/or strict liability for owners, operators and demise or bareboat charterers for oil pollution and related damages. OPA applies to discharges of any oil from a ship in U.S. waters, including discharges of fuel and lubricants from an LNG carrier, even if the ships do not carry oil as cargo. In addition, many states in the United States bordering on a navigable waterway have enacted legislation providing for potentially unlimited strict liability without regard to fault for the discharge of pollutants within their waters. We also are subject to other laws and conventions outside the United States that provide for an owner or operator of LNG carriers to bear strict liability for pollution, such as the Convention on Limitation of Liability for Maritime Claims of 1976, or the London Convention.

Some of these laws and conventions, including OPA and the London Convention, may include limitations on liability. However, the limitations may not be applicable in certain circumstances, such as where a spill is caused by a ship owner s or operators intentional or reckless conduct. In addition, in response to the Deepwater Horizon oil spill, the U.S. Congress is currently considering a number of bills that could potentially modify or eliminate the limits of liability under OPA.

Compliance with OPA and other environmental laws and regulations also may result in ship owners and operators incurring increased costs for additional maintenance and inspection requirements, the development of contingency arrangements for potential spills, obtaining mandated insurance coverage and meeting financial responsibility requirements.

Climate change and greenhouse gas restrictions may adversely impact our operations and markets.

Due to concern over the risks of climate change, a number of countries and the International Maritime Organization, or IMO , have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emission from ships. These regulatory measures may include adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. Although emissions of greenhouse gases from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, or the Kyoto Protocol , a new treaty may be adopted in the future that includes additional restrictions on shipping emissions to those already adopted under the International Convention for the Prevention of Marine Pollution from Ships (MARPOL), and some countries have made voluntary pledges to control the emissions of greenhouse gasses. The IMO has approved two new sets of mandatory requirements to address greenhouse gases from ships: the Energy Efficiency Design Index and the Ship Energy Efficiency Management plan, discussed in detail in Business Regulation of Greenhouse Gases. Compliance with future changes in laws and regulations relating to climate change could increase the costs of operating and maintaining our vessels and could require us to install new emission controls, as well as acquire allowances, pay taxes related to our greenhouse gas emissions or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

Adverse effects upon the oil and gas production industry relating to climate change, including growing public concern about the environmental impact of climate change, may also have an effect on demand for our services. For example, increased regulation of greenhouse gases or other concerns relating to climate change may reduce the demand for oil and gas in the future or create greater incentives for use of alternative energy sources. Any long-term material adverse effect on the oil and gas production industry could have significant financial and operational adverse impacts on our business that we cannot predict with certainty at this time.

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We operate our vessels worldwide, which could expose us to political, governmental and economic instability that could harm our business.

Because we operate our vessels worldwide in the geographic areas where our customers do business, our operations may be affected by economic, political and governmental conditions in the countries where our vessels operate or where they are registered. Any disruption caused by these factors could harm our business, financial condition, results of operations and cash flows. In particular, our vessels frequent LNG terminals in countries including Egypt, Equatorial Guinea and Trinidad as well as transit through the Gulf of Aden and the Strait of Malacca. Economic, political and governmental conditions in these and other regions have from time to time resulted in military conflicts, terrorism, attacks on ships, mining of waterways, piracy and other efforts to disrupt shipping. Future hostilities or other political instability in the geographic regions where we operate or may operate could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for distributions to our unitholders. In addition, our business could also be harmed by tariffs, trade embargoes and other economic sanctions by the United States or other countries against countries in the Middle East, Southeast Asia or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures that limit trading activities with those countries.

Failure to comply with the U.S. Foreign Corrupt Practices Act and other anti-bribery legislation in other jurisdictions could result in fines, criminal penalties, contract terminations and an adverse effect on our business.

We may operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and in full compliance with the U.S. Foreign Corrupt Practices Act of 1977. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the U.S. Foreign Corrupt Practices Act. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

Terrorist attacks, international hostilities and piracy could adversely affect our business, financial condition, results of operations and cash flows.

Terrorist attacks such as the attacks on the United States on September 11, 2001 and more recent attacks in other parts of the world, as well as the continuing response of the United States and other countries to these attacks and the threat of future terrorist attacks, continue to cause uncertainty in the world financial markets and may affect our business, financial condition, results of operations and cash flows, including cash available for distributions to our unitholders. The current turmoil in Iran and the uncertainty surrounding the Strait of Hormuz case, as well as tension in Afghanistan and North Korea, and the continuing hostilities in the Middle East, may lead to additional acts of terrorism, further regional conflicts and other armed actions around the world, which may contribute to further instability in the global financial markets. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us, or at all or impact the shipyards constructing our Sponsor s seven LNG carrier newbuildings.

In the past, political conflicts have also resulted in attacks on ships, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Acts of terrorism and piracy have also affected ships trading in regions such as the South China Sea and the Gulf of Aden. Since 2008, the frequency of piracy incidents against commercial shipping vessels has increased significantly, particularly in the Gulf of Aden and off the coast of Somalia. In 2012 M/T Smyrni , a vessel managed by an affiliated company, was hijacked by pirates and was released after almost one year in captivity. Any terrorist attacks targeted at our ships may in the future negatively materially affect our business, financial condition, results of operations and cash flows and could directly impact our vessels or our customers. We may not be adequately insured to cover losses from these incidents. In addition, crew costs, including those due to employing onboard security guards, could increase in such circumstances.

