UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2009

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

OR

o **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report:

Commission file number: 1-33373

CAPITAL PRODUCT PARTNERS L.P.

(Exact name of Registrant as specified in its charter)

Republic of The Marshall Islands
(Jurisdiction of incorporation or organization)

3 Iassonos Street, Piraeus, 18537 Greece
+30 210 458 4950
(Address and telephone number of principal executive offices)

Ioannis E. Lazaridis
Chief Executive Officer and Chief Financial Officer
3 Iassonos Street, Piraeus, 18537 Greece
Tel. +30 210 458 4950
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(Name, address and telephone and facsimile numbers of contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common units representing limited partnership interests	**Nasdaq Global Market**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

24,817,151 Common Units
506,472 General Partner Units

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES o NO x

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

YES o NO x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES x **NO o**

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.)

YES o **NO o**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definitions of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o **Accelerated filer x** **Non-accelerated filer o**

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP x **International Financial Reporting Standards as issued by the International Accounting Standards Board o** **Other o**

If "Other" has been checked in response to the previous question, indicate by check mark which financial statements item the registrant has elected to follow.

ITEM 17 o **ITEM 18 o**

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES o **NO x**

CAPITAL PRODUCT PARTNERS L.P.

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FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F (the "Annual Report") should be read in conjunction with our audited consolidated and combined financial statements and accompanying notes included herein.

Statements included in this Annual Report which are not historical facts (including 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. Such statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business, financial condition and the markets in which we operate, and involve risks and uncertainties. In some cases, you can identify the forward-looking statements by the use of words such as "may", "could", "should", "would," "expect", "plan", "anticipate", "intend", "forecast", "believe", "estimate", "predict", "propose", "potential", "continue" or the negative of these terms or other comparable terminology. Forward-looking statements appear in a number of places and include statements with respect to, among other things:

- *expectations of our ability to make cash distributions on the units;*
- *our future financial condition or results of operations and our future revenues and expenses, including revenues from profit sharing arrangements and required levels of reserves;*
- *future levels of operating surplus and levels of distributions as well as our future cash distribution policy;*
- *the potential results of the early termination of the subordination period;*
- *tanker market conditions and fundamentals, including the balance of supply and demand in those markets;*
- *future charter hire rates and vessel values;*
- *anticipated future acquisition of vessels from Capital Maritime & Trading Corp. ("Capital Maritime" or "CMTC") or from third parties;*
- *anticipated chartering arrangements with Capital Maritime in the future;*
- *our anticipated growth strategies;*
- *our ability to access debt, credit and equity markets;*
- *the repayment of debt and settling of interest rate swaps, if any;*
- *the effectiveness of our risk management policies and procedures and the ability of counterparties to own derivative contracts to fulfill their contractual obligations;*
- *future refined product and crude oil prices and production;*
- *planned capital expenditures and availability of capital resources to fund capital expenditures;*
- *future supply of, and demand for, refined products and crude oil;*
- *increases in domestic or worldwide oil consumption;*
- *changes in interest rates;*
- *our ability to maintain long-term relationships with major refined product importers and exporters, major crude oil companies, and major commodity traders;*
- *our ability to maximize the use of our vessels, including the re-deployment or disposition of vessels no longer under long-term time charter;*
- *our ability to leverage to our advantage Capital Maritime's relationships and reputation in the shipping industry;*
- *our continued ability to enter into long-term, fixed-rate time charters with our tanker charterers and to re-charter our vessels as their existing charters expire;*

- *obtaining tanker projects that we or Capital Maritime bid on;*
- *changes in the supply of tanker vessels, including newbuildings or lower than anticipated scrapping of older vessels;*
- *our ability to compete successfully for future chartering and newbuilding opportunities;*
- *the expected changes to the regulatory requirements applicable to the oil transportation industry, including, without limitation, requirements adopted by international organizations or by individual countries or charterers and actions taken by regulatory authorities and governing such areas as safety and environmental compliance*;
- *the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business;*
- *our anticipated general and administrative expenses and our expenses under the management agreement and the administrative services agreement with Capital Ship Management Corp., a subsidiary of Capital Maritime ("Capital Ship Management"), and for reimbursement for fees and costs of our general partner;*
- *increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube oil, bunkers, repairs, maintenance and general and administrative expenses;*
- *the adequacy of our insurance arrangements;*
- *the expected impact of heightened environmental and quality concerns of insurance underwriters, regulators and charterers;*
- *the anticipated taxation of our partnership and distributions to our unitholders;*
- *estimated future maintenance and replacement capital expenditures;*
- *expected demand in the shipping sectors in which we operate in general and the demand for our medium range vessels in particular;*
- *the expected lifespan of our vessels;*
- *our ability to employ and retain key employees;*
- *customers' increasing emphasis on environmental and safety concerns;*
- *expected financial flexibility to pursue acquisitions and other expansion opportunities;*
- *anticipated funds for liquidity needs and the sufficiency of cash flows;*
- *our ability to increase our distributions over time;*
- *future sales of our units in the public market; and*
- *our business strategy and other plans and objectives for future operations.*

These and other forward-looking statements are made based upon management's current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties, including those risks discussed in below in Item 3. Key Information–Risk Factors. The risks, uncertainties and assumptions involve known and unknown risks and are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward- looking statement. You should carefully review and consider the various disclosures included in this Annual Report and in our other filings made with the U.S. Securities and Exchange Commission (the "SEC") that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations.

PART I

Item 1. Identity of Directors, Senior Management and Advisors.

Not Applicable.

Item 2. Offer Statistics and Expected Timetable.

Not Applicable.

Item 3. Key Information.

Selected Financial Data

We have derived the following selected historical financial and other data for the three years ending December 31, 2009, from our audited consolidated and combined financial statements for the years ended December 31, 2009, 2008 and 2007 (the "Financial Statements") respectively, appearing elsewhere in this Annual Report. The historical financial data presented for the year ended December 31, 2006 and 2005 have been derived from audited financial statements not included in this Annual Report and are provided for comparison purposes only.

Our historical results are not necessarily indicative of the results that may be expected in the future. Specifically, the financial statements for the years ended December 31, 2006 and 2005 are not comparable to our financial statements for the years ended December 31, 2009, 2008 and 2007. Our initial public offering on April 3, 2007, and certain other transactions that occurred thereafter, including the delivery or acquisition of ten additional vessels, the exchange of two vessels, the new charters our vessels entered into, the agreement we entered into with Capital Ship Management for the provision of management and administrative services to our fleet for a fixed fee and certain new financing and interest rate swap arrangements we entered into, have affected our results of operations. Furthermore, for the year ended December 31, 2006, only six of the vessels in our current fleet had been delivered to Capital Maritime and only two were in operation for the full year. In addition, all the vessels comprising our fleet at the time of our initial public offering as well as the subsequently acquired M/T Attikos and the M/T Aristofanis were under construction during the year ended December 31, 2005. The M/T Attikos and the M/T Aristofanis were delivered to Capital Maritime in January and June 2005, respectively. Consequently, the below table should be read together with, and is qualified in its entirety by reference to, the Financial Statements and the accompanying notes included elsewhere in this Annual Report. The table should also be read together with "Item 5A: Operating and Financial Review and Prospects—Management's Discussion and Analysis of Financial Condition and Results of Operations".

Our Financial Statements are prepared in accordance with United States generally accepted accounting principles after giving retroactive effect to the combination of entities under common control as described in Note 1 (Basis of Presentation and General Information) to the Financial Statements included herein. All numbers are in thousands of U.S. Dollars, except numbers of units and earnings per unit.

	Year Ended Dec.31, 2009 (1)	Year Ended Dec. 31, 2008 (1)	Year Ended Dec. 31, 2007 (1)	Year Ended Dec. 31, 2006 (1)	Year Ended Dec. 31, 2005 (1)
Income Statement Data:					
Revenues	$ 123,477	$ 132,675	$ 86,545	$ 24,605	$ 6,671
Expenses:					
Voyage expenses (2)	1,059	1,123	3,553	427	555
Vessel operating expenses—related-party (3)	30,095	25,653	12,688	1,124	360
Vessel operating expenses (3)	499	3,803	6,287	5,721	3,285
General and administrative expenses	2,876	2,817	1,477	-	-
Depreciation and amortization	28,264	25,185	15,363	3,772	595
Total operating expenses	62,793	58,581	39,368	11,044	4,795
Operating income (expense)	60,684	74,094	47,177	13,561	1,876
Interest expense and finance costs	(32,115)	(25,602)	(13,121)	(5,117)	(653)
Loss on interest rate swap agreement	-	-	(3,763)	-	-
Interest income	1,478	1,283	711	13	6
Foreign currency gain/(loss), net	(12)	(56)	(45)	(63)	18
Net income (loss)	$ 30,035	$ 49,719	$ 30,959	$ 8,394	$ 1,247
Less:					
Net (loss) / income attributable to CMTC operations:	810	(1,048)	9,388	8,394	1,247
Partnership's net income	**29,225**	**50,767**	**21,571**	-	-
General partner's interest in our net income	584	13,485	431	-	-
Limited partners' interest in our net income	28,641	37,282	21,140	-	-
Net income allocable to limited partner per (4):					
Common unit (basic and diluted)	1.15	1.56	1.11	-	-
Subordinated unit (basic and diluted)	1.17	1.50	0.70	-	-
Total unit (basic and diluted)	1.15	1.54	0.95	-	-
Weighted-average units outstanding (basic and diluted):					
Common units	23,755,663	15,379,212	13,512,500	-	-
Subordinated units (5)	1,061,488	8,805,522	8,805,522	-	-
Total units	24,817,151	24,184,734	22,318,022	-	-
Balance Sheet Data (at end of period)**:**					
Vessels, net and under construction	$ 638,723	$ 718,153	$ 535,165	$ 227,517	$ 59,926
Total assets	681,087	776,883	566,957	237,828	61,692
Total partners' capital / stockholders' equity	157,128	193,926	194,341	61,067	25,566
Number of shares/units	25,323,623	25,323,623	22,773,492	5,200	4,200
Common units	24,817,151	16,011,629	13,512,500	-	-
Subordinated units (5)	-	8,805,522	8,805,522	-	-
General Partner units	506,472	506,472	455,470	-	-
Dividends declared per unit	$ 2.27	$ 1.62	$ 0.75	-	-
Cash Flow Data:					
Net cash provided by operating activities	$ 70,078	$ 75,144	$ 53,663	$ 10,422	$ 2,219
Net cash used in investing activities	(55,770)	(270,003)	(335,696)	(171,364)	(34,322)
Net cash provided by financing activities	(53,905)	218,089	300,713	162,174	32,095

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(1) The amount of historical earnings per unit for:

a) the years ended December 31, 2005 and 2006,

b) the period from January 1, 2007 to April 3, 2007 for the vessels in our fleet at the time of our initial public offering,

c) the period from January 1, 2007 to September 23, 2007, March 26, 2008 and April 29, 2008 for the M/T Attikos, the M/T Amore Mio II and the M/T Aristofanis, respectively,

d) the years ended December 31, 2007 and 2008 and the period from January 1, 2009 to April 6, 2009 and April 12, 2009 for the M/T Agamemnon II, and M/T Ayrton II respectively, giving retroactive impact to the number of common and subordinated units (and the 2% general partner interest) that were issued, is not presented in our selected historical financial data. We do not believe that a presentation of earnings per unit for these periods would be meaningful to our investors as the vessels comprising our current fleet were either under construction or operated as part of Capital Maritime's fleet with different terms and conditions than those in place after their acquisition by us.

(2) Vessel voyage expenses primarily consist of commissions, port expenses, canal dues and bunkers.

(3) Since April 4, 2007, our vessel operating expenses have consisted primarily of management fees payable to Capital Ship Management Corp., our manager, who provides commercial and technical services such as crewing, repairs and maintenance, insurance, stores, spares and lubricants, as well as administrative services pursuant to management and administrative services agreements.

(4) On January 1, 2009 we adopted new accounting guidance relating to the Application of the Two-Class Method and its application to Master Limited Partnerships which considers whether the incentive distributions of a master limited partnership represent a participating security when considered in the calculation of earnings per unit under the Two-Class Method. This new guidance also considers whether the partnership agreement contains any contractual limitations concerning distributions to the incentive distribution rights that would impact the amount of earnings to allocate to the incentive distribution rights for each reporting period. We retrospectively applied the provisions of this new guidance to the years ended December 31, 2007 and 2008. Following the application of the above guidance our earnings per unit for the year ended December 31, 2008 decreased from $2.00 to $1.54. For the year ended December 31, 2007 our earnings per unit remained unchanged.

(5) Following the early termination of the subordination period on February 14, 2009, all of our 8,805,522 subordinated units converted into common units on a one-for-one basis. Please read Item 7B: “Termination of the Subordination period” for additional information.

Risk Factors

Some of the following risks relate principally to the countries and the industry in which we operate and the nature of our business in general. Although many of our business risks are comparable to those of a corporation engaged in a similar business would face, limited partner interests are inherently different from the capital stock of a corporation. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. In particular, if any of the following risks actually occurs, our business, financial condition or operating results could be materially adversely affected. In that case, we might not be able to pay distributions on our common units, the trading price of our common units could decline, and you could lose all or part of your investment.

Risks Inherent in Our Business

The current global economic downturn may have a material adverse effect on our business, financial position and results of operations as well as on our ability to recharter our vessels at favorable rates.

Oil has been one of the world's primary energy sources for a number of decades. The global economic growth of previous years had a significant impact on the demand for oil and subsequently on the oil trade and shipping demand. However, during the second half of 2008 and throughout 2009 we have experienced a major economic slowdown which is ongoing and the duration of which is very difficult to forecast and which has, and is expected to continue to have, a significant impact on world trade, including the oil trade. In this global economy, operating businesses have been facing tightening credit, weakening demand for goods and services, deteriorating international liquidity conditions, and declining financial markets. Demand for oil and refined petroleum products has contracted sharply as a result of the global economic slow-down, which in combination with the diminished availability of trade credit has led to decreased demand for tanker vessels, creating downward pressure on charter rates. This economic downturn has also affected vessel values overall. If the current global economic environment persists we may not be able to operate our vessels profitably or employ our vessels at favorable charter rates as they come up for rechartering. Furthermore, a significant decrease in the market value of our vessels may cause us to recognize losses if any of our vessels are sold or if their values are impaired, and may affect our ability to comply with our loan covenants. A continuing negative change in global economic conditions is expected to have a material adverse effect on our business, financial position, results of operations and ability to make cash distributions and comply with our loan covenants, as well as our future prospects and ability to grow our fleet.

Changes in the oil markets could result in decreased demand for our vessels and services.

Demand for our vessels and services in transporting oil depends upon world and regional oil markets. Any decrease in shipments of refined petroleum products in those markets could have a material adverse effect on our business, financial condition and results of operations. Historically, those markets have been volatile as a result of the many conditions and events that affect the price, production and transport of oil, including competition from alternative energy sources. In the long term, oil demand may be reduced by an increased reliance on alternative energy sources and/or a drive for increased efficiency in the use of oil as a result of environmental concerns or high oil prices. The current recession affecting the U.S. and world economies may result in protracted reduced consumption of oil products and a decreased demand for our vessels and lower charter rates, which could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to make cash distributions.

We may not have sufficient cash from operations to enable us to pay the quarterly distribution on our common units following the establishment of cash reserves and payment of fees and expenses.

We may not have sufficient cash available each quarter to pay the declared quarterly distribution per common unit following establishment of cash reserves and payment of fees and expenses. The amount of cash we can distribute on our common units principally depends upon the amount of cash we generate from our operations, which may fluctuate based on numerous factors generally described under this "Risk Factors" heading, including, among other things:

- the rates we obtain from our charters;
- our ability to recharter our vessels at competitive rates as their current charters expire;
- the ability of our customers to meet their obligations under the terms of the charter agreements, including the timely payment of the rates under the agreements;
- the continued sustainability of our customers;
- the level of additional revenues we generate from our profit sharing arrangements, if any;
- the level of our operating costs, such as the cost of crews and insurance, following the expiration of our management agreement pursuant to which we pay a fixed daily fee for an initial term of approximately five years from the time we take delivery of each vessel, which includes the expenses for its next scheduled special or intermediate survey, as applicable, and related drydocking;

- the number of unscheduled off-hire days for our fleet and the timing of, and number of days required for, scheduled drydocking of our vessels;
- the amount of extraordinary costs incurred by our manager while managing our vessels not covered under our fixed fee arrangement which we may have to reimburse our manager for;
- delays in the delivery of any newbuildings we may contract to acquire and the beginning of payments under charters relating to those vessels;
- demand for seaborne transportation of refined oil products and crude oil;
- supply of product and crude oil tankers and specifically the number of newbuildings entering the world tanker fleet each year;
- force majeure events;
- prevailing global and regional economic and political conditions; and
- the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business.

The actual amount of cash we will have available for distribution also will depend on other factors, some of which are beyond our control, such as:

- the level of capital expenditures we make, including for maintaining vessels, building new vessels, acquiring existing vessels and complying with regulations;
- our debt service requirements, including our obligation to pay increased interest costs in certain circumstances, and restrictions on distributions contained in our debt instruments;
- our ability to comply with covenants under our credit facilities, including our ability to comply with certain ‘asset maintenance’ ratios
- interest rate fluctuations;
- the cost of acquisitions, if any;
- fluctuations in our working capital needs;
- our ability to make working capital borrowings, including to pay distributions to unitholders; and
- the amount of any cash reserves, including reserves for future maintenance and replacement capital expenditures, working capital and other matters, established by our board of directors in its discretion.

The amount of cash we 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 net income.

The shipping industry is cyclical, which may lead to lower charter hire rates, defaults of our charterers and lower vessel values, resulting in decreased distributions to our unitholders.

The shipping industry is cyclical, which may result in volatility in charter hire rates and vessel values. We may not be able to successfully charter our vessels in the future or renew existing charters at the same or similar rates. Even if we manage to successfully charter our vessels in the future, our charterers may go bankrupt or fail to perform their obligations under the charter agreements, they may delay payments or suspend payments altogether, they may terminate the charter agreements prior to the agreed upon expiration date or they may attempt to re-negotiate the terms of the charters. If we are required to enter into a charter when charter hire rates are low, our results of operations and our ability to make cash distributions to our unitholders could be adversely affected.

In addition, the market value and charter hire rates of product and crude oil tankers can fluctuate substantially over time due to a number of different factors, including:

- the demand for oil and oil products;
- the supply of oil and oil products;
- regional availability of refining capacity;
- prevailing economic conditions in the market in which the vessel trades;
- availability of credit to charterers and traders in order to finance expenses associated with the relevant trades;
- regulatory change;
- levels of demand for the seaborne transportation of refined products and crude oil;
- changes in the supply of vessel capacity; and
- the cost of retrofitting or modifying existing ships, as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

From time to time, we expect to enter into agreements with Capital Maritime or other unaffiliated third parties to purchase additional newbuildings or other vessels (or interests in vessel-owning companies). Between the time we enter into an agreement for such purchase and delivery of the vessel, the market value of similar vessels may decline. The market value of vessels is influenced by the ability of buyers to access bank finance and equity capital and any disruptions to the market and the possible lack of adequate available finance may negatively affect such market values. Despite a decline in market values we would still be required to purchase the vessel at the agreed-upon price.

If we sell a vessel at a time when the market value of our vessels has fallen, the sale may be at less than the vessel's carrying amount, resulting in a loss. In addition, a decrease in the future charter rate and/or market value of our vessels could potentially result in an impairment charge. A decline in the market value of our vessels could also lead to a default under any prospective credit facility to which we become a party, affect our ability to refinance our existing credit facilities and/or limit our ability to obtain additional financing.

Spot market rates for tanker vessels are highly volatile and are currently at relatively low levels historically and may further decrease in the future, which may adversely affect our earnings and ability to make cash distributions in the event that our vessels are chartered in the spot market.

We currently charter one vessel in the spot market. In addition, the charters of eight of our 18 vessels are scheduled to expire during 2010. If we cannot obtain favorable medium- or long term charters for these vessels we may have to deploy these vessels in the spot market in which case we will be exposed to the cyclicality and volatility of the spot charter market. Although spot chartering is common in the tanker industry, tanker charter hire rates are highly volatile and may fluctuate significantly based upon demand for seaborne transportation of crude oil and oil products as well as tanker supply. The world oil demand is influenced by many factors, including international economic activity; geographic changes in oil production, processing, and consumption; oil price levels; inventory policies of the major oil and oil trading companies; and strategic inventory policies of countries such as the United States and China. The successful operation of our vessels in the spot charter market depends upon, among other things, obtaining profitable spot charters and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. Furthermore, as charter rates for spot charters are fixed for a single voyage which may last up to several weeks, during periods in which spot charter rates are rising, we will generally experience delays in realizing the benefits from such increases.

The spot market is highly volatile, and, in the past, there have been periods when spot rates have declined below the operating cost of vessels. Currently charterhire rates are at relatively low rates historically and there is no assurance that the tanker charter market will recover over the next several months or will not continue to decline further. If future spot charter rates decline, we may be unable to operate our vessels trading in the spot market profitably, meet our obligations, including payments on indebtedness, or to make cash distributions.

An over-supply of tanker vessel capacity may lead to reductions in charterhire rates and profitability.

The market supply of tanker vessels has been increasing as a result of the delivery of substantial newbuilding orders over the last few years, which, based on the current order book, is expected to continue during 2010 and into 2011. Newbuildings were delivered in significant numbers starting at the beginning of 2006 and continued to be delivered in significant numbers through 2007, 2008, and 2009. In addition, the rate of newbuilding supply might accelerate in 2010. An oversupply of tanker vessel capacity may result in a further reduction of charterhire rates. If such a further reduction occurs, we may only be able to recharter our vessels at reduced or unprofitable rates as their current charters expire, or we may not be able to charter these vessels at all. The occurrence of these events could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to make cash distributions.

We must make substantial capital expenditures to maintain the operating capacity of our fleet, which will reduce our cash available for distribution. In addition, each quarter our board of directors is 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.

We must make substantial capital expenditures to maintain, over the long term, the operating capacity of our fleet. These maintenance and replacement capital expenditures include capital expenditures associated with drydocking a vessel, modifying an existing vessel or acquiring a new vessel to the extent these expenditures are incurred to maintain the operating capacity of our fleet. These expenditures could increase as a result of changes in:

- the cost of our labor and materials;
- the cost and replacement life of suitable replacement vessels;
- customer/market requirements;
- increases in the size of our fleet;
- the age of the vessels in our fleet;
- charter rates in the market; and
- governmental regulations, industry and maritime self-regulatory organization standards relating to safety, security or the environment.

Our significant maintenance and replacement capital expenditures will reduce the amount of cash we have available for distribution to our unitholders. Any costs associated with scheduled drydocking are included in a fixed daily fee per time chartered vessel, that we pay Capital Ship Management under a management agreement, for an initial term of approximately five years from the time we take delivery of each vessel, which includes the expenses for its next scheduled special or intermediate survey, as applicable. In the event our management agreement is not renewed or is materially amended, we may have to separately deduct estimated capital expenditures associated with drydocking from our operating surplus in addition to estimated replacement capital expenditures.

Our partnership agreement requires our board of directors to deduct estimated, rather than actual, maintenance and replacement capital expenditures from operating surplus each quarter in an effort to reduce fluctuations in operating surplus. The amount of estimated capital expenditures deducted from operating surplus is subject to review and change by the conflicts committee at least once a year. In years when estimated capital expenditures are higher than actual capital expenditures, the amount of cash available for distribution to unitholders will be lower than if actual capital expenditures were deducted from operating surplus. If our board of directors underestimates the appropriate level of estimated maintenance and replacement capital expenditures, we may have less cash available for distribution in future periods when actual capital expenditures exceed our previous estimates.

If Capital Maritime or any third party seller we may contract with in the future for the purchase of newbuildings fails to make construction payments for such vessels, the shipyard may rescind the purchase contract and we may lose access to such vessels or need to finance such vessels before they begin operating, which could harm our business and our ability to make cash distributions.

The seven newbuildings we have acquired since our initial public offering (the "IPO") were contracted directly by Capital Maritime and all costs for the construction and delivery of such vessels were incurred by Capital Maritime. In the future, we may enter into similar arrangements with Capital Maritime or other third parties for the acquisition of newbuildings. If Capital Maritime or any third party sellers we contract with in the future fail to make construction payments for the newbuildings after receiving notice by the shipbuilder following nonpayment on any installment due date, the shipbuilder could rescind the newbuilding purchase contract. As a result of such default, Capital Maritime or the third party seller could lose all or part of the installment payments made prior to such default, and we could either lose access to such newbuilding or any future vessels we contract to acquire or may need to finance such vessels before they begin operating and generating voyage revenues, which could harm our business and reduce our ability to make cash distributions.

If we finance the purchase of vessels through cash from operations, by increasing our indebtedness or by issuing debt or equity securities, our ability to make cash distributions may be diminished, our financial leverage could increase or our unitholders could be diluted. In addition, if we expand the size of our fleet by directly contracting newbuildings, we generally will be required to make significant installment payments for such acquisitions prior to their delivery and generation of revenue.

The actual cost of a new product or crude oil tanker varies significantly depending on the market price charged by shipyards, the size and specifications of the vessel, whether a charter is attached to the vessel and the terms of such charter, governmental regulations and maritime self-regulatory organization standards. The total delivered cost of a vessel will be higher and include financing, construction supervision, vessel start-up and other costs.

To date, all the newbuildings we have acquired have been contracted directly by Capital Maritime and all costs for the construction and delivery of these vessels have been incurred by Capital Maritime. As of December 31, 2009, our fleet consisted of 18 vessels, only seven of which had been part of our initial fleet at the time of our IPO. We have financed the purchase of the additional vessels either with debt, or partly with debt, cash and partly by issuing additional equity securities. If we issue additional common units or other equity securities, our existing unitholders' ownership interest in us will be diluted. Please read "—We may issue additional equity securities without your approval, which would dilute your ownership interest" below.

If we elect to expand our fleet in the future by entering into contracts for newbuildings directly with shipyards, we generally will be required to make installment payments prior to their delivery. We typically must pay 5% to 25% of the purchase price of a vessel upon signing the purchase contract, even though delivery of the completed vessel will not occur until much later (approximately 18-36 months later for current orders) which could reduce cash available for distributions to unitholders. If we finance these acquisition costs by issuing debt or equity securities, we will increase the aggregate amount of interest payments or quarterly distributions we must make prior to generating cash from the operation of the newbuilding.

To fund the acquisition price of any additional vessels we may contract to purchase from Capital Maritime or other third parties and other related capital expenditures, we will be required to use cash from operations or incur borrowings or raise capital through the sale of debt or additional equity securities. Use of cash from operations will reduce cash available for distributions to 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. 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 meet our quarterly distributions to unitholders, which could have a material adverse effect on our ability to make cash distributions.

Our ability to obtain bank financing and/or to access the capital markets for future equity offerings may be limited by prevailing economic conditions. The restrictions imposed by our credit facilities may also limit our ability to access such financing, even if it is available. If we are unable to obtain financing or access the capital markets, we may be unable to complete any future purchases of vessels from Capital Maritime or from third parties.

Given the prevailing market and economic conditions, including today's financial turmoil affecting the world's debt, credit and capital markets, the ability of banks and credit institutions to finance new projects, including the acquisition of new vessels in the future, is uncertain. In addition, 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 the continuing adverse market conditions resulting from, among other things, general economic conditions, weakness in the financial markets and contingencies and uncertainties that are beyond our control. The restrictions imposed by our credit facilities, including the obligation to comply with certain asset maintenance and other ratios, may further restrict our ability to access available financing. Our failure to obtain the funds for necessary future capital expenditures could have a material adverse effect on our business, results of operations and financial condition and on our ability to make cash distributions. In addition to a major global economic slowdown, we have been facing, and continue to face, a deterioration in the banking and credit markets resulting in potentially higher interest costs and overall limited availability of liquidity. As a result, the prevailing market and economic conditions may affect our ability to complete any future purchases of vessels from Capital Maritime or from third parties.

Our debt levels may limit our flexibility in obtaining additional financing and in pursuing other business opportunities.

We entered into a $370.0 million revolving credit facility on March 22, 2007, as amended, (our "existing credit facility"), and a further $350.0 million revolving credit facility on March 19, 2008, as amended (our "new credit facility" and together with our "existing credit facility", our "credit facilities"). As of December 31, 2009, we had drawn $366.5 million under our existing credit facility and $107.5 million under our new credit facility, and had $3.5 and $242.5 million available, respectively. For more information regarding the terms of our credit facilities, please read "Item 5A—Operating Results and Financial Review and Prospects—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Borrowings—Revolving Credit Facilities". Our level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired, or such financing may not be available on favorable terms;
- we will need a substantial portion of our cash flow to make interest payments and, following the end of the relevant non-amortizing periods, principal payments on our debt, reducing the funds that would otherwise be available for operations, future business opportunities and distributions to unitholders;
- our debt level will make us more vulnerable to competitive pressures, or to a downturn in our business or in the economy in general, than our competitors with less debt; and
- our debt level may limit our flexibility in responding to changing business and economic conditions.

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 may be forced to take actions such as reducing or eliminating distributions, 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.

Our credit facilities contain, and we expect that any future credit facilities we may enter into will contain, restrictive covenants, which may limit our business and financing activities, including our ability to make distributions.

The operating and financial restrictions and covenants in our credit facilities and in any future credit facility we enter into could adversely affect our ability to finance future operations or capital needs or to engage, expand or pursue our business activities. For example, our credit facilities require the consent of our lenders to, or limit our ability to, among other items:

- incur or guarantee indebtedness;
- charge, pledge or encumber the vessels;
- change the flag, class, management or ownership of our vessels;
- change the commercial and technical management of our vessels;
- sell or change the beneficial ownership or control of our vessels; and
- subordinate our obligations thereunder to any general and administrative costs relating to the vessels, including the fixed daily fee payable under the management agreement.

Our credit facilities also require us to comply with the ISM Code and to maintain valid safety management certificates and documents of compliance at all times.

In addition, effective for a three year period from the end of June 2009 to the end of June 2012, our amended credit facilities require us to:

- maintain minimum free consolidated liquidity (50% of which may be in the form of undrawn commitments under the relevant credit facility) of at least $500,000 per financed vessel;
- maintain a ratio of EBITDA (as defined in each credit facility) to interest expense of at least 2.00 to 1.00 on a trailing four-quarter basis; and
- maintain a ratio of net Total Indebtedness to the aggregate Fair Market Value (as defined in each credit facility) of our total fleet, current or future, of no more than 0.80 (the "leverage ratio").
- We are also required to maintain an aggregate fair market value of our financed vessels equal to at least 125% of the aggregate amount outstanding under each credit facility (the "collateral maintenance").

The interest margin of our credit facilities will increase from 1.35% to 1.45% over LIBOR subject to the level of the leverage ratio and the collateral maintenance.

If we are in breach of any of the terms of our credit facilities, as amended, a significant portion of our obligations may become immediately due and payable, and our lenders; commitment to make further loans to us may terminate. We may also be unable to perform our business strategy.

Our ability to comply with the covenants and restrictions contained in our credit facilities and any other debt instruments we may enter into in the future may be affected by events beyond our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate further, our ability to comply with these covenants may be impaired. If we are in breach of any of the restrictions, covenants, ratios or tests in our credit facilities, especially if we trigger a cross-default currently contained in our credit facilities or any interest rate swap agreements we have entered into pursuant to their terms, a significant portion of our obligations may become immediately due and payable, and our lenders' commitment to make further loans to us may terminate. We may not be able to reach agreement with our lenders to amend the terms of the loan agreements or waive any breaches and we may not have, or be able to obtain, sufficient funds to make any accelerated payments. In addition, obligations under our credit facilities are secured by our vessels, and if we are unable to repay debt under the credit facilities, the lenders could seek to foreclose on those assets. Furthermore, if funds under our credit facilities become unavailable as a result of a breach of our covenants or otherwise, we may not be able to perform our business strategy which could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions.

Decreases in asset values due to circumstances outside of our control may limit our ability to make further draw-downs under our credit facilities which may limit our ability to purchase additional vessels in the future. In addition, if asset values continue to decrease significantly, we may have to pre-pay part of our outstanding debt in order to remain in compliance with covenants under our credit facilities.

Our credit facilities require that we maintain an aggregate fair market value of the vessels in our fleet at least 125% of the aggregate amount outstanding under each credit facility. Any contemplated vessel acquisitions will have to be at levels that do not impair the required ratios. The current severe economic slowdown has had an adverse effect on tanker asset values which is likely to persist if the economic slowdown continues. If the estimated asset values of the vessels in our fleet continue to decrease, such decreases may limit the amounts we can drawdown under our credit facilities to purchase additional vessels and our ability to expand our fleet. In addition, we may be obligated to pre-pay part of our outstanding debt in order to remain in compliance with the relevant covenants in our credit facilities. As a result, such decreases could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions.

Over time, the value of our vessels may decline, which could adversely affect our operating results.

Vessel values for tankers can fluctuate substantially over time due to a number of different factors. Vessel values may decline substantially from existing levels. If operation of a vessel is not profitable, or if we cannot re-deploy a chartered vessel at attractive rates upon charter termination, rather than continue to incur costs to maintain and finance the vessel, we may seek to dispose of it. Our inability to dispose of the vessel at a reasonable value could result in a loss on its sale and adversely affect our results of operations and financial condition. Further, if we determine at any time that a vessel's future useful life and earnings require us to impair its value on our financial statements, we may need to recognize a significant charge against our earnings.

Restrictions in our debt agreements may prevent us from paying distributions.

Our payment of interest and, following the end of the relevant non-amortizing periods, principal on our debt will reduce cash available for distribution on our units. In addition, our credit facilities prohibit the payment of distributions if we are not in compliance with certain financial covenants or upon the occurrence of an event of default or if the fair market value of the vessels in our fleet is less than 125% of the aggregate amount outstanding under each of our credit facilities.

Events of default under our credit facilities include:

- failure to pay principal or interest when due;
- breach of certain undertakings, negative covenants and financial covenants contained in the credit facility, any related security document or guarantee or the interest rate swap agreements, including failure to maintain unencumbered title to any of the vessel-owning subsidiaries or any of the assets of the vessel-owning subsidiaries and failure to maintain proper insurance;

- any breach of the credit facility, any related security document or guarantee or the interest rate swap agreements (other than breaches described in the preceding two bullet points) if, in the opinion of the lenders, such default is capable of remedy and continues unremedied for 20 days after written notice of the lenders;
- any representation, warranty or statement made by us in the credit facility or any drawdown notice thereunder or related security document or guarantee or the interest rate swap agreements is untrue or misleading when made;
- a cross-default of our other indebtedness of $5.0 million or greater or of the indebtedness of our subsidiaries of $750,000 or greater;
- we become, in the reasonable opinion of the lenders, unable to pay our debts when due;
- any of our or our subsidiaries' assets are subject to any form of execution, attachment, arrest, sequestration or distress in respect of a sum of $1.0 million or more that is not discharged within 10 business days;
- an event of insolvency or bankruptcy;
- cessation or suspension of our business or of a material part thereof;
- unlawfulness, non-effectiveness or repudiation of any material provision of our credit facility, of any of the related finance and guarantee documents or of our interest rate swap agreements;
- failure of effectiveness of security documents or guarantee;
- the common units cease to be listed on the Nasdaq Global Market or on any other recognized securities exchange;
- any breach under any provisions contained in our interest rate swap agreements;
- termination of our interest rate swap agreements or an event of default thereunder that is not remedied within five business days;
- invalidity of a security document in any material respect or if any security document ceases to provide a perfected first priority security interest; or
- any other event that occurs or circumstance that arises in light of which the lenders reasonably consider that there is a significant risk that we will be unable to discharge our liabilities under the credit facility, related security and guarantee documents or interest rate swap agreements.

We anticipate that any subsequent refinancing of our current debt or any new debt could have similar or more onerous restrictions. For more information regarding our financing arrangements, please read "Item 5A: Operating and Financial Review and Prospects —Management's Discussion and Analysis of Financial Condition and Results of Operations".

Disruptions in world financial markets and the resulting governmental action in the United States and in other parts of the world could have a material adverse impact on our results of operations, financial condition and cash flows, and could cause the market price of our common units to decline.

In 2008 and 2009, global financial markets have experienced extraordinary disruption and volatility following adverse changes in the global credit markets. The credit markets in the United States have experienced significant contraction, deleveraging and reduced liquidity, and governments around the world have taken highly significant measures in response to such events, including the enactment of the Emergency Economic Stabilization Act of 2008 in the United States, and may implement other significant responses in the future. Securities and futures markets and the credit markets are subject to comprehensive statutes, regulations and other requirements. The SEC, other regulators, self-regulatory organizations and exchanges have enacted temporary emergency regulations and may take other extraordinary actions in the event of market emergencies and may effect permanent changes in law or interpretations of existing laws. A number of financial institutions have experienced serious financial difficulties and, in some cases, have entered into bankruptcy proceedings or are in regulatory enforcement actions. These difficulties have resulted, in part, from declining markets for assets held by such institutions, particularly the reduction in the value of their mortgage and asset-backed securities portfolios. These difficulties have been compounded by a general decline in the willingness by banks and other financial institutions to extend credit. In addition, these difficulties may adversely affect the financial institutions that provide our credit facilities and may impair their ability to continue to perform under their financing obligations to us, which could have an impact on our ability to fund current and future obligations.

We currently derive all of our revenues from a limited number of customers, and the loss of any customer or charter or vessel could result in a significant loss of revenues and cash flow.

We have derived, and believe that we will continue to derive, all of our revenues and cash flow from a limited number of customers. For the year ended December 31, 2009, BP Shipping Limited, Morgan Stanley Capital Group Inc. and subsidiaries of Overseas Shipholding Group Inc accounted for 59%, 22% and 12% of our revenues, respectively. For the year ended December 31, 2008 BP Shipping Limited and Morgan Stanley Capital Group Inc., accounted for 54% and 33%, respectively. For the year ended December 31, 2007 they accounted for 58% and 24%, respectively. We currently have five principal customers. We could lose a customer or the benefits of some or all of a charter if:

- the customer faces financial difficulties forcing it to declare bankruptcy or making it impossible for it to perform its obligations under the charter, including the payment of the agreed rates in a timely manner;

- the customer fails to make charter payments because of its financial inability, disagreements with us or otherwise;
- the customer tries to re-negotiate the terms of the charter agreement due to prevailing economic and market conditions;
- the customer exercises certain rights to terminate the charter or purchase the vessel;
- the customer terminates the charter because we fail to deliver the vessel within a fixed period of time, the vessel is lost or damaged beyond repair, there are serious deficiencies in the vessel or prolonged periods of off-hire, or we default under the charter; or
- a prolonged force majeure event affecting the customer, including damage to or destruction of relevant production facilities, war or political unrest prevents us from performing services for that customer.

Please read "Item 4B: Business Overview—Our Charters" below for further information on our customers.

If we lose a key charter, we may be unable to re-deploy the related vessel on terms as favorable to us due to the long-term nature of most charters. 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, but we may be required to pay expenses necessary to maintain the vessel in proper operating condition. Until such time as the vessel is re-chartered, we may have to operate it in the spot market at charter rates which may not be as favorable to us as our current charter rates. In addition, if a customer exercises its right to purchase a vessel, we would not receive any further revenue from the vessel and may be unable to obtain a substitute vessel and charter. This may cause us to receive decreased revenue and cash flows from having fewer vessels operating in our fleet. Any replacement newbuilding would not generate revenues during its construction, and we may be unable to charter any replacement vessel on terms as favorable to us as those of the terminated charter. Any compensation under our charters for a purchase of the vessels may not adequately compensate us for the loss of the vessel and related time charter.

The loss of any of our customers, time or bareboat charters or vessels, or a decline in payments under our charters, could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions.

Delays in deliveries of newbuildings, our decision to cancel or our inability to otherwise complete the acquisitions of any newbuildings we may decide to acquire in the future, could harm our operating results and lead to the termination of any related charters.

Any newbuildings we may contract to acquire or order in the future could be delayed, not completed or canceled, which would delay or eliminate our expected receipt of revenues under any charters for such vessels. The shipbuilder or third party seller could fail to deliver the newbuilding vessel or any other vessels we acquire or order as may be agreed, or Capital Maritime, or relevant third party, could cancel a purchase or a newbuilding contract because the shipbuilder has not met its obligations, including its obligation to maintain agreed refund guarantees in place for our benefit. For prolonged delays, the customer may terminate the time charter.

Our receipt of newbuildings could be delayed, canceled, or otherwise not completed because of:

- quality or engineering problems;
- changes in governmental regulations or maritime self-regulatory organization standards;
- work stoppages or other labor disturbances at the shipyard;
- bankruptcy or other financial or liquidity problems of the shipbuilder;
- a backlog of orders at the shipyard;
- political or economic disturbances in the country or region where the vessel is being built;
- weather interference or catastrophic event, such as a major earthquake or fire;
- the shipbuilder failing to deliver the vessel in accordance with our vessel specifications;
- our requests for changes to the original vessel specifications;
- shortages of or delays in the receipt of necessary construction materials, such as steel;
- our inability to finance the purchase of the vessel;
- a deterioration in Capital Maritime's relations with the relevant shipbuilder; or
- our inability to obtain requisite permits or approvals.

If delivery of any vessel we contract to acquire in the future is materially delayed, it could adversely affect our results of operations and financial condition and our ability to make cash distributions.

We depend on Capital Maritime and its affiliates to assist us in operating and expanding our business.

Pursuant to a management agreement and an administrative services agreement between us and Capital Ship Management, Capital Ship Management provides significant commercial and technical management services (including the commercial and technical management of our vessels, class certifications, vessel maintenance and crewing, purchasing and insurance and shipyard supervision) as well as administrative, financial and other support services to us. Please read "Item 7B: Related-Party Transactions—Management Agreement" and "—Administrative Services Agreement" below. Our operational success and ability to execute our growth strategy will depend significantly upon Capital Ship Management's satisfactory performance of these services. Our business will be harmed if Capital Ship Management fails to perform these services satisfactorily, if Capital Ship Management cancels or materially amends either of these agreements, or if Capital Ship Management stops providing these services to us.

In January 2010, we rechartered two tanker vessels with subsidiaries of Capital Maritime. The performance of each charter is guaranteed by Capital Maritime. In the future we may enter into additional contracts with Capital Maritime to charter our vessels as they become available for rechartering. We may also contract with Capital Maritime for it to have newbuildings constructed on our behalf and to incur the construction-related financing and we would purchase the vessels on or after delivery based on an agreed-upon price. If Capital Maritime defaults under any charter or does not perform its obligations under any contract we enter into, it could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions.

Our ability to enter into new charters and expand our customer relationships will depend largely on our ability to leverage our relationship with Capital Maritime and its reputation and relationships in the shipping industry, including its ability to qualify for long term business with certain oil majors. If Capital Maritime 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 during periods of shipyard construction constraints;
- obtain financing on commercially acceptable terms; or
- maintain satisfactory relationships with suppliers and other third parties.

If our ability to do any of the things described above is impaired, it could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions.

Our growth depends on continued growth in demand for refined products and crude oil and the continued demand for seaborne transportation of refined products and crude oil.

Our growth strategy focuses on expansion in the refined product tanker and crude oil shipping sector. Accordingly, our growth depends on continued growth in world and regional demand for refined products and crude oil and the transportation of refined products and crude oil by sea, which could be negatively affected by a number of factors, including:

- the economic and financial developments globally, including actual and projected global economic growth.
- fluctuations in the actual or projected price of refined products and crude oil;
- refining capacity and its geographical location;
- increases in the production of oil 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-oil pipelines to oil pipelines in those markets;
- decreases in the consumption of oil due to increases in its price relative to other energy sources, other factors making consumption of oil less attractive or energy conservation measures;
- availability of new, alternative energy sources; and
- negative or deteriorating global or regional economic or political conditions, particularly in oil consuming regions, which could reduce energy consumption or its growth.

The refining industry may respond to the economic downturn and demand weakness by reducing operating rates and by reducing or cancelling certain investment expansion plans, including plans for additional refining capacity. Continued reduced demand for refined products and crude oil and the shipping of refined products or crude oil or the increased availability of pipelines used to transport refined products or crude oil, would have a material adverse effect on our future growth and could harm our business, results of operations and financial condition.

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

Medium- to long-term time charters and bareboat charters have the potential to provide income at pre-determined rates over more extended periods of time. However, the process for obtaining longer term time charters and bareboat charters is highly competitive and generally involves a lengthy, intensive and continuous screening and vetting process and the submission of competitive bids that often extends for several months. In addition to the quality, age and suitability of the vessel, longer term shipping contracts tend to be awarded based upon a variety of other factors relating to the vessel operator further described below under "Our vessels' present and future employment could be adversely affected by an inability to clear the oil majors' risk assessment process".

In addition to having to meet the stringent requirements set out by charterers, it is likely that we will also face substantial competition from a number of competitors who may have greater financial resources, stronger reputation or experience than we do when we try to recharter our vessels. It is also likely that we will face increased numbers of competitors entering into our transportation sectors, including in the ice class sector. Increased competition may cause greater price competition, especially for medium- to long-term charters.

As a result of these factors, we may be unable to expand our relationships with existing customers or obtain new customers for medium- to long-term time charters or bareboat charters on a profitable basis, if at all. Even if we are successful in employing our vessels under longer term time charters or bareboat charters, our vessels will not be available for trading in the spot market during an upturn in the tanker market cycle, when spot trading may be more profitable. If we cannot successfully employ our vessels in profitable time charters our results of operations and operating cash flow could be adversely affected.

Our vessels' present and future employment could be adversely affected by an inability to clear the oil majors' risk assessment process.

Shipping, and especially crude oil, refined product and chemical tankers have been, and will remain, heavily regulated. The so called "oil majors" companies, together with a number of commodities traders, represent a significant percentage of the production, trading and shipping logistics (terminals) of crude oil and refined products worldwide. Concerns for the environment have led the oil majors to develop and implement a strict ongoing due diligence process when selecting their commercial partners. This vetting process has evolved into a sophisticated and comprehensive risk assessment of both the vessel operator and the vessel, including physical ship inspections, completion of vessel inspection questionnaires performed by accredited inspectors and the production of comprehensive risk assessment reports. In the case of term charter relationships, additional factors are considered when awarding such contracts, including:

- office assessments and audits of the vessel operator;
- the operator's environmental, health and safety record;
- compliance with the standards of the International Maritime Organization (the "IMO"), a United Nations agency that issues international trade standards for shipping;
- compliance with heightened industry standards that have been set by several oil companies;
- shipping industry relationships, reputation for customer service, technical and operating expertise;
- shipping experience and quality of ship operations, including cost-effectiveness;
- quality, experience and technical capability of crews;
- the ability to finance vessels at competitive rates and overall financial stability;
- relationships with shipyards and the ability to obtain suitable berths;
- construction management experience, including the ability to procure on-time delivery of new vessels 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.

Should Capital Maritime and Capital Ship Management not continue to successfully clear the oil majors' risk assessment processes on an ongoing basis, our vessels' present and future employment as well as our relationship with our existing charterers and our ability to obtain new charterers, whether medium- or long-term, could be adversely affected. Such a situation may lead to the oil majors' terminating existing charters and refusing to use our vessels in the future which would adversely affect our results of operations and cash flows. Please read "Item 4B: Business Overview—Major Oil Company Vetting Process" for more information regarding this process.

We may be unable to make or realize expected benefits from acquisitions, and implementing our growth strategy through acquisitions may harm our business, financial condition and operating results.

Our growth strategy focuses on a gradual expansion of our fleet. Any acquisition of a vessel may not be profitable to us at or after the time we acquire it and may not generate cash flow sufficient to justify our investment. In addition, our growth strategy exposes us to risks that may harm our business, financial condition and operating results, including risks that we, or Capital Ship Management, our manager, as the case may be, may:

- fail to realize anticipated benefits, such as new customer relationships, cost-savings or cash flow enhancements;
- be unable to hire, train or retain qualified shore and seafaring personnel to manage and operate our growing business and fleet;
- decrease our liquidity by using a significant portion of our available cash or borrowing capacity to finance acquisitions;

- significantly increase our interest expense or financial leverage if we incur additional debt to finance acquisitions;
- fail to meet the covenants under our loans regarding the fair market value of our vessels;
- incur or assume unanticipated liabilities, losses or costs associated with the business or vessels acquired; or
- incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

Unlike newbuildings, existing vessels typically do not carry warranties as to their condition. While we generally inspect existing vessels prior to purchase, such an inspection would normally not provide us with as much knowledge of a vessel's condition as we would possess if it had been built for us and operated by us during its life. Repairs and maintenance costs for existing vessels are difficult to predict and may be substantially higher than for vessels we have operated since they were built. These costs could decrease our cash flow and reduce our liquidity.

The vessels that currently make up our fleet, as well as the remaining vessels we may purchase from Capital Maritime under our omnibus agreement, have been, or will be, built in accordance with custom designs from three different shipyards, and the vessels from each respective shipyard are the same in all material respects. As a result, any latent defect discovered in one vessel will likely affect all of our vessels.

The vessels that make up our fleet, with the exception of the M/T Amore Mio II, as well as certain sister vessels in Capital Maritime's fleet for which we have been granted a right of first offer, are, or will be, based on standard designs from Hyundai MIPO Dockyard Co., Ltd., South Korea, STX Shipbuilding Co., Ltd., South Korea and Baima Shipyard, China, and have been customized by Capital Maritime, in some cases in consultation with the charterers of the vessel, and are, or will be, uniform in all material respects. All vessels have the same or similar equipment. As a result, any latent design defect discovered in one of our vessels will likely affect all of our other vessels in that class. As a result, any equipment defect discovered may affect all of our vessels. Any disruptions in the operation of our vessels resulting from defects could adversely affect our receipt of revenues under the charters for the vessels affected.

Certain design features in our vessels have been modified by Capital Maritime to enhance the commercial capability of our vessels and have not all yet been tested. As a result, we may encounter unforeseen expenses, complications, delays and other unknown factors which could adversely affect our revenues.

Capital Maritime has modified certain design features in our vessels which have not yet been tested and as a result, they may not operate as intended. If these modifications fail to enhance the commercial capability of our vessels as intended or interfere with the operation of our vessels, we could face expensive and time-consuming design modifications, delays in the operation of our vessels, damaged customer relationships and harm to our reputation. Any disruptions in the operation of our vessels resulting from the design modifications could adversely affect our receipt of revenues under the charters for the vessels affected.

Acts of piracy on ocean-going vessels have recently increased in frequency, which could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea and in the Gulf of Aden off the coast of Somalia. Throughout 2008 and 2009, the frequency of piracy incidents increased significantly, particularly in the Gulf of Aden off the coast of Somalia. If these piracy attacks result in regions in which our vessels are deployed being characterized by insurers as "war risk" zones, as the Gulf of Aden temporarily was in May 2008, or Joint War Committee ("JWC") "war and strikes" listed areas, premiums payable for insurance coverage for our vessels could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs, including costs which may be incurred to the extent we employ onboard security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, detention hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability of insurance for our vessels, could have a material adverse impact on our business, results of operations, cash flows, financial condition and ability to make cash distributions.

In response to piracy incidents in 2008 and 2009, particularly in the Gulf of Aden off the coast of Somalia, following consultation with regulatory authorities, we may station armed guards on some of our vessels in some instances. While any use of guards would be intended to deter and prevent the hijacking of our vessels, it could also increase our risk of liability for death or injury to persons or damage to personal property. If we do not have adequate insurance in place to cover such liability, it could adversely impact our business, results of operations, cash flows, financial condition and ability to make cash distributions.

Political instability, terrorist or other attacks, war or international hostilities can affect the tanker industry, which may adversely affect our business.

We conduct most of our operations outside of the United States, and our business, results of operations, cash flows, financial condition and ability to make cash distributions may be adversely affected by the effects of political instability, terrorist or other attacks, war or international hostilities. Terrorist attacks such as the attacks on the United States on September 11, 2001, the bombings in Spain on March 11, 2004 and in London on July 7, 2005 and the continuing response of the United States to these attacks, as well as the threat of future terrorist attacks, continue to contribute to world economic instability and uncertainty in global financial markets. Future terrorist attacks could result in increased volatility of the financial markets in the United States and globally and could result in an economic recession in the United States or the world. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all.

In the past, political instability has also resulted in attacks on vessels, such as the attack on the M/T Limburg in October 2002, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea and the Gulf of Aden off the coast of Somalia. In addition, oil facilities, shipyards, vessels, pipelines and oil and gas fields could be targets of future terrorist attacks. Any such attacks could lead to, among other things, bodily injury or loss of life, vessel or other property damage, increased vessel operational costs, including insurance costs, and the inability to transport oil and other refined products to or from certain locations. Any of these occurrences or other events beyond our control that adversely affect the distribution, production or transportation of oil and other refined products to be shipped by us could entitle our customers to terminate our charter contracts and could have a material adverse impact on our business, financial condition, results of operations, cash flows and ability to make cash distributions.

Compliance with safety and other vessel requirements imposed by classification societies may be costly and could reduce our cash flows and ability to make distributions.

The hull and machinery of every commercial vessel must be certified as being “in class” by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the Safety of Life at Sea Convention.

A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel’s machinery may be placed on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. We expect our vessels to be on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel is also required to be drydocked every two to three years for inspection of its underwater parts.

If any vessel does not maintain its class or fails any annual, intermediate or special survey, the vessel will be unable to trade between ports and will be unemployable, which could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to make cash distributions.

Our operations expose us to political and governmental instability, which could harm our business.

Our operations may be adversely affected by changing or adverse political and governmental conditions in the countries where our vessels are flagged or registered and in the regions where we otherwise engage in business. Any disruption caused by these factors may interfere with the operation of our vessels, which could harm our business, financial condition and results of operations. In particular, we derive a substantial portion of our revenues from shipping oil and oil products from politically unstable regions. Past political efforts to disrupt shipping in these regions, particularly in the Arabian Gulf, have included attacks on ships and mining of waterways. In addition to acts of terrorism, trading in this and other regions has also been subject, in limited instances, to piracy. Our operations may also be adversely affected by expropriation of vessels, taxes, regulation, tariffs, trade embargoes, economic sanctions or a disruption of or limit to trading activities, or other adverse events or circumstances in or affecting the countries and regions where we operate or where we may operate in the future.

Marine transportation is inherently risky, and an incident involving significant loss of, or environmental contamination by, 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;
- bad weather;
- mechanical failures;
- grounding, fire, explosions and collisions;
- piracy;
- human error; and
- war and terrorism.

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

- environmental damage, including potential liabilities or costs to recover any spilled oil or other petroleum products and to restore the eco-system where the spill occurred;
- death or injury to persons, loss of property;
- delays in the delivery of cargo;
- loss of revenues from or termination of charter contracts;
- governmental fines, penalties or restrictions on conducting business;
- higher insurance rates; and
- damage to our reputation and customer relationships generally.

Any of these results could have a material adverse effect on our business, financial condition and operating results.

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

The operation of ocean-going vessels in international trade is inherently risky. All risks may not be adequately insured against, and any particular claim may not be paid. We do not currently maintain off-hire insurance, which would cover the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents. Accordingly, any extended vessel off-hire, due to an accident or otherwise, could have a material adverse effect on our business and our ability to pay distributions to our unitholders. 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. Please read "—We will be subject to funding calls by our protection and indemnity associations, and our associations may not have enough resources to cover claims made against them" below.

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 catastrophic oil spill or marine disaster could exceed our insurance coverage, which could harm our business, financial condition and operating results. In addition, certain of our vessels are under bareboat charters with BP Shipping Limited and subsidiaries of Overseas Shipholding Group Inc. Under the terms of these charters, the charterer provides for the insurance of the vessel and as a result these vessels may not be adequately insured and/or in some cases may be self-insured. 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 ships 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, the insurance that may be available to us may be significantly more expensive than our existing coverage.

We will be subject to funding calls by our protection and indemnity associations, and our associations may not have enough resources to cover claims made against them.

We are indemnified for legal liabilities incurred while operating our vessels through membership in P&I Associations. P&I Associations are mutual insurance associations whose members must contribute to cover losses sustained by other association members. The objective of a P&I Association is to provide mutual insurance based on the aggregate tonnage of a member's vessels entered into the association. Claims are paid through the aggregate premiums of all members of the association, although members remain subject to calls for additional funds if the aggregate premiums are insufficient to cover claims submitted to the association. Claims submitted to the association may include those incurred by members of the association, as well as claims submitted to the association from other P&I Associations with which our P&I Association has entered into interassociation agreements. The P&I Associations to which we belong may not remain viable and we may become subject to additional funding calls which could adversely affect us.

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

Our operations are affected by extensive and changing international, national and local environmental protection laws, regulations, treaties, conventions and standards in force in international waters, the jurisdictional waters of the countries in which our vessels operate, as well as the countries of our vessels' registration. Many of these requirements are designed to reduce the risk of oil spills, air emissions and other pollution, and to reduce potential negative environmental effects associated with the maritime industry in general. In addition, we believe that the heightened environmental, quality and security concerns of insurance underwriters, regulators and charterers will lead to additional regulatory requirements, including enhanced risk assessment and security requirements and greater inspection and safety requirements on vessels. Our compliance with these requirements can be costly.

These requirements can affect the resale value or useful lives of our vessels, require a reduction in cargo capacity, ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for environmental matters or result in the denial of access to certain jurisdictional waters or ports, or detention in certain ports. Under local, national and foreign laws, as well as international treaties and conventions, we could incur material liabilities, including cleanup obligations and natural resource damages, in the event that there is a release of petroleum or other hazardous substances from our vessels or otherwise in connection with our operations. We could also become subject to personal injury or property damage claims relating to the release of or exposure to hazardous materials associated with our current or historic operations. Violations of or liabilities under environmental requirements also can result in substantial penalties, fines and other sanctions, including, in certain instances, seizure or detention of our vessels.

We could incur significant costs, including cleanup costs, fines, penalties, third-party claims and natural resource damages, as the result of an oil spill or other liabilities under environmental laws. The United States Oil Pollution Act of 1990 (“OPA 90”) affects all vessel owners shipping oil or petroleum products to, from or within the United States. OPA 90 allows for potentially unlimited liability without regard to fault of owners, operators and bareboat charterers of vessels for oil pollution in U.S. waters. Similarly, the International Convention on Civil Liability for Oil Pollution Damage, 1969, as amended, which has been adopted by most countries outside of the U.S., imposes liability for oil pollution in international waters. OPA 90 expressly permits individual states to impose their own liability regimes with regard to hazardous materials and oil pollution incidents occurring within their boundaries. Coastal states in the U.S. have enacted pollution prevention liability and response laws, many providing for unlimited liability.

In addition to complying with existing laws and regulations and those that may be adopted, shipowners may incur significant additional costs in meeting new maintenance and inspection requirements, in developing contingency arrangements for potential spills and in obtaining insurance coverage. Government regulation of vessels, particularly in the areas of safety and environmental requirements, can be expected to become stricter in the future and require us to incur significant capital expenditure on our vessels to keep them in compliance, or even to scrap or sell certain vessels altogether. For example, amendments to revise the regulations of MARPOL regarding the prevention of air pollution from ships were approved by the Marine Environment Protection Committee (“MEPC”) and formally adopted at MEPC 58th session held in October 2008. The amendments establish a series of progressive standards to further limit the sulphur content in fuel oil, which would be phased in through 2020, and new tiers of nitrogen oxide (“NOx”) emission standards for new marine diesel engines, depending on their date of installation. The amendments are expected to enter into force under the tacit acceptance procedure in July 2010, or on some other date determined by the MEPC. Additionally, more stringent emission standards could apply in coastal areas designated, pursuant to the amendments, as Emission Control Areas.

Further legislation, or amendments to existing legislation, applicable to international and national maritime trade is expected over the coming years relating to environmental matters, such as ship recycling, sewage systems, emission control (including emissions of greenhouse gases), ballast treatment and handling.

For example, legislation and regulations that will require more stringent controls of air emissions from ocean-going vessels are pending or have been approved at the federal and state level in the U.S. The relevant standards are consistent with the 2008 Amendments to Annex VI of MARPOL. Such legislation or regulations may require significant additional capital expenditures (such as additional costs required for the installation of control equipment on each vessel) 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.

In addition, various jurisdictions, including the IMO and the United States, have proposed or implemented requirements governing the management of ballast water to prevent the introduction of non-indigenous species considered to be invasive. The IMO has adopted the International Convention for the Control and Management of Ships’ Ballast Water and Sediments (the “BWM Convention”), which calls for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits. The BWM Convention will enter into force 12 months after it has been adopted by 30 states, the combined merchant fleets of which represent not less than 35% of the gross tonnage of the world’s merchant shipping tonnage. As of December 31, 2009, 21 states, representing approximately 22.3% of the world’s merchant shipping tonnage, have ratified the BWM Convention. We may incur additional costs to install the relevant control equipment on our vessels in order to comply with the new standards.

In the United States, ballast water management legislation has been enacted in several states, and federal legislation is currently pending in the U.S. Congress. In addition, the U.S. Environmental Protection Agency has also adopted a rule which requires commercial vessels to obtain a “Vessel General Permit” from the U.S. Coast Guard in compliance with the Federal Water Pollution Control Act (the “Clean Water Act”) regulating the discharge of ballast water and other discharges into U.S. waters. Significant expenditures for the installation of additional equipment or new systems on board our vessels may be required in order to comply with existing or future regulations regarding ballast water management in these other jurisdictions, along with the potential for increased port disposal costs.

Other requirements may also come into force regarding the protection of endangered species which could lead to changes in the routes our vessels follow or in trading patterns generally and thus to additional capital expenditures. Additionally, new environmental regulations with respect to greenhouse gas emissions and preservation of biodiversity amongst others, are expected to come into effect following the agreement and execution of a G8 environmental agreement. The next meeting of the G8 to discuss such matters is scheduled to take place in Canada in June 2010.

Furthermore, as a result of marine accidents we believe that regulation of the shipping industry will continue to become more stringent and more expensive for us and our competitors. In recent years, the IMO and EU have both accelerated their existing non-double-hull phase-out schedules in response to highly publicized oil spills and other shipping incidents involving companies unrelated to us. Future incidents may result in the adoption of even stricter laws and regulations, which could limit our operations or our ability to do business and which could have a material adverse effect on our business and financial results.

Please read "Item 4B: Business Overview—Regulation" below for a more detailed discussion of the regulations applicable to our vessels.

The crew employment agreements manning agents enter into on behalf of Capital Maritime or any of its affiliates, including Capital Ship Management, our manager, may not prevent labor interruptions and the failure to renegotiate these agreements successfully in the future may disrupt our operations and adversely affect our cash flows.

The crew employment agreements that manning agents enter into on behalf of Capital Maritime or any of its affiliates, including Capital Ship Management, our manager, may not prevent labor interruptions and are subject to renegotiation in the future. Any labor interruptions, including due to a failure to renegotiate employment agreements with our crew members successfully could disrupt our operations and could adversely affect our business, financial condition and results of operations.

Arrests of our vessels by maritime claimants could cause a significant loss of earnings for the related off-hire period.

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 maritime lienholder may enforce its lien by "arresting" or "attaching" a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could result in a significant loss of earnings for the related off-hire period. In addition, in jurisdictions where the "sister ship" theory of liability applies, a claimant may arrest 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. In countries with "sister ship" liability laws, claims might be asserted against us or any of our vessels for liabilities of other vessels that we own.

Risks Inherent in an Investment in Us

Capital Maritime and its affiliates may engage in competition with us.

Pursuant to the omnibus agreement that we and Capital Maritime have entered into, Capital Maritime and its controlled affiliates (other than us, our general partner and our subsidiaries) have agreed not to acquire, own or operate medium- range tankers under time charters of two or more years without the consent of our general partner. The omnibus agreement, however, contains significant exceptions that may allow Capital Maritime or any of its controlled affiliates to compete with us, which could harm our business. Please read "Item 7B: Related-Party Transactions—Omnibus Agreement—Noncompetition".

Unitholders have limited voting rights and our partnership agreement restricts the voting rights of unitholders owning 5% or more of our units.

Holders of common units have only limited voting rights on matters affecting our business. We 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. Common unitholders elect only four of the seven 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 in its sole discretion has the right to appoint the remaining three directors and to 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 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 66⅔% of the outstanding units, including any units owned by our general partner and its affiliates, voting together as a single class and a majority vote of our board of directors.

Our partnership agreement further restricts unitholders' voting rights by providing that if any person or group, other than our general partner, its affiliates, their transferees and persons who acquired such units with the prior approval of our board of directors, owns beneficially 5% or more 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, unless required by law. The voting rights of any such unitholders in excess of 4.9% will be redistributed pro rata among the other unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. As an affiliate of our general partner, Capital Maritime is not subject to this limitation. Capital Maritime owns a 46.6% interest in us, including 11,304,651 common units and a 2% interest in us through its ownership of our general partner

Our general partner and its other affiliates own a controlling interest in us and have conflicts of interest and limited fiduciary and contractual duties, which may permit them to favor their own interests to your detriment.

Capital Maritime currently owns a 46.6% interest in us, including 11,304,651 common units and a 2% interest in us through its ownership of our general partner. The common units owned by Capital Maritime have the same rights as our other outstanding common units. Our general partner effectively controls our day-to-day affairs consistent with policies and procedures adopted by and subject to the direction of our board of directors. Our general partner and its affiliates and our directors have a fiduciary duty to manage us in a manner beneficial to us and our unitholders. However, the officers of our general partner have a fiduciary duty to manage our general partner in a manner beneficial to Capital Maritime. Furthermore, all of the officers of our general partner and certain of our directors are directors or officers of Capital Maritime and its affiliates, and as such they have fiduciary duties to Capital Maritime that may cause them to pursue business strategies that disproportionately benefit Capital Maritime or which otherwise are not in the best interests of us or our unitholders. Conflicts of interest may arise between Capital Maritime and its affiliates, including our general partner and its officers, on the one hand, and us and our unitholders, on the other hand. As a result of these conflicts, our general partner and its affiliates may favor their own interests over the interests of our unitholders. Please read "—Our partnership agreement limits the fiduciary duties of our general partner and our directors to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors" below. These conflicts include, among others, the following situations:

- neither our partnership agreement nor any other agreement requires our general partner or Capital Maritime or its affiliates to pursue a business strategy that favors us or utilizes our assets, and Capital Maritime's officers and directors have a fiduciary duty to make decisions in the best interests of the unitholders of Capital Maritime, which may be contrary to our interests;
- the executive officers of our general partner and three of our directors also serve as executive officers and/or directors of Capital Maritime;
- our general partner and our board of directors are allowed to take into account the interests of parties other than us, such as Capital Maritime, in resolving conflicts of interest, which has the effect of limiting their fiduciary duties to our unitholders;
- our general partner and our directors have limited their liabilities and reduced their fiduciary duties under the laws of the Marshall Islands, while also restricting the remedies available to our unitholders, and, as a result of purchasing our units, unitholders are treated as having agreed to the modified standard of fiduciary duties and to certain actions that may be taken by our general partner and our directors, all as set forth in the partnership agreement;
- our general partner and our board of directors will be involved in determining the amount and timing of our asset purchases and sales, capital expenditures, borrowings, and issuances of additional partnership securities and reserves, each of which can affect the amount of cash that is available for distribution to our unitholders;
- our general partner may have substantial influence over our board of directors' decision to cause us to borrow funds in order to permit the payment of cash distributions, even if the purpose or effect of the borrowing is to make a distribution on any subordinated units or to make incentive distributions;
- our general partner is entitled to reimbursement of all reasonable costs incurred by it and its affiliates for our benefit;
- our partnership agreement does not restrict us from paying our general partner or its 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; and
- our general partner may exercise its right to call and purchase our outstanding units if it and its affiliates own more than 80% of our common units.

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. Please read "Item 7B: Related-Party Transactions" below.

The vote of a majority of our common unitholders is required to amend the terms of our partnership agreement. Capital Maritime currently owns 45.6% of our common units and can significantly impact any vote under the terms of our partnership agreement which may allow Capital Maritime to favor its interests and may significantly affect your rights under the partnership agreement. In addition, Capital Maritime is not subject to the limitations on voting rights imposed on our other limited partners.

On January 30, 2009, we announced the payment of an exceptional non-recurring distribution of $1.05 per unit for the fourth quarter of 2008, bringing annual distributions to unitholders to $2.27 per unit for the year ended December 31, 2008, a level which under the terms of our partnership agreement resulted in the early termination of the subordination period and the automatic conversion of the subordinated units into common units. Following such conversion, Capital Maritime owns a 46.6% interest in us, including 11,304,651common units and a 2% interest in us through its ownership of our general partner. The common units owned by Capital Maritime have the same rights as our other outstanding common units.

A majority of common units (or in certain cases a higher percentage), of which Capital Maritime owns 45.6%, are required in order to amend the terms of the partnership agreement or to reach certain decisions or actions, including:

- amendments to the definition of available cash, operating surplus, adjusted operating surplus;
- changes in our cash distribution policy;
- elimination of the obligation to pay the minimum quarterly distribution;
- elimination of the obligation to hold an annual general meeting;
- removal of any appointed director for cause;
- transfer of the general partner interest;
- transfer of the incentive distribution rights;
- the ability of the board to sell, exchange or otherwise dispose of all or substantially all of our assets;
- resolution of conflicts of interest;
- withdrawal of the general partner;
- removal of the general partner;
- dissolution of the partnership;
- change to the quorum requirements;
- approval of merger or consolidation; and
- any amendment to the partnership agreement.

In addition, prior to the conversion of our subordinated units, any shortfall in the payment of the minimum quarterly distribution was borne first by the owners of the subordinated units. Following such conversion the risk will be borne only by our common unitholders.

Our partnership agreement further restricts unitholders' voting rights by providing that if any person, other than our general partner or its affiliates, their transferees and persons who acquire units with the prior approval of our board of directors owns beneficially 5% or more 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 that the voting rights of any such unitholders in excess of 4.9% will be redistributed pro rata among the other unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. See "—Unitholders have limited voting rights and our partnership agreement restricts the voting rights of unitholders owning 5% or more of our units" above for more information. As an affiliate of our general partner, Capital Maritime is not subject to this limitation; and as our largest unitholder, may propose amendments to the partnership agreement that may favor its interests over other unitholders' and which may change or limit other unitholders' rights under the partnership agreement.

We currently do not have any officers and rely, and expect to continue to rely, solely on officers of our general partner, who face conflicts in the allocation of their time to our business.

Our board of directors has not exercised its power to appoint officers of Capital Product Partners L.P. to date, and as a result, we rely, and expect to continue to rely, solely on the officers of our general partner, who are not required to work full-time on our affairs and who also work for affiliates of our general partner, including Capital Maritime. For example, our general partner's Chief Executive Officer and Chief Financial Officer is also an executive officer of Capital Maritime. The affiliates of our general partner conduct substantial businesses and activities of their own in which we have no economic interest. As a result, there could be material competition for the time and effort of the officers of our general partner who also provide services to our general partner's affiliates, which could have a material adverse effect on our business, results of operations and financial condition.

Our partnership agreement limits our general partner's and our directors' fiduciary duties to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors.

Our partnership agreement contains provisions that reduce the standards to which our general partner and directors would otherwise be held by Marshall Islands law. For example, 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. Where our partnership agreement permits, our general partner may consider only the interests and factors that it desires, and in such cases 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 in its individual capacity will be made by its sole owner, Capital Maritime. Specifically, pursuant to our partnership agreement, our general partner will be considered to be acting in its individual capacity if it exercises its call right, pre-emptive rights or registration rights, consents or withholds consent to any merger or consolidation of the partnership, appoints any directors or votes for the election of any director, votes or refrains from voting on amendments to our partnership agreement that require a vote of the outstanding units, voluntarily withdraws from the partnership, transfers (to the extent permitted under our partnership agreement) or refrains from transferring its units, general partner interest or incentive distribution rights or votes upon the dissolution of the partnership;

- provides that our general partner and our directors are entitled to make other decisions in "good faith" if 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 the 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 and its officers nor our directors will be liable for monetary damages to us, our limited partners 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 or directors or its officers or directors or those other persons engaged in actual fraud or willful misconduct.

In order to become a limited partner of our partnership, a unitholder is required to agree to be bound by the provisions in the partnership agreement, including the provisions discussed above.

Fees and cost reimbursements paid to Capital Ship Management for services provided to us and certain of our subsidiaries are substantial, may fluctuate, and will reduce our cash available for distribution to unitholders. Such fees and cost reimbursements, the amount of which is determined by Capital Ship Management, may increase as the vessel costs environment continues to increase or due to other unforeseen events, and may change upon the expiration of the management and administrative agreements currently in place.

We pay a fixed daily fee for an initial term of approximately five years from the time we take delivery of each vessel for services provided to us by Capital Ship Management, and we reimburse Capital Ship Management for all expenses it incurs on our behalf. The fixed daily fee to be paid to Capital Ship Management includes all costs incurred in providing certain commercial and technical management services to us, including vessel maintenance, crewing, purchasing and insurance and also includes the expenses for each vessel's next scheduled special or intermediate survey, as applicable, and related drydocking. In addition to the fixed daily fees payable under the management agreement, Capital Ship Management is entitled to supplementary remuneration for additional fees and costs of any direct and indirect expenses it reasonably incurs in providing these services which may vary from time to time, and which includes, amongst others, certain costs associated with the vetting of our vessels, repairs related to unforeseen events and insurance deductibles in accordance with the terms of the management agreement (the "additional fees"). For the year ended December 31, 2009 such fees amounted to approximately $3.0 million as compared to $1.0 million for the year ended December 31, 2008. Such costs may increase further to reflect unforeseen events and the continuing inflationary vessel costs environment. In addition, Capital Ship Management provides us with administrative services, including audit, legal, banking, investor relations, information technology and insurance services, pursuant to an administrative services agreement with an initial term of five years from the date of our initial public offering, and we reimburse Capital Ship Management for all costs and expenses reasonably incurred by it in connection with the provision of those services. Costs for these services are not fixed and fluctuate depending on our requirements.

Going forward, when we acquire new vessels or when the respective management agreements for our vessels expire, we will have to enter into new agreements with Capital Ship Management or a third party for the provision of the above services. It is possible that any such new agreement may not be on the same or similar terms as our existing agreements, and that the level of our operating costs may change following any such renewal. Any increase in the costs and expenses associated with the provision of these services by our manager in the future, such as the costs of crews for our time chartered vessels and insurance, will lead to an increase in the fees we will have to pay to Capital Ship Management under any new agreements we enter into. The payment of fees to Capital Ship Management and reimbursement of expenses to Capital Ship Management could adversely affect our ability to pay cash distributions.

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 Capital Maritime's consent, unless Capital Maritime's ownership share in us is decreased, all of which could diminish the trading price of our 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 to remove our general partner without its consent because our general partner and its affiliates own sufficient units to be able to prevent its removal. The vote of the holders of at least 66 2/3% of all outstanding units voting together as a single class and a majority vote of our board of directors is required to remove the general partner. As of December 31, 2009, Capital Maritime owned a 46.6% interest in us, including 11,304,651common units and a 2% interest in us through its ownership of our general partner.

- Common unitholders elect only four of the seven members of our board of directors. Our general partner in its sole discretion has the right to appoint the remaining three directors. Subordinated unitholders do not elect any directors. We do not currently have any outstanding subordinated units.
- Election of the four directors elected by common unitholders is staggered, meaning that the members of only one of three classes of our elected directors are 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, other than our general partner, its affiliates, their transferees, and persons who acquired such units with the prior approval of our board of directors, owns beneficially 5% or more 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, unless required by law. The voting rights of any such unitholders in excess of 4.9% will 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.
- We have substantial latitude in issuing equity securities without unitholder approval.

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

The control of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of the unitholders. In addition, our partnership agreement does not restrict the ability of the members of our general partner from transferring their respective membership interests in our general partner to a third party. Any such change in control of our general partner may affect the way we and our operations are managed which could have a material adverse effect on our business, results of operations or financial condition and our ability to make cash distributions.

Substantial future sales of our units in the public market could cause the price of our units to fall.

We have granted registration rights to Capital Maritime and certain affiliates of Capital Maritime. These unitholders have the right, subject to some conditions, to require us to file registration statements covering any of our common, subordinated or other equity securities owned by them at such time or to include those securities in registration statements that we may file for ourselves or other unitholders. There are currently no outstanding subordinated units. As of December 31, 2009 Capital Maritime owned 11,304,651 common units registered under our Registration Statement on Form F-3 dated August 29, 2008, as amended, and certain incentive distribution rights. By exercising their registration rights or selling a large number of units or other securities, as the case may be, these unitholders could cause the price of our units to decline.

We may issue additional equity securities without unitholder approval, which would dilute existing unitholders' ownership interests.

We may, without the approval of our unitholders, issue an unlimited number of additional units or other equity securities, including securities to Capital Maritime. In particular, we have financed a portion of the purchase price of two non-contracted vessels we acquired from Capital Maritime during 2008 through the issuance of additional common units to Capital Maritime. The issuance by us of additional units or other equity securities of equal or senior rank will have the following effects:

- our unitholders' proportionate ownership interest in us will decrease;
- the amount of cash available for distribution on each unit may decrease;
- the relative voting strength of each previously outstanding unit may be diminished; and
- the market price of the units may decline.

In establishing cash reserves, our board of directors may reduce the amount of cash available for distribution to unitholders.

Our partnership agreement requires our general partner to deduct from operating surplus cash reserves that it determines are necessary to fund our future operating expenditures. These reserves will also affect the amount of cash available for distribution to our unitholders. See "—Risks Inherent in Our Business—We must make substantial capital expenditures to maintain the operating capacity of our fleet, which will reduce our cash available for distribution. In addition, each quarter our board of directors is 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 partnership agreement requires our board of directors each quarter to deduct from operating surplus estimated maintenance and replacement capital expenditures, as opposed to actual expenditures, which could reduce the amount of available cash for distribution. The amount of estimated maintenance and replacement capital expenditures deducted from operating surplus is subject to review and change by our board of directors at least once a year, provided that any change must be approved by the conflicts committee of our board of directors.

Our general partner has a limited call right that may require unitholders to sell units at an undesirable time or price.

If at any time our general partner and its affiliates own more than 80% of the common units our general partner will have the right, which it may assign to any of its affiliates or to us, but not the obligation, to acquire all, but not less than all, of the common units or subordinated units held by unaffiliated persons at a price not less than their then-current market price. As a result, unitholders may be required to sell units at an undesirable time or price and may not receive any return on their investment. Unitholders may also incur a tax liability upon a sale of such units.

Unitholders 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, a unitholder could be held liable for our obligations to the same extent as a general partner if it participates 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.

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

Our partnership agreement will allow us to make working capital borrowings to pay distributions. Accordingly, 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, please read "Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Borrowings".

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

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

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 (the "Marshall Islands Act"), we may not make a distribution to unitholders 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 a limited operating history, which makes it more difficult to accurately forecast our future results and may make it difficult for investors to evaluate our business and our future prospects, both of which will increase the risk of your investment.

We were formed as an independent master limited partnership on January 16, 2007. Only six of the vessels in our current fleet had been delivered to the relevant vessel-owning subsidiaries as of December 31, 2006, and only two were in operation for the full year then ended. Moreover, as these vessels were operated as part of Capital Maritime's fleet during the reporting period, the vessels were operated in a different manner than they are currently operated, and thus their historical results may not be indicative of their future results. Because of our limited operating history, we lack extended historical financial and operational data, making it more difficult for an investor to evaluate our business, forecast our future revenues and other operating results, and assess the merits and risks of an investment in our common units. This lack of information will increase the risk of your investment. Moreover, you should consider and evaluate our prospects in light of the risks and uncertainties frequently encountered by companies with a limited operating history. These risks and difficulties include challenges in accurate financial planning as a result of limited historical data and the uncertainties resulting from having had a relatively limited time period in which to implement and evaluate our business strategies as compared to older companies with longer operating histories. Our failure to address these risks and difficulties successfully could materially harm our business and operating results.

We will incur significant costs in complying with the requirements of the Sarbanes-Oxley Act of 2002. If management is unable to continue to provide reports as to the effectiveness of our internal control over financial reporting or our independent registered public accounting firm is unable to continue to provide us with unqualified attestation reports as to the effectiveness of our internal control over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our common units.

As a publicly traded limited partnership, we are required to comply with the SEC's reporting requirements and with corporate governance and related requirements of the U.S. Sarbanes-Oxley Act, the SEC and the Nasdaq Global Market, on which our common units are listed. Section 404 of the Sarbanes−Oxley Act of 2002 ("SOX 404") requires that we evaluate and determine the effectiveness of our internal control over financial reporting on an annual basis and include in our reports filed with the SEC our management's assessment of the effectiveness of our internal control over financial reporting and a related attestation of our independent registered public accounting firm. As our manager, Capital Maritime provides substantially all of our financial reporting, and we depend on the procedures they have in place. If, in such future annual reports on Form 20-F, our management cannot provide a report as to the effectiveness of our internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified attestation report as to the effectiveness of our internal control over financial reporting as required by Section 404, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our common units..

We have and expect we will continue to have to dedicate a significant amount of time and resources to ensure compliance with the regulatory requirements of SOX 404. We will continue to work with our legal, accounting and financial advisors to identify any areas in which changes should be made to our financial and management control systems to manage our growth and our obligations as a public company. However, these and other measures we may take may not be sufficient to allow us to satisfy our obligations as a public company on a timely and reliable basis. If we have a material weakness in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. We have incurred and will continue to incur legal, accounting and other expenses in complying with these and other applicable regulations. We anticipate that our incremental general and administrative expenses as a publicly traded limited partnership taxed as a corporation for U.S. federal income tax purposes will include costs associated with annual reports to unitholders, tax returns, investor relations, registrar and transfer agent's fees, incremental director and officer liability insurance costs and director compensation.

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.

Our partnership affairs are governed by our partnership agreement and by the Marshall Islands Act. The provisions of the Marshall Islands Act resemble provisions of the limited partnership laws of a number of states in the United States, most notably the State of Delaware. The Marshall Islands Act also provides that it is to be applied and construed to make it uniform with the laws of the State of 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 than would unitholders of a limited partnership formed in the United States.

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 as a limited partnership. Our general partner is organized under the laws of the Marshall Islands as a limited liability company. The Marshall Islands has a less developed body of securities laws as compared to the United States and provides protections for investors to a significantly lesser extent.

Most of our directors and the directors and officers of our general partner and those of our subsidiaries are residents of countries other than the United States. Substantially all of our and our subsidiaries' assets and a substantial portion of the assets of our directors and the directors and officers of our general partner are located outside the United States. Our business is operated primarily from our office in Greece. As a result, it may be difficult or impossible for unitholders or others to effect service of process within the United States upon us, our directors, our general partner, our subsidiaries or the directors and officers of our general partner or enforce against us or them judgments obtained in United States courts if they believe that their rights have been infringed under securities laws or otherwise, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state of the United States. There is also uncertainty as to whether the courts of the Marshall Islands and of other jurisdictions would (1) recognize or enforce against us, our directors, our general partner's directors or officers judgments of courts of the United States based on civil liability provisions of applicable U.S. federal and state securities laws; or (2) impose liabilities against us, our directors, our general partner or our general partner's directors and officers in original actions brought in the Marshall Islands, based on these laws.

Tax Risks

In addition to the following risk factors, you should read "Item 10E: Taxation" for a more complete discussion of the expected material U.S. federal and non-U.S. income tax considerations relating to us and the ownership and disposition of our units.

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

A foreign entity taxed as a corporation for U.S. federal income tax purposes will be treated as a "passive foreign investment company" (a "PFIC"), for U.S. federal income tax purposes, (x) if at least 75.0% of its gross income for any taxable year consists of certain types of "passive income", or (y) at least 50.0% of the average value of the entity's assets produce or are held for the production of those types 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. unitholders of a PFIC are subject to a disadvantageous U.S. 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 units in the PFIC.

Based on our current and projected method of operation, we believe that we are not currently PFIC nor do we expect to become a PFIC. We intend to treat our income from time and spot chartering activities as non-passive income, and the vessels engaged in those activities as non-passive assets, for PFIC purposes. However, no assurance can be given that the Internal Revenue Service (the "IRS") will accept this position. There are legal uncertainties involved in this determination, because there is no direct legal authority under the PFIC rules addressing our current and projected future operations. Moreover, a recent case by the U.S. Court of Appeals for the Fifth Circuit held that, contrary to the position of the IRS in that case, and for purposes of a different set of rules under the Internal Revenue Code of 1986, as amended (the "Code"), income received under a time charter of vessels should be treated as rental income rather than services income. If the reasoning of this case were extended to the PFIC context, the gross income we derive or are deemed to derive from our time and spot chartering activities would be treated as rental income, and we would probably be a PFIC. Accordingly, no assurance can be given that the IRS or a United States court will accept the position that we are not a PFIC, and there is a risk, particularly in light of the aforementioned case, that the IRS or a United States court could determine that we are a PFIC. Moreover, no assurance can be given that we would not constitute a PFIC for any future taxable year if there were to be changes in our assets, income or operations. See "Item 10E: Taxation—PFIC Status and Significant Tax Consequences".

The preferential tax rates applicable to qualified dividend income are temporary, and the enactment of previously proposed legislation could affect whether dividends paid by us constitute qualified dividend income eligible for the preferential rate.

Certain of our distributions may be treated as qualified dividend income eligible for preferential rates of U.S. federal income tax to U.S. individual unitholders (and certain other U.S. unitholders). In the absence of legislation extending the term for these preferential tax rates, all dividends received by such U.S. taxpayers in tax years beginning on January 1, 2011 or later will be taxed at ordinary graduated tax rates. Please read "Item 10E: Taxation—U.S. Federal Income Taxation of U.S. Holders—Distributions".

In addition, previously proposed legislation would deny the preferential rate of U.S. federal income tax currently imposed on qualified dividend income with respect to dividends received from a non-U.S. corporation, unless the non-U.S. corporation either is eligible for benefits of a comprehensive income tax treaty with the United States or is created or organized under the laws of a foreign country that has a comprehensive income tax system. Because the Marshall Islands has not entered into a comprehensive income tax treaty with the United States and imposes only limited taxes on entities organized under its laws, it is unlikely that we could satisfy either of these requirements. Consequently, if this legislation were enacted the preferential tax rates of federal income tax discussed under "Item 10E: Taxation—U.S. Federal Income Taxation of U.S. Holders—Distributions" herein may no longer be applicable to distributions received from us. As of the date hereof, it is not possible to predict with any certainty whether this previously proposed legislation will be reintroduced and enacted.