In addition, LNG facilities, shipyards, ships, pipelines and gas fields could be targets of future terrorist attacks or piracy. Any such attacks could lead to, among other things, bodily injury or loss of life, as well as damage to the ships or other property, increased ship operating costs, including insurance costs, reductions in the supply of LNG and the inability to transport LNG to or from certain locations. Terrorist attacks, war or other events beyond our control that adversely affect the production, storage or transportation of LNG to be shipped by us could entitle our customers to terminate our charter contracts in certain circumstances, which would harm our cash flows and our business.

Terrorist attacks, or the perception that LNG facilities and LNG carriers are potential terrorist targets, could materially and adversely affect expansion of LNG infrastructure and the continued supply of LNG. Concern that LNG facilities may be targeted for attack by terrorists has contributed significantly to local community and environmental group resistance to the construction of a number of LNG facilities, primarily in North America. If a terrorist incident involving an LNG facility or LNG carrier did occur, in addition to the possible effects identified in the previous paragraph, the incident may adversely affect the construction of additional LNG facilities and could lead to the temporary or permanent closing of various LNG facilities currently in operation.

The vessels we own or manage could be required by our charterers instructions to call on ports located in countries that are subject to restrictions imposed by the United States and other governments.

Although no vessels operated by us have called on ports located in countries subject to sanctions and embargoes imposed by the U.S. government and countries identified by the U.S. government as state sponsors of terrorism, including Cuba, Iran, Sudan and Syria, in the future our vessels may call on ports in these countries from time to time on our charterers instructions. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. In 2010, the U.S. enacted the Comprehensive Iran Sanctions Accountability and Divestment Act, or CISADA, which expanded the scope of the Iran Sanctions Act. Among other things, CISADA expands the application of the prohibitions to companies such as ours and introduces limits on the ability of companies and persons to do business or trade with Iran when such activities relate to the investment, supply or export of refined petroleum or petroleum products. In addition, in 2012, President Obama signed Executive Order 13608 which prohibits foreign persons from violating or attempting to violate, or causing a violation of any sanctions in effect against Iran or facilitating any deceptive transactions for or on behalf of any person subject to U.S. sanctions. Any persons found to be in violation of Executive Order 13608 will be deemed a foreign sanctions evader and will be banned from all contacts with the United States, including conducting business in U.S. dollars. Also in 2012, President Obama signed into law the Iran Threat Reduction and Syria Human Rights Act of 2012, or the Iran Threat Reduction Act, which created new sanctions and strengthened existing sanctions. Among other things, the Iran Threat Reduction Act intensifies existing sanctions regarding the provision of goods, services, infrastructure or technology to Iran s petroleum or petrochemical sector. The Iran Threat Reduction Act also includes a provision requiring the President of the United States to impose five or more sanctions from Section 6(a) of the Iran Sanctions Act, as amended, on a person the President determines is a controlling beneficial owner of, or otherwise owns, operates, or controls or insures a vessel that was used to transport crude oil from Iran to another country and (1) if the person is a controlling beneficial owner of the vessel, the person had actual knowledge the vessel was so used or (2) if the person otherwise owns, operates, or controls, or insures the vessel, the person knew or should have known the vessel was so used. Such a person could be subject to a variety of sanctions, including exclusion from U.S. capital markets, exclusion from financial transactions subject to U.S. jurisdiction, and exclusion of that person s vessels from U.S. ports for up to two years.

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Although we believe that we have been in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines, penalties or other sanctions that could severely impact our ability to access U.S. capital markets and conduct our business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, our common units may adversely affect the price at which our common units trade. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as entering into charters with individuals or entities in countries subject to U.S. sanctions and embargo laws that are not controlled by the governments of those countries, or engaging in operations associated with those countries pursuant to contracts with third parties that are unrelated to those countries or entities controlled by their governments. Investor perception of the value of our common units may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

Governments could requisition our vessels during a period of war or emergency, resulting in loss of earnings.

The government of a jurisdiction where one or more of our vessels are registered could requisition for title or seize our vessels. Requisition for title occurs when a government takes control of a ship and becomes its owner. Also, a government could requisition our vessels for hire. Requisition for hire occurs when a government takes control of a ship and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency, although governments may elect to requisition ships in other circumstances. Although we would expect to be entitled to government compensation in the event of a requisition of one or more of our vessels, the amount and timing of payments, if any, would be uncertain. A government requisition of one or more of our vessels would result in off-hire days under our time charters and may cause us to breach covenants in certain of our credit facilities, and could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for distribution to our unitholders.

Maritime claimants could arrest our vessels, which could interrupt our cash flows.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a claimant may seek to obtain security for its claim by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt our cash flow and require us to pay large sums of money to have the arrest or attachment lifted. In addition, in some jurisdictions, such as South Africa, under the sister ship theory of liability, a claimant may arrest both the vessel which is subject to the claimant s maritime lien and any associated vessel, which is any vessel owned or controlled by the same owner. Claimants could attempt to assert sister ship liability against a vessel in our fleet for claims relating to another of our vessels.