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

Under the Code, 50.0% of the gross shipping income of a vessel-owning or chartering corporation that is attributable to transportation that both begins or ends, but that does not begin and end, in the U.S. is characterized as U.S. source shipping income and such income generally is subject to a 4.0% U.S. federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code. We believe that we and each of our subsidiaries will qualify for this statutory tax exemption, and we will take this position for U.S. federal income tax return reporting purposes. However, there are factual circumstances, including some that may be beyond our control, which could cause us to lose the benefit of this tax exemption. In addition, our conclusion that we currently qualify for this exemption is based upon legal authorities that do not expressly contemplate an organization structure such as ours. Although we have elected to be treated as a corporation for U.S. federal income tax purposes, for corporate law purposes we are organized as a limited partnership under Marshall Islands law. Moreover, our general partner will be responsible for managing our business and affairs and has been granted certain veto rights over decisions of our board of directors, which may negatively affect our ability to qualify for an exemption from tax under Section 883 of the Code. Therefore, we can give no assurances that the IRS will not take a different position regarding our qualification, or the qualification of any of our subsidiaries, for this tax exemption.

If we or our subsidiaries are not entitled to this exemption under Section 883 for any taxable year, we or our subsidiaries generally would be subject for those years to a 4.0% U.S. federal gross income tax on our U.S. source shipping income. The imposition of this taxation could have a negative effect on our business and would result in decreased earnings available for distribution to our unitholders. See “Item 10E: Taxation The Section 883 Exemption”.

You may be subject to income tax in one or more non-U.S. countries, including Greece, as a result of owning our units if, under the laws of any such country, we are considered to be carrying on business there. Such laws may require you to file a tax return with and pay taxes to those countries.

We intend that our affairs and the business of each of our subsidiaries will be conducted and operated in a manner that minimizes income taxes imposed upon us and these subsidiaries or that may be imposed upon you as a result of owning our units. However, because we are organized as a partnership, there is a risk in some jurisdictions that our activities and the activities of our subsidiaries may be attributed to our unitholders for tax purposes and, thus, that you will be subject to tax in one or more non-U.S. countries, including Greece, as a result of owning our units if, under the laws of any such country, we are considered to be carrying on business there. If you are subject to tax in any such country, you may be required to file a tax return with and to pay tax in that country based on your allocable share of our income. We may be required to reduce distributions to you on account of any withholding obligations imposed upon us by that country in respect of such allocation to you. The United States may not allow a tax credit for any foreign income taxes that you directly or indirectly incur.

We believe we can conduct our activities in a manner so that our unitholders should not be considered to be carrying on business in Greece solely as a consequence of the acquisition, holding, disposition or redemption of our units. However, the question of whether either we or any of our subsidiaries will be treated as carrying on business in any country, including Greece, will largely be a question of fact determined through an analysis of contractual arrangements, including the management agreement and the administrative services agreement we will enter into with Capital Ship Management, and the way we conduct business or operations, all of which may change over time. The laws of Greece or any other foreign country may also change, which could cause the country’s taxing authorities to determine that we are carrying on business in such country and are subject to its taxation laws. Any foreign taxes imposed on us or any subsidiaries will reduce our cash available for distribution.

Item 4. Information on the Partnership.

A. History and Development of the Partnership

We are a master limited partnership formed as Capital Product Partners L.P. under the laws of the Marshall Islands on January 16, 2007. We maintain our principal executive headquarters at 3 Iassonos Street, Piraeus, 18537 Greece and our telephone number is +30 210 4584 950.

In March 2007 we entered into a 10-year revolving credit facility of up to $370.0 million with HSH Nordbank AG which is non-amortizing until June 2012 and can be used for acquisitions and for general partnership purposes. To date, we have used $366.5 million of this facility.

On April 3, 2007, we completed our IPO of 13,512,500 common units at a price of $21.50 per unit. We did not receive any proceeds from the sale of our common units. Capital Maritime used part of the proceeds from our IPO to repay the debt on the eight vessels that made up our fleet at the time of the IPO and concurrently transferred its interest in the vessel-owning companies of these eight newly built, double hull medium range (“MR”) product tanker under medium or long-term time or bareboat charter vessels to us. Capital Maritime also paid the offering expenses, underwriting discounts, selling commissions and brokerage fees incurred in connection with the IPO. At the time of the IPO Capital Maritime also granted us a right of first offer under an omnibus agreement for any MR tankers in its fleet under charter for two or more years, giving us the opportunity to purchase additional vessels in the future and we also entered into agreements with Capital Ship Management, a subsidiary of Capital Maritime, to provide management and technical services in connection with these and future vessels.

At the time of the IPO we also entered into an agreement to acquire seven newbuildings from Capital Maritime at the time of their delivery to Capital Maritime, for a total purchase price of $368.0 million, at the time of their delivery to Capital Maritime. We took delivery of the first four vessels between May and September 2007 with the remaining three vessels delivered between January and August 2008. All seven of these vessels were under medium to long term charters with BP Shipping Limited, Morgan Stanley Capital Group Inc. and subsidiaries of Overseas Shipholding Group Inc. at the time of their delivery.

Between September 2007 and April 2008 we also acquired three additional, non-contracted, vessels from Capital Maritime. In September 2007 we acquired the M/T Attikos, a 12,000 dwt, 2005 built double-hull product tanker chartered to Trafigura Beheer B.V. at the time, at a purchase price of $23.0 million. In March and April 2008 we purchased the M/T Amore Mio II, a 160,000 dwt, 2001 built tanker chartered to BP Shipping Limited, and the M/T Aristofanis, 12,000 dwt, 2005 built product tanker sister vessel to the M/T Attikos chartered to Shell International Trading & Shipping Company Ltd, from Capital Maritime. The aggregate purchase price for the M/T Amore Mio II was $95.0 million and for the M/T Aristofanis $23.0 million under the terms of the relevant share purchase agreement with Capital Maritime. We funded a portion of the purchase price of the vessels through the issuance of 2,048,823 and 501,308 common units to Capital Maritime, respectively, at a price of $18.42 and $20.08, respectively, per unit, which was the price per unit as quoted on the Nasdaq Stock Exchange on the day prior to the respective acquisition, and the remainder through the incurrence of $57.5 million of debt under our new credit facility and $2.0 million in cash. In conjunction with the equity issued to Capital Maritime, Capital Maritime, made capital contributions to our general partner, Capital GP L.L.C., of 40,976 and 10,026 common units, respectively, in order for it to maintain its 2% general partner interest in us.

In March 2008, we entered into an additional 10-year revolving credit facility of up to $350.0 million with HSH Nordbank AG which is non-amortizing until March 2013 and can be used to finance a portion of the purchase price of future acquisitions. To date, we have used $107.5 million of this facility, leaving capacity of $242.5 million.

On August 29, 2008, we filed a registration statement on Form F-3 with the SEC using a “shelf” registration process. Under this shelf registration process, we may sell, in one or more offerings, up to $300.0 million in total aggregate offering price of the common units, and Capital Maritime may sell up to 11,304,651 common units (including the 8,805,522 common units issued upon conversion of the subordinated units into common units on a one for one basis on February 14, 2009). To date, no securities have been offered under the shelf registration process.

On January 30, 2009, we announced the payment of an exceptional non-recurring distribution of $1.05 per unit for the fourth quarter of 2008, bringing annual distributions to unitholders to $2.27 per unit for the year ended December 31, 2008, a level which under the terms of our partnership agreement resulted in the early termination of the subordination period and the automatic conversion of the subordinated units into common units. Our board of directors unanimously determined that taking into account the totality of relationships between the parties involved, the payment of this exceptional distribution was in our best interests taking into consideration the general economic conditions, our business requirements, risks relating to our business as well as alternative uses available for our cash. This exceptional distribution was funded from operating surplus and through a decrease in existing reserves. Payment of the exceptional distribution was made on February 13, 2009 to unitholders of record on February 10, 2009. Following such automatic conversion, Capital Maritime owns a 46.6% interest in us, including 11,304,651 common units and a 2% interest through its ownership of our general partner Capital GP L.L.C., and may significantly impact any vote under the terms of the partnership agreement. The common units owned by Capital Maritime have the same rights as our other outstanding common units.

In April 2009, we extended our charter coverage and renewed our fleet when we acquired all of Capital Maritime's interest in its wholly owned subsidiaries that own the M/T Ayrton II and the M/T Agamemnon II, two of the vessels identified under the omnibus agreement, in exchange for all of our interest in our wholly owned subsidiaries that own the M/T Atrotos and the M/T Assos. Both acquired vessels were under time charters to BP expiring in 2011 at the time of their delivery. As part of the transaction, we paid an additional consideration of $4.0 million per vessel to Capital Maritime and remained responsible for any costs associated with the delivery of the vessels to Capital Maritime. Morgan Stanley Capital Group Inc., the charterer of the M/T Assos and the M/T Atrotos, compensated us for the early termination of the charters of these two vessels which were scheduled to expire in October 2009 and April 2010, respectively.

In June 2009, we reached agreement with HSH Nordbank AG, whereby we amended the terms of both our credit facilities effective for a three year period from the end of June 2009 to the end of June 2012. Under the terms of the amendments the fleet loan-to-value covenant was increased to 80% from 72.5%. It was also agreed to amend the manner in which market valuations of vessels are conducted. The interest margin was also increased to 1.35%-1.45% over LIBOR subject to the level of the asset covenants. All other terms in our credit facilities remained unchanged.

In January 2010, we rechartered two tanker vessels, the M/T Axios and the M/T Agisilaos, with subsidiaries of Capital Maritime. Each charter shall commence directly upon the vessel's redelivery from its current charter with BP Shipping Limited and is for a 12 month period (+/- 30 days). The performance of each charter is guaranteed by Capital Maritime.

As of December 31, 2009, our fleet consisted of 18 double-hull, high specification tankers including one of the largest Ice Class 1A MR product tanker fleets in the world based on number of vessels and carrying capacity. We currently have no capital commitments to purchase or build additional vessels. We intend to continue to evaluate potential acquisitions and to take advantage of our relationship with Capital Maritime in a prudent manner that is accretive to our unitholders and to long-term distribution growth.

On January 29, 2010, we provided guidance for expected distributions to our unitholders in 2010, announcing a target annual distribution level of $0.90 per unit paid equally over four quarters. Please see "—Business Overview—Recent Developments" below for more information.

Please see "—Our Fleet" below for more information regarding our vessels, their charters, acquisition dates and prices and other information, "Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Net Cash Used in Investing Activities and Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding any acquisitions, including a detailed explanation of how they were accounted for and "Item 7B: Related-Party Transactions" for a description of the terms of certain transactions.

B. Business Overview

We are an international tanker company and our 18 vessels trade on a worldwide basis and are capable of carrying crude oil, refined oil products, such as gasoline, diesel, fuel oil and jet fuel, as well as edible oils and certain chemicals such as ethanol. Our vessels comply not only with the strict regulatory standards that are currently in place but also with the stricter regulatory standards that are currently expected to be implemented. We currently charter 17 of our 18 vessels under medium to long-term time and bareboat charters (two to 10 years, with an average remaining term of approximately 3.7 years as of December 31, 2009) to large charterers such as BP Shipping Limited, Morgan Stanley Capital Group Inc., Shell International Trading & Shipping Company Ltd. and subsidiaries of Overseas Shipholding Group Inc. All our time and bareboat charters provide for the receipt of a fixed base rate for the life of the charter, and in the case of 10 of our 11 time charters, also provide for profit sharing arrangements in excess of the base rate. Please see "Profit Sharing Arrangements" below for a detailed description of how profit sharing is calculated.

Business Strategies

Our primary business objective is to pay a sustainable quarterly distribution per unit and to increase our distributions over time by executing the following business strategies (please see "—Recent Developments" below for our current guidance on target distributions for 2010):

- ***Maintain medium to long-term fixed charters***. We believe that the medium to long-term, fixed-rate nature of our charters, our profit sharing arrangements, and our agreement with Capital Ship Management for the commercial and technical management of our vessels provide a stable base of revenue and predictable expenses that will result in stable cash flows in the medium to long-term. As our vessels come up for rechartering we will seek to redeploy them under contracts that reflect our expectations of the market conditions prevailing at the time. We believe that the age of our fleet, which is one of the youngest in the industry, the high specifications of our vessels and our manager's ability to meet the rigorous vetting requirements of some of the world's most selective major international oil companies position us well to recharter our vessels.

- ***Expand our fleet through accretive acquisitions.*** We intend to continue to evaluate potential acquisitions of additional vessels and to take advantage of our unique relationship with Capital Maritime to make strategic acquisitions in the medium to long term in a prudent manner that is accretive to our unitholders and to long-term distribution growth. We will continue to evaluate opportunities to acquire both newbuildings and second-hand vessels, if and when they are chartered for more than two years, from Capital Maritime and from third parties as we seek to grow our fleet in a way which is accretive to our distributions. In addition, we believe our access to the credit and capital markets and our financial flexibility enhance our ability to realize new vessel acquisitions from Capital Maritime or third parties that are accretive to our unitholders.

- ***Capitalize on our relationship with Capital Maritime and expand our charters with recognized charterers***. We believe that we can leverage our relationship with Capital Maritime and its ability to meet the rigorous vetting processes of leading oil companies in order to attract new customers. We also plan to increase the number of vessels we charter to our existing charterers as well as enter into charter agreements with new customers in order to maintain a portfolio of charters that is diverse from a customer, geography and maturity perspective.

- ***Maintain and build on our ability to meet rigorous industry and regulatory safety standards.*** Capital Ship Management, an affiliate of our general partner that manages our vessels, has an excellent vessel safety record, is capable of fully complying with rigorous health, safety and environmental protection standards, and is committed to providing our customers with a high level of customer service and support. We believe that in order for us to be successful in growing our business in the future, we will need to maintain our excellent vessel safety record and maintain and build on our high level of customer service and support.

Competitive Strengths

We believe that we are well-positioned to execute our business strategies and our future prospects for success are enhanced because of the following competitive strengths:

- ***Strong relationship with Capital Maritime.*** We believe our relationship with Capital Maritime and its affiliates provides numerous benefits that are key to our long-term growth and success, including Capital Maritime's reputation within the shipping industry and its network of strong relationships with many of the world's leading oil companies, commodity traders and shipping companies. We also benefit from Capital Maritime's expertise in technical fleet management and its ability to meet the rigorous vetting requirements of some of the world's most selective major international oil companies, including BP p.l.c., Chevron Corporation, Conoco-Phillips Inc., ExxonMobil Corporation, Royal Dutch Shell plc, StatoilHydro ASA, and Total S.A.

- ***Leading position in the product tanker market, with a modern, capable fleet, built to high specifications.*** Our fleet of 18 tankers includes one of the largest Ice Class 1A MR fleets in the world based on number of vessels and carrying capacity. The IMO II/III and Ice Class 1A classification notations of most of our vessels provide a high degree of flexibility as to what cargoes our charterers can choose to trade as they employ our fleet. We also believe that the range in size and the geographic flexibility of our fleet are attractive to our charterers, allowing them to consider a variety of trade routes and cargoes. With an average age of approximately 3.5 years as of December 31, 2009, our fleet is one of the youngest fleets of its size in the world. Finally, we believe our vessels' compliance with existing and expected regulatory standards, the high technical specifications of our vessels and our fleet's flexibility to transport a wide variety of refined products and crude oil across a wide range of trade routes is attractive to our existing and potential charterers.

- ***Financial strength and flexibility.*** Subject to compliance with the relevant covenants we currently have $246.0 million in undrawn amounts available under our 10-year non-amortizing credit facilities entered into at the time of our IPO and in March 2008. We may use these amounts to finance up to 50% of the purchase price of any potential future purchases of modern tanker vessels from Capital Maritime or any third parties. We believe that the terms of our amended credit facilities enhance our financial flexibility to realize new vessel acquisitions from Capital Maritime and third parties.

Recent Developments

On January 29, 2010, we announced that based on the challenging economic environment and specifically the much lower charter rates in the market, we believe we should reduce our targeted future annual distribution level to below our previous distributions. In particular, our management noted the direct impact that the low charter rate environment will have on the partnership as eight of our vessels are coming off charter in 2010 and an additional three vessels in 2011. As a result, the board of directors agreed with management's guidance that a target annual distribution level of $0.90 per unit paid equally over four quarters is more prudent for the partnership under current conditions. We believe that this distribution is sustainable over the medium to longer term even if the charter rate environment remains at its current depressed levels. The new annual distribution level will provide us with a number of advantages, in particular provide us with greater financial flexibility and liquidity, assist us in pursuing our long-term business strategy of accretive acquisitions and increase our ability to take advantage of growth opportunities. The tanker shipping market is cyclical and we would be looking at factors, such as improved oil product demand, the expected implementation of the single-hull tanker phase out, the availability of shipping finance and further delays and cancellations that are likely to reduce the number of new tanker vessel deliveries, in order to assess a potential market recovery in 2010/2011. We will monitor these factors closely and if they improve we will consider revisiting our distribution guidance.

Our Customers

We provide marine transportation services under medium-to long-term time charters or bareboat charters with counterparties that we believe are creditworthy. Currently, our customers include:

- ***BP Shipping Limited***, the shipping affiliate of BP p.l.c., one of the world's largest producers of crude oil and natural gas. BP p.l.c. has exploration and production interests in over 20 countries. BP Shipping provides all logistics for the marketing of BP's oil and gas cargoes.
- ***Morgan Stanley Capital Group Inc.***, the commodities division of Morgan Stanley, the international investment bank, is a leading commodities trading firm in the energy and metals markets, encompassing both physical and derivative capabilities.
- ***Overseas Shipholding Group Inc.***, one of the largest independent shipping companies in the world operating crude and product tankers. As of October 31, 2009 Overseas Shipholding Group Inc.'s operating fleet consisted of 129 vessels, 26 of which were under construction, aggregating 13.1 million dwt.
- ***Shell International Trading & Shipping Company Ltd.***, a subsidiary of Royal Dutch Shell plc., is the principal trading and shipping business of the Royal Dutch/Shell Group. It trades millions of barrels crude oil and oil products and moves cargoes on some 100 deep-sea tankers and gas carriers around the world on a daily basis.
- ***Capital Maritime & Trading Corp.***, an established shipping company with activities in the sea transportation of wet (crude oil, oil products, chemicals) and dry cargos worldwide with a long history of operating and investing in the shipping markets.

For the year ended December 31, 2009, BP Shipping Limited, Morgan Stanley Capital Group Inc. and subsidiaries of Overseas Shipholding Group Inc accounted for 59%, 22% and 12% of our revenues, respectively. For the year ended December 31, 2008 BP Shipping Limited and Morgan Stanley Capital Group Inc., accounted for 54% and 33% of our revenues, respectively, and for the year ended December 31, 2007 they accounted for 58% and 24% of our revenues, respectively. The loss of any significant customer or a substantial decline in the amount of services requested by a significant customer could harm our business, financial condition and results of operations.

Our Fleet

At the time of our IPO on April 3, 2007, our fleet consisted of eight vessels. Since that date, the size of our fleet has increased in terms of both number of vessels and carrying capacity and currently consists of 18 vessels of various sizes with an average age of approximately 3.5 years and average remaining term under our charters of approximately 3.7 years (as of December 31, 2009).

The following table summarizes certain key information with respect to the vessels we have purchased from Capital Maritime since our IPO:

Name of Vessel	Contracted Purchase at IPO	Acquisition/Delivery Date	Purchase Price
Atrotos	Yes	May 2007	$ 56,000,000
Akeraios	Yes	July 2007	$ 56,000,000
Anemos I	Yes	September 2007	$ 56,000,000
Apostolos	Yes	September 2007	$ 56,000,000
Attikos	No	September 2007	$ 23,000,000
Alexandros II	Yes	January 2008	$ 48,000,000
Amore Mio II (1)	No	March 2008	$ 85,739,320
Aristofanis (1)	No	April2008	$ 21,566,265
Aristotelis II	Yes	June 2008	$ 48,000,000
Aris II	Yes	August 2008	$ 48,000,000
Agamemnon II (2)	No	April 2009	$ 39,774,578
Ayrton II (2)	No	April 2009	$ 38,721,322

(1) The M/T Amore Mio II was acquired on March 27, 2008 and the M/T Aristofanis was acquired on April 30, 2008. Please see "Item 4: A. History and Development of the Partnership" above and Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding these acquisitions, including details of the funding of such acquisitions

(2) The M/T Agamemnon II and the M/T Ayrton II, two of the six vessels that Capital Maritime had granted us an offer to purchase under the terms of the omnibus agreement, were acquired in exchange for the M/T Assos (which was part of our fleet at the time of the IPO) and the M/T Atrotos (which was acquired from Capital Maritime in May 2007) on April 7 and April 13, 2009, respectively. Please see Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding these acquisitions.

We intend to continue to take advantage of our unique relationship with Capital Maritime and, subject to prevailing shipping, charter and financial market conditions and the approval of our board of directors, make strategic acquisitions in the medium to long term in a prudent manner that is accretive to our unitholders and to long-term distribution growth. Pursuant to the omnibus agreement we entered into with Capital Maritime at the time of our IPO, Capital Maritime has granted us a right of first offer for any MR tankers in its fleet under charter for two or more years. Two of the vessels identified under the omnibus agreement were acquired by us in April 2009. Capital Maritime is, however, under no obligation to fix any of these vessels under charters of two or more years. Please read "Item 7B: Related-Party Transactions" for a detailed description of our omnibus agreement with Capital Maritime.

The table below provides summary information as of December 31, 2009 about the vessels in our fleet and the vessels we have acquired or may have the opportunity to acquire from Capital Maritime, as well as their delivery date or expected delivery date to us and their employment, including earliest possible redelivery dates of the vessels and the relevant charter rates. The table also includes the daily management fee and approximate expected termination date of the management agreement with Capital Ship Management with respect to each vessel. Sister vessels, which are vessels of similar specifications and size typically built at the same shipyard, are denoted by the same letter in the table. We believe that sister vessels provide a number of efficiency advantages in the management of our fleet.

All of the vessels in our fleet are or were designed, constructed, inspected and tested in accordance with the rules and regulations of Det Norske Veritas ("DNV"), Lloyd's Register of Shipping ("Lloyd's") or the American Bureau of Shipping ("ABS") and were under time or bareboat charters from the time of their delivery.

OUR FLEET

Vessel Name	Sister Vessels (1)	Year Built	DWT	OPEX (per day)	Management Agreement Expiration	Duration/ Charter Type (2)	Expiry of Charter (3)	Daily Charter Rate (Net) (4)	Profit Share	Charterer (5)	Description
VESSELS CURRENTLY IN OUR FLEET											
Atlantas (6)	A	2006	36,760	$ 250	Jan-Apr 2011	8-year BC	Mar-2014	$ 15,000(7)		BP	Ice Class 1A IMO II/III Chemical/ Product
Aktoras (6)	A	2006	36,759	$ 250	Apr-Jul 2011	8-year BC	Jun-2014	$ 15,000(7)		BP	
Aiolos (6)	A	2007	36,725	$ 250	Nov '11-Feb '12	8-year BC	Feb-2015	$ 15,000(7)		BP	
Agisilaos	A	2006	36,760	$ 5,500	May-Aug 2011	3.6-year TC	Mar-2010	$ 19,750(8)(9)	ü	BP	
Arionas	A	2006	36,725	$ 5,500	Aug-Nov 2011	3.6-year TC	Jun-2010	$ 19,750(8)	ü	BP	
Axios	B	2007	47,872	$ 5,500	Dec 11-Mar 12	3-year TC	Jan-2010	$ 20,500(8)(10)	ü	BP	
Avax	B	2007	47,834	$ 5,500	Dec 11-Mar 12	3-year TC	May-2010	$ 20,500	ü	BP	
Akeraios	B	2007	47,781	$ 5,500	May-Aug 2012	3-year TC	Jun-2010	$ 20,000	ü	MS	
Anemos I	B	2007	47,782	$ 5,500	Jul-Oct 2012	3-year TC	Aug-2010	$ 20,000	ü	MS	
Apostolos	B	2007	47,782	$ 5,500	Jul-Oct 2012	3-year TC	Aug-2010	$ 20,000	ü	MS	
Attikos (11)	C	2005	12,000	$ 5,500	Sept-Nov 2012	Spot	Spot	-		-	Chem./Prod.
Alexandros II (12)(13)	D	2008	51,258	$ 250	Dec 12-Mar 13	10-year BC	Dec-2017	$ 13,000		OSG	IMO II/III Chem./Prod.
Amore Mio II	E	2001	159,982	$ 8,500	Mar-Apr 2013	3-year TC	Jan-2011	$ 36,000(8)	ü	BP	Crude Oil
Aristofanis	C	2005	12,000	$ 5,500	Mar-Apr 2013	2-year TC	Mar-2010	$ 12,952		Shell	Product
Aristotelis II (12)(13)	D	2008	51,226	$ 250	Mar-Jun 2013	10-year BC	May-2018	$ 13,000		OSG	IMO II/III Chem./Prod.
Aris II (12) (13)	D	2008	51,218	$ 250	May-Aug 2013	10-year BC	Jul-2018	$ 13,000		OSG	
Agamemnon II (14)	D	2008	51,238	$ 6,500	Oct 2013	3-year TC	Dec-2011	$ 22,000	ü(15)	BP	
Ayrton II (14)	D	2009	51,260	$ 6,500	Mar 2014	2-year TC	Mar-2011	$ 22,000	ü(15)	BP	
Total Fleet DWT:			**862,962**								
VESSELS WE MAY PURCHASE FROM CAPITAL MARITIME IF UNDER LONG TERM CHARTER (16)											
Aristidis	A	2006	36,680								Ice Class 1A IMO II/III Chemical/ Product
Alkiviadis	A	2006	36,721								
Assos	B	2006	47,872								
Atrotos	B	2007	47,786								
Total DWT:			**169,059**								

(1) Sister vessels are denoted in the tables by the same letter as follows: (A) and (B): these vessels were built by Hyundai MIPO Dockyard Co., Ltd., South Korea, (C): these vessels were built by Baima Shipyard, China, (D): these vessels were built by STX Shipbuilding Co., Ltd., South Korea, (E): this vessel was built by Daewoo Shipbuilding and Marine Engineering Co., Ltd., South Korea.

(2) TC: Time Charter, BC: Bareboat Charter.

(3) Earliest possible redelivery date. The redelivery date for the M/T Aristofanis is the date of expiration. The redelivery period for the M/T Agisilaos is between March 1 and March 29, 2010 and for the M/T Arionas it is between June 3 and June 30, 2010. For all other charters, the redelivery date is +/– 30 days at the charterer's option.

(4) All rates quoted above are the net rates after we or our charterers have paid any relevant commissions on the base rate. The BP time and bareboat charters are subject to 1.25% commissions. The Shell time charter is subject to 2.25% commissions. We do not pay any commissions in connection with the MS time charters.

(5) BP: BP Shipping Limited. MS: Morgan Stanley Capital Group Inc. OSG: certain subsidiaries of Overseas Shipholding Group Inc. Shell: Shell International Trading & Shipping Company Ltd.

(6) For the duration of the BC these vessels have been renamed British Ensign, British Envoy and British Emissary, respectively.

(7) The last three years of the BC will be at a daily charter rate of $13,433 (net).

(8) In addition to a commission on the gross charter rate, the ship broker is entitled to an additional 1.25% commission on the profit share.

(9) Agreement reached for the vessel to be rechartered with a subsidiary of Capital Maritime at a net daily charter rate of $11,850 ($12,000 gross) and includes 50/50 profit share for voyages outside the Institute Warranty Limits (IWL). The charter commences directly upon the vessel's redelivery from its current charter, expected in March 2010 and is for a period of 12 months (+/- 30 days). The performance of the charter is guaranteed by Capital Maritime.

(10) Agreement reached for the vessel to be rechartered with a subsidiary of Capital Maritime at a net daily charter rate of $12, 591 ($12,750 gross) and includes 50/50 profit share for voyages outside the IWL. The charter commences directly upon the vessel's redelivery from its current charter, expected in February 2010, for a period of 12 months (+/- 30 days). The performance of the charter is guaranteed by Capital Maritime.

(11) The M/T Attikos concluded its 2.3 year time charter with Trafigura Beheer B.V. in October 2009. The vessel is currently trading on the spot market.

(12) For the duration of the BC these vessels have been renamed: Overseas Serifos, Overseas Sifnos and Overseas Kimolos.

(13) OSG has an option to purchase each vessel at the end of the eighth, ninth or tenth year of its charter for $38.0 million, $35.5 million and $33.0 million,

respectively, which option is exercisable six months before the date of completion of the relevant year of the charter. The expiration date above may therefore change depending on whether the charterer exercises its purchase option.

(14) The M/T Agamemnon II and the M/T Ayrton II, two of the six vessels for which Capital Maritime had granted us an offer to purchase under the terms of the omnibus agreement, were acquired in exchange for the M/T Assos (which was part of our fleet at the time of the IPO) and the M/T Atrotos (which was acquired from Capital Maritime in May 2007) on April 7 and April 13, 2009, respectively.

(15) Profit share element for these vessels applies only to voyages outside the IWL.
(16) Pursuant to our omnibus agreement with Capital Maritime, Capital Maritime has granted us a right of first offer for any MR tankers in its fleet under charter for two or more years. We are under no obligation to exercise such right.

Our Charters

Seventeen of the 18 vessels in our fleet are under medium to long-term time or bareboat charters with an average remaining term under our charters of approximately 3.7 years as of December 31, 2009. One of our vessels currently trades on the spot market and, under certain circumstances, we may operate additional vessels in the spot market until they have been fixed under appropriate medium to long-term charters. As our vessels come up for rechartering we will seek to redeploy them under contracts that reflect our expectations of the market conditions prevailing at the time. Please see "—Our Fleet" above, including the chart and accompanying notes, for more information on our time and bareboat charters, including counterparties, expected expiration dates of the charters and daily charter rates.

Time Charters

A time charter is a contract for the use of a vessel for a fixed period of time at a specified daily rate. Under a time charter, the vessel's owner provides crewing and other services related to the vessel's operation, the cost of which is included in the daily rate and the charterer is responsible for substantially all vessel voyage costs except for commissions which are assumed by the owner. In the case of the vessels under time charter to Morgan Stanley Capital Group Inc., the charterer is also responsible for the payment of all commissions. The basic hire rate payable under the charters is a previously agreed daily rate, as specified in the charter, payable at the beginning of the month in U.S. Dollars. We currently have 11 vessels under time charter agreements of which 10 contain profit-sharing provisions that allow us to realize at a pre-determined percentage additional revenues when spot rates are higher than the base rates incorporated in our charters or, in some instances, through greater utilization of our vessels by our charterers.

Profit Sharing Arrangements

Morgan Stanley Profit Sharing. Pursuant to an agreement reached with Morgan Stanley Capital Group Inc. on July 28, 2008, which took effect retroactively as of June 1, 2008, the profit sharing arrangements for each vessel time chartered with Morgan Stanley Capital Group Inc. are calculated according to the two-step process set out below. Initially, a weighted average of two indices published daily by the Baltic Exchange based on specific routes and cargo sizes representative of the vessel's trading is calculated and settled quarterly. Specifically, the calculation is based on the performance of the transatlantic route (TC2) and the Caribbean-US route (TC3) at certain predetermined weights. If the weighted average time charter equivalent ("TCE") is less than or equal to the basic hire rate, then we receive the basic hire rate only. If the weighted average TCE exceeds the basic hire rate, then we receive the basic hire rate plus 50% of the excess. In addition, we have the right to access the charterer's annual results of operations for each vessel, and, if these show that the vessel has earned more than the calculation above, we receive 50% of the vessel's actual profits less any amounts already received pursuant to the calculation above. If the annual results of operations for each vessel do not exceed the estimated profit calculation based on the two routes then no additional payments are made. No commissions are payable on revenues derived from our profit shares. Annual results of operations from the charterer are to be presented by December 31 of each year for the period commencing December 1 of the previous year to November 30 of the year in question, with the exception of the fiscal year from December 1, 2007 to November 30, 2008 for which results of operations were settled semi-annually, in May and November 2008.

BP Profit Sharing. The profit sharing arrangements for four of the seven vessels time chartered with BP Shipping Limited are based on the calculation of the TCE according to the "last to next" principle. This means that actual voyage revenues earned and received, actual expenses incurred and actual time taken to perform the voyage are used for the purpose of the calculation. The charterer is obliged to provide us with a copy of each fixture note and all reasonable documentation with respect to items of cost and earnings referring to each voyage within every calculation period, as well as with a statement listing actual voyage results for voyages completed and estimated results for any voyage not completed at the time of settlement. When actual revenue and/or expenses have not been settled, BP Shipping Limited's estimates apply but remain subject to adjustment upon closing of actual accounts. If the average daily TCE is less than or equal to the basic gross hire rate, then we receive the basic net hire rate only. If the average daily TCE exceeds the basic gross hire rate, then we receive the basic net hire rate plus 50% of the excess over the gross hire rate. The profit share with BP Shipping Limited is calculated and settled quarterly.

In the case of the M/T Amore Mio II, the profit share is calculated and settled monthly and is based on the weighted monthly average of two indices published daily by the Baltic Exchange based on specific routes and cargo sizes representative of the vessel's trading.

In the case of the M/T Agamemnon II and the M/T Ayrton II, profit share is calculated and settled following the completion of each voyage according to the "last to next" principle and is only applicable to voyages during which Institute Warranty Limits have been breached. In such event, we receive the basic net hire rate plus 50% of the excess over the gross hire rate.

In addition to the 1.25% commission we pay on the gross charter rate for each vessel, the relevant ship broker is also entitled to an additional 1.25% commission on the amount of profit share received from the M/T Agisilaos, the M/T Arionas, the M/T Axios and the M/T Amore Mio II.

TCE rate is a shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts while charter hire rates for vessels on time charters generally are expressed in such amounts. TCE is expressed as per ship per day rate and is calculated as voyage and time charter revenues less voyage expenses during a period divided by the number of operating days during the period, which is consistent with industry standards.

Bareboat Charters

A bareboat charter is a contract pursuant to which the vessel owner provides the vessel to the customer for a fixed period of time at a specified daily rate, and the customer provides for all of the vessel's expenses (including any commissions) and generally assumes all risk of operation. In the case of the vessels under bareboat charter to BP Shipping Limited, we are responsible for the payment of any commissions. The customer undertakes to maintain the vessel in a good state of repair and efficient operating condition and drydock the vessel during this period at its cost and as per the classification society requirements. The basic rate hire is payable to us monthly in advance in U.S. Dollars. We currently have six vessels under bareboat charter, three with BP Shipping Limited and three with subsidiaries of Overseas Shipholding Group Inc. The charters entered into with subsidiaries of Overseas Shipholding Group Inc. are fully and unconditionally guaranteed by Overseas Shipholding Group Inc. and include options for the charterer to purchase each vessel for $38.0 million, $35.5 million or $33.0 million at the end of the eighth, ninth or tenth year of the charter, respectively. In each case, the option to purchase the vessel must be exercised six months prior to the end of the charter year.

Spot Charters

A spot charter generally refers to a voyage charter or a trip charteror a short term time charter. We currently have one vessel trading in the spot market.

Voyage / Trip Charter

A voyage charter involves the carriage of a specific amount and type of cargo on a load port-to-discharge port basis, subject to various cargo handling terms. Under a typical voyage charter, the shipowner is paid on the basis of moving cargo from a loading port to a discharge port. In voyage charters the shipowner generally is responsible for paying both vessel operating costs and voyage expenses, and the charterer generally is responsible for any delay at the loading or discharging ports. Under a typical trip charter or short term time charter, the shipowner is paid on the basis of moving cargo from a loading port to a discharge port at a set daily rate. The charterer is responsible for paying for bunkers and other voyage expenses, while the shipowner is responsible for paying vessel operating expenses.

Seasonality

Our vessels operate under medium to long-term charters and are not generally subject to the effect of seasonable variations in demand.

Management of Ship Operations, Administration and Safety

Capital Maritime, through its subsidiary Capital Ship Management, provides expertise in various functions critical to our operations. This enables a safe, efficient and cost-effective operation and, pursuant to a management agreement and an administrative services agreement we have entered into with Capital Ship Management, grants us access to human resources, financial and other administrative services, including bookkeeping, audit and accounting services, administrative and clerical services, banking and financial services, client, investor relations, information technology and technical management services, including commercial management of the vessels, vessel maintenance and crewing (not required for vessels subject to bareboat charters), purchasing, insurance and shipyard supervision.

Under our time charter arrangements, Capital Ship Management, our manager, is generally responsible for commercial, technical, health and safety and other management services related to the vessels' operation, and the charterer is responsible for port expenses, canal dues and bunkers and, in the case of the Morgan Stanley Capital Group Inc. time charters, for commissions. Pursuant to our management agreement, we pay a fixed daily fee per vessel for our time chartered vessels, for an initial term of approximately five years from when we take delivery of each vessel which covers vessel operating expenses, which include crewing, repairs and maintenance, insurance and the expenses of the next scheduled special or intermediate survey for each vessel, as applicable, and related drydocking. Please see the table in "—Our Fleet" above for a list of the daily fee payable and approximate expected termination dates of the management agreement with Capital Ship Management with respect to each vessel currently in our fleet. Capital Ship Management is directly responsible for providing all of these items and services. Capital Ship Management is also entitled to supplementary remuneration for additional fees and costs (as defined in our management agreement) of any direct and indirect expenses it reasonably incurs in providing these services which may vary from time to time, and which includes, amongst others, certain costs associated with the vetting of our vessels, repairs related to unforeseen extraordinary events and insurance deductibles. For the year ended December 31, 2009, such additional fees amounted to approximately $3.0 million, compared to $1.0 million for the year ended December 31, 2008. Such costs may further increase to reflect unforeseen events and the continuing inflationary vessel costs environment. The sole expense we incur in connection with our vessels under bareboat charter is a daily fee of $250 per bareboat chartered vessel payable to Capital Ship Management, mainly to cover compliance costs. Capital Ship Management may provide these services to us directly or it may subcontract for certain of these services with other entities, including other Capital Maritime subsidiaries. Going forward, when we acquire new vessels or when the respective management agreements for our vessels expire, we will have to enter into new agreements which may provide for different fees or include different terms. For more information on the management agreement and administrative services agreements we have entered into with Capital Ship Management please read "Item 7B: Related-Party Transactions—Management Agreement" and "—Administrative Services Agreement."

Capital Ship Management operates under a safety management system in compliance with the IMO's ISM code and certified by the American Bureau of Shipping. Capital Ship Management's management systems also comply with the quality assurance standard ISO 9001, the environmental management standard ISO 14001 and the Occupational Health & Safety Management System ("OHSAS") 18001, all of which are certified by Lloyd's Register of Shipping. Capital Ship Management recently implemented an "Integrated Management System Certification" approved by the Lloyd's Register Group and also adopted "Business Continuity Management" principles in cooperation with Lloyd's Register Group. Two of the vessels managed by Capital Ship Management Corp. topped BP's ranking of top performing vessels in its time chartered fleet of over 100 vessels for 2008. Capital Ship Management was also selected as "Tanker Company of the Year 2009" at the annual Lloyd's List Greek Shipping Awards which took place in December 2009.

As a result, our vessels' operations are conducted in a manner intended to protect the safety and health of Capital Ship Management's employees, as applicable, the general public and the environment. Capital Ship Management's technical management team actively manages the risks inherent in our business and is committed to eliminating incidents that threaten safety, such as groundings, fires, collisions and petroleum spills, as well as reducing emissions and waste generation.

Major Oil Company Vetting Process

Shipping in general, and crude oil, refined product and chemical tankers, in particular, have been, and will remain, heavily regulated. Many international and national rules, regulations and other requirements – whether imposed by the classification societies, international statutes (IMO, SOLAS (defined below), MARPOL, etc.), national and local administrations or industry – must be complied with in order to enable a shipping company to operate and a vessel to trade.

Traditionally there have been relatively few large companies in the oil trading business and the industry is continuously consolidating. The so called "oil majors companies", such as BP p.l.c., Chevron Corporation, Conoco-Phillips Inc., ExxonMobil Corporation, Royal Dutch Shell plc, StatoilHydro ASA, and Total S.A., together with a few smaller companies, represent a significant percentage of the production, trading and, especially, shipping logistics (terminals) of crude and refined products world-wide. Concerns for the environment, health and safety have led the oil majors to develop and implement a strict due diligence process when selecting their commercial partners. This vetting process has evolved into a sophisticated and comprehensive risk assessment of both the vessel operator and the vessel.

While a plethora of parameters are considered and evaluated prior to a commercial decision, the oil majors, through their association, the Oil Companies International Marine Forum ("OCIMF"), have developed and are implementing two basic tools: (i) a Ship Inspection Report Programme ("SIRE") and (ii) the Tanker Management & Self Assessment ("TMSA") Program. The former is a physical ship inspection based upon a thorough Vessel Inspection Questionnaire ("VIQ"), and performed by accredited OCIMF inspectors, resulting in a report being logged on SIRE, while the latter is a recent addition to the risk assessment tools used by the oil majors.

Based upon commercial needs, there are three levels of risk assessment used by the oil majors: (i) terminal use, which will clear a vessel to call at one of the oil major's terminals; (ii) voyage charter, which will clear the vessel for a single voyage; and (iii) term charter, which will clear the vessel for use for an extended period of time. The depth, complexity and difficulty of each of these levels of assessment vary. While for the terminal use and voyage charter relationships a ship inspection and the operator's TMSA will be sufficient for the assessment to be undertaken, a term charter relationship also requires a thorough office assessment. In addition to the commercial interest on the part of the oil major, an excellent safety and environmental protection record is necessary to ensure an office assessment is undertaken.

We believe Capital Maritime and Capital Ship Management are among a small number of ship management companies to have undergone and successfully completed audits by six major international oil companies in the last few years (i.e., BP p.l.c., Chevron Corporation, ExxonMobil Corporation Royal Dutch Shell plc, StatoilHydro ASA, and Total S.A.).

Crewing and Staff

Capital Ship Management, an affiliate of Capital Maritime, through a subsidiary in Romania and crewing agents in Romania, Russia and the Philippines recruits senior officers for our vessels. Capital Ship Management also maintains a presence in the Philippines and Russia and has entered into an agreement for the training of officers under ice conditions at a specialized training center in St. Petersburg. Capital Maritime's vessels are currently manned primarily by Romanian, Russian and Filipino crew members. Having employed these crew configurations for Capital Maritime for a number of years, Capital Ship Management has considerable experience in operating vessels in this configuration and has a pool of certified and experienced crew members which we can access to recruit crew members for our vessels.

Classification, Inspection and Maintenance

Every oceangoing vessel must be "classed" and certified by a classification society. The classification society is responsible for verifying that the vessel has been built and maintained in accordance with the rules and regulations of the classification society and ship's country of registry as well as the international conventions of which that country has accepted and signed. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned.

The classification society also undertakes on request other surveys and checks that are required by regulations and requirements of the flag state or port authority. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned.

For the maintenance of the class certificate, regular and extraordinary surveys of hull and machinery, including the electrical plant, and any special equipment classed are required to be performed as follows:

Annual Surveys, which are conducted for the hull and the machinery at intervals of 12 months from the date of commencement of the class period indicated on the certificate.

Intermediate Surveys, which are extended annual surveys and are typically conducted two and one-half years after commissioning and after each class renewal survey. In the case of newbuildings, the requirements of the intermediate survey can be met through an underwater inspection in lieu of drydocking the vessel. Intermediate surveys may be carried out on the occasion of the second or third annual survey.

Class Renewal Surveys (also known as *special surveys*), which are carried out at the intervals indicated by the classification for the hull (usually at five year intervals). During the special survey, the vessel is thoroughly examined, including Non-Destructive Inspections ("NDIs") to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the classification society will order steel renewals. The classification society may grant a one-year grace period for completion of the special survey. Substantial amounts of funds may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every five years, depending on whether a grace period is granted, a ship-owner or manager has the option of arranging with the classification society for the vessel's hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five-year cycle. At an owner's application, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class. This process is referred to as ESP (Enhanced Survey Program) and CSM (Continuous Machinery Survey).

Occasional Surveys which are carried out as a result of unexpected events, e.g. an accident or other circumstances requiring unscheduled attendance by the classification society for re-confirming that the vessel maintains its class, following such an unexpected event.

All areas subject to survey, as defined by the classification society, are required to be surveyed at least once per class period, unless shorter intervals between surveys are prescribed elsewhere. The period between two subsequent surveys of each area must not exceed five years.

Most vessels are also dry-docked every 30 to 36 months for inspection of the underwater parts and for repairs related to inspections. If any defects are found, the classification surveyor will issue a ‘‘recommendation’’ which must be rectified by the ship-owner within prescribed time limits. Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as “in class” by a classification society which is a member of the International Association of Classification Societies. All of our vessels are certified as being “in class” by ABS, Lloyd’s, DNV and, in the case of the M/T Aristofanis, China Classification Society. All new and secondhand vessels that we may purchase must be certified prior to their delivery under our standard agreements. If any vessel we contract to purchase is not certified as “in class” on the date of closing, we will have no obligation to take delivery of such vessel.

Risk Management and Insurance

The operation of any ocean-going vessel carries an inherent risk of catastrophic marine disasters, death or personal injury and property losses caused by adverse weather conditions, mechanical failures, human error, war, terrorism, piracy and other circumstances or events. The occurrence of any of these events may result in loss of revenues or increased costs or, in the case of marine disasters, catastrophic liabilities. Although we believe our current insurance program is comprehensive, we cannot insure against all risks, and we cannot be certain that all covered risks are adequately insured against or that we will be able to achieve or maintain similar levels of coverage throughout a vessel’s useful life. Furthermore, there can be no guarantee that any specific claim will be paid by the insurer or that it will always be possible to obtain insurance coverage at reasonable rates. More stringent environmental regulations at times in the past have resulted in increased costs for, and may result in the lack of availability of, insurance against the risks of environmental damage or pollution. Moreover, under the terms of our bareboat charters, the charterer provides for the insurance of the vessel, and as a result, these vessels may not be adequately insured and/or in some cases may be self-insured. Any uninsured or under-insured loss has the potential to harm our business and financial condition or could materially impair or end our ability to trade or operate.

We currently carry the traditional range of main and liability insurance coverage for each of our vessels to protect against most of the accident-related risks involved in the conduct of our business. Specifically we carry:

- *Hull and machinery insurance* covers loss of or damage to a vessel due to marine perils such as collisions, grounding and weather and the coverage is usually to an agreed “insured value” which, as a matter of policy, is never less than the particular vessel’s fair market value. Cover is subject to policy deductibles which are always subject to change.

- *Increased value insurance* augments hull and machinery insurance cover by providing a low-cost means of increasing the insured value of the vessels in the event of a total loss casualty.

- *Protection and indemnity insurance* is the principal coverage for third party liabilities and indemnifies against such liabilities incurred while operating vessels, including injury to the crew, third parties, cargo or third party property loss (including oil pollution) for which the shipowner is responsible. We carry the current maximum available amount of coverage for oil pollution risks, $1.0 billion per vessel per incident.

- *War Risks insurance* covers such items as piracy and terrorism.

- *Freight, Demurrage & Defense* cover is a form of legal costs insurance which responds as appropriate to the costs of prosecuting or defending commercial (usually uninsured operating) claims.

Not all risks are insured and not all risks are insurable. The principal insurable risks which nevertheless remain uninsured across the fleet are “loss of hire” and “strikes.” We do not insure these risks because the related costs of such insurance are regarded as disproportionate to the benefit.

The following table sets forth certain information regarding our insurance coverage as of December 31, 2009.

Type	Aggregate Sum Insured For All Vessels in our Existing Fleet*
Hull and Machinery	$819.24 million (increased value insurance (including excess liabilities) provides additional coverage).
Increased Value (including Excess Liabilities)	Up to $335.6 million additional coverage in total.
Protection and Indemnity (P&I)	Pollution liability claims: limited to $1.0 billion per vessel per incident.
War Risk	$1.2 billion

*Certain of our bareboat charterers are responsible for the insurance on the vessels. The values attributed to those vessels are in line with the values agreed in the relevant charters as augmented by separate insurances.

The International Product Tanker Industry

The international seaborne transportation industry represents the most cost effective method of transporting large volumes of crude oil and refined petroleum products. The seaborne movement of refined petroleum products between regions addresses demand and supply imbalances for such products caused by the lack of resources or refining capacity in consuming countries. Global demand for the shipping of refined products and crude oil has grown historically at a faster rate than the demand for the refined products and the crude oil themselves. However, in 2008 and 2009, oil demand has contracted sharply as a result of the global economic slowdown. The demand for product and crude oil tankers is cyclical and a function of several factors, including the general strength of the economy, location of oil production and the distance from refineries as well as refining and consumption and world oil demand and supply. As a consequence of the deterioration in the global oil products demand, the demand for product tankers has deteriorated from the second quarter of 2009 onwards.

According to a report issued on January 15, 2010 by the International Energy Agency (the “IEA”), global oil product demand for 2009 was approximately 84.9 mb/d compared to 86.2 mbd during 2008. The IEA also projects 2010 oil demand to grow by 1.7% to 86.3 mb/d. Growth is expected to be driven by non-OECD countries, most notably Asia. Due to increasing environmental restrictions on the building of refineries in the countries that belong to the Organization for Economic Co-operation and Development (the “OECD”), additional refineries are expected to continue to be built at locations far from such points of consumption, resulting in refined product tankers being required to travel longer distances on each voyage. The refining industry may respond to the economic downturn and demand weakness, by reducing refinery operating rates and by reducing or canceling plans for certain investment expansion plans, including additional refining capacity. The worldwide financial and economic downturn may continue to adversely affect demand for tankers, due to the expected contraction in crude oil and oil product demand.

Competition

We operate in a highly fragmented, highly diversified global market with many charterers, owners and operators of vessels.

Competition for charters can be intense and the ability to obtain favorable charters depends, in addition to price, on a variety of other factors, including the location, size, age, condition and acceptability of the vessel and its operator to the charterer and is frequently tied to having an available vessel which has met the strict operational and financial standards established by the oil major companies to pre-qualify or vet tanker operators prior to entering into charters with them. Although we believe that at the present time no single company has a dominant position in the markets in which we compete, that could change and we may face substantial competition for medium to long-term charters from a number of experienced companies who may have greater resources or experience than we do when we try to recharter our vessels, especially as a large number of our vessels will come off charter during 2010. However, Capital Maritime is among a small number of ship management companies that has undergone and successfully completed audits by six major international oil companies in the last few years, including audits with BP p.l.c., Chevron Corporation, ExxonMobil Corporation, Royal Dutch Shell plc, StatoilHydro ASA, and Total S.A. We believe our ability to comply with the rigorous standards of major oil companies, relative to less qualified or experienced operators, allows us to effectively compete for new charters.

Regulation

General

Our operations and our status as an operator and manager of ships are significantly regulated by international conventions, Class requirements, U.S. federal, state and local and foreign health, safety and environmental protection laws and regulations, including OPA 90, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), the U.S. Port and Tanker Safety Act, the Act to Prevent Pollution from Ships, the U.S. Clean Air Act (“Clean Air Act”), as well as regulations adopted by the IMO and the European Union, various volatile organic compound air emission requirements, IMO/U.S. Coast Guard pollution regulations and various Safety of Life at Sea (“SOLAS”) amendments, as well as other regulations described below. In addition, various jurisdictions either have or are considering regulating the management of ballast water to prevent the introduction of non-indigenous species considered to be invasive. Compliance with these laws, regulations and other requirements could entail additional expense, including vessel modifications and implementation of certain operating procedures.

We are also required by various other governmental and quasi-governmental agencies to obtain permits, licenses and certificates for our vessels, depending upon such factors as the country of registry, the commodity transported, the waters in which the vessel operates, the nationality of the vessel's crew, the age and size of the vessel and our status as owner or charterer. Failure to maintain necessary permits, licenses or certificates could require us to incur substantial costs or temporarily suspend operations of one or more of our vessels.

We believe that the heightened environmental and quality concerns of insurance underwriters, regulators and charterers will in the future impose greater inspection and safety requirements on all vessels in the shipping industry. In addition to inspections by us, our vessels are subject to both scheduled and unscheduled inspections by a variety of governmental and private entities, each of which may have unique requirements. These entities include the local port authorities (such as U.S. Coast Guard, harbor master or equivalent), classification societies, flag state administration P&I Clubs, charterers, and particularly terminal operators and major oil companies which conduct frequent vessel inspections.

Our vessels operate in full compliance with applicable environmental laws and regulations. However, because such laws and regulations frequently change and may impose increasingly strict requirements, we cannot predict the ultimate cost of complying with these and any future requirements or the impact of these and any future requirements on the resale value or useful lives of our vessels.

United States Requirements

The United States regulates the tanker industry with an extensive regulatory and liability regime for environmental protection and the cleanup of oil spills, primarily through OPA 90 and CERCLA.

OPA 90 affects all vessel owners and operators shipping oil or petroleum products to, from, or within U.S. waters. The law phases out the use of tankers having single-hulls and can effectively impose unlimited liability on vessel owners and operators in the event of an oil spill. Under OPA 90, vessel owners, operators and bareboat charterers are liable, without regard to fault, for all containment and clean-up costs and other damages, including natural resource damages and economic loss without physical damage to property, arising from oil spills and pollution from their vessels. Effective July 31, 2009, the U.S. Coast Guard adopted interim regulations that adjusted the limits of OPA liability for double-hull vessels to the greater of $2,000 per gross ton or $17,088,000 million per tanker that is over 3,000 gross tons (subject to possible adjustment for inflation), unless the incident was caused by gross negligence, willful misconduct, or a violation of certain regulations, in which case liability was unlimited. In addition, OPA 90 does not preempt state law and permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries. Coastal states have enacted pollution prevention, liability and response laws, many providing for unlimited liability. CERCLA, which applies to the discharge of hazardous substances (other than oil) whether on land or at sea, contains a similar liability regime and provides for cleanup, removal and natural resource damages. Liability under CERCLA is limited to the greater of $300 per gross ton or $0.5 million, unless the incident is caused by gross negligence, willful misconduct, or a violation of certain regulations, in which case liability is unlimited.

The financial responsibility regulations for tankers issued under OPA 90 also require owners and operators of vessels entering U.S. waters to obtain, and maintain with the U.S. Coast Guard, Certificates of Financial Responsibility, or COFRs, in the amount sufficient to meet the maximum aggregate liability under OPA 90 and CERCLA. All of our vessels that need COFRs have them.

We insure each of our tankers with pollution liability insurance in the maximum commercially available amount of $1.0 billion per incident. A catastrophic spill could exceed the insurance coverage available, in which event there could be a material adverse effect on our business. OPA 90 requires that tankers over 5,000 gross ton calling at U.S. ports have double hulls if contracted after June 30, 1990 or delivered after January 1, 1994. Furthermore, OPA 90 calls for the phase-out of all single hull tankers by the year 2015 according to a schedule that is based on the size and age of the vessel, unless the tankers are retrofitted with double-hulls. All of the vessels in our fleet have double hulls.

We believe that we are in compliance with OPA 90, CERCLA and all applicable state regulations in U.S. ports where our vessels call.

OPA 90 also amended the Clean Water Act to require owners and operators of vessels to adopt contingency plans for reporting and responding to oil spill scenarios up to a "worst case" scenario and to identify and ensure, through contracts or other approved means, the availability of necessary private response resources to respond to a "worst case discharge." In addition, periodic training programs and drills for shore and response personnel and for vessels and their crews are required. Our vessel response plans have been approved by the U.S. Coast Guard. The Clean Water Act prohibits the discharge of oil or hazardous substances in U.S. navigable waters and imposes strict liability in the form of penalties for unauthorized discharges. The Clean Water Act also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under the more recent OPA 90 and CERCLA, discussed herein. The U.S. Environmental Protection Agency (the "EPA") regulates the discharge into U.S. waters of ballast water and other substances incidental to the normal operation of vessels. Under the EPA, commercial vessels greater than 79 feet in length are required to obtain coverage under the Vessel General Permit, or VGP, by submitting a Notice of Intent. The VGP incorporates current U.S. Coast Guard requirements for ballast water management as well as supplemental ballast water requirements and includes technology-based and water-quality based limits for other discharges, such as deck runoff, bilge water and gray water. Administrative provisions, such as monitoring, recordkeeping and reporting requirements, are also included. We have submitted NOIs for our vessels operating in U.S. waters and will likely incur costs to meet the requirements of the VGP. Several environmental groups and industry associations have filed challenges, which are pending in U.S. federal courts, to EPA's issuance of the VGP. In addition, various states, such as Michigan and California, have also enacted, or proposed, legislation restricting ballast water discharges and the introduction of non-indigenous species considered to be invasive. These and any similar restrictions enacted in the future could include ballast water treatment obligations that could increase the cost of operating in the United States. For example, this could require the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial cost and/or otherwise restrict our vessels from entering certain U.S. waters.

The Clean Air Act (or CAA) requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. The Clean Air Act also requires states to draft State Implementation Plans ("SIPs") designed to attain national health-based air quality standards in primarily major metropolitan and/or industrial areas. Several SIPs regulate emissions resulting from vessel loading and unloading operations by requiring the installation of vapor control equipment. Individual states, including California, have also attempted to regulate vessel emissions within state waters. California also has adopted fuel content regulations that will apply to all vessels sailing within 24 miles of the California coastline and whose itineraries call for them to enter any California ports, terminal facilities, or internal or estuarine waters. In addition, on March 27, 2009, the United States requested for the IMO to designate the area extending 200 miles from the territorial sea baseline adjacent to the Atlantic/Gulf and Pacific coasts and the eight main Hawaiian Islands as Emission Control Areas under recent amendments to the Annex VI of MARPOL (discussed below). If the Emission Control Areas is approved or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by EPA or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

International Requirements

The IMO has also negotiated international conventions that impose liability for oil pollution in international waters and a signatory's territorial waters. In September 1997, the IMO adopted Annex VI to the International Convention for the Prevention of Pollution from Ships to address air pollution from ships. Annex VI, which became effective in May 2005, sets limits on sulphur oxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. Annex VI also includes a global cap on the sulphur content of fuel oil and allows for special areas to be established with more stringent controls on sulphur emissions. At its 58th session in October 2008, the MEPC voted unanimously to adopt amendments to Annex VI to the MARPOL, regarding particulate matter, nitrogen oxide and sulfur oxide emissions. The revised Annex VI reduces air pollution from vessels by, among other things (i) implementing a progressive reduction of sulfur oxide emissions from ships, with the global sulfur cap reduced initially to 3.50% (from the current cap of 4.50%), effective from January 1, 2012, then progressively to 0.50%, effective from January 1, 2020, subject to a feasibility review to be completed no later than 2018; and (ii) establishing new tiers of stringent nitrogen oxide emissions standards for new marine engines, depending on their date of installation. More stringent emission standards could apply in coastal areas designated as Emission Control Areas. These amendments to Annex VI are expected to enter into force on July 1, 2010, which is six months after the deemed acceptance date of January 1, 2010. Once these amendments become effective, we may incur costs to comply with these revised standards. A failure to comply with Annex VI requirements could result in a vessel not being able to operate. The European Union also has established limitations on the sulfur content of marine fuels.

All of our vessels are subject to Annex VI regulations. We believe that our existing vessels meet relevant Annex VI requirements and that our undelivered product tankers will be fitted with these emission control systems prior to their delivery.

The ISM Code, promulgated by the IMO, also requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies. The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. No vessel can obtain a certificate unless its manager has been awarded a document of compliance, issued by each flag state, under the ISM Code. All of our ocean going vessels are ISM certified.

Noncompliance with the ISM Code and other IMO regulations may subject the shipowner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. For example, the U.S. Coast Guard and EU authorities have indicated that vessels not in compliance with the ISM Code will be prohibited from trading in U.S. and EU ports.

Many countries have ratified and follow the liability plan adopted by the IMO and set out in the International Convention on Civil Liability for Oil Pollution Damage of 1969 (the "CLC") (the United States, with its separate OPA 90 regime, is not a party to the CLC). Under this convention and depending on whether the country in which the damage results is a party to the 1992 Protocol to the International Convention on Civil Liability for Oil Pollution Damage, a vessel's registered owner is strictly liable for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil, subject to certain defenses. Under an amendment to the Protocol that became effective on November 1, 2003, for vessels of 5,000 to 140,000 gross tons, liability will be limited to approximately $7.1 million plus $989.2 for each additional gross ton over 5,000. For vessels of over 140,000 gross tons, liability will be limited to approximately $140.7 million. As the convention calculates liability in terms of a basket of currencies, these figures are based on currency exchange rates on December 31, 2009. The right to limit liability is forfeited under the International Convention on Civil Liability for Oil Pollution Damage where the spill is caused by the owner's actual fault and under the 1992 Protocol where the spill is caused by the owner's intentional or reckless conduct. Vessels trading to states that are parties to these conventions must provide evidence of insurance covering the liability of the owner. In jurisdictions where the International Convention on Civil Liability for Oil Pollution Damage has not been adopted, various legislative schemes or common law regimes govern, and liability is imposed either on the basis of fault or in a manner similar to that convention. We believe that our P&I insurance will cover the liability under the plan adopted by the IMO.

In 2001, the IMO adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage, or the Bunker Convention, which imposes strict liability on ship owners for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker oil. The Bunker Convention also requires registered owners of ships over a certain size to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the Convention on Limitation of Liability for Maritime Claims of 1976, as amended). The Bunker Convention entered into force on November 21, 2008. We have made relevant arrangements and our entire fleet has been issued with a certificate attesting that insurance is in force in accordance with the insurance provisions of the convention.

IMO regulations also require owners and operators of vessels to adopt Shipboard Marine Pollution Emergency Plans ("SMPEPs"). Periodic training and drills for response personnel and for vessels and their crews are required. The SMPEPs required for our vessels are in place.

In addition, our operations are subject to compliance with the International Bulk Chemical ("IBC") Code, as required by MARPOL and SOLAS for chemical tankers built after July 1, 1986, which provides ship design, construction and equipment requirements and other standards for the bulk transport of certain liquid chemicals. Under October 2004 amendments to the IBC Code (implemented to meet recent revisions to SOLAS and Annex II to MARPOL), some previously unrestricted vegetable oils, including animal fats and marine oils, must be transported in chemical tankers meeting certain double-hull construction requirements. Our vessels may transport such cargoes but are restricted as to the volume they are able to transport per cargo tank. This restriction does not apply to edible oils. In addition, those amendments require re-evaluation of the categorization of certain products with respect to their properties as marine pollutants, as well as related ship type and carriage requirements. Where necessary pollution data is not supplied for those products missing such data, it is possible that the bulk carriage of such products will be prohibited.

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships (the "Anti-fouling Convention") which prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. The Anti-fouling Convention came into force on September 17, 2008 and applies to vessels constructed prior to January 1, 2003 that have not been in dry-dock since that date. The effective date of the Anti-fouling Convention was January 1, 2008. Vessels of over 400 gross tons engaged in international voyages must obtain an International Anti-fouling System Certificate and must undergo a survey before the vessel is put into service or when the anti-fouling systems are altered or replaced. We have obtained Anti-Fouling System Certificates for all of our vessels that are subject to the Anti-Fouling Convention and do not believe that maintaining such certificates will have an adverse financial impact on the operation of our vessels.

Greenhouse Gas Regulation

In February 2005, the Kyoto Protocol to the United Nations Framework Convention on Climate Change, or Kyoto Protocol, entered into force. Pursuant to the Kyoto Protocol, adopting countries are required to implement national programs to reduce emissions of certain gases, generally referred to as greenhouse gases, which are suspected of contributing to global warming. Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol. However, a new treaty may be adopted in the future that includes restrictions on shipping emissions. The European Union also has indicated that it intends to propose an expansion of the existing European Union emissions trading scheme to include emissions of greenhouse gases from vessels. In the United States, the EPA is considering a petition from the California Attorney General to regulate greenhouse gas emissions from ocean-going vessels. In addition, climate change initiatives are being considered in the U.S. Congress. Any passage of climate control legislation or other regulatory initiatives by the IMO, European Union, the U.S. or other countries where we operate that restrict emissions of greenhouse gases could have a financial impact on our operations that we cannot predict with certainty at this time.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. On November 25, 2002, the Maritime Transportation Security Act of 2002 ("MTSA") came into effect. To implement certain portions of the MTSA, in July 2003, the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States.

Similarly, in December 2002, amendments to SOLAS created a new chapter of the convention dealing specifically with maritime security. The new chapter went into effect in July 2004, and imposes various detailed security obligations on vessels and port authorities, most of which are contained in the newly created International Ship and Port Facilities Security ("ISPS") Code. Among the various requirements are:

- on-board installation of automatic identification systems to enhance vessel-to-vessel and vessel-to-shore communications;
- on-board installation of ship security alert systems;
- the development of vessel security plans; and
- compliance with flag state security certification requirements.

The U.S. Coast Guard regulations, intended to align with international maritime security standards, exempted non-U.S. vessels from MTSA vessel security measures provided such vessels had on board, by July 1, 2004, a valid International Ship Security Certificate that attests to the vessel's compliance with SOLAS security requirements and the ISPS Code. We have implemented the various security measures addressed by the MTSA, SOLAS and the ISPS Code and have ensured that our vessels are compliant with all applicable security requirements.

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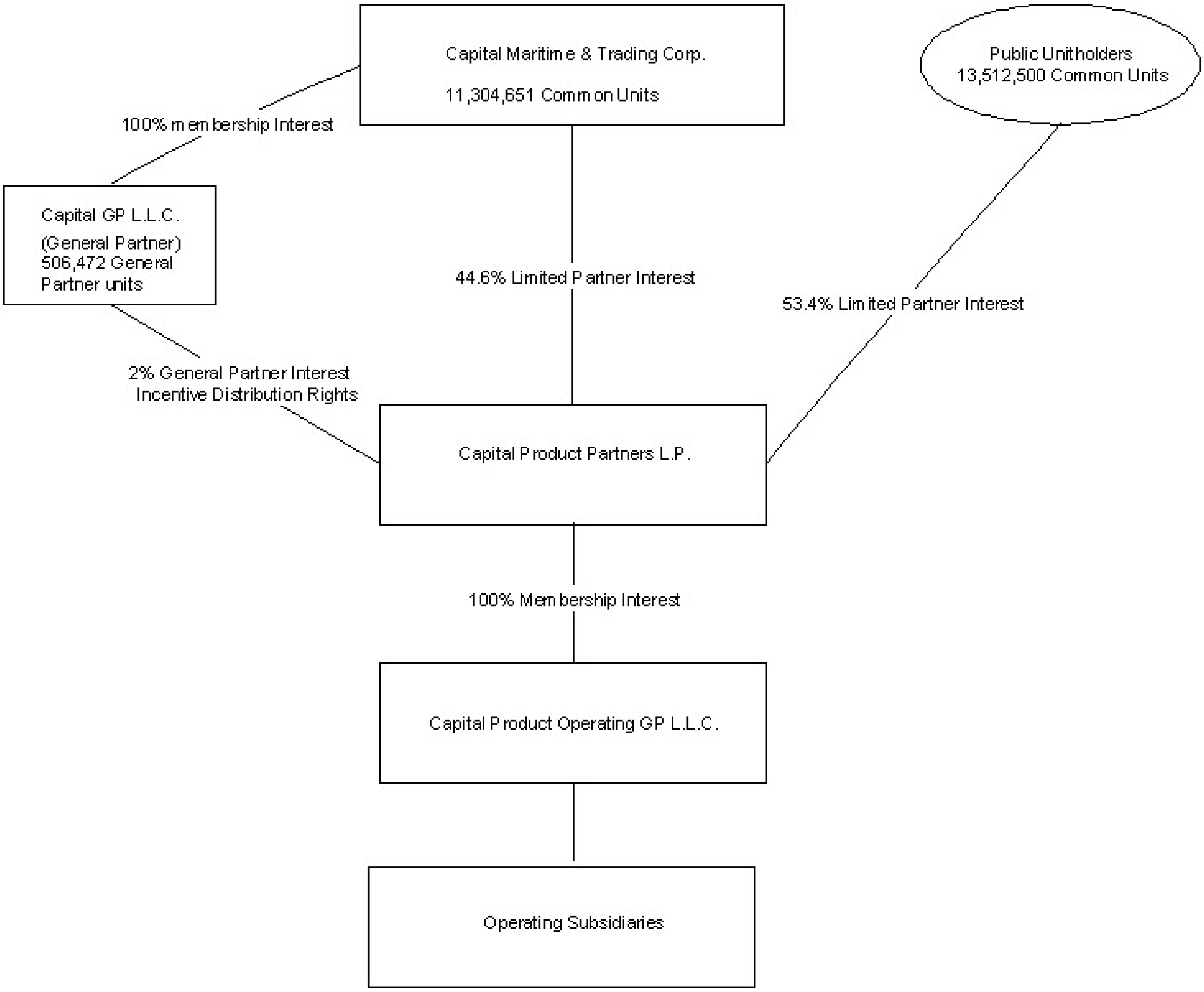
C. Organizational Structure



Please also see Exhibit 8.1 to this Annual Report for a list of our significant subsidiaries as of December 31, 2009.

D. Property, Plants and Equipment

Other than our vessels, we do not have any material property.

Item 4A. Unresolved Staff Comments.

None.

Item 5. Operating and Financial Review and Prospects.

You should read the following discussion of our financial condition and results of operations in conjunction with our audited consolidated and combined Financial Statements for the years ended December 31, 2009, 2008 and 2007 and related notes included elsewhere in this Annual Report. Among other things, the Financial Statements include more detailed information regarding the basis of presentation for the following information. The Financial Statements have been prepared in accordance with U.S. GAAP and are presented in thousands of U.S. Dollars.

A. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are an international owner of product tankers formed in January 2007 by Capital Maritime, an international shipping company with a long history of operating and investing in the shipping market. Our fleet currently consists of 18 double-hull, high specification tankers with an average age of approximately 3.5 years as of December 31, 2009. Eight of our vessels were transferred to us by Capital Maritime at the time of our IPO in April 2007. At the time of the IPO we also entered into an agreement to acquire seven newbuildings from Capital Maritime t fixed prices which were delivered during 2007 and 2008. We also acquired three additional vessels from Capital Maritime which we had not agreed to purchase at the time of our IPO, two of which were purchased in part by issuing equity to Capital Maritime. In April 2009, we acquired two additional vessels from Capital Maritime's fleet, which had been identified under our omnibus agreement with Capital Maritime, in exchange for one vessel from our IPO fleet and one of the seven newbuildings purchased subsequently. Both acquired vessels are under time-charters to BP Shipping expiring in 2011. As of December 31, 2009, Capital Maritime owned a 46.6% interest in us, including 11,304,651 common units and a 2% interest in us through its ownership of our general partner.

Notwithstanding the current economic downturn the duration and the long term effect of which is not possible to predict, our primary business objective is to pay a sustainable quarterly distribution per unit and to increase our distributions over time, subject to shipping, charter and financial market developments. Please see "Item 4: Information on the Partnership—Business Overview—Recent Developments" for our current guidance on target distributions for 2010. Our strategy focuses on maintaining and growing our cash flows, continuing to grow our product tanker fleet and maintaining and building on our ability to meet rigorous industry and regulatory safety standards. We believe that the combination of the medium to long-term nature of our charters and our agreement with Capital Ship Management for the commercial and technical management of our vessels, which provides for a fixed management fee for an initial term of approximately five years from when we take delivery of each vessel, and that fact that we currently have no capital commitments to purchase or build further vessels will provide us with a base of stable cash flows in the medium term. As our vessels come up for rechartering we will seek to redeploy them at contracts that reflect our expectations of the market conditions prevailing at the time. We intend to continue to evaluate potential opportunities to acquire both newbuildings and second-hand vessels from Capital Maritime and from third parties and leverage the expertise and reputation of Capital Maritime in a prudent manner that is accretive to our unitholders and to long-term distribution growth, subject to approval of our board of directors and overall market conditions.

Please see "—Factors Affecting our Future Results of Operations" below.

Please also see "Item 4: Business Overview" for a description of the historical development of our company and a description of the significant acquisitions and financial events to date, including a description of the exceptional non-recurring distribution paid in January 2009 and "Item 4B—Our Fleet" for more information regarding our vessels, including dates of acquisition and acquisition prices and information on their charters, "Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Net Cash Used in Investing Activities" and Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding any acquisitions, including a detailed explanation of how they were accounted for and "Item 7B: Related-Party Transactions" for a description of the terms of certain transactions.

Our Charters

We generate revenues by charging our customers for the use of our vessels to transport their products. Historically, we have provided services to our customers under time or bareboat charter agreements. Currently, 17 of the 18 vessels in our fleet are under medium to long-term time or bareboat charters with an average remaining term of approximately 3.7 years as of December 31, 2009. Currently, 75% of our charter revenues are fixed for the year ending December 31, 2010. In addition, of our 11 time charters, 10 contain profit-sharing arrangements. One of our vessels, the M/T Attikos, is currently trading in the spot market**.** We may in the future operate additional vessels in the spot market until the vessels have been chartered under appropriate medium to long-term charters.

Our time chartered vessels are under contracts with BP Shipping Limited, Morgan Stanley Capital Group Inc., Shell International Trading & Shipping Company Ltd. and subsidiaries of Overseas Shipholding Group Inc. BP Shipping Limited, Morgan Stanley Capital Group Inc. and subsidiaries of Overseas Shipholding Group Inc accounted for 59%, 22% and 12% of our revenues respectively for the year ended December 31, 2009, compared to 54%, 33% and 0% of our revenues respectively for the year ended December 31, 2008 and 58%, 24% and 0% of our revenues for the year ended December 31, 2007. The loss of any significant customer or a substantial decline in the amount of services requested by a significant customer could harm our business, financial condition and results of operations. In the future, as our fleet expands, we also expect to enter into charters with new charterers in order to maintain a portfolio that is diverse from a customer, geographic and maturity perspective.

Please read "Item 4B: Business Overview—Our Fleet", "Item 4B: Business Overview—Our Charters" and "Item 4B: Business Overview—Profit Sharing Arrangements" for additional details regarding these types of contractual relationships as well as a detailed description of the length and daily charter rate of our charters and information regarding the calculation of our profit share arrangements.

Accounting for Acquisition and Disposal of Vessels

All vessels we acquire or have acquired from Capital Maritime are or were transferred to us at historical cost and accounted for as a combination of entities under common control or a transfer of equity interest between entities under common control. All assets, liabilities and equity, other than the relevant vessel, related charter agreement and related permits, of these vessels' ship-owning companies were retained by Capital Maritime. In addition, for vessel-owning companies that had an operating history prior to such acquisition, transfers of equity interests between entities under common control were accounted for as if the transfer occurred at the beginning of the period, and prior years were retroactively adjusted to furnish comparative information similar to the pooling method.

Following the accounting guidance for the Impairment or Disposal of Long-Lived Assets we deconsolidated from our Financial Statements as of the date of the transfer to Capital Maritime the vessel-owning companies of the M/T Assos and the M/T Atrotos. Results of operations, cash flows, and balances of these vessels prior to their transfer to Capital Maritime are included in our Financial Statements.

For detailed information on how we have accounted for specific transfers of vessels please see Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein.

Factors Affecting Our Future Results of Operations

We believe the principal factors that will affect our future results of operations are the economic, regulatory, financial, credit, political and governmental conditions that affect the shipping industry generally and that affect conditions in countries and markets in which our vessels engage in business. We continue to face a major global economic slowdown as well as a severe deterioration in the banking and credit markets which is expected to continue to negatively impact world trade and which may affect our ability to obtain financing as well as further impact the values of our vessels and the charters we are able to obtain for our vessels. Other key factors that will be fundamental to our business, future financial condition and results of operations include:

- the demand for seaborne transportation services;
- levels of oil product demand and inventories;
- charter hire levels and our ability to re-charter our vessels as their current charters expire;
- supply of product and crude oil tankers and specifically the number of newbuildings entering the world tanker fleet each year;
- the ability to increase the size of our fleet and make additional acquisitions that are accretive to our unitholders;
- the ability of Capital Maritime's commercial and chartering operations to successfully employ our vessels at economically attractive rates, particularly as our fleet expands and our charters expire;
- our ability to benefit from new maritime regulations concerning the phase-out of single-hull vessels and the more restrictive regulations for the transport of certain products and cargoes;
- our ability to comply with the covenants in our credit facilities, including covenants relating to the maintenance of asset value ratios;
- the effective and efficient technical management of our vessels;
- Capital Maritime's ability to obtain and maintain major international oil company approvals and to satisfy their technical, health, safety and compliance standards; and

- the strength of and growth in the number of our customer relationships, especially with major international oil companies and major commodity traders.

In addition to the factors discussed above, we believe certain specific factors have impacted, and will continue to impact, our results of operations. These factors include:

- the charterhire earned by our vessels under time charters and bareboat charters;
- our ability to recharter our vessels on medium to long term charters at competitive rates;
- our ability to comply with the covenants in our credit facilities as the recent decline in asset values and charter rates may limit our ability to pursue our business strategy;
- the prevailing spot market rates and the number of our vessels which we operate on the spot market;
- our access to debt, and equity and the cost of such capital, required to acquire additional vessels and/or to implement our business strategy;
- our ability to sell vessels at prices we deem satisfactory;
- our level of debt and the related interest expense and amortization of principal; and
- the level of any distribution on our common units.

Please read "Risk Factors" above for a discussion of certain risks inherent in our business.

Factors to Consider When Evaluating Our Results

Our historical results of operations, cash flows are not indicative of results of operations and cash flows to be expected from any future period. Specifically, it is important to consider the following factors when evaluating our results of operations:

- *Financial Statements*. Our Financial Statements include the results of operations of different numbers of vessels in each year and have been retroactively adjusted to reflect the results of operations of all non-contracted vessels we acquired as if they were owned by us for the entire period from their delivery to Capital Maritime. In certain cases, the Financial Statements have also been adjusted to reflect cash-flow items prior to delivery of the relevant vessel to Capital Maritime. In addition, the vessel-owning companies of the M/T Assos and the M/T Atrotos were deconsolidated from our accounts as of the date of the transfer to Capital Maritime in April 2009. Results of operations, cash flows, and balances of these vessels prior to their transfer to Capital Maritime were included in our consolidated and combined financial statements. Please read Note 1 of our Financial Statements included herein for a description of the financial treatment of vessel acquisitions and dispositions.

- *Limited Operations*. Vessels that are acquired or delivered to us or to Capital Maritime are included in our results of operations, cash flows and financial position from the date of incorporation of the relevant vessel-owning company or, in the case of the seven vessels we contracted to acquire at the time of our IPO which were delivered during 2007 and 2008, as of their delivery date from the shipyard to Capital Maritime and us. Results of operations, cash flows and financial position of vessels that have been disposed of are included in our Financial Statements up to the date of their disposal. As a result of this accounting treatment, our Financial Statements may include results of operations of more vessels than actually comprised our fleet during the relevant year. Please read "—Accounting for Deliveries of Vessels" above and Note 1 of our Financial Statements included herein for a description of the financial treatment of vessel acquisitions. The table below shows the periods for which the financial position results of operations and cash flows for each vessel-owning subsidiary are included in our Financial Statements.

LIMITED OPERATIONS

Vessel	Incorporation date of VOC*	Date acquired by Capital Maritime	Date acquired by us	Vessel included in Consolidated and Combined Financial Statements for the year ended December 31, 2009	2008	2007
M/T Atlantas (1)	01/16/2007	04/26/2006	04/04/2007	X	X	X
M/T Assos (1), (4)	09/16/2003	05/17/2006	04/04/2007	Up to April 6	X	X
M/T Aktoras (1)	03/18/2004	07/12/2006	04/04/2007	X	X	X
M/T Agisilaos (1)	08/27/2003	08/16/2006	04/04/2007	X	X	X
M/T Arionas (1)	10/10/2003	11/02/2006	04/04/2007	X	X	X
M/T Avax (1)	11/10/2003	01/12/2007	04/04/2007	X	X	X
M/T Aiolos (1)	02/10/2004	03/02/2007	04/04/2007	X	X	X
M/T Axios (1)	09/12/2003	02/28/2007	04/04/2007	X	X	X
M/T Atrotos (2), (5)	02/10/2004	05/08/2007	05/08/2007	Up to April 12	X	X
M/T Akeraios (2)	02/11/2004	07/13/2007	07/13/2007	X	X	X
M/T Apostolos (2)	02/03/2004	09/20/2007	09/20/2007	X	X	X
M/T Anemos I (2)	05/26/2004	09/28/2007	09/28/2007	X	X	X
M/T Attikos (3)	07/08/2004	01/20/2005	09/24/2007	X	X	X
M/T Alexandros II (2)	12/29/2003	01/29/2008	01/29/2008	X	X	-
M/T Amore Mio II (3)	02/07/2006	07/31/2007	03/27/2008	X	X	X
M/T Aristofanis (3)	05/29/2007	06/02/2005	04/30/2008	X	X	X
M/T Aristotelis II (2)	02/03/2004	06/17/2008	06/17/2008	X	X	-
M/T Aris II (2)	02/07/2006	08/20/2008	08/20/2008	X	X	-
M/T Agamemnon II (3), (4)	01/24/2006	11/24/2008	04/07/2009	X	X	X
M/T Ayrton II (3), (5)	07/14/2006	04/10/2009	04/13/2009	X	X	X

* VOC: Vessel-Owning Subsidiary

(1) Initial Vessels. The Financial Statements have been retroactively adjusted to reflect their financial position, results of operations and cash flows as of the incorporation date of their respective vessel-owning companies.

(2) Committed Vessels. These vessels are newbuildings which were delivered directly to us from Capital Maritime on their delivery dates from the shipyards and have no operating history. As such, there is no information to retroactively restate that should be considered and the results of operations are presented in the Financial Statements since their delivery dates.

(3) Non-Contracted Vessels. The Financial Statements have been retroactively adjusted to reflect their financial position, results of operations and cash flows as of the incorporation date of their respective vessel-owning companies.

(4) On April 7, 2009 the M/T Assos was exchanged for the M/T Agamemnon II.

(5) On April 13, 2009 the M/T Atrotos was exchanged for the M/T Ayrton II.

- *Different Sources of Revenues*. A portion of the revenues generated for the period ended April 3, 2007 was derived from charters with different terms than the charters that are currently in place.

- *Different Structure of Operating Expenses*. On April 3, 2007, we entered into a management agreement with Capital Ship Management pursuant to which Capital Ship Management agreed to provide commercial and technical management services to us for an initial term of approximately five years from when we take delivery of each vessel. Under the agreement we pay Capital Ship Management a fixed daily fee per vessel for our time chartered vessels which covers vessel operating expenses, including crewing, repairs and maintenance, insurance and the cost of the next scheduled special/intermediate surveys for each vessel, and related drydocking, as applicable, and a fixed daily fee of $250 per bareboat chartered vessel. Capital Ship Management is also entitled to supplementary remuneration for additional fees and costs (as defined in our management agreement) of any direct and indirect expenses it reasonably incurs in providing these services which may vary from time to time, and which includes, amongst others, certain costs associated with the vetting of our vessels, repairs related to unforeseen extraordinary events and insurance deductibles. Operating expenses for any vessel in our fleet prior to its acquisition by us represent actual costs incurred by the vessel-owning subsidiaries and Capital Ship Management in the operation of the vessels that were operated as part of Capital Maritime's fleet, including costs associated with any surveys undergone by vessels, including the relevant dry-docking.

- *Different Structure of General and Administrative Expenses*. Since our IPO we have incurred certain general and administrative expenses as a publicly traded limited partnership that we had not previously incurred.

- *Different Financing Arrangements*. The vessels delivered to Capital Maritime during 2005, 2006 and 2007 were purchased under financing arrangements with terms that differ significantly from those of the credit facilities currently in place which we have used to finance the acquisition of the additional vessels we have purchased from Capital Maritime since our IPO. Importantly, these credit facilities are non-amortizing until June 2012 and March 2013, respectively. In addition, the historical bank debt bore interest at floating rates while we have entered into interest rate swap agreements to fix the LIBOR portion of our interest rate in connection with the debt drawn down under our credit facilities. For a description of our non-amortizing revolving credit facilities, please see "—Liquidity and Capital Resources—Revolving Credit Facilities" below.

- *The Size of our Fleet Continues to Change.* At the time of our IPO, our fleet consisted of eight vessels and we contracted to purchase an additional seven vessels from Capital Maritime. Between May and September 2007 we took delivery of four of the contracted vessels and also acquired the M/T Attikos from Capital Maritime which we had not contracted to purchase at the time of our offering. All of the vessels delivered between May and September 2007 were under long-term charters at the time of their delivery. The remaining three contracted vessels were delivered between January and August 2008. During the first half of 2008 we acquired two additional vessels from Capital Maritime which we had not contracted to purchase at the time of our IPO and during the first half of 2009 we acquired an additional two vessels from Capital Maritime's fleet identified under our omnibus agreement with Capital Maritime in exchange for one vessel from our IPO fleet and one of the seven newbuildings purchased and a cash consideration of $8.0 million. We intend to continue to evaluate potential acquisitions in a prudent manner that is accretive to our distributable cash flow per unit.

Results of Operations

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

Results for the years ended December 31, 2009 and December 31, 2008, differ primarily due to the lower profit sharing revenues earned during 2009 compared to those earned during 2008 ($0.7 million in 2009 compared to $18.5 million in 2008) and higher interest expenses ($32.1 million in 2009 compared to $25.6 million in 2008) due to the higher margin, which were partly offset by the higher average number of vessels in our fleet for 2009 (18 in 2009 compared to 16.8 in 2008). The results for the year ended December 31, 2009 have been retroactively adjusted to reflect the results of operations from the M/T Agamemnon II and the M/T Ayrton II which were operated as part of the Capital Maritime fleet prior to their acquisition by us in April 2009. The results for the year ended December 31, 2008 have been retroactively adjusted and reflect the results of operations and cash flows of the M/T Ayrton II, M/T Agamemnon II, M/T Amore Mio II and the M/T Aristofanis which were operated as part of Capital Maritime's fleet prior to their acquisition by us in April 2009, March and April 2008, respectively. For the years ended December 31. 2009 and 2008 net income attributable to vessels operations as part of the Capital Maritime fleet amounted to $0.8 million and $(1.0) million respectively.

Revenues

Time and bareboat charter revenues amounted to approximately $123.5 million for the year ended December 31, 2009, as compared to $132.7 million for the year ended December 31, 2008. Time and bareboat charter revenues are mainly comprised of the charter hire received from unaffiliated third-party customers and are affected by the number of days our vessels operate, the amount of profit sharing revenues and the average number of vessels in our fleet. Please read "Item 4B: Business Overview—Our Fleet" and "—Our Charters" for information about the charters on our vessels, including daily charter rates.

Voyage Expenses

Voyage expenses amounted to $1.1 million for both years ended December 31, 2009 and 2008. Excluding voyage expenses incurred by the M/T Amore Mio II, the M/T Aristofanis, the M/T Agamemnon II and the M/T Ayrton II during the period they were part of Capital Maritime's fleet, voyage expenses for the year ended December 31, 2009 amounted to $1.0 million, and consisted primarily of commissions payable under our charter agreements, as compared to $0.9 million for the year ended December 31, 2008.

Voyage expenses are direct expenses to voyage revenues and primarily consist of commissions, Voyage costs, except for commissions, are paid for by the charterer under time and bareboat charters. In the case of our time charters with Morgan Stanley Capital Group Inc. and bareboat charter with Overseas Shipholding Group, Inc., the charterer is also responsible for commissions. Increases in voyage expenses are primarily attributable to increases in the average number of vessels in our fleet.

Vessel Operating Expenses

For the year ended December 31, 2009, our vessel operating expenses amounted to approximately $30.6 million, of which $30.1 million was due to our manager, including $3.0 million in additional fees and costs (as defined in our management agreement) relating to direct and indirect expenses incurred by Capital Ship Management in the management of our vessels, including, among others, certain costs associated with the vetting of our vessels, repairs related to unforeseen events and insurance deductibles. Vessel operating expenses for the year ended December 31, 2009, mainly include management fees payable to Capital Ship Management pursuant to our management agreement and actual costs incurred by the M/T Agamemnon II and the M/T Ayrton II which were operated as part of Capital Maritime's fleet prior to their acquisition by us in April 2009

For the year ended December 31, 2008, our vessel operating expenses amounted to approximately $29.5 million, of which $25.7 million was paid to our manager, including $1.0 million in additional fees and costs under our management agreement. Vessel operating expenses for the year ended December 31, 2008, mainly include management fees payable to Capital Ship Management pursuant to our management agreement and actual costs incurred by the M/T Amore Mio II, M/T Aristofanis and M/T Agamemnon II which were operated as part of Capital Maritime's fleet prior to their acquisition by us in March and April 2008 and April 2009, respectively.

General and Administrative Expenses

General and administrative expenses amounted to $2.9 million for the year ended December 31, 2009, compared to $2.8 million for the year ended December 31, 2008. General and administrative expenses include board of directors' fees and expenses, audit fees, and other fees related to the expense of being a publicly traded partnership.

Depreciation and Amortization

Depreciation and amortization of fixed assets amounted to $28.3 million for the year ended December 31, 2009 as compared to $25.2 million for the year ended December 31, 2008 and is primarily due to the increased number of vessels in our fleet.

This amount primarily represents depreciation on 18 vessels for the whole year 2009. For 2008 this amount primarily represents depreciation on 15 vessels for the whole year and on three vessels for a part of the year commencing from their delivery dates in 2008. Depreciation is expected to increase if the number of vessels in our fleet increases.

Other Expense, Net

Other expense, net for the year ended December 31, 2009, was approximately $(30.6) million as compared to $(24.4) million for the year ended December 31, 2008. The increase is primarily due the higher average level of debt outstanding during the year ended December 31, 2009 as compared to the year ended December 31, 2008, the higher interest rates charged under our amended credit facilities effective since June 30, 2009 and the higher funding costs incurred by our lending banks which we compensated them for.

The 2009 amount represents interest expense and amortization of financing charges and bank charges of $(32.1) million, and interest income for the period of $1.5 million. The 2008 amount represents interest expense and amortization of financing charges and bank charges of $(25.6) million. Interest income for the period was $1.3 million and foreign currency loss was $(0.1) million.

Net Income

Net income for the year ended December 31, 2009, amounted to $30.0 million as compared to $49.7 million for the year ended December 31, 2008. For an explanation of why our historical net income is not indicative of net income to be expected in future periods, please refer to the discussion under "— Factors to Consider When Evaluating Our Results" and "— Results of Operations" above.

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

Results for the years ended December 31, 2008 and December 31, 2007, differ primarily due to the higher average number of vessels in our fleet for 2008 (16.8 in 2008 compared to 11.6 in 2007) and the higher profit sharing revenues earned during each year ($18.5 million in 2008 compared to $6.0 million in 2007). The results for both years have been retroactively adjusted and reflect the results of operations from the M/T Amore Mio II and the M/T Aristofanis for the periods that they were part of Capital Maritime's fleet prior to their acquisition by us in March and April 2008, respectively. The results for the year ended December 31, 2008, have been further retroactively adjusted to reflect revenues from the M/T Agamemnon II for the period it was part of Capital Maritime's fleet prior to its acquisition by us in April 2009 and the results for the year ended December 31, 2007, have also been further retroactively adjusted to reflect revenues from the M/T Attikos for the periods it was part of Capital Maritime's fleet prior to its acquisition by us in September 2007. For the years ended December 31. 2008 and 2007 net income attributable to vessels' operations as part of Capital Maritime fleet amounted to $(1.0) million and $9.4 million respectively.

Revenues

Time and bareboat charter revenues amounted to approximately $132.7 million for the year ended December 31, 2008, as compared to $86.5 million for the year ended December 31, 2007. For the year ended December 31, 2007, the amount also included freight revenues. Time and bareboat charter revenues are mainly comprised of the charter hire received from unaffiliated third-party customers and are affected by the number of days our vessels operate and the average number of vessels in our fleet. Please read "Item 4B: Business Overview—Our Fleet" and "—Our Charters" for information about the charters on our vessels, including daily charter rates.

Voyage Expenses

Voyage expenses amounted to $1.1 million for the year ended December 31, 2008, as compared to $3.6 million for the year ended December 31, 2007. The higher expenses in 2007 were primarily due to the expenses incurred under the voyage charters performed by the M/T Amore Mio II in 2007 while it was still part of Capital Maritime's fleet. For the year ended December 31, 2008, voyage expenses, excluding voyage expenses incurred by the non-contracted vessels M/T Attikos, M/T Amore Mio II, M/T Aristofanis and M/T Agamemnon II during the period they were part of Capital Maritime's fleet, amounted to $0.9 million and consisted primarily of commissions payable under our charter agreements, as compared to $0.4 million for the period from April 4, 2007 to December 31, 2007.

Voyage expenses are direct expenses to voyage revenues and primarily consist of commissions, port expenses, canal dues and bunkers. Voyage costs, except for commissions, are paid for by the charterer under time and bareboat charters. In the case of our time charters with Morgan Stanley Capital Group Inc. and bareboat charter with Overseas Shipholding Group, Inc., the charterer is also responsible for commissions. Increases to voyage expenses are primarily attributable to increases in the average number of vessels in our fleet.

Vessel Operating Expenses

For the year ended December 31, 2008, our vessel operating expenses amounted to approximately $29.5 million, of which $25.7 million was paid to our manager and include $1.0 million in additional fees and costs (as defined in our management agreement) relating to direct and indirect expenses incurred by Capital Ship Management in the management of our vessels, including, among others, certain costs associated with the vetting of our vessels, repairs related to unforeseen extraordinary events and insurance deductibles. Vessel operating expenses for the year ended December 31, 2008, represent management fees payable to Capital Ship Management pursuant to our management agreement amounted to $24.3 million and actual costs incurred by the two vessels which were operated as part of Capital Maritime's fleet prior to their acquisition by us in March and April 2008.

For the year ended December 31, 2007, vessel operating expenses amounted to approximately $19.0 million, of which $12.7 million was paid to the manager. For the year ended December 31, 2007, vessel operating expenses represent management fees payable to Capital Ship Management pursuant to our management agreement amounted to $11.6 million and actual costs incurred by eleven vessels which were operated as part of Capital Maritime's fleet prior to their acquisition by us. Increases to vessel operating expenses are primarily attributable to increases in the average number of vessels in our fleet.

General and Administrative Expenses

General and administrative expenses amounted to $2.8 million for the year ended December 31, 2008, compared to $1.5 million for the year ended December 31, 2007. The increase was mainly due to the higher number of days that we operated as a publicly traded company in 2008. We did not incur any similar general and administrative expenses for the period prior to April 4, 2007, the date we completed our IPO. General and administrative expenses include board of directors' fees and expenses, audit fees, and other fees related to the expenses of the publicly traded company.

Depreciation and Amortization

Depreciation and amortization of fixed assets amounted to $25.2 million for the year ended December 31, 2008 as compared to $15.4 million for the year ended December 31, 2007 and is primarily due to the increased number of vessels in our fleet.

This amount primarily represents depreciation on 15 vessels for the whole year and on three vessels for a part of the year commencing from their delivery dates in 2008. The amount of depreciation for the year ended December 31, 2007 represents depreciation on seven vessels for the whole year and on eight vessels for a part of the year commencing from their delivery dates in 2007. Depreciation is expected to increase if the number of vessels in our fleet increases.

Other Expense, Net

Other expense, net for the year ended December 31, 2008, was approximately $(24.4) million as compared to $(16.2) million for the year ended December 31, 2007. The increase is primarily due to the higher amounts outstanding under our credit facilities during the year ended December 31, 2008 as compared to the year ended December 31, 2007.

The 2008 amount represents interest expense and amortization of financing charges and bank charges of $(25.6) million, interest income for the period of $1.3 million and foreign currency loss of $(0.1) million. The 2007 amount represents interest expense and amortization of financing charges and bank charges of $(16.9) million of which $(3.8) million represent a loss from the transfer of interest rate swap agreements entered into by Capital Maritime prior to April 4, 2007 and acquired by us on that date. Interest income for the period was $0.7 million.

Net Income

Net income for the year ended December 31, 2008, amounted to $49.7 million as compared to $31.0 million for the year ended December 31, 2007. For an explanation of why our historical net income is not indicative of net income to be expected in future periods, please refer to the discussion under "— Factors to Consider When Evaluating Our Results" and "— Results of Operations" above.

B. Liquidity and Capital Resources

As at December 31, 2009, total cash and cash equivalents were $3.6 million, short term investments were $30.4 million, restricted cash was $4.5 million, and total liquidity including cash and undrawn long-term borrowings was $284.5 million. Short term investments represent cash in time deposits in excess of three months.

As at December 31, 2008, total cash and cash equivalents were $43.1 million, short term investment was $1.1 million, restricted cash was $4.5 million, and total liquidity including cash and undrawn long-term borrowings was $294.7 million. The decrease in total liquidity in 2009 as compared to 2008 is primarily due to the payment of the exceptional non-recurring distribution of $1.05 per unit in February 2009.

We anticipate that our primary sources of funds for our liquidity needs will be cash flows from operations. As our vessels come up for rechartering, depending on the prevailing market rates, we may not be able to recharter them at levels similar to their current charters which may affect our future cash flows from operations, Generally, our long-term sources of funds will be from cash from operations, long-term bank borrowings and other debt or equity financings. Because we distribute all of our available cash, we expect that we will rely upon external financing sources, including bank borrowings and the issuance of debt and equity securities, to fund any acquisitions and expansion and investment capital expenditures, including opportunities we may pursue under the omnibus agreement with Capital Maritime or acquisitions from third parties.

As at December 31, 2009, we had $246.0 million in undrawn amounts under our credit facilities unchanged from the year ended December 31, 2008.

Total Partners' Capital / Stockholders' Equity as of December 31, 2009, amounted to $157.1 million, which reflects a reduction of $36.8 million from the year ended December 31, 2008. This decrease is due to the following:

- Partner's Capital - A decrease in Partner's Capital by $15.1 million is due to the payment of $70.5 million in distributions during the year, the unrealized gain of $10.5 million on interest rate swaps, net income in the amount of $29.2 and an increase in the amount of $15.7 million which is the effect on partner's capital from the exchange of two vessels with the sponsor.

- Stockholder's Equity – Elimination of Stockholder's Equity following the acquisition of the shares of the vessel owning companies of the M/T Agamemnon II and M/T Ayrton II by us.

Notwithstanding the continuing economic downturn, the duration and long term effects of which are not possible to predict and subject to shipping, charter and financial market developments, we believe that our working capital will be sufficient to meet our existing liquidity needs for at least the next 12 months.

Cash Flows

Our cash flow statements

- for the period from January 1, 2007 to April 3, 2007, for the vessel-owning subsidiaries comprising our fleet at the time of our IPO;
- for the period from January 1, 2007 to September 23, 2007, March 26, 2008 and April 29, 2008 for the M/T Attikos, the M/T Amore Mio II and the M/T Aristofanis, respectively; and
- for the years ended December 31, 2007 and 2008 and the periods from January 1, 2009 to April 6, 2009 and to April 12, 2009 for the M/T Agamemnon II and the M/T Ayrton II, respectively,

reflect the operations of Capital Maritime, and include expenses incurred by Capital Maritime while operating the vessels currently in our fleet, including expenses associated with dry docking of the vessels, voyage expenses, repayment of loans and the incurrence of indebtedness for the periods that our vessels were operated as part of Capital Maritime's fleet, as well as certain payments made by Capital Maritime to shipyards prior to the delivery of the relevant vessel. Please see the "Limited Operations" table included in "—Factors to Consider When Evaluating Our Results" above for additional information.

The following table summarizes our cash and cash equivalents provided by / (used in) operating, financing and investing activities for the years presented in millions:

	2009	2008	2007
Net Cash Provided by Operating Activities	$ 70.1	$ 75.1	$ 53.7
Net Cash (Used in) Investing Activities	$ (55.8)	$ (270.0)	$ (335.7)
Net Cash Provided by / (Used in) Financing Activities	$ (53.9)	$ 218.1	$ 300.7

Net Cash Provided by Operating Activities

Net cash provided by operating activities declined to $70.1 million for the year ended December 31, 2009 from $75.1million for the year ended December 31, 2008 primarily due to lower profit sharing revenues earned during the year and higher net interest expenses which was partially offset by the receipt of the uncollected profit share for the year ended December 31, 2008. The increase in net cash provided by operating activities for the year ended December 31, 2008 as compared to the year ended December 31, 2007 is primarily due to the higher number of average vessels in our fleet and the increase in profit sharing revenues. For an explanation of why our historical net cash provided by operating activities is not indicative of net cash provided by operating activities to be expected in future periods, please read "—Factors to Consider when Evaluating our Results" and "— Results of Operations" above.

Net Cash Used in Investing Activities

Cash is used primarily for vessel acquisitions and changes in net cash used in investing activities are primarily due to the number of vessels acquired in the relevant period. We expect to rely primarily upon external financing sources, including bank borrowings and the issuance of debt and equity securities as well as cash in order to fund any future vessels acquisitions or expansion and investment capital expenditures.

For the year ended December 31, 2009, net cash used was comprised of:

- $18.2 million, representing advances paid to the shipyard by Capital Maritime for the construction of the M/T Ayrton II, which we acquired in April 2009;
- $8.0 million representing the cash consideration we paid to Capital Maritime under the terms of the agreements for the acquisition of the M/T Agamemnon II and the M/T Ayrton II in exchange for the M/T Assos and the M/T Atrotos, respectively.
- $0.3 million, representing the amount paid for upgrading the M/T Attikos from product to chemical tanker.
- ($111.9) million, representing the purchases of short term investments and $82.6 million representing maturities of short term investments. Short term investments consist of cash time deposits with banks with maturities of more than three months.

For the year ended December 31, 2008, net cash used was comprised of:

- $140.2 million, representing the net book value of the three vessels acquired during 2008 (the M/T Alexandros II, the M/T Aristotelis II and the M/T Aris II) at their respective delivery dates; and
- $59.5 million, representing the purchase price as recorded in our Financial Statements of the two non-contracted vessels:
  - $85.7 million for the M/T Amore Mio II reduced by $37.7 which represents the value of the 2,048,823 common units issued at a price of $18.42 per common unit to Capital Maritime to partially finance the acquisition; and
  - $21.6 million for the M/T Aristofanis reduced by $10.1million which represents the value of the 501,308 common units issued at a price of $20.08 per common unit to Capital Maritime to partially finance the acquisition,

    (Please see Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding these acquisitions, including a breakdown of the way they were funded); and
- $66.8 million, representing advances paid to the shipyard by Capital Maritime for the construction of the two vessels we acquired in April 2009; the M/T Agamemnon II and the M/T Ayrton II.
- $1.2 million, representing the cost of the improvements to the M/T Aristofanis paid by Capital Maritime

Of the remaining $2.3 million, $1.2 million represents restricted cash which is the minimum amount of free cash we were required to maintain under our credit facilities for the period, and $1.1 million represents short term cash investments with original maturity from three to twelve months.

For the year ended December 31, 2007, $332.4 million of the net cash used was comprised of:

- $77.6 million, representing advances to the shipyards paid by Capital Maritime between January 1, 2007 and April 3, 2007 with respect to the construction of three of the vessels in our initial fleet: the M/T Aiolos, the M/T Avax and the M/T Axios; and
- $166.1 million, representing the net book value at the time of their acquisition by us of the M/T Attikos and of the four vessels we contracted to purchase from Capital Maritime at the time of our IPO delivered between May and September 2007: the M/T Atrotos, the M/T Akeraios, the M/T Anemos I and the M/T Apostolos ; and
- $88.1 million, representing the purchase price for the M/T Amore Mio II paid by Capital Maritime to a third party in July 2007.
- $0.6 million representing advances paid to the shipyard by Capital Maritime for the construction of the M/T Agamemnon II and the M/T Ayrton II, which we acquired in April 2009.

The remaining $3.3 million represents restricted cash, which is the minimum amount of free cash we were required to maintain under our credit facilities for the period.

Net Cash Provided by Financing Activities

Net cash used in financing activities amounted to $(53.9) million for the year ended December 31, 2009, as compared to net cash provided by financing activities $218.1 million for the year ended December 31, 2008. For the year ended December 31, 2007, net cash provided by financing activities amounted to $300.7 million.

There were no proceeds from the issuance of long-term debt for the year ended December 31, 2009 compared to $199.5 million for the year ended December 31, 2008, and $305.1 million for the year ended December 31, 2007. The proceeds for the year ended December 31, 2008 consisted of amounts drawn down under our two credit facilities. The proceeds for the year ended December 31, 2007 consisted of $274.5 million from our credit facility entered into in March 2007 and $30.6 million from a credit facility entered into by the vessel-owning company prior to our IPO in order to finance the construction of the M/T Axios.

There were no proceeds from long-term debt due to related parties for the year ended December 31, 2009. For the year ended December 31, 2008 such proceeds amounted to $112.8 million and related to credit facilities entered into by Capital Maritime . For the year ended December 31, 2007, such proceeds amounted to $109.7 million and related to credit facilities entered into by Capital Maritime to finance the construction of the M/T Aiolos, the M/T Avax, as well as the acquisition of the M/T Amore Mio II in July 2007.

There was no repayment of debt for the year ended December 31, 2009 compared to $8.1 million for the year ended December 31, 2008, which comprised of the repayment of the M/T Aristofanis' loan in April, 2008 by Capital Maritime. The repayment of debt amounted to $16.7 million for the year ended December 31, 2007 and comprised of installment payments made prior to the IPO for vessels in our fleet, including the M/T Aristofanis, and the repayment of M/T Attikos' loan in September 2007 by Capital Maritime.

Repayment of related-party debt for the year ended December 31, 2009, amounted to $23.3 million, reflecting the debt related to the M/T Agamemnon II and the M/T Ayrton II compared to $52.5 million for the year ended December 31, 2008, which reflected the repayment of the M/T Amore Mio II loan in March, 2008, by Capital Maritime. For the year ended December 31, 2007 repayment of related-party debt was $2.4 million. Relevant debt and related-party debt in the amount of $79.9 and $134.0 million respectively for the year ended December 31, 2007, was repaid by Capital Maritime from the proceeds from our IPO.

For the year ended December 31, 2009, no transaction resulting in cash of purchase price over book value of vessels took place. Between January and August 2008, we acquired the last three contracted vessels from Capital Maritime: the M/T Alexandros II, the M/T Aristotelis II and the M/T Aris II for a total purchase price of $144.0 million. During the second and the third quarters of 2007 we acquired five vessels from Capital Maritime: the M/T Atrotos, the M/T Akeraios, the M/T Apostolos, the M/T Attikos and the M/T Anemos I, for a total purchase price of $247.0 million. The excess of purchase price over book value of the acquired vessels, $3.8 million in 2008 and $80.9 million in 2007, is presented in our cash flow statement under net cash provided by financing activities as we recognize transfers of net assets between entities under common control at Capital Maritime's basis in the net assets contributed.

For the year ended December 31, 2009, capital contributions amounted to $40.6 million, reflecting contributions made by Capital Maritime in order to finance part of the construction cost of the M/T Ayrton II, compared to $12.1 million for the year ended December 31, 2008, reflecting contributions made by Capital Maritime in order to finance part of the construction cost of the M/T Agamemnon II and the M/T Ayrton II. Capital contributions amounted to $31.3 million for the year ended December 31, 2007 of which $13.7 million relates to contributions made by Capital Maritime prior to the IPO in connection with the acquisition of three initial vessels (the M/T Aiolos, M/T Avax and M/T Axios) and $17.6 million related to contributions made by Capital Maritime in connection with its acquisition of the M/T Amore Mio II in July 2007.

During the year ended December 31, 2009, we made distributions to our unitholders, including Capital Maritime, and payments for incentive distribution rights to Capital Maritime in an aggregate amount of $70.5 million reflecting distributions and incentive distribution rights payments for the fourth quarter of 2008 and the first, second and third quarters of 2009. During the year ended December 31, 2008, we made distributions to our unitholders of $39.9 million. Following completion of our IPO on April 4, 2007, we paid a $25.0 million cash dividend to Capital Maritime and also made distributions to unitholders in an aggregate amount of $17.0 million for the second and third quarters of 2007. Please see "Item 4A: Overview", above for a discussion of the exceptional cash distribution made in February 2009 and its effects.

Borrowings

Our long-term third party borrowings are reflected in our balance sheet as "Long-term debt" and as current liabilities in "Current portion of long-term debt." As of December 31, 2009, long term debt remained unchanged from December 31, 2008 at $474.0 million. The current portion of long term debt for both years was $0 million. Related party debt is reflected in our balance sheet as "Long-term related-party debt" and as "Current portion of related-party debt." As of December 31, 2009, both long-term related-party debt and current portion of related-party debt were $0 million as compared to $27.8 million and $24.5 million, respectively, for the year ended December 31, 2008.

Revolving Credit Facilities

On March 22, 2007, we entered into a non-amortizing revolving credit facility with a syndicate of financial institutions, including HSH Nordbank, for up to $370.0 million for the financing of the acquisition cost, or part thereof, of up to seven medium-range product tankers. This facility provided us with sufficient funds to purchase the four newbuildings delivered in 2007, the newbuilding delivered in January 2008 and to partly fund the purchase price of the remaining two newbuildings we agreed to purchase from Capital Maritime at the time of our IPO and which were delivered in June and August of 2008. The existing credit facility was amended on September 19, 2007, to include the financing of the acquisition cost of the M/T Attikos and was further supplemented to, amongst others, amend the provisions relating to security offered under the facility and include references to additional vessels. As of December 31, 2009, we had drawn down $366.5 million under our existing credit facility. We drew down $274.5 million during 2007 and an additional $48.0 million in connection with the acquisition of the M/T Alexandros II in January 2008 and $44.0 in connection with the deliveries in June and August of 2008 of the M/T Aristotelis II and the M/T Aris II, our final two contracted vessels. We did not draw down under this facility during 2009. We may continue to draw down amounts under this facility until June 2012, at which date any amounts available for borrowing will automatically terminate and the outstanding amount will automatically convert into a five-year term loan. In addition, the facility is non-amortizing until June 2012 and we will not be required to make any repayments of the principal amounts outstanding under the facility provided that we comply with the covenants and restrictive ratios set out in the facility and described below. The final maturity date of this facility is June 2017. Please see Note 5 (Long-Term Debt) to our Financial Statements included herein for more information.

On March 19, 2008, we entered into an additional 10-year revolving credit facility of up to $350.0 million, which is non-amortizing until March 2013, with HSH Nordbank AG, Hamburg. We may use this facility to finance a portion of the acquisition price of certain identified vessels currently in Capital Maritime's fleet, which we may elect to acquire in the future. We may also use this facility to finance up to 50% of the purchase price of any potential future purchases of modern tanker vessels from Capital Maritime or any third parties. To date, we have used $107.5 million of this facility to fund part of the acquisition price of the M/T Amore Mio II, the M/T Aristofanis, the M/T Aristotelis II and the M/T Aris II from Capital Maritime. The facility is non-amortizing until March 2013 and we will not be required to make any repayments of the principal amounts outstanding under the facility prior to such date provided that we comply with the covenants and restrictive ratios set out in the facility and described below. We may continue to draw amounts under this facility until March 2013, at which date any amounts available for borrowing will automatically terminate and the outstanding amount will automatically convert into a five-year term loan. The final maturity date of this facility is March 2018. The new credit facility is subject to similar covenants and restrictions as those in our existing facility described below.

In June 2009, we entered into amendments to certain terms in both our credit facilities effective for a three year period from the end of June 2009 to the end of June 2012. The lenders under both facilities agreed to increase the fleet loan-to-value covenant to 80% from 72.5%. It was also agreed to amend the manner in which market valuations of our vessels are conducted. In exchange, the interest margin for both of our credit facilities was increased to 1.35-1.45% over US$ LIBOR subject to the level of the asset covenants. Previously, the margin on our $370.0 million credit facility was 0.75% over US$ LIBOR and on our $350.0 million credit facility it was 1.10% over US$ LIBOR. All other terms in both of our facilities remain unchanged.

The financing arrangements in place prior to our IPO or, in case of the non-contracted vessels acquired subsequently, in place prior to the date of their acquisition, are not indicative of our current or future financing arrangements. The financing arrangements in existence at December 31, 2006 represent loans with four separate banks in which Capital Maritime acted as the borrower and the respective vessel-owning companies as the guarantors or, in one instance, the vessel-owning company acted as the borrower and Capital Maritime as the guarantor, for the financing of the construction of the eight vessels which comprised our fleet at the time of our IPO. These loans were repaid in their entirety by Capital Maritime with a portion of the proceeds from our IPO and the vessels were transferred to us debt free.

As at December 31, 2009, we had $246.0 million in undrawn amounts under our credit facilities.

Our obligations under both our credit facilities are secured by first-priority mortgages covering each of our financed vessels and are guaranteed by each vessel-owning subsidiary. Both our credit facilities contain a “Market Disruption Clause” requiring us to compensate the banks for any increases to their funding costs caused by disruptions to the market which the banks may unilaterally trigger. The interest rate for the three month period ending March 31, 2010, has increased by 0.30503% under our existing credit facility and by 0.20786%, under new credit facility, respectively, in accordance with the terms of each facility.

Our credit facilities also contain restrictive covenants that, subject to the approval of our lenders, prohibit us from, among other things: incurring or guaranteeing indebtedness; charging, pledging or encumbering the vessels; changing the flag, class, management or ownership of our vessels; changing the commercial and technical management of our vessels; selling or changing the beneficial ownership or control of our vessels; and subordinating the obligations under our existing credit facility to any general and administrative costs relating to the vessels, including the fixed daily fee payable under the management agreement.

Under the terms of our credit facilities we may not be able to pay distributions to our unitholders if we are not in compliance with certain financial covenants and ratios described below or upon the occurrence of an event of default or if the fair market value of our financed vessels is less than 125% of the aggregate amount outstanding under each credit facility.

In addition to the above, our credit facilities require us to maintain minimum free consolidated liquidity (50% of which may be in the form of undrawn commitments under the credit facility) of at least $500,000 per financed vessel, maintain a ratio of EBITDA to net interest expense of at least 2.00 to 1.00 on a trailing four-quarter basis and maintain a ratio of total indebtedness to the aggregate market value of our total fleet of no more than 0.8 to 1.00 (which means that the fair market value of the vessels in our fleet must equal 125% of the aggregate amount outstanding under each credit facility).

As of December 31, 2009 we were in compliance with financial debt covenants. Our ability to comply with the covenants and restrictions contained in our credit facilities and any other debt instruments we may enter into in the future may be affected by events beyond our control, including prevailing economic, financial and industry conditions, including interest rate developments, changes in the funding costs of our banks and changes in asset valuations. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. If we are in breach of any of the restrictions, covenants, ratios or tests in our credit facilities, especially if we trigger a cross-default currently contained in our credit facilities, a significant portion of our obligations may become immediately due and payable, and our lenders’ commitment to make further loans to us may terminate. We may not have, or be able to obtain, sufficient funds to make these accelerated payments. In addition, obligations under our credit facilities are secured by our vessels, and if we are unable to repay debt under the credit facilities, the lenders could seek to foreclose on those assets.

Furthermore, any contemplated vessel acquisitions will have to be at levels that do not impair the required ratios set out above. The current severe economic slowdown has had an adverse effect on tanker asset values which is likely to persist if the economic slowdown continues. If the estimated asset values of the vessels in our fleet continue to decrease, such decreases may limit the amounts we can drawdown under our credit facilities to purchase additional vessels and our ability to expand our fleet. In addition, we may be obligated to pre-pay part of our outstanding debt in order to remain in compliance with the relevant covenants in our credit facilities. A decline in the market value of our vessels could also lead to a default under any prospective credit facility to which we become a party, affect our ability to refinance our existing credit facilities and/or limit our ability to obtain additional financing.

In connection with our revolving credit facilities and in order to hedge our exposure to interest rate changes, we have entered into the following interest rate swap agreements to fix the LIBOR portion of our interest rate.

	Currency	Notional Amount (millions)	Fixed rate	Trade date	Value date	Maturity date
$370.0 million credit facility	USD	30,000	5.1325%	02.20.2007	04.04.2007	06.29.2012
	USD	56,000	5.1325%	02.20.2007	05.08.2007	06.29.2012
	USD	56,000	5.1325%	02.20.2007	07.13.2007	06.29.2012
	USD	56,000	5.1325%	02.20.2007	09.28.2007	06.29.2012
	USD	56,000	5.1325%	02.20.2007	09.20.2007	06.29.2012
	USD	24,000	5.1325%	02.20.2007	01.29.2008	06.29.2012
	USD	24,000	5.1325%	02.20.2007	01.29.2008	06.29.2012
	USD	24,000	5.1325%	02.20.2007	08.20.2008	06.29.2012
	USD	20,500	4.9250%	09.20.2007	09.24.2007	06.29.2012
	USD	20,000	4.520%	06.13.2008	06.17.2008	06.28.2012
$350.0 million credit facility	USD	46,000	3.525%	03.25.2008	03.27.2008	03.27.2013
	USD	11,500	3.895%	04.24.2008	04.30.2008	03.28.2013
	USD	28,000	4.610%	06.13.2008	06.17.2008	03.28.2013
	USD	22,000	4.099%	08.14.2008	08.20.2008	03.28.2013

E. Off-Balance Sheet Arrangements

As of the date of this Annual Report, we have not entered into any off-balance sheet arrangements.

F. Contractual Obligations and Contingencies

The following table summarizes our long-term contractual obligations as of December 31, 2009 (in thousands of U.S. Dollars).

	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term Debt Obligations	$ 474,000	$ -	$ 18,325	$ 92,113	$ 363,562
Interest Obligations (1) (2)	183,729	30,530	58,831	47,721	46,647
Management fee (3)	76,439	26,463	43,234	6,742	-
Total	$ 734,168	$ 56,993	$ 120,390	$ 146,576	$ 410,209

(1) Please refer to the table under "Item 5B: Operating and Financial Review and Prospects —Liquidity and Capital Resources" above for a detailed description of the basis for the interest expense calculation under our credit facilities. The interest rate fixation resulted from the fourteen interest rate swap agreements that we entered into in order to reduce our exposure to cash flow risks from fluctuating interest rates and fully cover our debt.
(2) The interest rate for the three month period ended March 31, 2010 has increased by 0.30503% under our existing credit facility and by 0.20786%, under our new credit facility in accordance with the terms of each facility, and reflect the increase in funding costs announced by our banks for this three month period. In addition, they reflect higher margins in accordance with the new terms of each facility, as amended since June 2009.
(3) The fees payable to Capital Ship Management Corp., represent fees for the provision of commercial and technical services such as crewing, repairs and maintenance, insurance, stores, spares and lubricants, provided pursuant to the management agreement.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations is based upon our Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. We have described below what we believe are our most critical accounting policies that involve a higher degree of judgment and the methods of their application. For a description of all of our significant accounting policies, see Note 2 (Significant Accounting Policies) to our Financial Statements included herein for more information. Please also refer to Note 2 (Significant Accounting Policies – Recent Accounting Pronouncements) for a description of the most recent pronouncements issued by the Financial Accounting Standards Board which apply to us.

Vessel Lives and Impairment

The carrying value of each of our vessels represents its original cost (contract price plus initial expenditures) at the time of delivery or purchase less accumulated depreciation or impairment charges. Depreciation is calculated based on the vessel's capitalized costs using the straight line method over an estimated useful life of 25 years from the date the vessel was originally delivered from the shipyard, after considering the estimated residual value. Residual value calculation is based upon a vessel's lightweight tonnage multiplied by a scrap rate of $180 per light weight ton which represents management's best estimate based on the historical trends and current industry conditions. In the shipping industry, the use of a 25-year vessel life for tankers has become the prevailing standard. However, the actual life of a vessel may be different, with a shorter life potentially resulting in an impairment loss. Vessels transferred from Capital Maritime to us are transferred at their net book values because such transfers are accounted for as transfers of assets between entities under common control. We are not aware of any regulatory changes or environmental liabilities that we anticipate will have a material impact on the vessel lives of our current fleet. The carrying values of our vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of newbuildings. However, during the year ended December 31, 2009, market conditions changed significantly as a result of the credit crisis and resulting slowdown in world trade. Charter rates for tanker vessels decreased and values of assets were affected although there were limited transactions to confirm the extent of such decreases. We considered these market developments as indicators of potential impairment of the carrying amount of our assets. We performed the undiscounted cash flow test as of December 31, 2009, determining undiscounted projected net operating cash flows for the vessels and comparing it to the vessels' carrying value. In developing estimates of future cash flows, we made assumptions about future charter rates, utilization rates, ship operating expenses, future dry docking costs and the estimated remaining useful life of the vessels. These assumptions are based on historical trends as well as future expectations that are in line with our historical performance and our expectations for the vessels' utilization under our deployment strategy. Based on these assumptions we determined that the undiscounted cash flows support the vessels' carrying amounts as of December 31, 2009.

Revenue Recognition

We generate revenues from charterers for the charterhire of our vessels, which are chartered either under time or bareboat charters. All of our time charters and bareboat charters are classified as operating leases. Revenues under operating lease arrangements are recognized when a charter agreement exists, the charter rate is fixed and determinable, the vessel is made available to the lessee, and collection of the related revenue is reasonably assured. Revenues are recognized ratably on a straight line basis as the average revenue over the period of the respective time or bareboat charter agreement in accordance with accounting for leases. One of our vessels currently trades on the spot market and, under certain circumstances, we may operate additional vessels in the spot market until the vessels have been fixed under appropriate medium to long-term charters. Revenues under voyage charter agreements are recognized when a voyage agreement exists, the price is fixed, service is provided and the collection of the related revenue is reasonably assured, revenues are recorded over the term of the charter as service is provided and recognized on a pro-rata basis over the duration of the voyage. A voyage is deemed to commence upon the later of the completion of discharge of the vessel's previous cargo or upon vessel arrival to the agreed upon port based on the terms of a voyage contract that is not cancelable and voyage is deemed to end upon the completion of discharge of the delivered cargo. Although our charter revenues are fixed, and, accordingly, little judgment is required to be applied to the amount of revenue recognition, there is no certainty as to the daily charter rates or other terms that will be available upon the expiration of our existing charters.

Revenues from profit sharing arrangements in time charters represent the portion of time charter equivalent (voyage income less direct expenses divided by operating days), that exceeds the agreed base rate and are recognized in the period earned and when collectability is reasonably ensured.

Interest Rate Swap Agreements

We designate our derivatives based upon the criteria established by the FASB in its accounting guidance for derivatives and hedging activities. The accounting guidance for derivatives requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The accounting for the changes in the fair value of the derivative depends on the intended use of the derivative and the resulting designation. For a derivative that does not qualify as a cash flow hedge, the change in fair value is recognized at the end of each accounting period on the income statement. For a derivative that qualifies as a cash flow hedge, the change in fair value is recognized at the end of each reporting period in accumulated other comprehensive income/ (loss) (effective portion) until the hedged item is recognized in income. The ineffective portion of a derivative's change in fair value is immediately recognized in the income statement.

The Partnership discontinues cash flow hedge accounting if the hedging instrument expires, is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Partnership revokes the designation. At that point in time, any cumulative gain or loss on the hedging instrument recognized in equity is kept in Partners' capital until the forecasted transaction occurs. When the forecasted transaction occurs, any cumulative gain or loss on the hedging instrument is recognized in profit or loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in Partners' capital is transferred to net profit or loss for the year as financial income or expense.

An increase in interest rates will have a positive effect, and a decrease in interest rates will have a negative effect, on the fair value of our interest rate swap agreements.

As of December 31, 2009, all our interest rate swaps qualified as a cash flow hedge and the changes in their fair value were recognized in accumulated other comprehensive income/(loss). Please see Note 2 (Significant Accounting Policies – Interest Rate Swap Agreements) and Note 6 (Financial Instruments) to our Financial Statements included herein for more detailed information.

Fair Value of Financial Instruments

On January 1, 2008, we adopted the provisions of the accounting guidance for Fair Value Measurements and Disclosures, for financial assets and liabilities and any other assets and liabilities carried at fair value. This pronouncement defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Our adoption of this guidance did not have a material effect on our Financial Statements for financial assets and liabilities and any other assets and liabilities carried at fair value. The carrying value of trade receivables, accounts payable and current accrued liabilities approximates fair value. The fair values of long-term variable rate bank loans approximate the recorded values, due to their variable interest. Interest rate swaps are also recorded at fair value. Please see Note 2 (Significant Accounting Policies) and Note 6 (Fair Value of Financial Instruments) to our Financial Statements included herein for more detailed information.

Item 6. Directors, Senior Management and Employees.

A. Directors and Senior Management

Management of Capital Product Partners L.P.

Pursuant to our partnership agreement, our general partner has delegated to our board of directors the authority to oversee and direct our operations, management and policies on an exclusive basis, and such delegation is binding on any successor general partner of the partnership. Our general partner, Capital GP L.L.C., a Marshall Islands limited liability company wholly owned by Capital Maritime, manages our day-to-day activities consistent with the policies and procedures adopted by our board of directors.

Our board of directors consists of three persons who are designated by our general partner in its sole discretion and four who are elected by the common unitholders. Directors appointed by our general partner serve as directors for terms determined by our general partner and directors elected by our common unitholders are divided into three classes serving staggered three-year terms. The initial four directors appointed by Capital Maritime were designated as Class I, Class II and Class III elected directors. The Class I Director was re-elected during our 2008 annual meeting of unitholders with a new term scheduled to expire in 2011 and our Class II Director was re-elected during our 2009 annual meeting of unitholders with a new term scheduled to expire in 2012. Our initial Class III elected directors will serve until our annual meeting of unitholders in 2010. At each annual meeting of unitholders, directors will be elected to succeed the class of directors whose terms have expired by a plurality of the votes of the common unitholders (excluding common units held by Capital Maritime and its affiliates). 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 10% of the outstanding common units.

On January 30, 2009, we announced the payment of an exceptional non-recurring distribution of $1.05 per unit for the fourth quarter of 2008, bringing annual distributions to unitholders to $2.27 per unit for the year ended December 31, 2008, a level which under the terms of our partnership agreement resulted in the early termination of the subordination period and the automatic conversion of the subordinated units into common units. Our board of directors unanimously determined that taking into account the totality of relationships between the parties involved, the payment of this exceptional distribution was in our best interests taking into consideration the general economic conditions, lack of any accretive acquisition targets at the time, our business requirements, risks relating to our business as well as alternative uses available for our cash. Following such conversion, Capital Maritime owns a 46.6% interest in us, including 11,304,651common units and a 2% interest in us through its ownership of our general partner. Prior to such conversion, certain actions, including the approval of any amendments to the terms of the partnership agreement, required the approval of a majority of each of the common and subordinated units, voting separately, or in certain cases a higher percentage of common units. Following termination of the subordination period a majority of common units (or in certain cases a higher percentage), of which Capital Maritime owns 45.6%, will be required in order to amend the terms of the partnership agreement or to reach certain decisions or actions, including, amongst others removal of any appointed director for cause, alter the we distribute out cash and determine reserves, elimination of any obligation to hold an annual general meeting and changes to the quorum requirements.

Our general partner intends to cause its officers to devote as much time to the management of our business and affairs as is necessary for the proper conduct of our business and affairs. Our general partner’s Chief Executive Officer and Chief Financial Officer, Ioannis E. Lazaridis, allocates his time between managing our business and affairs and the business and affairs of Capital Maritime. The amount of time Mr. Lazaridis allocates between our business and the businesses of Capital Maritime varies from time to time depending on various circumstances and needs of the businesses, such as the relative levels of strategic activities of the businesses.

Our general partner owes a fiduciary duty to our unitholders and is liable, as general partner, for all of our debts (to the extent not paid from our assets), except for indebtedness or other obligations that are expressly non-recourse to it. Whenever possible, the partnership agreement directs that we should incur indebtedness or other obligations that are non-recourse to our general partner. Officers of our general partner and other individuals providing services to us or our subsidiaries may face a conflict regarding the allocation of their time between our business and the other business interests of Capital Maritime. Our partnership agreement limits our general partner’s and our directors’ fiduciary duties to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors. Please read “Risk Factors—Our partnership agreement limits the fiduciary duties of our general partner and our directors to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors” for a more detailed description of such limitations.

Directors and Senior Management

Set forth below are the names, ages and positions of our directors and director nominees and our general partner's executive officers as of December 31, 2009.

Name	Age	Position
Evangelos M. Marinakis (1)	42	Director and Chairman of the Board
Ioannis E. Lazaridis (1)	42	Director and Chief Executive Officer and Chief Financial Officer of our general partner
Nikolaos Syntychakis (1)	48	Director
Robert Curt (2)	59	Director (5)
Abel Rasterhoff (3)	69	Director (5)
Evangelos G. Bairactaris (4)	38	Director and Secretary
Keith Forman (4)	51	Director (5)

(1) Appointed by our general partner (term expires in 2010).
(2) Class I director (term expires in 2011).
(3) Class II director (term expires in 2012).
(4) Appointed as initial Class III director (term expires in 2010).
(5) Member of our audit committee and our conflicts committee.

Biographical information with respect to each of our directors, our director nominees and our general partner's executive officers is set forth below. The business address for our directors and executive officers is 3 Iassonos Street Piraeus, 18537 Greece.

Evangelos M. Marinakis, Director and Chairman of the Board.

Mr. Marinakis joined our board of directors on March 13, 2007 and serves as the Chairman of the Board. Mr. Marinakis has served as Capital Maritime's President and Chief Executive Officer and as a director since its incorporation in March 2005. From 1992 to 2005, Mr. Marinakis was the Commercial Manager of Capital Ship Management and oversaw the businesses of the group of companies that currently form Capital Maritime. For the past 15 years, Mr. Marinakis has also been active in various other family businesses, all related to the shipping industry. During this time he founded Curzon Maritime Limited, a shipping broker, and Express Sea Transport Corporation, an international vessel operator. Mr. Marinakis began his career as a Sale & Purchase trainee broker at Harley Mullion in the UK, and then worked as a chartering broker for Elders Chartering Limited, also in the UK. Mr. Marinakis holds a B.A. in International Business Administration and an MSC in International Relations from the United States International University Europe, London.

Ioannis E. Lazaridis, Chief Executive and Chief Financial Officer and Director.

Mr. Lazaridis has served as the Chief Executive and Chief Financial Officer of our general partner since its formation in January 2007 and joined our board of directors on March 13, 2007. Mr. Lazaridis has served as Capital Maritime's Chief Financial Officer and as a director since its incorporation in March 2005. From 2004 to March 2005, Mr. Lazaridis was employed by our predecessor companies. From 1996 to 2004, Mr. Lazaridis was employed by Credit Agricole Indosuez Cheuvreux in London, where he worked in the equity department. From 1993 to 1996, Mr. Lazaridis was employed by Kleinwort Benson in equity sales and from 1990 to 1993 was employed by Norwich Union Investment Management. Mr. Lazaridis holds a B.A. degree in economics from the University of Thessaloniki in Greece and an M.A. in Finance from the University of Reading in the UK. He is also an Associate for the Institute of Investment Management and Research in the UK.

Evangelos G. Bairactaris, Director and Secretary.

Mr. Bairactaris joined our board of directors on March 13, 2007 and has served as our Secretary since our formation in January 2007. Mr. Bairactaris is a Greek attorney at law and a member of the Piraeus Bar Association. Mr. Bairactaris has been a partner in G.E.Bairactaris & Partners since 2000 and has acted as managing partner since 2003. He has regularly provided his professional services to our predecessor companies and many Greek and international shipping companies and banks. Mr. Bairactaris is currently a director of Hellenic Seaways Maritime S.A. and Anek Lines (listed on the Athens Stock Exchange), both Greek companies and two of the largest coastal passenger and cargo transportation services company operating in Greece and Italy. The law firm of G.E.Bairactaris & Partners has provided, and may continue to provide, legal services to us and to Capital Maritime and its affiliates.

Nikolaos Syntychakis, Director.

Mr. Syntychakis joined our board of directors on April 3, 2007. Mr. Syntychakis, Managing Director of Capital Ship Management, joined Capital Ship Management in January 2001 where he has served as Vetting Manager, Crew Manager and Operations Manager. From 2000 to 2001, Mr. Syntychakis served as Fleet Operator of Delfi S.A. in Piraeus, Greece and from 1988 to 1997 he worked as the Chief Officer of Sougerka Maritime also in Piraeus, Greece. Mr. Syntychakis has been involved in the shipping industry in various capacities for over 25 years and has also been closely involved with vetting matters, serving on Intertanko's Vetting Committee for several years.

Abel Rasterhoff, Director.

Mr. Rasterhoff joined our board of directors on April 3, 2007. He serves on our conflicts committee and has been designated as the audit committee's financial expert. Mr. Rasterhoff joined Shell International Petroleum Maatschappij in 1967, and worked for various entities of the Shell group of companies until his retirement from Shell in 1997. From 1981 to 1984, Mr. Rasterhoff was Managing Director of Shell Tankers B.V., Vice Chairman and Chairman-elect of the Dutch Council of Shipping and a Member of the Dutch Government Advisory Committee on the North Sea. From 1991 to 1997, Mr. Rasterhoff was Director and Vice President Finance and Planning for Shell International Trading and Shipping Company Limited. During this period he also served as a Board Member of the Securities and Futures Authority (SFA) in London. From February 1998 to 2004, Mr. Rasterhoff has served as a member of the executive board and as Chief Financial Officer of TUI Nederland, the largest Dutch tour operator. From February 2001 to September 2001, Mr. Rasterhoff served as a member of the executive board and as Chief Financial Officer of Connexxion, the government owned public transport company. Mr. Rasterhoff was also on the Supervisory Board of SGR and served as an advisor to the trustees of the TUI Nederland Pension Fund. Mr. Rasterhoff served on the Capital Maritime Board from May 2005 until his resignation in February 2007 as the chairman of the audit committee. Mr. Rasterhoff is currently a director and audit committee member of Aegean Marine Petroleum Network Inc., a company listed on the New York Stock Exchange. Mr. Rasterhoff holds a graduate business degree in economics from Groningen State University.

Keith Forman, Director.

Mr. Forman joined our board of directors on April 3, 2007 and serves on our conflicts committee and our audit committee. Mr. Forman is a Partner and serves as Chief Financial Officer of Crestwood Midstream Partners. Crestwood Midstream is a private investment partnership focused on making equity investments in the midstream energy market. Crestwood's other partners include the Blackstone Group, Kayne Anderson and GSO Capital. Mr. Forman is also a member of the board of directors of Energy Solutions International Ltd., a supplier of oil and gas pipeline software management systems. From January 2004 to July 2005, he was Senior Vice President, Finance for El Paso Corporation, a leading provider of natural gas services. Mr. Forman, who joined El Paso in 1998 upon their acquisition of the general partner of the Leviathan Gas Pipeline Partners, also served as Vice President from 2001 to 2003, of El Paso Field Services and from 1992 to 2003 he served as Chief Financial Officer of GulfTerra Energy Partners L.P., a publicly traded master limited partnership. In his position with GulfTerra, he was responsible for the financing activities of the partnership, including its commercial and investment banking relationships.

Robert P. Curt, Director.

Mr. Curt joined our board of directors on July 24, 2007 and serves on our conflicts committee and our audit committee. He had been a career executive for more than 30 years with ExxonMobil, and was named General Manager of ExxonMobil's Marine Transportation department following the merger of Exxon and Mobil in 1999. In 2003, he was seconded to Qatargas to lead its LNG vessel acquisition program and subsequently was appointed Managing Director of Qatar Gas Transport Company, the world's largest owner of LNG vessels. In 2006, he returned to the U.S., where he served as Vice President in ExxonMobil's SeaRiver subsidiary. Mr. Curt received his B.S. degree in Marine Engineering from the U.S. Merchant Marine Academy, Kings Point, and holds an MBA in Finance from Iona College.

B. Compensation

Reimbursement of Expenses of Our General Partner

Our general partner does not receive any management fee or other compensation for managing us. Our general partner and its other affiliates are reimbursed for expenses incurred on our behalf. These expenses include all expenses necessary or appropriate for the conduct of our business and allocable to us, as determined by our general partner. Our general partner did not incur any such expenses prior to our IPO in April 2007.

Executive Compensation

We and our general partner were formed in January 2007. Neither we nor our general partner have paid any compensation to our directors or our general partner's officers nor accrued any obligations with respect to management incentive or retirement benefits for our directors or our general partner's officers prior to April 3, 2007. Because our Chief Executive Officer and Chief Financial Officer, Mr. Lazaridis, is an employee of Capital Maritime, his compensation is set and paid by Capital Maritime, and we reimburse Capital Maritime for the cost of the provided services.

We do not have a retirement plan for our executive officers or directors. Officers and employees of our general partner or its affiliates may participate in employee benefit plans and arrangements sponsored by Capital Maritime, our general partner or their affiliates, including plans that may be established in the future.

Compensation of Directors

Officers of our general partner or Capital Maritime who also serve as our directors do not receive additional compensation for their service as directors. Our directors receive compensation for attending meetings of our board of directors or committee meetings as well as for serving in the role of committee chair. For the year ended December 31, 2009, our directors, excluding our chairman, received an aggregate amount of $350,000 as compared to $290,000 for the year ended December 31, 2008 and $202,274 received for the period from our IPO in April 2007 to December 31, 2007. In lieu of any other compensation, our chairman receives an annual fee of $100,000 for acting as a director and as the chairman of our board of directors. For the year ended December 31, 2007 this compensation amounted to $80,205. In addition, each director is reimbursed for out–of–pocket expenses in connection with attending meetings of the board of directors or committees and is fully indemnified by us for actions associated with being a director to the extent permitted under Marshall Islands law. Please also read Item 6E: "Share Ownership --- Restricted Units" below.

Services Agreement

Under the three-year services agreement entered into between our general partner and Mr. Lazaridis at the time of our IPO, if a change in control occurs within two years from the date of the agreement, Mr. Lazaridis may resign within six months of such change in control.

C. Board Practices

Our general partner, Capital GP L.L.C., manages our day-to-day activities consistent with the policies and procedures adopted by our board of directors which currently consists of seven members, four of which are independent. Unitholders are not entitled to elect the directors of our general partner or directly or indirectly participate in our management or operation. There are no service contracts between us and any of our directors providing for benefits upon termination of their employment or service.

Although the Nasdaq Global Market does not require a listed limited partnership like us to have a majority of independent directors on our board of directors or to establish a compensation committee or a nominating/corporate governance committee our board of directors has established an audit committee and a conflicts committee comprised solely of independent directors. Each of the committees operates under a written charter adopted by our board of directors which is available under "Corporate Governance" in the Investor Relations tab of our web site at www.capitalpplp.com. The membership and main functions of each committee are described below

Audit Committee. The audit committee of our board of directors is composed of three or more independent directors, each of whom must meet the independence standards of the Nasdaq Global Market, the SEC and any other applicable laws and regulations governing independence from time to time. The audit committee is currently comprised of directors Abel Rasterhoff (chair), Robert P. Curt and Keith Forman. All members of the committee are financially literate and our board of directors has determined that Mr. Rasterhoff qualifies as an "audit committee financial expert" for purposes of the U.S. Sarbanes-Oxley Act. The audit committee, among other things, reviews our external financial reporting, engages our external auditors and oversees our internal audit activities and procedures and the adequacy of our internal accounting controls.

Conflicts Committee. The conflicts committee of our board of directors is composed of the same directors constituting the audit committee, being Keith Forman (chair), Abel Rasterhoff and Robert P. Curt. The members of our conflicts committee may not be officers or employees of our general partner or directors, officers or employees of its affiliates, and must meet the independence standards established by The Nasdaq Global Market to serve on an audit committee of a board of directors and certain other requirements. The conflicts committee reviews specific matters that the board believes may involve conflicts of interest and determines if the resolution of the conflict of interest is fair and reasonable to us. Any matters approved by the conflicts committee will be conclusively deemed to be fair and reasonable to us, approved by all of our partners, and not a breach by our directors, our general partner or its affiliates of any duties any of them may owe us or our unitholders.

D. Employees

We currently do not have our own executive officers and rely on the officers of our general partner to manage our day-to-day activities consistent with the policies and procedures adopted by our board of directors. All of the executive officers of our general partner and three of our directors also are executive officers, directors or affiliates of Capital Maritime.

E. Share Ownership

As of December 31, 2009:

- None of our directors, executive officers or employees (other than Mr. Marinakis), including the directors, executive officers or employees of our general partner, owned, or may be deemed to beneficially own any of our units;

- No units had been issued, or awards made under our Omnibus Incentive Compensation Plan described below; and

- The Marinakis family, including our chairman Mr. Marinakis, through its beneficial ownership of Capital Maritime, may be deemed to beneficially own, or to have beneficially owned, all of the units held by Capital Maritime.

Restricted Units

On April 29, 2008 our board of directors adopted an Omnibus Incentive Compensation Plan (the “Plan”) according to which we may issue a limited number of restricted units, not to exceed 500,000 restricted units, to some of our employees, consultants, directors or affiliates, including the employees, consultants or directors of our general partner, Capital Maritime, Curzon Maritime Limited, Curzon Shipbrokers Corp. and their affiliates at a future date. To date no restricted units have been issued to any person or entity under the Plan.

Item 7. Major Unitholders and Related-Party Transactions.

A. Major Unitholders

Following the early termination of the subordination period on February 14, 2009, all of our 8,805,522 subordinated units converted into common units on a one-for-one basis. As of December 31, 2009, our partners' capital consisted of 24,817,151 common units, no subordinated units and 506,472 general partner units. Capital Maritime, the sole member of our general partner, owns a 46.6% interest in us, including 11,304,651 common units and a 2% interest in us through its ownership of our general partner.

The following table sets forth as of December 31, 2009, the beneficial ownership of our common units by each person we know beneficially owns more than 5.0% or more of our common, and all of our directors, director nominees and the executive officers of our general partner as a group. The number of units beneficially owned by each person is determined under SEC rules and the information is not necessarily indicative of beneficial ownership for any other purpose. Under SEC rules a person beneficially owns any units as to which the person has or shares voting or investment power.

Name of Beneficial Owner	Number of Common Units Owned	Percentage of Total Common Units
Capital Maritime (1)(2)	11,304,651	**45.56%**
All executive officers and directors as a group (7 persons) (2)(3)	0	**0%**
Kayne Anderson Capital Advisors, L.P. (4)	2,745,999	**11.06%**

(1) Excludes the 2% general partner interest held by our general partner, a wholly owned subsidiary of Capital Maritime. Includes 8,805,522 common units owned by Capital Maritime following the automatic conversion on a one-for-one basis of all our subordinated units (8,805,522) on February 14, 2009 as a result of the early termination of the subordination period under the terms of our partnership agreement. No other parties owned any of our subordinated units at any time.

(2) The Marinakis family, including our chairman Mr. Marinakis, through its ownership of Capital Maritime, may be deemed to beneficially own, or to have beneficially owned, all of the units held by Capital Maritime.

(3) With the exception of our director Keith Forman who as of the date of the IPO has owned common units representing less than 1.0% of our common units, none of our directors, director nominees or the officers of our general partner (other than Mr. Marinakis) may be deemed to beneficially own, or to have beneficially owned, any of our units.

(4) Kayne Anderson Capital Advisors, L.P., is an investment adviser. This information is based on the Schedule 13F filed by Kayne Anderson Capital Advisors, L.P. with the SEC on November 13, 2009. For the year ended December 31, 2008, based on the Schedule 13G filed by Kayne Anderson Capital Advisors L.P and Richard A. Kayne on February 11, 2009, these parties owned 5.78% of our common units prior to the termination of the subordination in February 2009 (3.73% of our total common units following the termination of the subordination).

Our majority unitholders have the same voting rights as our other unitholders except that if at any time, any person or group, other than our general partner, its affiliates, including Capital Maritime, their transferees, and persons who acquired such units with the prior approval of our board of directors, owns beneficially 5% or more 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 otherwise required by law. The voting rights of any such unitholders in excess of 4.9% will 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. We are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of Capital Product Partners L.P.

B. Related-Party Transactions

Capital Maritime, the sole member of our general partner, owns 11,304,651 common units representing 45.6% of our outstanding common units. In addition, our general partner owns a 2% general partner interest in us and all of the incentive distribution rights. Capital Maritime's ability, as sole member of our general partner, to control the appointment of three of the seven members of our board of directors and to approve certain significant actions we may take as well as its ownership of 45.6% of our common units which it can vote in their totality on all matters that arise under the partnership agreement, means that Capital Maritime, together with its affiliates, will have the ability to exercise significant influence regarding our management and may be able to propose amendments to the partnership agreement that are in its best interest.

Transactions entered into after December 31, 2009

1. *M/T Agisilaos – Guaranteed Charter Party Agreement with subsidiary of Capital Maritime.* On January 21, 2010, we rechartered the M/T Agisilaos with a subsidiary of Capital Maritime at a net daily charter rate of $11,850 ($12,000 gross). The charter also includes 50/50 profit share for voyages outside the IWL. The charter commences directly upon the vessel's redelivery from its current charter with BP Shipping Limited, expected in March 2010, and has an earliest scheduled expiration date of February 2011. The performance of the charter is guaranteed by Capital Maritime. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors.

2. *M/T Axios – Guaranteed Charter Party Agreement with subsidiary of Capital Maritime.* On January 21, 2010, we rechartered the M/T Axios with a subsidiary of Capital Maritime at a net daily charter rate of $12,591 ($12,750 gross). The charter also includes 50/50 profit share for voyages outside the IWL. The charter commences directly upon the vessel's redelivery from its current charter with BP Shipping Limited, expected in February 2010 and has an earliest scheduled expiration date of January 2011. The performance of the charter is guaranteed by Capital Maritime. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors.

3. *Investor Relations Services Agreement.* On January 1, 2010, we entered into a one-year Investor Relations Agreement with Capital Ship Management to clarify the provisions under which certain investor relations and corporate support services to assist us in our communications with unitholders shall be provided to us pursuant to the provisions of the Administrative Services Agreement entered into with Capital Ship Management and subject to its terms. Under the terms of the agreement we pay Capital Ship Management a fixed monthly fee of $15,000 plus reimbursement of reasonable expenses.

Transactions entered into during the year ended December 31, 2009

1. *Share Purchase Agreement – Exchange of M/T Atrotos with M/T Ayrton II.* On April 13, 2009, the 2007 built M/T Atrotos, was exchanged for the M/T Ayrton II, a 51,260 dwt chemical/product tanker built in April 2009 at STX Shipbuilding Co. Ltd, South Korea. The M/T Ayrton II has been chartered to BP Shipping Limited under a time charter with expected expiration in March 2012 (third year subject to charterer's option), at a base gross rate of $22,275 per day (net rate $22,000) plus a 50/50 profit share for breaching IWL. The M/T Ayrton II was delivered to Capital Maritime in April 2009 and is one of the vessels identified under our omnibus agreement with Capital Maritime. The vessel's operating expenses are fixed at a daily rate of $6,500 per day for approximately the next five years under the Management Agreement. Under the terms of the share purchase agreement all assets and liabilities of the vessel-owning company of the M/T Ayrton II, except the vessel, necessary permits and time charter agreement, were retained by Capital Maritime. In exchange, Capital Maritime received all the shares of the vessel-owning company of the M/T Atrotos, and an additional consideration of $4.0 million to reflect the value and longer duration of the charter attached to the vessel, as well as its younger age, and we remained responsible for any costs associated with the delivery of the vessel to Capital Maritime. All assets and liabilities of the vessel-owning company of the M/T Atrotos, except the vessel and necessary permits were retained by us. Morgan Stanley Capital Group Inc., the charterer of the M/T Atrotos agreed to compensate us for the early termination of the charter attached to the vessel. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors. Please see "Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Net Cash Used in Investing Activities" and Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding this acquisition and the exchange of shares, including a detailed explanation of how it was accounted for.

2. *Related Party Loan – M/T Ayrton II.* For the financing of the construction of the M/T Ayrton II, Capital Maritime entered into a loan agreement with a bank on behalf of the related vessel-owning subsidiary. Capital Maritime acted as the borrower and the vessel-owning subsidiary acted as the guarantor in this loan agreement. The M/T Ayrton II had been financed in the amount of $22.9 million as of December 31, 2008. This loan was fully repaid by Capital Maritime upon the delivery of the vessel to the related vessel-owning subsidiary from the shipyard in April 2009, before the vessel was transferred to us.

3. *Share Purchase Agreement – Exchange of M/T Assos with M/T Agamemnon II.* On April 7, 2009, the 2007 built M/T Assos was exchanged for the M/T Agamemnon II, a 51,238 dwt chemical/product tanker built in 2008 at STX Shipbuilding Co. Ltd, South Korea, which was part of the Capital Maritime fleet at the time, . The M/T Agamemnon II has been chartered to BP Shipping Limited under a time charter expected to expire in December 2011, at the earliest, at a base gross rate of $22,275 per day (net rate $22,000) plus a 50/50 profit share for breaching IWL (Institute Warranty Limits -- applies to voyages to certain ports at certain periods of the year). The M/T Agamemnon II was delivered to Capital Maritime in November 2008 and is one of the vessels identified under our Omnibus Agreement with Capital Maritime. The vessel's operating expenses are fixed at a daily rate of $6,500 per day for approximately the next five years under the Management Agreement. Under the terms of the share purchase agreement all assets and liabilities of the vessel-owning company of the M/T Agamemnon II, except the vessel, necessary permits and time charter agreement, were retained by Capital Maritime. In exchange, Capital Maritime received all the shares of the vessel-owning company of M/T Assos, and additional consideration of $4.0 million to reflect the value and longer duration of the charter attached to the vessel, as well as its younger age, and we remained responsible for any costs associated with the delivery of the vessel to Capital Maritime. All assets and liabilities of the vessel-owning company of M/T Assos, except the vessel and necessary permits were retained by us. Morgan Stanley Capital Group Inc., the charterer of the M/T Assos agreed to compensate us for the early termination of the charter attached to the vessel. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors. Please see "Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Net Cash Used in Investing Activities" and Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding this acquisition and the exchange of shares, including a detailed explanation of how it was accounted for.

4. *Related Party Loan – M/T Agamemnon II.* Upon delivery of the M/T Agamemnon II to Capital Maritime in November 2008, Capital Maritime entered into a loan agreement with a bank for the financing of the vessel. Capital Maritime acted as the borrower and the vessel-owning subsidiary acted as the guarantor in this loan agreement. As of December 31, 2008 the balance outstanding under this loan was $29.4 million. The vessel-owning subsidiary of the M/T Agamemnon II ceased to be a guarantor under the loan as of the date the vessel was transferred to us.

5. *Agreement with Capital GP L.L.C. re Incentive Distribution Rights ("IDRs").* On January 30, 2009, we entered into an agreement with our general partner, Capital GP L.L.C., whereby the general partner agreed to defer receipt of a portion of the $12.7 million incentive distribution payment it is entitled to under the terms of our partnership agreement as a result of the payment of an exceptional cash distribution in February 2009. The general partner received the $12.7 million of incentive payments in four equal quarterly installments, with the first installment having been paid on February 13, 2009. These payments were made from the operating surplus. As of December 31, 2009, the $12.7 million incentive distribution payment had paid in full to Capital GP L.L.C.

6. *Investor Relations Services Agreement.* On January 1, 2009, we entered into a one-year Investor Relations Agreement with Capital Ship Management to clarify the provisions under which certain investor relations and corporate support services to assist us in our communications with unitholders shall be provided to us further to the provisions of the Administrative Services Agreement entered into with Capital Ship Management and subject to its terms. Under the terms of the agreement we pay Capital Ship Management a fixed monthly fee of $15,000 plus reimbursement of reasonable expenses.

Transactions entered into during the year ended December 31, 2008

1. *Related Party Loan – M/T Agamemnon II.* For the financing of the construction of the M/T Agamemnon II, Capital Maritime had entered into a loan agreement with a bank on behalf of the related vessel-owning subsidiary. Capital Maritime acted as the borrower and the vessel-owning subsidiary acted as guarantor in this loan agreement. The M/T Agamemnon II had been financed in the amount of $12.2 million during 2008. This loan was fully repaid by Capital Maritime upon the delivery of the vessel to the related vessel-owning subsidiary from the shipyard in November 2008.

2. *Services Agreements with Capital Maritime.* On July 31, 2008, we entered into two separate agreements with Capital Maritime under which Capital Maritime agreed to arrange for the provision of certain legal, accounting and administrative support services required by us a) in connection with the preparation and filing of our Registration Statement on Form F-3 in August 2008, and b) in connection with our compliance with the provisions of the Sarbanes Oxley Act, and in particular, Section 404. We agreed to reimburse Capital Maritime for its reasonable expenses within 30 days from submission of invoices.

3. *Related Party Loan – M/T Amore Mio II.* For the financing of the acquisition of the M/T Amore Mio II, Capital Maritime had entered into a loan agreement with a bank on behalf of the related vessel-owning subsidiary. Capital Maritime acted as the borrower and the vessel-owning subsidiary acted as the guarantor in this loan agreement. The outstanding balance of $52.5 million on this loan was fully repaid by Capital Maritime in March 2008, before the vessel was transferred to us.

4. *Capital Contribution by Capital Maritime.* On April 30, 2008, Capital Maritime, which owns and controls our general partner, Capital GP L.L.C., made a capital contribution of 10,026 common units to our general partner, which our general partner in turn contributed to us in exchange for the issuance of 10,026 general partner units to our general partner in order for it to maintain its 2% general partner interest in us. Following the issuance of common units in connection with the purchase of the M/T Aristofanis, Capital Maritime owned a 46.6% interest in us, including its 2% interest through its ownership of our general partner.

5. *Purchase of M/T Aristofanis.* On April 30, 2008, we entered into a share purchase agreement with Capital Maritime pursuant to which we acquired all of Capital Maritime's interests in the wholly owned subsidiary that owns the M/T Aristofanis. The aggregate purchase price for the vessel was $23.0 million under the terms of the share purchase agreement with Capital Maritime. We funded a portion of the purchase price of the vessel through the issuance of 501,308 common units to Capital Maritime at a price of $20.08 per unit, which was the price per unit as quoted on the Nasdaq Stock Exchange on the day prior to the acquisition, and the remainder through the incurrence of $11.5 million of debt under our new credit facility. The M/T Aristofanis, a 12,000 dwt, 2005 built, double hull product tanker sister vessel to the M/T Attikos, is chartered to Shell International Trading & Shipping Company Ltd under a charter with an earliest scheduled expiration date of March 2010 at a base gross rate of $13,250 per day (net rate $12,952). The transaction was approved by our board of directors following approval by the conflicts committee of independent directors. Please see "Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Net Cash Used in Investing Activities" and Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding this acquisition, including a detailed explanation of how it was accounted for.

6. *Capital Contribution by Capital Maritime.* On March 31, 2008, Capital Maritime, which owns and controls our general partner, Capital GP L.L.C., made a capital contribution of 40,976 common units to our general partner, which our general partner in turn contributed to us in exchange for the issuance of 40,976 general partner units to our general partner in order for it to maintain its 2% general partner interest in us. Following the issuance of common units in connection with the purchase of the M/T Amore Mio II and the capital contribution described above, Capital Maritime owned a 45.6% interest in us, including its 2% interest through its ownership of our general partner.

7. *Purchase of M/T Amore Mio II.* On March 27, 2008 we entered into a share purchase agreement with Capital Maritime pursuant to which we acquired all of Capital Maritime's interests in the wholly owned subsidiary that owns the M/T Amore Mio II. The aggregate purchase price for the vessel was $95.0 million under the terms of the relevant share purchase agreement with Capital Maritime. We funded a portion of the purchase price of the vessel through the issuance of 2,048,823 common units to Capital Maritime at a price of $18.42 per unit, which was the price per unit as quoted on the Nasdaq Stock Exchange on the day prior to the acquisition, and the remainder through the incurrence of $46.0 million of debt under our new credit facility and $2.0 million in cash. The M/T Amore Mio II, a 159,982 dwt, 2001 built, double-hull tanker, is chartered to BP Shipping Limited under a charter with an earliest scheduled expiration date of January 2011 at a base gross rate of $36,456 per day (net rate $36,000). The charter is also subject to a profit sharing arrangement which is calculated and settled monthly and which allows each party to share additional revenues above the base rate on a 50/50 basis. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors. Please see "Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Net Cash Used in Investing Activities" and Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding this acquisition, including a detailed explanation of how it was accounted for.

Transactions entered into during the year ended December 31, 2007

1. *Purchase of M/T Attikos*. On September 24, 2007 we entered into a share purchase agreement with Capital Maritime pursuant to which we acquired all of Capital Maritime's interests in the wholly owned subsidiary that owns the M/T Attikos. The aggregate purchase price for the vessel was $23.0 million. The acquisition was funded by borrowing $20.5 million under our existing revolving credit facility and the remaining $2.5 million was contributed from available cash. The M/T Attikos, a 12,000 dwt, 2005 built double-hull product tanker, was chartered to Trafigura Beheer B.V. at the time of its delivery, under a charter with an earliest scheduled expiration date of September 2009 at a gross rate of $13,850 per day (net rate $13,503). The transaction was approved by our board of directors following approval by the conflicts committee of independent directors. This vessel was redelivered to us in October 2009 at the expiration of its charter and is now trading in the spot market.

2. *Dividend to Capital Maritime.* At the closing of our IPO, we borrowed $30.0 million under our existing credit facility, $5 million of which we used for working capital purposes and $25.0 million of which we used to pay a cash dividend to Capital Maritime. We also issued to Capital Maritime a number of common units necessary to satisfy the underwriters' overallotment option. We accounted for the distribution to Capital Maritime of the common units necessary to satisfy the underwriters' overallotment option as a common unit dividend, which had no net impact on partners' equity.

3. *Contribution Agreement.* Pursuant to a Contribution Agreement, entered into concurrently with the closing of our IPO, Capital Maritime sold us all of the outstanding capital stock of eight vessel-owning subsidiaries that owned the vessels in our initial fleet (Capital Maritime retained all assets of those subsidiaries other than the vessels, and paid off all debt of those subsidiaries), in exchange for:
   a. the issuance to Capital Maritime of 11,750,000 common units and 8,805,522 subordinated units,
   b. the payment to Capital Maritime of a cash dividend in the amount of $25.0 million at the closing of our IPO,
   c. the issuance to Capital Maritime of the right to receive an additional dividend of $30.0 million in cash or a number of common units necessary to satisfy the underwriters' overallotment option or a combination thereof, and
   d. the issuance of the 2% general partner interest in us and all of our incentive distribution rights to Capital GP L.L.C, a wholly owned subsidiary of Capital Maritime.

4. *Omnibus Agreement.* In connection with our IPO, we entered into an omnibus agreement with Capital Maritime, Capital GP L.L.C., our general partner, and our operating subsidiary. The following discussion describes provisions of the omnibus agreement.

   Noncompetition. Under the omnibus agreement, Capital Maritime has agreed, and has caused its controlled affiliates (other than us, our general partner and our subsidiaries) to agree, not to acquire, own or operate medium range tankers under charter for two or more years. This restriction will not prevent Capital Maritime or any of its controlled affiliates (other than us and our subsidiaries) from:

   a. acquiring, owning, chartering or operating medium range tankers under charter for less than two years;

   b. acquiring one or more medium range tankers under charter for two or more years if Capital Maritime offers to sell to us the tanker for the acquisition price plus any administrative costs associated with transfer and re-flagging, including related legal costs, to Capital Maritime that would be required to transfer the medium range tankers and related charters to us at the time it is acquired or putting a medium range tanker that Capital Maritime owns or operates under charter for two or more years if Capital Maritime offers to sell the tanker to us for fair market value at the time it is chartered for two or more years and, in each case, at each renewal or extension of that charter for two or more years;

   c. acquiring one or more medium range tankers under charter for two or more years as part of the acquisition of a controlling interest in a business or package of assets and owning and operating or chartering those vessels provided, however, that:

      i. if less than a majority of the value of the total assets or business acquired is attributable to those medium range tankers and related charters, as determined in good faith by the board of directors of Capital Maritime; Capital Maritime must offer to sell such medium range tankers and related charters to us for their fair market value plus any additional tax or other similar costs to Capital Maritime that would be required to transfer the medium range tankers and related charters to us separately from the acquired business.

      ii. if a majority or more of the value of the total assets or business acquired is attributable to the medium range tankers and related charters, as determined in good faith by the board of directors of Capital Maritime. Capital Maritime shall notify us in writing, of the proposed acquisition. We shall, not later than the 10th calendar day following receipt of such notice, notify Capital Maritime if we wish to acquire the medium range tankers and related charters forming part of the business or package of assets in cooperation and simultaneously with Capital Maritime acquiring the Non-Medium Range Tankers (as defined below) and related charters forming part of that business or package of assets. If we do not notify Capital Maritime of our intent to pursue the acquisition within 10 calendar days, Capital Maritime may proceed with the acquisition as provided in (i) above.

   d. acquiring a non-controlling interest in any company, business or pool of assets;

   e. acquiring, owning or operating medium range tankers under charter for two or more years subject to the offers to us described in paragraphs (b) and (c) above (i) pending our determination whether to accept such offers and pending the closing of any offers we accept, or (ii) if we elect to acquire the medium range tankers and related charter;

   f. providing ship management services relating to any vessel whatsoever, including to medium range tankers owned by the controlled affiliates of Capital Maritime; or

   g. acquiring, operating or chartering medium range tankers under charter for two or more years if we have previously advised Capital Maritime that we consent to such acquisition, operation or charter.

   If Capital Maritime or any of its controlled affiliates (other than us or our subsidiaries) acquires, owns, operates and charters medium range tankers pursuant to any of the exceptions described above, it may not subsequently expand that portion of its business other than pursuant to those exceptions.

In addition, under the omnibus agreement we agreed, and caused our subsidiaries to agree, to only acquire, own, operate or charter medium range tankers with charters of two or more years (any vessels that are not medium range tankers will in the following be referred to as the "Non-Medium Range Tankers"). This restriction does not:

a. apply to any Non-Medium Range Tanker owned, operated or chartered by us or any of our subsidiaries, and the ownership, operation or chartering of any Non-Medium Range Tanker that replaces any of those Non-Medium Range Tankers in connection with the destruction or total loss of the original tanker; the tanker being damaged to an extent that makes repairing it uneconomical or renders it permanently unfit for normal use, as determined in good faith by our board of directors within 90 days after the occurrence of the damage; or the tanker's condemnation, confiscation, requisition, seizure, forfeiture or a similar taking of title to or use of it that continues for at least six months;

b. prevent us or any of our subsidiaries from acquiring Non-Medium Range Tankers and any related charters as part of the acquisition of a controlling interest in a business or package of assets and owning and operating or chartering those vessels, provided, however, that:

   i. if less than a majority of the value of the total assets or business acquired is attributable to Non-Medium Range Tankers and related charters, as determined in good faith by our board of directors we must offer to sell such Non-Medium Range Tankers and related charters to Capital Maritime within 30 days for their fair market value plus any additional tax or other similar costs to us that would be required to transfer the Non-Medium Range Tankers and related charters to Capital Maritime separately from the acquired business;

   ii. if a majority or more of the value of the total assets or business acquired is attributable to Non-Medium Range Tankers and related charters, as determined in good faith by our board of directors we shall notify Capital Maritime in writing of the proposed acquisition. Capital Maritime shall, not later than the 10th calendar day following receipt of such notice, notify us if it wishes to acquire the Non-Medium Range Tankers forming part of the business or package of assets in cooperation and simultaneously with the us acquiring the medium range tankers under charter for two or more years forming part of that business or package of assets. If Capital Maritime does not notify us of its intent to pursue the acquisition within 10 calendar days, we may proceed with the acquisition as provided in (i) above.

c. prevent us from acquiring a non-controlling interest in any company, business or pool of assets;

d. prevent us or any of our subsidiaries from owning, operating or chartering any Non-Medium Range Tankers subject to the offer to Capital Maritime described in paragraph (b) above, pending its determination whether to accept such offer and pending the closing of any offer it accepts; or

e. prevent us or any of our subsidiaries from acquiring, operating or chartering Non-Medium Range Tankers if Capital Maritime has previously advised us that it consents to such acquisition, operation or charter.

If we or any of our subsidiaries owns, operates and charters Non-Medium Range Tankers pursuant to any of the exceptions described above, neither we nor such subsidiary may subsequently expand that portion of our business other than pursuant to those exceptions.

Rights of First Offer on Medium Range Tankers. Under the omnibus agreement, we and our subsidiaries granted to Capital Maritime a first offer on any proposed sale, transfer or other disposition of any of our medium range tankers and related charters or any Non-Medium Range Tankers and related charters owned or acquired by us. Likewise, Capital Maritime agreed (and caused its subsidiaries to agree) to grant a similar right of first offer to us for any medium range tankers under charter for two or more years it might own. These rights of first offer do not apply to a sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a charter party.

5. *Management Agreement*. We entered into a Management Agreement with Capital Ship Management, a subsidiary of Capital Maritime, pursuant to which Capital Ship Management provides us with certain commercial and technical management services. These services will be provided in a commercially reasonable manner in accordance with customary ship management practice and under our direction. Capital Ship Management may provide these services to us directly or it may subcontract for certain of these services with other entities, including other Capital Maritime subsidiaries.

   a. We pay Capital Ship Management a fixed daily fee per time chartered vessel in our fleet to provide the commercial and technical management services and costs to such time chartered vessels, which includes the cost of the first special survey. We pay a fixed daily fee of $250 per bareboat chartered vessel in our fleet, mainly to cover compliance costs, which include those costs incurred by Capital Ship Management to remain in compliance with the oil majors' requirements, including vetting requirements.

b. With respect to each vessel in our fleet at the time of our IPO, the management agreement has an initial term of approximately five years beginning from when each vessel commenced operations through and including the date of its next scheduled special or intermediate survey and includes the expenses for such special or intermediate survey, as applicable, and related drydocking.

c. With respect to each vessel that has been or will be subsequently delivered or acquired the management agreement will have an initial term of approximately five years from when we take delivery of each vessel.

d. In addition to the fixed daily fees payable under the management agreement, Capital Ship Management is entitled to supplementary remuneration for additional fees and costs (as defined in our management agreement) of any direct and indirect expenses it reasonably incurs in providing these services.

6. *Administrative Services Agreement*. We have entered into an administrative services agreement with Capital Ship Management, pursuant to which Capital Ship Management will provide certain administrative management services to us. The agreement has an initial term of five years from the closing date of our IPO. The services Capital Ship Management provides us with under the agreement include, among others (a) bookkeeping, audit and accounting services, (b) legal and insurance services, (c) administrative and clerical services including information technology services, (d) banking and financial services, (e) advisory services and (f), client and investor relations services. We reimburse Capital Ship Management for reasonable costs and expenses incurred in connection with the provision of these services within 15 days after Capital Ship Management submits to us an invoice for such costs and expenses, together with any supporting detail that may be reasonably required. Further to the provisions of the administrative services agreement and subject to its terms we have also entered into a five-year Information Technology Services dated April 3, 2007 to clarify the terms under which certain information technology services are to be provided to us.

7. *Share Purchase Agreement*. In connection with our IPO, we entered into a share purchase agreement with Capital Maritime to purchase its interests in the subsidiaries that owned the seven vessels and related charters that comprised our contracted fleet at the time of the IPO. At this time, we have completed the purchase of five of these vessels and expect delivery of the final two to take place in June and August of 2008 respectively. Please read “Item 4B: Business—Overview—Our Fleet” for more information on these acquisitions.

8. *Related-Party Loans*. For the financing of the construction of five of the vessels in our initial fleet, the Atlantas, Aktoras, Avax, Aiolos and Assos, Capital Maritime had entered into loan agreements with three separate banks on behalf of the related vessel-owning subsidiaries. Capital Maritime acted as the borrower and the vessel-owning subsidiaries acted as guarantors in all of these loan agreements. The five vessels in our initial fleet described above had been financed in the aggregate amounts of $0, $15.5 million and $95.5 million as of December 31, 2004, 2005 and 2006, respectively. These loans were repaid in their entirety by Capital Maritime with a portion of the proceeds of our IPO.

C. Interest of Experts and Counsel

Not applicable.

Item 8. Financial Information.

See Item 18 for additional information required to be disclosed under this Item 8.

Legal Proceedings

Although we may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business, we are not at present party to any legal proceedings and are not aware of any proceedings against us, or contemplated to be brought against us. We maintain insurance policies with insurers in amounts and with coverage and deductibles as our board of directors believes are reasonable and prudent. We expect that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Cash Distribution Policy

Rationale for Our Cash Distribution Policy

Our cash distribution policy reflects a basic judgment that our unitholders will be better served by our distributing our cash available (after deducting expenses, including estimated maintenance and replacement capital expenditures and reserves) rather than retaining it. Because we believe we will generally finance any expansion capital expenditures from external financing sources, we believe that our investors are best served by our distributing all of our available cash. Our cash distribution policy is consistent with the terms of our partnership agreement, which requires that we distribute all of our available cash quarterly (after deducting expenses, including estimated maintenance and replacement capital expenditures and reserves). To that effect, our board of directors unanimously determined to distribute available cash amounting to $39.3 million to our unitholders through an exceptional non-recurring distribution of $1.05 per unit for the fourth quarter of 2008, including a payment of $12.7 million for IDRs held by our general partner. Our board of directors determined that the payment of such a distribution was in our best interest. See “Termination of the Subordination Period” below for more details regarding such distribution’s effects.

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 distribution policy is subject to certain restrictions and may be changed at any time, including:

- 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.

- While our partnership agreement requires us to distribute all of our available cash, our partnership agreement, including provisions requiring us to make cash distributions contained therein, may be amended. Following the early termination of the subordination period in February 2008, our partnership agreement, including our cash distribution policy, may be amended with the approval of a majority of the outstanding common units, of which Capital Maritime currently owns 45.6%.

- 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 and the establishment of any reserves for the prudent conduct of our business.

- Under Section 51 of the Marshall Islands Limited Partnership Act, we may not make a distribution 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 net revenues or increases in operating expenses, principal and interest payments on outstanding debt, tax expenses, working capital requirements, maintenance and replacement capital expenditures or anticipated cash needs.

- Our distribution policy will be affected by restrictions on distributions under our revolving credit facilities which contain material financial tests and covenants that must be satisfied. Should we be unable to satisfy these restrictions included in our credit facilities or if we are otherwise in default under the credit agreements, our ability to make cash distributions to our unitholders, notwithstanding our stated cash distribution policy, would be materially adversely affected.

- If we make distributions out of capital surplus, as opposed to operating surplus, such distributions will constitute a return of capital and will result in a reduction in the quarterly distribution and the target distribution levels. We do not anticipate that we will make any distributions from capital surplus.

- If the ability of our subsidiaries to make any distribution to us is restricted by, among other things, the provisions of existing and future indebtedness, applicable partnership and limited liability company laws or any other laws and regulations, our ability to make distributions to our unitholders may be restricted.

Quarterly Distributions

Our unitholders are entitled under our partnership agreement to receive a quarterly distribution to the extent we have sufficient cash on hand to pay the distribution after we establish cash reserves and pay fees and expenses. Although we intend to continue to evaluate strategic acquisitions and to take advantage of our unique relationship with Capital Maritime in a prudent manner that is accretive to our unitholders and to long-term distribution growth there is no guarantee that we will pay a quarterly distribution on our units in any quarter. Even if our cash distribution policy is not modified or revoked, the amount of distributions paid under our policy and the decision to make any distribution is determined by our board of directors, taking into consideration the terms of our partnership agreement and other factors. We will be prohibited from making any distributions to unitholders if it would cause an event of default, or an event of default is existing, under the terms of our credit facilities.