We may be subject to litigation that could have an adverse effect on us.

We may in the future be involved from time to time in litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, toxic tort claims, employment matters and governmental claims for taxes or duties as well as other litigation that arises in the ordinary course of our business. We cannot predict with certainty the outcome of any claim or other litigation

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matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of management s attention to these matters, could have an adverse effect on us and, in the event of litigation that could reasonably be expected to have a material adverse effect on us, could lead to an event of default under certain of our credit facilities.

Risks Relating to the Offering

There is no existing market for our common units, and a trading market that will provide you with adequate liquidity may not develop. The price of our common units may fluctuate significantly, and you could lose all or part of your investment.

Prior to this offering, there has been no public market for the common units. After this offering, there will be only 12,500,000 publicly traded common units, assuming no exercise of the underwriters over-allotment option. We do not know the extent to which investor interest will lead to the development of a trading market or how liquid that market might be. You may not be able to resell your common units at or above the initial public offering price. Additionally, the lack of liquidity may result in wide bid-ask spreads, contribute to significant fluctuations in the market price of the common units and limit the number of investors who are able to buy the common units.

The price of our common units after this offering may be volatile.

The price of our common units after this offering may be volatile and may fluctuate due to factors including:

- our payment of cash distributions to our unitholders;
- actual or anticipated fluctuations in quarterly and annual results;
- fluctuations in the seaborne transportation industry, including fluctuations in the LNG carrier market;
- mergers and strategic alliances in the shipping industry;
- changes in governmental regulations or maritime self-regulatory organization standards;
- shortfalls in our operating results from levels forecasted by securities analysts; announcements concerning us or our competitors;
- the failure of securities analysts to publish research about us after this offering, or analysts making changes in their financial estimates;
- general economic conditions;
- terrorist acts;
- future sales of our units or other securities;
- investors perception of us and the LNG shipping industry;

- the general state of the securities market; and
- other developments affecting us, our industry or our competitors.

Securities markets worldwide are experiencing significant price and volume fluctuations. The market price for our common units may also be volatile. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our common units in spite of our operating performance. Consequently, you may not be able to sell our common units at prices equal to or greater than those that you pay in this offering.

Increases in interest rates may cause the market price of our common units to decline.

An increase in interest rates may cause a corresponding decline in demand for equity investments in general. Any such increase in interest rates or reduction in demand for our common units resulting from other relatively more attractive investment opportunities may cause the trading price of our common units to decline.

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Our costs will increase as a result of operating as a public company, and our management will be required to devote substantial time to complying with public company regulations.

We have never operated as a public company. As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley , as well as rules subsequently adopted by the U.S. Securities and Exchange Commission, or SEC , and Nasdaq Global Select Market, including the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or Dodd-Frank , have imposed various requirements on public companies, including changes in corporate governance practices. Our directors, management and other personnel will need to devote a substantial amount of time to comply with these requirements. Moreover, these rules and regulations relating to public companies will increase our legal and financial compliance costs and will make some activities more time-consuming and costly.

Sarbanes-Oxley requires, among other things, that we maintain and periodically evaluate our internal control over financial reporting as well as disclosure controls and procedures. In particular, we will have to perform systems and process evaluation and testing of our internal control over financial reporting to allow management and our independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of Sarbanes-Oxley. Compliance with Section 404 will require substantial accounting expense and significant management efforts, and we may need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge to satisfy ongoing compliance requirements. We may have significant difficulties in making such hires given the shortage of available experienced personnel.

Unitholders may have liability to repay distributions.

Under some circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under the Marshall Islands Limited Partnership Act, or the Marshall Islands Act, we may not make a distribution to you if the distribution would cause our liabilities to exceed the fair value of our assets. Marshall Islands law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Marshall Islands law will be liable to the limited partnership for the distribution amount. Assignees who become substituted limited partners are liable for the obligations of the assignor to make contributions to the partnership that are known to the assignee at the time it became a limited partner and for unknown obligations if the liabilities could be determined from the partnership agreement. Liabilities to partners on account of their partnership interest and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

We have been organized as a limited partnership under the laws of the Marshall Islands, which does not have a well-developed body of partnership law.

We are organized in the Republic of the Marshall Islands, which does not have a well-developed body of case law or bankruptcy law and, as a result, unitholders may have fewer rights and protections under Marshall Islands law than under a typical jurisdiction in the United States. Our partnership affairs are governed by our partnership agreement and by the Marshall Islands Act. The provisions of the Marshall Islands Act resemble the limited partnership laws of a number of states in the United States, most notably Delaware. The Marshall Islands Act also provides that it is to be applied and construed to make it uniform with the Delaware Revised Uniform Partnership Act and, so long as it does not conflict with the Marshall Islands Act or decisions of the Marshall Islands courts, interpreted according to the non-statutory law (or case law) of the State of Delaware. There have been, however, few, if any, court cases in the Marshall Islands interpreting the Marshall Islands Act, in contrast to Delaware, which has a fairly well-developed body of case law interpreting its limited partnership statute. Accordingly, we cannot predict whether Marshall Islands courts would reach the same conclusions as the courts in Delaware. For example, the rights of our unitholders and the fiduciary responsibilities of our General Partner under Marshall Islands law are not as clearly established as under judicial precedent in existence in Delaware. As a result, unitholders may have more difficulty in protecting their interests in the face of actions by our General Partner and its officers and directors

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than would unitholders of a similarly organized limited partnership in the United States. Further, the Republic of the Marshall Islands does not have a well-developed body of bankruptcy law. As such, in the case of a bankruptcy of our Company, there may be a delay of bankruptcy proceedings and the ability of unitholders and creditors to receive recovery after a bankruptcy proceeding. Please see Service of Process and Enforceability of Civil Liabilities.