Following the completion of our initial public offering on April 3, 2007, the following cash distributions have been declared and paid:

Distributions for Quarter Ended:	Amount of Cash Distributions	Cash Distributions per Unit
Jun. 30, 2007	$8.3 million*	$0.3626 per unit
Sep. 30, 2007	$8.8 million	$0.385 per unit
Dec. 31, 2007	$9.0 million	$0.395 per unit
Mar. 31, 2008	$10.1 million	$0.400 per unit
Jun. 30, 2008	$10.4 million	$0.410 per unit
Sep. 30, 2008	$10.4 million	$0.410 per unit
Dec. 31, 2008	$39.3 million**	$1.050 per unit***
Mar. 31, 2009	$10.4 million	$0.410 per unit
Jun. 30, 2009	$10.4 million	$0.410 per unit
Sep. 30, 2009	$10.4 million	$0.410 per unit

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* Prorated for the period from April 4, 2007 (our IPO) to June 30, 2007.
**Includes $12.7 million with respect to incentive distribution rights held by our general partner in accordance with the terms of our partnership agreement.
*** Exceptional non-recurring cash distribution.

Please see "Item 4: Information on the Partnership—Business Overview—Recent Developments" for our current guidance on target distributions for 2010.

Termination of the Subordination Period

On January 30, 2009, we announced the payment of an exceptional non-recurring distribution of $1.05 per unit for the fourth quarter of 2008, bringing annual distributions to unitholders to $2.27 per unit for the year ended December 31, 2008, a level which under the terms of our partnership agreement resulted in the early termination of the subordination period and the automatic conversion of the subordinated units into common units. Our board of directors unanimously determined that taking into account the totality of relationships between the parties involved, the payment of this exceptional distribution was in our best interests taking into consideration the general economic conditions, our business requirements, risks relating to our business as well as alternative uses available for our cash. Payment of the exceptional distribution was made on February 13, 2009 to unitholders of record on February 10, 2009. The conversion of subordinated units to common units occurred automatically on February 14, 2009. Following such conversion Capital Maritime owns a 46.6% interest in us, including 11,304,651 common units and a 2% interest through its ownership of our general partner, and may significantly impact any vote under the terms of the partnership agreement.

Incentive Distribution Rights

Incentive distribution rights represent the right to receive an increasing percentage of quarterly distributions of available cash from operating surplus (as defined in our partnership agreement) after the minimum quarterly distribution and the target distribution levels have been achieved. Our general partner currently holds the incentive distribution rights, but may transfer these rights separately from its general partner interest, subject to restrictions in the partnership agreement. Except for transfers of incentive distribution rights to an affiliate or another entity as part of our general partner's merger or consolidation with or into, or sale of substantially all of its assets to such entity, the approval of a majority of our common units (excluding common units held by our general partner and its affiliates), voting separately as a class, generally is required for a transfer of the incentive distribution rights to a third party prior to March 31, 2017. Any transfer by our general partner of the incentive distribution rights would not change the percentage allocations of quarterly distributions with respect to such rights.

The payment of the exceptional distribution described above also resulted in a distribution of $12.7 million with respect to incentive distribution rights held by our general partner, in accordance with the terms of the partnership agreement. Following discussions with our board of directors, the general partner agreed to defer receipt of a portion of the incentive distribution payment and received the $12.7 million of incentive payments in four equal quarterly installments, with the first installment having been paid in February 2009.

Percentage Allocations of Available Cash From Operating Surplus

The following table illustrates the percentage allocations of the additional available cash from operating surplus among the unitholders and our general partner up to the various target distribution levels. The amounts set forth under "Marginal Percentage Interest in Distributions" are the percentage interests of the unitholders and our general partner in any available cash from operating surplus we distribute up to and including the corresponding amount in the column "Total Quarterly Distribution Target Amount", until available cash from operating surplus we distribute reaches the next target distribution level, if any. The percentage interests shown for the unitholders and our general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests shown for our general partner assume that our general partner maintains its 2% general partner interest and assume our general partner has not transferred the incentive distribution rights.

	Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions	
		Unitholders	General Partner
Minimum Quarterly Distribution	$0.3750	98%	2%
First Target Distribution	up to $0.4313	98%	2%
Second Target Distribution	above $0.4313 up to $0.4688	85%	15%
Third Target Distribution	above $0.4688 up to $0.5625	75%	25%
Thereafter	above $0.5625	50%	50%

B. Significant Changes

No significant changes have occurred since the date of our Financial Statements included herein except for those set out below:

1. On January 29, 2010 we declared a cash distribution of $0.41 per unit, which will be paid on February 17, 2010, to unitholders of record on February 8, 2010.

Please read Note 14 (Subsequent Events) to our Financial Statements included herein for more information. regarding the events described above.

Item 9. The Offer and Listing.

C. Markets

Our common units started trading on the Nasdaq Global Market under the symbol “CPLP” on March 30, 2007. The following table sets forth the high and low closing sales prices in U.S. Dollars for our common units for each of the periods indicated.

	High	Low
Year Ended: December 31,		
2009	$11.49	$5.21
2008	24.93	5.51
2007*	32.50	20.80
Quarter Ended:		
December 31, 2009	10.49	7.36
September 30, 2009	11.49	7.40
June 30, 2009	10.49	6.36
March 31, 2009	10.79	5.21
December 31, 2008	11.90	5.52
September 30, 2008	20.50	5.51
June 30, 2008	22.07	18.40
March 31, 2008	24.93	16.35
Month Ended:		
December 31, 2009	9.23	7.46
November 30, 2009	9.25	7.36
October 31, 2009	10.49	8.77
September 30, 2009	9.30	7.50
August 31, 2009	10.25	7.40
July 31, 2009	11.49	8.70

Item 10. Additional Information.

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The information required to be disclosed under Item 10B is incorporated by reference to the following sections of the prospectus included in our Registration Statement on Form F-1 filed with the SEC on March 19, 2007: “The Partnership Agreement”, “Description of the Common Units – The Units”, “Conflicts of Interest and Fiduciary Duties” and “Our Cash Distribution Policy and Restrictions on Distributions.”

C. Material Contracts

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we or any of our subsidiaries is a party, for the two years immediately preceding the date of this Annual Report, each of which is included in the list of exhibits in Item 19.

Please read “Item 7B: Related-Party Transactions” above for further details on the transactions described below.

- Amendment to the $370.0 million revolving credit facility effective for a three year period from the end of June 2009 to the end of June 2012. Under the terms of the amendment the fleet loan-to-value covenant was increased to 80% from 72.5%. It was also agreed to amend the manner in which market valuations of vessels are conducted. The interest margin was increased to 1.35%-1.45% over LIBOR subject to the level of the asset covenants. All other terms in the facility remain unchanged.

- Amendment to the $350.0 million revolving credit facility effective for a three year period from the end of June 2009 to the end of June 2012. Under the terms of the amendment the fleet loan-to-value covenant was increased to 80% from 72.5%. It was also agreed to amend the manner in which market valuations of vessels are conducted. The interest margin was increased to 135-145 bps over LIBOR subject to the level of the asset covenants. All other terms in the facility remain unchanged.

- Share Purchase Agreement dated April 13, 2009 with Capital Maritime to acquire all of its interest in the wholly owned subsidiary that owns the M/T Ayrton II, one of the vessels identified under our Omnibus Agreement with Capital Maritime, in exchange for all of our interest in our wholly owned subsidiary that owns the M/T Atrotos, We paid an additional consideration of $4.0 million to Capital Maritime and remained responsible for any costs associated with the delivery of the vessel to Capital Maritime. Please see “Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Net Cash Used in Investing Activities” and Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding this acquisition, including a detailed explanation of how it was accounted for.

- Share Purchase Agreement dated April 7, 2009 with Capital Maritime to acquire all of its interest in the wholly owned subsidiary that owns the M/T Agamemnon II, one of the vessels identified under our Omnibus Agreement with Capital Maritime, in exchange for all of the interest in our wholly owned subsidiary that owns the M/T Assos. We paid an additional consideration of $4.0 million to Capital Maritime and remained responsible for any costs associated with the delivery of the vessel to Capital Maritime. Please see “Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Net Cash Used in Investing Activities” and Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding this acquisition, including a detailed explanation of how it was accounted for.

- Agreement with Capital GP L.L.C. re IDRs dated January 30, 2009, whereby our general partner agreed to defer receipt of a portion of the $12.7 million incentive distribution payment it is entitled to under the terms of our partnership agreement as a result of the payment of an exceptional cash distribution in February 2009.

- Share Purchase Agreement dated April 30, 2008 with Capital Maritime to acquire all of its interest in the wholly owned subsidiary that owns the M/T Aristofanis for an aggregate purchase price of $23.0 million. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors. Please see “Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Net Cash Used in Investing Activities” and Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding this acquisition, including a detailed explanation of how it was accounted for.

- Share Purchase Agreement dated March 27, 2008 with Capital Maritime to acquire all of its interest in the wholly owned subsidiary that owns the M/T Amore Mio II for an aggregate purchase price of $95.0 million. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors. Please see “Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Net Cash Used in Investing Activities” and Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding this acquisition, including a detailed explanation of how it was accounted for.

- Share Purchase Agreement dated September 24, 2007 with Capital Maritime to acquire all of its interest in the wholly owned subsidiary that owns the M/T Attikos for an aggregate purchase price of $23.0 million. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors.

- Revolving Facility Agreement, dated March 19, 2008, as amended, for a 10-year revolving credit facility of up to $350.0 million with HSH Nordbank AG which is non-amortizing until March 2013. The credit facility bears interest at US$ LIBOR plus a margin of 1.35-1.45%, depending on the level of the asset covenants, and may be used to finance a portion of the acquisition price of certain identified vessels currently in Capital Maritime's fleet which we may elect to acquire in the future. We may also use this facility to finance up to 50% of the purchase price of any potential future purchases of modern tanker vessels from Capital Maritime or any third parties. To date, we have used $107.5 million of this facility to fund part of the acquisition price of the M/T Amore Mio II, M/T Aristofanis, M/T Aristotelis II, and M/T Aris II from Capital Maritime. Please read "Item 5B: Operating and Financial Review and Prospects —Liquidity and Capital Resources—Revolving Credit Facilities" for a full description of this credit facility.

- Revolving Facility Agreement, dated March 22, 2007, as amended, for a 10-year revolving credit facility of up to $370.0 million with HSH Nordbank AG which is non-amortizing until June 2012. The credit facility bears interest at US$ LIBOR plus a margin of 1.35-1.45%, depending on the level of the asset covenants. The credit facility may be used for acquisitions and for general partnership purposes. Our obligations under the facility are secured by first-priority mortgages on 14 product tankers. Please read "Item 5B: Operating and Financial Review and Prospects — Liquidity and Capital Resources—Revolving Credit Facilities" for a full description of the existing credit facility.

D. Exchange Controls and Other Limitations Affecting Unitholders

We are not aware of any governmental laws, decrees or regulations, including foreign exchange controls, in the Republic of The Marshall Islands that restrict the export or import of capital, or that affect the remittance of dividends, interest or other payments to non-resident holders of our units. We are not aware of any limitations on the right of non-resident or foreign owners to hold or vote our units imposed by the laws of the Republic of The Marshall Islands or our partnership agreement.

E. Taxation

Marshall Islands Taxation

The following is a discussion of the material Marshall Islands tax consequences of our activities to unitholders who do not reside in, maintain offices in or engage in business in the Marshall Islands ("non-resident holders"). Because we and our subsidiaries do not, and we do not expect that we, or our subsidiaries will, conduct business or operations in the Marshall Islands, under current Marshall Islands law non-resident holders of our securities will not be subject to Marshall Islands taxation or withholding on distributions, including upon a return of capital, we make to such non-resident holders. In addition, non-resident holders will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, ownership or disposition of our securities, and will not be required by the Republic of The Marshall Islands to file a tax return relating to such securities.

Taxation of the Partnership

Because we and our subsidiaries do not, and we do not expect that we or our subsidiaries will, conduct business or operations in the Marshall Islands, under current Marshall Islands law, neither we nor our subsidiaries will be subject to income, capital gains, profits or other taxation. As a result, distributions by our subsidiaries to us will not be subject to Marshall Islands taxation.

United States Taxation

The following is a discussion of the material U.S. federal income tax considerations that may be relevant to unitholders. This discussion is based upon provisions of the Code, Treasury Regulations, and current administrative rulings and court decisions, all as currently in effect or existence on the date of this Annual Report and all of which are subject to change, possibly with retroactive effect. Changes in these authorities may cause the tax consequences to vary substantially from the consequences described below.

The following discussion applies only to beneficial owners of our units that own the units as "capital assets" (generally, for investment purposes) and does not comment on all aspects of U.S. federal income taxation which may be important to particular unitholders in light of their individual circumstances, such as unitholders subject to special tax rules (e.g., financial institutions, insurance companies, broker-dealers, tax-exempt organizations, or former citizens or long-term residents of the United States), persons that will hold the units as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, persons that own 10.0% or more of our units, partnerships or entities classified as partnerships for U.S. federal income tax purposes or their partners, or persons that have a functional currency other than the U.S. Dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. If a partnership or other entity classified as a partnership for U.S. federal income tax purposes holds our units, the tax treatment of a partner thereof will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our units, you should consult your tax advisor.

No ruling has been or will be requested from the IRS regarding any matter affecting us or our unitholders. The statements made here may not be sustained by a court if contested by the IRS.

This discussion does not contain information regarding any U.S. state or local, estate or alternative minimum tax considerations concerning the ownership or disposition of our units. Each unitholder is urged to consult its tax advisor regarding the U.S. federal, state, local and other tax consequences of the ownership or disposition of our units.

Taxation of the Partnership Election to be Taxed as a Corporation

We have elected to be taxed as a corporation for U.S. federal income tax purposes. As such, among other consequences, U.S. Holders (as defined below) will not directly be subject to U.S. federal income tax on our income, but rather will be subject to U.S. federal income tax on distributions received from us and dispositions of units as described below. As a corporation, we may be subject to U.S. federal income tax on our income as discussed below.

Taxation of Operating Income

We expect that substantially all of our gross income will continue to be attributable to the transportation of crude oil and related oil products. For this purpose, gross income attributable to transportation (or "Transportation Income") includes income derived from, or in connection with, the use (or hiring or leasing for use) of a vessel to transport cargo, or the performance of services directly related to the use of any vessel to transport cargo, and thus includes both time charter or bareboat charter income.

Transportation Income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States (or "U.S. Source International Transportation Income") will be considered to be 50.0% derived from sources within the United States. Transportation Income attributable to transportation that both begins and ends in the United States (or "U.S. Source Domestic Transportation Income") will be considered to be 100.0% derived from sources within the United States. Transportation Income attributable to transportation exclusively between non-U.S. destinations will be considered to be 100% derived from sources outside the United States. Transportation Income derived from sources outside the United States generally will not be subject to U.S. federal income tax.

Based on our current operations, we do not expect to have U.S. Source Domestic Transportation Income. However, certain of our activities give rise to U.S. Source International Transportation Income, and future expansion of our operations could result in an increase in the amount of U.S. Source International Transportation Income, as well as give rise to U.S. Source Domestic Transportation Income, all of which could be subject to U.S. federal income taxation as discussed below.

The Section 883 Exemption

In general, the Section 883 Exemption provides that if a non-U.S. corporation satisfies the requirements of Section 883 of the Code and the Treasury Regulations thereunder (or the "Section 883 Regulations"), it will not be subject to the net basis and branch profits taxes or the 4.0% gross basis tax described below on its U.S. Source International Transportation Income. The Section 883 Exemption only applies to U.S. Source International Transportation Income. As discussed below, we believe that under our current ownership structure, the Section 883 Exemption will apply and we will not be taxed on our U.S. Source International Transportation Income. The Section 883 Exemption does not apply to U.S. Source Domestic Transportation Income.

We will qualify for the Section 883 Exemption if, among other matters, we meet the following three requirements:

- We are organized in a jurisdiction outside the United States that grants an equivalent exemption from tax to corporations organized in the United States (an "Equivalent Exemption");
- We satisfy the "Publicly Traded Test" (as described below); and
- We meet certain substantiation, reporting and other requirements.

The Publicly Traded Test requires that one or more classes of equity representing more than 50.0% of the voting power and value in a non-U.S. corporation be "primarily and regularly traded" on an established securities market either in the United States or in a jurisdiction outside the United States that grants an Equivalent Exemption. The Section 883 Regulations provide, in pertinent part, that equity interests in a non-U.S. corporation will be considered to be "primarily traded" on an established securities market in a given country if the number of units of each class of equity that are traded during any taxable year on all established securities markets in that country exceeds the number of units in each such class that are traded during that year on established securities markets in any other single country. Equity of a non-U.S. corporation will be considered to be "regularly traded" on an established securities market under the Section 883 Regulations if one or more classes of equity of the corporation that, in the aggregate, represent more than 50.0% of the combined vote and value of the non-U.S. corporation are listed on such market and certain trading volume requirements are met or deemed met as described below. For this purpose, if one or more "5.0% unitholders" (i.e., a unitholder holding, actually or constructively, at least 5.0% of the vote and value of a class of equity) own in the aggregate 50.0% or more of the vote and value of a class of equity (the "Closely Held Block"), such class of equity will not be treated as primarily and regularly traded on an established securities market (the "Closely Held Block Exception").

We are organized under the laws of the Republic of The Marshall Islands. The U.S. Treasury Department has recognized the Republic of The Marshall Islands as a jurisdiction that grants an Equivalent Exemption. Consequently, our U.S. Source International Transportation Income (including, for this purpose, any such income earned by our subsidiaries that have properly elected to be treated as partnerships or disregarded as entities separate from us for U.S. federal income tax purposes) will be exempt from U.S. federal income taxation provided we meet the Publicly Traded Test. In addition, since our units are only traded on the Nasdaq Global Market, which is considered to be an established securities market, our units will be deemed to be "primarily traded" on an established securities market. In addition since our units represent more than 50.0% of our vote and value they will be considered to be "regularly traded" on an established securities market.

We believe we meet the trading volume requirements of Section 883 Exemption because the pertinent regulations provide that trading volume requirements will be deemed to be met with respect to a class of equity traded on an established securities market in the United States where, as will be the case for our units, the units are regularly quoted by dealers who regularly and actively make offers, purchases and sales of such units to unrelated persons in the ordinary course of business. These conclusions, however, are based upon legal authorities that do not expressly contemplate an organizational structure such as ours. In particular, although we have elected to be treated as a corporation for U.S. federal income tax purposes, for corporate law purposes we are organized as a limited partnership under Marshall Islands law and our general partner is responsible for managing our business and affairs and has been granted certain veto rights over decisions of our board of directors. Accordingly, it is possible that the IRS could assert that our units do not meet the "regularly traded" test.

In addition, we expect that our units will not lose eligibility for the Section 883 Exemption as a result of the Closely Held Block Exemption, because our partnership agreement provides that the voting rights of any 5.0% unitholders (other than our general partner, its affiliates, their transferees and persons who acquired such units with the approval of our board of directors) are limited to a 4.9% voting interest in us regardless of how many units are held by that 5.0% unitholder. If Capital Maritime and our general partner own 50% or more of our units, they will provide the necessary documents to establish an exception to the application of the Closely Held Block Exemption. This exception is available when shareholders residing in a jurisdiction granting an Equivalent Exemption and meeting certain other requirements own sufficient shares in the Closely Held Block to preclude shareholders who have not met such requirements from owning 50.0% or more of the outstanding units.

Thus, although the matter is not free from doubt, we believe that we will satisfy the Publicly Traded Test. Should any of the facts described above cease to correct, our ability to satisfy the test will be compromised.

The Net Basis Tax and Branch Profits Tax

If we earn U.S. Source International Transportation Income and the Section 883 Exemption does not apply, the U.S. source portion of such income may be treated as effectively connected with the conduct of a trade or business in the United States (or "Effectively Connected Income") if we have a fixed place of business in the United States and substantially all of our U.S. Source International Transportation Income is attributable to regularly scheduled transportation or, in the case of bareboat charter income, is attributable to a fixed place of business in the United States. Based on our current operations, none of our potential U.S. Source International Transportation Income is attributable to regularly scheduled transportation or is received pursuant to bareboat charters attributable to a fixed place of business in the United States. As a result, we do not anticipate that any of our U.S. Source International Transportation Income will be treated as Effectively Connected Income. However, there is no assurance that we will not earn income pursuant to regularly scheduled transportation or bareboat charters attributable to a fixed place of business in the United States in the future, which would result in such income being treated as Effectively Connected Income. In addition, any U.S. Source Domestic Transportation Income generally will be treated as Effectively Connected Income.

Any income we earn that is treated as Effectively Connected Income would be subject to U.S. federal corporate income tax (the highest statutory rate is currently 35.0%). In addition, a 30.0% branch profits tax imposed under Section 884 of the Code also would apply to such income, and a branch interest tax could be imposed on certain interest paid or deemed paid by us.

On the sale of a vessel that has produced Effectively Connected Income, we could be subject to the net basis corporate income tax and to the 30.0% branch profits tax with respect to our gain not in excess of certain prior deductions for depreciation that reduced Effectively Connected Income. Otherwise, we would not be subject to U.S. federal income tax with respect to gain realized on the sale of a vessel, provided the sale is considered to occur outside of the United States under U.S. federal income tax principles.

The 4.0% Gross Basis Tax

If the Section 883 Exemption does not apply and the net basis tax does not apply, we would be subject to a 4.0% U.S. federal income tax on the U.S. source portion of our U.S. Source International Transportation Income, without benefit of deductions.

U.S. Federal Income Taxation of U.S. Holders

As used herein, the term *U.S. Holder* means a beneficial owner of our units that is:

- an individual U.S. citizen or resident (as determined for U.S. federal income tax purposes);
- a corporation or other entity organized under the laws of the United States or its political subdivisions and classified as a corporation for U.S. federal income tax purposes;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

Distributions

Subject to the discussion of the rules applicable to passive foreign investment companies (or PFICs) below, any distributions made by us with respect to our units to a U.S. Holder generally will constitute dividends, which may be taxable as ordinary income or "qualified dividend income" as described in more detail below, to the extent of our current and accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our earnings and profits will be treated first as a nontaxable return of capital to the extent of the U.S. Holder's tax basis in its units on a dollar-for-dollar basis and thereafter as capital gain. U.S. Holders that are corporations generally will not be entitled to claim a dividends received deduction with respect to any distributions they receive from us. Dividends paid with respect to our units generally will be treated as "passive category income" for purposes of computing allowable foreign tax credits for U.S. federal income tax purposes.

Dividends paid on our units to a U.S. Holder who is an individual, trust or estate (or a U.S. Individual Holder) will be treated as "qualified dividend income" that is taxable to such U.S. Individual Holder at preferential capital gain tax rates (through 2010) provided that: (i) our units are readily tradable on an established securities market in the United States (such as the Nasdaq Global Market on which our units are traded); (ii) we are not a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (which we do not believe we are, have been or will be, as discussed below); (iii) the U.S. Individual Holder has owned the units for more than 60 days in the 121-day period beginning 60 days before the date on which the units become ex-dividend (and has not entered into certain risk limiting transactions with respect to such units); and (iv) the U.S. Individual Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. There is no assurance that any dividends paid on our units will be eligible for these preferential rates in the hands of a U.S. Individual Holder, and any dividends paid on our units that are not eligible for these preferential rates will be taxed as ordinary income to a U.S. Individual Holder. In the absence of legislation extending the term of the preferential tax rates for qualified dividend income, all dividends received by a taxpayer in tax years beginning January 1, 2011 or later will be taxed at rates applicable to ordinary income.

Special rules may apply to any "extraordinary dividend" paid by us. An extraordinary dividend is, generally, a dividend with respect to a unit if the amount of the dividend is equal to or in excess of 10 percent of a unitholder's adjusted basis (or fair market value in certain circumstances) in such unit. If we pay an "extraordinary dividend" on our units that is treated as "qualified dividend income", then any loss derived by a U.S. Individual Holder from the sale or exchange of such units will be treated as long-term capital loss to the extent of the amount of such dividend.

In addition, under previously proposed legislation, the preferential rate of federal income tax currently imposed on qualified dividend income would be denied with respect to dividends received form a non-U.S. corporation, unless the non-U.S. corporation either is eligible for benefits of a comprehensive income tax treaty with the United States or is created or organized under the laws of a foreign country which has a comprehensive income tax system. Because the Marshall Islands has not entered into a comprehensive income tax treaty with the United States and imposes only limited taxes on corporations organized under its laws, it is unlikely that we could satisfy either of these requirements. Consequently, if this legislation were enacted the preferential tax rates imposed on qualified dividend income may no longer be applicable to dividends received from us. Any dividends paid on our units that are not eligible for the preferential rate will be taxed as ordinary income to a U.S. Individual Holder. As of the date hereof, it is not possible to predict with any certainty whether this previously proposed legislation will be reintroduced or enacted.

Sale, Exchange or other Disposition of Units

Subject to the discussion of PFICs below, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our units in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder's tax basis in such units. Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder's holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as U.S. source income or loss, as applicable, for U.S. foreign tax credit purposes. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

PFIC Status and Significant Tax Consequences

Special and adverse U.S. federal income tax rules apply to a U.S. Holder that owns an equity interest in a non-U.S. entity taxed as a corporation and classified as a PFIC for U.S. federal income tax purposes. In general, we will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which such holder held our units, either:

- at least 75.0% of our gross income (including the gross income of our vessel-owning subsidiaries) for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business), or
- at least 50.0% of the average value of the assets held by us (including the assets of our vessel-owning subsidiaries) during such taxable year produce, or are held for the production of, passive income.

Income earned, or deemed earned, by us in connection with the performance of services would not constitute passive income. By contrast, rental income would generally constitute "passive income" unless we were treated under specific rules as deriving our rental income in the active conduct of a trade or business.

Based on our current and projected methods of operation, we believe that we are not currently PFIC, nor do we expect to become a PFIC. Although there is no legal authority directly on point, and we are not obtaining a ruling from the IRS on this issue, we will take the position that, for purposes of determining whether we are a PFIC, the gross income we derive or are deemed to derive from the time and spot chartering activities of our wholly owned subsidiaries constitutes services income, rather than rental income. Correspondingly, such income should not constitute passive income, and the assets that we or our wholly owned subsidiaries own and operate in connection with the production of such income, in particular, the vessels we or our subsidiaries own that are subject to time charters, should not constitute passive assets for purposes of determining whether we were a PFIC. Certain vessels in our fleet are engaged in activities that may be characterized as passive for PFIC purposes and the income from that portion of our fleet may be treated as passive income for PFIC purposes. We believe there is legal authority supporting our position, consisting of case law and IRS pronouncements concerning the characterization of income derived from time charters as service income for other tax purposes. However, there is no legal authority specifically relating to the statutory provisions governing PFICs or relating to circumstances substantially similar to ours. Moreover, a recent case by the U.S. Court of Appeals for the Fifth Circuit held that, contrary to the position of the IRS in that case, and for purposes of a different set of rules under the Code, income received under a time charter of vessels should be treated as rental income rather than services income. If the reasoning of the Fifth Circuit case were extended to the PFIC context, the gross income we derive or are deemed to derive from our time chartering activities would be treated as rental income, and we would probably be a PFIC. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year, a U.S. Holder would be subject to different taxation rules depending on whether the U.S. Holder makes an election to treat us as a "Qualified Electing Fund", which election we refer to as a "QEF election." As an alternative to making a QEF election, a U.S. Holder should be able to make a "mark-to-market" election with respect to our units, as discussed below.

Taxation of U.S. Holders Making a Timely QEF Election

If a U.S. Holder makes a timely QEF election, which U.S. Holder we refer to as an "Electing Holder," the Electing Holder must report each year for U.S. federal income tax purposes his pro rata share of our ordinary earnings and our net capital gain, if any, for our taxable year that ends with or within the taxable year of the Electing Holder, regardless of whether or not distributions were received from us by the Electing Holder. The Electing Holder's adjusted tax basis in the units will be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that had been previously taxed will result in a corresponding reduction in the adjusted tax basis in the units and will not be taxed again once distributed. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of our units. A U.S. Holder would make a QEF election with respect to any year that we are a PFIC by filing one copy of IRS Form 8621 with his U.S. federal income tax return and a second copy in accordance with the instructions to such form. If contrary to our expectations, we determine that we are treated as a PFIC for any taxable year, we will provide each U.S. Holder with all necessary information in order to make the QEF election described above.

Taxation of U.S. Holders Making a "Mark-to-Market" Election

Alternatively, if we were to be treated as a PFIC for any taxable year and, as we anticipate, our units were treated as "marketable stock", a U.S. Holder would be allowed to make a "mark-to-market" election with respect to our units, provided the U.S. Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury Regulations. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the units at the end of the taxable year over such holder's adjusted tax basis in the units. The U.S. Holder would also be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in the units over the fair market value thereof at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder's tax basis in his units would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of our units would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the units would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the U.S. Holder.

Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election

Finally, if we were to be treated as a PFIC for any taxable year, a U.S. Holder who does not make either a QEF election or a "mark-to-market" election for that year, whom we refer to as a "Non-Electing Holder," would be subject to special rules with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on our units in a taxable year in excess of 125.0% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the units), and (2) any gain realized on the sale, exchange or other disposition of our units. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non-Electing Holder's aggregate holding period for the units;
- the amount allocated to the current taxable year and any year prior to the year we were first treated as a PFIC with respect to the Non-Electing Holder would be taxed as ordinary income; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

These penalties would not apply to a qualified pension, profit sharing or other retirement trust or other tax-exempt organization that did not borrow money or otherwise utilize leverage in connection with its acquisition of our units. If we were treated as a PFIC for any taxable year and a Non-Electing Holder who is an individual dies while owning our units, such holder's successor generally would not receive a step-up in tax basis with respect to such units.

U.S. Federal Income Taxation of Non-U.S. Holders

A beneficial owner of our units (other than a partnership, including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder is a Non-U.S. Holder.

Distributions

Distributions we pay to a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax if the Non-U.S. Holder is not engaged in a U.S. trade or business. If the Non-U.S. Holder is engaged in a U.S. trade or business, distributions we pay will be subject to U.S. federal income tax to the extent those distributions constitute income effectively connected with that Non-U.S. Holder's U.S. trade or business. However, distributions paid to a Non-U.S. Holder who is engaged in a trade or business may be exempt from taxation under an income tax treaty if the income represented thereby is not attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder.

Disposition of Units

The U.S. federal income taxation of Non-U.S. Holders on any gain resulting from the disposition of our units is generally the same as described above regarding distributions. However, individual Non-U.S. Holders may be subject to tax on gain resulting from the disposition of our units if they are present in the United States for 183 days or more during the taxable year in which those shares are disposed and meet certain other requirements.

Backup Withholding and Information Reporting

In general, payments of distributions on our units or the proceeds of a disposition of our units to a non-corporate U.S. Holder will be subject to information reporting requirements. These payments to a non-corporate U.S. Holder also may be subject to backup withholding, if the non-corporate U.S. Holder:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that he has failed to report all interest or corporate distributions required to be shown on its U.S. federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding on payments within the United States by certifying their status on IRS Form W-8BEN, W-8ECI or W-8IMY, as applicable.

Backup withholding is not an additional tax. Rather, a unitholder generally may obtain a credit for any amount withheld against his liability for U.S. federal income tax (and a refund of any amounts withheld in excess of such liability) by filing a return with the IRS.

F. Dividends and Paying Agents

Not applicable.

G. Safe Harbor

Not applicable.

H. Documents on Display

We have filed with the SEC a registration statement on Form F-1 regarding the common units. This Annual Report does not contain all of the information found in the registration statement. For further information regarding us and our common units, you may wish to review the full registration statement, including its exhibits. The registration statement, including the exhibits, may be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of this material can also be obtained upon written request from the Public Reference Section of the SEC at 100 F Street, N.E, Washington, D.C. 20549, at prescribed rates or from the SEC's web site on the Internet at http://www.sec.gov free of charge. Please call the SEC at 1-800-SEC-0330 for further information on public reference room. Our registration statement can also be inspected and copied at the offices of the Nasdaq Global Market, One Liberty Plaza, New York, New York 10006.

I. Subsidiary Information

Please see Exhibit 8.1 to this Annual Report for a list of our significant subsidiaries as of December 31, 2009.

Item 11. Quantitative and Qualitative Disclosures About Market Risk.

Our Risk Management Policy

Our policy is to continuously monitor our exposure to business risks, including the impact of changes in interest rates and currency rates as well as inflation on earnings and cash flows. We intend to assess these risks and, when appropriate, take measures to minimize our exposure to the risks.

Foreign Exchange Risk

We do not have a material currency exposure risk. We generate all of our revenues in U.S. Dollars and incur less than 5% of our expenses in currencies other than U.S. Dollars. For accounting purposes, expenses incurred in currencies other than the U.S. Dollar are translated into U.S. Dollars at the exchange rate prevailing on the date of each transaction. As of December 31, 2009, less than 5% of liabilities were denominated in currencies other than U.S. Dollars (mainly in Euros). These liabilities were translated into U.S. Dollars at the exchange rate prevailing on December 31, 2009. We have not hedged currency exchange risks and our operating results could be adversely affected as a result.

Interest Rate Risk

The international tanker industry is capital intensive, requiring significant amounts of investment, a significant portion of which is provided in the form of long-term debt. Our current debt contains interest rates that fluctuate with LIBOR. Our existing credit facility of $370.0 million and $350.0 million bears floating interest of 1.35% -1.45% per annum over US$ LIBOR. Therefore, we are exposed to the risk that our interest expense may increase if interest rates rise.

In order to hedge our exposure to interest rate changes, we have entered into ten interest rate swap agreements at varying rates to fix the LIBOR portion of our interest rate $366.5 million in borrowings drawn down under our existing facility for a period up to June 2012. We have also entered into four interest rate swap agreements to fix the LIBOR portion of our interest rate at varying rates for $107.5 million in borrowings drawn down under our new credit facility for a period up to March 2013. We intend to swap the LIBOR portion of any further amounts drawn down under the existing credit facility and the new credit facility into a fixed rate until the end of the non-amortizing period in June 2012 and March 2013 respectively. As our interest rate is fixed under the swap agreements changes in LIBOR during the swapped period would not affect our interest expense. However, as a result of a market disruption in determining the cost of funds for our banks, any increases by the banks to their "funding costs" under our agreements will lead to proportional increases in the relevant interest amounts interest payable under our agreement on a quarterly basis. The interest rate for the three month period ended March 31, 2009 has increased by 0.30503% under our existing credit facility and by 0.20786%, under new credit facility, respectively, in accordance with the terms of each facility. Please refer to "Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Revolving Credit Facilities" for more information on the specific rates we have entered into under each swap agreement.

Please read Note 2 (Significant Accounting Policies – Interest Rate Swap Agreements), Note 5 (Long-Term Debt) and Note 6 (Fair Value of Financial Instruments) to our Financial Statements included herein, which provide additional information with respect to our derivative financial instruments and existing debt agreements.

Concentration of Credit Risk

Financial instruments which potentially subject us to significant concentrations of credit risk consist principally of cash and cash equivalents, interest rate swap agreements, and trade accounts receivable. We place our cash and cash equivalents, consisting mostly of deposits, and enter into interest rate swap agreements with creditworthy financial institutions as rated by qualified rating agencies. For the years ended December 31, 2009 and December 31, 2008, 81% and 87% of our revenues, respectively, were derived from two charterers. We do not obtain rights to collateral to reduce our credit risk. Please refer to "Item 5B: Operating and Financial Review and Prospects—Liquidity and Capital Resources—Revolving Credit Facilities" for more information on our interest rate swap agreements.

Inflation

Inflation has had a minimal impact on vessel operating expenses, drydocking expenses and general and administrative expenses to date. However, certain additional fees and costs we (as defined in our management agreement) are obligated to pay to Capital Ship Management under our management agreement, which amounted to approximately $3.0 and $1.0 million for the years ended December 31, 2009 and 2008 respectively, may further increase to reflect the continuing inflationary vessel cost environment. Our management does not consider inflation to be a significant risk to direct expenses in the current and foreseeable economic environment. However, in the event that inflation becomes a significant factor in the global economy, inflationary pressures would result in increased operating, voyage and financing costs.

Item 12. Description of Securities Other than Equity Securities.

Not Applicable.

PART II

Item 13. Defaults, Dividend, Arrearages and Delinquencies.

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds.

None.

Item 15. Controls and Procedures.

a. Disclosure Controls and Procedures

As of December 31, 2009, our management (with the participation of our chief executive officer and chief financial officer) conducted an evaluation pursuant to Rule 13a-15(b) and 15d-15 promulgated under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), of the effectiveness of the design and operation of our disclosure controls and procedures. Our management, including our chief executive and chief financial officer, recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the partnership have been detected. Further, in the design and evaluation of our disclosure controls and procedures our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

However, based on this evaluation, our chief executive officer and chief financial officer concluded that as of December 31, 2009, our disclosure controls and procedures, which include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to the management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure, were effective to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

b. Management’s Annual Report on Internal Control over Financial Reporting

Our management (with the management of our general partner) is responsible for establishing and maintaining adequate internal controls over financial reporting. Our internal controls were designed to provide reasonable assurance as to the reliability of our financial reporting and the preparation and presentation of our Financial Statements for external purposes in accordance with accounting principles generally accepted in the United States.

Our internal controls over financial reporting includes those policies and procedures that, 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of our Financial Statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made in accordance with authorizations of management and the directors of our general partnership; and 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the our assets that could have a material effect on the financial statements.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management believes that our internal control over financial reporting was effective as of December 31, 2009.

However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements even when determined to be effective and can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Deloitte Hadjipavlou, Sofianos & Cambanis S.A. (“Deloitte”), our independent registered public accounting firm, has audited the Financial Statements included herein and our internal control over financial reporting and has issued an attestation report on the effectiveness of our internal control over financial reporting which is reproduced in its entirety in Item 15(c) below.

c. Attestation Report of the Registered Public Accounting Firm.

To the Board of Directors and Unitholders of Capital Product Partners L.P., Majuro, Republic of the Marshall Islands

We have audited the internal control over financial reporting of Capital Product Partners L.P. (the “Partnership”) as December 31, 2009, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Partnership’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying “Management’s Annual Report on Internal Control over Financial Reporting.” Our responsibility is to express an opinion on the Partnership’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated and combined financial statements as of and for the year ended December 31, 2009 of the Partnership and our report dated February 4, 2010 expressed an unqualified opinion on those financial statements and included explanatory paragraphs relating to: 1) the formation of Capital Product Partners L.P. and the preparation of the combined financial statements attributable to the period through April 4, 2007 from the separate records maintained by Capital Maritime & Trading Corp., 2) the preparation of the portion of the combined financial statements attributable to Ross Shipmanagement Co., Baymont Enterprises Incorporated, Forbes Maritime Co., Mango Finance Co., and Navarro International S.A., prior to the vessel acquisition by the Partnership, from the separate records maintained by Capital Maritime & Trading Corp., and 3) the retroactive adjustments to previously-issued combined financial statements resulting from transactions between entities under common control.

/s/ Deloitte. Hadjipavlou, Sofianos, & Cambanis S.A.
Athens, Greece

February 4, 2010

d. Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting during the year covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 16A. Audit Committee Financial Expert.

Our board of directors has determined that director Abel Rasterhoff, the chairman of our audit committee, qualifies as an audit committee financial expert for purposes of the U.S. Sarbanes-Oxley Act and is independent under applicable Nasdaq Global Market and SEC standards.

Item 16B. Code of Ethics

Our board of directors has adopted a Code of Business Conduct and Ethics that includes a Code of Ethics that applies to our chief executive officer, chief financial officer, principal accounting officer and persons performing similar functions. This document is available under “Corporate Governance” in the Investor Relations area of our web site (www.capitalpplp.com). We will also provide a hard copy of our code of ethics free of charge upon written request. We intend to disclose, under “Corporate Governance” in the Investor Relations area of our web site, any waivers to or amendments of the Code of Business Conduct and Ethics for the benefit of any of our directors and executive officers within five business days of such waiver or amendment.

Item 16C. Principal Accountant Fees and Services.

Our principal accountant for 2009 and 2008 was Deloitte. The following table shows the fees we paid or accrued for audit services provided by Deloitte for these periods (in thousands of U.S. Dollars).

Fees	2009	2008
Audit Fees (1)	$ 387	$ 585
Audit-Related Fees	-	-
Tax Fees (2)	33	156
Total	$ 420	$ 741

(1) Audit fees represent fees for professional services provided in connection with the audit of our Financial Statements included herein, review of our quarterly consolidated financial statements and audit services provided in connection with other regulatory filings.
(2) Tax fees represent fees for professional services provided in connection with various U.S. income tax compliance and information reporting matters.

The audit committee of our board of directors has the authority to pre-approve permissible audit-related and non-audit services not prohibited by law to be performed by our independent auditors and associated fees. Engagements for proposed services either may be separately pre-approved by the audit committee or entered into pursuant to detailed pre-approval policies and procedures established by the audit committee, as long as the audit committee is informed on a timely basis of any engagement entered into on that basis. The audit committee separately pre-approved all engagements and fees paid to our principal accountant in 2009 and 2008.

Item 16D. Exemptions from the Listing Standards for Audit Committees.

None.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

During the year ended December 31, 2009, neither the issuer nor any affiliated persons purchased any equity securities. As of December 31, 2009, Capital Maritime owns a 46.6% interest in us, including 11,304,651 common units and a 2% interest in us through its ownership of our general partner.

Item 16F. Change in Registrant’s Certifying Accountant.

Not applicable.

Item 16G. Corporate Governance

The Nasdaq Global Market requires limited partnerships with listed units to comply with its corporate governance standards. As a foreign private issuer, we are not required to comply with all of the rules that apply to listed U.S. limited partnerships. However, we have generally chosen to comply with most of the Nasdaq Global Market's corporate governance rules as though we were a U.S. limited partnership. Although we are not required to have a majority of independent directors on our board of directors or to establish a compensation committee or a nominating/corporate governance committee our board of directors has established an audit committee and a conflicts committee comprised solely of independent directors. Accordingly, we do not believe there are any significant differences between our corporate governance practices and those that would typically apply to a U.S. domestic issuer that is a limited partnership under the corporate governance standards of the Nasdaq Global Market. Please see "Item 6C: Board Practices" and "Item 10B: Memorandum and Articles of Association" for more detail regarding our corporate governance practices.

PART III

Item 17. Financial Statements

Not Applicable.

Item 18. Financial Statements

INDEX TO FINANCIAL STATEMENTS **Page**

CAPITAL PRODUCT PARTNERS L.P.

Item 19. Exhibits

The following exhibits are filed as part of this Annual Report:

Exhibit No.	Description
1.1	Certificate of Limited Partnership of Capital Product Partners L.P. (1)
1.2	First Amended and Restated Agreement of Limited Partnership of Capital Product Partners L.P. (2)
1.3	Amendment to Capital Product Partners Amended and Restated Agreement of Limited Partnership
1.4	Certificate of Formation of Capital GP L.L.C. (1)
1.5	Limited Liability Company Agreement of Capital GP L.L.C. (1)
1.6	Certificate of Formation of Capital Product Operating GP L.L.C. (1)
4.1	Revolving $370.0 Million Credit Facility dated March 22, 2007 (1)
4.2	First Supplemental Agreement to Revolving $370.0 million Credit Facility dated September 19, 2007 (3)
4.3	Second Supplemental Agreement to Revolving $370.0 Million Credit Facility dated June 11, 2008 (4)
4.4	Third Supplemental Agreement to Revolving $370.0 Million Credit Facility dated April 7, 2009
4.5	Fourth Supplemental Agreement to Revolving $370.0 Million Credit Facility dated April 8, 2009
4.6	Fifth Supplemental Agreement to Revolving $370.0 Million Credit Facility dated October 2, 2009
4.7	Omnibus Agreement (1)
4.8	Management Agreement with Capital Ship Management (1)
4.9	Amendment 1 to Management Agreement with Capital Ship Management dated September 24, 2007 (3)
4.10	Amendment 2 to Management Agreement with Capital Ship Management dated March 27, 2008 (3)
4.11	Amendment 3 to Management Agreement with Capital Ship Management dated April 30, 2008 (4)
4.12	Amendment 4 to Management Agreement with Capital Ship Management dated April 7, 2009
4.13	Amendment 5 to Management Agreement with Capital Ship Management dated April 13, 2009
4.14	Amendment 6 to Management Agreement with Capital Ship Management dated April 30, 2009
4.15	Administrative Services Agreement with Capital Ship Management (1)
4.16	Contribution and Conveyance Agreement for Initial Fleet (1)
4.17	Share Purchase Agreement for 2007 and 2008 Vessels (1)
4.18	Revolving $350.0 Million Credit Facility dated March 19, 2008 (3)
4.19	First Supplemental Agreement to Revolving $350.0 million Credit Facility dated October 2, 2009
4.20	Share Purchase Agreement for M/T Attikos dated September 24, 2007 (3)
4.21	Share Purchase Agreement for M/T Amore Mio II dated March 27, 2008 (3)
4.22	Share Purchase Agreement for M/T Aristofanis dated April 30, 2008 (4)
4.23	Share Purchase Agreement for M/T Agamemnon II dated April 3, 2009
4.24	Share Purchase Agreement for M/T Ayrton II dated April 12, 2009
4.25	Capital Product Partners L.P. 2008 Omnibus Incentive Compensation Plan dated April 29, 2008 (5)
4.26	Agreement between Capital Product Partners and Capital GP L.L.C. dated January 30, 2009 (6)
8.1	List of Subsidiaries of Capital Product Partners L.P.
12.1	Rule 13a-14(a)/15d-14(a) Certification of Capital Product Partners L.P.'s Chief Executive Officer
12.2	Rule 13a-14(a)/15d-14(a) Certification of Capital Product Partners L.P.'s Chief Financial Officer
13.1	Capital Product Partners L.P. Certification of Ioannis E. Lazaridis, Chief Executive Officer and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1	Consent of Deloitte Hadjipavlou, Sofianos & Cambanis S.A.

(1) Previously filed as an exhibit to Capital Product Partners L.P.'s Registration Statement on Form F-1 (File No. 333-141422), filed with the SEC on March 19, 2007 and hereby incorporated by reference to such Registration Statement.

(2) Previously filed as Appendix A to the Partnership's Rule 424(b)(4) Prospectus filed with the SEC on March 30, 2007, and hereby incorporated by reference to this Annual Report.

(3) Previously filed as an exhibit to the registrant's Annual Report on Form 20-F for the year ended December 31, 2007 and filed with the SEC on April 4, 2008.

(4) Previously filed as an exhibit to the registrant's Registration Statement on Form F-3 filed with the SEC on August 29, 2008.

(5) Previously filed as a Current Report on Form 6-K with the SEC on April 30, 2008.

(6) Previously filed as an exhibit to the registrant's Annual Report on Form 20-F for the year ended December 31, 2008 and filed with the SEC on March 27, 2009.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAPITAL PRODUCT PARTNERS L.P.,

By: Capital GP L.L.C., its general partner

By: /s/ Ioannis E. Lazaridis
Name: Ioannis E. Lazaridis
Title: Chief Executive Officer and Chief Financial Officer of Capital GP L.L.C.

Dated: February 4, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Unitholders of Capital Product Partners L.P., Majuro, Republic of the Marshall Islands

We have audited the accompanying consolidated and combined balance sheets of Capital Product Partners L.P. (the "Partnership") as of December 31, 2009 and 2008, and the related consolidated and combined statements of income, changes in partners' capital/ stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated and combined financial statements present fairly, in all material respects, the financial position of Capital Product Partners L.P. as of December 31, 2009 and 2008, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated and combined financial statements, on January 16, 2007, Capital Product Partners L.P. was formed for the purpose of acquiring interests in eight wholly-owned subsidiaries of Capital Maritime & Trading Corp. On April 4, 2007 the acquisition was completed and Capital Product Partners L.P. began operating as a separate company. Through April 4, 2007, the accompanying combined financial statements have been prepared from the separate records maintained by Capital Maritime & Trading Corp., and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Partnership had been operated as an unaffiliated entity.

Further, as discussed in Note 1 to the consolidated and combined financial statements, through September 24, 2007, March 27, 2008, April 30, 2008, April 7, 2009 and April 13, 2009 the portion of the accompanying combined financial statements attributable to Ross Shipmanagement Co., Baymont Enterprises Incorporated, Forbes Maritime Co., Mango Finance Corp., and Navarro International S.A., prior to the vessels' acquisition by the Partnership , have been prepared from the separate records maintained by Capital Maritime & Trading Corp. and may not necessarily be indicative of the conditions that would have existed or the results of operations if these entities had been operated as unaffiliated entities.

Also as discussed in Note 1 to the consolidated and combined financial statements, the financial statements give retroactive effect to the April 7, 2009, acquisition by Capital Product Partners L.P. of Mango Finance Corp., and the April 13, 2009, acquisition of Navarro International S.A.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Partnership's internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 4, 2010 expressed an unqualified opinion on the Partnership's internal control over financial reporting.

/s/ Deloitte. Hadjipavlou, Sofianos, & Cambanis S.A.
Athens, Greece

February 4, 2010

Capital Product Partners L.P.
Consolidated and Combined Balance Sheets (Note 1)
(In thousands of United States Dollars, except number of shares and units)

	December 31, 2009	December 31, 2008
Assets		
Current assets		
Cash and cash equivalents	$ 3,552	$ 43,149
Short term investments (Note 2)	30,390	1,080
Trade accounts receivable	213	6,421
Prepayments and other assets	522	602
Inventories	111	94
Total current assets	**34,788**	**51,346**
Fixed assets		
Vessels, net (Note 4)	638,723	718,153
Total fixed assets	**638,723**	**718,153**
Other non-current assets		
Deferred charges, net	3,076	2,884
Restricted cash (Notes 2, 5)	4,500	4,500
Total non-current assets	**646,299**	**725,537**
Total assets	**$ 681,087**	**$ 776,883**
Liabilities and Partners' Capital/ Stockholders' Equity		
Current liabilities		
Current portion of long-term debt (Note 5)	$	$
Current portion of related-party long-term debt (Note 3)		24,538
Trade accounts payable	296	475
Due to related parties (Note 3)	4,939	2,256
Accrued liabilities (Note 7)	2,273	1,149
Deferred revenue – current	3,458	3,795
Total current liabilities	**10,966**	**32,213**
Long-term liabilities		
Long-term debt (Note 5)	474,000	474,000
Long-term related-party debt (Note 3)		27,762
Deferred revenue – long-term	2,062	1,568
Derivative instruments (Note 6)	36,931	47,414
Total long-term liabilities	**512,993**	**550,744**
Total liabilities	**523,959**	**582,957**
Commitments and contingencies (Note 13)		
Stockholders' equity		
Common stock (par value $0 and 1,000 shares issued and outstanding at December 31, 2008)		
Additional paid in capital		21,295
Retained earnings		456
Partners' capital		
General Partner	3,803	16,785
Limited Partners - Common (24,817,151 and 16,011,629 units issued and outstanding at December 31, 2009 and 2008, respectively)	186,493	122,811
Limited Partners - Subordinated (0 and 8,805,522 units issued and outstanding at December 31, 2009 and 2008, respectively)		76,230
Accumulated other comprehensive loss (Notes 2, 6)	(33,168)	(43,651)
Total partners' capital/ stockholders' equity	**157,128**	**193,926**
Total liabilities and partners' capital/ stockholders' equity	**$ 681,087**	**$ 776,883**

The accompanying notes are an integral part of these consolidated and combined financial statements.

Capital Product Partners L.P.
Consolidated and Combined Statements of Income (Note 1)
(In thousands of United States Dollars, except number of units and earnings per unit)

	For the years ended December 31,		
	2009	**2008**	**2007**
Revenues	**$ 123,477**	**132,675**	**$ 86,545**
Expenses:			
Voyage expenses (Note 8)	1,059	1,123	3,553
Vessel operating expenses - related party (Notes 3, 8)	30,095	25,653	12,688
Vessel operating expenses (Note 8)	499	3,803	6,287
General and administrative expenses	2,876	2,817	1,477
Depreciation and amortization (Note 4)	28,264	25,185	15,363
Operating income	**60,684**	**74,094**	**47,177**
Other income (expense):			
Interest expense and finance cost	(32,115)	(25,602)	(13,121)
Loss on interest rate agreements			(3,763)
Interest income	1,478	1,283	711
Foreign currency loss, net	(12)	(56)	(45)
Total other expense, net	**(30,649)**	**(24,375)**	**(16,218)**
Net income	**30,035**	**49,719**	**30,959**
Less:			
Net (loss) / income attributable to CMTC operations	**810**	**(1,048)**	**9,388**
Partnership's net income	**$ 29,225**	**50,767**	**$ 21,571**
General Partner's interest in Partnership's net income	$ 584	13,485	$ 431
Limited Partners' interest in Partnership's net income	$ 28,641	37,282	$ 21,140
Net income per:			
● Common units (basic and diluted)	$ 1.15	1.56	$ 1.11
● Subordinated units (basic and diluted)	$ 1.17	1.50	$ 0.70
● Total units (basic and diluted)	$ 1.15	1.54	$ 0.95
Weighted-average units outstanding:			
● Common units (basic and diluted)	23,755,663	15,379,212	13,512,500
● Subordinated units (basic and diluted)	1,061,488	8,805,522	8,805,522
● Total units (basic and diluted)	24,817,151	24,184,734	22,318,022

The accompanying notes are an integral part of these consolidated and combined financial statements.

Capital Product Partners L.P.
Consolidated and Combined Statements of Changes in Partners' Capital/ Stockholders' Equity
(In thousands of United States Dollars)

			Partners' Capital					
	Comprehensive Income	Common Stockholders' Equity	General Partner	Common	Subordinated	Total	Accumulated Other Comprehensive Loss	Total
Balance at January 1, 2007		**$ 61,067**						**$ 61,067**
Capital contribution by CMTC (Note 11)		31,279						31,279
Net income attributable to CMTC	$ 9,388	9,388						9,388
Equity of contributed companies retained by CMTC (Note 11)		(4,340)						(4,340)
Distribution of Initial Vessels' retained earnings as of April 3, 2007 to CMTC (Note 11)		(9,919)						(9,919)
Issuance of partnership units in exchange for common equity (Notes 1, 4)		(55,073)	5,471	162,214	105,863	273,548		218,475
Excess of purchase price over acquired assets (Note 4)			(1,617)	(47,954)	(31,295)	(80,866)		(80,866)
Dividend paid to CMTC (Note 1)			(500)	(14,825)	(9,675)	(25,000)		(25,000)
Dividends declared and paid to unitholders (Note 11)			(341)	(10,096)	(6,589)	(17,026)		(17,026)
Partnership net income	21,571		431	15,000	6,140	21,571		21,571
Other comprehensive income/(loss):								
● Unrealized loss on derivative instruments (Notes 2, 6)	(10,288)						(10,288)	(10,288)
Comprehensive income	$ 20,671							
Balance at December 31, 2007		**$ 32,402**	**3,444**	**104,339**	**64,444**	**172,227**	**(10,288)**	**$ 194,341**

Capital Product Partners L.P.
Consolidated and Combined Statements of Changes in Partners' Capital/ Stockholders' Equity
(In thousands of United States Dollars)

	Comprehensive Income	Common Stockholders' Equity	Partners' Capital General Partner	Partners' Capital Common	Partners' Capital Subordinated	Partners' Capital Total	Accumulated Other Comprehensive Loss	Total
Dividends declared and paid to unitholders (Note 11)			(798)	(24,871)	(14,221)	(39,890)		$ (39,890)
Capital contribution by CMTC (Note 11)		12,135						12,135
Net loss attributable to CMTC	$ (1,048)	(1,048)						(1,048)
Equity of contributed companies retained by CMTC (Note 11)		(21,738)						(21,738)
Issuance of common units for vessels' acquisitions (Notes 1, 4)			956	28,686	18,163	47,805		47,805
Excess of purchase price over acquired assets (Note 4)			(302)	(9,397)	(5,384)	(15,083)		(15,083)
Partnership net income	50,767		13,485	24,054	13,228	50,767		50,767
Other comprehensive income/(loss):								
● Unrealized loss on derivative instruments (Notes 2, 6)	(33,363)						(33,363)	(33,363)
Comprehensive income	$ 16,356							
Balance at December 31, 2008		**$ 21,751**	**16,785**	**122,811**	**76,230**	**215,826**	**(43,651)**	**$ 193,926**

Capital Product Partners L.P.
Consolidated and Combined Statements of Changes in Partners' Capital/ Stockholders' Equity
(In thousands of United States Dollars)

			Partners' Capital					
	Comprehensive Income	Common Stockholders' Equity	General Partner	Common	Subordinated	Total	Accumulated Other Comprehensive Loss	Total
Dividends declared and paid to unitholders (Note 11)			(13,880)	(47,337)	(9,246)	(70,463)		(70,463)
Capital contribution by CMTC (Note 11)		40,570						40,570
Net income attributable to CMTC	810	810						810
Equity of contributed companies retained by CMTC (Note 11)		(63,131)						(63,131)
Partnership net income	29,225		584	27,399	1,242	29,225		29,225
Conversion of subordinated units				68,226	(68,226)			
Difference of net book values of exchanged vessels net of cash consideration paid (Note 4)			314	15,394		15,708		15,708
Other comprehensive income/(loss):								
● Unrealized gain on derivative instruments (Notes 2, 6)	10,483						10,483	10,483
Comprehensive income	$ 40,518							
Balance at December 31, 2009			**$ 3,803**	**186,493**		**190,296**	**(33,168)**	**$ 157,128**

The accompanying notes are an integral part of these consolidated and combined financial statements.

Capital Product Partners L.P.
Consolidated and Combined Statements of Cash Flows (Note 1)
(In thousands of United States Dollars)

	For the years ended December 31,		
	2009	**2008**	**2007**
Cash flows from operating activities:			
Net income	$ 30,035	$ 49,719	$ 30,959
Adjustments to reconcile net income to net cash provided by operating activities:			
Vessel depreciation and amortization	28,264	25,185	15,271
Amortization of deferred charges	442	395	214
Loss on interest rate swap agreement			3,763
Changes in operating assets and liabilities:			
Trade accounts receivable	6,095	(4,858)	(3,841)
Due from related parties	(11)	(235)	(4,842)
Prepayments and other assets	11	(545)	(542)
Inventories	(289)	83	(344)
Trade accounts payable	494	1,068	1,787
Due to related parties	4,460	2,584	4,297
Accrued liabilities	420	799	(690)
Deferred revenue	157	1,200	8,552
Dry docking expenses paid	-	(251)	(921)
Net cash provided by operating activities	**70,078**	**75,144**	**53,663**
Cash flows from investing activities:			
Vessel acquisitions and new building advances (Note 4)	(26,460)	(267,673)	(332,446)
Additions to restricted cash		(1,250)	(3,250)
Purchase of short term investments	(111,850)	(1,080)	
Maturity of short term investments	82,540		
Net cash used in investing activities	**(55,770)**	**(270,003)**	**(335,696)**
Cash flows from financing activities:			
Proceeds from issuance of long-term debt		199,500	305,050
Proceeds from related-party debt		112,843	109,711
Payments of long-term debt		(8,080)	(16,716)
Payments of related-party debt	(23,309)	(52,463)	(2,376)
Loan issuance costs	(703)	(1,950)	(1,092)
Payment of offering expenses		(249)	
Excess of purchase price over book value of vessels acquired from entity under common control (Note 4)		(3,755)	(80,866)
Dividends paid	(70,463)	(39,890)	(42,026)
Cash balance distributed to previous owner		(2)	(2,251)
Capital contributions by CMTC	40,570	12,135	31,279
Net cash (used in) / provided by financing activities	**(53,905)**	**218,089**	**300,713**
Net (decrease) / increase in cash and cash equivalents	(39,597)	23,230	18,680
Cash and cash equivalents at beginning of period	43,149	19,919	1,239
Cash and cash equivalents at end of period	**3,552**	**43,149**	**$ 19,919**
Supplemental Cash Flow Information			
Cash paid for interest	$ 30,929	$ 24,264	$ 14,640
Non-Cash Investing and Financing Activities			
Net book value of vessels transferred-in, M/T Agamemnon II and M/T Ayrton II less cash paid.	$ 68,054		
Net book value of vessels transferred-out, M/T Assos and M/T Atrotos	$ (70,496)		
Net liabilities assumed by CMTC upon contribution of vessels to the Partnership (Note 10)	$ 31,073	$ 74,239	$ 213,743
Units issued to acquire vessel-owning company of M/T Amore Mio II (Note 4)		$ 37,739	
Units issued to acquire vessel-owning company of M/T Aristofanis (Note 4)		$ 10,066	
Change in accrued capitalized costs	$ 870		
Change in payable offering expenses		$ 49	

The accompanying notes are an integral part of these consolidated and combined financial statements.

1. Basis of Presentation and General Information

Capital Product Partners L.P. (the “Partnership” or “CPP”) was formed on January 16, 2007, under the laws of the Marshall Islands for the purpose of acquiring interests in eight wholly owned subsidiaries of Capital Maritime & Trading Corp. (“CMTC”), each of which owned, a double-hull medium-range product tanker (the “Initial Vessels”).

The Partnership is engaged in the seaborne transportation services of crude oil and refined petroleum products, edible oils and soft chemicals, by chartering its vessels under medium to long-term time and bareboat charters.

On April 3, 2007, the Initial Public Offering (the “IPO” or the “Offering”) of CPP on the NASDAQ Global Market was completed successfully. In connection with the Offering the Partnership entered into several new agreements including:

- A contribution agreement with CMTC, pursuant to which the Partnership purchased all of the outstanding capital stock of the vessel-owning companies of the Initial Vessels having net book value of $273,548 as of April 3, 2007 (CMTC retained all assets of those subsidiaries other than the vessels, and paid off all debt of those subsidiaries), in exchange for:

  a. the issuance to CMTC of 11,750,000 common units and 8,805,522 subordinated units,
  b. the payment to CMTC of a cash dividend in the amount of $25,000,
  c. the issuance to CMTC of the right to receive an additional dividend of $30,000 in cash or a number of common units necessary to satisfy the underwriters’ overallotment option or a combination thereof, and
  d. the issuance to the Partnership’s general partner, Capital GP L.L.C. (“CGP”), a wholly owned subsidiary of CMTC, 419,500 general partner units representing a 2% general partner interest in the Partnership and all of incentive distribution rights which will entitle CGP to increasing percentages of the cash that the Partnership will distribute in excess of $0.4313 per unit per quarter.

- An omnibus agreement with CMTC, CGP and others governing, among other things, the circumstances under which the Partnership and CMTC can compete with each other and certain rights of first offer on medium range product tankers;

- A management agreement with Capital Shipmanagement Corp. (the “Manager” or “CSM”), a wholly owned subsidiary of CMTC, pursuant to which the Manager agreed to provide commercial and technical management services to the Partnership;

- An administrative services agreement with the Manager pursuant to which the Manager agreed to provide administrative management services to the Partnership; and

- A share purchase agreement with CMTC to purchase for a total consideration of $368,000 its interests in seven wholly owned subsidiaries each of which owns a newly built, double-hull medium-range product tanker (the “Committed Vessels”). These vessels were acquired by the Partnership between May 2007 and August 2008.

- Revolving credit facility of up to $370,000 and swapped the interest portion for $366,500 in order to reduce the exposure of interest rates fluctuations (Note 6).

On April 3, 2007, CMTC sold the 11,750,000 common units to the public through the underwriters receiving $236,330. On the same date, the Partnership issued an additional 1,762,500 common units to CMTC in order to fully satisfy the underwriters’ overallotment option. CMTC received an additional amount of $34,143 from the sale of these units. Following the exercise of the over-allotment option, the Partnership issued an additional 35,970 general partner units to CGP in order to maintain its 2% interest in the Partnership. The total proceeds of the Offering were used by CMTC to repay $213,843 of existing debt of the Initial Vessels and the Offering expenses. In connection with the completion of the Offering the Partnership also borrowed $30,000 under the revolving credit facility, $5,000 of which was used for working capital purposes and $25,000 of which was used to pay a cash dividend to CMTC. Following the completion of the Offering, CMTC owned 8,805,522 subordinated units representing a 40.7% interest in the Partnership, including a 2% interest through its ownership of CGP.

On September 24, 2007, the Partnership remitted to CMTC the amount of $23,000 in exchange for the acquisition of the shares of the vessel-owning company of the M/T Attikos, a 12,000 DWT, 2005-built double hull product tanker. M/T Attikos was neither an Initial nor a Committed Vessel.

1. **Basis of Presentation and General Information – Continued**

On March 27, 2008, the Partnership entered into a share purchase agreement with CMTC for the acquisition of the shares of the vessel-owning company of the M/T Amore Mio II, a 159,982 dwt, 2001 built, double hull tanker from CMTC and took delivery of the vessel on the same date. The total purchase price for the shares of the vessel-owning company of the M/T Amore Mio II was $85,739. The acquisition of the shares of the vessel-owning company was funded by $2,000 from available cash, $46,000 through a draw down from the new revolving $350,000 credit facility, and the remaining amount through the issuance of 2,048,823 common units to CMTC at a price of $18.42 per unit as quoted on the Nasdaq Stock Exchange on March 26, 2008, the day prior to the acquisition. M/T Amore Mio II was neither an Initial nor a Committed Vessel.

On March 31, 2008, CMTC made a capital contribution of 40,976 common units to the Partnership in exchange for the issuance of the same number of general partner units to CGP in order for it to maintain its 2% general partner interest in the Partnership.

On April 30, 2008, the Partnership entered into a share purchase agreement with CMTC for the acquisition of the shares of the vessel-owning company of the M/T Aristofanis, a 12,000 dwt, 2005 built, double hull tanker from CMTC and took delivery of the vessel on the same date. The total purchase price for the shares of the vessel-owning company of the M/T Aristofanis was $21,566. The acquisition of the shares of the vessel-owning company was funded by $11,500 through a draw down from the new revolving $350,000 credit facility, and the remaining amount through the issuance of 501,308 common units to CMTC at a price of $20.08 per unit as quoted on the Nasdaq Stock Exchange on April 29, 2008, the day prior to the acquisition. M/T Aristofanis was neither an Initial nor a Committed Vessel.

On April 30, 2008, CMTC made a capital contribution of 10,026 common units to the Partnership in exchange for the issuance of the same number of general partner units to CGP in order for it to maintain its 2% general partner interest in the Partnership.

Following the issuance of the additional common units relating to the acquisition of the M/T Amore Mio II and the M/T Aristofanis and the capital contribution from CMTC to the Partnership in order for CGP to maintain its 2% general partner interest in the Partnership, third parties owned 13,512,500 common units, CMTC owned 2,499,129 common units and 8,805,522 subordinated units together representing a 44.6% limited partner interest in the Partnership. In addition, CGP owned a 2% general partner interest in the Partnership and all of the incentive distribution rights.

On January 30, 2009, the Partnership’s board of directors declared a cash distribution of $1.05 per unit, which resulted in a distribution of $12,724 with respect to incentive distribution rights held by CGP, in accordance with the terms of the partnership agreement. The payment of this distribution brought annual distributions to unitholders to $2.27 per unit for the year ended December 31, 2008, a level which under the terms of the partnership agreement resulted in the early termination of the subordination period and the conversion of the subordinated units into common units on a one-to-one basis. Following the conversion of subordinated units into common units, CMTC owned a 46.6% interest in the Partnership, including 11,304,651common units and a 2% interest in us through its ownership of our general partner.

On April 7, 2009, CMTC and CPP signed a Share Purchase Agreement under which CMTC sold to CPP the shares of the vessel-owning company of the M/T Agamemnon II, a 51,238 dwt chemical/product tanker built in 2008. The M/T Agamemnon II has been chartered to BP Shipping Limited under a time charter expiring in December 2011. All assets and liabilities of the vessel-owning company of the M/T Agamemnon II, except the vessel, necessary permits and time charter agreement, were retained by CMTC. In exchange, CMTC received all the shares of the vessel-owning company of M/T Assos, which was part of the Initial Vessels and an additional cash consideration of $4,000. All assets and liabilities of the vessel-owning company of M/T Assos, except the vessel and necessary permits were retained by CPP. M/T Agamemnon II was neither an Initial nor a Committed Vessel.

1. Basis of Presentation and General Information – Continued

On April 13, 2009, CMTC and CPP signed a Share Purchase Agreement under which CMTC sold to CPP all the shares of the vessel-owning company of M/T Ayrton II a 51,260 dwt chemical/product tanker, built in 2009. The M/T Ayrton II has been chartered to BP Shipping Limited under a time charter expiring in March 2011. All assets and liabilities of the vessel-owning company of M/T Ayrton II, except the vessel, necessary permits and time charter agreement, were retained by CMTC. In exchange, CMTC received all the shares of the vessel-owning company of M/T Atrotos, which was part of the Committed Vessels and an additional cash consideration of $4,000. All assets and liabilities of the vessel-owning company of M/T Atrotos, except the vessel and necessary permits were retained by CPP. M/T Ayrton II was neither an Initial nor a Committed Vessel.

Following the exchange of the vessel-owning companies of the M/T Assos and the M/T Atrotos by the vessel-owning companies of the M/T Agamemnon II and the M/T Ayrton II, the major terms of the Partnership's credit facilities and interest rate swap agreements, except for the substitutions of guarantors, remained unchanged.

The Initial Vessels were recorded by the Partnership at historical cost at the date of transfer and were accounted for as a combination of entities under common control. All assets, liabilities and equity other than the relevant vessel, related charter agreement and related permits of these vessels' ship-owning companies were retained by CMTC.

The Partnership accounted for the acquisition of the vessel-owning company of the M/T Attikos, the M/T Amore Mio II the M/T Aristofanis, the M/T Agamemnon II and the M/T Ayrton II (together, the "Non-Contracted Vessels") as a transfer of equity interest between entities under common control. For a combination between entities under common control, the purchase cost provisions (as they relate to purchase business combinations involving unrelated entities) explicitly do not apply; instead the method of accounting prescribed by accounting standards for such transfers is similar to pooling-of-interests method of accounting. Under this method, the carrying amount of assets and liabilities recognized in the balance sheets of each combining entity are carried forward to the balance sheet of the combined entity, and no other assets or liabilities are recognized as a result of the combination. No recognition is made for a purchase premium or discount representing any difference between the cash consideration paid and the book value of the net assets acquired.

Following the acquisition of the vessel-owning companies of the Non-Contracted Vessels from CMTC, the Partnership recognized the vessels acquired at their carrying amounts (historical cost) in the accounts of CMTC (the transferring entity) at the date of transfer. In addition, transfers of equity interest between entities under common control are accounted for as if the transfer occurred at the beginning of the period, and prior years are retroactively adjusted to furnish comparative information similar to the pooling method. The amount of the purchase price in excess of CMTC's basis in the net assets is recognized as a reduction to partners' capital. In the case of the acquisition of the shares of the vessel owning companies of the M/T Agamemnon II and the M/T Ayrton II the carrying amount of these two vessels in CMTC's financial statements was in excess of the net book value of the M/T Atrotos and the M/T Assos, net of cash consideration paid therefore. This difference was recognized as an increase to the partner's capital.

The Committed Vessels were delivered to CMTC from the shipyards (unrelated parties) and on the same date the Partnership acquired the shares of the vessel-owning companies. These vessel-owning companies did not have an operating history, as such, there is no information to retroactively restate that should be considered. Accordingly the Committed Vessels (M/T Atrotos, M/T Akeraios, M/T Apostolos, M/T Anemos I, M/T Alexandros II, M/T Aristotelis II, and M/T Aris II) were transferred to the Partnership at historical cost of CMTC at the date of transfer. All assets, other than the vessels, liabilities and equity that the vessel-owning companies of the Committed Vessels had at the time of the transfer were retained by CMTC.

The vessel-owning companies of the M/T Assos and the M/T Atrotos were deconsolidated from the Partnership accounts as of the date of the transfer to CMTC. Results of operations, cash flows, and balances of these vessels prior to their transfer to CMTC are included in the Partnership's consolidated and combined financial statements.

Combined information presented in these financial statements reflects the historical carrying costs, operations and cash flows of the contributed companies, as each vessel-owning company was under the common control of CMTC. These financial statements are collectively referred to as "combined" financial statements. Financial statements presented reflecting the Partnership's balance sheets, results of operations and cash flows are referred to as "consolidated" financial statements.

1. Basis of Presentation and General Information – Continued

The consolidated and combined financial statements include the following vessel-owning companies and management company which were all incorporated or formed under the laws of the Marshall Islands.

Subsidiary	Date of Incorporation	Name of Vessel Owned by Subsidiary	DWT	Date acquired by the Partnership	Date acquired by CMTC
Capital Product Operating GP LLC	01/16/2007				
Shipping Rider Co.	09/16/2003	M/T Atlantas (1)	36,760	04/04/2007	04/26/2006
Canvey Shipmanagement Co.	03/18/2004	M/T Assos (1), (4)	47,872	04/04/2007	05/17/2006
Centurion Navigation Limited	08/27/2003	M/T Aktoras (1)	36,759	04/04/2007	07/12/2006
Polarwind Maritime S.A.	10/10/2003	M/T Agisilaos (1)	36,760	04/04/2007	08/16/2006
Carnation Shipping Company	11/10/2003	M/T Arionas (1)	36,725	04/04/2007	11/02/2006
Apollonas Shipping Company	02/10/2004	M/T Avax (1)	47,834	04/04/2007	01/12/2007
Tempest Maritime Inc.	09/12/2003	M/T Aiolos (1)	36,725	04/04/2007	03/02/2007
Iraklitos Shipping Company	02/10/2004	M/T Axios (1)	47,872	04/04/2007	02/28/2007
Epicurus Shipping Company	02/11/2004	M/T Atrotos (2), (5)	47,786	05/08/2007	05/08/2007
Laredo Maritime Inc.	02/03/2004	M/T Akeraios (2)	47,781	07/13/2007	07/13/2007
Lorenzo Shipmanagement Inc.	05/26/2004	M/T Apostolos (2)	47,782	09/20/2007	09/20/2007
Splendor Shipholding S.A.	07/08/2004	M/T Anemos I (2)	47,782	09/28/2007	09/28/2007
Ross Shipmanagement Co.	12/29/2003	M/T Attikos (3)	12,000	09/24/2007	01/20/2005
Sorrel Shipmanagement Inc.	02/07/2006	M/T Alexandros II (M/T Overseas Serifos) (2)	51,258	01/29/2008	01/29/2008
Baymont Enterprises Incorporated	05/29/2007	M/T Amore Mio II (3)	159,982	03/27/2008	07/31/2007
Forbes Maritime Co.	02/03/2004	M/T Aristofanis (3)	12,000	04/30/2008	06/02/2005
Wind Dancer Shipping Inc.	02/07/2006	M/T Aristotelis II (M/T Overseas Sifnos) (2)	51,226	06/17/2008	06/17/2008
Belerion Maritime Co.	01/24/2006	M/T Aris II (M/T Overseas Kimolos) (2)	51,218	08/20/2008	08/20/2008
Mango Finance Corp.	07/14/2006	M/T Agamemnon II (3), (4)	51,238	04/07/2009	11/24/2008
Navarro International S.A.	07/14/2006	M/T Ayrton II (3), (5)	51,238	04/13/2009	04/10/2009

(1) Initial Vessels
(2) Committed Vessels
(3) Non-Contracted Vessels
(4) On April 7, 2009 the M/T Assos was exchanged with the M/T Agamemnon II
(5) On April 13, 2009 the M/T Atrotos was exchanged with the M/T Ayrton II

2. Significant Accounting Policies

(a) ***Principles of Consolidation and Combination:*** The accompanying consolidated and combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), after giving retroactive effect to the combination of entities under common control in 2007, 2008 and 2009, as described in Note 1 to the consolidated and combined financial statements, and include the accounts of the legal entities comprising the Partnership as discussed in Note 1. Intra-group balances and transactions have been eliminated upon consolidation. Balances and transactions with CMTC and its affiliates have not been eliminated, but are presented as balances and transactions with related parties.

(b) ***Use of Estimates:*** The preparation of consolidated and combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognized during the reporting period. Actual results could differ from those estimates. Additionally, these consolidated financial statements include allocations for certain expenses, including corporate overhead expenses that are normally incurred by a listed company.

(c) ***Other Comprehensive Income (Loss):*** The Partnership separately records certain transactions directly as components of partners' capital / stockholders' equity. For the years ended December 31, 2009, 2008 and 2007 other comprehensive income/(loss) amounted to $10,483, ($33,363) and ($10,288), respectively., and is solely comprised of changes is interest rate swaps that qualify as cash flow hedges (Note 6). As of December 31, 2009, 2008 and 2007 the Partnership had Accumulated Other Comprehensive Loss of $33,168, $43,651 and $10,288, respectively.

(d) ***Accounting for Revenue, Voyage and Operating Expenses***: The Partnership generates its revenues from charterers for the charter hire of its vessels. Vessels are chartered using either time charters or bareboat charters. A time charter is a contract for the use of a vessel for a specific period of time and a specified daily charter hire rate, which is generally payable monthly in advance. Some of the Partnership's time charters also include profit sharing provisions, under which the Partnership can realize additional revenues in the event that spot rates are higher than the base rates in these time charters. A bareboat charter is a contract in which the vessel owner provides the vessel to the charterer for a fixed period of time at a specified daily rate, which is generally payable monthly in advance, and the customer generally assumes all risk and costs of operation during the lease term. We may in the future employ some of our vessels on voyage charters. Revenues under voyage charter agreements are recognized when a voyage agreement exists, the price is fixed, service is provided and the collection of the related revenue is reasonably assured, revenues are recorded over the term of the charter as service is provided and recognized on a pro-rata basis over the duration of the voyage. A voyage is deemed to commence upon the later of the completion of discharge of the vessel's previous cargo or upon vessel arrival to the agreed upon port based on the terms of a voyage contract that is not cancelable and voyage is deemed to end upon the completion of discharge of the delivered cargo.

All of the Partnership's time charters and bareboat charters are classified as operating leases. Revenues under operating lease arrangements are recognized when a charter agreement exists, charter rate is fixed and determinable, the vessel is made available to the lessee, and collection of the related revenue is reasonably assured. Revenues are recognized ratably on a straight line basis over the period of the respective time or bareboat charter. Revenues from profit sharing arrangements in time charters represent 50% portion of time charter equivalent (voyage income less direct expenses, divided by operating days), that exceeds the agreed base rate and are recognized in the period earned. Deferred revenue represents cash received in advance of being earned. The portion of the deferred revenue that will be earned within the next twelve months is classified as current liability and the rest as long term liability.

Vessel voyage expenses are direct expenses to voyage revenues and primarily consist of commissions, port expenses, canal dues and bunkers. Commissions are expensed over the related charter period and all the other voyage expenses are expensed as incurred. Under the Partnership's time and bareboat charter agreements, all voyages expenses, except commissions for which we are liable, are assumed by the charterer. With the exception of our Morgan Stanley Capital Group Inc. time charter agreements and Overseas Shipholding Group Inc. bareboat charter agreements where the charterer is responsible for the commissions.

Vessel operating expenses presented in the consolidated financial statements consist of management fees payable to the Manager. The Manager provides commercial and technical services such as crewing, repairs and maintenance, insurance, stores, spares, and lubricants through a management agreement for a fixed daily fee of $5.5 per vessel for the time chartered vessels, except for the M/T Amore Mio II, M/T Agamemnon II and M/T Ayrton II for which the daily fixed fee is $8.5, $6.5 and $6.5, respectively. The fee also includes expenses related to the next scheduled special or intermediate survey as applicable and related dry-docking for each vessel.

2. **Significant Accounting Policies – Continued**

(d) ***Accounting for Revenue, Voyage and Operating Expenses – Continued:***

Furthermore, pursuant to the management agreement, the Manager may charge the Partnership for additional costs such as insurance deductibles, vetting, and repairs and spares that relate to unforeseen events. For bareboat chartered vessels, the bareboat charterer is responsible for vessel operating expenses such as crewing, repairs and maintenance, insurance, stores, spares, and lubricants, and the Partnership pays a fixed daily fee of $0.3 to the Manager for expenses mainly to cover compliance costs.

Vessel operating expenses presented in the combined financial statements consist of all expenses relating to the operation of the vessels including crewing, repairs and maintenance, insurances, stores and lubricants, management fees and miscellaneous expenses. Vessel operating expenses are expensed as incurred.

(e) ***Foreign Currency Transactions:*** The functional currency of the Partnership is the U.S. Dollar because the Partnership's vessels operate in international shipping markets that utilize the U.S. Dollar as the functional currency. The accounting records of the Partnership are maintained in U.S. Dollars. Transactions involving other currencies during the year are converted into U.S. Dollars using the exchange rates in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities, which are denominated in currencies other than the U.S. Dollar, are translated into the functional currency using the exchange rate at that date. Gains or losses resulting from foreign currency transactions and translations are included in Foreign currency loss, net in the accompanying consolidated and combined statements of income.

(f) ***Cash and Cash Equivalents:*** The Partnership considers highly-liquid investments such as time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents.

(g) ***Short-term investments:*** Short-term investments consist of cash time deposits with original maturity of three to twelve months and amounted to $30,390 and $1,080 as of December 31, 2009 and 2008, respectively.

(h) ***Restricted cash:*** For the Partnership to comply with debt covenants under its credit facility, it must maintain minimum cash deposits. Such deposits are considered by the Partnership to be restricted cash. As of December 31, 2009 and 2008, restricted cash amounted to $4,500 and is presented under other non-current assets.

(i) ***Trade Accounts Receivable:*** The amount shown as trade accounts receivable primarily consists of profit share earned but not yet collected. At each balance sheet date all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. No allowance for doubtful accounts was established as of December 31, 2009 and 2008.

(j) ***Inventories:*** Inventories consist of consumable bunkers, lubricants, spares and stores and are stated at the lower of cost or market value. The cost is determined by the first-in, first-out method.

(k) ***Fixed Assets:*** Fixed assets consist of vessels which are stated at cost, less accumulated depreciation. Vessel cost consists of the contract price for the vessel and any material expenses incurred upon their construction (improvements and delivery expenses, on-site supervision costs incurred during the construction periods, as well as capitalized interest expense during the construction period). The cost of each of the Partnership's vessels is depreciated beginning when the vessel is ready for its intended use, on a straight-line basis over the vessels' remaining economic useful life, after considering the estimated residual value. Management estimates the useful life to be 25 years.

2. **Significant Accounting Policies – Continued**

(l) ***Impairment of Long-lived Assets:*** An impairment loss on long-lived assets is recognized when indicators of impairment are present and the carrying amount of the long-lived asset is less than its fair value and not believed to be recoverable. In determining future benefits derived from use of long-lived assets, the Partnership performs an analysis of the anticipated undiscounted future net cash flows of the related long-lived assets. If the carrying value of the related asset exceeds its undiscounted future net cash flows, the carrying value is reduced to its fair value, less costs to sell. Various factors including future charter rates and vessel operating costs are included in this analysis.

The Partnership did not note for the year ended December 31, 2008 and for the period from April 4, 2007 to December 31, 2007, any events or changes in circumstances indicating that the carrying amount of its vessels may not be recoverable. However, in the year ended December 31, 2009, market conditions changed significantly as a result of the credit crisis and resulting slowdown in world trade. Charter rates for tanker vessels decreased and values of assets were affected although there were limited transactions to confirm the decrease in vessel values. The Partnership considered these market developments as indicators of potential impairment of the carrying amount of its assets. The Partnership performed an undiscounted cash flow test as of December 31, 2009, determining undiscounted projected net operating cash flows for the vessels and comparing them to the vessels' carrying values. In developing estimates of future cash flows, the Partnership made assumptions about future charter rates, utilization rates, vessel operating expenses, future dry docking costs and the estimated remaining useful life of the vessels. These assumptions are based on historical trends as well as future expectations that are in line with the Partnership's historical performance and expectations for the vessels' utilization under the deployment strategy. Based on these assumptions, the Partnership determined that the undiscounted cash flows supported the vessels' carrying amounts as of December 31, 2009.

(m) ***Deferred Charges:*** Deferred charges are comprised mainly of fees paid to lenders for obtaining new loans or refinancing existing loans and are capitalized as deferred finance charges and amortized to interest expense over the term of the respective loan using the effective interest rate method.

(n) ***Pension and Retirement Benefit Obligations***: The vessel-owning companies included in the consolidated and combined financial statements employ the crew on board under short-term contracts (usually up to seven months) and accordingly, they are not liable for any pension or post retirement benefits.

(o) ***Concentration of Credit Risk:*** Financial instruments which potentially subject the Partnership to significant concentrations of credit risk consist principally of cash and cash equivalents, interest rate swaps, and trade accounts receivable. The Partnership places its cash and cash equivalents, consisting mostly of deposits, and enters into interest rate swap agreements with creditworthy financial institutions as rated by qualified rating agencies. Most of the Partnership's revenues were derived from a few charterers. For the year ended December 31, 2009, British Petroleum Shipping Limited, Morgan Stanley Capital Group Inc., and OSG accounted for 59%, 22% and 12% of the Partnership's total revenue, respectively. For the year ended December 31, 2008 British Petroleum Shipping Limited and Morgan Stanley Capital Group Inc., accounted for 54% and 33% of total revenue, respectively. For the year ended December 31, 2007, British Petroleum Shipping Limited and Morgan Stanley Capital Group Inc. accounted for 58% and 24% of total revenue, respectively. The Partnership does not obtain rights of collateral from its charterers to reduce its credit risk.

(p) ***Fair Value of Financial Instruments:*** On January 1, 2008, the Partnership adopted the accounting guidance for Fair Value Measurements for financial assets and liabilities and any other assets and liabilities carried at fair value. This guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The Partnership's adoption of this accounting guidance did not have a material effect on the Partnership's Consolidated and Combined Financial Statements for financial assets and liabilities and any other assets and liabilities carried at fair value. The carrying value of trade receivables, accounts payable and current accrued liabilities approximates their fair value. The fair values of long-term variable rate bank loans approximate the recorded values, due to their variable interest and due to the fact that we have recently amended a financial covenant for our loans and the lenders have increased the margin over LIBOR that we pay to reflect their current risk. We believe the terms of our loans are similar to those that could be procured as of December 31, 2009. Interest rate swaps are recorded at fair value on the consolidated and combined balance sheet.

(q) ***Interest Rate Swap Agreements:*** The Partnership designates its derivatives based upon the intended use, and recognizes all derivatives as either assets or liabilities in the statement of financial position and measures those instruments at fair value. Changes in the fair value of each derivative instrument are recorded depending on the intended use of the derivative and the resulting designation. For a derivative that does not qualify as a hedge, changes in fair value are recognized within the income statement. For derivatives that qualify as cash flow hedges, the changes in fair value of the effective portion are recognized at the end of each reporting period in Other comprehensive income / (loss), until the hedged item is recognized in income. The ineffective portion of a derivative's change in fair value is immediately recognized in the income statement.

2. Significant Accounting Policies – Continued

(r) ***Net Income (Loss) Per Limited Partner Unit:*** Basic and diluted net income per limited partner unit is calculated by dividing Partnership's net income less general partner interest in net income (including incentive distribution rights) by the weighted-average number of outstanding limited partner units during the period (Note 12). Diluted net income per limited partner unit reflects the potential dilution that could occur if securities or other contracts to issue limited partner units were exercised. The Partnership had no dilutive securities outstanding during the years ended December 31, 2009, 2008 and 2007.

(s) ***Income Taxes:*** The Partnership is not subject to the payment of any income tax on its income. Instead, a tax is levied based on the tonnage of the vessels, which is included in operating expenses (Note 9).

(t) ***Segment Reporting:*** The Partnership reports financial information and evaluates its operations by charter revenues and not by the length or type of ship employment for its customers, i.e. time or bareboat charters. The Partnership does not use discrete financial information to evaluate the operating results for each such type of charter. Although revenue can be identified for these types of charters, management cannot and does not identify expenses, profitability or other financial information for these charters. As a result, management, including the chief operating decision maker, reviews operating results solely by revenue per day and operating results of the fleet, and thus the Partnership has determined that it operates under one reportable segment. Furthermore, when the Partnership charters a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable.

(u) ***Recent Accounting Pronouncements***:

In December 2007, the Financial Accounting Standards Board ("FASB") issued new guidance on Business Combinations. This new accounting guidance establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquired. The Statement also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. The Partnership adopted this guidance as of January 1, 2009. Adoption of this guidance did not have any effect on the Partnerships financial statements.

In December 2007, the FASB issued new guidance that establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. The guidance is effective for periods beginning after December 15, 2008. The Partnership adopted this guidance as of January 1, 2009. Adoption of this guidance did not have any effect on the Partnerships financial statements.

In February 2008, the FASB issued the FASB new guidance which delays the effective date of fair value measurement guidance, for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). For purposes of applying this guidance, nonfinancial assets and nonfinancial liabilities would include all assets and liabilities other than those meeting the definition of a financial asset or financial liability as defined in guidance, "The Fair Value Option for Financial Assets and Financial Liabilities." This guidance defers the effective date of fair value measurement guidance to fiscal years beginning after November 15, 2008, and the interim periods within those fiscal years for items within the scope of this guidance. The Partnership didn't make any fair value options under this guidance.

(u) Recent Accounting Pronouncements – Continued:

In October 2008, the FASB issued new guidance which clarifies the application of, Fair Value Measurements in a market that is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that asset is not active. This guidance applies to financial assets within the scope of accounting pronouncements that require or permit fair value measurements in accordance with fair value measurements. This guidance shall be effective upon issuance, including prior periods for which financial statements have not been issued. Revisions resulting from a change in the valuation technique or its application shall be accounted for as a change in accounting estimate. The disclosure provisions of a change in accounting estimate are not required for revisions resulting from a change in valuation technique or its application. Partnership didn't make any fair value options under this guidance.

In March 2008, the FASB issued new guidance for disclosures about derivative instruments and hedging activities.This new standard is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. It is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Partnership adopted this standard as of January 1, 2009. All disclosures required by this guidance have been made in Note 6 of these financial statements.

In March 2008, the FASB issued new guidance for the application of the two-class method under, Earnings per Share, to Master Limited Partnerships. This accounting guidance considers whether the incentive distributions of a master limited partnership represent a participating security when considered in the calculation of earnings per unit under the two-class method. This guidance also considers whether the partnership agreement contains any contractual limitations concerning distributions to the incentive distribution rights that would impact the amount of earnings to allocate to the incentive distribution rights for each reporting period. If distributions are contractually limited to the incentive distribution rights' share of currently designated available cash for distributions as defined under the partnership agreement, undistributed earnings in excess of available cash should not be allocated to the incentive distribution rights. Any excess distributions over earnings shall be allocated to the GP and LPs based on their respective sharing of losses specified in the Partnership agreement for the period presented. This guidance is effective for fiscal years beginning after December 15, 2008, including interim periods within those fiscal years, and requires retrospective application of the guidance to all periods presented. Early adoption is prohibited. The Partnership is adopted the provisions of this guidance on January 1, 2009 and retrospectively applied the provisions to all periods presented. Due to the retrospective application of this guidance Earning per Unit for the year ended December 31, 2008 decreased from $2.00 (as previously reported) to $1.54. For the period from April 4, 2007 (inception) to December 31, 2007 the application of this guidance did not affect previously reported Earnings per Unit.

In October 2008, the FASB issued guidance regarding subsequent events. This guidance establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this guidance sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. This guidance is effective for financial statements issued for fiscal years and interim periods ending after June 15, 2009, and the adoption did not have a material impact on the Partnership's financial statements.

On June 29, 2009, the FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles and became the single source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. The Codification's content will carry the same level of authority, effectively superseding previous guidance. In other words, the GAAP hierarchy will be modified to include only two levels of GAAP: authoritative and non-authoritative. This new guidance is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Partnership adopted the new guidance in the fourth quarter of 2009 and updated references to US GAAP in these consolidated financial statements to reflect the guidance in the Codification.

In December 2009, the FASB issued Accounting Standards Update on consolidations to improve financial reporting by enterprises involved with variable interest entities. This new guidance revises previously issued guidance on consolidation of variable interest entities, and changes how a reporting entity determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. The determination of whether a reporting entity is required to consolidate another entity is based on, among other things, the other entity's purpose and design and the reporting entity's ability to direct the activities of the other entity that most significantly impact the other entity's economic performance. This guidance also requires a reporting entity to provide additional disclosures about its involvement with variable interest entities and any significant changes in risk exposure due to that involvement. A reporting entity will be required to disclose how its involvement with a variable interest entity affects the reporting entity's financial statements. This guidance is effective at the start of a reporting entity's first fiscal year beginning after November 15, 2009, or the Company's fiscal year beginning October 1, 2010. Early application is not permitted. We do not expect that the adoption of this guidance will have a material impact, if any, on the Partnership's financial statements.

3. Transactions with Related Parties

Since April 4, 2007, the Partnership and its subsidiaries, have had related-party transactions with the Manager, a wholly-owned subsidiary of CMTC, which provides management services to the Partnership for a total daily fixed fee of $5.5, except for the M/T Amore Mio II, MT Agamemnon II and M/T Ayrton II for which the daily fixed fee is $8.5, $6.5, and $6.5, respectively, and $0.3 for each time and bare boat chartered vessel. The daily fixed fee for the time chartered vessels also includes expenses related to the next scheduled special or intermediate survey as applicable and related dry docking for each vessel. Total management fees charged by the Manager in relation to the above management agreement for the years ended December 31, 2009, 2008, and for the period from April 4, 2007 to December 31, 2007, were $26,265, $24,305 and $11,573, respectively, and are included in "Vessel operating expenses – related party" in the consolidated income statements.

According to the terms of the management agreement, the Manager charged the Partnership for additional fees and costs, as defined in the management agreement, relating to insurances deductibles, vetting, and repairs and spares that related to unforeseen events, totaling $2,963, $1,002, and $0 for the years ended December 31, 2009, 2008, and for the period from April 4, 2007 to December 31, 2007, respectively.

On April 4, 2007, the Partnership entered into an administrative services agreement with the Manager, pursuant to which the Manager will provide certain administrative management services to the Partnership such as accounting, auditing, legal, insurance, IT, clerical, investor relations and other administrative services. Also the Partnership reimburses CGP for all expenses which are necessary or appropriate for the conduct of the Partnership's business. The Partnership reimburses the Manager and CGP for reasonable costs and expenses incurred in connection with the provision of these services after the Manager submits to the Partnership an invoice for such costs and expenses, together with any supporting detail that may be reasonably required. For the years ended December 31, 2009, 2008, and for the period from April 4, 2007 to December 31, 2007, the Manager and CGP invoiced the Partnership for such services the amount of $1,088, $1,133, and $559, respectively which are included in general and administrative expenses.

The vessel-owning companies of the Initial Vessels and the vessel-owning companies of the M/T Attikos, M/T Amore Mio II, M/T Aristofanis, M/T Agamemnon II and the M/T Ayrton II (the "Non-Contracted Vessels") had related-party transactions with CMTC and its subsidiaries before their acquisition by CPP mainly for the following reasons:

- Equity investment,
- Loan agreements that CMTC entered into, acting as the borrower, for the financing of the construction of five of the Initial Vessels,
- Manager payments on behalf of the vessel-owning companies and hire receipts from charterers,
- Manager fixed monthly fees, (which were based on agreements with different terms and conditions than those in the Partnership's administrative and management agreements) for providing services such as chartering, technical support and maintenance, insurance, consulting, financial and accounting services, (Note 8),
- Funds advanced/received to/from entities with common ownership, and
- Loan draw downs in excess of the advances made to the shipyard by the Manager for the funding of vessels' extra costs.

3. Transactions with Related Parties – Continued

Balances with related parties consisted of the following:

	As of December 31, 2009	As of December 31, 2008
Due To Related Parties:		
CMTC – loans current portion (a)	$	$ 24,538
CMTC – loans long–term portion (a)		27,762
Manager – payments on behalf of the Partnership (b)	2,691	584
Management fee payable to CSM (c)	2,248	
Manager – payments on behalf of vessel-owning companies (d)		1,672
Total due to related parties	**$ 4,939**	**$ 54,556**

(a) ***CMTC Loans:*** For the financing of the of the M/T Atlantas, M/T Aktoras, M/T Aiolos, M/T Avax, M/T Assos, M/T Agamemnon II, M/T Ayrton II, and the acquisition of the M/T Amore Mio II, CMTC was the borrower under separate loan agreements and the respective vessel-owning companies acted as guarantors.

As of December 31, 2008 the balance of these loans was $52,300. A summary of the CMTC loans is shown below:

	Bank Loans	Entity	Vessel	As of December 31, 2009	As of December 31, 2008
(i)	Issued in November, 2008 maturing in November, 2020 (Post Delivery loan agreement)	Capital Maritime & Trading Corp.	M/T Agamemnon II	$	$ 29,400
(ii)	Issued in June, 2008 maturing upon vessel's delivery from shipyard (Pre-Delivery loan agreement).	Capital Maritime & Trading Corp.	M/T Ayrton II		$ 22,900
	Total			**$**	**$ 52,300**
	Less: Current portion				24,538
	Long-term portion			**$**	**$ 27,762**

As a result of the exchange of the vessel-owning company of M/T Assos with the vessel-owning company of M/T Agamemnon II, CMTC substituted the collateral and the guarantor company under this loan. M/T Assos is now the collateral and its vessel owning company is the guarantor under this loan. The related-party loan relating to M/T Ayrton II was repaid by CMTC upon delivery of the vessel from the shipyard in April, 2009.

On March 20, 2008 the balance of the related party loan for M/T Amore Mio II amounting to $52,463 was fully repaid by CMTC. On April 4, 2007, the M/T Atlantas', M/T Aktoras', M/T Aiolos', M/T Avax' and M/T Assos' outstanding loan balances, which amounted to $133,958, were settled in full by CMTC by the offering proceeds (Note 1).

The bank loans were secured by a first preferred mortgage on the respective vessels and a general assignment of the earnings, insurances, mortgage interest insurance, and requisition compensation of the respective vessels. Interest expense for the related-party loans for the year ended December 31, 2009, 2008 and 2007 amounted to $281, $839 and $3,594 respectively.

3. **Transactions with Related Parties – Continued**

(a) ***CMTC Loans - Continued:***

The loan agreements contained other customary ship finance covenants, including restrictions as to: changes in management and ownership of the mortgaged vessels, the incurrence of additional indebtedness, the mortgaging of vessels, the minimum cash requirement, as well as minimum requirements as to the applicable vessels' market value and insured value in relation to the outstanding balance of the applicable loan. Also the borrower may pay dividends or make distributions when no event of default has occurred and the payment of such dividend or distribution has not resulted in a breach of any of the financial covenants.

(b) ***Manager - Payments on Behalf of Capital Product Partners L.P.***: Following the IPO, the Manager invoices the Partnership for payments it makes on behalf of the Partnership and its subsidiaries.

(c) ***Management fee payable to CSM***: The amount outstanding as of December 31, 2009, represents the management fee payable to CSM as a result of the management agreement the Partnership entered into with CSM (Note 1).

(d) ***Manager - payments and receipts on behalf of vessel-owning companies***: This payable includes:

- the settlement of vessels' obligations related to pre-delivery expenses,
- the settlement of vessels' obligations during its operation as part of the CMTC fleet,
- reduced by the amounts received by the Manager from the vessel-owning subsidiaries during its operations as part of the CMTC fleet.

4. Vessels

An analysis of vessels is as follows:

	As of December 31, 2009	As of December 31, 2008
Cost:		
New buildings advances	$	$ 28,667
Vessels	704,639	734,308
Total cost	**704,639**	**762,975**
Less: accumulated depreciation	(65,916)	(44,822)
Vessels, net	**$ 638,723**	**$ 718,153**

All of the Partnership's vessels as of December 31, 2009 have been provided as collateral to secure the Partnership's two credit facilities.

On April 7 and April 13, 2009 the Partnership acquired from CMTC the shares of the vessel-owning companies of the M/T Agamemnon II and the M/T Ayrton II, respectively. In exchange, CMTC received all the shares of the vessel-owning company of the M/T Atrotos, which was part of the Committed Vessels, the shares of the vessel-owning company of the M/T Assos, which was part of the Initial Vessels, and an additional cash consideration of $8,000 (Note 1). The amount of $15,708 which represents the difference of the historic cost between the exchanged vessels net of cash consideration of $8,000 is recorded as an increase in the partners' capital for the year ended December 31, 2009. In addition, the amount of $8,000 is included in vessels acquisitions under investing activities in the statements of cash flows for the year ended December 31, 2009.

In December 2009, the M/T Attikos underwent improvements which amounted to $1,179, which are included in the vessel's historic cost.

On January 29, March 27, April 30, June 17, and August 20, 2008 the Partnership acquired from CMTC the shares of the vessel-owning companies of M/T Alexandros II, M/T Amore Mio II, M/T Aristofanis, M/T Aristotelis II and M/T Aris II respectively, for a total purchase price of $251,305, including cash and share consideration of $203,500 and $47,805, respectively (Note 1). In 2008, the M/T Aristofanis underwent improvements which amounted to $1,194 and which were capitalized as part of vessel's historic cost. These improvements took place before the acquisition of the vessel by the Partnership. The vessels have been recorded in the Partnership's financial statements at the amount of $236,222 which represents net book value of the vessels reflected in CMTC consolidated financial statements at the time of transfer to the Partnership. The amount of the purchase price in excess of CMTC's basis of the assets of $15,083 was recognized as a reduction of partners' capital. Of the total excess, the amount of $3,755 represents the cash purchase price in excess of CMTC's basis of the M/T Alexandros II, M/T Aristotelis II and Aris II and is presented as a financing activity in the statements of cash flows for the year ended December 31, 2008.

On May 8, July 13, September 20, September 24, and September 28, 2007, the Partnership acquired from CMTC the shares of vessel-owning companies of M/T Atrotos, M/T Akeraios, M/T Apostolos, M/T Attikos, and M/T Anemos I, respectively, for a total purchase price of $247,000. The vessels have been recorded in the Partnership's financial statements at the amount of $166,134 which represents net book value of vessels reflected in CMTC consolidated financial statements at the time of transfer to the Partnership. The amount of the purchase price in excess of CMTC's basis of the assets of $80,866 was recognized as a reduction of partners' capital and is presented also as a financing activity in the statements of cash flows.

The net book value of the Initial Vessels upon their acquisition by the Partnership amounted to $273,548.

5. Long-Term Debt

Long-term debt consists of the following:

	Bank Loans	Entity	As of December 31, 2009	As of December 31, 2008
(i)	Issued in April, 2007 maturing in June, 2017	Capital Product Partners L.P.	$ 366,500	$ 366,500
(ii)	Issued in March, 2008 maturing in March 2018	Capital Product Partners L.P.	107,500	107,500
	Total		**$ 474,000**	**$ 474,000**
	Less: Current portion			
	Long-term portion		**$ 474,000**	**$ 474,000**

On March 19, 2008 the Partnership entered into a new loan agreement with a syndicate of financial institutions including HSH Nordbank AG (the "Agent"), for a non amortizing credit facility, of up to $350,000 for the financing of:

- Partial acquisition cost of up to $57,500 for Amore Mio II and Aristofanis
- 50% of the acquisition cost of up to $52,500 for M/T Alkiviadis and M/T Aristidis
- 50% of the acquisition cost of up to $240,000 for any further modern tanker

In addition the Partnership drew from this credit facility the amount of $28,000 and $22,000 in order to partially finance the acquisition of the shares of the vessel-owning companies of the M/T Aristotelis II and M/T Aris II respectively.
Borrowings under this credit facility are jointly and severally secured by the vessel-owning companies of the collateral vessels.

The credit facility of up to $350,000 is non-amortizing up to March 2013 and will be repaid by twenty equal consecutive three-month installments commencing in June 2013 plus a balloon payment due in March 2018. Loan commitment fees are calculated at 0.325% p.a. on any amount not drawn-down and are paid quarterly.

On March 22, 2007, the Partnership entered into a loan agreement with a syndicate of financial institutions including HSH Nordbank AG, Hamburg for a revolving credit facility, of up to $370,000 for the financing of the acquisition cost, or part thereof, up to fifteen medium range product tankers. Borrowings under this credit facility are jointly and severally secured by the vessel-owning companies of the fifteen vessels (Initial and Committed Vessels). This credit facility is non amortizing up to June 2012 and will be repaid in twenty equal consecutive quarterly installments commencing in September, 2012 plus a balloon payment due in June, 2017. Loan commitment fees are calculated at 0.20% p.a. on any undrawn amount and are paid quarterly. This credit facility was amended on September 19, 2007 to include the financing of the acquisition cost of the M/T Attikos and was further supplemented on June 11, 2008 to, amongst others, amend the provisions relating to security offered under the facility.

5. **Long-Term Debt – Continued**

The Partnership's drawn downs under its credit facilities are as follows:

Vessel / Entity	Date	$370,000 Credit Facility	$350,000 Credit Facility
Capital Product Partners L.P. (1)	04/04/2007	$ 30,000	
M/T Atrotos (1)	05/08/2007	56,000	
M/T Akeraios	07/13/2007	56,000	
M/T Apostolos	09/20/2007	56,000	
M/T Attikos	09/24/2007	20,500	
M/T Anemos I	09/28/2007	56,000	
M/T Alexandros II	01/29/2008	48,000	
M/T Amore Mio II	03/27/2008		$ 46,000
M/T Aristofanis	04/30/2008		11,500
M/T Aristotelis II	06/17/2008	20,000	28,000
M/T Aris II	08/20/2008	24,000	22,000
Total		**$ 366,500**	**$ 107,500**

(1) Following the exchange of the vessel-owning companies of the M/T Assos and the M/T Atrotos by the vessel-owning companies of the M/T Agamemnon II and the M/T Ayrton II, the major terms of the Partnership's credit facilities except of the substitutions of guarantors, remained unchanged.

As of December 31, 2009, the amount of $3,500 and $242,500 of the Partnership's revolving credit facilities of up to $370,000 and $350,000 respectively had not been drawn down.

For the years ended December 31, 2009, 2008 and for the period from April 4, 2007 to December 31, 2007 the Partnership recorded interest expense of $30,508, $23,459 and $10,935, respectively. As of December 31, 2009 the weighted average interest rate of the Partnership's loan facilities was 6.57%.

On April 29, 2008 and September 6, 2007, the outstanding loan balances of the M/T Aristofanis and the M/T Attikos which amounted to $8,080 and $7,000 respectively, were fully paid by CMTC. Furthermore, on April 4, 2007, the M/T Arionas', the M/T Agisilaos' and the M/T Axios' outstanding loan balances, which amounted to $79,885, were settled in full by CMTC by the offering proceeds (Note 1).Interest expense for the combined loans for the years ended December 31, 2008 and 2007 amounted to $124 and $1,856 respectively.

The Partnership's credit facilities contain a "Market Disruption Clause" where the lenders, at their discretion, may impose additional interest margin if their borrowing rate exceeds effective interest rate stated in the loan agreement with the Partnership. For the years ended December 31, 2009 the Partnership incurred an additional interest expense in the amount of $1,799 due to the "Market Disruption Clause". For the years ended December 31, 2008 and 2007, the Partnership did not incur any additional interest expense relating to "Market Disruption Clause."

The credit facilities have a general assignment of the earnings, insurances and requisition compensation of the respective vessel or vessels. Each also requires additional security, including: pledge and charge on current account; corporate guaranteed from each of the eighteen vessel-owning companies, and mortgage interest insurance. Following the swap agreements that the Partnership has entered into, the interest rate under the two revolving credit facilities is fixed (Note 6).

The loan agreements also contain other customary ship finance covenants, including restrictions as to: changes in management and ownership of the mortgaged vessels, the incurrence of additional indebtedness, the mortgaging of vessels, the ratio of EBITDA to Net Interest Expenses shall be no less than 2:1, minimum cash requirement of $500 per vessel of which 50% may be constituted by undrawn commitments under the revolving facility, as well as the ratio of net Total Indebtedness to the aggregate Market Value of the total fleet shall not exceed 0.80:1. The credit facilities also contain the collateral maintenance requirement in which the aggregate average fair market value, as defined in the amendment dated June 30, 2009, of the collateral vessels shall be no less than 125% of the aggregate outstanding amount under these facilities. Also the vessel-owning companies may pay dividends or make distributions when no event of default has occurred and the payment of such dividend or distribution has not resulted in a breach of any of the financial covenants. As of December 31, 2009, the Partnership was in compliance with all financial debt covenants.

On June 30, 2009, the Partnership reached an agreement with its lenders to amend certain covenants in the credit facilities. It was agreed to increase the fleet loan-to-value covenant to 80% from 72.5% in both of its credit facilities. It was also agreed that a number of CPP vessels currently on long term period charter with certain of our top rated charterers will be valued on the basis of their current estimated fair value plus the value of their remaining charter instead of charter free. In exchange, the interest margin for both of the CPP credit facilities was increased to 1.35% - 1.45% over LIBOR subject to the level of the asset covenants. These amendments were effective immediately and are valid until June 2012. All other terms in both of the Partnership's facilities remain unchanged. The margins prior to the amendment of the terms were 0.75% over LIBOR for the $370,000 credit facility and 1.10% over LIBOR for the $350,000 credit facility.

The required annual loan payments to be made subsequent to December 31, 2009 are as follows:

Bank loans repayment schedule

Year ended December 31,	(i)	(ii)	Total
2010			
2011			
2012	18,325		18,325
2013	36,650	8,063	44,713
2014	36,650	10,750	47,400
Thereafter	274,875	88,687	363,562

Total	**366,500**	**107,500**	**474,000**

6. Financial Instruments

Derivative Instruments

All derivatives are carried at fair value on the consolidated balance sheet at each period end. Balances as of December 31, 2009 and 2008 are as follows:

	December 31, 2009		December 31, 2008	
	Interest Rate Swaps	Total	Interest Rate Swaps	Total
Long-term liabilities	$ (36,931)	$ (36,931)	$ (47,414)	$ (47,414)
	$ (36,931)	**$ (36,931)**	**$ (47,414)**	**$ (47,414)**

Tabular disclosure of financial instruments is as follows:

	Asset Derivatives			Liability Derivatives		
		December 31, 2009	December 31, 2008		December 31, 2009	December 31, 2008
Derivatives designated as hedging instruments	**Balance Sheet Location**	**Fair value**	**Fair value**	**Balance Sheet Location**	**Fair value**	**Fair value**
Interest rate swaps				Financial instruments Long-term liabilities	$ 36,931	$ 47,414
Total derivatives designated as hedging instruments				**Total derivatives designated as hedging instruments**	**$ 36,931**	**$ 47,414**

The Effect of Derivative Instruments on the Statement of Changes in Partners' Capital is as follows:

Derivatives for cash flow hedging relationships	**Amount of Gain/(Loss) Recognized in OCI on Derivative (Effective Portion) For the year ended December 31,**		
	2009	**2008**	**2007**
Interest rate swaps	$ 10,483	$ (33,363)	$ (10,288)
Total	**10,483**	**(33,363)**	**(10,288)**

The Effect of Derivative Instruments on the Statements of Income is as follows:

Derivatives designated as hedging instruments	**Location of Gain or (Loss) Recognized**	**Amount of Gain/(Loss) (Ineffective Portion) For the year ended December 31,**		
		2009	**2008**	**2007**
Interest rate swaps	Loss on interest rate agreements			$(3,763)
Total				**$(3,763)**

The fair value of the Partnership's interest rate swaps is the estimated amount the Partnership would pay to terminate the swap agreements at the reporting date, taking into account current interest rates and the current creditworthiness of the Partnership and its counter parties.

The Partnership follows the accounting guidance for derivative instruments which requires new disclosure that establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about fair value measurements. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities;
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;
Level 3: Unobservable inputs that are not corroborated by market data.

The Partnership's interest rate swap agreements, entered into pursuant to its loan agreements, are based on LIBOR swap rates. LIBOR swap rates are observable at commonly quoted intervals for the full terms of the swaps and therefore are considered Level 2 items. The fair values of the interest rate swap determined through Level 2 of the fair value hierarchy are derived principally from or corroborated by observable market data. Inputs include quoted prices for similar assets, liabilities (risk adjusted) and market-corroborated inputs, such as market comparables, interest rates, yield curves and other items that allow value to be determined. Fair value of the interest rate swaps is determined using a discounted cash flow method based on market-base LIBOR swap yield curves.

Description	**December 31, 2009**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Derivatives	$ (36,931)		$ (36,931)	
Total	**$ (36,391)**		**$ (36,931)**	

The Partnership entered into eight interest rate swap agreements that were transferred from CMTC through novation agreements on April 4, 2007 ("Novation Date"). The Partnership recognized a loss of $3,763 in its income statement which resulted from the negative valuation of the eight interest rate swap agreements at the Novation Date. Furthermore the Partnership has entered into six additional swap agreements to fix the LIBOR portion of its outstanding debt. As of December 31, 2009, all of the Partnerships debt has been swapped.

As of December 31, 2009 all of the Partnership's interest rate swaps qualify as a cash flow hedge and the changes in their fair value are recognized in accumulated other comprehensive income/(loss).

Bank	**Currency**	**Notional Amount**	**Fixed rate**	**Trade date**	**Value date**	**Maturity date**	**Fair market value as of December 31, 2009**
HSH Nordbank AG	USD	30,000	5.1325%	02.20.2007	04.04.2007	06.29.2012	$ (2,548)
HSH Nordbank AG	USD	56,000	5.1325%	02.20.2007	05.08.2007	06.29.2012	(4,757)
HSH Nordbank AG	USD	56.000	5.1325%	02.20.2007	07.13.2007	06.29.2012	(4,757)
HSH Nordbank AG	USD	56,000	5.1325%	02.20.2007	09.28.2007	06.29.2012	(4,757)
HSH Nordbank AG	USD	56,000	5.1325%	02.20.2007	09.20.2007	06.29.2012	(4,757)
HSH Nordbank AG	USD	24,000	5.1325%	02.20.2007	01.29.2008	06.29.2012	(2,039)
HSH Nordbank AG	USD	24,000	5.1325%	02.20.2007	01.29.2008	06.29.2012	(2,039)
HSH Nordbank AG	USD	24,000	5.1325%	02.20.2007	08.20.2008	06.29.2012	(2,039)
HSH Nordbank AG	USD	20,500	4.9250%	09.20.2007	09.24.2007	06.29.2012	(1,636)
HSH Nordbank AG	USD	46,000	3.5250%	03.25.2008	03.27.2008	03.27.2013	(2,010)
HSH Nordbank AG	USD	11,500	3.8950%	04.24.2008	04.30.2008	03.28.2013	(639)
HSH Nordbank AG	USD	20,000	4.5200%	06.13.2008	06.17.2008	06.28.2012	(1,394)
HSH Nordbank AG	USD	28,000	4.6100%	06.13.2008	06.17.2008	03.28.2013	(2,195)
HSH Nordbank AG	USD	22,000	4.0990%	08.14.2008	08.20.2008	03.28.2013	(1,364)
Total derivative instruments fair value							**$ (36,931)**

7. Accrued Liabilities

Accrued liabilities consist of the following:

	As of December 31, 2009	As of December 31, 2008
Accrued loan interest and loan fees	$ 138	$ 292
Accrued wages and crew expenses		73
Accrued operating expenses	1,734	76
Accrued voyage expenses and commissions	64	243
Accrued general and administrative expenses	337	465
Total	**$ 2,273**	**$ 1,149**

8. Voyage Expenses and Vessel Operating Expenses

Voyage expenses and vessel operating expenses consist of the following:

	For the years ended December 31,		
	2009 (Note 1)	2008 (Note 1)	2007 (Note 1)
Voyage expenses:			
Commissions	$ 1,005	$ 1,032	$ 1,010
Bunkers	41	91	1,276
Port expenses			1,192
Other	13		75
Total	**$ 1,059**	**$ 1,123**	**$ 3,553**
Operating expenses:			
Crew costs and related costs	$ 311	$ 737	$ 3,408
Insurance expense	39	103	423
Spares, repairs, maintenance and other expenses	723	2,541	1,305
Stores and lubricants	67	384	883
Management fees (Note 3)	26,457	24,650	12,688
Vetting, insurances, spares and repairs (Note 3)	2,963	1,002	
Other operating expenses	34	39	268
Total	**$ 30,594**	**$ 29,456**	**$ 18,975**

9. Income Taxes

Under the laws of the countries of the vessel-owning subsidiaries' incorporation and/or vessels' registration, these companies are not subject to tax on international shipping income. However, they are subject to registration and tonnage taxes, which have been included in vessel operating expenses in the accompanying combined statements of operations.

Based on its current operations, the Partnership does not expect to have U.S. source domestic transportation income. However, to the extent that certain of the Partnership's current activities or those as a result of future expansion give rise to income attributable to transportation that begins or ends, or both begins and ends in the United States, such income could be subject to U.S. federal income taxation, unless the exemption from U.S. taxation under Section 883 of the Code applies. This exemption provides that a qualifying non-U.S. corporation that satisfies certain requirements will not be subject to the net basis and branch taxes or 4.0% gross basis tax on its income attributable to transportation that begins or ends in the United States.

10. Cash Flow

The following assets, liabilities and equity accounts were included in the combined balance sheets of CMTC entities, however, these amounts were retained by CMTC on April 3, 2007, September 23, 2007, March 26, 2008, April 29, 2008, April 6, 2009 and April 12, 2009, when the shares of the vessel-owning companies of the Initial Vessels, the M/T Attikos, the M/T Amore Mio II, the M/T Aristofanis, the M/T Agamemnon II and the M/T Ayrton II were transferred from CMTC to the Partnership respectively (Note 1). The cash flows for the years ended December 31, 2009, 2008 and 2007 are adjusted accordingly to exclude the following assets and liabilities accounts as they did not result in cash inflows or outflows in consolidated and combined financial statements:

	As of December 31, 2009	As of December 31, 2008	As of December 31, 2007
Cash and cash equivalents	$	$ 2	$ 2,251
Trade receivables	113	1,037	2,040
Due from related parties	11	4,497	7,598
Prepayments and other assets	69	353	428
Inventories	272	143	328
Deferred charges	69	251	1,423
Total assets	**534**	**6,283**	**14,068**
Trade accounts payable	673	1,913	2,395
Due to related parties	1,777	1,194	5,517
Accrued liabilities	166	418	843
Deferred revenue			5,213
Borrowings	28,991	76,997	213,843
Total liabilities	**31,607**	**80,522**	**227,811**
Net liabilities assumed by CMTC upon contribution to the Partnership	**31,073**	**74,239**	**213,743**

The cash and cash equivalents of $2 and $2,251 are presented as cash dividend in the accompanying consolidated and combined cash flow statements for the years ended December 31, 2008 and 2007 respectively.

The supplemental disclosure of "Cash paid for interest" for the year ended December 31, 2008 has been revised to correct for an error. The Partnership previously reported cash paid for interest of $18,163 rather than the corrected figure of $24,264. This revision does not affect the Partnership's financial position, results of operations or cash flows for the periods presented.

11. Partners' Capital / Stockholders' Equity and Distributions

General: The partnership agreement requires that within 45 days after the end of each quarter, beginning with the quarter ending June 30, 2007, all of the Partnership's available cash will be distributed to unitholders.

Definition of Available Cash: Available Cash, for each fiscal quarter, consists of all cash on hand at the end of the quarter:

- less the amount of cash reserves established by our board of directors to:
- provide for the proper conduct of Partnership' s business (including reserves for future capital expenditures and for our anticipated credit needs);
- comply with applicable law, any of Partnership's debt instruments, or other agreements; or
- provide funds for distributions to Partnership's unitholders and to general partner for any one or more of the next four quarters;
- plus all cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter. Working capital borrowings are generally borrowings that are made under our credit agreement and in all cases are used solely for working capital purposes or to pay distributions to partners.

General Partner Interest and Incentive Distribution Rights: The General Partner has a 2% interest in the Partnership as well as the incentive distribution rights.

Incentive distribution rights represent the right to receive an increasing percentage of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. The Partnership's general partner as of December 31, 2009, 2008 and 2007 holds the incentive distribution rights.

The following table illustrates the percentage allocations of the additional available cash from operating surplus among the unitholders and general partner up to the various target distribution levels. The amounts set forth under ‘‘Marginal Percentage Interest in Distributions’’ are the percentage interests of the unitholders and general partner in any available cash from operating surplus that is being distributed up to and including the corresponding amount in the column ‘‘Total Quarterly Distribution Target Amount,’’ until available cash from operating surplus we distribute reaches the next target distribution level, if any. The percentage interests shown for the unitholders and general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution.

			Marginal Percentage Interest in Distributions	
	Total Quarterly Distribution Target Amount		Unitholders	General Partner
Minimum Quarterly Distribution	$	0.3750	98%	2%
First Target Distribution	up to	$0.4313	98%	2%
Second Target Distribution	above	$0.4313 up to $0.4688	85%	15%
Third Target Distribution	above	$0.4688 up to $0.5625	75%	25%
Thereafter	above	$0.5625	50%	50%

Subordinated Units: All of the Partnership's subordinated units were held by CMTC. The Partnership agreement provided that, during the subordination period, the common units had the right to receive distributions of available cash from operating surplus in an amount equal to the minimum quarterly distribution of $0.3750 per quarter, 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 did not accrue on the subordinated units. The purpose of the subordinated units was to increase the likelihood that during the subordination period there was available cash to be distributed on the common units.

Early Termination of Subordination Period: The payment of the exceptional distribution of $1.05 per unit in February 2009 brought annual distributions to unitholders to $2.27 per unit for the year ended December 31, 2008, a level which under the terms of the partnership agreement resulted in the early termination of the subordination period and the conversion of the subordinated units into common units on a one to one basis. Under the partnership agreement the subordination period would have ended in April 2011, if the Partnership had earned and paid at least $0.375 on each outstanding unit and corresponding distribution on the general partners' 2.0% for any three consecutive four-quarter periods.

11. Partners' Capital / Stockholders' Equity and Distributions – Continued

Distributions of Available Cash From Operating Surplus During the Subordination Period: The Partnership agreement required that we make distributions of available cash from operating surplus for any quarter during the subordination period in the following manner:

- first, 98% to the common unitholders, pro rata, and 2.0% to our general partner, until we distribute for each outstanding common unit an amount equal to the minimum quarterly distribution for that quarter;

- second, 98% to the common unitholders, pro rata, and 2.0% to our general partner, until we distribute for each outstanding common unit an amount equal to any arrearages in payment of the minimum quarterly distribution on the common units for any prior quarters during the subordination period;

- third, 98% to the subordinated unitholders, pro rata, and 2.0% to our general partner, until we distribute for each subordinated unit an amount equal to the minimum quarterly distribution for that quarter; and

- Thereafter, in the manner described in the above table under section "General Partner Interest and Incentive Distribution Rights".

Distributions of Available Cash From Operating Surplus After the Subordination Period: Our Partnership agreement requires that we will make distributions of available cash from operating surplus for any quarter after the subordination period in the following manner:

- first, 98% to all unitholders, pro rata, and 2.0% to our general partner, until we distribute for each outstanding unit an amount equal to the minimum quarterly distribution for that quarter; and

- Thereafter, in the manner described in the above table under section "General Partner Interest and Incentive Distribution Rights".

As of December 31, 2009 our partners' capital included the following units:

	As of December 31, 2009
Limited partner units	24,817,151
Number of limited partner units outstanding	**24,817,151**
General partner units	506,472
Total partnership units	**25,323,623**

As of December 31, 2009, the Partnership's units consisted of 24,817,151 common units, of which 13,512,500 units are held by third parties and 11,304,651 units are held by CMTC and 506,472 general partner units are held by the CGP, a wholly owned subsidiary of CMTC.

During the years ended December 31, 2009, 2008 and 2007, the Partnership declared and paid dividends amounting to $70,463, $39,890 and $17,026, respectively.

Stockholders' Equity in the combined Statements of Changes in Stockholders' Equity reflects:

- the capital contribution made by CMTC in connection with the acquisition of the Initial and the Non-Contracted Vessels from the shipyards or their previous owners (in the case of the M/T Amore Mio II). For the year ended December 31, 2009, 2008 and 2007, such contributions amounted to $40,570, $12,135 and $31,279 respectively,

- the cumulative earnings of the Initial and the Non-Contracted Vessels during their operations as part of CMTC's fleet and

- the reduction in the stockholders' equity during the years ended December 31, 2009, 2008 and 2007 represents the equity which was retained by CMTC upon the contribution of the Initial and the Non-Contracted Vessels to the Partnership.

12. Net Income (Loss) Per Unit

The general partner's, common unit holders' and subordinated unitholders' interests in net income are calculated as if all net income for periods subsequent to April 4, 2007, were distributed according to the terms of the Partnership's Agreement, regardless of whether those earnings would or could be distributed. The Partnership Agreement does not provide for the distribution of net income; rather, it provides for the distribution of available cash (Note 11), which is a contractually-defined term that generally means all cash on hand at the end of each quarter after establishment of cash reserves established by the Partnership's board of directors to provide for the proper resources for the Partnership's business. Unlike available cash, net income is affected by non-cash items. On January 1, 2009, the Partnership adopted new accounting guidance relating to the Application of the Two-Class Method and its application to Master Limited Partnerships which considers whether the incentive distributions of a master limited partnership represent a participating security when considered in the calculation of earnings per unit under the Two-Class Method. This new guidance also considers whether the partnership agreement contains any contractual limitations concerning distributions to the incentive distribution rights that would impact the amount of earnings to allocate to the incentive distribution rights for each reporting period. The Partnership retrospectively applied the provisions of this new guidance to the years ended December 31, 2007 and 2008. Following the application of the above guidance our earnings per unit for the year ended December 31, 2008, decreased from $2.00 to $1.54. For the year ended December 31, 2007 our earnings per unit remained unchanged.

Under the Partnership Agreement, the holder of the incentive distribution rights in the Partnership, which is currently the CGP, assuming that there are no cumulative arrearages on common unit distributions, has the right to receive an increasing percentage of cash distributions after the minimum quarterly distribution (Note 11).

During the year ended December 31, 2009, the Partnership's net income did not exceed the First Target Distribution Level (Note 11), and as a result, the assumed distribution of net income did not result in the use of increasing percentages to calculate CGP' s interest in net income. During the year ended December 31, 2008 the Partnership's net income exceeded the First Target Distribution level (Note 11), and as a result, increasing percentages have been used in order to calculate the CGP's interest in net income. The amount allocated to CGP as a result of the incentive distributions amounted to $12,724 for the year ended December 31, 2008. During the period from April 4, 2007 to December 31, 2007, the Partnership's net income did not exceed the First Target Distribution level (Note 11), and as a result, the assumed distribution of net income did not result in the use of increasing percentages to calculate CGP' s interest in net income.

The amount of historical earnings per unit for:

a. the period from January 1, 2007 to April 3, 2007 for the Initial Vessels,
b. the period from January 1, 2007 to September 23, 2007, March 26, 2008 and April 29, 2008 for the M/T Attikos, the M/T Amore Mio II and the M/T Aristofanis respectively and
c. the year ended December 31, 2007 and 2008 and for the period from January 1, 2009 to April 6, 2009 and April 12, 2009 for the M/T Agamemnon II, and the M/T Ayrton II respectively,

giving retroactive impact to the number of common and subordinated units (and the 2% general partner interest) that were issued, is not presented in the combined financial statements. The Partnership believes that a presentation of earnings per unit for these periods would not be meaningful to our investors as the vessels comprising our current fleet were either under construction or operated as part of CMTC's fleet with different terms and conditions than those in place after their acquisition by us.

13. Commitments and Contingencies

Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Partnership's vessels. The Partnership is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated and combined financial statements.

The Partnership accrues for the cost of environmental liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. Currently, the Partnership is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements.

An estimated loss from a contingency should be accrued by a charge to expense and a liability recorded only if all of the following conditions are met:

- Information available prior to the issuance of the financial statement indicates that it is probable that a liability has been incurred at the date of the financial statements.
- The amount of the loss can be reasonably estimated.
- The amount is material.

(a) ***Lease Commitments:*** The vessel-owning subsidiaries of the Partnership have entered into time and bareboat charter agreements, which are summarized below:

Vessel Name	Time Charter (TC)/ Bare Boat Charter (BC) (Years)	Commencement of Charter	Charterer	Profit Sharing (1)	Gross Daily Hire Rate (Without Profit Sharing)
M/T Atlantas (M/T British Ensign)	5+3 BC	04/2006	B.P. Shipping Ltd		$15.2 (5y) & $13.5 (3y)
M/T Aktoras (M/T British Envoy)	5+3 BC	07/2006	B.P. Shipping Ltd		$15.2 (5y) & $13.5 (3y)
M/T Agisilaos	2.5 + 1.1 TC	08/2006	B.P. Shipping Ltd	50/50	$17.7 (2.5y) & $20.0 (1.1y)
M/T Arionas	2.0 + 0.5 + 1.1 TC	11/2006	B.P. Shipping Ltd	50/50	$21.3 (2.0y), $19.2 (0.5y) & $20.0 (1.1y)
M/T Aiolos (M/T British Emissary)	5+3 BC	03/2007	B.P. Shipping Ltd		$15.2 (5y) &$13.5 (3y)
M/T Avax	3 TC	06/2007	B.P. Shipping Ltd	50/50	$20.8
M/T Axios	3 TC	03/2007	B.P. Shipping Ltd	50/50	$20.8
M/T Assos (3)	3 TC	11/2006	Morgan Stanley	50/50	$20.0
M/T Atrotos (4)	3 TC	05/2007	Morgan Stanley	50/50	$20.0
M/T Akeraios	3 TC	07/2007	Morgan Stanley	50/50	$20.0
M/T Anemos I	3 TC	09/2007	Morgan Stanley	50/50	$20.0
M/T Apostolos	3 TC	09/2007	Morgan Stanley	50/50	$20.0
M/T Alexandros II (M/T Overseas Serifos)	10 BC	01/2008	Overseas Shipholding Group Inc. (2)		$13.0
M/T Aristotelis II (M/T Overseas Sifnos)	10 BC	06/2008	Overseas Shipholding Group Inc. (2)		$13.0
M/T Aris II (M/T Overseas Kimolos)	10 BC	08/2008	Overseas Shipholding Group Inc. (2)		$13.0
M/T Amore Mio II	3 TC	10/2007	B.P. Shipping Ltd	50/50	$36.5
M/T Aristofanis	4.8 TC	06/2005	Shell International Trading & Shipping Company Limited		$13.3
M/T Agamemnon II	3 TC	1/2009	B.P. Shipping Ltd	50/50 (5)	$22.3
M/T Ayrton II	2 TC	4/2009	B.P. Shipping Ltd	50/50 (5)	$22.3

13. Commitments and Contingencies – Continued

(a) Lease Commitments - Continued

(1) Profit sharing refers to an arrangement between vessel-owning companies and charterers to share a predetermined percentage voyage profit in excess of the basic rate.

(2) Overseas Shipholding Group Inc. has an option to purchase each of the three STX vessels delivered or to be delivered in 2008 at the end of the eighth, ninth or tenth year of the charter, for $38.0 million, $35.5 million and $33.0 million, respectively, which option is exercisable six months before the date of completion of the eighth, ninth or tenth year of the charter. The expiration date above may therefore change depending on whether the charterer exercises its purchase option.

(3) The vessel-owning company of the M/T Assos was substituted on April 7, 2009 by the vessel-owning company of the M/T Agamemnon II (Note 1). The charter of the M/T Assos with Morgan Stanley was terminated on April 5, 2009.

(4) The vessel-owning company of the M/T Atrotos was substituted on April 13, 2009 by the vessel-owning company of the M/T Ayrton II (Note 1). The charter of the M/T Atrotos with Morgan Stanley was terminated on April 11, 2009.

(5) 50/50 profit share for breaching IWL (Institute Warranty Limits -- applies to voyages to certain ports at certain periods of the year).

Future minimum rental receipts, excluding any profit share revenue that may arise, based on non-cancelable long-term time and bareboat charter contracts, as of December 31, 2009 were:

Year ended December 31,	Amount
2010	$ 60,438
2011	40,384
2012	29,202
2013	29,018
2014	23,334
Thereafter	19,452
Total	**$ 201,828**

14. Subsequent Events

We have evaluated subsequent events through February 4, 2010, the date the financial statements are issued.

(a) ***Dividends:*** On January 29, 2010 the Partnership's board of directors declared a cash distribution of $0.41 per unit, which will be paid on February 17, 2010, to unitholders of record on February 8, 2010.

Exhibit 1.3

FIRST AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF

CAPITAL PRODUCT PARTNERS L.P.

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FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF CAPITAL PRODUCT PARTNERS L.P.

THIS FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF CAPITAL PRODUCT PARTNERS L.P., dated as of April 3, 2007, is entered into by and between Capital GP L.L.C., a Marshall Islands limited liability company, as the General Partner, and Capital Maritime & Trading Corp., a Marshall Islands corporation, as the Organizational Limited Partner, together with any other Persons who become Partners in the Partnership or parties hereto as provided herein. In consideration of the covenants, conditions and agreements contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"Acquisition" means any transaction in which any Group Member acquires (through an asset acquisition, merger, stock acquisition or other form of investment) control over all or a portion of the assets, properties or business of another Person for the purpose of increasing the operating capacity or asset base of the Partnership Group from the operating capacity or asset base of the Partnership Group existing immediately prior to such transaction; provided however, that any acquisition of properties or assets of another Person that is made solely for investment purposes shall not constitute an Acquisition under this Agreement.

"Adjusted Operating Surplus" means, with respect to any period, Operating Surplus generated with respect to such period (a) less (i) any net increase in Working Capital Borrowings with respect to such period and (ii) any net decrease in cash reserves for Operating Expenditures with respect to such period to the extent such reduction does not relate to an Operating Expenditure made with respect to such period, and (b) plus (i) any net decrease in Working Capital Borrowings with respect to such period, and (ii) any net increase in cash reserves for Operating Expenditures with respect to such period to the extent such reserve is required by any debt instrument for the repayment of principal, interest or premium. Adjusted Operating Surplus does not include that portion of Operating Surplus included in clause (a)(i) of the definition of Operating Surplus.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreed Value" means the fair market value of the applicable property or other consideration at the time of contribution or distribution, as the case may be, as determined by the Board of Directors.

"Agreement" means this First Amended and Restated Agreement of Limited Partnership of Capital Product Partners L.P., as it may be amended, supplemented or restated from time to time.

"Annual Meeting" means the meeting of Limited Partners to be held every year commencing in 2008 to elect the Elected Directors as provided in Section 13.4 and to vote on any other matters brought before the meeting in accordance with this Agreement.

"Appointed Directors" means the members of the Board of Directors appointed by the General Partner in accordance with the provisions of Article VII.

"Associate" means, when used to indicate a relationship with any Person: (a) any corporation or organization of which such Person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock or other voting interest; (b) any trust or other estate in which such Person has at least a 20% beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and (c) any relative or spouse of such Person, or any relative of such spouse, who has the same principal residence as such Person.

"Audit Committee" means a committee of the Board of Directors of the Partnership composed of a minimum of three members of the Board of Directors then serving who meet the independence standards required of directors who serve on an audit committee of a board of directors established by the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder and by the National Securities Exchange on which the Common Units are listed or admitted to trading.

"Available Cash" means, with respect to any Quarter ending prior to the Liquidation Date:

(a) the sum of (i) all cash and cash equivalents of the Partnership Group on hand at the end of such Quarter, and (ii) all additional cash and cash equivalents of the Partnership Group on hand on the date of determination of Available Cash with respect to such Quarter resulting from Working Capital Borrowings made subsequent to the end of such Quarter, less

(b) the amount of any cash reserves established by the Board of Directors to (i) provide for the proper conduct of the business of the Partnership Group (including reserves for future capital expenditures and for anticipated future credit needs of the Partnership Group) subsequent to such Quarter, (ii) comply with applicable law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which any Group Member is a party or by which it is bound or its assets are subject or (iii) provide funds for distributions under Section 6.2 or 6.3 in respect of any one or more of the next four Quarters; provided, however, that the Board of Directors may not establish cash reserves pursuant to (iii) above if the effect of such reserves would be that the Partnership is unable to distribute the Minimum Quarterly Distribution on all Common Units, plus any Cumulative Common Unit Arrearage on all Common Units, with respect to such Quarter; and, provided further, that disbursements made by a Group Member or cash reserves established, increased or reduced after the end of such Quarter but on or before the date of determination of Available Cash with respect to such Quarter shall be deemed to have been made, established, increased or reduced, for purposes of determining Available Cash, within such Quarter if the Board of Directors so determines.

Notwithstanding the foregoing, "Available Cash" with respect to the Quarter in which the Liquidation Date occurs and any subsequent Quarter shall equal zero.

"Board of Directors" means the seven-member board of directors of the Partnership, composed of Appointed Directors and Elected Directors appointed or elected, as the case may be, in accordance with the provisions of Article VII and a majority of whom are not United States citizens or residents, which, pursuant to Section 7.1, and subject to Section 7.10, oversees and directs the operations, management and policies of the Partnership. The Board of Directors shall constitute a committee within the meaning of Section 30(2)(g) of the Marshall Islands Act.

"Business Day" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the State of New York shall not be regarded as a Business Day.

"Capital Contribution" means any cash, cash equivalents or the Net Agreed Value of Contributed Property that a Partner contributes to the Partnership.

"Capital Improvement" means any (a) addition or improvement to the capital assets owned by any Group Member or (b) acquisition of existing, or the construction of new, capital assets, in each case if such addition, improvement, acquisition or construction is made to increase the operating capacity or asset base of the Partnership Group from the operating capacity or asset base of the Partnership Group existing immediately prior to such addition, improvement, acquisition or construction.

"Capital Surplus" has the meaning assigned to such term in Section 6.1(a).

"Cause" means a court of competent jurisdiction has entered a final, non-appealable judgment finding a Person liable for actual fraud or willful misconduct in its capacity as a general partner of the Partnership or as a member of the Board of Directors, as the case may be.

"Certificate" means a certificate (i) substantially in the form of Exhibit A to this Agreement, (ii) issued in global or book entry form in accordance with the rules and regulations of the Depositary or (iii) in such other form as may be adopted by the Board of Directors, issued by the Partnership evidencing ownership of one or more Common Units or a certificate, in such form as may be adopted by the Board of Directors, issued by the Partnership evidencing ownership of one or more other Partnership Securities.

"Certificate of Limited Partnership" means the Certificate of Limited Partnership of the Partnership filed with the Registrar of Corporations of The Marshall Islands as referenced in Section 7.9 as such Certificate of Limited Partnership may be amended, supplemented or restated from time to time.

"claim" (as used in Section 7.19(c)) has the meaning assigned to such term in Section 7.19(c).

"Closing Date" means the first date on which Common Units are sold by the Partnership to the Underwriters pursuant to the provisions of the Purchase Agreement.

"Closing Price" means, in respect of any class of Limited Partner Interests, as of the date of determination, the last sale price on such day, regular way, or in case no such sale takes place on such day, the average of the closing bid and asked prices on such day, regular way, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal National Securities Exchange on which the respective Limited Partner Interests are listed or admitted to trading or, if such Limited Partner Interests are not listed or admitted to trading on any National Securities Exchange, the last quoted price on such day or, if not so quoted, the average of the high bid and low asked prices on such day in the over-the-counter market, as reported by any quotation system then in use with respect to such Limited Partner Interests, or, if on any such day such Limited Partner Interests of such class are not quoted by any such system, the average of the closing bid and asked prices on such day as furnished by a professional market maker making a market in such Limited Partner Interests of such class selected by the Board of Directors, or if on any such day no market maker is making a market in such Limited Partner Interests of such class, the fair value of such Limited Partner Interests on such day as determined by the Board of Directors.

"Code" means the United States Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of any successor law.

"Combined Interest" has the meaning assigned to such term in Section 11.3(a).

"Commences Commercial Service" and "Commenced Commercial Service" shall mean the date a Capital Improvement is first put into service by a Group Member following, if applicable, completion of construction and testing.

"Commission" means the United States Securities and Exchange Commission.

"Common Unit" means a Partnership Security representing a fractional part of the Partnership Interests of all Limited Partners, and having the rights and obligations specified with respect to Common Units in this Agreement. The term "Common Unit" does not refer to a Subordinated Unit prior to its conversion into a Common Unit pursuant to the terms hereof.

"Common Unit Arrearage" means, with respect to any Common Unit, whenever issued, as to any Quarter within the Subordination Period, the excess, if any, of (a) the Minimum Quarterly Distribution with respect to a Common Unit in respect of such Quarter over (b) the sum of all Available Cash distributed with respect to a Common Unit in respect of such Quarter pursuant to Section 6.2(a)(i).

"Conflicts Committee" means a committee of the Board of Directors composed entirely of three or more directors who are not (a) security holders, officers or employees of the General Partner, (b) officers, directors or employees of any Affiliate of the General Partner or (c) holders of any ownership interest in the Partnership Group other than Common Units and who also meet the independence standards required of directors who serve on an audit committee of a board of directors established by the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder and by the National Securities Exchange on which the Common Units are listed or admitted to trading.

"Contributed Property" means each property or other asset, in such form as may be permitted by the Marshall Islands Act, but excluding cash, contributed to the Partnership.

"Contribution Agreement" means that certain Contribution and Conveyance Agreement, dated as of the Closing Date, among the General Partner, the Partnership, the Operating Company and Capital Maritime & Trading Corp., together with the additional conveyance documents and instruments contemplated or referenced thereunder.

"Cumulative Common Unit Arrearage" means, with respect to any Common Unit, whenever issued, and as of the end of any Quarter, the excess, if any, of (a) the sum resulting from adding together the Common Unit Arrearage as to an Initial Common Unit for each of the Quarters within the Subordination Period ending on or before the last day of such Quarter over (b) the sum of any distributions theretofore made pursuant to Section 6.2(a)(ii) and the second sentence of Section 6.3 with respect to an Initial Common Unit (including any distributions to be made in respect of the last of such Quarters).

"Current Market Price" means, in respect of any class of Limited Partner Interests, as of the date of determination, the average of the daily Closing Prices per Limited Partner Interest of such class for the 20 consecutive Trading Days immediately prior to such date.

"Departing General Partner" means a former General Partner from and after the effective date of any withdrawal or removal of such former General Partner pursuant to Section 11.1 or 11.2.

"Depositary" means, with respect to any Units issued in global form, The Depository Trust Company and its successors and permitted assigns.

"Elected Directors" means the members of the Board of Directors who are elected or appointed as such in accordance with the provisions of Article VII and at least three of whom are not (a) security holders, officers or employees of the General Partner, (b) officers, directors or employees of any Affiliate of the General Partner or (c) holders of any ownership interest in the Partnership Group other than Common Units and who also meet the independence standards required of directors who serve on an audit committee of a board of directors established by the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder and by the National Securities Exchange on which the Common Units are listed or admitted to trading.

"Estimated Maintenance Capital Expenditures" means an estimate made in good faith by the Board of Directors (with the concurrence of the Conflicts Committee) of the average quarterly Maintenance Capital Expenditures that the Partnership will need to incur to maintain the operating capacity or asset base of the Partnership Group, existing at the time the estimate is made. The Board of Directors (with the concurrence of the Conflicts Committee) will be permitted to make such estimate in any manner it determines reasonable. The estimate will be made at least annually and whenever an event occurs that is likely to result in a material adjustment to the amount of Maintenance Capital Expenditures on a long-term basis. The Partnership shall disclose to its Partners any change in the amount of Estimated Maintenance Capital Expenditures in its reports made in accordance with Section 8.3 to the extent not previously disclosed. Except as provided in the definition of Subordination Period, any adjustments to Estimated Maintenance Capital Expenditures shall be prospective only.

"Event of Withdrawal" has the meaning assigned to such term in Section 11.1(a).

"Expansion Capital Expenditures" means cash expenditures for Acquisitions or Capital Improvements. Expansion Capital Expenditures shall not include Maintenance Capital Expenditures. Expansion Capital Expenditures shall include interest (and related fees) on debt incurred and distributions on equity incurred, in each case, to finance the construction of a Capital Improvement and paid during the period beginning on the date that the Partnership enters into a binding obligation to commence construction of the Capital Improvement and ending on the earlier to occur of the date that such Capital Improvement Commences Commercial Service or the date that such Capital Improvement is abandoned or disposed of. Debt incurred or equity issued to fund any such construction period interest payments, or such construction period distributions on equity paid during such period shall also be deemed to be debt or equity, as the case may be, incurred to finance the construction of a Capital Improvement.

"First Target Distribution" means $0.4313 per Unit per Quarter (or, with respect to the period commencing on the Closing Date and ending on June 30, 2007, it means the product of $0.4313 multiplied by a fraction of which the numerator is the number of days in such period, and of which the denominator is the total number of days in the Quarter in which the Closing Date occurs), subject to adjustment in accordance with Section 6.4.

"Fully Diluted Basis" means, when calculating the number of Outstanding Units for any period, a basis that includes, in addition to the Outstanding Units, all Partnership Securities and options, rights, warrants and appreciation rights relating to an equity interest in the Partnership (a) that are convertible into or exercisable or exchangeable for Units that are senior to or pari passu with the Subordinated Units, (b) whose conversion, exercise or exchange price is less than the Current Market Price on the date of such calculation, (c) that may be converted into or exercised or exchanged for such Units prior to or during the Quarter immediately following the end of the period for which the calculation is being made without the satisfaction of any contingency beyond the control of the holder other than the payment of consideration and the compliance with administrative mechanics applicable to such conversion, exercise or exchange and (d) that were not converted into or exercised or exchanged for such Units during the period for which the calculation is being made; provided, however, that for purposes of determining the number of Outstanding Units on a Fully Diluted Basis when calculating whether the Subordination Period has ended or Subordinated Units are entitled to convert into Common Units pursuant to Section 5.7, such Partnership Securities, options, rights, warrants and appreciation rights shall be deemed to have been Outstanding Units only for the four Quarters that comprise the last four Quarters of the measurement period; and, provided further, that if consideration will be paid to any Group Member in connection with such conversion, exercise or exchange, the number of Units to be included in such calculation shall be that number equal to the difference between (i) the number of Units issuable upon such conversion, exercise or exchange and (ii) the number of Units that such consideration would purchase at the Current Market Price.

“General Partner” means Capital GP L.L.C., a Marshall Islands limited liability company, and its successors and permitted assigns that are admitted to the Partnership as general partner of the Partnership, in its capacity as general partner of the Partnership (except as the context otherwise requires).

“General Partner Interest” means the ownership interest of the General Partner in the Partnership (in its capacity as a general partner and without reference to any Limited Partner Interest held by it), which is evidenced by General Partner Units and includes any and all benefits to which the General Partner is entitled as provided in this Agreement, together with all obligations of the General Partner to comply with the terms and provisions of this Agreement.

“General Partner Unit” means a fractional part of the General Partner Interest having the rights and obligations specified with respect to the General Partner Interest. A General Partner Unit is not a Unit except as provided in Section 11.2.

“Group” means a Person that with or through any of its Affiliates or Associates has any agreement, arrangement, understanding or relationship for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent given to such Person in response to a proxy or consent solicitation made to 10 or more Persons) or disposing of any Partnership Securities with any other Person that beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, Partnership Securities.

“Group Member” means a member of the Partnership Group.

“Group Member Agreement” means the partnership agreement of any Group Member, other than the Partnership, that is a limited or general partnership, the limited liability company agreement of any Group Member that is a limited liability company, the certificate of incorporation and bylaws (or similar organizational documents) of any Group Member that is a corporation, the joint venture agreement or similar governing document of any Group Member that is a joint venture and the governing or organizational or similar documents of any other Group Member that is a Person other than a limited or general partnership, limited liability company, corporation or joint venture, in each case as such may be amended, supplemented or restated from time to time.

"Holder" as used in Section 7.19, has the meaning assigned to such term in Section 7.19(a).

"Incentive Distribution Right" means a non-voting Limited Partner Interest issued to Capital Maritime & Trading Corp. and thereafter transferred to the General Partner, which Partnership Interest will confer upon the holder thereof only the rights and obligations specifically provided in this Agreement with respect to Incentive Distribution Rights (and no other rights otherwise available to or other obligations of a holder of a Partnership Interest). Notwithstanding anything in this Agreement to the contrary, the holder of an Incentive Distribution Right shall not be entitled to vote such Incentive Distribution Right on any Partnership matter except as may otherwise be required by law.

"Incentive Distributions" means any amount of cash distributed to the holders of the Incentive Distribution Rights pursuant to Sections 6.2(a)(v), (vi) and (vii) and 6.2(b)(iii), (iv) and (v).

"Indemnified Persons" has the meaning assigned to such term in Section 7.19(c).

"Indemnitee" means (a) the General Partner, (b) any Departing General Partner, (c) any Person who is or was an Affiliate of the General Partner or any Departing General Partner, (d) any Person who is or was a member, partner, director, officer, fiduciary or trustee of any Person which any of the preceding clauses of this definition describes, (e) any Person who is or was serving at the request of the General Partner or any Departing General Partner or any Affiliate of the General Partner or any Departing General Partner as an officer, director, member, partner, fiduciary or trustee of another Person (provided, however, that a Person shall not be an Indemnitee by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services), (f) the members of the Board of Directors, and (g) any other Person the Board of Directors designates as an "Indemnitee" for purposes of this Agreement.

"Initial Common Units" means the Common Units sold in the Initial Offering.

"Initial General Partner Interest" has the meaning set forth in Section 5.1.

"Initial Limited Partner Interest" has the meaning set forth in Section 5.1.

"Initial Limited Partners" means Capital Maritime & Trading Corp. and the General Partner (with respect to the Incentive Distribution Rights received by it pursuant to Section 5.2(a)), in each case upon being admitted to the Partnership in accordance with Section 10.1.

"Initial Offering" means the initial offering and sale of Common Units to the public, as described in the Registration Statement.

"Initial Unit Price" means (a) with respect to the Common Units and the Subordinated Units, the initial public offering price per Common Unit at which the Underwriters offered the Common Units to the public for sale as set forth on the cover page of the prospectus included as part of the Registration Statement and first issued at or after the time the Registration Statement first became effective or (b) with respect to any other class or series of Units, the price per Unit at which such class or series of Units is initially sold by the Partnership, as determined by the Board of Directors, in each case adjusted as the Board of Directors determines to be appropriate to give effect to any distribution, subdivision or combination of Units.

"Interim Capital Transactions" means the following transactions if they occur prior to the Liquidation Date: (a) borrowings, refinancings or refundings of indebtedness (other than Working Capital Borrowings and other than for items purchased on open account in the ordinary course of business) by any Group Member and sales of debt securities of any Group Member; (b) sales of equity interests of any Group Member (including the Common Units sold to the Underwriters pursuant to the exercise of the Over-Allotment Option); (c) sales or other voluntary or involuntary dispositions of any assets of any Group Member other than (i) sales or other dispositions of inventory, accounts receivable and other assets in the ordinary course of business and (ii) sales or other dispositions of assets as part of normal retirements or replacements; (d) the termination of interest rate swap agreements; (e) capital contributions received; and (f) corporate reorganizations or restructurings.

"Investment Capital Expenditures" means capital expenditures other than Maintenance Capital Expenditures or Expansion Capital Expenditures.

"Limited Partner" means, unless the context otherwise requires, the Organizational Limited Partner prior to its withdrawal from the Partnership, each Initial Limited Partner, each additional Person that becomes a Limited Partner pursuant to the terms of this Agreement and any Departing General Partner upon the change of its status from General Partner to Limited Partner pursuant to Section 11.3, in each case, in such Person's capacity as a limited partner of the Partnership; provided, however, that when the term "Limited Partner" is used herein in the context of any vote or other approval, including Articles XIII and XIV, such term shall not, solely for such purpose, include any holder of an Incentive Distribution Right (solely with respect to its Incentive Distribution Rights and not with respect to any other Limited Partner Interest held by such Person) except as may otherwise be required by law. Limited Partners may include custodians, nominees or any other individual or entity in its own or any representative capacity.

"Limited Partner Interest" means the ownership interest of a Limited Partner in the Partnership, which may be evidenced by Common Units, Subordinated Units, Incentive Distribution Rights or other Partnership Securities or a combination thereof or interest therein, and includes any and all benefits to which such Limited Partner is entitled as provided in this Agreement, together with all obligations of such Limited Partner to comply with the terms and provisions of this Agreement; provided, however, that when the term "Limited Partner Interest" is used herein in the context of any vote or other approval, including Articles XIII and XIV, such term shall not, solely for such purpose, include any Incentive Distribution Right except as may otherwise be required by law.

"Liquidation Date" means (a) in the case of an event giving rise to the dissolution of the Partnership of the type described in clauses (a) and (b) of the first sentence of Section 12.2, the date on which the applicable time period during which the holders of Outstanding Units have the right to elect to continue the business of the Partnership has expired without such an election being made, and (b) in the case of any other event giving rise to the dissolution of the Partnership, the date on which such event occurs.

"Liquidator" means one or more Persons selected by the Board of Directors to perform the functions described in Section 12.4.

"Maintenance Capital Expenditures" means cash expenditures (including expenditures for the addition or improvement to the capital assets owned by any Group Member or for the acquisition of existing, or the construction of new, capital assets) if such expenditure is made to maintain the operating capacity or asset base of the Partnership Group. Maintenance Capital Expenditures shall not include (a) Expansion Capital Expenditures or (b) expenditures made solely for investment purposes (as opposed to maintenance purposes). Maintenance Capital Expenditures shall include interest (and related fees) on debt incurred and distributions on equity incurred, in each case, to finance the construction of a replacement asset and paid during the period beginning on the date that the Group Member enters into a binding obligation to commence constructing a replacement asset and ending on the earlier to occur of the date that such replacement asset Commences Commercial Service or the date that such replacement asset is abandoned or disposed of. Debt incurred to pay or equity issued to fund the construction period interest payments, or such construction period distributions on equity shall also be deemed to be debt or equity, as the case may be, incurred to finance the construction of a replacement asset.

"Marshall Islands Act" means the Limited Partnership Act of The Republic of the Marshall Islands, as amended, supplemented or restated from time to time, and any successor to such statute.

"Merger Agreement" has the meaning assigned to such term in Section 14.1.

"Minimum Quarterly Distribution" means $0.3750 per Unit per Quarter (or with respect to the period commencing on the Closing Date and ending on June 30, 2007, it means the product of $0.3750 multiplied by a fraction of which the numerator is the number of days in such period and of which the denominator is the total number of days in the Quarter in which the Closing Date occurs), subject to adjustment in accordance with Section 6.4.

"National Securities Exchange" means an exchange registered with the Commission under Section 6(a) of the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time, and any successor to such statute.

"Net Agreed Value" means, (a) in the case of any Contributed Property, the Agreed Value of such property reduced by any liabilities either assumed by the Partnership upon such contribution or to which such property is subject when contributed, and (b) in the case of any property distributed to a Partner by the Partnership, the Agreed Value of such property, reduced by any indebtedness either assumed by such Partner upon such distribution or to which such property is subject at the time of distribution.

"Notice of Election to Purchase" has the meaning assigned to such term in Section 15.1(b).

"Officers" means the officers of the General Partner.

"Omnibus Agreement" means that Omnibus Agreement, dated as of the Closing Date, among Capital Maritime & Trading Corp., the Partnership, the General Partner and the Operating Company.

"Operating Company" means Capital Product Operating L.L.C., a Marshall Islands limited liability company, and any successors thereto.

"Operating Company Agreement" means the First Amended and Restated Limited Liability Company Agreement of the Operating Company, as it may be amended, supplemented or restated from time to time.

"Operating Expenditures" means all Partnership Group expenditures, including taxes, reimbursements of the General Partner, repayment of Working Capital Borrowings, debt service payments and capital expenditures, subject to the following:

(a) repayment of Working Capital Borrowings deducted from Operating Surplus pursuant to clause (b)(iii) of the definition of Operating Surplus shall not constitute Operating Expenditures when actually repaid;

(b) payments (including prepayments and prepayment penalties) of principal of and premium on indebtedness other than Working Capital Borrowings shall not constitute Operating Expenditures; and

(c) Operating Expenditures shall not include (i) Expansion Capital Expenditures, Investment Capital Expenditures or actual Maintenance Capital Expenditures, but shall include Estimated Maintenance Capital Expenditures, (ii) payment of transaction expenses (including taxes) relating to Interim Capital Transactions or (iii) distributions to Partners.

Where capital expenditures consist of both (x) Maintenance Capital Expenditures and (y) Expansion Capital Expenditures and/or Investment Capital Expenditures, the General Partner, with the concurrence of the Conflicts Committee, shall determine the allocation between the amounts paid for each.

"Operating Surplus" means, with respect to any period ending prior to the Liquidation Date, on a cumulative basis and without duplication:

(a) the sum of (i) an amount equal to two times the amount needed for any one Quarter to pay a distribution on all of the Units, the General Partner Units and the Incentive Distribution Rights at the same amount as was distributed immediately preceding the date of determination (or with respect to the period commencing on the Closing Date and ending on March 31, 2007, it means the product of (x) $0.3750 multiplied by (y) a fraction of which the numerator is the number of days in such period and the denominator is 90 multiplied by (z) the number of Units and General Partner Units Outstanding on the Record Date with respect to such period), (ii) all cash receipts of the Partnership Group for the period beginning on the Closing Date and ending on the last day of such period, other than cash receipts from Interim Capital Transactions, (iii) all cash receipts of the Partnership Group after the end of such period but on or before the date of determination of Operating Surplus with respect to such period resulting from Working Capital Borrowings and (iv) the amount of distributions paid on equity issued in connection with the construction of a Capital Improvement or replacement asset and paid during the period beginning on the date that the Group Member enters into a binding obligation to commence construction of such Capital Improvement or replacement asset and ending on the earlier to occur of the date that such Capital Improvement or replacement asset Commences Commercial Service or the date that it is abandoned or disposed of (equity issued to fund the construction period interest payments on debt incurred, or construction period distributions on equity issued, to finance the construction of a Capital Improvement or replacement asset shall also be deemed to be equity issued to finance the construction of a Capital Improvement or replacement asset for purposes of this clause (iv)), less

(b) the sum of (i) Operating Expenditures for the period beginning on the Closing Date and ending on the last day of such period, (ii) the amount of cash reserves established by the Board of Directors to provide funds for future Operating Expenditures and (iii) all Working Capital Borrowings not repaid within twelve months after having been incurred; provided, however, that disbursements made (including contributions to a Group Member or disbursements on behalf of a Group Member) or cash reserves established, increased or reduced after the end of such period but on or before the date of determination of Available Cash with respect to such period shall be deemed to have been made, established, increased or reduced, for purposes of determining Operating Surplus, within such period if the Board of Directors so determines.

Notwithstanding the foregoing, "Operating Surplus" with respect to the Quarter in which the Liquidation Date occurs and any subsequent Quarter shall equal zero.

"Opinion of Counsel" means a written opinion of counsel (who may be regular counsel to the Partnership or the General Partner or any of its Affiliates) acceptable to the Board of Directors.

"Option Closing Date" means the date or dates on which any Common Units are sold by Capital Maritime & Trading Corp. to the Underwriters upon exercise of the Over-Allotment Option.

"Organizational Limited Partner" means Capital Maritime & Trading Corp. in its capacity as the organizational limited partner of the Partnership pursuant to this Agreement.

"Outstanding" means, with respect to Partnership Securities, all Partnership Securities that are issued by the Partnership and reflected as outstanding on the Partnership's books and records as of the date of determination; provided, however, that if at any time any Person or Group (other than the General Partner or its Affiliates) beneficially owns 5% or more of the Outstanding Partnership Securities of any class then Outstanding, all Partnership Securities owned by such Person or Group in excess of 4.9% of the Outstanding Partnership Securities shall not be voted on any matter and shall not be considered to be Outstanding when sending notices of a meeting of Limited Partners to vote on any matter (unless otherwise required by law), calculating required votes, except for purposes of nominating a Person for election to the Board of Directors pursuant to Section 7.3, determining the presence of a quorum or for other similar purposes under this Agreement, except that Partnership Securities so owned shall be considered to be Outstanding for purposes of Section 11.1(b)(iv) (such Partnership Securities shall not, however, be treated as a separate class of Partnership Securities for purposes of this Agreement); provided, further, that the foregoing limitation shall not apply to (i) any Person or Group who acquired 5% or more of the Outstanding Partnership Securities of any class then Outstanding directly from the General Partner or its Affiliates, (ii) any Person or Group who acquired 5% or more of any Outstanding Partnership Securities of any class then Outstanding directly or indirectly from a Person or Group described in clause (i) provided that the General Partner shall have notified such Person or Group in writing that such limitation shall not apply, or (iii) any Person or Group who acquired 5% or more of any Partnership Securities issued by the Partnership with the prior approval of the Board of Directors.

"Over-Allotment Option" means the over-allotment option granted to the Underwriters pursuant to the Purchase Agreement.

"Partners" means the General Partner and the Limited Partners.

"Partnership" means Capital Product Partners L.P., a Marshall Islands limited partnership, and any successors thereto.

"Partnership Group" means the Partnership and its Subsidiaries, including the Operating Company, treated as a single entity.

"Partnership Interest" means an interest in the Partnership, which shall include the General Partner Interest and Limited Partner Interests.

"Partnership Security" means any class or series of equity interest in the Partnership (but excluding any options, rights, warrants and appreciation rights relating to an equity interest in the Partnership), including Common Units, Subordinated Units and Incentive Distribution Rights.

"Percentage Interest" means as of any date of determination (a) as to the General Partner with respect to General Partner Units and as to any Unitholder with respect to Units, the product obtained by multiplying (i) 100% less the percentage applicable to clause (b) below by (ii) the quotient obtained by dividing (A) the number of Units held by such Unitholder or the number of General Partner Units held by the General Partner, as the case may be, by (B) the total number of all Outstanding Units and General Partner Units, and (b) as to the holders of other Partnership Securities issued by the Partnership in accordance with Section 5.5, the percentage established as a part of such issuance. The Percentage Interest with respect to an Incentive Distribution Right shall at all times be zero.

"Person" means an individual or a corporation, firm, limited liability company, partnership, joint venture, trust, unincorporated organization, association, governmental agency or political subdivision thereof or other entity.

"Pro Rata" means (a) when used with respect to Units or any class thereof, apportioned equally among all designated Units in accordance with their relative Percentage Interests, (b) when used with respect to Partners or Record Holders, apportioned among all Partners or Record Holders in accordance with their relative Percentage Interests and (c) when used with respect to holders of Incentive Distribution Rights, apportioned equally among all holders of Incentive Distribution Rights in accordance with the relative number or percentage of Incentive Distribution Rights held by each such holder.

"Purchase Agreement" means the Purchase Agreement dated April 3, 2007 among the Underwriters, the Partnership, the General Partner, the Operating Company, and Capital Maritime & Trading Corp., providing for the purchase of Common Units by such Underwriters.

"Purchase Date" means the date determined by the General Partner as the date for purchase of all Outstanding Limited Partner Interests of a certain class (other than Limited Partner Interests owned by the General Partner and its Affiliates) pursuant to Article XV.

"Quarter" means, unless the context requires otherwise, a fiscal quarter, or, with respect to the first fiscal quarter including the Closing Date, the portion of such fiscal quarter after the Closing Date, of the Partnership.

"Record Date" means the date established by the Board of Directors or otherwise in accordance with this Agreement for determining (a) the identity of the Record Holders entitled to notice of, or to vote at, any meeting of Limited Partners or entitled to vote by ballot or give approval of Partnership action in writing without a meeting or entitled to exercise rights in respect of any lawful action of Limited Partners or (b) the identity of Record Holders entitled to receive any report or distribution or to participate in any offer.

"Record Holder" means (a) the Person in whose name a Common Unit is registered on the books of the Transfer Agent as of the opening of business on a particular Business Day, or (b) with respect to other Partnership Interests, the Person in whose name any such other Partnership Interest is registered on the books that the Board of Directors has caused to be kept by the General Partner as of the opening of business on such Business Day.

"Registration Statement" means the Registration Statement on Form F-1 (Registration No. 333-141422) as it has been or as it may be amended or supplemented from time to time, filed by the Partnership with the Commission under the Securities Act to register the offering and sale of the Common Units in the Initial Offering.

"Second Target Distribution" means $0.4688 per Unit per Quarter (or, with respect to the period commencing on the Closing Date and ending on June 30, 2007, it means the product of $0.4688 multiplied by a fraction of which the numerator is equal to the number of days in such period and of which the denominator is the total number of days in the Quarter in which the Closing Date occurs), subject to adjustment in accordance with Section 6.4.

"Securities Act" means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute.

“Special Approval” means approval by a majority of the members of the Conflicts Committee.

“Subordinated Unit” means a Unit representing a fractional part of the Partnership Interests of all Limited Partners and having the rights and obligations specified with respect to Subordinated Units in this Agreement. The term “Subordinated Unit” does not include a Common Unit. A Subordinated Unit that is convertible into a Common Unit shall not constitute a Common Unit until such conversion occurs.

“Subordination Period” means the period commencing on the Closing Date and ending on the first to occur of the following dates:

(a) the first day of any Quarter beginning after June 30, 2011, in respect of which (i)(A) distributions of Available Cash from Operating Surplus on each of the Outstanding Common Units, Subordinated Units, General Partner Units and any other Outstanding Units that are senior or equal in right of distribution to the Subordinated Units equaled or exceeded the Minimum Quarterly Distribution during each of the three consecutive, non-overlapping four-Quarter periods immediately preceding such date and (B) the Adjusted Operating Surplus for each of the three consecutive, non overlapping four Quarter periods immediately preceding such date equaled or exceeded the sum of the Minimum Quarterly Distribution on all of the Common Units, Subordinated Units, General Partner Units and any other Units that are senior or equal in right of distribution to the Subordinated Units that were Outstanding during such periods on a Fully Diluted Basis with respect to each such period and (ii) there are no Cumulative Common Unit Arrearages; and

(b) the date on which the General Partner is removed as general partner of the Partnership upon the requisite vote by holders of Outstanding Units and the Board of Directors under circumstances where Cause does not exist and no Units held by the General Partner and its Affiliates are voted in favor of such removal.

For purposes of determining whether the test in subclause (a)(i)(B) above has been satisfied, Adjusted Operating Surplus will be adjusted upwards or downwards if the Conflicts Committee determines in good faith that the amount of Estimated Maintenance Capital Expenditures used in the determination of Adjusted Operating Surplus in subclause (a)(i)(B) was materially incorrect, based on circumstances prevailing at the time of original determination of Estimated Maintenance Capital Expenditures, for any one or more of the preceding three four-Quarter periods.

“Subsidiary” means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries (as defined, but excluding subsection (d) of this definition) of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary (as defined, but excluding subsection (d) of this definition) of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries (as defined, but excluding subsection (d) of this definition) of such Person, or a combination thereof, (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Subsidiaries (as defined, but excluding subsection (d) of this definition) of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person, or (d) any other Person in which such Person, one or more Subsidiaries (as defined, but excluding subsection (d) of this definition) of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) less than a majority ownership interest or (ii) less than the power to elect or direct the election of a majority of the directors or other governing body of such Person, provided that (A) such Person, one or more Subsidiaries (as defined, but excluding this subsection (d) of this definition) of such Person, or a combination thereof, directly or indirectly, at the date of the determination, has at least a 20% ownership interest in such other Person, (B) such Person accounts for such other Person (under U.S. GAAP, as in effect on the later of the date of investment in such other Person or material expansion of the operations of such other Person) on a consolidated or equity accounting basis, (C) such Person has directly or indirectly material negative control rights regarding such other Person including over such other Person’s ability to materially expand its operations beyond that contemplated at the date of investment in such other Person, and (D) such other Person is (i) other than with respect to the Operating Company, formed and maintained for the sole purpose of owning or leasing, operating and chartering no more than 10 vessels for a period of no more than 40 years, and (ii) obligated under its constituent documents, or as a result of a unanimous agreement of its owners, to distribute to its owners all of its income on at least an annual basis (less any cash reserves that are approved by such Person).

"Surviving Business Entity" has the meaning assigned to such term in Section 14.2(b).

"Third Target Distribution" means \$0.5625 per unit per Quarter (or, with respect to the period commencing on the Closing Date and ending on June 30, 2007, it means the product of \$0.5625 multiplied by a fraction of which the numerator is equal to the number of days in such period and of which the denominator is the total number of days in the Quarter in which the Closing Date occurs), subject to adjustment in accordance with Section 6.4.

"Trading Day" means, for the purpose of determining the Current Market Price of any class of Limited Partner Interests, a day on which the principal National Securities Exchange on which such class of Limited Partner Interests is listed is open for the transaction of business or, if Limited Partner Interests of a class are not listed on any National Securities Exchange, a day on which banking institutions in New York City generally are open.

"transfer" has the meaning assigned to such term in Section 4.4(a).

"Transfer Agent" means such bank, trust company or other Person (including the General Partner or one of its Affiliates) as shall be appointed from time to time by the Partnership to act as registrar and transfer agent for the Common Units; provided, however, that if no Transfer Agent is specifically designated for any other Partnership Securities, the General Partner shall, at the direction of the Board of Directors, act in such capacity.

"Underwriter" means each Person named as an underwriter in Schedule I to the Purchase Agreement who purchases Common Units pursuant thereto.

"Unit" means a Partnership Security that is designated as a "Unit" and shall include Common Units and Subordinated Units but shall not include (i) General Partner Units (or the General Partner Interest represented thereby) or (ii) the Incentive Distribution Rights.

"Unitholders" means the holders of Units.

"Unit Majority" means, during the Subordination Period, at least a majority of the Outstanding Common Units (excluding Common Units owned by the General Partner and its Affiliates) voting as a class and at least a majority of the Outstanding Subordinated Units voting as a class, and after the end of the Subordination Period, at least a majority of the Outstanding Common Units.

"Unit Register" means the register of the Partnership for the registration and transfer of Limited Partnership Interests as provided in Section 4.5.

"Unrecovered Capital" means at any time, with respect to a Unit, the Initial Unit Price less the sum of all distributions constituting Capital Surplus theretofore made in respect of an Initial Common Unit and any distributions of cash (or the Net Agreed Value of any distributions in kind) in connection with the dissolution and liquidation of the Partnership theretofore made in respect of an Initial Common Unit, adjusted as the Board of Directors determines to be appropriate to give effect to any distribution, subdivision or combination of such Units.

"U.S. GAAP" means United States generally accepted accounting principles consistently applied.

"Withdrawal Opinion of Counsel" has the meaning assigned to such term in Section 11.1(b).

"Working Capital Borrowings" means borrowings used solely for working capital purposes or to pay distributions to Partners made pursuant to a credit facility, commercial paper facility or similar financing arrangement available to a Group Member, provided that when such borrowing is incurred it is the intent of the borrower to repay such borrowing within 12 months from other than additional Working Capital Borrowings.

SECTION 1.2. Construction. Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) the term "include" or "includes" means includes, without limitation, and "including" means including, without limitation; and (d) the terms "hereof", "herein" and "hereunder" refer to this Agreement as a whole and not to any particular provision of this Agreement. The table of contents and headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE II

ORGANIZATION

SECTION 2.1. Formation. The General Partner and the Organizational Limited Partner have previously formed the Partnership as a limited partnership pursuant to the provisions of the Marshall Islands Act and hereby amend and restate the original Agreement of Limited Partnership of Capital Product Partners L.P. in its entirety. This amendment and restatement shall become effective on the date of this Agreement. Except as expressly provided to the contrary in this Agreement, the rights, duties (including fiduciary duties), liabilities and obligations of the Partners and the administration, dissolution and termination of the Partnership shall be governed by the Marshall Islands Act. All Partnership Interests shall constitute personal property of the owner thereof for all purposes and a Partner has no interest in specific Partnership property.

SECTION 2.2. Name. The name of the Partnership shall be "Capital Product Partners L.P." The Partnership's business may be conducted under any other name or names as determined by the Board of Directors. The words "Limited Partnership" or the letters "L.P." or similar words or letters shall be included in the Partnership's name where necessary for the purpose of complying with the laws of any jurisdiction that so requires. The Board of Directors may change the name of the Partnership at any time and from time in compliance with the requiremetns of the Marshall Islands Act to time and shall notify the General Partner and the Limited Partners of such change in the next regular communication to the Limited Partners.

SECTION 2.3. Registered Office; Registered Agent; Principal Office; Other Offices. Unless and until changed by the Board of Directors, the registered office of the Partnership in The Marshall Islands shall be located at Trust Company Complex, Ajeltake Island, Ajeltake Road, Majuro, Marshall Islands MH 96960, and the registered agent for service of process on the Partnership in The Marshall Islands at such registered office shall be The Trust Company of The Marshall Islands, Inc. The principal office of the Partnership shall be located at 3 Iassonos Street, Piraeus, 185 37 Greece, or such other place as the Board of Directors may from time to time designate by notice to the General Partner and the Limited Partners. The Partnership may maintain offices at such other place or places within or outside The Marshall Islands as the Board of Directors determines to be necessary or appropriate. The address of the General Partner shall be at 3 Iassonos Street, Piraeus, 185 37 Greece, or such other place as the General Partner may from time to time designate by notice to the Limited Partners.