If we do not implement all required accounting practices and policies, we may be unable to provide the required financial information in a timely and reliable manner.

Prior to this offering, as a privately held company, we did not adopt the financial reporting practices and policies required of a publicly traded company. Implementation of these practices and policies could disrupt our business, distract our management and employees and increase our costs. If we fail to develop and maintain effective controls and procedures, we may be unable to provide the financial information that a publicly traded company is required to provide in a timely and reliable fashion. Any such delays or deficiencies could limit our ability to obtain financing, either in the public capital markets or from private sources, and could thereby impede our ability to implement our growth strategies. In addition, any such delays or deficiencies could result in failure to meet the requirements for continued listing of our common units on Nasdaq Global Select Market, which would adversely affect the liquidity of our common units.

Under Section 404 of Sarbanes-Oxley, we will be required to include in each of our future annual reports on Form 20-F a report containing our management s assessment of the effectiveness of our internal control over financial reporting, and after the end of the fiscal year following the fifth anniversary of our initial public offering or such earlier time that we are no longer an emerging growth company, our independent auditors will be required to provide a related attestation containing its assessment of the effectiveness of our internal control over financial reporting. After the completion of this offering, we will undertake a comprehensive effort in preparation for compliance with Section 404. This effort will include the documentation, testing and review of our internal controls under the direction of our management. We cannot be certain at this time that all our controls will be considered effective. As such, our internal control over financial reporting may not satisfy the regulatory requirements when they become applicable to us.

We will be a foreign private issuer and a controlled company under Nasdaq Global Select Market rules, and as such we are entitled to exemption from certain corporate governance standards of the Nasdaq Global Select Market applicable to domestic companies, and you may not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq Global Select Market corporate governance requirements.

After the consummation of this offering, we will be a foreign private issuer under the securities laws of the United States and the rules of Nasdaq Global Select Market. Under the securities laws of the United States, foreign private issuers are subject to different disclosure requirements than U.S. domiciled registrants, as well as different financial reporting requirements. Under Nasdaq Global Select Market rules, a foreign private issuer is subject to less stringent corporate governance requirements. Subject to certain exceptions, the rules of Nasdaq Global Select Market permit a foreign private issuer to follow its home country practice in lieu of the listing requirements of Nasdaq Global Select Market. In addition, after the consummation of this offering, our current unitholders will continue to control a majority of our issued and outstanding common units. As a result, we will be a controlled company within the meaning of Nasdaq Global Select Market corporate governance standards. Under Nasdaq Global Select Market rules, a company of which more than 50% of the voting power is held by an individual, a group or another company is a controlled company and may elect not to comply with certain NASDAQ corporate governance requirements, including (i) the requirement that a majority of the board of directors consist of independent directors, (ii) the requirement that the nominating/corporate governance committee be composed entirely of independent directors and have a written charter addressing the committee s purpose and responsibilities, (iii) the requirement that the compensation committee be composed entirely of independent directors and have a written charter addressing the committee s purpose and responsibilities and (iv) the requirement of an annual performance evaluation of the nominating/corporate governance and compensation committees.

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A majority of our directors will qualify as independent under the independence requirement of Nasdaq Listing Rule 5605(C)(2)(A)(ii). However, we cannot assure you that we will continue to maintain an independent board in the future. In addition, we may have one or more non-independent directors serving as committee members on our compensation committee and our corporate governance and nominating committee. As a result, non-independent directors may among other things, participate in fixing the compensation of our management, making share and option awards and resolving governance issues regarding our Company.

Accordingly, in the future you may not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq Global Select Market corporate governance requirements.

For a description of our expected corporate governance practices, please see Management Corporate Governance Practices.

Because we are organized under the laws of the Marshall Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

We are organized under the laws of the Marshall Islands, and substantially all of our assets are located outside of the United States. In addition, our directors and officers generally are or will be non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Marshall Islands and of other jurisdictions may prevent or restrict you from enforcing a judgment against our assets or the assets of our directors or officers. For more information regarding the relevant laws of the Marshall Islands, see Service of Process and Enforcement of Civil Liabilities.

Our Partnership Agreement designates the Court of Chancery of the State of Delaware as the sole and exclusive forum, unless otherwise provided for by Marshall Islands law, for certain litigation that may be initiated by our unitholders, which could limit our unitholders ability to obtain a favorable judicial forum for disputes with the Company.