SECTION 2.4. Purpose and Business. The purpose and nature of the business to be conducted by the Partnership shall be to (a) engage directly in, or enter into or form any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that lawfully may be conducted by a limited partnership organized pursuant to the Marshall Islands Act and, in connection therewith, to exercise all of the rights and powers conferred upon the Partnership pursuant to the agreements relating to such business activity, and (b) do anything necessary or appropriate to the foregoing, including the making of capital contributions or loans to a Group Member. The Board of Directors shall have no duty or obligation to propose or approve, and may decline to propose or approve, the conduct by the Partnership of any business free of any fiduciary duty or obligation whatsoever to the Partnership, the General Partner and any Limited Partner and, in declining to so propose or approve, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Marshall Islands Act or any other law, rule or regulation.

SECTION 2.5. Powers. The Partnership shall be empowered to do any and all acts and things necessary and appropriate for the furtherance and accomplishment of the purposes and business described in Section 2.4 and for the protection and benefit of the Partnership.

SECTION 2.6. Power of Attorney. (a) Each Limited Partner hereby constitutes and appoints the General Partner, under the supervision of the Board of Directors, and, if a Liquidator shall have been selected pursuant to Section 12.3, the Liquidator (and any successor to the Liquidator by merger, transfer, assignment, election or otherwise) and each of their authorized officers and attorneys-in-fact, as the case may be, with full power of substitution, as his true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) all certificates, documents and other instruments (including this Agreement and the Certificate of Limited Partnership and all amendments or restatements hereof or thereof) that the General Partner, under the supervision of the Board of Directors, or the Liquidator determines to be necessary or appropriate to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the Marshall Islands and in all other jurisdictions in which the Partnership may conduct business or own property; (B) all certificates, documents and other instruments that the General Partner, under the supervision of the Board of Directors, or the Liquidator determines to be necessary or appropriate to reflect, in accordance with its terms, any amendment, change, modification or restatement of this Agreement; (C) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the General Partner, under the supervision of the Board of Directors, or the Liquidator determines to be necessary or appropriate to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement; (D) all certificates, documents and other instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Articles IV, X, XI or XII; (E) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of any class or series of Partnership Securities issued pursuant to Section 5.5; and (F) all certificates, documents and other instruments (including agreements and a certificate of merger) relating to a merger, consolidation or conversion of the Partnership pursuant to Article XIV; and

(ii) execute, swear to, acknowledge, deliver, file and record all ballots, consents, approvals, waivers, certificates, documents and other instruments that the General Partner or the Liquidator determines to be necessary or appropriate to (A) make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement or (B) effectuate the terms or intent of this Agreement; provided, however, that when required by Section 13.3 or any other provision of this Agreement that requires the consent of the Board of Directors or establishes a percentage of the Limited Partners or of the Limited Partners of any class or series required to take any action, the General Partner and the Liquidator may exercise the power of attorney made in this Section 2.6(a)(ii) only after the necessary consent of the Board of Directors or vote, consent or approval of the Limited Partners or of the Limited Partners of such class or series, as applicable.

Nothing contained in this Section 2.6(a) shall be construed as authorizing the General Partner to make an amendment to this Agreement.

(b) The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and, to the maximum extent permitted by law, not be affected by the subsequent death, incompetency, disability, incapacity, dissolution, bankruptcy or termination of any Limited Partner and the transfer of all or any portion of such Limited Partner's Partnership Interest and shall extend to such Limited Partner's heirs, successors, assigns and personal representatives. Each such Limited Partner hereby agrees to be bound by any representation made by the General Partner or the Liquidator acting in good faith pursuant to such power of attorney; and each such Limited Partner, to the maximum extent permitted by law, hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner or the Liquidator taken in good faith under such power of attorney. Each Limited Partner shall execute and deliver to the General Partner or the Liquidator, within 15 days after receipt of the request therefor, such further designation, powers of attorney and other instruments as the General Partner or the Liquidator determines to be necessary or appropriate to effectuate this Agreement and the purposes of the Partnership.

SECTION 2.7. Term. The term of the Partnership commenced upon the filing of the Certificate of Limited Partnership in accordance with the Marshall Islands Act and shall continue in existence until the dissolution of the Partnership in accordance with the provisions of Article XII. The existence of the Partnership as a separate legal entity shall continue until the cancellation of the Certificate of Limited Partnership as provided in the Marshall Islands Act.

SECTION 2.8. Title to Partnership Assets. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner, one or more of its Affiliates or one or more nominees, as the Board of Directors may determine. The General Partner hereby declares and warrants that any Partnership assets for which record title is held in the name of the General Partner or one or more of its Affiliates or one or more nominees shall be held by the General Partner or such Affiliate or nominee for the use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the General Partner shall use commercially reasonable efforts to cause record title to such assets (other than those assets in respect of which the Board of Directors determines that the expense and difficulty of conveyancing makes transfer of record title to the Partnership impracticable) to be vested in the Partnership as soon as reasonably practicable; and, provided further, that, prior to the withdrawal or removal of the General Partner or as soon thereafter as practicable, the General Partner shall use reasonable efforts to effect the transfer of record title to the Partnership and, prior to any such transfer, will provide for the use of such assets in a manner satisfactory to the Board of Directors. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which record title to such Partnership assets is held.

ARTICLE III

RIGHTS OF LIMITED PARTNERS

SECTION 3.1. Limitation of Liability. The Limited Partners shall have no liability under this Agreement except as expressly provided in this Agreement or the Marshall Islands Act.

SECTION 3.2. Management of Business. No Limited Partner, in its capacity as such, shall participate in the operation, management or control (within the meaning of the Marshall Islands Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. Any action taken by any Affiliate of the General Partner or any officer, director, employee, manager, member, general partner, agent or trustee of the General Partner or any of its Affiliates, or any officer, director, employee, manager, member, general partner, agent or trustee of a Group Member, in its capacity as such, shall not be deemed to be participation in the control of the business of the Partnership by a limited partner of the Partnership (within the meaning of Section 30 of the Marshall Islands Act) and shall not affect, impair or eliminate the limitations on the liability of the Limited Partners under this Agreement.

SECTION 3.3. Outside Activities of the Limited Partners. Subject to the provisions of Section 7.12 and the Omnibus Agreement, which shall continue to be applicable to the Persons referred to therein, regardless of whether such Persons shall also be Limited Partners, any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership Group. Neither the Partnership nor any of the other Partners shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner.

SECTION 3.4. Rights of Limited Partners. (a) In addition to other rights provided by this Agreement or by applicable law, and except as limited by Section 3.4(b), each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a Limited Partner in the Partnership, upon reasonable written demand and at such Limited Partner's own expense, to:

(i) have furnished to him a current list of the name and last known business, residence or mailing address of each Partner;

(ii) obtain true and full information regarding the amount of cash and a description and statement of the Net Agreed Value of any other Capital Contribution by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner;

(iii) have furnished to him a copy of this Agreement and the Certificate of Limited Partnership and all amendments thereto, together with a copy of the executed copies of all powers of attorney pursuant to which this Agreement, the Certificate of Limited Partnership and all amendments thereto have been executed;

(iv) obtain true and full information regarding the status of the business and financial condition of the Partnership Group; and

(v) obtain such other information regarding the affairs of the Partnership as is just and reasonable.

(b) The Board of Directors may keep confidential from the Limited Partners, for such period of time as the Board of Directors deems reasonable, (i) any information that the Board of Directors reasonably believes to be in the nature of trade secrets or (ii) other information the disclosure of which the Board of Directors in good faith believes (A) is not in the best interests of the Partnership Group, (B) could damage the Partnership Group or (C) that any Group Member is required by law or by agreement with any third party to keep confidential (other than agreements with Affiliates of the Partnership the primary purpose of which is to circumvent the obligations set forth in this Section 3.4).

ARTICLE IV

CERTIFICATES; RECORD HOLDERS; TRANSFER OF PARTNERSHIP INTERESTS

SECTION 4.1. Certificates. Upon the Partnership's issuance of Common Units or Subordinated Units to any Person, the Partnership shall issue, upon the request of such Person, one or more Certificates in the name of such Person evidencing the number of such Units being so issued. In addition, (a) upon the General Partner's request, the Partnership shall issue to it one or more Certificates in the name of the General Partner evidencing its General Partner Units and (b) upon the request of any Person owning Incentive Distribution Rights or any other Partnership Securities other than Common Units or Subordinated Units, the Partnership shall issue to such Person one or more certificates evidencing such Incentive Distribution Rights or other Partnership Securities other than Common Units or Subordinated Units. Certificates shall be executed on behalf of the Partnership by the Chief Financial Officer or the Secretary or any Assistant Secretary of the General Partner. No Common Unit Certificate shall be valid for any purpose until it has been countersigned by the Transfer Agent; provided, however, that if the Board of Directors elects to issue Common Units in global form, the Common Unit Certificates shall be valid upon receipt of a certificate from the Transfer Agent certifying that the Common Units have been duly registered in accordance with the directions of the Partnership. Subject to the requirements of Section 6.5(b), the Partners holding Certificates evidencing Subordinated Units may exchange such Certificates for Certificates evidencing Common Units on or after the date on which such Subordinated Units are converted into Common Units pursuant to the terms of Section 5.7.

SECTION 4.2. Mutilated, Destroyed, Lost or Stolen Certificates. (a) If any mutilated Certificate is surrendered to the Transfer Agent, the appropriate Officers on behalf of the Partnership shall execute, and the Transfer Agent shall countersign and deliver in exchange therefor, a new Certificate evidencing the same number and type of Partnership Securities as the Certificate so surrendered.

(b) The appropriate Officers on behalf of the Partnership shall execute and deliver, and the Transfer Agent shall countersign, a new Certificate in place of any Certificate previously issued if the Record Holder of the Certificate:

(i) makes proof by affidavit, in form and substance satisfactory to the Partnership, that a previously issued Certificate has been lost, destroyed or stolen;

(ii) requests the issuance of a new Certificate before the Partnership has notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(iii) if requested by the Partnership, delivers to the Partnership a bond, in form and substance satisfactory to the Partnership, with surety or sureties and with fixed or open penalty as the Board of Directors may direct to indemnify the Partnership, the Partners, the General Partner and the Transfer Agent against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and

(iv) satisfies any other reasonable requirements imposed by the Board of Directors.

If a Limited Partner fails to notify the Partnership within a reasonable period of time after he has notice of the loss, destruction or theft of a Certificate, and a transfer of the Limited Partner Interests represented by the Certificate is registered before the Partnership, the General Partner or the Transfer Agent receives such notification, the Limited Partner shall be precluded from making any claim against the Partnership, the General Partner or the Transfer Agent for such transfer or for a new Certificate.

(c) As a condition to the issuance of any new Certificate under this Section 4.2, the Partnership may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Transfer Agent) reasonably connected therewith.

SECTION 4.3. Record Holders. The Partnership shall be entitled to recognize the Record Holder as the Partner with respect to any Partnership Interest and, accordingly, shall not be bound to recognize any equitable or other claim to, or interest in, such Partnership Interest on the part of any other Person, regardless of whether the Partnership shall have actual or other notice thereof, except as otherwise provided by law or any applicable rule, regulation, guideline or requirement of any National Securities Exchange on which such Partnership Interests are listed or admitted to trading. Without limiting the foregoing, when a Person (such as a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing) is acting as nominee, agent or in some other representative capacity for another Person in acquiring and/or holding Partnership Interests, as between the Partnership on the one hand, and such other Persons on the other, such representative Person shall be the Record Holder of such Partnership Interest.

SECTION 4.4. Transfer Generally. (a) The term "transfer," when used in this Agreement with respect to a Partnership Interest, shall be deemed to refer to a transaction (i) by which the General Partner assigns its General Partner Interest to another Person or by which a holder of Incentive Distribution Rights assigns its Incentive Distribution Rights to another Person, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise or (ii) by which the holder of a Limited Partner Interest (other than an Incentive Distribution Right) assigns such Limited Partner Interest to another Person who is or becomes a Limited Partner, and includes a sale, assignment, gift, exchange or any other disposition by law or otherwise, including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage.

(b) No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article IV. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article IV shall be null and void.

(c) Nothing contained in this Agreement shall be construed to prevent a disposition by any stockholder, member, partner or other owner of the General Partner of any or all of the shares of stock, membership interests, partnership interests or other ownership interests in the General Partner.

SECTION 4.5. Registration and Transfer of Limited Partner Interests. (a) The General Partner shall keep or cause to be kept on behalf of the Partnership a register in which, subject to such reasonable regulations as it may prescribe and subject to the provisions of Section 4.5(b), the Partnership will provide for the registration and transfer of Limited Partner Interests. The Transfer Agent is hereby appointed registrar and transfer agent for the purpose of registering Common Units and transfers of such Common Units as herein provided. The Partnership shall not recognize transfers of Certificates evidencing Limited Partner Interests unless such transfers are effected in the manner described in this Section 4.5. Upon surrender of a Certificate for registration of transfer of any Limited Partner Interests evidenced by a Certificate, and subject to the provisions of Section 4.5(b), the appropriate Officers on behalf of the Partnership shall execute and deliver, and in the case of Common Units, the Transfer Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Certificates evidencing the same aggregate number and type of Limited Partner Interests as was evidenced by the Certificate so surrendered.

(b) The Partnership shall not recognize any transfer of Limited Partner Interests until the Certificates evidencing such Limited Partner Interests are surrendered for registration of transfer. No charge shall be imposed by the Partnership for such transfer; provided, however, that as a condition to the issuance of any new Certificate under this Section 4.5, the Partnership may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed with respect thereto.

(c) The General Partner and its Affiliates shall have the right at any time to transfer their Subordinated Units and Common Units (whether issued upon conversion of the Subordinated Units or otherwise) to one or more Persons.

SECTION 4.6. Transfer of the General Partner's General Partner Interest. (a) Subject to Section 4.6(c) below, prior to March 31, 2017, the General Partner shall not transfer all or any part of its General Partner Interest (represented by General Partner Units) to a Person unless such transfer (i) has been approved by the prior written consent or vote of the holders of at least a majority of the Outstanding Common Units (excluding Common Units held by the General Partner and its Affiliates) or (ii) is of all, but not less than all, of its General Partner Interest to (A) an Affiliate of the General Partner (other than an individual) or (B) another Person (other than an individual) in connection with (1) the merger or consolidation of the General Partner with or into such other Person or (2) the transfer by the General Partner of all or substantially all of its assets to such other Person.

(b) Subject to Section 4.6(c) below, on or after March 31, 2017, the General Partner may transfer all or any of its General Partner Interest without Unitholder approval.

(c) Notwithstanding anything herein to the contrary, no transfer by the General Partner of all or any part of its General Partner Interest to another Person shall be permitted unless (i) the transferee agrees to assume the rights and duties of the General Partner under this Agreement and to be bound by the provisions of this Agreement, (ii) the Partnership receives an Opinion of Counsel that such transfer would not result in the loss of limited liability of any Limited Partner or of any limited partner or member of any other Group Member and (iii) such transferee also agrees to purchase all (or the appropriate portion thereof, if applicable) of the partnership or membership interest of the General Partner as the general partner or managing member, if any, of each other Group Member. In the case of a transfer pursuant to and in compliance with this Section 4.6, the transferee or successor (as the case may be) shall, subject to compliance with the terms of Section 10.3, be admitted to the Partnership as the General Partner immediately prior to the transfer of the General Partner Interest, and the business of the Partnership shall continue without dissolution.

SECTION 4.7. Transfer of Incentive Distribution Rights. Prior to March 31, 2017, a holder of Incentive Distribution Rights may transfer any or all of the Incentive Distribution Rights held by such holder without any consent of the Unitholders to (a) an Affiliate of such holder (other than an individual) or (b) another Person (other than an individual) in connection with (i) the merger or consolidation of such holder of Incentive Distribution Rights with or into such other Person or (ii) the transfer by such holder of all or substantially all of its assets to such other Person. Any other transfer of the Incentive Distribution Rights prior to March 31, 2017, shall require the prior approval of holders of at least a majority of the Outstanding Common Units (excluding Common Units held by the General Partner and its Affiliates). On or after March 31, 2017, the General Partner or any other holder of Incentive Distribution Rights may transfer any or all of its Incentive Distribution Rights without Unitholder approval. Notwithstanding anything herein to the contrary, no transfer of Incentive Distribution Rights to another Person shall be permitted unless the transferee agrees to be bound by the provisions of this Agreement. The General Partner and any transferee or transferees of the Incentive Distribution Rights may agree in a separate instrument as to the General Partner's exercise of its rights with respect to the Incentive Distribution Rights under Section 11.3 hereof.

SECTION 4.8. Restrictions on Transfers. (a) Except as provided in Section 4.8(c) below, but notwithstanding the other provisions of this Article IV, no transfer of any Partnership Interests shall be made if such transfer would (i) violate the then applicable U.S. federal or state securities laws or rules and regulations of the Commission, any state securities commission or any other governmental authority with jurisdiction over such transfer or (ii) terminate the existence or qualification of the Partnership or any Group Member under the laws of the jurisdiction of its formation.

(b) The transfer of a Subordinated Unit that has converted into a Common Unit shall be subject to the restrictions imposed by Section 6.5(b).

(c) Nothing contained in this Article IV, or elsewhere in this Agreement, shall preclude the settlement of any transactions involving Partnership Interests entered into through the facilities of any National Securities Exchange on which such Partnership Interests are listed or admitted to trading.

ARTICLE V

CAPITAL CONTRIBUTIONS AND ISSUANCE OF PARTNERSHIP INTERESTS

SECTION 5.1. Organizational Contributions. In connection with the formation of the Partnership under the Marshall Islands Act, the General Partner made an initial Capital Contribution to the Partnership in the amount of $20, for a 2% General Partner Interest in the Partnership (the "Initial General Partner Interest") and has been admitted as the General Partner of the Partnership, and the Organizational Limited Partner made an initial Capital Contribution to the Partnership in the amount of $980 for a 98% limited partner interest in the Partnership (the "Initial Limited Partner Interest") and has been admitted as a Limited Partner of the Partnership.

SECTION 5.2. Initial Unit Issuances. (a) On or prior to the Closing Date and pursuant to the Contribution Agreement, (i) Capital Maritime & Trading Corp. shall sell all of the outstanding shares of eight vessel-owning subsidiaries of Capital Maritime & Trading Corp. to the Partnership, (ii) as consideration therefor, the Partnership shall issue to Capital Maritime & Trading Corp. (A) 10,000,000 Common Units, representing a 55.7% limited partner interest in the Partnership, (B) 7,607,898 Subordinated Units, representing a 42.3% limited partner interest in the Partnership, (C) the Incentive Distribution Rights, (D) $25 million in cash representing a cash dividend and (E) the right to receive an additional dividend in the amount of $30 million, payable in cash or a number of Common Units necessary to satisfy the Over-Allotment Option or a combination thereof, as described in Section 5.3., (iii) Capital Maritime & Trading Corp.'s Initial Limited Partner Interest will be converted into one Subordinated Unit, (iv) the Initial General Partner Interest will be converted into 359,345 General Partner Units and (v) Capital Maritime & Trading Corp. will transfer the Incentive Distribution Rights to the General Partner.

(b) Upon the issuance of any additional Limited Partner Interests by the Partnership (other than Common Units issued pursuant to subparagraph (a) hereof), the General Partner may, in exchange for a proportionate number of General Partner Units, make additional Capital Contributions in an amount equal to the product obtained by multiplying (i) the quotient determined by dividing (A) the General Partner's Percentage Interest immediately prior to such issuance by (B) 100 less the General Partner's Percentage Interest immediately prior to such issuance by (ii) the amount contributed to the Partnership by the Limited Partners in exchange for such additional Limited Partner Interests. The General Partner shall not be obligated to make additional Capital Contributions to the Partnership.

SECTION 5.3. Exercise of the Over-Allotment Option. (a) Pursuant to the Contribution Agreement, upon any exercise of the Over-Allotment Option, the Partnership shall issue Common Units to Capital Maritime & Trading Corp. in an amount equal to the number of Common Units to be purchased by all Underwriters at the Option Closing Date. Upon the earlier of (i) the exercise in full of the Over-Allotment Option and (ii) 30 days after the date of the Purchase Agreement, the Partnership shall pay to Capital Maritime & Trading Corp. an additional cash dividend in an amount of $30 million or a number of Common Units necessary to satisfy the Over-Allotment Option or a combination thereof as described in the Contribution Agreement.

(b) No Limited Partner Interests will be issued or issuable as of or at the Closing Date other than (i) the 10,000,000 Common Units issuable pursuant to Section 5.2 hereof, (ii) the 7,607,899 Subordinated Units issuable pursuant to Section 5.2 hereof, (iii) the "Option Units" as such term is used in the Purchase Agreement in an aggregate number up to 1,500,000 issuable upon exercise of the Over-Allotment Option pursuant to subparagraph (a) hereof, and (iv) the Incentive Distribution Rights.

SECTION 5.4. Interest and Withdrawal. No interest shall be paid by the Partnership on Capital Contributions. No Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon termination of the Partnership may be considered and permitted as such by law and then only to the extent provided for in this Agreement. Except to the extent expressly provided in this Agreement, no Partner shall have priority over any other Partner either as to the return of Capital Contributions or as to profits, losses or distributions.

SECTION 5.5. Issuances of Additional Partnership Securities. (a) The Partnership may issue additional Partnership Securities and options, rights, warrants and appreciation rights relating to the Partnership Securities for any Partnership purpose at any time and from time to time to such Persons for such consideration and on such terms and conditions as the Board of Directors shall determine, all without the approval of any Limited Partners, but subject to the approval of the General Partner in the case where issuances of equity are not reasonably expected to be accretive to equity within twelve months of issuance or which would otherwise have a material adverse impact on the General Partner or the General Partner Interest.

(b) Each additional Partnership Security authorized to be issued by the Partnership pursuant to Section 5.5(a) may be issued in one or more classes, or one or more series of any such classes, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of Partnership Securities), as shall be fixed by the Board of Directors, including (i) the right to share in Partnership distributions; (ii) the rights upon dissolution and liquidation of the Partnership; (iii) whether, and the terms and conditions upon which, the Partnership may or shall be required to redeem the Partnership Security (including sinking fund provisions); (iv) whether such Partnership Security is issued with the privilege of conversion or exchange and, if so, the terms and conditions of such conversion or exchange; (v) the terms and conditions upon which each Partnership Security will be issued, evidenced by certificates and assigned or transferred; (vi) the method for determining the Percentage Interest as to such Partnership Security; and (vii) the right, if any, of each such Partnership Security to vote on Partnership matters, including matters relating to the relative rights, preferences and privileges of such Partnership Security.

(c) The Board of Directors shall take all actions that it determines to be necessary or appropriate in connection with (i) each issuance of Partnership Securities and options, rights, warrants and appreciation rights relating to Partnership Securities pursuant to this Section 5.5, (ii) the conversion of the General Partner Interest (represented by General Partner Units) or any Incentive Distribution Rights into Units pursuant to the terms of this Agreement, (iii) the admission of additional Limited Partners and (iv) all additional issuances of Partnership Securities. The Board of Directors shall determine the relative rights, powers and duties of the holders of the Units or other Partnership Securities being so issued. The Board of Directors shall do all things necessary to comply with the Marshall Islands Act and is authorized and directed to do all things that it determines to be necessary or appropriate in connection with any future issuance of Partnership Securities or in connection with the conversion of the General Partner Interest or any Incentive Distribution Rights into Units pursuant to the terms of this Agreement, including compliance with any statute, rule, regulation or guideline of any federal, state or other governmental agency or any National Securities Exchange on which the Units or other Partnership Securities are listed or admitted to trading.

SECTION 5.6. Limitations on Issuance of Additional Partnership Securities. The Partnership may issue an unlimited number of Partnership Securities (or options, rights, warrants or appreciation rights related thereto) pursuant to Section 5.5 without the approval of the Limited Partners; provided, however, that no fractional units shall be issued by the Partnership.

SECTION 5.7. Conversion of Subordinated Units. (a) All of the Outstanding Subordinated Units will convert into Common Units on a one-for-one basis on the first day following the distribution of Available Cash to Partners pursuant to Section 6.1(a) in respect of any Quarter ending on or after June 30, 2007, in respect of which:

(i) distributions of Available Cash from Operating Surplus under Section 6.2(a) on each of the Outstanding Common Units, Subordinated Units, General Partner Units and any other Outstanding Units that are senior or equal in right of distribution to the Subordinated Units equaled or exceeded $2.25 during the four-Quarter period immediately preceding such date;

(ii) the Adjusted Operating Surplus for the four-Quarter period immediately preceding such date equaled or exceeded the sum of $2.25 on all of the Common Units, Subordinated Units, General Partner Units and any other Units that are senior or equal in right of distribution to the Subordinated Units that were Outstanding during such period on a Fully Diluted Basis with respect to such period; and

(iii) there are no Cumulative Common Unit Arrearages.

(b) If the Subordinated Units are not converted into Common Units pursuant to Section 5.7(a), the Subordinated Units shall convert into Common Units on a one-for-one basis upon the expiration of the Subordination Period.

(c) Notwithstanding any other provision of this Agreement, the Subordinated Units will automatically convert into Common Units on a one-for-one basis as set forth in, and pursuant to the terms of, Section 11.4.

(d) A Subordinated Unit that has converted into a Common Unit shall be subject to the provisions of Section 6.5(b).

SECTION 5.8. Limited Preemptive Right. Except as provided in this Section 5.8 and in Section 5.2(b), no Person shall have any preemptive, preferential or other similar right with respect to the issuance of any Partnership Security, whether unissued, held in the treasury or hereafter created. The General Partner shall have the right, which it may from time to time assign in whole or in part to any of its Affiliates, to purchase Partnership Securities from the Partnership whenever, and on the same terms that, the Partnership issues Partnership Securities to Persons other than the General Partner and its Affiliates, to the extent necessary to maintain the Percentage Interests of the General Partner and its Affiliates equal to that which existed immediately prior to the issuance of such Partnership Securities.

SECTION 5.9. Splits and Combinations. (a) Subject to Sections 5.9(d) and 6.4 (dealing with adjustments of distribution levels), the Partnership may make a Pro Rata distribution of Partnership Securities to all Record Holders or may effect a subdivision or combination of Partnership Securities so long as, after any such event, each Partner shall have the same Percentage Interest in the Partnership as before such event, and any amounts calculated on a per Unit basis (including any Common Unit Arrearage or Cumulative Common Unit Arrearage) or stated as a number of Units are proportionately adjusted.

(b) Whenever such a distribution, subdivision or combination of Partnership Securities is declared, the Board of Directors shall select a Record Date as of which the distribution, subdivision or combination shall be effective and shall send notice thereof at least 20 days prior to such Record Date to each Record Holder as of a date not less than 10 days prior to the date of such notice. The Board of Directors also may cause a firm of independent public accountants selected by it to calculate the number of Partnership Securities to be held by each Record Holder after giving effect to such distribution, subdivision or combination. The Board of Directors shall be entitled to rely on any certificate provided by such firm as conclusive evidence of the accuracy of such calculation.

(c) Promptly following any such distribution, subdivision or combination, the Partnership may issue Certificates to the Record Holders of Partnership Securities as of the applicable Record Date representing the new number of Partnership Securities held by such Record Holders, or the Board of Directors may adopt such other procedures that it determines to be necessary or appropriate to reflect such changes. If any such combination results in a smaller total number of Partnership Securities Outstanding, the Partnership shall require, as a condition to the delivery to a Record Holder of such new Certificate, the surrender of any Certificate held by such Record Holder immediately prior to such Record Date.

(d) The Partnership shall not issue fractional Units upon any distribution, subdivision or combination of Units. If a distribution, subdivision or combination of Units would result in the issuance of fractional Units but for the provisions of this Section 5.9(d), each fractional Unit shall be rounded to the nearest whole Unit (and a 0.5 Unit shall be rounded to the next higher Unit).

SECTION 5.10. Fully Paid and Non-Assessable Nature of Limited Partner Interests. All Limited Partner Interests issued pursuant to, and in accordance with the requirements of, this Article V shall be fully paid and non-assessable Limited Partner Interests in the Partnership, except as such non-assessability may be affected by the Marshall Islands Act.

ARTICLE VI

ALLOCATIONS AND DISTRIBUTIONS

SECTION 6.1. Requirement and Characterization of Distributions; Distributions to Record Holders. (a) Within 45 days following the end of each Quarter commencing with the Quarter ending on June 30, 2007, an amount equal to 100% of Available Cash with respect to such Quarter shall, subject to Section 51 of the Marshall Islands Act, be distributed in accordance with this Article VI by the Partnership to the Partners as of the Record Date selected by the Board of Directors. All amounts of Available Cash distributed by the Partnership on any date from any source shall be deemed to be Operating Surplus until the sum of all amounts of Available Cash theretofore distributed by the Partnership to the Partners pursuant to Section 6.2 equals the Operating Surplus from the Closing Date through the close of the immediately preceding Quarter. Any remaining amounts of Available Cash distributed by the Partnership on such date shall, except as otherwise provided in Section 6.3, be deemed to be "Capital Surplus."

(b) Notwithstanding Section 6.1(a), in the event of the dissolution and liquidation of the Partnership, all receipts received during or after the Quarter in which the Liquidation Date occurs, other than from borrowings described in (a)(ii) of the definition of Available Cash, shall be applied and distributed solely in accordance with, and subject to the terms and conditions of, Section 12.4.

(c) Each distribution in respect of a Partnership Interest shall be paid by the Partnership, directly or through the Transfer Agent or through any other Person or agent, only to the Record Holder of such Partnership Interest as of the Record Date set for such distribution. Such payment shall constitute full payment and satisfaction of the Partnership's liability in respect of such payment, regardless of any claim of any Person who may have an interest in such payment by reason of an assignment or otherwise.

SECTION 6.2. Distributions of Available Cash from Operating Surplus. (a) During Subordination Period. Available Cash with respect to any Quarter or portion thereof within the Subordination Period that is deemed to be Operating Surplus pursuant to the provisions of Sections 6.1 or 6.3 shall, subject to Section 51 of the Marshall Islands Act, be distributed as follows, except as otherwise contemplated by Section 5.5 in respect of other Partnership Securities issued pursuant thereto:

(i) First, (x) to the General Partner in accordance with its Percentage Interest and (y) to all the Unitholders holding Common Units, Pro Rata, a percentage equal to 100% less the General Partner's Percentage Interest, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the Minimum Quarterly Distribution for such Quarter;

(ii) Second, (x) to the General Partner in accordance with its Percentage Interest and (y) to all Unitholders holding Common Units, Pro Rata, a percentage equal to 100% less the General Partner's Percentage Interest, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the Cumulative Common Unit Arrearage existing with respect to such Quarter;

(iii) Third, (x) to the General Partner in accordance with its Percentage Interest and (y) to all Unitholders holding Subordinated Units, Pro Rata, a percentage equal to 100% less the General Partner's Percentage Interest, until there has been distributed in respect of each Subordinated Unit then Outstanding an amount equal to the Minimum Quarterly Distribution for such Quarter;

(iv) Fourth, to the General Partner and all Unitholders, in accordance with their respective Percentage Interests, until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the First Target Distribution over the Minimum Quarterly Distribution for such Quarter;

(v) Fifth, (A) to the General Partner in accordance with its Percentage Interest; (B) 13% to the holders of the Incentive Distribution Rights, Pro Rata; and (C) to all Unitholders, Pro Rata, a percentage equal to 100% less the sum of the percentages applicable to subclauses (A) and (B) of this clause (v) until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the Second Target Distribution over the First Target Distribution for such Quarter;

(vi) Sixth, (A) to the General Partner in accordance with its Percentage Interest, (B) 23% to the holders of the Incentive Distribution Rights, Pro Rata; and (C) to all Unitholders, Pro Rata, a percentage equal to 100% less the sum of the percentages applicable to subclauses (A) and (B) of this subclause (vi), until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the Third Target Distribution over the Second Target Distribution for such Quarter; and

(vii) Thereafter, (A) to the General Partner in accordance with its Percentage Interest; (B) 48% to the holders of the Incentive Distribution Rights, Pro Rata; and (C) to all Unitholders, Pro Rata, a percentage equal to 100% less the sum of the percentages applicable to subclauses (A) and (B) of this clause (vii);

provided, however, that if the Minimum Quarterly Distribution, the First Target Distribution, the Second Target Distribution and the Third Target Distribution have been reduced to zero pursuant to the second sentence of Section 6.4, the distribution of Available Cash that is deemed to be Operating Surplus with respect to any Quarter will be made solely in accordance with Section 6.2(a)(vii).

(b) After Subordination Period. Available Cash with respect to any Quarter after the Subordination Period that is deemed to be Operating Surplus pursuant to the provisions of Sections 6.1 or 6.3, shall subject to Section 51 of the Marshall Islands Act, be distributed as follows, except as otherwise required by Section 5.5(b) in respect of additional Partnership Securities issued pursuant thereto:

(i) First, 100% to the General Partner and the Unitholders in accordance with their respective Percentage Interests, until there has been distributed in respect of each Unit then Outstanding an amount equal to the Minimum Quarterly Distribution for such Quarter

(ii) Second, 100% to the General Partner and the Unitholders in accordance with their respective Percentage Interests, until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the First Target Distribution over the Minimum Quarterly Distribution for such Quarter;

(iii) Third, (A) to the General Partner in accordance with its Percentage Interest; (B) 13% to the holders of the Incentive Distribution Rights, Pro Rata; and (C) to all Unitholders, Pro Rata, a percentage equal to 100% less the sum of the percentages applicable to subclauses (A) and (B) of this clause (iii), until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the Second Target Distribution over the First Target Distribution for such Quarter;

(iv) Fourth, (A) to the General Partner in accordance with its Percentage Interest; (B) 23% to the holders of the Incentive Distribution Rights, Pro Rata; and (C) to all Unitholders, Pro Rata, a percentage equal to 100% less the sum of the percentages applicable to subclause (A) and (B) of this clause (iv), until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the Third Target Distribution over the Second Target Distribution for such Quarter; and

(v) Thereafter, (A) to the General Partner in accordance with its Percentage Interest; (B) 48% to the holders of the Incentive Distribution Rights, Pro Rata; and (C) to all Unitholders, Pro Rata, a percentage equal to 100% less the sum of the percentages applicable to subclauses (A) and (B) of this clause (v);

provided, however, that if the Minimum Quarterly Distribution, the First Target Distribution, the Second Target Distribution and the Third Target Distribution have been reduced to zero pursuant to the second sentence of Section 6.4, the distribution of Available Cash that is deemed to be Operating Surplus with respect to any Quarter will be made solely in accordance with Section 6.2(b)(v).

SECTION 6.3. Distributions of Available Cash from Capital Surplus. Available Cash that is deemed to be Capital Surplus pursuant to the provisions of Section 6.1(a) shall, subject to Section 51 of the Marshall Islands Act, be distributed, unless the provisions of Section 6.1 require otherwise, 100% to the General Partner and the Unitholders in accordance with their respective Percentage Interests, until a hypothetical holder of a Common Unit acquired on the Closing Date has received with respect to such Common Unit, during the period since the Closing Date through such date, distributions of Available Cash that are deemed to be Capital Surplus in an aggregate amount equal to the Initial Unit Price. Available Cash that is deemed to be Capital Surplus shall then be distributed (a) to the General Partner in accordance with its Percentage Interest and (b) to all Unitholders holding Common Units their Pro Rata share of a percentage equal to 100% less the General Partner’s Percentage Interest, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the Cumulative Common Unit Arrearage. Thereafter, all Available Cash shall be distributed as if it were Operating Surplus and shall be distributed in accordance with Section 6.2.

SECTION 6.4. Adjustment of Minimum Quarterly Distribution and Target Distribution Levels. The Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution, Third Target Distribution, Common Unit Arrearages and Cumulative Common Unit Arrearages shall be proportionately adjusted in the event of any distribution, combination or subdivision (whether effected by a distribution payable in Units or otherwise) of Units or other Partnership Securities in accordance with Section 5.9. In the event of a distribution of Available Cash that is deemed to be from Capital Surplus, the then applicable Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution and Third Target Distribution, shall be reduced in the same proportion that the distribution had to the fair market value of the Common Units prior to the announcement of the distribution. If the Common Units are publicly traded on a National Securities Exchange, the fair market value will be the Current Market Price before the ex-dividend date. If the Common Units are not publicly traded, the fair market value will be determined by the Board of Directors.

SECTION 6.5. Special Provisions Relating to the Holders of Subordinated Units. (a) Except with respect to the right to vote on or approve matters requiring the vote or approval of a percentage of the holders of Outstanding Common Units and the right to participate in distributions made with respect to Common Units, the holder of a Subordinated Unit shall have all of the rights and obligations of a Unitholder holding Common Units hereunder; provided, however, that immediately upon the conversion of Subordinated Units into Common Units pursuant to Section 5.7, the Unitholder holding a Subordinated Unit shall possess all of the rights and obligations of a Unitholder holding Common Units hereunder, including the right to vote as a Common Unitholder and the right to participate in distributions made with respect to Common Units.

(b) A Unitholder holding a Subordinated Unit that has converted into a Common Unit pursuant to Section 5.7 shall not be issued a Common Unit Certificate pursuant to Section 4.1, and shall not be permitted to transfer its converted Subordinated Units to a Person that is not an Affiliate of the holder until such time as the Board of Directors determines, based on advice of counsel, that a converted Subordinated Unit should have, as a substantive matter, like intrinsic economic and U.S. federal income tax characteristics, in all material respects, to the intrinsic economic and U.S. federal income tax characteristics of an Initial Common Unit.

SECTION 6.6. Special Provisions Relating to the Holders of Incentive Distribution Rights. Notwithstanding anything to the contrary set forth in this Agreement, the holders of the Incentive Distribution Rights (a) shall possess the rights and obligations provided in this Agreement with respect to a Limited Partner pursuant to Articles III and VII and (b) shall not (i) be entitled to vote on any matters requiring the approval or vote of the holders of Outstanding Units, except as provided by law, or (ii) be entitled to any distributions other than as provided in Sections 6.2(a)(v), (vi) and (vii), 6.2(b)(iii), (iv) and (v), and 12.4.

ARTICLE VII

MANAGEMENT AND OPERATION OF BUSINESS

SECTION 7.1. Management. (a) The Board of Directors shall have the power to oversee and direct the operations, management and policies of the Partnership on an exclusive basis. No Limited Partner shall have any management power or control over the business and affairs of the Partnership. Except as otherwise expressly provided in this Agreement, the business and affairs of the Partnership shall be managed by the General Partner under the direction of the Board of Directors, and the day-to-day activities of the Partnership initially shall be conducted on the Partnership's behalf by the Officers, who shall be agents of the Partnership. The General Partner, except as otherwise expressly provided in this Agreement, hereby irrevocably delegates to the Board of Directors the authority to oversee and direct the operations, management and policies of the Partnership on an exclusive basis that it may now or hereafter possess under applicable law. The General Partner further agrees to take any and all action necessary and appropriate, in the sole discretion of the Board of Directors, to effect any duly authorized actions by the Board of Directors, including executing or filing any agreements, instruments or certificates, delivering all documents, providing all information and taking or refraining from taking action as may be necessary or appropriate to achieve the effective delegation of power described in this Section 7.1(a). Each of the Partners and each Person who may acquire an interest in a Partnership Interest hereby approves, consents to, ratifies and confirms such delegation. The delegation by the General Partner to the Board of Directors of management powers over the business and affairs of the Partnership pursuant to the provisions of this Agreement shall not cause the General Partner to cease to be a general partner of the Partnership nor shall it cause the Board of Directors or any member thereof to be a general partner of the Partnership or to have or be subject to the liabilities of a general partner of the Partnership.

(b) Notwithstanding any other provision of this Agreement, any Group Member Agreement, the Marshall Islands Act or any applicable law, rule or regulation, each of the Partners and each other Person who may acquire an interest in Partnership Securities hereby (i) approves, consents to, ratifies and confirms the General Partner's delegation of management powers to the Board of Directors pursuant to paragraph (a) of this Section 7.1; (ii) approves, ratifies and confirms the execution, delivery and performance by the parties thereto of this Agreement, the Purchase Agreement, the Omnibus Agreement, the Contribution Agreement, any Group Member Agreement of any other Group Member and the other agreements described in or filed as exhibits to the Registration Statement that are related to the transactions contemplated by the Registration Statement; (iii) agrees that the General Partner (on behalf of the Partnership) is authorized to execute, deliver and perform the agreements referred to in clause (i) of this sentence and the other agreements, acts, transactions and matters described in or contemplated by the Registration Statement on behalf of the Partnership without any further act, approval or vote of the Partners or the other Persons who may acquire an interest in Partnership Securities; and (iv) agrees that the execution, delivery or performance by the Board of Directors, the General Partner, any Group Member or any Affiliate of any of them of this Agreement or any agreement authorized or permitted under this Agreement (including the exercise by the General Partner or any Affiliate of the General Partner of the rights accorded pursuant to Article XV) shall not constitute a breach by the Board of Directors or the General Partner of any duty that the Board of Directors or the General Partner may owe the Partnership or the Limited Partners or any other Persons under this Agreement (or any other agreements) or of any duty stated or implied by law or equity.

SECTION 7.2. The Board of Directors; Election and Appointment; Term; Manner of Acting. (a) Except as described below with respect to the Board of Directors upon Closing, the Board of Directors shall consist of seven individuals, three of whom shall be Appointed Directors and four of whom shall be Elected Directors. The Elected Directors shall be divided into three classes: Class I, comprising one Elected Director, Class II, comprising one Elected Director, and Class III, comprising two Elected Directors. The Board of Directors upon Closing may consist of six individuals, provided that a seventh director is appointed within twelve months after the date of the Purchase Agreement. The Board of Director upon Closing shall consist of the following individuals, each of whom shall hold office until his successor is duly elected or appointed, as the case may be, and qualified, in accordance with subclauses (a)(i) and (a)(ii) below, or until his earlier death, resignation or removal: Appointed Directors: Ioannis E. Lazaridis and Evangelos M. Marinakis; Elected Directors: Class I: Nikolaos Syntychakis, Class II: Abel Rasterhoff, Class III: Evangelos Bairactaris and Keith Forman. The vacancy among the Appointed Directors shall be filled as if an Appointed Director had resigned, in accordance with Section 7.6. The successors of the initial members of the Board of Directors shall be appointed or elected, as the case may be, as follows:

(i) The Appointed Directors shall be appointed by the General Partner on the date of the 2010 Annual Meeting and every third succeeding Annual Meeting thereafter; and

(ii) The Class I Elected Director shall be elected at the 2008 Annual Meeting, the Class II Elected Director shall be elected at the 2009 Annual Meeting and the Class III Elected Directors shall be elected at the 2010 Annual Meeting, in each case by a plurality of the votes of the Outstanding Common Units (excluding Common Units owned by Capital Maritime & Trading Corp. and its Affiliates) present in person or represented by proxy at the Annual Meeting with each Outstanding Common Unit having one vote and for a three-year term expiring on the date of the third succeeding Annual Meeting. At each Annual Meeting after the 2010 Annual Meeting, Elected Directors so classified who are elected to replace those whose terms expire at such Annual Meeting shall be elected to hold office until the third succeeding Annual Meeting.

(b) Each member of the Board of Directors appointed or elected, as the case may be, at an Annual Meeting shall hold office until the third succeeding Annual Meeting and until his successor is duly elected or appointed, as the case may be, and qualified, or until his earlier death, resignation or removal.

(c) Each member of the Board of Directors shall have one vote. The vote of the majority of the members of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. A majority of the number of members of the Board of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than a quorum is present at a meeting, a majority of the members of the Board of Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 7.3. Nominations of Elected Directors. The Board of Directors shall be entitled to nominate individuals to stand for election as Elected Directors at an Annual Meeting. In addition, any Limited Partner or Group of Limited Partners that beneficially owns 10% or more of the Outstanding Common Units shall be entitled to nominate one or more individuals to stand for election as Elected Directors at an Annual Meeting by providing written notice thereof to the Board of Directors not more than 120 days and not less than 90 days prior to the date of such Annual Meeting; provided, however, that in the event that the date of the Annual Meeting was not publicly announced by the Partnership by mail, press release or otherwise more than 100 days prior to the date of such meeting, such notice, to be timely, must be delivered to the Board of Directors not later than the close of business on the tenth day following the date on which the date of the Annual Meeting was announced. Such notice shall set forth (i) the name and address of the Limited Partner or Limited Partners making the nomination or nominations, (ii) the number of Common Units beneficially owned by such Limited Partner or Limited Partners, (iii) such information regarding the nominee(s) proposed by the Limited Partner or Limited Partners as would be required to be included in a proxy statement relating to the solicitation of proxies for the election of directors filed pursuant to the proxy rules of the Commission had the nominee(s) been nominated or intended to be nominated to the Board of Directors, (iv) the written consent of each nominee to serve as a member of the Board of Directors if so elected and (v) a certification that such nominee(s) qualify as Elected Directors.

SECTION 7.4. Removal of Members of Board of Directors. Members of the Board of Directors may only be removed as follows:

(a) Any Appointed Director may be removed at any time, (i) without Cause, only by the General Partner and, (ii) with Cause, by the General Partner or by the affirmative vote of the holders of a majority of the Outstanding Units at a properly called meeting of the Limited Partners.

(b) Any and all of the Elected Directors may be removed at any time, with Cause, only by the affirmative vote of a majority of the other Elected Directors or at a properly called meeting of the Limited Partners only by the affirmative vote of the holders of a majority of the Outstanding Units.

SECTION 7.5. Resignations of Members of the Board of Directors. Any member of the Board of Directors may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect at the time specified therein.

SECTION 7.6. Vacancies on the Board of Directors. Vacancies on the Board of Directors may be filled only as follows:

(a) If any Appointed Director is removed, resigns or is otherwise unable to serve as a member of the Board of Directors, the General Partner shall, in its sole discretion, appoint an individual to fill the vacancy.

(b) If any Elected Director is removed, resigns or is unable to serve as a member of the Board of Directors, the vacancy shall be filled by a majority of the Elected Directors then serving.

(c) A director appointed or elected pursuant to this Section 7.6 to fill a vacancy shall be appointed or elected, as the case may be, for the unexpired term of his predecessor in office.

SECTION 7.7. Meetings; Committees; Chairman. (a) Regular meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of such regular meetings shall not be required. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors and shall be called by the Secretary upon the written request of two members of the Board of Directors, on at least 48 hours prior written notice to the other members. Any such notice, or waiver thereof, need not state the purpose of such meeting except as may otherwise be required by law. Attendance of a member of the Board of Directors at a meeting (including pursuant to the penultimate sentence of this Section 7.7(a)) shall constitute a waiver of notice of such meeting, except where such member attends the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by all the members of the Board of Directors. Members of the Board of Directors may participate in and hold meetings by means of conference telephone, videoconference or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in such meetings shall constitute presence in person at the meeting. The Board of Directors may establish any additional rules governing the conduct of its meetings that are not inconsistent with the provisions of this Agreement.

(b) The Board of Directors shall appoint the Audit Committee and the Conflicts Committee to consist, in each case, solely of a minimum of three of the Elected Directors then in office. The Audit Committee and the Conflicts Committee shall, in each case, perform the functions delegated to it pursuant to the terms of this Agreement and such other matters as may be delegated to it from time to time by resolution of the Board of Directors. The Board of Directors, by a majority of the whole Board of Directors, may appoint one or more additional committees of the Board of Directors to consist of one or more members of the Board of Directors, which committee(s) shall have and may exercise such of the powers and authority of the Board of Directors (including in respect of Section 7.1) with respect to the management of the business and affairs of the Partnership as may be provided in a resolution of the Board of Directors. Any committee designated pursuant to this Section 7.7(b) shall choose its own chairman, shall keep regular minutes of its proceedings and report the same to the Board of Directors when requested, shall fix its own rules or procedures and shall meet at such times and at such place or places as may be provided by such rules or by resolution of such committee or resolution of the Board of Directors. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum and the affirmative vote of a majority of the members present shall be necessary for the taking of any action. Subject to the first sentence of this Section 7.7(b), the Board of Directors may designate one or more members of the Board of Directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of such committee. Subject to the first sentence of this Section 7.7(b), in the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

(c) The Appointed Directors may designate one of the members of the Board of Directors as Chairman of the Board of Directors. The Chairman of the Board of Directors, if any, and if present and acting, shall preside at all meetings of the Board of Directors. In the absence of the Chairman of the Board of Directors, another member of the Board of Directors chosen by the Appointed Directors shall preside. If, at any time, in accordance with Section 7.2(b), the Board of Directors consists solely of Elected Directors, the Board of Directors may elect one of its members as Chairman of the Board of Directors and shall, in the absence of the Chairman of the Board of Directors at a meeting of the Board of Directors, choose another member of the Board of Directors to preside at the meeting.

SECTION 7.8. Compensation of Directors. The members of the Board of Directors who are not employees of the Partnership, the General Partner or its Affiliates shall receive such compensation for their services as members of the Board of Directors or members of a committee of the Board of Directors shall determine. In addition, the members of the Board of Directors shall be entitled to be reimbursed for out-of-pocket costs and expenses incurred in the course of their service hereunder.

SECTION 7.9. Certificate of Limited Partnership. The General Partner has caused the Certificate of Limited Partnership to be filed with the Registrar of Corporations of The Marshall Islands as required by the Marshall Islands Act. The General Partner shall use all commercially reasonable efforts to cause to be filed such other certificates or documents that the Board of Directors determines to be necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership or other entity in which the limited partners have limited liability) in The Marshall Islands or any other jurisdiction in which the Partnership may elect to do business or own property. To the extent the Board of Directors determines such action to be necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate of Limited Partnership and do all things to maintain the Partnership as a limited partnership (or a partnership or other entity in which the limited partners have limited liability) under the laws of The Marshall Islands or of any other jurisdiction in which the Partnership may elect to do business or own property. Subject to the terms of Section 3.4(a), the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate of Limited Partnership, any qualification document or any amendment thereto to any Limited Partner.

SECTION 7.10. Restrictions on the Authority of the Board of Directors and the General Partner. (a) Except as otherwise provided in this Agreement, neither the Board of Directors nor the General Partner may, without written approval of the specific act by holders of all of the Outstanding Limited Partner Interests or by other written instrument executed and delivered by holders of all of the Outstanding Limited Partner Interests subsequent to the date of this Agreement, take any action in contravention of this Agreement.

(b) Except as provided in Articles XII and XIV, the Board of Directors may not sell, exchange or otherwise dispose of all or substantially all of the assets of the Partnership Group, taken as a whole, in a single transaction or a series of related transactions (including by way of merger, consolidation, other combination or sale of ownership interests in the Partnership's Subsidiaries) or dissolve the Partnership without the approval of holders of a Unit Majority and the General Partner; provided, however, that this provision shall not preclude or limit the ability of the Board of Directors, subject to the approval of the General Partner as provided in subparagraph (c) below, to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the assets of the Partnership Group and shall not apply to any forced sale of any or all of the assets of the Partnership Group pursuant to the foreclosure of, or other realization upon, any such encumbrance. The transfer of the General Partner Interest to and the election of a successor general partner of the Partnership shall be made in accordance with Sections 4.6, 11.1 and 11.2.

(c) Without the approval of the General Partner, the Board of Directors may not:

(i) merge or consolidate the Partnership;

(ii) dissolve the Partnership;

(iii) make a sale of assets representing 10% or more of the fair market value of the Partnership's assets prior to the sale;

(iv) make a purchase of assets representing 10% or more of the fair market value of the Partnership's assets prior to the purchase;

(v) incur debt if such incurrence would result in the Partnership's over leverage, taking into account customary industry leverage levels, the Partnership's structure and its other assets and liabilities;

(vi) mortgage, pledge, hypothecate, or grant a security interest in all or substantially all of the Partnership's assets for purposes other than securing indebtedness that does not result in the Partnership's over leverage, taking into account customary industry leverage levels, the Partnership's structure and its other assets and liabilities; and

(vii) make issuances of equity that are not reasonably expected to be accretive to equity within twelve months of issuance or which would otherwise have a material adverse impact on the General Partner or the General Partner Interest.

SECTION 7.11. Reimbursement of the General Partner. (a) Except as provided in this Section 7.11 and elsewhere in this Agreement, the General Partner shall not be compensated for its services as a general partner or managing member of any Group Member.

(b) The General Partner shall be reimbursed on a monthly basis, or such other basis as the Board of Directors may determine, for (i) all direct and indirect expenses it incurs or payments it makes on behalf of the Partnership Group (including salary, bonus, incentive compensation and other amounts paid to any Person, including Affiliates of the General Partner, to perform services for the Partnership or for the General Partner in the discharge of its duties to the Partnership Group, which amounts shall also include reimbursement for any Common Units purchased to satisfy obligations of the Partnership under any of its equity compensation plans), and (ii) all other direct and indirect expenses allocable to the Partnership or otherwise incurred by the General Partner in connection with operating the Partnership Group's business (including expenses allocated to the General Partner by its Affiliates). The Board of Directors shall determine the expenses that are allocable to the Partnership Group. Reimbursements pursuant to this Section 7.11 shall be in addition to any reimbursement to the General Partner as a result of indemnification pursuant to Section 7.14.

(c) The General Partner, without the approval of the Limited Partners (who shall have no right to vote in respect thereof) but subject to the approval of the Board of Directors, may propose and adopt on behalf of the Partnership employee benefit plans, employee programs and employee practices (including plans, programs and practices involving the issuance of Partnership Securities or options to purchase or rights, warrants or appreciation rights relating to Partnership Securities), or cause the Partnership to issue Partnership Securities in connection with, or pursuant to, any employee benefit plan, employee program or employee practice maintained or sponsored by the General Partner or any of its Affiliates, in each case for the benefit of employees of the General Partner, any Group Member or any Affiliate thereof, or any of them, in respect of services performed, directly or indirectly, for the benefit of the Partnership Group. The Partnership agrees to issue and sell to the General Partner or any of its Affiliates any Partnership Securities that the General Partner or such Affiliates are obligated to provide to any employees pursuant to any such employee benefit plans, employee programs or employee practices. Expenses incurred by the General Partner in connection with any such plans, programs and practices (including the net cost to the General Partner or such Affiliates of Partnership Securities purchased by the General Partner or such Affiliates from the Partnership or in the open market to fulfill options or awards under such plans, programs and practices) shall be reimbursed in accordance with Section 7.11(b). Any and all obligations of the General Partner under any employee benefit plans, employee programs or employee practices adopted by the General Partner as permitted by this Section 7.11(c) shall constitute obligations of the General Partner hereunder and shall be assumed by any successor General Partner approved pursuant to Section 11.1 or 11.2 or the transferee of or successor to all of the General Partner's General Partner Interest pursuant to Section 4.6.

SECTION 7.12. Outside Activities. (a) After the Closing Date, the General Partner, for so long as it is the General Partner of the Partnership (i) agrees that its sole business will be to act as a general partner or managing member, as the case may be, of the Partnership and any other partnership or limited liability company of which the Partnership is, directly or indirectly, a partner or member and to undertake activities that are ancillary or related thereto (including being a limited partner in the Partnership), (ii) shall not engage in any business or activity or incur any debts or liabilities except in connection with or incidental to (A) its performance as general partner or managing member, if any, of one or more Group Members or as described in or contemplated by the Registration Statement or (B) the acquiring, owning or disposing of debt or equity securities in any Group Member and (iii) except to the extent permitted in the Omnibus Agreement, shall not, and shall cause its controlled Affiliates not to, acquire, own or operate Medium Range Tankers under Qualifying Contracts (as such terms are defined in the Omnibus Agreement).

(b) Capital Maritime & Trading Corp., the Partnership, the General Partner and the Operating Company have entered into the Omnibus Agreement, which agreement sets forth certain restrictions on the ability of Capital Maritime & Trading Corp. and certain of its Affiliates to acquire, own or operate Medium Range Tankers under Qualifying Contracts (as defined in the Omnibus Agreement).

(c) Except as specifically restricted by Section 7.12(a) and the Omnibus Agreement, each Indemnitee (other than the General Partner) shall have the right to engage in businesses of every type and description and other activities for profit and to engage in and possess an interest in other business ventures of any and every type or description, whether in businesses engaged in or anticipated to be engaged in by any Group Member, independently or with others, including business interests and activities in direct competition with the business and activities of any Group Member, and none of the same shall constitute a breach of this Agreement or any duty expressed or implied by law to any Group Member or any Partner. Notwithstanding anything to the contrary in this Agreement, (i) the possessing of competitive interests and engaging in competitive activities by any Indemnitees (other than the General Partner) in accordance with the provisions of this Section 7.12 is hereby approved by the Partnership and all Partners and (ii) it shall be deemed not to be a breach of any fiduciary duty or any other obligation of any type whatsoever of the General Partner or of any Indemnitee for the Indemnitees (other than the General Partner) to engage in such business interests and activities in preference to or to the exclusion of the Partnership.

(d) Notwithstanding anything to the contrary in this Agreement, the doctrine of corporate opportunity, or any analogous doctrine, shall not apply to an Indemnitee (including the General Partner) and, subject to the terms of Section 7.12(a), Section 7.12(b), Section 7.12(c) and the Omnibus Agreement, no Indemnitee (including the General Partner) who acquires knowledge of a potential transaction, agreement, arrangement or other matter that may be an opportunity for the Partnership shall have any duty to communicate or offer such opportunity to the Partnership, and, subject to the terms of Section 7.12(a), Section 7.12(b), Section 7.12(c) and the Omnibus Agreement, such Indemnitee (including the General Partner) shall not be liable to the Partnership, to any Limited Partner or any other Person for breach of any fiduciary or other duty by reason of the fact that such Indemnitee (including the General Partner) pursues or acquires such opportunity for itself, directs such opportunity to another Person or does not communicate such opportunity or information to the Partnership.

(e) The General Partner and each of its Affiliates may acquire Units or other Partnership Securities in addition to those acquired on the Closing Date and, except as otherwise provided in this Agreement, shall be entitled to exercise, at their option, all rights relating to all Units or other Partnership Securities acquired by them. The term “Affiliates” as used in this Section 7.12(e) with respect to the General Partner shall not include any Group Member.

SECTION 7.13. Loans from the General Partner; Loans or Contributions from the Partnership or Group Members. (a) The General Partner or any of its Affiliates may lend to any Group Member, and any Group Member may borrow from the General Partner or any of its Affiliates, funds needed or desired by the Group Member for such periods of time and in such amounts as the General Partner and the Board of Directors may determine; provided, however, that in any such case the lending party may not charge the borrowing party interest at a rate greater than the rate that would be charged the borrowing party or impose terms less favorable to the borrowing party than would be charged or imposed on the borrowing party by unrelated lenders on comparable loans made on an arms'-length basis (without reference to the lending party's financial abilities or guarantees), all as determined by the General Partner and the Board of Directors. The borrowing party shall reimburse the lending party for any costs (other than any additional interest costs) incurred by the lending party in connection with the borrowing of such funds. For purposes of this Section 7.13(a) and Section 7.13(b), the term "Group Member" shall include any Affiliate of a Group Member that is controlled by the Group Member.

(b) The Partnership may lend or contribute to any Group Member, and any Group Member may borrow from the Partnership, funds on terms and conditions determined by the Board of Directors. No Group Member may lend funds to the General Partner or any of its Affiliates (other than another Group Member).

(c) No borrowing by any Group Member or the approval thereof by the General Partner or the Board of Directors shall be deemed to constitute a breach of any duty, expressed or implied, of the General Partner or its Affiliates or the Board of Directors to the Partnership or the Limited Partners by reason of the fact that the purpose or effect of such borrowing is directly or indirectly to (i) enable distributions to the General Partner or its Affiliates (including in their capacities as Limited Partners) to exceed the General Partner's Percentage Interest of the total amount distributed to all partners or (ii) hasten the expiration of the Subordination Period or the conversion of any Subordinated Units into Common Units.

SECTION 7.14. Indemnification. (a) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, all Indemnitees shall be indemnified and held harmless by the Partnership from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee; provided, however, that the Indemnitee shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnitee is seeking indemnification pursuant to this Section 7.14, the Indemnitee acted in bad faith or engaged in fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was unlawful; and, provided further, that no indemnification pursuant to this Section 7.14 shall be available to the General Partner or its Affiliates (other than a Group Member) with respect to its or their obligations incurred pursuant to the Purchase Agreement, the Omnibus Agreement or the Contribution Agreement (other than obligations incurred by the General Partner on behalf of the Partnership). Any indemnification pursuant to this Section 7.14 shall be made out of the assets of the Partnership, it being agreed that the General Partner shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate such indemnification.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 7.14(a) in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to a determination that the Indemnitee is not entitled to be indemnified upon receipt by the Partnership of any undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 7.14.

(c) The indemnification provided by this Section 7.14 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the holders of Outstanding Limited Partner Interests, as a matter of law or otherwise, both as to actions in the Indemnitee's capacity as an Indemnitee and as to actions in any other capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

(d) The Partnership may purchase and maintain (or reimburse the members of the Board of Directors and the General Partner or its Affiliates for the cost of) insurance, on behalf of the Board of Directors and the General Partner, its Affiliates and such other Persons as the Board of Directors shall determine, against any liability that may be asserted against, or expense that may be incurred by, such Person in connection with the Partnership's activities or such Person's activities on behalf of the Partnership, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) For purposes of this Section 7.14, the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by the Indemnitee of its duties to the Partnership also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of Section 7.14(a); and action taken or omitted by the Indemnitee with respect to any employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the best interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is in the best interests of the Partnership.

(f) In no event may an Indemnitee subject the Limited Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.14 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Section 7.14 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section 7.14 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Partnership, nor the obligations of the Partnership to indemnify any such Indemnitee under and in accordance with the provisions of this Section 7.14 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

SECTION 7.15. Liability of Indemnitees. (a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damages to the Partnership, the Limited Partners or any other Persons who have acquired interests in the Partnership Securities, for losses sustained or liabilities incurred as a result of any act or omission of an Indemnitee unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, the Indemnitee acted in bad faith or engaged in fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was criminal.

(b) Subject to their obligations and duties as members of the Board of Directors or the General Partner, respectively, set forth in Section 7.1(a), members of the Board of Directors and the General Partner may exercise any of the powers granted to them and perform any of the duties imposed upon them hereunder either directly or by or through its agents, and the members of the Board of Directors and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the Board of Directors or the General Partner in good faith.

(c) To the extent that, at law or in equity, an Indemnitee has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to the Partners, the General Partner and any other Indemnitee acting in connection with the Partnership's business or affairs shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement.

(d) Any amendment, modification or repeal of this Section 7.15 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of the Indemnitees under this Section 7.15 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

SECTION 7.16. Resolution of Conflicts of Interest; Standards of Conduct and Modification of Duties. (a) Unless otherwise expressly provided in this Agreement or any Group Member Agreement, whenever a potential conflict of interest exists or arises between the General Partner or any of its Affiliates, or any member of the Board of Directors, on the one hand, and the Partnership, any Group Member or any Partner, on the other, any resolution or course of action in respect of such conflict of interest shall be permitted and deemed approved by all Partners, and shall not constitute a breach of this Agreement, of any Group Member Agreement, of any agreement contemplated herein or therein, or of any duty stated or implied by law or equity, if the resolution or course of action in respect of such conflict of interest is (i) approved by Special Approval, (ii) approved by the vote of a majority of the Common Units (excluding Common Units owned by the General Partner and its Affiliates), (iii) on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties or (iv) fair and reasonable to the Partnership, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership). The General Partner and the Board of Directors may but shall not be required in connection with the resolution of such conflict of interest to seek Special Approval of such resolution, and the General Partner or the Board of Directors, as the case may be, may also adopt a resolution or course of action that has not received Special Approval. If Special Approval is not sought and the Board of Directors determines that the resolution or course of action taken with respect to a conflict of interest satisfies either of the standards set forth in clauses (iii) or (iv) above, then it shall be presumed that, in making its decision the Board of Directors, acted in good faith, and in any proceeding brought by any Limited Partner or by or on behalf of such Limited Partner or any other Limited Partner or the Partnership challenging such approval, the Person bringing or prosecuting such proceeding shall have the burden of overcoming such presumption. Notwithstanding anything to the contrary in this Agreement, the existence of the conflicts of interest described in the Registration Statement are hereby approved by all Partners.

(b) Whenever the General Partner makes a determination or takes or declines to take any other action, or any of its Affiliates causes it to do so, in its capacity as the general partner of the Partnership as opposed to in its individual capacity, whether under this Agreement, any Group Member Agreement or any other agreement contemplated hereby or otherwise, then, unless another express standard is provided for in this Agreement, the General Partner, or such Affiliates causing it to do so, shall make such determination or take or decline to take such other action in good faith and shall not be subject to any other or different standards imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Marshall Islands Act or any other law, rule or regulation or at equity. In order for a determination or other action to be in "good faith" for purposes of this Agreement, the Person or Persons making such determination or taking or declining to take such other action must reasonably believe that the determination or other action is in the best interests of the Partnership, unless the context otherwise requires.

(c) Whenever the General Partner makes a determination or takes or declines to take any other action, or any of its Affiliates causes it to do so, in its individual capacity as opposed to in its capacity as the general partner of the Partnership, whether under this Agreement, any Group Member Agreement or any other agreement contemplated hereby or otherwise, then the General Partner, or such Affiliates causing it to do so, are entitled to make such determination or to take or decline to take such other action free of any fiduciary duty or obligation whatsoever to the Partnership or any Limited Partner, and the General Partner, or such Affiliates causing it to do so, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Marshall Islands Act or any other law, rule or regulation or at equity. By way of illustration and not of limitation, whenever the phrase, "at the option of the General Partner," or some variation of that phrase, is used in this Agreement, it indicates that the General Partner is acting in its individual capacity. For the avoidance of doubt, whenever the General Partner votes or transfers its Units, General Partner Interest or Incentive Distribution Rights, to the extent permitted under this Agreement, or refrains from voting or transferring its Units, General Partner Units or Incentive Distribution Rights, as appropriate, it shall be acting in its individual capacity. The General Partner's organizational documents may provide that determinations to take or decline to take any action in its individual, rather than representative, capacity may or shall be determined by its members, if the General Partner is a limited liability company, stockholders, if the General Partner is a corporation, or the members or stockholders of the General Partner's general partner, if the General Partner is a limited partnership.

(d) Whenever the Board of Directors makes a determination or takes or declines to take any other action, whether under this Agreement, any Group Member Agreement or any other agreement contemplated hereby or otherwise, then, unless another express standard is provided for in this Agreement, the Board of Directors, shall make such determination or take or decline to take such other action in good faith and shall not be subject to any other or different standards imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Marshall Islands Act or any other law, rule or regulation or at equity. In order for a determination or other action to be in "good faith" for purposes of this Agreement, the Person or Persons making such determination or taking or declining to take such other action must reasonably believe that the determination or other action is in the best interests of the Partnership, unless the context otherwise requires.

(e) Notwithstanding anything to the contrary in this Agreement, neither the Board of Directors nor the General Partner and its Affiliates shall have a duty or obligation, express or implied, to (i) sell or otherwise dispose of any asset of the Partnership Group other than in the ordinary course of business or (ii) permit any Group Member to use any facilities or assets of the General Partner and its Affiliates, except as may be provided in contracts entered into from time to time specifically dealing with such use. Any determination by the Board of Directors or the General Partner or any of its Affiliates to enter into such contracts shall, in each case, be at their option.

(f) Except as expressly set forth in this Agreement, neither the General Partner nor the Board of Directors or any other Indemnitee shall have any duties or liabilities, including fiduciary duties, to the Partnership or any Limited Partner and the provisions of this Agreement, to the extent that they restrict, eliminate or otherwise modify the duties and liabilities, including fiduciary duties, of the Board of Directors or the General Partner or any other Indemnitee otherwise existing at law or in equity, are agreed by the Partners to replace such other duties and liabilities of the Board of Directors or the General Partner or such other Indemnitee.

(g) The Unitholders hereby authorize the Board of Directors, on behalf of the Partnership as a partner or member of a Group Member, to approve of actions by the general partner or managing member of such Group Member similar to those actions permitted to be taken by the Board of Directors pursuant to this Section 7.16.

SECTION 7.17. Other Matters Concerning the General Partner and the Board of Directors. (a) The General Partner and the Board of Directors may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The General Partner and the Board of Directors may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by either of them, and any act taken or omitted to be taken in reliance upon the advice or opinion (including an Opinion of Counsel) of such Persons as to matters that the General Partner or the Board of Directors reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such advice or opinion.

(c) The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers, a duly appointed attorney or attorneys-in-fact or the duly authorized officers of the Partnership.

SECTION 7.18. Purchase or Sale of Partnership Securities. The Board of Directors may cause the Partnership to purchase or otherwise acquire Partnership Securities; provided, however, that the Board of Directors may not cause any Group Member to purchase Subordinated Units during the Subordination Period. As long as Partnership Securities are held by any Group Member, such Partnership Securities shall not be considered Outstanding for any purpose, except as otherwise provided herein. The General Partner or any Affiliate of the General Partner may purchase or otherwise acquire and sell or otherwise dispose of Partnership Securities for its own account, subject to the provisions of Articles IV and X.

SECTION 7.19. Registration Rights of the General Partner and its Affiliates. (a) If (i) the General Partner or any Affiliate of the General Partner (including for purposes of this Section 7.19, any Person that is an Affiliate of the General Partner at the date hereof notwithstanding that it may later cease to be an Affiliate of the General Partner) holds Partnership Securities that it desires to sell and (ii) Rule 144 of the Securities Act (or any successor rule or regulation to Rule 144) or another exemption from registration is not available to enable such holder of Partnership Securities (the "Holder") to dispose of the number of Partnership Securities it desires to sell at the time it desires to do so without registration under the Securities Act, then at the option and upon the request of the Holder, the Partnership shall file with the Commission as promptly as practicable after receiving such request, and use its reasonable best efforts to cause to become effective and remain effective for a period of not less than six months following its effective date or such shorter period as shall terminate when all Partnership Securities covered by such registration statement have been sold, a registration statement under the Securities Act registering the offering and sale of the number of Partnership Securities specified by the Holder; provided, however, that the Partnership shall not be required to effect more than five registrations pursuant to this Section 7.19(a); and, provided further, that if the Conflicts Committee determines in good faith that the requested registration would be materially detrimental to the Partnership and its Partners because such registration would (x) materially interfere in a way materially adverse to the Partnership with a significant acquisition, merger, disposition, corporate reorganization or other similar transaction involving the Partnership, (y) require premature disclosure of material information that the Partnership has a bona fide business purpose for preserving as confidential or (z) render the Partnership unable to comply with requirements under applicable securities laws, then the Partnership shall have the right to postpone such requested registration for a period of not more than 90 days after receipt of the Holder's request, such right pursuant to this Section 7.19(a) not to be utilized more than once in any 12-month period. The Partnership shall use its reasonable best efforts to resolve any deferral with respect to any such registration and/or filing. Except as provided in the first sentence of this Section 7.19(a), the Partnership shall be deemed not to have used all its reasonable best efforts to keep the registration statement effective during the applicable period if it voluntarily takes any action that would result in Holders of Partnership Securities covered thereby not being able to offer and sell such Partnership Securities at any time during such period, unless such action is required by applicable law. In connection with any registration pursuant to this Section 7.19(a), the Partnership shall (i) promptly prepare and file (A) such documents as may be necessary to register or qualify the securities subject to such registration under the securities laws of such states as the Holder shall reasonably request (provided, however, that no such qualification shall be required in any jurisdiction where, as a result thereof, the Partnership would become subject to general service of process or to taxation or qualification to do business as a foreign corporation or partnership doing business in such jurisdiction solely as a result of such registration), and (B) such documents as may be necessary to apply for listing or to list the Partnership Securities subject to such registration on such National Securities Exchange as the Holder shall reasonably request, and (ii) do any and all other acts and things that may be necessary or appropriate to enable the Holder to consummate a public sale of such Partnership Securities in such states. Except as set forth in Section 7.19(c), all costs and expenses of any such registration and offering (other than the underwriting discounts and commissions) shall be paid by the Partnership, without reimbursement by the Holder.

(b) If the Partnership shall at any time propose to file a registration statement under the Securities Act for an offering of Partnership Securities for cash (other than an offering relating solely to an employee benefit plan), the Partnership shall use all its reasonable best efforts to include such number or amount of Partnership Securities held by any Holder in such registration statement as the Holder shall request; provided, however, that the Partnership is not required to make any effort or take any action to so include the Partnership Securities of the Holder once the registration statement becomes or is declared effective by the Commission, including any registration statement providing for the offering from time to time of Partnership Securities pursuant to Rule 415 of the Securities Act. If the proposed offering pursuant to this Section 7.19(b) shall be an underwritten offering, then, in the event that the managing underwriter or managing underwriters of such offering advise the Partnership and the Holder in writing that in their opinion the inclusion of all or some of the Holder's Partnership Securities would adversely and materially affect the success of the offering, the Partnership shall include in such offering only that number or amount, if any, of Partnership Securities held by the Holder that, in the opinion of the managing underwriter or managing underwriters, will not so adversely and materially affect the offering. Except as set forth in Section 7.19(c), all costs and expenses of any such registration and offering (other than the underwriting discounts and commissions) shall be paid by the Partnership, without reimbursement by the Holder.

(c) If underwriters are engaged in connection with any registration referred to in this Section 7.19, the Partnership shall provide indemnification, representations, covenants, opinions and other assurance to the underwriters in form and substance reasonably satisfactory to such underwriters. Further, in addition to and not in limitation of the Partnership's obligation under Section 7.14, the Partnership shall, to the fullest extent permitted by law, indemnify and hold harmless the Holder, its officers, directors and each Person who controls the Holder (within the meaning of the Securities Act) and any agent thereof (collectively, "Indemnified Persons") from and against any and all losses, claims, demands, actions, causes of action, assessments, damages, liabilities (joint or several), costs and expenses (including interest, penalties and reasonable attorneys' fees and disbursements), resulting to, imposed upon, or incurred by the Indemnified Persons, directly or indirectly, under the Securities Act or otherwise (hereinafter referred to in this Section 7.19(c) as a "claim" and in the plural as "claims") based upon, arising out of or resulting from any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which any Partnership Securities were registered under the Securities Act or any state securities or Blue Sky laws, in any preliminary prospectus or issuer free writing prospectus as defined in Rule 433 of the Securities Act (if used prior to the effective date of such registration statement), or in any summary or final prospectus or in any amendment or supplement thereto (if used during the period the Partnership is required to keep the registration statement current), or arising out of, based upon or resulting from the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made therein not misleading; provided, however, that the Partnership shall not be liable to any Indemnified Person to the extent that any such claim arises out of, is based upon or results from an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, such preliminary, summary or final prospectus or such amendment or supplement, in reliance upon and in conformity with written information furnished to the Partnership by or on behalf of such Indemnified Person specifically for use in the preparation thereof.

(d) The provisions of Section 7.19(a) and Section 7.19(b) shall continue to be applicable with respect to the General Partner (and any of the General Partner's Affiliates) after it ceases to be a general partner of the Partnership, during a period of two years subsequent to the effective date of such cessation and for so long thereafter as is required for the Holder to sell all of the Partnership Securities with respect to which it has requested during such two-year period inclusion in a registration statement otherwise filed or that a registration statement be filed; provided, however, that the Partnership shall not be required to file successive registration statements covering the same Partnership Securities for which registration was demanded during such two-year period. The provisions of Section 7.19(c) shall continue in effect thereafter.

(e) The rights to cause the Partnership to register Partnership Securities pursuant to this Section 7.19 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such Partnership Securities, provided (i) the Partnership is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the Partnership Securities with respect to which such registration rights are being assigned, and (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms set forth in this Section 7.19.

(f) Any request to register Partnership Securities pursuant to this Section 7.19 shall (i) specify the Partnership Securities intended to be offered and sold by the Person making the request, (ii) express such Person's present intent to offer such Partnership Securities for distribution, (iii) describe the nature or method of the proposed offer and sale of Partnership Securities, and (iv) contain the undertaking of such Person to provide all such information and materials and take all action as may be required in order to permit the Partnership to comply with all applicable requirements in connection with the registration of such Partnership Securities.

SECTION 7.20. Reliance by Third Parties. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the Board of Directors, the General Partner and any Officer authorized by the General Partner or the Board of Directors to act on behalf of and in the name of the Partnership has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any authorized contracts on behalf of the Partnership, and such Person shall be entitled to deal with the Board of Directors, the General Partner or any such Officer as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the Board of Directors, the General Partner or any such Officer in connection with any such dealing. In no event shall any Person dealing with the Board of Directors, the General Partner or any such Officer or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the Board of Directors, the General Partner or any such Officer or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the Board of Directors, the General Partner, the Officers or representatives of the General Partner authorized by the General Partner or the Board of Directors shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE VIII

BOOKS, RECORDS, ACCOUNTING AND REPORTS

SECTION 8.1. Records and Accounting. The Partnership shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including all books and records necessary to provide to the Limited Partners any information required to be provided pursuant to Section 3.4(a). Any books and records maintained by or on behalf of the Partnership in the regular course of its business, including the record of the Record Holders of Units or other Partnership Securities, books of account and records of Partnership proceedings, may be kept on, or be in the form of, computer disks, hard drives, punch cards, magnetic tape, photographs, micrographics or any other information storage device; provided, however, that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with U.S. GAAP.

SECTION 8.2. Fiscal Year. The fiscal year of the Partnership shall be a fiscal year ending December 31.

SECTION 8.3. Reports. (a) As soon as practicable, but in no event later than 120 days after the close of each fiscal year of the Partnership, the Partnership shall cause to be mailed or made available, by any reasonable means (including posting on the Partnership's website), to each Record Holder of a Unit as of a date selected by the Board of Directors, an annual report containing financial statements of the Partnership for such fiscal year of the Partnership, presented in accordance with U.S. GAAP, including a balance sheet and statements of operations, Partnership equity and cash flows, such statements to be audited by a firm of independent public accountants selected by the Board of Directors.

(b) As soon as practicable, but in no event later than 90 days after the close of each Quarter except the last Quarter of each fiscal year, the Partnership shall cause to be mailed or made available, by any reasonable means (including posting on the Partnership's website), to each Record Holder of a Unit, as of a date selected by the Board of Directors, a report containing unaudited financial statements of the Partnership and such other information as may be required by applicable law, regulation or rule of any National Securities Exchange on which the Units are listed or admitted to trading, or as the Board of Directors determines to be necessary or appropriate.

ARTICLE IX

TAX MATTERS

SECTION 9.1. Tax Elections and Information. (a) The Partnership has elected to be treated as an association taxable as a corporation for United States federal income tax purposes. Except as otherwise provided herein, the Board of Directors shall determine whether the Partnership should make any other elections permitted by the Code.

(b) The tax information reasonably required by Record Holders generally for United States federal and state income tax reporting purposes with respect to a taxable year shall be furnished to them within 90 days of the close of the calendar year in which the Partnership's taxable year ends.

SECTION 9.2. Withholding. Notwithstanding any other provision of this Agreement, the Board of Directors is authorized to take any action that may be required to cause the Partnership and other Group Members to comply with any withholding requirements established under the Code or any other U.S. federal, state or local or any non-U.S. law including pursuant to Sections 1441, 1442 and 1445 of the Code. To the extent that the Partnership is required or elects to withhold and pay over to any taxing authority any amount resulting from the distribution of income to any Partner, the Board of Directors may treat the amount withheld as a distribution of cash pursuant to Section 6.1 in the amount of such withholding from such Partner.

SECTION 9.3. Conduct of Operations. The Board of Directors and the General Partner shall use commercially reasonable efforts to conduct the business of the Partnership and its Affiliates in a manner that does not require a holder of Common Units to file a tax return in any jurisdiction with which the holder has no contact other than through ownership of Common Units.

ARTICLE X

ADMISSION OF PARTNERS

SECTION 10.1. Admission of Initial Limited Partners. Upon the issuance by the Partnership of Common Units, Subordinated Units and Incentive Distribution Rights to the General Partner and Capital Maritime & Trading Corp. as described in Sections 5.2 and 5.3, the Board of Directors shall admit such parties to the Partnership as Initial Limited Partners in respect of the Common Units, Subordinated Units or Incentive Distribution Rights issued to them.

SECTION 10.2. Admission of Additional Limited Partners. (a) By acceptance of the transfer of any Limited Partner Interests in accordance with Article IV or the acceptance of any Limited Partner Interests issued pursuant to Article V or pursuant to a merger or consolidation pursuant to Article XIV, each transferee of, or other such Person acquiring, a Limited Partner Interest (including any nominee holder or an agent or representative acquiring such Limited Partner Interests for the account of another Person) (i) shall be admitted to the Partnership as a Limited Partner with respect to the Limited Partner Interests so transferred or issued to such Person when any such transfer, issuance or admission is reflected in the books and records of the Partnership and such Limited Partner becomes the Record Holder of the Limited Partner Interests so transferred, (ii) shall become bound by the terms of this Agreement, (iii) represents that the transferee has the capacity, power and authority to enter into this Agreement, (iv) grants the powers of attorney set forth in this Agreement and (v) makes the consents and waivers contained in this Agreement, all with or without execution of this Agreement by such Person. The transfer of any Limited Partner Interests and the admission of any new Limited Partner shall not constitute an amendment to this Agreement. A Person may become a Limited Partner or Record Holder of a Limited Partner Interest without the consent or approval of any of the Partners. A Person may not become a Limited Partner until such Person acquires a Limited Partner Interest and such Person is reflected in the books and records of the Partnership as the Record Holder of such Limited Partner Interest.

(b) The name and mailing address of each Limited Partner shall be listed on the books and records of the Partnership maintained for such purpose by the Partnership or the Transfer Agent. The General Partner shall update the books and records of the Partnership from time to time as necessary to reflect accurately the information therein (or shall cause the Transfer Agent to do so, as applicable). A Limited Partner Interest may be represented by a Certificate, as provided in Section 4.1 hereof.

(c) Any transfer of a Limited Partner Interest shall not entitle the transferee to receive distributions or to any other rights to which the transferor was entitled until the transferee becomes a Limited Partner pursuant to Section 10.2(a).

SECTION 10.3. Admission of Successor General Partner. A successor General Partner approved pursuant to Section 11.1 or 11.2 or the transferee of or successor to all of the General Partner Interest (represented by General Partner Units) pursuant to Section 4.6 who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective immediately prior to the withdrawal or removal of the predecessor or transferring General Partner, pursuant to Section 11.1 or 11.2 or the transfer of the General Partner Interest (represented by General Partner Units) pursuant to Section 4.6; provided, however, that no such successor shall be admitted to the Partnership until compliance with the terms of Section 4.6 has occurred and such successor has executed and delivered such other documents or instruments as may be required to effect such admission. Any such successor shall, subject to the terms hereof, carry on the business of the members of the Partnership Group without dissolution.

SECTION 10.4. Amendment of Agreement and Certificate of Limited Partnership. To effect the admission to the Partnership of any Partner, the General Partner shall take all steps necessary or appropriate under the Marshall Islands Act to amend the records of the Partnership to reflect such admission and, if necessary, to prepare as soon as practicable an amendment to this Agreement and, if required by law, the General Partner shall prepare and file an amendment to the Certificate of Limited Partnership and the General Partner may for this purpose, among others, exercise the power of attorney granted to it subject to the direction of the Board of Directors pursuant to Section 2.6.

ARTICLE XI

WITHDRAWAL OR REMOVAL OF PARTNERS

SECTION 11.1. Withdrawal of the General Partner. (a) The General Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any one of the following events (each such event herein referred to as an “Event of Withdrawal”):

(i) The General Partner voluntarily withdraws from the Partnership by giving written notice to the other Partners;

(ii) The General Partner transfers all of its rights as General Partner pursuant to Section 4.6;

(iii) The General Partner is removed pursuant to Section 11.2;

(iv) The General Partner (A) makes a general assignment for the benefit of creditors; (B) files a voluntary petition in bankruptcy; (C) files a petition or answer seeking for itself a liquidation, dissolution or similar relief (but not a reorganization) under any law; (D) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the General Partner in a proceeding of the type described in clauses (A), (B) or (C) of this Section 11.1(a)(iv); or (E) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the General Partner or of all or any substantial part of its properties;

(v) The General Partner is adjudged bankrupt or insolvent, or has entered against it an order for relief in any bankruptcy or insolvency proceeding;

(vi) (A) in the event the General Partner is a corporation, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter and the expiration of ninety (90) days after the date of notice to the corporation of revocation without a reinstatement of its charter; (B) in the event the General Partner is a partnership or a limited liability company, the dissolution and commencement of winding up of the General Partner; (C) in the event the General Partner is acting in such capacity by virtue of being a trustee of a trust, the termination of the trust; (D) in the event the General Partner is a natural person, his death or adjudication of incompetency; and (E) otherwise in the event of the termination of the General Partner.

If an Event of Withdrawal specified in Section 11.1(a)(iv), (v) or (vi)(A), (B), (C) or (E) occurs, the withdrawing General Partner shall give notice to the Limited Partners within 30 days after such occurrence. The Partners hereby agree that only the Events of Withdrawal described in this Section 11.1 shall result in the withdrawal of the General Partner from the Partnership.