Our Partnership Agreement provides that, unless otherwise provided for by Marshall Islands law, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any claims that:

- arise out of or relate in any way to the Partnership Agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of the Partnership Agreement or the duties, obligations or liabilities among limited partners or of limited partners to us, or the rights or powers of, or restrictions on, the limited partners or us);

- are brought in a derivative manner on our behalf;

- assert a claim of breach of a fiduciary duty owed by any director, officer or other employee of us or our General Partner, or owed by our General Partner, to us or the limited partners;

- assert a claim arising pursuant to any provision of the Partnership Act; or

- assert a claim governed by the internal affairs doctrine

regardless of whether such claims, suits, actions or proceedings sound in contract, tort, fraud or otherwise, are based on common law, statutory, equitable, legal or other grounds, or are derivative or direct claims. Any person or entity purchasing or otherwise acquiring any interest in our common units shall be deemed to have notice of and to have consented to the provisions described above. This forum selection provision may limit our unitholders ability to obtain a judicial forum that they find favorable for disputes with us or our directors, officers or other employees or unitholders.

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You will incur immediate and substantial dilution.

We expect the initial public offering price per units of our common units to be substantially higher than the pro forma net tangible book value per unit of our issued and outstanding common units. As a result, you would incur immediate and substantial dilution of $10.16 per unit, representing the difference between the initial public offering price of $18.00 per unit and our pro forma net tangible book value per unit on June 30, 2013. In addition, purchasers of our common units in this offering will have contributed approximately 60.3% of the aggregate price paid by all purchasers of our common units, but will own only approximately 41.7% of the units outstanding after this offering. Please refer to the Dilution section of this prospectus.

Substantial future sales of our common units could cause the market price of our common units to decline.

Sales of a substantial number of our common units in the public market following this offering, or the perception that these sales could occur, may depress the market price for our common units. These sales could also impair our ability to raise additional capital through the sale of our equity securities in the future.

Although we do not currently have any plans to sell additional common units, subject to the rules of Nasdaq Global Select Market, in the future we may issue additional common units, without unitholder approval, in a number of circumstances. The issuance by us of additional common units or other equity securities would have the following effects:

- our existing unitholders proportionate ownership interest in us will decrease;
- the dividend amount payable per unit on our common units may be lower;
- the relative voting strength of each previously outstanding common share may be diminished; and
- the market price of our common units may decline.

Our unitholders also may elect to sell large numbers of common units held by them from time to time. The number of our common units available for sale in the public market will be limited by restrictions applicable under securities laws and under agreements that we and our executive officers, directors and existing unitholders have entered into with the underwriters of this offering. Subject to certain exceptions, the agreements entered into with the underwriters of this offering generally restrict us and our executive officers, directors and existing unitholders from directly or indirectly offering, selling, pledging, hedging or otherwise disposing of our equity securities, including common units that will be issued and outstanding.

Provisions in our organizational documents may have anti-takeover effects.

Our Partnership Agreement contains provisions that could make it more difficult for a third party to acquire us without the consent of our board of directors. These provisions require approval of our board of directors and prior consent of our General Partner. Please see The Partnership Agreement Merger, Sale, Conversion or Other Disposition of Assets.

These provisions could also make it difficult for our unitholders to replace or remove our current board of directors or could have the effect of discouraging, delaying or preventing an offer by a third party to acquire us, even if the third party s offer may be considered beneficial by many unitholders. As a result, unitholders may be limited in their ability to obtain a premium for their common units.

Tax Risks

In addition to the following risk factors, you should read Material United States. Federal Income Tax Considerations and Non-United States Tax Considerations for a more complete discussion of the material Marshall Islands and United States federal income tax consequences of owning and disposing of our common units.

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We will be subject to taxes, which will reduce our cash available for distribution to you.

We and our subsidiaries may be subject to tax in the jurisdictions in which we are organized or operate, reducing the amount of cash available for distribution. In computing our tax obligation in these jurisdictions, we are required to take various tax accounting and reporting positions on matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities. We cannot assure you that upon review of these positions the applicable authorities will agree with our positions. A successful challenge by a tax authority could result in additional tax imposed on us or our subsidiaries, further reducing the cash available for distribution. In addition, changes in our operations or ownership could result in additional tax being imposed on us or our subsidiaries in jurisdictions in which operations are conducted. Please see Material United States Federal Income Tax Considerations United States Federal Income Taxation of Our Company.

We may have to pay tax on United States-source income, which would reduce our earnings and cash flow.

Under the Code, the United States source gross transportation income of a ship-owning or chartering corporation, such as ourselves, generally is subject to a 4% United States federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under a tax treaty or Section 883 of the Code and the Treasury Regulations promulgated thereunder. U.S. source gross transportation income consists of 50% of the gross shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States.

Based on advice we received from Seward & Kissel LLP, our United States counsel, we expect to qualify for this statutory tax exemption after this offering, and we intend to take this position for United States federal income tax purposes if we do so qualify. However, there are factual circumstances beyond our control that could cause us to lose the benefit of this tax exemption and thereby become subject to the 4% United States federal income tax described above. For example, if our holders of 5% or more of our common units, or 5% Unitholders, were to come to own 50% or more of our common units, then we would not qualify for exemption under Section 883 unless we could establish that among the closely-held group of 5% Unitholders, there are sufficient 5% Unitholders that are qualified stockholders for purposes of Section 883 to preclude non-qualified 5% Unitholders in the closely-held group from owning 50% or more of our common units for more than half the number of days during the taxable year. In order to establish this, sufficient 5% Unitholders that are qualified stockholders would have to comply with certain documentation and certification requirements designed to substantiate their identity as qualified stockholders. These requirements are onerous and there can be no assurance that we would be able to satisfy them. The imposition of this taxation could have a negative effect on our business and would result in decreased earnings available for distribution payments to our unitholders. For a more detailed discussion, see the section entitled Material United States Federal Income Tax Considerations.

United States tax authorities could treat us as a passive foreign investment company, which would have adverse United States federal income tax consequences to United States unitholders.

A non-U.S. entity treated as a corporation for United States federal income tax purposes will be treated as a passive foreign investment company (or PFIC) for U.S. federal income tax purposes if at least 75% of its gross income for any taxable year consists of passive income or at least 50% of the average value of its assets produce, or are held for the production of, passive income. For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property, and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute passive income. U.S. shareholders of a PFIC are subject to a disadvantageous United States federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their interests in the PFIC. Based on our current and projected method of operation, and on an opinion of our United States counsel, Seward & Kissel LLP, we believe that we will not be a PFIC for any taxable year. We will receive an opinion of our United States counsel in support of this position that concludes that the income our subsidiaries earn from certain of our present

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time-chartering activities should not constitute passive income for purposes of determining whether we are a PFIC. In addition, we have represented to our United States counsel that we expect that more than 25% of our gross income for our current taxable year and each future year will arise from such time-chartering activities or other income which does not constitute passive income, and more than 50% of the average value of our assets for each such year will be held for the production of such nonpassive income. Assuming the composition of our income and assets is consistent with these expectations, and assuming the accuracy of other representations we have made to our United States counsel for purposes of their opinion, our United States counsel is of the opinion that we should not be a PFIC for our current taxable year or any future year. This opinion is based and its accuracy is conditioned on representations, valuations and projections provided by us regarding our assets, income and charters to our United States counsel. While we believe these representations, valuations and projections to be accurate, the shipping market is volatile and no assurance can be given that they will continue to be accurate at any time in the future.

While Seward & Kissel LLP, our United States counsel, will provide us with an opinion in support of our position, the conclusions reached are not free from doubt, and it is possible that the United States Internal Revenue Service, or the IRS, or a court could disagree with this position. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to each taxable year, we cannot assure you that the nature of our operations will not change in the future and that we will not become a PFIC in any taxable year. If the IRS were to find that we are or have been a PFIC for any taxable year (and regardless of whether we remain a PFIC for subsequent taxable years), our U.S. unitholders would face adverse United States federal income tax consequences. See Material United States Federal Income Tax Considerations United States Federal Income Taxation of United States Holders PFIC Status and Significant Tax Consequences for a more detailed discussion of the United States federal income tax consequences to United States unitholders if we are treated as a PFIC.

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USE OF PROCEEDS

We expect to receive net proceeds of approximately $137.3 million from the sale of common units offered by this prospectus after deducting estimated underwriting discounts and commissions and paying estimated offering expenses. We intend to use the net proceeds from this offering, as follows:

- Approximately $132.0 million to repay in part the outstanding indebtedness under our $193 million Ob River Credit Facility, which bears interest at LIBOR plus a margin and matures in July 2017; and

- Approximately $5.3 million for general partnership purposes, including working capital.

We intend to use the proceeds from our New Senior Secured Revolving Credit Facility, as follows:

- Approximately $129.0 million to repay in full all of the outstanding indebtedness under our $150 million Clean Energy Credit Facility, which bears interest at LIBOR plus a margin and matures in July 2017;

- Approximately $79.1 million to repay in full all of the outstanding indebtedness under our $128 million Clean Force Credit Facility, following the application of the use of proceeds of this offering, which bears interest at LIBOR plus a margin and matures in April 2020;

- Approximately $6.0 million to repay the remaining outstanding indebtedness under our $193 million Ob River Credit Facility, which bears interest at LIBOR plus a margin and matures in July 2017; and

- Approximately $48.0 million will remain undrawn and available for vessel acquisitions.

Our Sponsor has granted the underwriters a 30-day option to purchase up to 1,875,000 additional common units to cover over-allotments, if any. If the underwriters exercise their over-allotment option, we will not receive any proceeds from the sale of additional common units by our Sponsor.

In addition, our Sponsor, will also receive net proceeds of approximately $71.9 million from the sale of 4,250,000 common units offered by this prospectus.

We will not receive any proceeds from the sale of 4,250,000 common units by our Sponsor.