(b) Withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall not constitute a breach of this Agreement under the following circumstances: (i) at any time during the period beginning on the Closing Date and ending at 12:00 midnight, prevailing Eastern Time, on March 31, 2017, the General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Limited Partners; provided, however, that prior to the effective date of such withdrawal, the withdrawal is approved by Unitholders holding at least a majority of the Outstanding Common Units (excluding Common Units held by the General Partner and its Affiliates) and the General Partner delivers to the Partnership an Opinion of Counsel ("Withdrawal Opinion of Counsel") that such withdrawal (following the selection of the successor General Partner) would not result in the loss of the limited liability of any Limited Partner or any Group Member; (ii) at any time after 12:00 midnight, prevailing Eastern Time, on March 31, 2017, the General Partner voluntarily withdraws by giving at least 90 days' advance notice to the Unitholders, such withdrawal to take effect on the date specified in such notice; (iii) at any time that the General Partner ceases to be the General Partner pursuant to Section 11.1(a)(ii) or is removed pursuant to Section 11.2; or (iv) notwithstanding clause (i) of this sentence, at any time that the General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Limited Partners, such withdrawal to take effect on the date specified in the notice, if at the time such notice is given one Person and its Affiliates (other than the General Partner and its Affiliates) own beneficially or of record or control at least 50% of the Outstanding Units. The withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall also constitute the withdrawal of the General Partner as general partner or managing member, if any, to the extent applicable, of the other Group Members. If the General Partner gives a notice of withdrawal pursuant to Section 11.1(a)(i), the holders of a Unit Majority, may, prior to the effective date of such withdrawal, elect a successor General Partner. The Person so elected as successor General Partner shall automatically become the successor general partner or managing member, to the extent applicable, of the other Group Members of which the General Partner is a general partner or a managing member. If, prior to the effective date of the General Partner's withdrawal, a successor is not selected by the Unitholders as provided herein or, if applicable, the Partnership does not receive a Withdrawal Opinion of Counsel, the Partnership shall be dissolved in accordance with Section 12.1. Any successor General Partner elected in accordance with the terms of this Section 11.1 shall be subject to the provisions of Section 10.3.

SECTION 11.2. Removal of the General Partner. The General Partner may be removed if such removal is approved by the Unitholders holding at least 66 2/3% of the Outstanding Units (including Units held by the General Partner and its Affiliates voting as a single class) and a majority vote of the Board of Directors. Any such action by such holders or the Board of Directors for removal of the General Partner must also provide for the election of a successor General Partner by the majority vote of the outstanding Common Units and Subordinated Units (including Units held by the General Partner and its Affiliates) and General Partner Units (which for purposes of the election of a successor General Partner pursuant to this Section 11.2 only, shall be considered Units), voting together as a single class. Such removal shall be effective immediately following the admission of a successor General Partner pursuant to Section 10.3. The removal of the General Partner shall also automatically constitute the removal of the General Partner as general partner or managing member, to the extent applicable, of the other Group Members of which the General Partner is a general partner or a managing member. If a Person is elected as a successor General Partner in accordance with the terms of this Section 11.2, such Person shall, upon admission pursuant to Section 10.3, automatically become a successor general partner or managing member, to the extent applicable, of the other Group Members of which the General Partner is a general partner or a managing member. The right of the holders of Outstanding Units to remove the General Partner shall not exist or be exercised unless the Partnership has received an Opinion of Counsel opining as to the matters covered by a Withdrawal Opinion of Counsel. Any successor General Partner elected in accordance with the terms of this Section 11.2 shall be subject to the provisions of Section 10.3.

SECTION 11.3. Interest of Departing General Partner and Successor General Partner. (a) In the event of (i) withdrawal of the General Partner under circumstances where such withdrawal does not violate this Agreement or (ii) removal of the General Partner by the holders of Outstanding Units under circumstances where Cause does not exist, if the successor General Partner is elected in accordance with the terms of Section 11.1 or 11.2, the Departing General Partner shall have the option, exercisable prior to the effective date of the departure of such Departing General Partner, to require its successor to purchase its General Partner Interest (represented by General Partner Units) and its general partner interest (or equivalent interest), if any, in the other Group Members and all of the Incentive Distribution Rights (collectively, the “Combined Interest”) in exchange for an amount in cash equal to the fair market value of such Combined Interest, such amount to be determined and payable as of the effective date of its departure. If the General Partner is removed by the Unitholders under circumstances where Cause exists or if the General Partner withdraws under circumstances where such withdrawal violates this Agreement, and if a successor General Partner is elected in accordance with the terms of Section 11.1 or 11.2 (or if the business of the Partnership is continued pursuant to Section 12.2 and the successor General Partner is not the former General Partner), such successor shall have the option, exercisable prior to the effective date of the departure of such Departing General Partner (or, in the event the business of the Partnership is continued, prior to the date the business of the Partnership is continued), to purchase the Combined Interest for such fair market value of such Combined Interest of the Departing General Partner. In either event, the Departing General Partner shall be entitled to receive all reimbursements due such Departing General Partner pursuant to Section 7.11, including any employee-related liabilities (including severance liabilities), incurred in connection with the termination of any employees employed by the Departing General Partner for the benefit of the Partnership or the other Group Members.

For purposes of this Section 11.3(a), the fair market value of the Departing General Partner's Combined Interest shall be determined by agreement between the Departing General Partner and its successor or, failing agreement within 30 days after the effective date of such Departing General Partner's departure, by an independent investment banking firm or other independent expert selected by the Departing General Partner and its successor, which, in turn, may rely on other experts, and the determination of which shall be conclusive as to such matter. If such parties cannot agree upon one independent investment banking firm or other independent expert within 45 days after the effective date of such departure, then the Departing General Partner shall designate an independent investment banking firm or other independent expert, the Departing General Partner's successor shall designate an independent investment banking firm or other independent expert, and such firms or experts shall mutually select a third independent investment banking firm or independent expert, which third independent investment banking firm or other independent expert shall determine the fair market value of the Combined Interest of the Departing General Partner. In making its determination, such third independent investment banking firm or other independent expert may consider the then current trading price of Units on any National Securities Exchange on which Units are then listed or admitted to trading, the value of the Partnership's assets, the rights and obligations of the Departing General Partner and other factors it may deem relevant.

(b) If the Combined Interest is not purchased in the manner set forth in Section 11.3(a), the Departing General Partner (or its transferee) shall become a Limited Partner and its Combined Interest shall be converted into Common Units pursuant to a valuation made by an investment banking firm or other independent expert selected pursuant to Section 11.3(a), without reduction in such Partnership Interest (but subject to proportionate dilution by reason of the admission of its successor). Any successor General Partner shall indemnify the Departing General Partner (or its transferee) as to all debts and liabilities of the Partnership arising on or after the date on which the Departing General Partner (or its transferee) becomes a Limited Partner. For purposes of this Agreement, conversion of the Combined Interest of the Departing General Partner to Common Units will be characterized as if the Departing General Partner (or its transferee) contributed its Combined Interest to the Partnership in exchange for the newly issued Common Units.

(c) If a successor General Partner is elected in accordance with the terms of Section 11.1 or 11.2 (or if the Partnership is continued pursuant to Section 12.2 and the successor General Partner is not the former General Partner) and the option described in Section 11.3(a) is not exercised by the party entitled to do so, the successor General Partner shall, at the effective date of its admission to the Partnership, contribute to the Partnership cash in the amount equal to the product of the Percentage Interest of the Departing General Partner and the Net Agreed Value of the Partnership's assets on such date. In such event, such successor General Partner shall, subject to the following sentence, be entitled to its Percentage Interest of all Partnership allocations and distributions to which the Departing General Partner was entitled. In addition, the successor General Partner shall cause this Agreement to be amended to reflect that, from and after the date of such successor General Partner's admission, the successor General Partner's interest in all Partnership distributions and allocations shall be its Percentage Interest.

SECTION 11.4. Termination of Subordination Period, Conversion of Subordinated Units and Extinguishment of Cumulative Common Unit Arrearages. Notwithstanding any provision of this Agreement, if the General Partner is removed as general partner of the Partnership under circumstances where Cause does not exist and no Units held by the General Partner and its Affiliates are voted in favor of such removal, (i) the Subordination Period will end and all Outstanding Subordinated Units will immediately and automatically convert into Common Units on a one-for-one basis, (ii) all Cumulative Common Unit Arrearages on the Common Units will be extinguished and (iii) the General Partner will have the right to convert its General Partner Interest (represented by General Partner Units) and its Incentive Distribution Rights into Common Units or to receive cash in exchange therefor, as provided in Section 11.3.

SECTION 11.5. Withdrawal of Limited Partners. No Limited Partner shall have any right to withdraw from the Partnership; provided, however, that when a transferee of a Limited Partner's Limited Partner Interest becomes a Record Holder of the Limited Partner Interest so transferred, such transferring Limited Partner shall cease to be a Limited Partner with respect to the Limited Partner Interest so transferred.

ARTICLE XII

DISSOLUTION AND LIQUIDATION

SECTION 12.1. Dissolution. The Partnership shall not be dissolved by the admission of additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the removal or withdrawal of the General Partner, if a successor General Partner is elected pursuant to Sections 11.1 or 11.2, the Partnership shall not be dissolved and such successor General Partner shall continue the business of the Partnership under the supervision of the Board of Directors. The Partnership shall dissolve, and (subject to Section 12.2) its affairs shall be wound up, upon:

(a) an election to dissolve the Partnership by the General Partner and our Board of Directors that is approved by the holders of a Unit Majority;

(b) at any time there are no Limited Partners, unless the Partnership is continued without dissolution in accordance with the Marshall Islands Act;

(c) the entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Marshall Islands Act; or

(d) an Event of Withdrawal of the General Partner as provided in Section 11.1(a) (other than Section 11.1(a)(ii)), unless a successor is elected and an Opinion of Counsel is received as provided in Sections 11.1(b) or 11.2 and such successor is admitted to the Partnership pursuant to Section 10.3.

SECTION 12.2. Continuation of the Business of the Partnership After Dissolution. Upon (a) dissolution of the Partnership following an Event of Withdrawal caused by the withdrawal or removal of the General Partner as provided in Sections 11.1(a)(i) or (iii) and the failure of the Partners to select a successor to such Departing General Partner pursuant to Sections 11.1 or 11.2, then within 90 days thereafter, or (b) dissolution of the Partnership upon an event constituting an Event of Withdrawal as defined in Sections 11.1(a)(iv), (v) or (vi), then, to the maximum extent permitted by law, within 180 days thereafter, the holders of a Unit Majority may elect to continue the business of the Partnership on the same terms and conditions set forth in this Agreement by appointing as a successor General Partner a Person approved by the holders of a Unit Majority. Unless such an election is made within the applicable time period as set forth above, the Partnership shall conduct only activities necessary to wind up its affairs. If such an election is so made, then:

(i) the Partnership shall continue without dissolution unless earlier dissolved in accordance with this Article XII;

(ii) if the successor General Partner is not the former General Partner, then the interest of the former General Partner shall be treated in the manner provided in Section 11.3; and

(iii) the successor General Partner shall be admitted to the Partnership as General Partner, effective as of the Event of Withdrawal, by agreeing in writing to be bound by this Agreement; provided, however, that the right of the holders of a Unit Majority to approve a successor General Partner and to reconstitute and to continue the business of the Partnership shall not exist and may not be exercised unless the Partnership has received an Opinion of Counsel that the exercise of the right would not result in the loss of limited liability of any Limited Partner.

SECTION 12.3. Liquidator. Upon dissolution of the Partnership, unless the business of the Partnership is continued pursuant to Section 12.2, the Board of Directors shall select one or more Persons to act as Liquidator. The Liquidator (if other than the General Partner) shall be entitled to receive such compensation for its services as may be approved by holders of at least a majority of the Outstanding Common Units and Subordinated Units voting as a single class. The Liquidator (if other than the General Partner) shall agree not to resign at any time without 15 days' prior notice and may be removed at any time, with or without cause, by notice of removal approved by holders of at least a majority of the Outstanding Common Units and the Subordinated Units voting as a single class. Upon dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be approved by the holders of at least a majority of the Outstanding Common Units and Subordinated Units voting as a single class. The right to approve a successor or substitute Liquidator in the manner provided herein shall be deemed to refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Article XII, the Liquidator approved in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the Board of Directors and the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, other than the limitation on sale set forth in Section 7.10(b)) necessary or appropriate to carry out the duties and functions of the Liquidator hereunder for and during the period of time required to complete the winding up and liquidation of the Partnership as provided for herein.

SECTION 12.4. Liquidation. The Liquidator shall proceed to dispose of the assets of the Partnership, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as determined by the Liquidator, subject to Section 60 of the Marshall Islands Act and the following:

(a) The assets may be disposed of by public or private sale or by distribution in kind to one or more Partners on such terms as the Liquidator and such Partner or Partners may agree. If any property is distributed in kind, the Partner receiving the property shall be deemed for purposes of Section 12.4(c) to have received cash equal to its fair market value, and contemporaneously therewith, appropriate cash distributions must be made to the other Partners. The Liquidator may defer liquidation or distribution of the Partnership's assets for a reasonable time if it determines that an immediate sale or distribution of all or some of the Partnership's assets would be impractical or would cause undue loss to the Partners. The Liquidator may distribute the Partnership's assets, in whole or in part, in kind if it determines that a sale would be impractical or would cause undue loss to the Partners.

(b) Liabilities of the Partnership include amounts owed to the Liquidator as compensation for serving in such capacity (subject to the terms of Section 12.3) and amounts to Partners otherwise than in respect of their distribution rights under Article VI. With respect to any liability that is contingent, conditional or unmatured or is otherwise not yet due and payable, the Liquidator shall either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets to provide for its payment. When paid, any unused portion of the reserve shall be distributed as additional liquidation proceeds.

(c) All property and all cash in excess of that required to discharge liabilities as provided in Section 12.4(b) shall be distributed as follows:

(i) If the Current Market Price of the Common Units as of the date three trading days prior to the announcement of the proposed liquidation exceeds the Unrecovered Capital for a Common Unit plus the Cumulative Common Unit Arrearage:

(A) First, (x) to the General Partner in accordance with its Percentage Interest and (y) to all the Unitholders holding Common Units, Pro Rata, a percentage equal to 100% less the General Partner's Percentage Interest, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to such Current Market Price of a Common Unit;

(B) Second (x) to the General Partner in accordance with its Percentage Interest and (y) to all Unitholders holding Subordinated Units, Pro Rata, a percentage equal to 100% less the General Partner's Percentage Interest, until there has been distributed in respect of each Subordinated Unit then Outstanding an amount equal to such Current Market Price of a Common Unit; and

(C) Thereafter (x) to the General Partner in accordance with its Percentage Interest; (y) 48% to the holders of the Incentive Distribution Rights, Pro Rata; and (z) to all Unitholders, Pro Rata, a percentage equal to 100% less the sum of the percentages applicable to subclauses (x) and (y) of this clause (i)(C);

(ii) If the Current Market Price of the Common Units as of the date three trading days prior to the announcement of the proposed liquidation is equal to or less than the Unrecovered Capital for a Common Unit plus the Cumulative Common Unit Arrearage:

(A) First, (x) to the General Partner in accordance with its Percentage Interest and (y) to all the Unitholders holding Common Units, Pro Rata, a percentage equal to 100% less the General Partner's Percentage Interest, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the Unrecovered Capital for a Common Unit;

(B) Second, (x) to the General Partner in accordance with its Percentage Interest and (y) to all Unitholders holding Common Units, Pro Rata, a percentage equal to 100% less the General Partner's Percentage Interest, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the Cumulative Common Unit Arrearage;

(C) Third, (x) to the General Partner in accordance with its Percentage Interest and (y) to all Unitholders holding Subordinated Units, Pro Rata, a percentage equal to 100% less the General Partner's Percentage Interest, until there has been distributed in respect of each Subordinated Unit then Outstanding an amount equal to the Unrecovered Capital for a Common Unit (as calculated prior to the distribution specified in clause (ii)(A) above); and

(D) Thereafter, (x) to the General Partner in accordance with its Percentage Interest; (y) 48% to the holders of the Incentive Distribution Rights, Pro Rata; and (z) to all Unitholders, Pro Rata, a percentage equal to 100% less the sum of the percentages applicable to subclauses (x) and (y) of this clause (ii)(D);

SECTION 12.5. Cancellation of Certificate of Limited Partnership. Upon the completion of the distribution of Partnership cash and property as provided in Section 12.4 in connection with the liquidation of the Partnership, the Certificate of Limited Partnership and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the Marshall Islands shall be canceled and such other actions as may be necessary to terminate the Partnership shall be taken.

SECTION 12.6. Return of Contributions. The General Partner shall not be personally liable for, and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate, the return of the Capital Contributions of the Limited Partners or Unitholders, or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

SECTION 12.7. Waiver of Partition. To the maximum extent permitted by law, each Partner hereby waives any right to partition of the Partnership property.

ARTICLE XIII

AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS; RECORD DATE

SECTION 13.1. Amendments to be Adopted without Limited Partner Approval. Each Limited Partner agrees that the Board of Directors, without the approval of any Limited Partner, but with the approval of the General Partner required for any such amendment, may amend any provision of this Agreement and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Partnership, the location of the principal place of business of the Partnership, the registered agent of the Partnership or the registered office of the Partnership;

(b) admission, substitution, withdrawal or removal of Partners in accordance with this Agreement;

(c) a change that the Board of Directors determines to be necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership or a partnership in which the Limited Partners have limited liability under the laws of The Marshall Islands or to ensure that the Group Members will not be treated as associations taxable as corporations or otherwise taxed as entities for Marshall Islands income tax purposes;

(d) a change that the Board of Directors determines (i) does not adversely affect the Limited Partners (including any particular class of Partnership Interests as compared to other classes of Partnership Interests) in any material respect, (ii) to be necessary or appropriate to (A) satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any Marshall Islands authority (including the Marshall Islands Act) or (B) facilitate the trading of the Units (including the division of any class or classes of Outstanding Units into different classes to facilitate uniformity of tax consequences within such classes of Units) or comply with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are or will be listed, (iii) to be necessary or appropriate in connection with action taken by the General Partner pursuant to Section 5.10 or (iv) is required to effect the intent expressed in the Registration Statement or the intent of the provisions of this Agreement or is otherwise contemplated by this Agreement;

(e) a change in the fiscal year or taxable year of the Partnership and any other changes that the Board of Directors determines to be necessary or appropriate as a result of a change in the fiscal year or taxable year of the Partnership including, if the Board of Directors shall so determine, a change in the definition of “Quarter” and the dates on which distributions are to be made by the Partnership;

(f) an amendment that is necessary, in the Opinion of Counsel, to prevent the Partnership, the members of the Board of Directors, or the General Partner or its directors, officers, trustees or agents from in any manner being subjected to the provisions of the U.S. Investment Company Act of 1940, as amended, the U.S. Investment Advisers Act of 1940, as amended, or “plan asset” regulations adopted under the U.S. Employee Retirement Income Security Act of 1974, as amended, regardless of whether such regulations are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) an amendment that the Board of Directors, and if required by Section 5.5, the General Partner, determines to be necessary or appropriate in connection with the authorization of issuance of any class or series of Partnership Securities pursuant to Section 5.5;

(h) any amendment expressly permitted in this Agreement to be made by the Board of Directors acting alone;

(i) an amendment effected, necessitated or contemplated by a Merger Agreement approved in accordance with Section 14.3;

(j) an amendment that the Board of Directors determines to be necessary or appropriate to reflect and account for the formation by the Partnership of, or investment by the Partnership in, any corporation, partnership, joint venture, limited liability company or other Person, in connection with the conduct by the Partnership of activities permitted by the terms of Section 2.4;

(k) a conversion, merger or conveyance pursuant to Section 14.3(d); or

(l) any other amendments substantially similar to the foregoing.

SECTION 13.2. Amendment Procedures. Except as provided in Sections 13.1 and 13.3, all amendments to this Agreement shall be made in accordance with the following requirements. Amendments to this Agreement may be proposed only by the General Partner or the Board of Directors; provided, however, that neither the General Partner nor the Board of Directors shall have a duty or obligation to propose any amendment to this Agreement and may decline to do so free of any fiduciary duty or obligation whatsoever to the Partnership or any Limited Partner and, in declining to propose an amendment, to the fullest extent permitted by applicable law shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Marshall Islands Act or any other law, rule or regulation. A proposed amendment shall be effective upon its approval by the General Partner, the Board of Directors and the holders of a Unit Majority, unless a greater or different percentage is required under this Agreement or by the Marshall Islands Act. Each proposed amendment that requires the approval of the holders of a specified percentage of Outstanding Units shall be set forth in a writing that contains the text of the proposed amendment. If such an amendment is proposed, the Board of Directors shall seek the written approval of the requisite percentage of Outstanding Units or call a meeting of the Unitholders to consider and vote on such proposed amendment. The Board of Directors shall notify all Record Holders upon final adoption of any such proposed amendments.

SECTION 13.3. Amendment Requirements. (a) Notwithstanding the provisions of Sections 13.1 and 13.2, no provision of this Agreement that establishes a percentage of Outstanding Units (including Units deemed owned by the General Partner) required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting percentage unless such amendment is approved by the written consent or the affirmative vote of holders of Outstanding Units whose aggregate Outstanding Units constitute not less than the voting requirement sought to be reduced.

(b) Notwithstanding the provisions of Sections 13.1 and 13.2, no amendment to this Agreement may (i) enlarge the obligations of any Limited Partner without its consent, unless such enlargement shall be deemed to have occurred as a result of an amendment approved pursuant to Section 13.3(c), (ii) enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable to, the General Partner or any of its Affiliates without its consent, which consent may be given or withheld at the General Partner's option, (iii) change Section 12.1(a), or (iv) change the term of the Partnership or, except as set forth in Section 12.1(a), give any Person the right to dissolve the Partnership.

(c) Except as provided in Section 14.3, and without limitation of the Board of Directors' authority to adopt amendments to this Agreement without the approval of any Limited Partners as contemplated in Section 13.1, any amendment that would have a material adverse effect on the rights or preferences of any class of Partnership Interests in relation to other classes of Partnership Interests must be approved by the holders of not less than a majority of the Outstanding Partnership Interests of the class affected.

(d) Notwithstanding any other provision of this Agreement, except for amendments pursuant to Section 13.1 and except as otherwise provided by Section 14.3(b), no amendments shall become effective without the approval of the holders of at least 90% of the Outstanding Units voting as a single class unless the Partnership obtains an Opinion of Counsel to the effect that such amendment will not affect the limited liability of any Limited Partner under applicable law.

(e) Except as provided in Section 13.1, this Section 13.3 shall only be amended with the approval of the holders of at least 90% of the Outstanding Units.

SECTION 13.4. Special Meetings. All acts of Limited Partners to be taken pursuant to this Agreement shall be taken in the manner provided in this Article XIII. Special meetings of the Limited Partners may be called by the General Partner, the Board of Directors or by Limited Partners owning 20% or more of the Outstanding Units of the class or classes for which a meeting is proposed. Limited Partners shall call a special meeting by delivering to the Board of Directors one or more requests in writing stating that the signing Limited Partners wish to call a special meeting and indicating the general or specific purposes for which the special meeting is to be called, it being understood that the purposes of such special meeting may only be to vote on matters that require the vote of the Unitholders pursuant to this Agreement. Within 60 days after receipt of such a call from Limited Partners or within such greater time as may be reasonably necessary for the Partnership to comply with any statutes, rules, regulations, listing agreements or similar requirements governing the holding of a meeting or the solicitation of proxies for use at such a meeting, the Board of Directors shall send a notice of the meeting to the Limited Partners either directly or indirectly through the Transfer Agent. A meeting shall be held at a time and place determined by the Board of Directors on a date not less than 10 days nor more than 60 days after the mailing of notice of the meeting. Limited Partners shall not vote on matters that would cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability under the Marshall Islands Act or the law of any other jurisdiction in which the Partnership is qualified to do business.

SECTION 13.5. Notice of a Meeting. Notice of a meeting called pursuant to Section 13.4 shall be given to the Record Holders of the class or classes of Units for which a meeting is proposed in writing by mail or other means of written communication in accordance with Section 16.1. The notice shall be deemed to have been given at the time when deposited in the mail or sent by other means of written communication.

SECTION 13.6. Record Date. For purposes of determining the Limited Partners entitled to notice of or to vote at a meeting of the Limited Partners or to give approvals without a meeting as provided in Section 13.11, the Board of Directors may set a Record Date, which shall not be less than 10 nor more than 60 days before (a) the date of the meeting (unless such requirement conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are listed or admitted to trading, in which case the rule, regulation, guideline or requirement of such National Securities Exchange shall govern) or (b) in the event that approvals are sought without a meeting, the date by which Limited Partners are requested in writing by the Board of Directors to give such approvals. If the Board of Directors does not set a Record Date, then (a) the Record Date for determining the Limited Partners entitled to notice of or to vote at a meeting of the Limited Partners shall be the close of business on the day next preceding the day on which notice is given, and (b) the Record Date for determining the Limited Partners entitled to give approvals without a meeting shall be the date the first written approval is deposited with the Partnership in care of the Board of Directors in accordance with Section 13.11.

SECTION 13.7. Adjournment. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed, if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than 45 days. At the adjourned meeting, the Partnership may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if a new Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given in accordance with this Article XIII.

SECTION 13.8. Waiver of Notice; Approval of Meeting; Approval of Minutes. The transactions of any meeting of Limited Partners, however called and noticed, and whenever held, shall be as valid as if it had occurred at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy. Attendance of a Limited Partner at a meeting shall constitute a waiver of notice of the meeting, except when the Limited Partner attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened; and except that attendance at a meeting is not a waiver of any right to disapprove the consideration of matters required to be included in the notice of the meeting, but not so included, if the disapproval is expressly made at the meeting.

SECTION 13.9. Quorum and Voting. The holders of a majority of the Outstanding Units of the class or classes for which a meeting has been called (including Outstanding Units deemed owned by the General Partner) represented in person or by proxy shall constitute a quorum at a meeting of Limited Partners of such class or classes unless any such action by the Limited Partners requires approval by holders of a greater percentage of such Units, in which case the quorum shall be such greater percentage provided, however, that if any meeting has been adjourned for a second time due to absence of a quorum, the holders of 25% of all Outstanding Units and which are represented in person or by proxy shall constitute a quorum for the purposes of such meeting. At any meeting of the Limited Partners duly called and held in accordance with this Agreement at which a quorum is present, the act of Limited Partners holding Outstanding Units that in the aggregate represent a majority of the Outstanding Units entitled to vote and be present in person or by proxy at such meeting shall be deemed to constitute the act of all Limited Partners, provided, however, that if any meeting has been adjourned for a second time due to absence of a quorum, the act of the Limited Partners holding at least 25% of all Outstanding Units and which are represented in person or by proxy at such meeting shall be deemed to constitute the act of all Limited Partners, unless a greater or different percentage is required with respect to such action under the provisions of this Agreement, in which case the act of the Limited Partners holding Outstanding Units that in the aggregate represent at least such greater or different percentage shall be required. The Limited Partners present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Limited Partners to leave less than a quorum, if any action taken (other than adjournment) is approved by the required percentage of Outstanding Units specified in this Agreement (including Outstanding Units deemed owned by the General Partner). In the absence of a quorum, any meeting of Limited Partners may be adjourned from time to time by the affirmative vote of holders of at least a majority of the Outstanding Units entitled to vote at such meeting (including Outstanding Units deemed owned by the General Partner) represented either in person or by proxy, but no other business may be transacted, except as provided in Section 13.7.

SECTION 13.10. Conduct of a Meeting. The Board of Directors shall have full power and authority concerning the manner of conducting any meeting of the Limited Partners or solicitation of approvals in writing, including the determination of Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of Section 13.4, the conduct of voting, the validity and effect of any proxies and the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting. The Chairman of the Board of Directors shall serve as chairman of any meeting and shall further designate a Person to take the minutes of any meeting. All minutes shall be kept with the records of the Partnership maintained by the Board of Directors. The Board of Directors may make such other regulations consistent with applicable law and this Agreement as it may deem advisable concerning the conduct of any meeting of the Limited Partners or solicitation of approvals in writing, including regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes and approvals, the submission and examination of proxies and other evidence of the right to vote, and the revocation of approvals in writing.

SECTION 13.11. Action Without a Meeting. If authorized by the Board of Directors, any action that may be taken at a meeting of the Limited Partners may be taken without a meeting if an approval in writing setting forth the action so taken is signed by Limited Partners owning not less than the minimum percentage of the Outstanding Units (including Units deemed owned by the General Partner) that would be necessary to authorize or take such action at a meeting at which all the Limited Partners were present and voted (unless such provision conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are listed or admitted to trading, in which case the rule, regulation, guideline or requirement of such National Securities Exchange shall govern). Prompt notice of the taking of action without a meeting shall be given to the Limited Partners who have not approved the action in writing. The Board of Directors may specify that any written ballot submitted to Limited Partners for the purpose of taking any action without a meeting shall be returned to the Partnership within the time period, which shall be not less than 20 days, specified by the Board of Directors. If a ballot returned to the Partnership does not vote all of the Units held by the Limited Partners, the Partnership shall be deemed to have failed to receive a ballot for the Units that were not voted. If approval of the taking of any action by the Limited Partners is solicited by any Person other than by or on behalf of the Board of Directors, the written approvals shall have no force and effect unless and until (a) they are deposited with the Partnership in care of the Board of Directors, (b) approvals sufficient to take the action proposed are dated as of a date not more than 90 days prior to the date sufficient approvals are deposited with the Partnership and (c) an Opinion of Counsel is delivered to the Board of Directors to the effect that the exercise of such right and the action proposed to be taken with respect to any particular matter (i) will not cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners’ limited liability, and (ii) is otherwise permissible under the applicable statutes then governing the rights, duties and liabilities of the Partnership and the Partners.

SECTION 13.12. Right to Vote and Related Matters. (a) Only those Record Holders of the Units on the Record Date set pursuant to Section 13.6 (and also subject to the limitations contained in the definition of "Outstanding") shall be entitled to notice of, and to vote at, a meeting of Limited Partners or to act with respect to matters as to which the holders of the Outstanding Units have the right to vote or to act. All references in this Agreement to votes of, or other acts that may be taken by, the Outstanding Units shall be deemed to be references to the votes or acts of the Record Holders of such Outstanding Units.

(b) With respect to Units that are held for a Person's account by another Person (such as a broker, dealer, bank, trust company or clearing corporation, or an agent of any of the foregoing), in whose name such Units are registered, such other Person shall, in exercising the voting rights in respect of such Units on any matter, and unless the arrangement between such Persons provides otherwise, vote such Units in favor of, and at the direction of, the Person who is the beneficial owner, and the Partnership shall be entitled to assume it is so acting without further inquiry. The provisions of this Section 13.12(b) (as well as all other provisions of this Agreement) are subject to the provisions of Section 4.3.

ARTICLE XIV

MERGER

SECTION 14.1. Authority. The Partnership may merge or consolidate with or into one or more corporations, limited liability companies, statutory trusts or associations, real estate investment trusts, common law trusts or unincorporated businesses, including a partnership (whether general or limited (including a limited liability partnership)), formed under the laws of The Marshall Islands or the state of Delaware or any other state of the United States, pursuant to a written agreement of merger or consolidation ("Merger Agreement") in accordance with this Article XIV.

SECTION 14.2. Procedure for Merger or Consolidation. Merger or consolidation of the Partnership pursuant to this Article XIV requires the approval of the Board of Directors and the prior consent of the General Partner; provided, however, that, to the fullest extent permitted by law, neither the Board of Directors nor the General Partner shall have a duty or obligation to consent to any merger or consolidation of the Partnership and may decline to do so free of any fiduciary duty or obligation whatsoever to the Partnership or any Limited Partner and, in declining to consent to a merger or consolidation, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Marshall Islands Act or any other law, rule or regulation or at equity. If the Board of Directors and the General Partner shall determine to consent to the merger or consolidation, the Board of Directors and the General Partner shall approve the Merger Agreement, which shall set forth:

(a) the names and jurisdictions of formation or organization of each of the business entities proposing to merge or consolidate;

(b) the name and jurisdiction of formation or organization of the business entity that is to survive the proposed merger or consolidation (the "Surviving Business Entity");

(c) the terms and conditions of the proposed merger or consolidation;

(d) the manner and basis of exchanging or converting the equity securities of each constituent business entity for, or into, cash, property or interests, rights, securities or obligations of the Surviving Business Entity; and (i) if any general or limited partner interests, securities or rights of any constituent business entity are not to be exchanged or converted solely for, or into, cash, property or interests, rights, securities or obligations of the Surviving Business Entity, the cash, property or general or limited partner interests, rights, securities or obligations of any general or limited partnership, corporation, trust, limited liability company, unincorporated business or other Person (other than the Surviving Business Entity) which the holders of such interests, securities or rights are to receive in exchange for, or upon conversion of their interests, securities or rights, and (ii) in the case of securities represented by certificates, upon the surrender of such certificates, which cash, property or interests, rights, securities or obligations of the Surviving Business Entity or any general or limited partnership, corporation, trust, limited liability company, unincorporated business or other Person (other than the Surviving Business Entity), or evidences thereof, are to be delivered;

(e) a statement of any changes in the constituent documents or the adoption of new constituent documents (the articles or certificate of incorporation, articles of trust, declaration of trust, certificate or agreement of limited partnership or other similar charter or governing document) of the Surviving Business Entity to be effected by such merger or consolidation;

(f) the effective time of the merger, which may be the date of the filing of the certificate of merger pursuant to Section 14.4 or a later date specified in or determinable in accordance with the Merger Agreement (provided, that if the effective time of the merger is to be later than the date of the filing of such certificate of merger, the effective time shall be fixed at a date or time certain at or prior to the time of the filing of such certificate of merger and stated therein); and

(g) such other provisions with respect to the proposed merger or consolidation that the Board of Directors and the General Partner determine to be necessary or appropriate.

SECTION 14.3. Approval by Limited Partners of Merger or Consolidation. (a) Except as provided in Sections 14.3(d) and 14.3(e), the Board of Directors, upon its and the General Partner's approval of the Merger Agreement, shall direct that the Merger Agreement be submitted to a vote of Limited Partners, whether at a special meeting or by written consent, in either case in accordance with the requirements of Article XIII. A copy or a summary of the Merger Agreement shall be included in or enclosed with the notice of a special meeting or the written consent.

(b) Except as provided in Sections 14.3(d) and 14.3(e), the Merger Agreement shall be approved upon receiving the affirmative vote or consent of the holders of a Unit Majority.

(c) Except as provided in Sections 14.3(d) and 14.3(e), after such approval by vote or consent of the Limited Partners, and at any time prior to the filing of the certificate of merger pursuant to Section 14.4, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

(d) Notwithstanding anything else contained in this Article XIV or in this Agreement, the Board of Directors is permitted, without Limited Partner approval, to convert the Partnership or any Group Member into a new limited liability entity, to merge the Partnership or any Group Member into, or convey all of the Partnership's assets to, another limited liability entity which shall be newly formed and shall have no assets, liabilities or operations at the time of such conversion, merger or conveyance other than those it receives from the Partnership or other Group Member if (i) the Board of Directors has received an Opinion of Counsel that the conversion, merger or conveyance, as the case may be, would not result in the loss of the limited liability of any Limited Partner, (ii) the sole purpose of such conversion, merger or conveyance is to effect a mere change in the legal form of the Partnership into another limited liability entity and (iii) the governing instruments of the new entity provide the Limited Partners, the General Partner and the Board of Directors with the same rights and obligations as are herein contained.

(e) Additionally, notwithstanding anything else contained in this Article XIV or in this Agreement, the Board of Directors, with the prior consent of the General Partner, is permitted, without Limited Partner approval, to merge or consolidate the Partnership with or into another entity if (i) the Board of Directors has received an Opinion of Counsel that the merger or consolidation, as the case may be, would not result in the loss of the limited liability of any Limited Partner, (ii) the merger or consolidation would not result in an amendment to this Agreement, other than any amendments that could be adopted pursuant to Section 13.1, (iii) the Partnership is the Surviving Business Entity in such merger or consolidation, (iv) each Unit outstanding immediately prior to the effective date of the merger or consolidation is to be an identical Unit of the Partnership after the effective date of the merger or consolidation, and (v) the number of Partnership Securities to be issued by the Partnership in such merger or consolidation does not exceed 20% of the Partnership Securities Outstanding immediately prior to the effective date of such merger or consolidation.

SECTION 14.4. Certificate of Merger. Upon the required approval by the Board of Directors, the General Partner and the Unitholders of a Merger Agreement, a certificate of merger shall be executed and filed in conformity with the requirements of the Marshall Islands Act.

SECTION 14.5. Amendment of Partnership Agreement. Pursuant to Section 20(2) of the Marshall Islands Act, an agreement of merger or consolidation approved in accordance with Section 20(2) of the Marshall Islands Act may (a) effect any amendment to this Agreement or (b) effect the adoption of a new partnership agreement for a limited partnership if it is the Surviving Business Entity. Any such amendment or adoption made pursuant to this Section 14.5 shall be effective at the effective time or date of the merger or consolidation.

SECTION 14.6. Effect of Merger. (a) At the effective time of the certificate of merger:

(i) all of the rights, privileges and powers of each of the business entities that has merged or consolidated, and all property, real, personal and mixed, and all debts due to any of those business entities and all other things and causes of action belonging to each of those business entities, shall be vested in the Surviving Business Entity and after the merger or consolidation shall be the property of the Surviving Business Entity to the extent they were of each constituent business entity;

(ii) the title to any real property vested by deed or otherwise in any of those constituent business entities shall not revert and is not in any way impaired because of the merger or consolidation;

(iii) all rights of creditors and all liens on or security interests in property of any of those constituent business entities shall be preserved unimpaired; and

(iv) all debts, liabilities and duties of those constituent business entities shall attach to the Surviving Business Entity and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it.

(b) A merger or consolidation effected pursuant to this Article shall not be deemed to result in a transfer or assignment of assets or liabilities from one entity to another.

ARTICLE XV

RIGHT TO ACQUIRE LIMITED PARTNER INTERESTS

SECTION 15.1. Right to Acquire Limited Partner Interests. (a) Notwithstanding any other provision of this Agreement, if at any time the General Partner and its Affiliates hold more than 80% of the total Limited Partner Interests of any class then Outstanding, the General Partner shall then have the right, which right it may assign and transfer in whole or in part to the Partnership or any Affiliate of the General Partner, exercisable at its option, to purchase all, but not less than all, of such Limited Partner Interests of such class then Outstanding held by Persons other than the General Partner and its Affiliates, at the greater of (x) the Current Market Price as of the date three days prior to the date that the notice described in Section 15.1(b) is mailed and (y) the highest price paid by the General Partner or any of its Affiliates for any such Limited Partner Interest of such class purchased during the 90-day period preceding the date that the notice described in Section 15.1(b) is mailed.

(b) If the General Partner, any Affiliate of the General Partner or the Partnership elects to exercise the right to purchase Limited Partner Interests granted pursuant to Section 15.1(a), the General Partner shall deliver to the Transfer Agent notice of such election to purchase (the "Notice of Election to Purchase") and shall cause the Transfer Agent to mail a copy of such Notice of Election to Purchase to the Record Holders of Limited Partner Interests of such class (as of a Record Date selected by the General Partner) at least 10, but not more than 60, days prior to the Purchase Date. Such Notice of Election to Purchase shall also be published for a period of at least three consecutive days in at least two daily newspapers of general circulation printed in the English language and published in the Borough of Manhattan, New York. The Notice of Election to Purchase shall specify the Purchase Date and the price (determined in accordance with Section 15.1(a)) at which Limited Partner Interests will be purchased and state that the General Partner, its Affiliate or the Partnership, as the case may be, elects to purchase such Limited Partner Interests, upon surrender of Certificates representing such Limited Partner Interests in exchange for payment, at such office or offices of the Transfer Agent as the Transfer Agent may specify, or as may be required by any National Securities Exchange on which such Limited Partner Interests are listed. Any such Notice of Election to Purchase mailed to a Record Holder of Limited Partner Interests at his address as reflected in the records of the Transfer Agent shall be conclusively presumed to have been given regardless of whether the owner receives such notice. On or prior to the Purchase Date, the General Partner, its Affiliate or the Partnership, as the case may be, shall deposit with the Transfer Agent cash in an amount sufficient to pay the aggregate purchase price of all of such Limited Partner Interests to be purchased in accordance with this Section 15.1. If the Notice of Election to Purchase shall have been duly given as aforesaid at least 10 days prior to the Purchase Date, and if on or prior to the Purchase Date the deposit described in the preceding sentence has been made for the benefit of the holders of Limited Partner Interests subject to purchase as provided herein, then from and after the Purchase Date, notwithstanding that any Certificate shall not have been surrendered for purchase, all rights of the holders of such Limited Partner Interests (including any rights pursuant to Articles IV, V, VI and XII) shall thereupon cease, except the right to receive the applicable purchase price (determined in accordance with Section 15.1(a)) for Limited Partner Interests therefor, without interest, upon surrender to the Transfer Agent of the Certificates representing such Limited Partner Interests, and such Limited Partner Interests shall thereupon be deemed to be transferred to the General Partner, its Affiliate or the Partnership, as the case may be, on the record books of the Transfer Agent and the Partnership, and the General Partner or any Affiliate of the General Partner, or the Partnership, as the case may be, shall be deemed to be the owner of all such Limited Partner Interests from and after the Purchase Date and shall have all rights as the owner of such Limited Partner Interests (including all rights as owner of such Limited Partner Interests pursuant to Articles IV, V, VI and XII).

(c) At any time from and after the Purchase Date, a holder of an Outstanding Limited Partner Interest subject to purchase as provided in this Section 15.1 may surrender his Certificate evidencing such Limited Partner Interest to the Transfer Agent in exchange for payment of the amount described in Section 15.1(a), without interest thereon.

ARTICLE XVI

GENERAL PROVISIONS

SECTION 16.1. Addresses and Notices. (a) Any notice, demand, request, report or proxy materials required or permitted to be given or made to a Partner under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written communication to the Partner at the address described below. Any notice, payment or report to be given or made to a Partner hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, upon sending of such notice, payment or report to the Record Holder of such Partnership Securities at his address as shown on the records of the Transfer Agent or as otherwise shown on the records of the Partnership, regardless of any claim of any Person who may have an interest in such Partnership Securities by reason of any assignment or otherwise. An affidavit or certificate of making of any notice, payment or report in accordance with the provisions of this Section 16.1 executed by a member of the Board of Directors, the General Partner, the Transfer Agent or the mailing organization shall be prima facieevidence of the giving or making of such notice, payment or report. If any notice, payment or report addressed to a Record Holder at the address of such Record Holder appearing on the books and records of the Transfer Agent or the Partnership is returned by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver it, such notice, payment or report and any subsequent notices, payments and reports shall be deemed to have been duly given or made without further mailing (until such time as such Record Holder or another Person notifies the Transfer Agent or the Partnership of a change in his address) if they are available for the Partner at the principal office of the Partnership for a period of one year from the date of the giving or making of such notice, payment or report to the other Partners. Any notice to the Partnership shall be deemed given if received by the General Partner or the Board of Directors at the principal office of the Partnership designated pursuant to Section 2.3. The General Partner and the Board of Directors may rely and shall be protected in relying on any notice or other document from a Partner or other Person if believed by it to be genuine.

SECTION 16.2. Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

SECTION 16.3. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

SECTION 16.4. Integration. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

SECTION 16.5. Creditors. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

SECTION 16.6. Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

SECTION 16.7. Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute an agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto or, in the case of a Person acquiring a Limited Partner Interest, pursuant to Section 10.2(a) without execution hereof.

SECTION 16.8. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of The Republic of the Marshall Islands, without regard to the principles of conflicts of law.

SECTION 16.9. Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

SECTION 16.10. Consent of Partners. Each Partner hereby expressly consents and agrees that, whenever in this Agreement it is specified that an action may be taken upon the affirmative vote or consent of less than all of the Partners, such action may be so taken upon the concurrence of less than all of the Partners and each Partner shall be bound by the results of such action.

SECTION 16.11. Facsimile Signatures. The use of facsimile signatures affixed in the name and on behalf of the transfer agent and registrar of the Partnership on certificates representing Common Units is expressly permitted by this Agreement.

SECTION 16.12. Third-Party Beneficiaries. Each Partner agrees that any Indemnitee shall be entitled to assert rights and remedies hereunder as a third-party beneficiary hereto with respect to those provisions of this Agreement affording a right, benefit or privilege to such Indemnitee.

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IN WITNESS WHEREOF, the parties hereto have executed this First Amended and Restated Agreement of Limited Partnership as a Deed as of the date first written above.

GENERAL PARTNER:

Capital GP L.L.C.,

by

Name: Ioannis E. Lazaridis
Title: Chief Executive Officer and Chief Financial Officer of Capital GP L.L.C.

ORGANIZATIONAL LIMITED PARTNER:

Capital Maritime & Trading Corp.,

by

Name: Ioannis E. Lazaridis
Title: Chief Financial Officer

LIMITED PARTNERS:

All Limited Partners now and hereafter admitted as Limited Partners of the Partnership, pursuant to powers of attorney now and hereafter executed in favor of, and granted and delivered to the General Partner.

Capital GP L.L.C.,

by

Name: Ioannis E. Lazaridis
Title: Chief Executive Officer and Chief Financial Officer of Capital GP L.L.C.

EXHIBIT A
to the First Amended and Restated
Agreement of Limited Partnership of
Capital Product Partners L.P.

Certificate Evidency Common Units
Representing Limited Partner Interests in
Capital Product Partners L.P.

No. _______________ _________ Common Units

In accordance with Section 4.1 of the First Amended and Restated Agreement of Limited Partnership of Capital Product Partners L.P., as amended, supplemented or restated from time to time (the "Partnership Agreement"), Capital Product Partners L.P., a Marshall Islands limited partnership (the "Partnership"), hereby certifies that (the "Holder") is the registered owner of Common Units representing limited partner interests in the Partnership (the "Common Units") transferable on the books of the Partnership, in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. The rights, preferences and limitations of the Common Units are set forth in, and this Certificate and the Common Units represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Partnership Agreement. Copies of the Partnership Agreement are on file at, and will be furnished without charge on delivery of written request to the Partnership at, the principal office of the Partnership located c/o Capital Ship Management Corp., 3 Iassonos Street, Piraeus, 185 37 Greece. Capitalized terms used herein but not defined shall have the meanings given them in the Partnership Agreement.

The Holder, by accepting this Certificate, is deemed to have (i) requested admission as, and agreed to become, a Limited Partner and to have agreed to comply with and be bound by and to have executed the Partnership Agreement, (ii) represented and warranted that the Holder has all right, power and authority and, if an individual, the capacity necessary to enter into the Partnership Agreement, (iii) granted the powers of attorney provided for in the Partnership Agreement and (iv) made the waivers and given the consents and approvals contained in the Partnership Agreement.

This Certificate shall not be valid for any purpose unless it has been countersigned and registered by the Transfer Agent and Registrar.

Dated: ___________	Capital Product Partners L.P.
Countersigned and Registered by:	By: Capital GP L.L.C., its General Partner
______________________________ as Transfer Agent and Registrar	By: ______________________________ Title:
By: ______________________________ Authorized Signature	By: ______________________________ Secretary

[Reverse of Certificate]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as follows according to applicable laws or regulations:

TEN COM	—	as tenants in common	UNIF GIFT/TRANSFERS MIN ACT ___________________ Custodian _____________________ (Cust) (Minor)
TEN ENT	—	as tenants by the entireties	
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts /Transfers to CD Minors Act (State)

Additional abbreviations, though not in the above list, may also be used.

ASSIGNMENT OF COMMON UNITS
in
CAPITAL PRODUCT PARTNERS L.P.

FOR VALUE RECEIVED, __________________ hereby assigns, conveys, sells and transfers unto

(Please print or typewrite name and address of Assignee)

(Please insert Social Security or other identifying number of Assignee)

________________ Common Units representing limited partner interests evidenced by this Certificate, subject to the Partnership Agreement, and does hereby irrevocably constitute and appoint as its attorney-in-fact with full power of substitution to transfer the same on the books of Capital Product Partners L.P.

Date: ____

NOTE: The signature to any endorsement hereon must correspond with the name as written upon the face of this Certificate in every particular, without alteration, enlargement or change.

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15

(Signature)

(Signature)

No transfer of the Common Units evidenced hereby will be registered on the books of the Partnership, unless the Certificate evidencing the Common Units to be transferred is surrendered for registration or transfer.

Exhibit 4.4

Dated 2009

CAPITAL PRODUCT PARTNERS L.P.
as Borrower

-and-

APOLLONAS SHIPPING COMPANY
CARNATION SHIPPING COMPANY
CENTURION NAVIGATION LIMITED
EPICURUS SHIPPING COMPANY
IRAKLITOS SHIPPING COMPANY
LAREDO MARITIME INC.
LORENZO SHIPMANAGEMENT INC.
POLARWIND MARITIME S.A.
ROSS SHIPMANAGEMENT CO.
SHIPPING RIDER CO.
SORREL SHIPMANAGEMENT INC.
SPLENDOR SHIPHOLDING S.A. and
TEMPEST MARINE INC.
as Owners

-and-

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

-and-

HSH NORDBANK AG
as Agent and Security Trustee

-and-

HSH NORDBANK AG
as Bookrunner

-and-

HSH NORDBANK AG
as Swap Bank

THIRD SUPPLEMENTAL AGREEMENT

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in relation to a Loan Agreement dated 22 March 2007 (as amended and supplemented by a first supplemental agreement dated 19 September 2007 and as further amended and supplemented by a second supplemental agreement dated 11 June 2008)
in respect of a revolving credit and term loan facility
not exceeding US$370,000,000

WATSON, FARLEY & WILLIAMS
Piraeus

INDEX

THIS THIRD SUPPLEMENTAL AGREEMENT is dated 2009 and made

BETWEEN:

(1) **CAPITAL PRODUCT PARTNERS L.P.**, a limited liability partnership formed in the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (including its successors) as **Borrower**;

(2) **APOLLONAS SHIPPING COMPANY, CARNATION SHIPPING COMPANY, CENTURION NAVIGATION LIMITED, EPICURUS SHIPPING COMPANY, IRAKLITOS SHIPPING COMPANY, LAREDO MARITIME INC., LORENZO SHIPMANAGEMENT INC., POLARWIND MARITIME S.A., ROSS SHIPMANAGEMENT CO., SHIPPING RIDER CO., SORREL SHIPMANAGEMENT INC., SPLENDOR SHIPHOLDING S.A.** and **TEMPEST MARINE INC**each a corporation incorporated in the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands (each an "**Owner**" and, together, the "**Owners**");

(3) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1, as **Lenders**;

(4) **HSH NORDBANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany, as **Agent**, **Bookrunner** and **Security Trustee**; and

(5) **HSH NORDBANK AG** acting through its office at Martensdamm 6, D-24103 Kiel, Federal Republic of Germany as **Swap Bank**.

BACKGROUND

(A) By a loan agreement dated 22 March 2007 (the "**Original Loan Agreement**") as amended and supplemented by a first supplemental agreement dated 19 September 2007 (the "**First Supplemental Agreement**") and as further amended and supplemented by a second supplemental agreement dated 11 June 2008 (the "**Second Supplemental Agreement**" and together with the First Supplemental Agreement and the Original Loan Agreement, the "**Loan Agreement**") made between (i) the Borrower as borrower, (ii) the Lenders as lenders, (iii) the Agent, (iv) the Bookrunner, (v) the Swap Bank and (vi) the Security Trustee, it was agreed that the Lenders would make available to the Borrower a revolving credit and term loan facility not exceeding US$370,000,000 (the "**Loan**").

(B) The Borrower has requested that the Lenders agree to:

(i) the release of Canvey Shipmanagement Co. ("**Canvey**") from all its obligations under the Finance Documents to which it is a party and its substitution by Mango Finance Corp. as guarantor for the obligations of the Borrower under the Loan Agreement; and

(ii) the substitution of m.t. "ASSOS" (owned by Canvey) with m.t. "AGAMEMNON II" (owned by Mango Finance Corp.) as one of the Existing Ships on which the Loan shall be secured.

(C) This Agreement sets out the terms and conditions on which the Lenders agree to:

(i) substitute Canvey with Mango Finance Corp.;

(ii) substitute m.t. "ASSOS" with m.t. "AGAMEMNON II"; and

(iii) the consequential amendments to the Loan Agreement and the other Finance Documents in connection with those matters.

NOW THEREFORE IT IS HEREBY AGREED

1 DEFINITIONS

1.1 Words and expressions defined in the Loan Agreement (as hereby amended) and the recitals hereto and not otherwise defined herein shall have the same meanings when used in this Third Supplemental Agreement.

1.2 In this Third Supplemental Agreement the words and expressions specified below shall have the meanings attributed to them below:

"AGAMEMNON II" means the 2008-built chemical oil double hull product tanker of approximately 51,000 deadweight tons registered in the ownership of the New Owner under the Liberian flag with the name "AGAMEMNON II";

"**Effective Date**" means the date on which the conditions precedent in Clause 4 are satisfied;

"**New Charterparty Assignment**" means any first priority assignment of any Charterparty in respect of "AGAMEMNON II" executed or to be executed by the New Owner in favour of the Security Trustee in such form as the Lenders may approve or require;

"**New Earnings Account**" means an account opened or to be opened in the name of THE New Owner with the Agent in Hamburg designated "Mango Finance Corp. - Earnings Account", or any other account (with that or another office of the Agent) which is designated by the Agent as the Earnings Account for "AGAMEMNON II" for the purposes of the Loan Agreement;

"**New Earnings Account Pledge**" means the first priority pledge over the New Earnings Account to be executed by the New Owner in favour of the Lenders in such form as the Lenders may approve or require;

"**New Finance Documents**" means, together, the New Guarantee, the New Mortgage, the New General Assignment, any New Charterparty Assignment, the New Manager's Undertaking and the New Earnings Account Pledge and, in the singular, means any of them;

"**New General Assignment**" means a first priority general assignment of the Earnings, Insurances and Requisition Compensation in respect of "AGAMEMNON II" executed or to be executed by the New Owner in favour of the Security Trustee in such form as the Lenders may approve or require;

"**New Guarantee**" means the guarantee of the obligations of the Borrower under the Loan Agreement and the other Finance Documents executed or to be executed by the New Owner in favour of the Security Trustee in such form as the Lenders may approve or require;

"**New Manager's Undertaking**" means a letter of undertaking executed or to be executed by the Approved Manager in favour of the Security Trustee in the terms required by the Security Trustee agreeing certain matters in relation to the Approved Manager serving as the manager of "AGAMEMNON II" and subordinating the rights of the Approved Manager against "AGAMEMNON II" and the New Owner to the rights of the Creditor Parties under the Finance Documents, in such form as the Lenders, may approve or require;

"**New Mortgage**" means the first preferred Liberian mortgage over "AGAMEMNON II" executed or to be executed by the New Owner in favour of the Security Trustee in such form as the Lenders may approve or require;

"New Owner" means Mango Finance Corp., a corporation incorporated and existing in the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro MH96960, The Marshall Islands; and

"**Share Purchase Agreement**" means the agreement made or to be made between the Borrower as buyer and Capital Maritime & Trading Corp. as seller in respect of the acquisition by the Borrower of all of the shares in the New Owner on terms acceptable in all respects to the Lenders.

1.3 Where the context so admits words importing the singular number only shall include the plural and vice versa and words importing persons shall include firms and corporations. Clause headings are inserted for convenience of reference only and shall be ignored in construing this Third Supplemental Agreement. References to Clauses are to clauses of this Third Supplemental Agreement save as may be otherwise expressly provided in this Third Supplemental Agreement.

2 REPRESENTATIONS AND WARRANTIES

2.1 The Borrower hereby represents and warrants to the Agent, as at the date of this Third Supplemental Agreement, that the representations and warranties set forth in Clause 10 of the Loan Agreement (updated mutatis mutandis to the date of this Third Supplemental Agreement) are true and correct as if all references therein to "this Agreement" were references to the Loan Agreement as further amended by this Third Supplemental Agreement.

2.2 The Borrower hereby further represents and warrants to the Agent that as at the date of this Third Supplemental Agreement:

(a) it is a limited liability partnership duly formed and in good standing under the laws of the Marshall Islands and has full power to enter into and perform its obligations under this Third Supplemental Agreement and has complied with all statutory and other requirements relative to its business, and does not have an established place of business in any part of the United Kingdom or the United States of America;

(b) all necessary governmental or other official consents, authorisations, approvals, licences, consents or waivers for the execution, delivery, performance, validity and/or enforceability of this Third Supplemental Agreement and all other documents to be executed in connection with the amendments to the Loan Agreement (including, but not limited to, the New Finance Documents) and the other Finance Documents as contemplated hereby have been obtained and will be maintained in full force and effect, from the date of this Third Supplemental Agreement and so long as any moneys are owing under any of the Finance Documents and/or the New Finance Documents and while all or any part of the Commitment remains outstanding;

(c) it has taken all necessary corporate and other action to authorise the execution, delivery and performance of its obligations under this Third Supplemental Agreement and all aforesaid documents to which it is a party and such documents do or will upon execution thereof constitute its valid and binding obligations enforceable in accordance with their respective terms;

(d) the execution, delivery and performance of this Third Supplemental Agreement and all such other documents as contemplated hereby (including, but not limited to, the New Finance Documents) does not and will not, from the date of this Third Supplemental Agreement and so long as any moneys are owing under any of the Finance Documents and/or the New Finance Documents and while all or any part of the Commitment remains outstanding, constitute a breach of any contractual restriction or any existing applicable law, regulation, consent or authorisation binding on the Borrower or on any of its property or assets and will not result in the creation or imposition of any security interest, lien, charge or encumbrance (other than under the Finance Documents and/or the New Finance Documents) on any of such property or assets; and

(e) it has fully disclosed in writing to the Agent all facts which it knows or which it should reasonably know and which are material for disclosure to the Agent in the context of this Third Supplemental Agreement and all information furnished by the Borrower or on its behalf relating to its business and affairs in connection with this Third Supplemental Agreement was and remains true, correct and complete in all material respects and there are no other material facts or considerations the omission of which would render any such information misleading.

3 AGREEMENT OF THE CREDITOR PARTIES

3.1 The Lenders, relying upon each of the representations and warranties set out in Clauses 2.1 and 2.2 of this Third Supplemental Agreement, hereby agree with the Borrower, subject to and upon the terms and conditions of this Third Supplemental Agreement and in particular, but without limitation, subject to the fulfilment of the conditions precedent set out in Clause 4, to:

(a) substitute Canvey with the New Owner as guarantor of the obligations of the Borrower under the Loan Agreement and the other Finance Documents;

(b) substitute "ASSOS" with "AGAMEMNON II" as an Existing Ship on which the Loan will be secured; and

(c) the amendments/variations to the Loan Agreement and the other Finance Documents referred to in Clause 5.

3.2 The Borrower and the Owners agree and confirm that the Loan Agreement and the Finance Documents to which each is a party shall remain in full force and effect and each of the Borrower and each Owner shall remain liable under the Loan Agreement and the Finance Documents to which each is a party for all obligations and liabilities assumed by it thereunder.

3.3 The agreement of the Creditor Parties contained in Clauses 3.1 and 3.2 shall have effect on and from the Effective Date.

4 CONDITIONS

4.1 The agreements of the Lenders contained in Clause 3.1 of this Third Supplemental Agreement shall all be expressly subject to the condition that (i) no Event of Default has occured and (ii) that the Agent shall have received in form and substance satisfactory to it and its legal advisers on or before the Effective Date:

(a) evidence that the persons executing this Third Supplemental Agreement on behalf of the Borrower and the Owners are duly authorised to execute the same;

(b) a certificate of an officer of the New Owner confirming the names of all its directors and shareholders and having attached thereto true and complete copies of its incorporation and constitutional documents;

(c) true and complete copies of resolutions passed at a meeting of the directors of the Borrower authorising and approving the execution of this Third Supplemental Agreement and each New Finance Document and authorising its directors or other representatives to execute the same on its behalf;

(d) true and complete copies of the resolutions passed at separate meetings of the directors and shareholders of the New Owner authorising and approving the execution of the New Finance and authorising its directors or other representatives to execute the same on its behalf;

(e) the original of any power of attorney issued by each of the Borrower and the New Owner pursuant to such resolutions aforesaid;

(f) evidence that "AGAMEMNON II" is:

(i) registered in the name of the New Owner under the laws and flag of the Republic of Liberia; and

(ii) insured in accordance with the relevant provisions of the New Mortgage and all requirements thereof in respect of such insurances have been fulfilled;

(g) each New Finance Document has been duly executed by the New Owner together with evidence that:

(i) the New Mortgage has been registered against "AGAMEMNON II" with first priority in accordance with the laws of the Republic of Liberia;

(ii) all notices required to be served under the New General Assignment and any New Charterparty Assignment have been served and acknowledged in the manner therein provided; and

(iii) save for the Security Interests created by or pursuant to the New Mortgage, the New General Assignment and any Charterparty Assignment, there are no Security Interests of any kind whatsoever on "AGAMEMNON II" or her Earnings, Insurances or Requisition Compensation;

(h) a certified true copy of any Charterparty entered into in respect of the New Ship duly signed by the parties thereto;

(i) evidence that the New Earnings Account has been opened and all mandate forms and all, documentation required by each Creditor Party in relation to the New Owner pursuant to that Creditor Party's "know your customer" requirements have been received;

(j) a true and complete copy of the management agreement in respect of "AGAMEMNON II";

(k) the New Manager's Undertaking executed by the Approved Manager in favour of the Security Trustee;

(l) a copy of the Share Purchase Agreement duly signed by the parties thereto;

(m) evidence that the New Owner is a direct or indirect wholly-owned subsidiary of the Borrower;

(n) copies of ISM DOC, SMC and the International Ship Security Certificate under the ISPS Code in respect of "AGAMEMNON II";

(o) certified copies of all documents (with a certified translation if an original is not in English) evidencing any other necessary action, approvals or consents with respect to this Third Supplemental Agreement and the New Finance Documents (including without limitation) all necessary governmental and other official approvals and consents in such pertinent jurisdictions as the Agent deems appropriate;

(p) such legal opinions as the Agent may require in respect of the matters contained in this Third Supplemental Agreement, the New Finance Documents; and

(q) evidence that the agent referred to in clause 30.4 of the Loan Agreement has accepted its appointment as agent for service of process under this Third Supplemental Agreement and the New Finance Documents.

5 VARIATIONS TO LOAN AGREEMENT AND FINANCE DOCUMENTS

5.1 In consideration of the agreement of the Lenders contained in Clause 3.1 of this Third Supplemental Agreement, the Borrower hereby agrees with the Lenders that upon satisfaction of the conditions referred to in Clause 4.1, the provisions of the Loan Agreement shall be varied and/or amended and/or supplemented with effect on and from the Effective Date as follows:

(a) by inserting in clause 1.1 thereof the definition of "Effective Date" set out in Clause 1.2;

(b) by deleting the definition of "ASSOS" in clause 1.1 thereof and replacing it with the following new definition:

"**"AGAMEMNON II"** means the 2008-built chemical oil double hull product tanker of approximately 51,000 deadweight tons registered in the ownership of Mango under the Liberian flag with the name "AGAMEMNON II";";

(c) by deleting sub-paragraph (d) in the definition of "Existing Charter" in clause 1.1 thereof and redesignating the existing sub-paragraphs (e), (f), (g) and (h) as (d), (e), (f) and (g) respectively;

(d) in the definition of "Existing Owners" in clause 1.1 thereof by:

(i) deleting sub-paragraph (b);

(ii) inserting the following new sub-paragraph (e):

"(e) Mango Finance Corp. ("**Mango**");"; and

(iii) redesignating the existing sub-paragraphs (c), (d) and (e) as new sub-paragraphs (b), (c) and (d) respectively,

(e) by replacing the word "ASSOS" with the word "AGAMEMNON II" in the second line of the definition of "Existing Ships" in clause 1.1 thereof;

(f) by deleting the definition of "Owner" in clause 1.1 thereof and replacing it with the following new definition:

""**Owner**" means, in relation to:

(a) "AGAMEMNON II", Mango;

(b) "AGISILAOS", Polarwind;

(c) “AIOLOS”, Tempest;

(d) “AKERAIOS”, Laredo;

(e) “AKTORAS”, Centurion;

(f) “ALEXANDROS II”, Sorrel;

(g) “ANEMOS I”, Splendor;

(h) “APOSTOLOS”, Lorenzo;

(i) “ARIONAS”, Carnation;

(j) “ATLANTAS”, Shipping Rider;

(k) “ATROTOS”, Epicurus;

(l) “ATTIKOS”, Ross;

(m) “AVAX”, Apollonas; and

(n) “AXIOS”, Iraklitos,

and, in the plural, means all of them;”;

(g) by construing all references therein to “this Agreement” where the context admits as being references to “this Agreement as the same is amended and supplemented by this Third Supplemental Agreement and as the same may from time to time be further supplemented and/or amended”; and

(h) by construing references to each of the Finance Documents as being references to each such document as it is from time to time supplemented and/or amended.

5.2 **Amendments to Finance Documents**. With effect on and from the Effective Date each of the Finance Documents other than the Loan Agreement shall be, and shall be deemed by this Agreement to have been, amended as follows:

(a) the definition of, and references throughout each of the Finance Documents to, the Loan Agreement and any of the other Finance Documents shall be construed as if the same referred to the Loan Agreement and those Finance Documents as amended and supplemented by this Third Supplemental Agreement; and

(b) by construing references throughout each of the Finance Documents to “this Agreement”, “this Deed”, “hereunder and other like expressions as if the same referred to such Finance Documents as amended and supplemented by this Third Supplemental Agreement.

5.3 **Finance Documents to remain in full force and effect.** The Finance Documents shall remain in full force and effect as amended and supplemented by:

(a) the amendments to the Finance Documents contained or referred to in Clauses 5.1 and 5.2; and

(b) such further or consequential modifications as may be necessary to make the same consistent with, and to give full effect to, the terms of this Third Supplemental Agreement.

6 CONTINUANCE OF LOAN AGREEMENT AND FINANCE DOCUMENTS

6.1 Save for the alterations to the Loan Agreement and the other Finance Documents made or to be made pursuant to this Third Supplemental Agreement and such further modifications (if any) thereto as may be necessary to make the same consistent with the terms of this Third Supplemental Agreement, the Loan Agreement shall remain in full force and effect and the security constituted by the other Finance Documents shall continue and remain valid and enforceable.

7 EXPENSES

7.1 **Fees and expenses.** The provisions of clause 20 (fees and expenses) of the Loan Agreement shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary amendments.

8 COMMUNICATIONS

8.1 **General.** The provisions of clause 28 (notices) of the Loan Agreement, as amended and supplemented by this Agreement, shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

9 SUPPLEMENTAL

9.1 **Counterparts.** This Agreement may be executed in any number of counterparts.

9.2 **Third Party rights**. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

10 LAW AND JURISDICTION

10.1 **Governing law.** This Agreement shall be governed by and construed in accordance with English law.

10.2 **Incorporation of the Loan Agreement provisions.** The provisions of clause 30 (law and jurisdiction) of the Loan Agreement, as amended and supplemented by this Agreement, shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary medications.

IN WITNESS WHEREOF the parties hereto have caused this Third Supplemental Agreement to be duly executed the day and year first above written.

SCHEDULE 1

LENDERS

Lender	**Lending Office**
HSH Nordbank AG	Gerhart-Hauptmann-Platz 50 20095 Hamburg Germany Fax No: +(49) 40 33 33 34118
Alpha Bank A.E.	Akti Miaouli 89 185 38 Piraeus Greece Fax No: +30 210 429 0348
Deutsche Schiffsbank AG	Domshof 17 D-28195 Bremen Fax No: +49 421 3609 293
National Bank of Greece S.A.	Bouboulinas 2 & Akti Miaouli 185 35 Piraeus Fax No: +30 210 414 4120
Fortis Bank	166 Syngrou Ave 176 71 Athens Greece Fax No: +30 210 954 4368

EXECUTION PAGE

BORROWER

SIGNED by)
for and on behalf of)
CAPITAL PRODUCT PARTNERS L.P.)

OWNERS

SIGNED by)
for and on behalf of)
APOLLONAS SHIPPING COMPANY)

SIGNED by)
for and on behalf of)
CARNATION SHIPPING COMPANY)

SIGNED by)
for and on behalf of)
CENTURION NAVIGATION LIMITED)

SIGNED by)
for and on behalf of)
EPICURUS SHIPPING COMPANY)

SIGNED by)
for and on behalf of)
IRAKLITOS SHIPPING COMPANY)

SIGNED by)
for and on behalf of)
LAREDO MARITIME INC.)

SIGNED by)
for and on behalf of)
LORENZO SHIPMANAGEMENT INC.)

SIGNED by)
for and on behalf of)
POLARWIND MARITIME S.A.)

SIGNED by)
for and on behalf of)
ROSS SHIPMANAGEMENT CO.)

SIGNED by)
for and on behalf of)
SHIPPING RIDER CO.)

SIGNED by)
for and on behalf of)
SORREL SHIPMANAGEMENT INC.)

SIGNED by)
for and on behalf of)
SPLENDOR SHIPHOLDING S.A.)

SIGNED by)
for and on behalf of)
TEMPEST MARINE INC.)

LENDERS

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

SIGNED by)
for and on behalf of)
ALPHA BANK A.E.)

SIGNED by)
for and on behalf of)
DEUTSCHE SCHIFFSBANK AG)

SIGNED by)
for and on behalf of)
NATIONAL BANK OF GREECE S.A.)

SIGNED by)
for and on behalf of)
FORTIS BANK)

AGENT

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

SECURITY TRUSTEE

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

SWAP BANK

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

BOOKRUNNER

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

Witness to all the)
above signatures)

Name:

Address:

Exhibit 4.5

Dated 2009

CAPITAL PRODUCT PARTNERS L.P.
as Borrower

-and-

APOLLONAS SHIPPING COMPANY
CARNATION SHIPPING COMPANY
CENTURION NAVIGATION LIMITED
IRAKLITOS SHIPPING COMPANY
LAREDO MARITIME INC.
LORENZO SHIPMANAGEMENT INC.
MANGO FINANCE CORP.
POLARWIND MARITIME S.A.
ROSS SHIPMANAGEMENT CO.
SHIPPING RIDER CO.
SORREL SHIPMANAGEMENT INC.
SPLENDOR SHIPHOLDING S.A. and
TEMPEST MARINE INC.
as Owners

-and-

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

-and-

HSH NORDBANK AG
as Agent and Security Trustee

-and-

HSH NORDBANK AG
as Bookrunner

-and-

HSH NORDBANK AG
as Swap Bank

FOURTH SUPPLEMENTAL AGREEMENT

---

in relation to a Loan Agreement dated 22 March 2007 (as amended and supplemented by supplemental agreements dated, respectively, 19 September 2007, 11 June 2008 and 7 April 2009)
in respect of a revolving credit and term loan facility
not exceeding US$370,000,000

WATSON, FARLEY & WILLIAMS
Piraeus

INDEX

THIS FOURTH SUPPLEMENTAL AGREEMENT is dated 2009 and made

BETWEEN:

(1) **CAPITAL PRODUCT PARTNERS L.P.**, a limited liability partnership formed in the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (including its successors) as **Borrower**;

(2) **APOLLONAS SHIPPING COMPANY, CARNATION SHIPPING COMPANY, CENTURION NAVIGATION LIMITED, IRAKLITOS SHIPPING COMPANY, LAREDO MARITIME INC., LORENZO SHIPMANAGEMENT INC., MANGO FINANCE CORP., POLARWIND MARITIME S.A., ROSS SHIPMANAGEMENT CO., SHIPPING RIDER CO., SORREL SHIPMANAGEMENT INC., SPLENDOR SHIPHOLDING S.A.** and **TEMPEST MARINE INC.**, each a corporation incorporated in the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands (each an "**Owner**" and, together, the "**Owners**");

(3) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1, as **Lenders**;

(4) **HSH NORDBANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany, as **Agent**, **Bookrunner** and **Security Trustee**; and

(5) **HSH NORDBANK AG** acting through its office at Martensdamm 6, D-24103 Kiel, Federal Republic of Germany as **Swap Bank**.

BACKGROUND

(A) By a loan agreement dated 22 March 2007 as amended and supplemented by supplemental agreements dated respectively 19 September 2007, 11 June 2008 and 7 April 2009 (together, the "**Loan Agreement**") made between (i) the Borrower as borrower, (ii) the Lenders as lenders, (iii) the Agent, (iv) the Bookrunner, (v) the Swap Bank and (vi) the Security Trustee, it was agreed that the Lenders would make available to the Borrower a revolving credit and term loan facility not exceeding US$370,000,000 (the "**Loan**").

(B) The Borrower has requested that the Lenders agree to:

(i) the release of Epicurus Shipping Company ("**Epicurus**") from all its obligations under the Finance Documents to which it is a party and its substitution by Navarro International S.A. as guarantor for the obligations of the Borrower under the Loan Agreement; and

(ii) the substitution of m.t. "ATROTOS" (owned by Epicurus) with the newbuilding oil/product carrier of approximately 51,000 deadweight tons currently being constructed by STX Offshore & Shipbuilding Co., Ltd. (formerly known as STX Shipbuilding Co. Ltd.) (the "**Builder**") and having Builder's Hull No. S-1262 (tbn "**AYRTON II**") as one of the Ships on which the Loan shall be secured.

(C) This Agreement sets out the terms and conditions on which the Lenders agree to:

(i) substitute Epicurus with Navarro International S.A.;

(ii) substitute m.t. "ATROTOS" with STX Hull No. S-1262 (tbn "**AYRTON II**"); and

(iii) the consequential amendments to the Loan Agreement and the other Finance Documents in connection with those matters.

NOW THEREFORE IT IS HEREBY AGREED

1 DEFINITIONS

1.1 Words and expressions defined in the Loan Agreement (as hereby amended) and the recitals hereto and not otherwise defined herein shall have the same meanings when used in this Fourth Supplemental Agreement.

1.2 In this Fourth Supplemental Agreement the words and expressions specified below shall have the meanings attributed to them below:

"**AYRTON II**" means the newbuilding oil/product carrier of approximately 51,000 deadweight tons currently being constructed by the Builder and having Builder's Hull No. S-1262 which is to be purchased by the New Owner pursuant to the Shipbuildinging Contract and which is to be registered in the ownership of the New Owner under the Liberian flag with the name "AYRTON II";

"**Builder**" means STX Offshore & Shipbuilding Co., Ltd. (ex STX Shipbuilding Co. Ltd.), a corporation incorporated and existing under the laws of the Republic of Korea, with its registered office at 100, Wonpo-Dong, Jinhae, Gyeongsangnam-Do, Korea;

"**Effective Date**" means the date on which the conditions precedent in Clause 4 are satisfied;

"**New Charterparty Assignment**" means any first priority assignment of any Charterparty in respect of "AYRTON II" executed or to be executed by the New Owner in favour of the Security Trustee in such form as the Lenders may approve or require;

"**New Earnings Account**" means an account opened or to be opened in the name of the New Owner with the Agent in Hamburg designated "Navarro International S.A. - Earnings Account", or any other account (with that or another office of the Agent) which is designated by the Agent as the Earnings Account for "AYRTON II" for the purposes of the Loan Agreement;

"**New Earnings Account Pledge**" means the first priority pledge over the New Earnings Account to be executed by the New Owner in favour of the Lenders in such form as the Lenders may approve or require;

"**New Finance Documents**" means, together, the New Guarantee, the New Mortgage, the New General Assignment, any New Charterparty Assignment, the New Manager's Undertaking and the New Earnings Account Pledge and, in the singular, means any of them;

"**New General Assignment**" means a first priority general assignment of the Earnings, Insurances and Requisition Compensation in respect of "AYRTON II" executed or to be executed by the New Owner in favour of the Security Trustee in such form as the Lenders may approve or require;

"**New Guarantee**" means the guarantee of the obligations of the Borrower under the Loan Agreement and the other Finance Documents executed or to be executed by the New Owner in favour of the Security Trustee in such form as the Lenders may approve or require;

"**New Manager's Undertaking**" means a letter of undertaking executed or to be executed by the Approved Manager in favour of the Security Trustee in the terms required by the Security Trustee agreeing certain matters in relation to the Approved Manager serving as the manager of "AYRTON II" and subordinating the rights of the Approved Manager against "AYRTON II" and the New Owner to the rights of the Creditor Parties under the Finance Documents, in such form as the Lenders, may approve or require;

"**New Mortgage**" means the first preferred Liberian mortgage over "AYRTON II" executed or to be executed by the New Owner in favour of the Security Trustee in such form as the Lenders may approve or require;

"New Owner" means Navarro International S.A., a corporation incorporated and existing in the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro MH96960, The Marshall Islands; and

"Shipbuilding Contract" means the shipbuilding contract dated 21 August 2006 made between the Builder and the New Owner for the construction by the Builder of "AYRTON II" and its purchase by the New Owner, as the same may be amended or supplemented from time to time.

1.3 Where the context so admits words importing the singular number only shall include the plural and vice versa and words importing persons shall include firms and corporations. Clause headings are inserted for convenience of reference only and shall be ignored in construing this Fourth Supplemental Agreement. References to Clauses are to clauses of this Fourth Supplemental Agreement save as may be otherwise expressly provided in this Fourth Supplemental Agreement.

2 REPRESENTATIONS AND WARRANTIES

2.1 The Borrower hereby represents and warrants to the Agent, as at the date of this Fourth Supplemental Agreement, that the representations and warranties set forth in Clause 10 of the Loan Agreement (updated mutatis mutandis to the date of this Fourth Supplemental Agreement) are true and correct as if all references therein to "this Agreement" were references to the Loan Agreement as further amended by this Fourth Supplemental Agreement.

2.2 The Borrower hereby further represents and warrants to the Agent that as at the date of this Fourth Supplemental Agreement:

(a) it is a limited liability partnership duly formed and in good standing under the laws of the Marshall Islands and has full power to enter into and perform its obligations under this Fourth Supplemental Agreement and has complied with all statutory and other requirements relative to its business, and does not have an established place of business in any part of the United Kingdom or the United States of America;

(b) all necessary governmental or other official consents, authorisations, approvals, licences, consents or waivers for the execution, delivery, performance, validity and/or enforceability of this Fourth Supplemental Agreement and all other documents to be executed in connection with the amendments to the Loan Agreement (including, but not limited to, the New Finance Documents) and the other Finance Documents as contemplated hereby have been obtained and will be maintained in full force and effect, from the date of this Fourth Supplemental Agreement and so long as any moneys are owing under any of the Finance Documents and/or the New Finance Documents and while all or any part of the Commitment remains outstanding;

(c) it has taken all necessary corporate and other action to authorise the execution, delivery and performance of its obligations under this Fourth Supplemental Agreement and all aforesaid documents to which it is a party and such documents do or will upon execution thereof constitute its valid and binding obligations enforceable in accordance with their respective terms;

(d) the execution, delivery and performance of this Fourth Supplemental Agreement and all such other documents as contemplated hereby (including, but not limited to, the New Finance Documents) does not and will not, from the date of this Fourth Supplemental Agreement and so long as any moneys are owing under any of the Finance Documents and/or the New Finance Documents and while all or any part of the Commitment remains outstanding, constitute a breach of any contractual restriction or any existing applicable law, regulation, consent or authorisation binding on the Borrower or on any of its property or assets and will not result in the creation or imposition of any security interest, lien, charge or encumbrance (other than under the Finance Documents and/or the New Finance Documents) on any of such property or assets; and

(e) it has fully disclosed in writing to the Agent all facts which it knows or which it should reasonably know and which are material for disclosure to the Agent in the context of this Fourth Supplemental Agreement and all information furnished by the Borrower or on its behalf relating to its business and affairs in connection with this Fourth Supplemental Agreement was and remains true, correct and complete in all material respects and there are no other material facts or considerations the omission of which would render any such information misleading.

3 AGREEMENT OF THE CREDITOR PARTIES

3.1 The Lenders, relying upon each of the representations and warranties set out in Clauses 2.1 and 2.2 of this Fourth Supplemental Agreement, hereby agree with the Borrower, subject to and upon the terms and conditions of this Fourth Supplemental Agreement and in particular, but without limitation, subject to the fulfilment of the conditions precedent set out in Clause 4, to:

(a) substitute Epicurus with the New Owner as guarantor of the obligations of the Borrower under the Loan Agreement and the other Finance Documents;

(b) substitute “ATROTOS” with “AYRTON II” as a Ship on which the Loan will be secured; and

(c) the amendments/variations to the Loan Agreement and the other Finance Documents referred to in Clause 5.

3.2 The Borrower and the Owners agree and confirm that the Loan Agreement and the Finance Documents to which each is a party shall remain in full force and effect and each of the Borrower and each Owner shall remain liable under the Loan Agreement and the Finance Documents to which each is a party for all obligations and liabilities assumed by it thereunder.

3.3 The agreement of the Creditor Parties contained in Clauses 3.1 and 3.2 shall have effect on and from the Effective Date.

4 CONDITIONS

4.1 The agreements of the Lenders contained in Clause 3.1 of this Fourth Supplemental Agreement shall all be expressly subject to the condition that (i) no Event of Default has occured and (ii) that the Agent shall have received in form and substance satisfactory to it and its legal advisers on or before the Effective Date:

(a) evidence that the persons executing this Fourth Supplemental Agreement on behalf of the Borrower and the Owners are duly authorised to execute the same;

(b) a certificate of an officer of the New Owner confirming the names of all its directors and shareholders and having attached thereto true and complete copies of its incorporation and constitutional documents;

(c) true and complete copies of resolutions passed at a meeting of the directors of the Borrower authorising and approving the execution of this Fourth Supplemental Agreement and each New Finance Document and authorising its directors or other representatives to execute the same on its behalf;

(d) true and complete copies of the resolutions passed at separate meetings of the directors and shareholders of the New Owner authorising and approving the execution of the New Finance and authorising its directors or other representatives to execute the same on its behalf;

(e) the original of any power of attorney issued by each of the Borrower and the New Owner pursuant to such resolutions aforesaid;

(f) evidence that "AYRTON II" has been:

 (i) irrevocably delivered by the Builder to the New Owner in accordance with the terms of the Shipbuilding Contract;

 (ii) registered in the name of the New Owner under the laws and flag of the Republic of Liberia; and

 (ii) insured in accordance with the relevant provisions of the New Mortgage and all requirements thereof in respect of such insurances have been fulfilled;

(g) each New Finance Document has been duly executed by the New Owner together with evidence that:

 (i) the New Mortgage has been registered against "AYRTON II" with first priority in accordance with the laws of the Republic of Liberia;

 (ii) all notices required to be served under the New General Assignment and any New Charterparty Assignment have been served and acknowledged in the manner therein provided; and

 (iii) save for the Security Interests created by or pursuant to the New Mortgage, the New General Assignment and any Charterparty Assignment, there are no Security Interests of any kind whatsoever on "AYRTON II" or her Earnings, Insurances or Requisition Compensation;

(i) a certified true copy of any Charterparty entered into in respect of "AYRTON II" duly signed by the parties thereto;

(j) evidence that the New Earnings Account has been opened and all mandate forms and all, documentation required by each Creditor Party in relation to the New Owner pursuant to that Creditor Party's "know your customer" requirements have been received;

(k) a true and complete copy of the management agreement in respect of "AYRTON II";

(l) the New Manager's Undertaking executed by the Approved Manager in favour of the Security Trustee;

(m) evidence that the New Owner is a direct or indirect wholly-owned subsidiary of the Borrower;

(n) copies of ISM DOC, SMC and the International Ship Security Certificate under the ISPS Code in respect of "AYRTON II";

(o) evidence that "AYRTON II" maintains the highest available class with a classification society which is a member of the IACS as the Agent may approve free of all overdue recommendations and conditions of such classification society;

(p) certified copies of all documents (with a certified translation if an original is not in English) evidencing any other necessary action, approvals or consents with respect to this Fourth Supplemental Agreement and the New Finance Documents (including without limitation) all necessary governmental and other official approvals and consents in such pertinent jurisdictions as the Agent deems appropriate;

(q) such legal opinions as the Agent may require in respect of the matters contained in this Fourth Supplemental Agreement, the New Finance Documents; and

(r) evidence that the agent referred to in clause 30.4 of the Loan Agreement has accepted its appointment as agent for service of process under this Fourth Supplemental Agreement and the New Finance Documents.

5 VARIATIONS TO LOAN AGREEMENT AND FINANCE DOCUMENTS

5.1 In consideration of the agreement of the Lenders contained in Clause 3.1 of this Fourth Supplemental Agreement, the Borrower hereby agrees with the Lenders that upon satisfaction of the conditions referred to in Clause 4.1, the provisions of the Loan Agreement shall be varied and/or amended and/or supplemented with effect on and from the Effective Date as follows:

(a) by inserting in clause 1.1 thereof the definition of "Effective Date" set out in Clause 1.2;

(b) by deleting the definition of "ATROTOS" in clause 1.1 thereof and replacing it with the following new definition:

""**AYRTON II**" means the newbuilding oil/product carrier of approximately 51,000 deadweight tons currently being constructed by the relevant Builder and having that Builder's Hull No. S-1262 which is to be purchased by Navarro pursuant to the Navarro Shipbuilding Contract and which is to be registered in the ownership of Navarro under the Liberian flag with the name "AYRTON II";";

(c) by deleting the words ", STX Shipbuilding Co., Ltd." in the first line of sub-paragraph (b) in the definition of "Builder" in clause 1.1 thereof and replacing them with the words "and "AYRTON II", STX Offshore & Shipbuilding Co., Ltd. (formerly known as STX Shipbuilding Co. Ltd.)";

(d) in the definition of "Existing Owners" in clause 1.1 thereof by:

(i) inserting the following new sub-paragraph (f):

"(f) Navarro International S.A. ("**Navarro**");"; and

(ii) redesignating the existing sub-paragraphs (f), (g) and (h) as new sub-paragraphs (g), (h) and (i) respectively,

(e) by adding the words "AYRTON II" after the words ","AXIOS" in the second line of the definition of "Existing Ships" in clause 1.1 thereof;

(f) by adding the following new definition in clause 1.1 thereof:

““**Navarro Shipbuilding Contract**” means the shipbuilding contract dated 21 August 2006 made between the relevant Builder and Navarro for the construction by that Builder of “AYRTON II” and its purchase by Navarro, as the same may be amended or supplemented from time to time”;

(g) by deleting the definition of “Owner” in clause 1.1 thereof and replacing it with the following new definition:

““**Owner**” means, in relation to:

(a) “AGAMEMNON II”, Mango;

(b) “AGISILAOS”, Polarwind;

(c) “AIOLOS”, Tempest;

(d) “AKERAIOS”, Laredo;

(e) “AKTORAS”, Centurion;

(f) “ALEXANDROS II”, Sorrel;

(g) “ANEMOS I”, Splendor;

(h) “APOSTOLOS”, Lorenzo;

(i) “ARIONAS”, Carnation;

(j) “ATLANTAS”, Shipping Rider;

(k) “ATTIKOS”, Ross;

(l) “AVAX”, Apollonas;

(m) “AXIOS”, Iraklitos; and

(n) “AYRTON II”, Navarro,

and, in the plural, means all of them;”;

(h) in the definition of “Shipbuilding Contracts” in clause 1.1 thereof by adding in the fourth line immediately before the words “and the Aris II Shipbuilding Contract” the words “, Navarro Shipbuilding Contract”;

(i) by construing all references therein to “this Agreement” where the context admits as being references to “this Agreement as the same is amended and supplemented by this Fourth Supplemental Agreement and as the same may from time to time be further supplemented and/or amended”; and

(j) by construing references to each of the Finance Documents as being references to each such document as it is from time to time supplemented and/or amended.