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CAPITALIZATION

The following table sets forth our consolidated capitalization as of June 30, 2013:

On an actual basis;

On an as adjusted basis as of October 28, 2013 to give effect to our scheduled debt repayments of $13.0 million;

On an as further adjusted basis to give effect to (i) the issuance and sale of common units in this offering at an initial public offering price of $18.00 per unit; and (ii) the application of the net proceeds of this offering as described under Use of Proceeds. On October 25, 2013, we entered into a binding commitment letter with one of our lenders, an affiliate of Credit Suisse, for a new $262.13 million senior secured credit facility, referred to as the New Senior Secured Revolving Credit Facility, which we expect will have an initial interest rate of LIBOR plus a margin. $214.1 million of the proceeds of the New Senior Secured Revolving Credit Facility, together with $132.0 million of the proceeds of this offering, will be used to repay all of our existing outstanding indebtedness effective upon the closing of this offering. The material terms of the New Senior Secured Revolving Credit Facility, which will permit, among other things, distributions to our unitholders and the other transactions contemplated herein, and our existing credit facilities are more fully set forth under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Our Borrowing Activities.

There have been no significant adjustments to our capitalization since June 30, 2013, as so adjusted. You should read this table in conjunction with the consolidated financial statements and the related notes, Management s Discussion and Analysis of Financial Condition and Results of Operations and Use of Proceeds included elsewhere in this prospectus.

	As of June 30, 2013		
	Historical (as revised)	As Adjusted	As further Adjusted
	(in thousands of U.S. dollars)		
Cash:(1)	$ 2,831	$ 2,831	$ 8,171
Debt:			
$128 Million Clean Force Credit Facility(2)	$ 83,375	$ 79,125	$
$150 Million Clean Energy Credit Facility(2)	132,500	129,000	
$193 Million Ob River Credit Facility	143,170	137,960	
New Senior Secured Revolving Credit Facility(2)			214,085
Total Long-term secured debt obligations (including current portion):	$ 359,045	$ 346,085	$ 214,085
Equity:			
Partners equity	$ 97,903	$ 97,903	$
Held by public:			
Common units(3)			137,340
Held by General Partner and its affiliates:			
Common units(4)			13,902
Subordinated units(4)			83,833
General Partner units(4)			168
Equity attributable to Dynagas Partners	$ 97,903	$ 97,903	$ 235,243

Total capitalization	$ 456,948	$ 443,988	$ 449,328

(1) In the corresponding financial statements for the six month period ending June 30, 2013, cash under the columns Historical (as revised) and As Adjusted was classified as restricted cash, as defined in the minimum liquidity provisions of the $193 Million Ob River Credit Facility.

(2) At or prior to the completion of this offering, we will enter into the New Senior Secured Revolving Credit Facility for $262.13 million of which $214.1 million will be drawn to repay part of our existing indebtedness.

(3) Represents the estimated net proceeds from this offering.

(4) Represents Partners equity before the completion of this offering, which was allocated based on the number of each class of units to be held by our General Partner and its affiliates following the sale of 4,250,000 common units by our Sponsor in this offering (including 30,000 General Partner Units, 14,985,000 subordinated units and 2,485,000 common units).

* The above capitalization table does not include the $30 million revolving credit facility to be entered into with our Sponsor, which we do not intend to draw at the time of the closing of this offering.

DILUTION

Dilution is the amount by which the offering price will exceed the net tangible book value per common unit after this offering. At June 30, 2013, we had actual net tangible book value of $97.9 million or $4.50 per unit. On a pro forma basis as of June 30, 2013, our pro forma net tangible book value would have been $235.2 million, or $7.84 per common unit. This represents an immediate appreciation in net tangible book value of $3.34 per unit to existing unit holders and an immediate dilution of net tangible book value of $10.16 per unit to new investors at an initial public offering price of $18.00 per common unit. Purchasers of common units in this offering will experience substantial and immediate dilution in net tangible book value per common unit for financial accounting purposes, as illustrated in the following table.

Initial public offering price per common unit		$ 18.00
Net tangible book value per unit before this offering	$ 4.50	
Increase in net tangible book value following this offering	$ 3.34	
Less: Pro forma net tangible book value per common unit after giving effect to this offering		$ 7.84
Immediate dilution in net tangible book value per common unit to purchasers in this offering		$ 10.16

The following table sets forth the number of units that we will issue and the total consideration contributed to us by our Sponsor and by the purchasers of common units in this offering upon consummation of the transactions contemplated by this prospectus.

	Units Acquired		Total Consideration		Average price
	Number	Percent	Amount	Percent	per unit
Our Sponsor(1)(2)	21,750,000	72.5%	$ 97,903,000	39.73%	$ 4.50
New investors	8,250,000	27.5	148,500,000	60.27	18.00
Total	30,000,000	100.0%	$ 246,403,000	100.0%	$ 8.21

(1) Upon consummation of the transactions contemplated by this prospectus, our Sponsor will own an aggregate of 2,485,000 common units and 14,985,000 subordinated units, assuming no exercise of the underwriters over-allotment option.

(2) The assets contributed by our Sponsor and its affiliates were recorded at historical book value, rather than fair value, in accordance with U.S. GAAP. Book value of the consideration provided by our Sponsor, as of June 30, 2013, was $97.9 million.

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OUR CASH DISTRIBUTION POLICY AND RESTRICTIONS ON DISTRIBUTIONS

You should read the following discussion of our cash distribution policy and restrictions on distributions in conjunction with specific assumptions included in this section. In addition, you should read Forward-Looking Statements and Risk Factors for information regarding statements that do not relate strictly to historical or current facts and certain risks inherent in our business.

Following this offering, we intend to declare minimum quarterly distributions of $ 0.365 per unit, or $ 1.46 per unit on an annualized basis. As our fleet expands, our board of directors will evaluate future increases to the minimum quarterly distribution based on our cash flow and liquidity position. Our policy is to make cash distributions to the extent we have sufficient cash from operations after establishment of cash reserves and payment of fees and expenses, including payments to our General Partner. Our board of directors will determine the timing and amount of all cash distributions, based on various factors, including our financial performance, cash requirements and contractual and legal restrictions. Accordingly, we cannot guarantee that we will be able to make cash distributions. See Risk Factors.

General

Rationale for Our Cash Distribution Policy

Our cash distribution policy reflects a judgment that our unitholders will be better served by our distributing our available cash rather than retaining it because, in general, we plan to finance any expansion capital expenditures from external financing sources. Our cash distribution policy is consistent with the terms of our Partnership Agreement, which requires that we distribute all of our available cash quarterly. Available cash is generally defined to mean, for each quarter cash generated from our business less the amount of cash reserves established by our board of directors at the date of determination of available cash for the quarter to provide for the proper conduct of our business (including reserves for our future capital expenditures and anticipated future credit needs subsequent to that quarter), comply with applicable law, any of our debt instruments or other agreements; and provide funds for distributions to our unitholders and to our General Partner for any one or more of the next four quarters, plus, if our board of directors so determines, all or any portion of the cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made subsequent to the end of such quarter.

Limitations on Cash Distributions and Our Ability to Change Our Cash Distribution Policy

There is no guarantee that unitholders will receive quarterly distributions from us. Our cash distribution policy is subject to certain restrictions and may be changed at any time. Set forth below are certain factors that influence our cash distribution policy:

- Our unitholders have no contractual or other legal right to receive distributions other than the obligation under our Partnership Agreement to distribute available cash on a quarterly basis, which is subject to the broad discretion of our board of directors to establish reserves and other limitations.

- We will be subject to restrictions on distributions under our existing financing arrangements as well as under any new financing arrangements that we may enter into in the future. Our financing arrangements contain financial and other covenants that must be satisfied prior to paying distributions in order to declare and pay such distributions. If we are unable to satisfy the requirements contained in any of our financing arrangements or are otherwise in default under any of those agreements, it could have a material adverse effect on our financial condition and our ability to make cash distributions to you notwithstanding our cash distribution policy. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources for a discussion of the financial and other covenants contained in our debt agreements.

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We are required to make substantial capital expenditures to maintain and replace our fleet. These expenditures may fluctuate significantly over time, particularly as our vessels near the end of their useful lives. In order to minimize these fluctuations, our Partnership Agreement requires us to deduct estimated, as opposed to actual, maintenance and replacement capital expenditures from the amount of cash that we would otherwise have available for distribution to our unitholders. In years when estimated maintenance and replacement capital expenditures are higher than actual maintenance and replacement capital expenditures, the amount of cash available for distribution to unitholders will be lower than if actual maintenance and replacement capital expenditures were deducted.

Although our Partnership Agreement requires us to distribute all of our available cash, our Partnership Agreement, including provisions contained therein requiring us to make cash distributions may be amended. During the subordination period, with certain exceptions, our Partnership Agreement may not be amended without the approval of non-affiliated common unitholders. After the subordination period has ended, our Partnership Agreement may be amended with the approval of a majority of the outstanding common units. Upon the closing of this offering, our Sponsor will own approximately 16.6% of our common units and all of our subordinated units. See The Partnership Agreement Amendment of the Partnership Agreement.

Even if our cash distribution policy is not modified or revoked, the amount of distributions we pay under our cash distribution policy and the decision to make any distribution is determined by our board of directors, taking into consideration the terms of our Partnership Agreement.

Under Section 57 of the Marshall Islands Act, we may not make a distribution to you if the distribution would cause our liabilities to exceed the fair value of our assets.

We may lack sufficient cash to pay distributions to our unitholders due to decreases in total operating revenues, decreases in hire rates, the loss of a vessel or increases in operating or general and administrative expenses, principal and interest payments on outstanding debt, taxes, working capital requirements, maintenance and replacement capital expenditures or anticipated cash needs. See Risk Factors for a discussion of these factors.

Our ability to make distributions to our unitholders depends on the performance of our subsidiaries and their ability to distribute cash to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, the provisions of existing and future indebtedness, applicable limited partnership and limited liability company laws in the Marshall Islands and other laws and regulations.

Our Ability to Grow Depends on Our Ability to Access External Expansion Capital

Because we distribute all of our available cash on a quarterly basis, we may not grow as quickly as businesses that reinvest their available cash to expand ongoing operations. We plan to rely primarily upon external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, to fund any future expansion capital expenditures, including any acquisitions through the exercise of our purchase options with our Sponsor. If we are unable to finance growth externally, our cash distribution policy will significantly impair our ability to grow. To the extent we issue additional units in connection with any acquisitions or other capital expenditures, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our per unit distribution