5.2 Amendments to Finance Documents. With effect on and from the Effective Date each of the Finance Documents other than the Loan Agreement shall be, and shall be deemed by this Agreement to have been, amended as follows:

(a) the definition of, and references throughout each of the Finance Documents to, the Loan Agreement and any of the other Finance Documents shall be construed as if the same referred to the Loan Agreement and those Finance Documents as amended and supplemented by this Fourth Supplemental Agreement; and

(b) by construing references throughout each of the Finance Documents to "this Agreement", "this Deed", "hereunder and other like expressions as if the same referred to such Finance Documents as amended and supplemented by this Fourth Supplemental Agreement.

5.3 Finance Documents to remain in full force and effect. The Finance Documents shall remain in full force and effect as amended and supplemented by:

(a) the amendments to the Finance Documents contained or referred to in Clauses 5.1 and 5.2; and

(b) such further or consequential modifications as may be necessary to make the same consistent with, and to give full effect to, the terms of this Fourth Supplemental Agreement.

6 CONTINUANCE OF LOAN AGREEMENT AND FINANCE DOCUMENTS

6.1 Save for the alterations to the Loan Agreement and the other Finance Documents made or to be made pursuant to this Fourth Supplemental Agreement and such further modifications (if any) thereto as may be necessary to make the same consistent with the terms of this Fourth Supplemental Agreement, the Loan Agreement shall remain in full force and effect and the security constituted by the other Finance Documents shall continue and remain valid and enforceable.

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7.1 Fees and expenses. The provisions of clause 20 (fees and expenses) of the Loan Agreement shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary amendments.

8 COMMUNICATIONS

8.1 General. The provisions of clause 28 (notices) of the Loan Agreement, as amended and supplemented by this Agreement, shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

9 SUPPLEMENTAL

9.1 Counterparts. This Agreement may be executed in any number of counterparts.

9.2 Third Party rights. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

10 LAW AND JURISDICTION

10.1 Governing law. This Agreement shall be governed by and construed in accordance with English law.

10.2 Incorporation of the Loan Agreement provisions. The provisions of clause 30 (law and jurisdiction) of the Loan Agreement, as amended and supplemented by this Agreement, shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary medications.

IN WITNESS WHEREOF the parties hereto have caused this Fourth Supplemental Agreement to be duly executed the day and year first above written.

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LENDERS

Lender	**Lending Office**
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Alpha Bank A.E.	Akti Miaouli 89 185 38 Piraeus Greece Fax No: +30 210 429 0348
Deutsche Schiffsbank AG	Domshof 17 D-28195 Bremen Fax No: +49 421 3609 293
National Bank of Greece S.A.	Bouboulinas 2 & Akti Miaouli 185 35 Piraeus Fax No: +30 210 414 4120
Fortis Bank	166 Syngrou Ave 176 71 Athens Greece Fax No: +30 210 954 4368

EXECUTION PAGE

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FORTIS BANK)

AGENT

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

SECURITY TRUSTEE

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

SWAP BANK

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

BOOKRUNNER

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

Witness to all the)
above signatures)

Name:

Address:

Exhibit 4.6

Date 2009

CAPITAL PRODUCT PARTNERS L.P.
as Borrower

- and - -

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

- and - -

HSH NORDBANK AG
as Agent and Security Trustee

- and - -

HSH NORDBANK AG
as Bookrunner

- and - -

HSH NORDBANK AG
as Swap Bank

FIFTH SUPPLEMENTAL AGREEMENT

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in relation to a Loan Agreement dated 22 March 2007
(as amended and supplemented by supplemental agreements dated, respectively,
19 September 2007, 11 June 2008, 7 April 2009 and 8 April 2009)
in respect of revolving credit and term loan facilities
of (originally) US$370,000,000 in aggregate

WATSON, FARLEY & WILLIAMS
Piraeus

INDEX

THIS AGREEMENT is made on 2009

BETWEEN

(1) **CAPITAL PRODUCT PARTNERS L.P.** as **Borrower**;

(2) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1 herein, as **Lenders**;

(3) **HSH NORDBANK AG**, acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany as **Agent**;

(4) **HSH NORDBANK AG**, acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Security Trustee**;

(5) **HSH NORDBANK AG**, acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Bookrunner**; and

(6) **HSH NORDBANK AG,** acting through its office at Martensdamm 6, D-24103 Kiel, Germany as **Swap Bank**.

BACKGROUND

(A) By a loan agreement dated 22 March 2007 as amended and supplemented by supplemental agreements dated, respectively, 19 September 2007, 11 June 2008, 7 April 2009 and 8 April 2009 (together, the "**Loan Agreement**") and made between (i) the Borrower, (ii) the Lenders, (iii) the Agent, (iv) the Security Trustee, (v) the Bookrunner and (vi) the Swap Bank, the Lenders agreed to make available to the Borrower revolving credit and term loan facilities in an amount of (originally) US$370,000,000 in aggregate of which an amount of US$366,500,000 is outstanding by way of principal on the date hereof.

(B) The Borrower has requested that the Lenders give their consent:

(i) for the Market Value of a Ship or a Fleet Vessel, which at the relevant time is subject to an Approved Charter to be calculated for the purposes of clause 15.4 of the Loan Agreement by taking into account the value of such Approved Charter during the period commencing on 30 June 2009 and ending on 30 June 2012 (the "**Adjustment Period**"); and

(ii) the increase of the ratio of Total Indebtedness less cash and cash equivalents to the aggregate of Market Value of all Fleet Vessels during the Adjustment Period.

(C) The Lenders' consent to the Borrower's requests referred to in Recital (B) are subject to the following conditions:

(i) the Margin increasing to either 1.35 or 1.45 per cent. per annum during the Adjustment Period; and

(ii) if at any time during the Adjustment Period, the rating of any Approved Charterer of a Ship or a Fleet Vessel subject to an Approved Charter at the relevant time falls below Aa2 (in the case of Moody's) and/or AA (in the case of Fitch or S&P) (so long as at least two of the three rating agencies reduce their ratings below the levels referred to above), the Market Value of that Ship or a Fleet Vessel shall be calculated free of that Approved Charter.

(D) This Agreement sets out the terms and conditions on which the Creditor Parties agree, with effect on and from the Effective Date, to amend the Loan Agreement.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Defined expressions. Words and expressions defined in the Loan Agreement and the other Finance Documents shall have the same meanings when used in this Agreement unless the context otherwise requires.

1.2 Definitions. In this Agreement, unless the contrary intention appears:

"**Adjustment Period**" has the meaning given in Recital B(i);

"**Approved Charter**" means, in relation to a Ship or a Fleet Vessel, a charterparty or other contract of employment in respect of that Ship or Fleet Vessel having an unexpired duration of at least 3 months entered into by the Owner of the Ship (or the applicable member of the Group in the case of a Fleet Vessel) with an Approved Charterer;

"**Approved Charterer**" means BP Shipping Limited or a charterer acceptable to the Agent (acting reasonably and on the instructions of the Majority Lenders) which is an oil major equivalent to BP plc (the parent company of BP Shipping Limited) and which is rated not less than Aa2 by Moody's or AA by Fitch or S&P;

"**Effective Date**" means the date on which the conditions precedent in Clause 3 are satisfied;

"**Fitch**" means Fitch Ratings and includes its successors;

"**Loan Agreement**" means the loan agreement dated 22 March 2007 (as amended and supplemented from time to time) referred to in Recital (A);

"**Moody's**" means Moody's Investor Services Inc. and includes its successors;

"**Mortgage Addendum**" means, in respect of each Mortgage, an addendum thereto executed or to be executed by the relevant Owner in favour of the Security Trustee in such form as the Agent may approve or require and, in the plural, means all of them; and

"**S&P**" means Standard & Poor's and includes its successors.

1.3 Application of construction and interpretation provisions of Loan Agreement. Clauses 1.2 and 1.5 of the Loan Agreement apply, with any necessary modifications, to this Agreement.

2 AGREEMENT OF THE CREDITOR PARTIES

2.1 Agreement of the Lenders. The Lenders agree, subject to and upon the terms and conditions of this Agreement:

(a) to calculate during the Adjustment Period the market value of a Ship or a Fleet Vessel which at the relevant time is subject to an Approved Charter by taking into account the Approved Charter applicable thereto; and

(b) to the increase of the ratio of Total Indebtedness less cash and cash equivalents to the aggregate of Market Value of all Fleet Vessels from 0.725:1 to 0.80:1.

2.2 Agreement of the Creditor Parties. The Creditor Parties agree, subject to and upon the terms and conditions of this Agreement, to the consequential amendment of the Loan Agreement and the other Finance Documents in connection with the matters referred to in Clause 2.1.

2.3 **Effective Date.** The agreement of the Lenders and the other Creditor Parties contained in Clauses 2.1 and 2.2 shall have effect on and from the Effective Date.

3 **CONDITIONS PRECEDENT**

3.1 **General.** The agreement of the Lenders and the other Creditor Parties contained in Clauses 2.1 and 2.2 is subject to the fulfilment of the conditions precedent in Clause 3.2.

3.2 **Conditions precedent.** The conditions referred to in Clause 3.1 are that the Agent shall have received the following documents and evidence in all respects in form and substance satisfactory to the Agent and its lawyers on or before the Effective Date:

(a) documents of the kind specified in paragraphs 3, 4 and 5 of Schedule 3, Part A to the Loan Agreement in relation to the Borrower and each Owner in connection with their execution of this Agreement and the Mortgage Addenda, updated with appropriate modifications to refer to this Agreement;

(b) an original of this Agreement duly executed by the parties to it and counter-signed by each of the Owners;

(c) receipt of an original of each Mortgage Addendum duly signed by the relevant Owner and evidence satisfactory to the Agent and its lawyers that the same has been registered as a valid addendum to the applicable Mortgage in accordance with the laws of the applicable Approved Flag State;

(d) in relation to each Ship and each Fleet Vessel subject to an Approved Charter, a copy of the Approved Charter applicable thereto duly executed by the parties thereto and evidence satisfactory to the Agent and its lawyers that the relevant Ship or Fleet Vessel is operating under that Approved Charter;

(e) favourable opinions from lawyers appointed by the Agent on such matters concerning the laws of the Approved Flag State(s) on which the Ships are registered and such other relevant jurisdictions as the Agent may require;

(f) evidence that the fees specified in Clause 7.1 have been received in full by the Agent; and

(g) any other document or evidence as the Agent may request in writing from the Borrower.

4 **REPRESENTATIONS AND WARRANTIES**

4.1 **Repetition of Loan Agreement representations and warranties.** The Borrower represents and warrants to the Creditor Parties that the representations and warranties in clause 10 of the Loan Agreement remain true and not misleading if repeated on the date of this Agreement.

4.2 **Repetition of Finance Document representations and warranties.** The Borrower and each of the other Security Parties represents and warrants to the Creditor Parties that the representations and warranties in the Finance Documents (other than the Loan Agreement) to which it is a party remain true and not misleading if repeated on the date of this Agreement.

5 **AMENDMENTS TO LOAN AGREEMENT AND OTHER FINANCE DOCUMENTS**

5.1 **Specific amendments to Loan Agreement.** With effect on and from the Effective Date the Loan Agreement shall be amended as follows:

(a) by adding the following definition in Clause 1.1 thereof:

““**Adjustment Period**” means the period commencing on 30 June 2009 and ending on 30 June 2012;”;

(b) by adding in Clause 1.1 thereof the definitions of “Approved Charter”, “Approved Charterer”, “Moody’s”, “S&P”, “Fitch” and “Mortgage Addendum” set out in Clause 1.2 of this Agreement;

(c) by adding in the definition of “Approved Broker” in Clause 1.1 thereof before the words “and Barry Rogliano Salles” the following:

“Arrow Sale & Purchase (UK) Ltd., Fearnleys AS, Oslo, Pareto Shipbrokers AS, Simpson Spence & Young, London,”;

(d) by deleting the definition of “Margin” in Clause 1.1 thereof in its entirety and substituting the same with the following:

““**Margin**” means:

(a) during the period starting on 22 March 2007 and ending on 29 June 2009, 0.75 per cent. per annum; and

(b) at all other times thereafter:

(i) at any time when (A) the ratio of Total Indebtedness less cash and cash equivalents to the aggregate Market Value of all Fleet Vessels is up to (and including) 70 per cent. and (B) the Security Cover Ratio is at least 143 per cent., 1.35 per cent. per annum; and

(ii) at any time when either (A) the ratio of Total Indebtedness less cash and cash equivalents to the aggregate Market Value of all Fleet Vessels is more than 70 per cent. and up to (and including) 80 per cent. or (B) the Security Cover Ratio is more than 125 per cent. but less than 143 per cent., 1.45 per cent. per annum;”;

(e) by deleting paragraph (a) of Clause 12.5 thereof in its entirety and by replacing it with the following:

“(a) the ratio of Total Indebtedness less cash and cash equivalents to the aggregate Market Value of all the Fleet Vessels shall not exceed:

(i) during the Adjustment Period, 0.80:1; and

(ii) at all other times thereafter, 0.725:1;”

(f) by deleting paragraph (d) of clause 15.4 thereof in its entirety and by replacing it with the following:

“(d) on the basis of a sale for prompt delivery for cash on normal arm’s length commercial terms as between a willing seller and a willing buyer:

(i) free of any existing charter or contract of employment:

(A) for the purpose of determining the amount of any Advance which may during the Adjustment Period be reborrowed pursuant to the terms of this Agreement;

(B) for the purpose of determining the aggregate Market Value of all Ships then subject to a Mortgage for any Advance to be reborrowed pursuant to the terms of this Agreement; and

(C) at all times other than during the Adjustment Period; or

(ii) inclusive of any Approved Charter during the Adjustment Period for the purpose of calculating the financial covenant set out in Clause 12.5(a);"; and

(g) by adding a "hanging" paragraph at the end of clause 15.4 thereof as follows:

"If during the Adjustment Period:

(a) Moody's adjusts its rating of any Approved Charterer to below Aa2, and at least one of Fitch's or S&P adjusts its rating of the same Approved Charterer to below AA; or

(b) both Fitch's and S&P adjust their rating of any Approved Charterer to below AA,

the Market Value of the Ship or Fleet Vessel then subject to an Approved Charter shall be calculated free of that Approved Charter ".

5.2 Amendments to Finance Documents. With effect on and from the Effective Date each of the Finance Documents other than the Loan Agreement shall be, and shall be deemed by this Agreement to have been, amended as follows:

(a) the definition of, and references throughout each of the Finance Documents to, the Loan Agreement and any of the other Finance Documents shall be construed as if the same referred to the Loan Agreement and those Finance Documents as amended and supplemented by this Agreement;

(b) by construing all references in the Loan Agreement and in the Finance Documents to a "Mortgage" as references to that Mortgage as amended and supplemented by the Mortgage Addendum applicable thereto; and

(c) by construing references throughout each of the Finance Documents to "this Agreement", "this Deed", hereunder and other like expressions as if the same referred to such Finance Documents as amended and supplemented by this Agreement.

5.3 Finance Documents to remain in full force and effect. The Finance Documents shall remain in full force and effect as amended and supplemented by:

(a) the amendments to the Finance Documents contained or referred to in Clauses 5.1 and 5.2; and

(b) such further or consequential modifications as may be necessary to give full effect to the terms of this Agreement.

6 FURTHER ASSURANCES

6.1 Borrower's and each Security Party's obligation to execute further documents etc. The Borrower and each Security Party shall:

(a) execute and deliver to the Security Trustee (or as it may direct) any assignment, mortgage, power of attorney, proxy or other document, governed by the law of England or such other country as the Security Trustee may, in any particular case, specify;

(b) effect any registration or notarisation, give any notice or take any other step,

which the Agent may, by notice to the Borrower, specify for any of the purposes described in Clause 6.2 or for any similar or related purpose.

6.2 Purposes of further assurances. Those purposes are:

(a) validly and effectively to create any Security Interest or right of any kind which the Security Trustee intended should be created by or pursuant to the Loan Agreement or any other Finance Document, each as amended and supplemented by this Agreement, and

(b) implementing the terms and provisions of this Agreement.

6.3 Terms of further assurances. The Security Trustee may specify the terms of any document to be executed by the Borrower or any Security Party under Clause 6.1, and those terms may include any covenants, powers and provisions which the Security Trustee considers appropriate to protect its interests.

6.4 Obligation to comply with notice. The Borrower or any Security Party shall comply with a notice under Clause 6.1 by the date specified in the notice.

7 FEES AND EXPENSES

7.1 Fee. On the date of this Agreement the Borrower shall pay to the Agent for the account of the Lenders, a non-refundable amendment fee of $366,500, which shall be distributed by the Agent to each of the Lenders pro rata to their Commitments.

7.2 Expenses. The provisions of clause 20 (fees and expenses) of the Loan Agreement shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

8 COMMUNICATIONS

(a) **General.** The provisions of clause 28 (notices) of the Loan Agreement, as amended and supplemented by this Agreement, shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

9 SUPPLEMENTAL

9.1 Counterparts. This Agreement may be executed in any number of counterparts.

9.2 Third Party rights. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

10 LAW AND JURISDICTION

10.1 Governing law. This Agreement shall be governed by and construed in accordance with English law.

10.2 Incorporation of the Loan Agreement provisions. The provisions of clause 30 (law and jurisdiction) of the Loan Agreement, as amended and supplemented by this Agreement, shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

THIS AGREEMENT has been duly executed as a Deed on the date stated at the beginning of this Agreement.

SCHEDULE

LENDERS

Lender	Lending Office
HSH Nordbank AG	Gerhart-Hauptmann-Platz 50 20095 Hamburg Germany Fax No: +49 40 33 33 34118
Alpha Bank A.E.	Akti Miaouli 89 185 38 Piraeus Greece Fax No: +30 210 429 0348
Deutsche Schiffsbank AG	Domshof 17 D-28195 Bremen Fax No: +49 421 3609293
National Bank of Greece S.A.	Bouboulinas 2 & Akti Miaouli 185 35 Piraeus Fax No: +30 210 414 4120
Fortis Bank	166 Syngrou Ave 176 71 Athens Fax No: +30 210 954 4368

EXECUTION PAGES

BORROWER

SIGNED by)
for and on behalf of)
CAPITAL PRODUCT PARTNERS L.P.)

LENDERS

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

SIGNED by)
for and on behalf of)
ALPHA BANK A.E.)

SIGNED by)
for and on behalf of)
DEUTSCHE SCHIFFSBANK AG)

SIGNED by)
for and on behalf of)
NATIONAL BANK OF GREECE S.A.)

SIGNED by)
for and on behalf of)
FORTIS BANK)

SWAP BANK

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

BOOKRUNNER

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

AGENT

SIGNED by	)
for and on behalf of	)
HSH NORDBANK AG	)

SECURITY TRUSTEE

SIGNED by	)
for and on behalf of	)
HSH NORDBANK AG	)

Witness to all the	)
above signatures	)

Name:
Address:

COUNTERSIGNED this day of 2009 for and on behalf of the following Security Parties each of which, by its execution hereof, confirms and acknowledges that it has read and understood the terms and conditions of this First Supplemental Agreement, that it agrees in all respects to the same and that the Finance Documents to which it is a party shall remain in full force and effect and shall continue to stand as security for the obligations of the Borrower under the Loan Agreement.

for and on behalf of
APOLLONAS SHIPPING COMPANY

for and on behalf of
NAVARRO INTERNATIONAL S.A.

for and on behalf of
CARNATION SHIPPING COMPANY

for and on behalf of
CENTURION NAVIGATION LIMITED

for and on behalf of
IRAKLITOS SHIPPING COMPANY

for and on behalf of
POLARWIND MARITIME .S.A.

for and on behalf of
SHIPPING RIDER CO.

for and on behalf of
TEMPEST MARINE INC.

for and on behalf of
ROSS SHIPMANAGEMENT CO.

for and on behalf of
LAREDO MARITIME INC.

for and on behalf of
LORENZO SHIPMANAGEMENT INC.

for and on behalf of
SPLENDOR SHIPHOLDING S.A.

for and on behalf of
MANGO FINANCE CORP.

for and on behalf of
SORREL SHIPMANAGEMENT INC.

Exhibit 4.12

AMENDMENT TO MANAGEMENT AGREEMENT

AMENDMENT NO. 4 made effective the 7th day of April 2009 to the Management Agreement dated the 3rd day of April 2007, as amended the 24th day of September 2008 and the 27th day of March 2008 and the 30th day of April 2008 (the "Management Agreement"); by and between CAPITAL PRODUCT PARTNERS L.P., a limited partnership duly organized and existing under the laws of the Marshall Islands ("CLP"), and CAPITAL SHIP MANAGEMENT CORP., a company duly organized and existing under the laws of Panama with its registered office at Hong Kong Bank building, 6th floor, Samuel Lewis Avenue, Panama, and a representative office established in Greece at 3, Iassonos Street, Piraeus Greece ("CSM").

WHEREAS:

A. CLP owns vessels and requires certain commercial and technical management services for the operation of its fleet;

B. Pursuant to the Management Agreement, CLP engaged CSM to provide such commercial and technical management services to CLP on the terms set out therein;

C. CLP wishes to acquire the product tanker Agamemnon II and to dispose of the product tanker Assos;

D. CLP wishes for CSM to provide commercial and technical services under the Management Agreement with respect to the product tanker Agamemnon II and to cease providing such services for the product tanker Assos;

E. CLP has requested that CSM agree to amend certain provisions of the Management Agreement, as set forth herein; and

F. CSM is willing to agree to such amendments as set forth herein.

NOW THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto hereby agree, on the terms and subject to the conditions set forth herein, as follows:

Section 1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Management Agreement.

Section 2. Amendments. (a) Paragraph (22) of Schedule "A" of the Management Agreement is hereby amended to read in its entirety as follows:

(22) CSM shall make arrangements as instructed by the respective Classification Societies of the Amore Mio II, the Aristofanis and the Agamemnon II for the next scheduled intermediate or special survey of each vessel, as applicable, and all costs in connection with passing such survey (including dry-docking) and satisfactory compliance with class requirements will be borne by CSM.

(b) Schedule "B" of the Management Agreement is hereby amended to read in its entirety as follows:

SCHEDULE B
FEES

In consideration for the provision of the Services listed in Schedule A by CSM to CLP, CLP shall pay CSM a fixed daily fee per time-chartered Vessel, payable on the last day of each month, and will also pay a fixed daily fee of US$250 per bareboat-chartered Vessel, as set forth in the table below. Notwithstanding anything in this Agreement to the contrary, this Schedule will be amended from time to time to reflect the applicable fee for each Additional Vessel, which fee shall be negotiated on a vessel-by-vessel basis.

Vessel Name	Daily Fee in US$
Atlantas	250
Aktoras	250
Agisilaos	5,500
Arionas	5,500
Axios	5,500
Aiolos	250
Avax	5,500
Atrotos	5,500
Akeraios	5,500
Anemos I	5,500
Apostolos	5,500
Alexandros II	250
Aristotelis II	250
Aris II	250
Attikos	5,500
Amore Mio II	8,500
Aristofanis	5,500
Agamemnon II	6,500

(c) Schedule "E" of the Management Agreement is hereby amended to read in its entirety as follows:

SCHEDULE E

DATE OF TERMINATION

Vessel Name	Expected Termination Date
Atlantas	January-April 2011
Aktoras	April-July 2011
Agisilaos	May-August 2011
Arionas	August-November 2011
Axios	December 2011-March 2012
Aiolos	November 2011- February 2012
Avax	June 2010
Atrotos	February-May 2012
Akeraios	May-August 2012
Anemos I	July-October 2012
Apostolos	July-October 2012
Alexandros II	December 2012-March 2013
Aristotelis II	March-June 2013
Aris II	May-August 2013
Attikos	September-November 2012
Amore Mio II	March - April 2013
Aristofanis	March - April 2013
Agamemnon II	October 2013

Section 3. <u>Effectiveness of Amendment.</u> This Amendment shall become effective as of the date hereof (the "<u>Amendment Effective Date</u>").

Section 4. <u>Effect of Amendment.</u> Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, amend, or otherwise affect the rights and remedies of CLP or CSM under the Management Agreement, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Management Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle CLP or CSM to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Management Agreement in similar or different circumstances. This Amendment shall apply and be effective with respect to the matters expressly referred to herein. After the Amendment Effective Date, any reference to the Management Agreement shall mean the Management Agreement with such amendments effected hereby.

Section 5. <u>Counterparts.</u> This Amendment may be executed in one or more signed counterparts, facsimile or otherwise, which shall together form one instrument.

IN WITNESS WHEREOF the Parties have executed this Amendment by their duly authorized signatories with effect on the date first above written.

CAPITAL PRODUCT PARTNERS L.P. BY ITS GENERAL PARTNER, CAPITAL GP L.L.C.,

By: ____________________

Name: Ioannis E. Lazaridis
Title: Chief Executive Officer and Chief Financial Officer of Capital GP L.L.C.

CAPITAL SHIP MANAGEMENT CORP.,

By: ____________________

Name: Nikolaos Syntichakis
Title : Attorney-in-Fact

Exhibit 4.13

AMENDMENT TO MANAGEMENT AGREEMENT

AMENDMENT NO. 5 made effective the 13th day of April 2009 to the Management Agreement dated the 3rd day of April 2007, as amended the 24th day of September 2008 and the 27th day of March 2008 and the 30th day of April 2008 and the 7th April 2009 (the "Management Agreement"); by and between CAPITAL PRODUCT PARTNERS L.P., a limited partnership duly organized and existing under the laws of the Marshall Islands ("CLP"), and CAPITAL SHIP MANAGEMENT CORP., a company duly organized and existing under the laws of Panama with its registered office at Hong Kong Bank building, 6th floor, Samuel Lewis Avenue, Panama, and a representative office established in Greece at 3, Iassonos Street, Piraeus Greece ("CSM").

WHEREAS:

A. CLP owns vessels and requires certain commercial and technical management services for the operation of its fleet;

B. Pursuant to the Management Agreement, CLP engaged CSM to provide such commercial and technical management services to CLP on the terms set out therein;

C. CLP wishes to acquire the product tanker Ayrton II and to dispose of the product tanker Atrotos;

D. CLP wishes for CSM to provide commercial and technical services under the Management Agreement with respect to the product tanker Ayrton II and to cease providing such services for the product tanker Atrotos;

E. CLP has requested that CSM agree to amend certain provisions of the Management Agreement, as set forth herein; and

F. CSM is willing to agree to such amendments as set forth herein.

NOW THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto hereby agree, on the terms and subject to the conditions set forth herein, as follows:

Section 1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Management Agreement.

Section 2. Amendments. (a) Paragraph (22) of Schedule "A" of the Management Agreement is hereby amended to read in its entirety as follows:

(22) CSM shall make arrangements as instructed by the respective Classification Societies of the Amore Mio II, the Aristofanis, the Agamemnon II and Ayrton II for the next scheduled intermediate or special survey of each vessel, as applicable, and all costs in connection with passing such survey (including dry-docking) and satisfactory compliance with class requirements will be borne by CSM.

(b) Schedule "B" of the Management Agreement is hereby amended to read in its entirety as follows:

SCHEDULE B

FEES

In consideration for the provision of the Services listed in Schedule A by CSM to CLP, CLP shall pay CSM a fixed daily fee per time-chartered Vessel, payable on the last day of each month, and will also pay a fixed daily fee of US$250 per bareboat-chartered Vessel, as set forth in the table below. Notwithstanding anything in this Agreement to the contrary, this Schedule will be amended from time to time to reflect the applicable fee for each Additional Vessel, which fee shall be negotiated on a vessel-by-vessel basis.

Vessel Name	Daily Fee in US$
Atlantas	250
Aktoras	250
Agisilaos	5,500
Arionas	5,500
Axios	5,500
Aiolos	250
Avax	5,500
Atrotos	5,500
Akeraios	5,500
Anemos I	5,500
Apostolos	5,500
Alexandros II	250
Aristotelis II	250
Aris II	250
Attikos	5,500
Amore Mio II	8,500
Aristofanis	5,500
Agamemnon II	6,500
Ayrton II	6,500

(c) Schedule “E” of the Management Agreement is hereby amended to read in its entirety as follows:

SCHEDULE E

DATE OF TERMINATION

Vessel Name	Expected Termination Date
Atlantas	January-April 2011
Aktoras	April-July 2011
Agisilaos	May-August 2011
Arionas	August-November 2011
Axios	December 2011-March 2012
Aiolos	November 2011-February 2012
Avax	December 2011-March 2012
Atrotos	February-May 2012
Akeraios	May-August 2012
Anemos I	July-October 2012
Apostolos	July-October 2012
Alexandros II	December 2012-March 2013
Aristotelis II	March-June 2013
Aris II	May-August 2013
Attikos	September-November 2012
Amore Mio II	March - April 2013
Aristofanis	March - April 2013
Agamemnon II	October 2013
Ayrton II	March 2014

Section 3. Effectiveness of Amendment. This Amendment shall become effective as of the date hereof (the "Amendment Effective Date").

Section 4. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, amend, or otherwise affect the rights and remedies of CLP or CSM under the Management Agreement, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Management Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle CLP or CSM to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Management Agreement in similar or different circumstances. This Amendment shall apply and be effective with respect to the matters expressly referred to herein. After the Amendment Effective Date, any reference to the Management Agreement shall mean the Management Agreement with such amendments effected hereby.

Section 5. Counterparts. This Amendment may be executed in one or more signed counterparts, facsimile or otherwise, which shall together form one instrument.

IN WITNESS WHEREOF the Parties have executed this Amendment by their duly authorized signatories with effect on the date first above written.

CAPITAL PRODUCT PARTNERS L.P. BY ITS GENERAL PARTNER, CAPITAL GP L.L.C.,

By:

Name: Ioannis E. Lazaridis
Title: Chief Executive Officer and Chief Financial Officer of Capital GP L.L.C.

CAPITAL SHIP MANAGEMENT CORP.,

By:

Name: Nikolaos Syntichakis
Title : Attorney-in-Fact

Exhibit 4.14

AMENDMENT TO MANAGEMENT AGREEMENT

AMENDMENT NO. 6 dated 30th April 2009 to the Management Agreement dated the 3rd day of April 2007, as amended, and made effective as of the Amendment Effective Date as defined below (the "Management Agreement"); by and between CAPITAL PRODUCT PARTNERS L.P., a limited partnership duly organized and existing under the laws of the Marshall Islands ("CLP"), and CAPITAL SHIP MANAGEMENT CORP., a company duly organized and existing under the laws of Panama with its registered office at Hong Kong Bank building, 6th floor, Samuel Lewis Avenue, Panama, and a representative office established in Greece at 3, Iassonos Street, Piraeus Greece ("CSM").

WHEREAS:

A. CLP owns vessels and requires certain commercial and technical management services for the operation of its fleet;

B. Pursuant to the Management Agreement, CLP engaged CSM to provide such commercial and technical management services to CLP on the terms set out therein;

C. Certain matters have come to the attention of the Parties which were not covered by such Management Agreement at the time it was entered into;

D. The Parties are willing to agree and have agreed to amend certain provisions of the Management Agreement, as set forth herein; and

NOW THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto hereby agree, on the terms and subject to the conditions set forth herein, as follows:

Section 1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Management Agreement.

Section 2. Amendments. (a) Paragraph (1) of Schedule "D" of the Management Agreement is hereby amended to read in its entirety as follows:

(1) repairs, refurbishment or modifications, including those not covered by the guarantee of the shipbuilder or by the insurance covering the Vessels, resulting from maritime accidents, collisions, other accidental damage or unforeseen events (except to the extent that such accidents, collisions, damage or events are due to the fraud, gross negligence or wilfull misconduct of CSM, its employees or its agents, unless and to the extent otherwise covered by insurance). CSM shall be entitled to receive additional remuneration for time (charged at the rate of US$750 per man per day of 8 hours) for any time that the personnel of CSM will spend on attendance on any Vessel in connection with matters set out this subsection (1). In addition CLP will pay any reasonable travel and accommodation expenses of the CSM personnel incurred in connection with such additional time spent.

Section 3. Effectiveness of Amendment. The Parties agree that this Amendment shall be effective as of 1stApril 2009.

Section 4. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, amend, or otherwise affect the rights and remedies of CLP or CSM under the Management Agreement, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Management Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle CLP or CSM to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Management Agreement in similar or different circumstances. This Amendment shall apply and be effective with respect to the matters expressly referred to herein. As of the date hereof, any reference to the Management Agreement shall mean the Management Agreement with such amendments effected hereby.

Section 5. Counterparts. This Amendment may be executed in one or more signed counterparts, facsimile or otherwise, which shall together form one instrument.

IN WITNESS WHEREOF the Parties have executed this Amendment by their duly authorized signatories with effect on the date first above written.

CAPITAL PRODUCT PARTNERS L.P. BY ITS GENERAL PARTNER,
CAPITAL GP L.L.C.,

By:

Name: Ioannis E. Lazaridis
Title: Chief Executive Officer and Chief Financial Officer of Capital GP L.L.C.

CAPITAL SHIP MANAGEMENT CORP.,

By:

Name: Nikolaos Syntichakis
Title : Attorney-in-Fact

Date 2009

CAPITAL PRODUCT PARTNERS L.P.
as Borrower

- and - -

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

- and - -

HSH NORDBANK AG
as Mandated Lead Arranger, Facility Agent and Security Trustee

- and - -

HSH NORDBANK AG
as Bookrunner

- and - -

HSH NORDBANK AG
as Swap Bank

- and - -

DNB NOR BANK ASA
as co-Arranger

FIRST SUPPLEMENTAL AGREEMENT

---

in relation to a Loan Agreement dated 19 March 2008
in respect of revolving credit and term loan facilities
of (originally) US$350,000,000 in aggregate

WATSON, FARLEY & WILLIAMS
Piraeus

INDEX

THIS AGREEMENT is made on 2009

BETWEEN

(1) **CAPITAL PRODUCT PARTNERS L.P.** as **Borrower**;

(2) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1 herein, as **Lenders**;

(3) **HSH NORDBANK AG**, acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany as **Mandated Lead Arranger**;

(4) **HSH NORDBANK AG**, acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany as **Facility Agent**;

(5) **HSH NORDBANK AG**, acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Security Trustee**;

(6) **HSH NORDBANK AG**, acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Bookrunner**;

(7) **HSH NORDBANK AG,** acting through its office at Martensdamm 6, D-24103 Kiel, Germany as **Swap Bank**; and

(8) **DnB NOR BANK ASA,** acting through its office at 20 St. Dunstan's Hill, London EC3R 8HY, England as **Co-Arranger.**

BACKGROUND

(A) By a loan agreement dated 19 March 2008 (the "**Loan Agreement**") and made between (i) the Borrower, (ii) the Lenders, (iii) the Mandated Lead Arranger, (iv) the Facility Agent, (v) the Security Trustee, (vi) the Bookrunner, (vii) the Swap Bank and (viii) the Co-Arranger, the Lenders agreed to make available to the Borrower revolving credit and term loan facilities in an amount of (originally) US$350,000,000 in aggregate of which an amount of US$107,500,000 is outstanding by way of principal on the date hereof.

(B) The Borrower has requested that the Lenders give their consent:

(i) for the Market Value of a Ship or a Fleet Vessel, which at the relevant time is subject to an Approved Charter to be calculated for the purposes of clause 15.4 of the Loan Agreement by taking into account the value of such Approved Charter during the period commencing on 30 June 2009 and ending on 30 June 2012 (the "**Adjustment Period**"); and

(ii) the increase of the ratio of Total Indebtedness less cash and cash equivalents to the aggregate of Market Value of all Fleet Vessels during the Adjustment Period.

(C) The Lenders' consent to the Borrower's requests referred to in Recital (B) are subject to the following conditions:

(i) the Margin increasing to either 1.35 or 1.45 per cent. per annum during the Adjustment Period; and

(ii) if at any time during the Adjustment Period, the rating of any Approved Charterer of a Ship or a Fleet Vessel subject to an Approved Charter at the relevant time falls below Aa2 (in the case of Moody's) and/or AA (in the case of Fitch or S&P) (so long as at least two of the three ratings agencies reduce their ratings below the levels referred to above), the Market Value of that Ship or a Fleet Vessel shall be calculated free of that Approved Charter.

(D) This Agreement sets out the terms and conditions on which the Creditor Parties agree, with effect on and from the Effective Date, to amend the Loan Agreement.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Defined expressions. Words and expressions defined in the Loan Agreement and the other Finance Documents shall have the same meanings when used in this Agreement unless the context otherwise requires.

1.2 Definitions. In this Agreement, unless the contrary intention appears:

"**Adjustment Period**" has the meaning given in Recital B(i);

"**Approved Charter**" means, in relation to a Ship or a Fleet Vessel, a charterparty or other contract of employment in respect of that Ship or Fleet Vessel having an unexpired duration of at least 3 months entered into by the Owner of the Ship (or the applicable member of the Group in the case of a Fleet Vessel) with an Approved Charterer;

"**Approved Charterer**" means BP Shipping Limited or a charterer acceptable to the Facility Agent (acting reasonably and on the instructions of the Majority Lenders) which is an oil major equivalent to BP plc (the parent company of BP Shipping Limited) and which is rated not less than Aa2 by Moody's or AA by Fitch or S&P;

"**Effective Date**" means the date on which the conditions precedent in Clause 3 are satisfied;

"**Fitch**" means Fitch Ratings and includes its successors;

"**Loan Agreement**" means the loan agreement dated 19 March 2008 (as amended and supplemented from time to time) referred to in Recital (A);

"**Moody's**" means Moody's Investor Services Inc. and includes its successors;

"**Mortgage Addendum**" means, in respect of each Mortgage, an addendum thereto executed or to be executed by the relevant Owner in favour of the Security Trustee in such form as the Facility Agent may approve or require and, in the plural, means all of them; and

"**S&P**" means Standard & Poor's and includes its successors.

1.3 Application of construction and interpretation provisions of Loan Agreement. Clauses 1.2 and 1.5 of the Loan Agreement apply, with any necessary modifications, to this Agreement.

2 AGREEMENT OF THE CREDITOR PARTIES

2.1 Agreement of the Lenders. The Lenders agree, subject to and upon the terms and conditions of this Agreement:

(a) to calculate during the Adjustment Period the market value of a Ship or a Fleet Vessel which at the relevant time is subject to an Approved Charter by taking into account the Approved Charter applicable thereto; and

(b) to the increase of the ratio of Total Indebtedness less cash and cash equivalents to the aggregate of Market Value of all Fleet Vessels from 0.725:1 to 0.80:1.

2.2 **Agreement of the Creditor Parties.** The Creditor Parties agree, subject to and upon the terms and conditions of this Agreement, to the consequential amendment of the Loan Agreement and the other Finance Documents in connection with the matters referred to in Clause 2.1.

2.3 **Effective Date.** The agreement of the Lenders and the other Creditor Parties contained in Clauses 2.1 and 2.2 shall have effect on and from the Effective Date.

3 CONDITIONS PRECEDENT

3.1 **General.** The agreement of the Lenders and the other Creditor Parties contained in Clauses 2.1 and 2.2 is subject to the fulfilment of the conditions precedent in Clause 3.2.

3.2 **Conditions precedent.** The conditions referred to in Clause 3.1 are that the Facility Agent shall have received the following documents and evidence in all respects in form and substance satisfactory to the Facility Agent and its lawyers on or before the Effective Date:

(a) documents of the kind specified in paragraphs 3, 4 and 5 of Schedule 3, Part A to the Loan Agreement in relation to the Borrower and each Owner in connection with their execution of this Agreement and the Mortgage Addenda, updated with appropriate modifications to refer to this Agreement;

(b) an original of this Agreement duly executed by the parties to it and counter-signed by each of the Owners;

(c) receipt of an original of each Mortgage Addendum duly signed by the relevant Owner and evidence satisfactory to the Facility Agent and its lawyers that the same has been registered as a valid addendum to the applicable Mortgage in accordance with the laws of the applicable Approved Flag State;

(d) in relation to each Ship and each Fleet Vessel subject to an Approved Charter, a copy of the Approved Charter applicable thereto duly executed by the parties thereto and evidence satisfactory to the Facility Agent and its lawyers that the relevant Ship or Fleet Vessel is operating under that Approved Charter;

(e) favourable opinions from lawyers appointed by the Facility Agent on such matters concerning the laws of the Approved Flag State(s) on which the Ships are registered and such other relevant jurisdictions as the Facility Agent may require;

(f) evidence that the fees specified in Clause 7.1 have been received in full by the Facility Agent; and

(g) any other document or evidence as the Facility Agent may request in writing from the Borrower.

4 REPRESENTATIONS AND WARRANTIES

4.1 **Repetition of Loan Agreement representations and warranties.** The Borrower represents and warrants to the Creditor Parties that the representations and warranties in clause 10 of the Loan Agreement remain true and not misleading if repeated on the date of this Agreement.

4.2 **Repetition of Finance Document representations and warranties.** The Borrower and each of the other Security Parties represents and warrants to the Creditor Parties that the representations and warranties in the Finance Documents (other than the Loan Agreement) to which it is a party remain true and not misleading if repeated on the date of this Agreement.

5 AMENDMENTS TO LOAN AGREEMENT AND OTHER FINANCE DOCUMENTS

5.1 Specific amendments to Loan Agreement. With effect on and from the Effective Date the Loan Agreement shall be amended as follows:

(a) by adding the following definition in Clause 1.1 thereof:

"“**Adjustment Period**” means the period commencing on 30 June 2009 and ending on 30 June 2012;”;

(b) by adding in Clause 1.1 thereof the definitions of “Approved Charter”, “Approved Charterer”, “Moody’s”, “S&P”, “Fitch” and “Mortgage Addendum” set out in Clause 1.2 of this Agreement;

(c) by adding in the definition of “Approved Broker” in Clause 1.1 thereof before the words “and Barry Rogliano Salles” the following:

“Arrow Sale & Purchase (UK) Ltd., Fearnleys AS, Oslo, Pareto Shipbrokers AS, Simpson Spence & Young, London,”;

(d) by deleting the definition of “Margin” in Clause 1.1 thereof in its entirety and substituting the same with the following:

"“**Margin**” means:

(a) during the period starting on 22 March 2007 and ending on 29 June 2009, subject to Clause 5.14, 1.10, per cent. per annum;

(b) during the period starting on 30 June 2009 and ending on 23 March 2013:

(i) at any time when (A) the ratio of Total Indebtedness less cash and cash equivalents to the aggregate Market Value of all Fleet Vessels is up to (and including) 70 per cent. and (B) the Security Cover Ratio is at least 143 per cent., 1.35 per cent. per annum; and

(ii) at any time when either (A) the ratio of Total Indebtedness less cash and cash equivalents to the aggregate Market Value of all Fleet Vessels is more than 70 per cent. and up to (and including) 80 per cent. or (B) the Security Cover Ratio is more than 125 per cent. but less than 143 per cent., 1.45 per cent. per annum; and

(c) at all other times thereafter, a rate to be agreed in writing between the Facility Agent, the Lenders and the Borrower in accordance with Clause 5.14;”;

(e) by deleting paragraph (a) of Clause 12.5 thereof in its entirety and by replacing it with the following:

“(a) the ratio of Total Indebtedness less cash and cash equivalents to the aggregate Market Value of all the Fleet Vessels shall not exceed:

(i) during the Adjustment Period, 0.80:1; and

(ii) at all other times thereafter, 0.725:1;”

(f) by deleting paragraph (d) of clause 15.4 thereof in its entirety and by replacing it with the following:

"(d) on the basis of a sale for prompt delivery for cash on normal arm's length commercial terms as between a willing seller and a willing buyer:

(i) free of any existing charter or contract of employment:

(A) for the purpose of determining the amount of any Advance which may during the Adjustment Period be drawn under Tranche B or Tranche C or any other Advance which may be reborrowed pursuant to the terms of this Agreement;

(B) for the purpose of determining the aggregate Market Value of all Ships then subject to a Mortgage for any Advance to be drawn during the Adjustment Period pursuant to the terms of this Agreement; and

(C) at all times other than during the Adjustment Period; or

(ii) inclusive of any Approved Charter during the Adjustment Period for the purpose of calculating the financial covenant set out in Clause 12.5(a);"; and

(g) by adding a "hanging" paragraph at the end of clause 15.4 thereof as follows:

"If during the Adjustment Period:

(a) Moody's adjusts its rating of any Approved Charterer to below Aa2 and at least one of Fitch's or S&P adjusts its rating of the same Approved Charterer to below AA; or

(b) both Fitch's and S&P adjust their rating of any Approved Charterer to below AA,

the Market Value of the Ship or Fleet Vessel then subject to an Approved Charter shall be calculated free of that Approved Charter ".

5.2 **Amendments to Finance Documents**. With effect on and from the Effective Date each of the Finance Documents other than the Loan Agreement shall be, and shall be deemed by this Agreement to have been, amended as follows:

(a) the definition of, and references throughout each of the Finance Documents to, the Loan Agreement and any of the other Finance Documents shall be construed as if the same referred to the Loan Agreement and those Finance Documents as amended and supplemented by this Agreement;

(b) by construing all references in the Loan Agreement and in the Finance Documents to a "Mortgage" as references to that Mortgage as amended and supplemented by the Mortgage Addendum applicable thereto; and

(c) by construing references throughout each of the Finance Documents to "this Agreement", "this Deed", hereunder and other like expressions as if the same referred to such Finance Documents as amended and supplemented by this Agreement.

5.3 **Finance Documents to remain in full force and effect.** The Finance Documents shall remain in full force and effect as amended and supplemented by:

(a) the amendments to the Finance Documents contained or referred to in Clauses 5.1 and 5.2; and

(b) such further or consequential modifications as may be necessary to give full effect to the terms of this Agreement.

6 FURTHER ASSURANCES

6.1 Borrower's and each Security Party's obligation to execute further documents etc. The Borrower and each Security Party shall:

(a) execute and deliver to the Security Trustee (or as it may direct) any assignment, mortgage, power of attorney, proxy or other document, governed by the law of England or such other country as the Security Trustee may, in any particular case, specify;

(b) effect any registration or notarisation, give any notice or take any other step,

which the Facility Agent may, by notice to the Borrower, specify for any of the purposes described in Clause 6.2 or for any similar or related purpose.

6.2 Purposes of further assurances. Those purposes are:

(a) validly and effectively to create any Security Interest or right of any kind which the Security Trustee intended should be created by or pursuant to the Loan Agreement or any other Finance Document, each as amended and supplemented by this Agreement, and

(b) implementing the terms and provisions of this Agreement.

6.3 Terms of further assurances. The Security Trustee may specify the terms of any document to be executed by the Borrower or any Security Party under Clause 6.1, and those terms may include any covenants, powers and provisions which the Security Trustee considers appropriate to protect its interests.

6.4 Obligation to comply with notice. The Borrower or any Security Party shall comply with a notice under Clause 6.1 by the date specified in the notice.

7 FEES AND EXPENSES

7.1 Fee. On the date of this Agreement the Borrower shall pay to the Facility Agent for the account of the Lenders, a non-refundable amendment fee of $107,500, which shall be distributed by the Facility Agent to each of the Lenders pro rata to their Commitments.

7.2 Expenses. The provisions of clause 20 (fees and expenses) of the Loan Agreement shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

8 COMMUNICATIONS

(a) **General.** The provisions of clause 28 (notices) of the Loan Agreement, as amended and supplemented by this Agreement, shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

9 SUPPLEMENTAL

9.1 Counterparts. This Agreement may be executed in any number of counterparts.

9.2 **Third Party rights**. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

10 LAW AND JURISDICTION

10.1 **Governing law.** This Agreement shall be governed by and construed in accordance with English law.

10.2 **Incorporation of the Loan Agreement provisions.** The provisions of clause 30 (law and jurisdiction) of the Loan Agreement, as amended and supplemented by this Agreement, shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

THIS AGREEMENT has been duly executed as a Deed on the date stated at the beginning of this Agreement.

SCHEDULE

LENDERS

Lender	Lending Office
HSH Nordbank AG	Gerhart-Hauptmann-Platz 50 20095 Hamburg Germany Fax No: +49 40 33 33 34118
Alpha Bank A.E.	Akti Miaouli 89 185 38 Piraeus Greece Fax No: +30 210 429 0348
DnB NOR Bank ASA	20 St. Dunstan's Hill London EC3R 8HY England Fax No: 0044 207 626 5356
National Bank of Greece S.A.	Bouboulinas 2 & Akti Miaouli 185 35 Piraeus Fax No: +30 210 414 4120
Piraeus Bank A.E.	47-49 Akti Miaouli 185 36 Piraeus Fax No: +30 210 429 2669

EXECUTION PAGES

BORROWER

SIGNED by)
for and on behalf of)
CAPITAL PRODUCT PARTNERS L.P.)

LENDERS

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

SIGNED by)
for and on behalf of)
ALPHA BANK A.E.)

SIGNED by)
for and on behalf of)
DNB NOR BANK ASA)

SIGNED by)
for and on behalf of)
NATIONAL BANK OF GREECE S.A.)

SIGNED by)
for and on behalf of)
PIRAEUS BANK A.E.)

SWAP BANK

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

BOOKRUNNER

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

MANDATED LEAD ARRANGER

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

CO-ARRANGER

SIGNED by)
for and on behalf of)
DnB NOR BANK ASA)

FACILITY AGENT

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

SECURITY TRUSTEE

SIGNED by)
for and on behalf of)
HSH NORDBANK AG)

Witness to all the)
above signatures)

Name:
Address:

COUNTERSIGNED this day of 2009 for and on behalf of the following Security Parties each of which, by its execution hereof, confirms and acknowledges that it has read and understood the terms and conditions of this First Supplemental Agreement, that it agrees in all respects to the same and that the Finance Documents to which it is a party shall remain in full force and effect and shall continue to stand as security for the obligations of the Borrower under the Loan Agreement.

for and on behalf of
BAYMONT ENTERPRISES INCORPORATED

for and on behalf of
FORBES MARITIME CO.

for and on behalf of
WIND DANCER SHIPPING INC.

for and on behalf of
BELERION MARITIME CO.

for and on behalf of
ADRIAN SHIPHOLDING INC.

for and on behalf of
ATLANTAS MARITIME CO.

Exhibit 4.23

SHARE PURCHASE AGREEMENT

Dated April 7, 2009

between

CAPITAL MARITIME & TRADING CORP.

and

CAPITAL PRODUCT PARTNERS L.P.

SHARE PURCHASE AGREEMENT (the "Agreement"), dated as of April 7, 2009, by and between CAPITAL MARITIME & TRADING CORP. ("CMTC"), a corporation organized under the laws of the Republic of the Marshall Islands, and CAPITAL PRODUCT PARTNERS L.P. ("CPLP"), a limited partnership organized under the laws of the Republic of the Marshall Islands.

RECITAL

WHEREAS, CPLP wishes to purchase from CMTC, and CMTC wishes to sell to CPLP, the five hundred (500) shares of common stock (the "Shares A") representing all of the issued and outstanding shares of common stock of Mango Finance Corp., a corporation organized under the laws of the Republic of the Marshall Islands (the "Vessel A Owning Subsidiary").

WHEREAS, the Vessel A Owning Subsidiary is the registered owner of the Liberian flagged motor tanker "Agamemnon II" (the "Vessel A").

WHEREAS, CMTC wishes to transfer to CPLP all rights, title and interest in the Vessel A, and retain all assets, other than the Vessel A, the Contracts A (as defined below) and any necessary permits, and all liabilities of the Vessel A Owning Subsidiary.

WHEREAS, the Vessel A is subject to a time charter party agreement (type BPTIME3) dated 7th August 2008 and entered into by the Vessel A Owning Subsidiary and BP Shipping Limited (the "Charterer A") for a period of 3 years (plus/minus 30 days at Charterer A's option) from January 23rd 2009 (the "Charter A").

WHEREAS, CMTC wishes to purchase from CPLP, and CPLP wishes to sell to CMTC, the five hundred (500) shares of common stock (the "Shares B") representing all of the issued and outstanding shares of common stock of Canvey Shipmanagement Co., a corporation organized under the laws of the Republic of the Marshall Islands (the "Vessel B Owning Subsidiary").

WHEREAS, the Vessel B Owning Subsidiary is the registered owner of the Liberian flagged motor tanker "Assos" (the "Vessel B").

WHEREAS, CPLP wishes to transfer to CMTC all rights, title and interest in the Vessel B, and retain all assets, other than the Vessel B and any necessary permits, and all liabilities of the Vessel B Owning Subsidiary.

WHEREAS, contemporaneously with the execution of this Agreement, CPLP and Capital Ship Management Corp. ("CSM") will execute an amendment to the Management Agreement dated as of April 3, 2007, as subsequently amended, and entered into between CPLP and CSM (the "Amendment to the Management Agreement").

WHEREAS Vessel A Owning Subsidiary and Vessel B Owning Subsidiary, have elected to be treated as disregarded entities for U.S. federal income tax purposes, the Parties intend for this transaction to be treated, for U.S. federal income tax purposes, as a tax-free exchange of Vessel A for Vessel B under Section 1031 of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

Interpretation

SECTION 1.01 Definitions. In this Agreement, unless the context requires otherwise or unless otherwise specifically provided herein, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"Additional Consideration" has the meaning given to it in Section 2.04;

"Agreement" means this Agreement, including its recitals and schedules, as amended, supplemented, restated or otherwise modified from time to time;

"Amendment to the Management Agreement" has the meaning given to it in the recitals;

"Applicable Law" in respect of any Person, property, transaction or event, means all laws, statutes, ordinances, regulations, municipal by-laws, treaties, judgments and decrees applicable to that Person, property, transaction or event and, whether or not having the force of law, all applicable official directives, rules, consents, approvals, authorizations, guidelines, orders, codes of practice and policies of any Governmental Authority having or purporting to have authority over that Person, property, transaction or event and all general principles of common law and equity;

"CPLP" has the meaning given to it in the preamble;

"CPLP Entities" means CPLP and its subsidiaries;

"CPLP Indemnitees" has the meaning given to it in Section 9.01;

"Charter A" has the meaning given to it in the recitals;

"Charterer A" has the meaning given to it in the recitals;

"Closing" has the meaning given to it in Section 2.02;

"Closing Date" has the meaning given to it in Section 2.02;

"Commitment" means (a) options, warrants, convertible securities, exchangeable securities, subscription rights, conversion rights, exchange rights or other contracts that could require a Person to issue any of its equity interests or to sell any equity interests it owns in another Person (other than this Agreement and the related transaction documents); (b) any other securities convertible into, exchangeable or exercisable for, or representing the right to subscribe for any equity interest of a Person or owned by a Person; and (c) stock appreciation rights, phantom stock, profit participation, or other similar rights with respect to a Person;

"Contracts A" has the meaning given to it in Section 5.08;

"CSM" has the meaning given to it in the recitals;

"Encumbrance" means any mortgage, lien, charge, assignment, adverse claim, hypothecation, restriction, option, covenant, condition or encumbrance, whether fixed or floating, on, or any security interest in, any property whether real, personal or mixed, tangible or intangible, any pledge or hypothecation of any property, any deposit arrangement, priority, conditional sale agreement, other title retention agreement or equipment trust, capital lease or other security arrangements of any kind;

"Equity Interest" means (a) with respect to any entity, any and all shares of capital stock or other ownership interest and any Commitments with respect thereto, (b) any other direct equity ownership or participation in a Person and (c) any Commitments with respect to the interests described in (a) or (b);

"Governmental Authority" means any domestic or foreign government, including federal, provincial, state, municipal, county or regional government or governmental or regulatory authority, domestic or foreign, and includes any department, commission, bureau, board, administrative agency or regulatory body of any of the foregoing and any multinational or supranational organization;

"Losses" means, with respect to any matter, all losses, claims, damages, liabilities, deficiencies, costs, expenses (including all costs of investigation, legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) or diminution of value, whether or not involving a claim from a third party, however specifically excluding consequential, special and indirect losses, loss of profit and loss of opportunity;

"Notice" means any notice, citation, directive, order, claim, litigation, investigation, proceeding, judgment, letter or other communication, written or oral, actual or threatened, from any Person;

"Organizational Documents A" has the meaning given to it in Section 5.03;

"Organizational Documents B" has the meaning given to it in Section 5.17;

"Parties" means all parties to this Agreement and "Party" means any one of them;

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of CPLP dated April 3, 2007.

"Person" means an individual, entity or association, including any legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, unincorporated organization or Governmental Authority;

"Permits" has the meaning given to it in Section 5.13;

"SEC Documents" means the Prospectus of CPLP dated March 29, 2007 and filed with the U.S. Securities and Exchange Commission and all filings CPLP is required to make pursuant to the Securities Act and the Securities Exchange Act of 1934, as amended from time to time;

"Securities Act" means the Securities Act of 1933, as amended from time to time;

"CMTC" has the meaning given to it in the preamble;

"CMTC Entities" means CMTC and its affiliates other than the CPLP Entities;

"CMTC Indemnities" has the meaning given to it in Section 9.02;

"Shares A" has the meaning given to it in the recitals;

"Shares B" has the meaning given to it in the recitals;

"Shares" means together Shares A and Shares B;

"Taxes" means all income, franchise, business, property, sales, use, goods and services or value added, withholding, excise, alternate minimum capital, transfer, excise, customs, anti-dumping, stumpage, countervail, net worth, stamp, registration, franchise, payroll, employment, health, education, business, school, property, local improvement, development, education development and occupation taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, dues and charges and other taxes required to be reported upon or paid to any domestic or foreign jurisdiction and all interest and penalties thereon;

"Vessel A Owning Subsidiary" has the meaning given to it in the recitals;

"Vessel B Owning Subsidiary" has the meaning given to it in the recitals;

"Vessel A" has the meaning given to it in the recitals;

and

"Vessel B" has the meaning given to it in the recitals.

ARTICLE II

Purchase and Sale of Shares; Closing

SECTION 2.01 Purchase and Sale of Shares A and Shares B. CMTC agrees to sell and transfer to CPLP, and CPLP agrees to purchase from CMTC in accordance with and subject to the terms and conditions set forth in this Agreement, the Shares A which in turn shall result in CPLP indirectly owning the Vessel A.

CPLP agrees to sell and transfer to CMTC, and CMTC agrees to purchase from CPLP in accordance with and subject to the terms and conditions set forth in this Agreement, the Shares B which in turn shall result in CMTC indirectly owning the Vessel B.

SECTION 2.02 Closing. On the terms of this Agreement, the sale and transfer of the Shares and payment of the Purchase Price shall take place on the date hereof (the "Closing Date"). The sale and transfer of the Shares is hereinafter referred to as "Closing."

SECTION 2.03 Place of Closing. The Closing shall take place at the premises of CSM at 3 Iassonos Street, Piraeus, Greece.

SECTION 2.04 Consideration for Shares. On the Closing Date, (i) CPLP shall pay to CMTC (to such account as CMTC shall nominate) the amount of US Dollars $ 4,000,000 (the "Additional Consideration") and transfer the Shares B in exchange and as consideration for the Shares A and (ii) CMTC shall transfer the Shares A in exchange for payment of the Additional Consideration and the Shares B. CPLP shall have no responsibility or liability hereunder for CMTC's allocation and distribution of the Additional Consideration among the CMTC Entities.

SECTION 2.05 Payment of the Additional Consideration. The Additional Consideration will be paid by CPLP to CMTC by wire transfer of immediately available funds to an account designated in writing by CMTC.

ARTICLE III

Representations and Warranties of CPLP

CPLP represents and warrants to CMTC that as of the date hereof:

SECTION 3.01 Organization and Limited Partnership Authority. CPLP is duly formed, validly existing and in good standing under the laws of the Republic of the Marshall Islands, and has all requisite limited partnership power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by CPLP, has been effectively authorized by all necessary action, limited partnership or otherwise, and constitutes legal, valid and binding obligations of CPLP. No meeting has been convened or resolution proposed or petition presented and no order has been made to wind up CPLP.

SECTION 3.02 Agreement Not in Breach of Other Instruments. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, or conflict with, any agreement or other instrument to which CPLP is a party or by which it is bound, the Certificate of Formation and the Partnership Agreement, any judgment, decree, order or award of any court, governmental body or arbitrator by which CPLP is bound, or any law, rule or regulation applicable to CPLP which would have a material effect on the transactions contemplated hereby.

SECTION 3.03 No Legal Bar. CPLP is not prohibited by any order, writ, injunction or decree of any body of competent jurisdiction from consummating the transactions contemplated by this Agreement and no such action or proceeding is pending or, to the best of its knowledge and belief, threatened against CPLP which questions the validity of this Agreement, any of the transactions contemplated hereby or any action which has been taken by any of the parties in connection herewith or in connection with any of the transactions contemplated hereby.

SECTION 3.04 Independent Investigation. CPLP has had the opportunity to conduct to its own satisfaction independent investigation, review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Vessel A Owning Subsidiary and, in making the determination to proceed with the transactions contemplated hereby, has relied solely on the results of its own independent investigation and the representations and warranties set forth in Articles IV, V and VI.

SECTION 3.05 Good and Marketable Title to Shares B. CPLP is the owner (of record and beneficially) of all of the Shares B and has good and marketable title to the Shares B, free and clear of any and all Encumbrances. The Shares B constitute 100% of the issued and outstanding Equity Interests of the Vessel B Owning Subsidiary.

SECTION 3.06 The Shares B. Assuming CMTC has the requisite power and authority to be the lawful owner of the Shares B, upon delivery to CMTC at the Closing of certificates representing the Shares B, duly endorsed by CPLP for transfer to CMTC or accompanied by appropriate instruments sufficient to evidence the transfer from CPLP to CMTC of the Shares B under the Applicable Laws of the relevant jurisdiction, or delivery of such Shares B by electronic means, CMTC shall own good and valid title to the Shares B, free and clear of any Encumbrances, other than those arising from acts of the CMTC Entities. Other than this Agreement and any related transaction documents, the Organizational Documents B and restrictions imposed by Applicable Law, at the Closing, the Shares B will not be subject to any voting trust agreement or other contract, agreement, arrangement, commitment or understanding restricting or otherwise relating to the voting, dividend rights or disposition of the Shares B, other than any agreement to which any CMTC Entity is a party.

ARTICLE IV

Representations and Warranties of CMTC

CMTC represents and warrants to CPLP that as of the date hereof:

SECTION 4.01 Organization and Corporate Authority. CMTC is duly incorporated, validly existing and in good standing under the laws of the Republic of the Marshall Islands, and has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by CMTC, has been effectively authorized by all necessary action, corporate or otherwise, and constitutes legal, valid and binding obligations of CMTC. No meeting has been convened or resolution proposed or petition presented and no order has been made to wind up CMTC.

SECTION 4.02 Agreement Not in Breach. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, or conflict with, any agreement or other instrument to which CMTC is a party or by which it is bound, the Articles of Incorporation and Bylaws of CMTC, any judgment, decree, order or award of any court, governmental body or arbitrator by which CMTC is bound, or any law, rule or regulation applicable to CMTC which would have a material effect on the transactions contemplated hereby.

SECTION 4.03 No Legal Bar. CMTC is not prohibited by any order, writ, injunction or decree of any body of competent jurisdiction from consummating the transactions contemplated by this Agreement and no such action or proceeding is pending or, to the best of its knowledge and belief, threatened against CMTC which questions the validity of this Agreement, any of the transactions contemplated hereby or any action which has been taken by any of the parties in connection herewith or in connection with any of the transactions contemplated hereby.

SECTION 4.04 Independent Investigation. CMTC has had the opportunity to conduct to its own satisfaction independent investigation, review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Vessel B Owning Subsidiary and, in making the determination to proceed with the transactions contemplated hereby, has relied solely on the results of its own independent investigation and the representations and warranties set forth in Articles IV, V and VI.

SECTION 4.05 Good and Marketable Title to Shares A. CMTC is the owner (of record and beneficially) of all of the Shares A and has good and marketable title to the Shares A, free and clear of any and all Encumbrances. The Shares constitute 100% of the issued and outstanding Equity Interests of the Vessel A Owning Subsidiary.

SECTION 4.06 The Shares A. Assuming CPLP has the requisite power and authority to be the lawful owner of the Shares A, upon delivery to CPLP at the Closing of certificates representing the Shares A, duly endorsed by CMTC for transfer to CPLP or accompanied by appropriate instruments sufficient to evidence the transfer from CMTC to CPLP of the Shares A under the Applicable Laws of the relevant jurisdiction, or delivery of such Shares A by electronic means, and upon CMTC’s receipt of the Purchase Price, CPLP shall own good and valid title to the Shares A, free and clear of any Encumbrances, other than those arising from acts of the CPLP Entities. Other than this Agreement and any related transaction documents, the Organizational Documents A and restrictions imposed by Applicable Law, at the Closing, the Shares A will not be subject to any voting trust agreement or other contract, agreement, arrangement, commitment or understanding restricting or otherwise relating to the voting, dividend rights or disposition of the Shares A, other than any agreement to which any CPLP Entity is a party.

ARTICLE V

(i) Representations and Warranties of CMTC Regarding the Vessel A Owning Subsidiary

CMTC represents and warrants to CPLP that as of the date hereof:

SECTION 5.01 Organization Good Standing and Authority. The Vessel A Owning Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the Republic of the Marshall Islands. The Vessel A Owning Subsidiary has full corporate power and authority to carry on its business as it is now, and has since its incorporation been, conducted, and is entitled to own, lease or operate the properties and assets it now owns, leases or operates and to enter into legal and binding contracts. No meeting has been convened or resolution proposed or petition presented and no order has been made to wind up the Vessel A Owning Subsidiary.

SECTION 5.02 Capitalization. The Shares A consist of the 500 shares of common stock without par value and have been duly authorized and validly issued and are fully paid and non-assessable, and constitute the total issued and outstanding capital stock of the Vessel A Owning Subsidiary. There are not outstanding (i) any options, warrants or other rights to purchase from the Vessel A Owning Subsidiary any capital stock of such Vessel A Owning Subsidiary, (ii) any securities convertible into or exchangeable for shares of the capital stock of the Vessel A Owning Subsidiary or (iii) any other commitments of any kind for the issuance of additional shares of capital stock or options, warrants or other securities of the Vessel A Owning Subsidiary.

SECTION 5.03 Organizational Documents. CMTC has supplied to CPLP true and correct copies of the organizational documents of the Vessel A Owning Subsidiary, as in effect as of the date hereof (the "Organizational Documents A").

SECTION 5.04 Agreement Not in Breach. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate, or result in a breach of, any of the terms and provisions of, or constitute a default under, or conflict with, or give any other party thereto a right to terminate any agreement or other instrument to which the Vessel A Owning Subsidiary is a party or by which it is bound including, without limitation, any of the Organizational Documents A, or any judgment, decree, order or award of any court, governmental body or arbitrator applicable to the Vessel A Owning Subsidiary.

SECTION 5.05 Litigation.

(a). There is no action, suit or proceeding to which the Vessel A Owning Subsidiary is a party (either as a plaintiff or defendant) pending before any court or governmental agency, authority or body or arbitrator; there is no action, suit or proceeding threatened against the Vessel A Owning Subsidiary; and, to the best knowledge of CMTC, there is no basis for any such action, suit or proceeding;

(b). The Vessel A Owning Subsidiary has not been permanently or temporarily enjoined by any order, judgment or decree of any court or any governmental agency, authority or body from engaging in or continuing any conduct or practice in connection with its respective business, assets, or properties; and

(c). There is not in existence any order, judgment or decree of any court or other tribunal or other agency enjoining or requiring the Vessel A Owning Subsidiary to take any action of any kind with respect to its respective business, assets or properties.

SECTION 5.06 Indebtedness to and from Officers, etc. The Vessel A Owning Subsidiary will not be indebted, directly or indirectly, to any person who is an officer, director, stockholder or employee of CMTC or any spouse, child, or other relative or any affiliate of any such person, nor shall any such officer, director, stockholder, employee, relative or affiliate be indebted to the Vessel A Owning Subsidiary.

SECTION 5.07 Personnel. The Vessel A Owning Subsidiary has no employees.

SECTION 5.08 Contracts and Agreements. Other than the Charter A and the Amendment to the Management Agreement (together, the "Contracts A"), there are no material contracts or agreements, written or oral, to which the Vessel A Owning Subsidiary is a party or by which any of the assets of the Vessel A Owning Subsidiary are bound.

(a) Each of the Contracts A is a valid and binding agreement of the Vessel A Owning Subsidiary, and to the best knowledge of CMTC, of all other parties thereto;

(b) The Vessel A Owning Subsidiary has fulfilled all material obligations required pursuant to its Contracts A to have been performed by it prior to the date hereof and has not waived any material rights thereunder; and

(c) There has not occurred any material default on the part of the Vessel A Owning Subsidiary under any of the Contracts A, or to the best knowledge of CMTC, on the part of any other party thereto nor has any event occurred which with the giving of notice or the lapse of time, or both, would constitute any material default on the part of the Vessel A Owning Subsidiary under any of the Contracts A nor, to the best knowledge of CMTC, has any event occurred which with the giving of notice or the lapse of time, or both, would constitute any material default on the part of any other party to any of the Contracts A.

SECTION 5.09 Compliance with Law. The conduct of business by the Vessel A Owning Subsidiary does not and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any laws, statutes, ordinances, rules, regulations, decrees, orders, permits or other similar items in force (including, but not limited to, any of the foregoing relating to employment discrimination, environmental protection or conservation) of any country, province, state or other governing body, the enforcement of which would materially and adversely affect the business, assets, condition (financial or otherwise) or prospects of the Vessel A Owning Subsidiary taken as a whole, nor has the Vessel A Owning Subsidiary received any notice of any such violation.

SECTION 5.10 No Undisclosed Liabilities. The Vessel A Owning Subsidiary (and the Vessel A owned by it) has no liabilities or obligations of any nature, whether absolute, accrued, contingent or otherwise, and whether due or to become due (including, without limitation, any liability for Taxes and interest, penalties and other charges payable with respect to any such liability or obligation). Notwithstanding the foregoing, the Parties acknowledge and agree that there may be obligations under the Contracts A that are not due and payable as of the date hereof and that will be the responsibility of CMTC pursuant to Section 9.01(c) of this Agreement.

SECTION 5.11 Disclosure of Information. CMTC has disclosed to CPLP all material information on, and about, the Vessel A Owning Subsidiary and the Vessel A and all such information is true, accurate and not misleading in any material respect. Nothing has been withheld from the material provided to CPLP which would render such information untrue or misleading.

SECTION 5.12 Payment of Taxes. The Vessel A Owning Subsidiary has filed all foreign, federal, state and local income and franchise tax returns required to be filed, which returns are correct and complete in all material respects, and has timely paid all taxes due from it, and the Vessel A is in good standing with respect to the payment of past and current Taxes, fees and other amounts payable under the laws of the jurisdiction where it is registered as would affect its registry with the ship registry of such jurisdiction.

SECTION 5.13 Permits. The Vessel A Owning Subsidiary has such permits, consents, licenses, franchises, concessions, certificates and authorizations ("Permits") of, and has all declarations and filings with, and is qualified and in good standing in each jurisdiction of, all federal, provincial, state, local or foreign Governmental Authorities and other Persons, as are necessary to own or lease its properties and to conduct its business in the manner that is standard and customary for a business of its nature other than such Permits the absence of which, individually or in the aggregate, has not and could not reasonably be expected to materially or adversely affect the Vessel A Owning Subsidiary. The Vessel A Owning Subsidiary has fulfilled and performed all its obligations with respect to such Permits which are or will be due to have been fulfilled and performed by such date and no event has occurred that would prevent the Permits from being renewed or reissued or that allows, or after notice or lapse of time would allow, revocation or termination thereof or results or would result in any impairment of the rights of the holder of any such Permit, except for such non-renewals, non-issues, revocations, terminations and impairments that would not, individually or in the aggregate, materially or adversely affect the Vessel A Owning Subsidiary, and none of such Permits contains any restriction that is materially burdensome to the Vessel A Owning Subsidiary.

SECTION 5.14 No Material Adverse Change in Business. Since December 31, 2008**,** there has been no material adverse change in the condition, financial or otherwise, or in the earnings, properties, business affairs or business prospects of the Vessel A Owning Subsidiary, whether or not arising in the ordinary course of business, that would have or could reasonably be expected to have a material adverse effect on the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Vessel A Owning Subsidiary.

(ii) Representations and Warranties of CPLP Regarding the Vessel B Owning Subsidiary

CPLP represents and warrants to CMTC that as of the date hereof:

SECTION 5.15 Organization Good Standing and Authority. The Vessel B Owning Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the Republic of the Marshall Islands. The Vessel B Owning Subsidiary has full corporate power and authority to carry on its business as it is now, and has since its incorporation been, conducted, and is entitled to own, lease or operate the properties and assets it now owns, leases or operates and to enter into legal and binding contracts. No meeting has been convened or resolution proposed or petition presented and no order has been made to wind up the Vessel B Owning Subsidiary.

SECTION 5.16 Capitalization. The Shares B consist of the 500 shares of common stock without par value and have been duly authorized and validly issued and are fully paid and non-assessable, and constitute the total issued and outstanding capital stock of the Vessel B Owning Subsidiary. There are not outstanding (i) any options, warrants or other rights to purchase from the Vessel B Owning Subsidiary any capital stock of such Vessel B Owning Subsidiary, (ii) any securities convertible into or exchangeable for shares of the capital stock of the Vessel B Owning Subsidiary or (iii) any other commitments of any kind for the issuance of additional shares of capital stock or options, warrants or other securities of the Vessel B Owning Subsidiary.

SECTION 5.17 Organizational Documents. CPLP has supplied to CMTC true and correct copies of the organizational documents of the Vessel B Owning Subsidiary, as in effect as of the date hereof (the "Organizational Documents B").

SECTION 5.18 Agreement Not in Breach. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate, or result in a breach of, any of the terms and provisions of, or constitute a default under, or conflict with, or give any other party thereto a right to terminate any agreement or other instrument to which the Vessel B Owning Subsidiary is a party or by which it is bound including, without limitation, any of the Organizational Documents B, or any judgment, decree, order or award of any court, governmental body or arbitrator applicable to the Vessel B Owning Subsidiary.

SECTION 5.19 Litigation.

(a) There is no action, suit or proceeding to which the Vessel B Owning Subsidiary is a party (either as a plaintiff or defendant) pending before any court or governmental agency, authority or body or arbitrator; there is no action, suit or proceeding threatened against the Vessel B Owning Subsidiary; and, to the best knowledge of CPLP, there is no basis for any such action, suit or proceeding;

(b) The Vessel B Owning Subsidiary has not been permanently or temporarily enjoined by any order, judgment or decree of any court or any governmental agency, authority or body from engaging in or continuing any conduct or practice in connection with its respective business, assets, or properties; and

(c). There is not in existence any order, judgment or decree of any court or other tribunal or other agency enjoining or requiring the Vessel B Owning Subsidiary to take any action of any kind with respect to its respective business, assets or properties.

SECTION 5.20 Indebtedness to and from Officers, etc. The Vessel B Owning Subsidiary will not be indebted, directly or indirectly, to any person who is an officer, director, stockholder or employee of CPLP or any spouse, child, or other relative or any affiliate of any such person, nor shall any such officer, director, stockholder, employee, relative or affiliate be indebted to the Vessel B Owning Subsidiary.

SECTION 5.21 Personnel. The Vessel B Owning Subsidiary has no employees.

SECTION 5.22 Contracts and Agreements. There are no material contracts or agreements, written or oral, to which the Vessel B Owning Subsidiary is a party or by which any of the assets of the Vessel B Owning Subsidiary are bound.

SECTION 5.23 Compliance with Law. The conduct of business by the Vessel B Owning Subsidiary does not and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any laws, statutes, ordinances, rules, regulations, decrees, orders, permits or other similar items in force (including, but not limited to, any of the foregoing relating to employment discrimination, environmental protection or conservation) of any country, province, state or other governing body, the enforcement of which would materially and adversely affect the business, assets, condition (financial or otherwise) or prospects of the Vessel B Owning Subsidiary taken as a whole, nor has the Vessel B Owning Subsidiary received any notice of any such violation.

SECTION 5.24 No Undisclosed Liabilities. The Vessel B Owning Subsidiary (and the Vessel B owned by it) has no liabilities or obligations of any nature, whether absolute, accrued, contingent or otherwise, and whether due or to become due (including, without limitation, any liability for Taxes and interest, penalties and other charges payable with respect to any such liability or obligation). Notwithstanding the foregoing, the Parties acknowledge and agree that there may be obligations under the Contracts B that are not due and payable as of the date hereof and that will be the responsibility of CPLP pursuant to Section 9.01(c) of this Agreement.

SECTION 5.25 Disclosure of Information. CPLP has disclosed to CMTC all material information on, and about, the Vessel B Owning Subsidiary and the Vessel and all such information is true, accurate and not misleading in any material respect. Nothing has been withheld from the material provided to CMTC which would render such information untrue or misleading.

SECTION 5.26 Payment of Taxes. The Vessel B Owning Subsidiary has filed all foreign, federal, state and local income and franchise tax returns required to be filed, which returns are correct and complete in all material respects, and has timely paid all taxes due from it, and the Vessel B is in good standing with respect to the payment of past and current Taxes, fees and other amounts payable under the laws of the jurisdiction where it is registered as would affect its registry with the ship registry of such jurisdiction.

SECTION 5.27 Permits. The Vessel B Owning Subsidiary has such Permits of, and has all declarations and filings with, and is qualified and in good standing in each jurisdiction of, all federal, provincial, state, local or foreign Governmental Authorities and other Persons, as are necessary to own or lease its properties and to conduct its business in the manner that is standard and customary for a business of its nature other than such Permits the absence of which, individually or in the aggregate, has not and could not reasonably be expected to materially or adversely affect the Vessel B Owning Subsidiary. The Vessel B Owning Subsidiary has fulfilled and performed all its obligations with respect to such Permits which are or will be due to have been fulfilled and performed by such date and no event has occurred that would prevent the Permits from being renewed or reissued or that allows, or after notice or lapse of time would allow, revocation or termination thereof or results or would result in any impairment of the rights of the holder of any such Permit, except for such non-renewals, non-issues, revocations, terminations and impairments that would not, individually or in the aggregate, materially or adversely affect the Vessel B Owning Subsidiary, and none of such Permits contains any restriction that is materially burdensome to the Vessel B Owning Subsidiary.

SECTION 5.28 No Material Adverse Change in Business. Since December 31, 2008**,** there has been no material adverse change in the condition, financial or otherwise, or in the earnings, properties, business affairs or business prospects of the Vessel B Owning Subsidiary, whether or not arising in the ordinary course of business, that would have or could reasonably be expected to have a material adverse effect on the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Vessel B Owning Subsidiary.

ARTICLE VI

(i) Representations and Warranties of CMTC regarding the Vessel A

CMTC represents and warrants to CPLP that as of the date hereof:

SECTION 6.01 Title to Vessel. (a) The Vessel A Owning Subsidiary is the owner (beneficially and of record) of the Vessel A and has good and marketable title to the Vessel.

SECTION 6.02 No Encumbrances. The Vessel A Owning Subsidiary and the Vessel A are free of all Encumbrances other than the Encumbrances arising under the Charter A.

SECTION 6.03 Condition. The Vessel A is (i) adequate and suitable for use by the Vessel A Owning Subsidiary in the manner that is standard and customary for a vessel of its type, ordinary wear and tear excepted; (ii) seaworthy in all material respects for hull and machinery insurance warranty purposes and in good running order and repair; (iii) insured against all risks, and in amounts, consistent with common industry practices; (iv) in compliance with maritime laws and regulations; and (v) in compliance in all material respects with the requirements of its class and classification society; and all class certificates of the Vessel are clean and valid and free of recommendations affecting class; and CPLP acknowledges and agrees that, subject only to the representations and warranties in this Agreement, it is acquiring the Vessel A on an “as is, where is” basis.

(ii) Representations and Warranties of CPLP regarding the Vessel B

CPLP represents and warrants to CMTC that as of the date hereof:

SECTION 6.04 Title to Vessel. (a) The Vessel B Owning Subsidiary is the owner (beneficially) of the Vessel B and has good and marketable title to the Vessel.

SECTION 6.05 No Encumbrances. The Vessel B Owning Subsidiary and the Vessel B are free of all Encumbrances.

SECTION 6.06 Condition. The Vessel B is (i) adequate and suitable for use by the Vessel B Owning Subsidiary in the manner that is standard and customary for a vessel of its type, ordinary wear and tear excepted; (ii) seaworthy in all material respects for hull and machinery insurance warranty purposes and in good running order and repair; (iii) insured against all risks, and in amounts, consistent with common industry practices; (iv) in compliance with maritime laws and regulations; and (v) in compliance in all material respects with the requirements of its class and classification society; and all class certificates of the Vessel are clean and valid and free of recommendations affecting class;

Notwithstanding the above it is agreed that the Vessel B shall be delivered to CMTC:

a) Free of cargo, hot washed and free of slops with gas free tanks together with a gas free certificate suitable for man entry, and

b) CMTC will have the right, at its own risk, time and expense, to carry out an inspection of the Vessel B's underwater parts by class approved divers. CPLP shall arrange at its own expense to have a class surveyor attending such diving inspection. If any damage is found to the Vessel's underwater parts which the Vessel B's classification society confirms is affecting the Vessel B's clean certificate of class, then CPLP shall repair such damage to the reasonable satisfaction of the Vessel B's class society and of CMTC, at CPLP's time and expense.

c) CPLP shall be responsible for repairs or renewals occasioned by latent defects in the Vessel B, her machinery or appurtenances, existing at the time of delivery under this Agreement, provided such defects have manifested themselves within six (6) months after delivery.

d) CPLP shall at its own cost supply the Vessel B with all parts for the proper and safe running of the Vessel B.

ARTICLE VII

Covenants

SECTION 7.01 Financial Statements.

(i) CMTC agrees to cause the Vessel A Owning Subsidiary to provide access to the books and records of the Vessel A Owning Subsidiary to allow CPLP's outside auditing firm to prepare at CPLP's expense any information, review or audit CPLP reasonably believes is required to be furnished or provided by CPLP pursuant to applicable securities laws. CMTC will (A) direct its auditors to provide CPLP's auditors access to the auditors' work papers and (B) use its commercially reasonable efforts to assist CPLP with any such information, review or audit and to provide other financial information reasonably requested by CPLP or its auditors, including the delivery by CMTC Entities of any information, letters and similar documentation, including reasonable "management representation letters" and attestations.

(ii) CPLP agrees to cause the Vessel B Owning Subsidiary to provide access to the books and records of the Vessel A Owning Subsidiary to allow CMTC's outside auditing firm to prepare at CMTC's expense any information, review or audit CMTC reasonably believes is required to be furnished or provided by CMTC pursuant to applicable securities laws. CPLP will (A) direct its auditors to provide CMTC's auditors access to the auditors' work papers and (B) use its commercially reasonable efforts to assist CMTC with any such information, review or audit and to provide other financial information reasonably requested by CMTC or its auditors, including the delivery by CPLP Entities of any information, letters and similar documentation, including reasonable "management representation letters" and attestations.

ARTICLE VIII

Amendments and Waivers

SECTION 8.01 Amendments and Waivers. This Agreement may not be amended except by an instrument in writing signed on behalf of each parties hereto. By an instrument in writing CPLP, on the one hand, or CMTC, on the other hand, may waive compliance by the other with any term or provision of this Agreement that such other party was or is obligated to comply with or perform.

ARTICLE IX

Indemnification

SECTION 9.01 Indemnity by the Parties.

CMTC shall be liable for, and shall indemnify CPLP and each of its subsidiaries and each of their directors, employees, agents and representatives (the "CPLP Indemnitees") against and hold them harmless from, any Losses, suffered or incurred by such CPLP Indemnitee:

(a) by reason of, arising out of or otherwise in respect of any inaccuracy in, or breach of, any representation or warranty (without giving effect to any supplement to the schedules or qualifications as to materiality or dollar amount or other similar qualifications), or a failure to perform or observe any covenant, agreement or obligation of, CMTC in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by CMTC;

(b) any fees, expenses or other payments incurred or owed by CMTC or the Vessel A Owning Subsidiary to any brokers, financial advisors or comparable other persons retained or employed by it in connection with the transactions contemplated by this Agreement; or

(c) by reason of, arising out of or otherwise in respect of obligations, liabilities, expenses, cost and claims relating to, arising from or otherwise attributable to the assets owned by the Vessel A Owning Subsidiary or the assets, operations, and obligations of the Vessel A Owning Subsidiary or the businesses thereof, in each case, to the extent relating to, arising from, or otherwise attributable to facts, circumstances or events occurring prior to the Closing Date.

CPLP shall be liable for, and shall indemnify CMTC and each of its subsidiaries and each of their directors, employees, agents and representatives (the "CMTC Indemnitees") against and hold them harmless from, any Losses, suffered or incurred by such CMTC Indemnitee:

(a) by reason of, arising out of or otherwise in respect of any inaccuracy in, or breach of, any representation or warranty (without giving effect to any supplement to the schedules or qualifications as to materiality or dollar amount or other similar qualifications), or a failure to perform or observe any covenant, agreement or obligation of, CPLP in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by CPLP;

(b) any fees, expenses or other payments incurred or owed by CPLP or the Vessel B Owning Subsidiary to any brokers, financial advisors or comparable other persons retained or employed by it in connection with the transactions contemplated by this Agreement; or

(c) by reason of, arising out of or otherwise in respect of obligations, liabilities, expenses, cost and claims relating to, arising from or otherwise attributable to the assets owned by the Vessel B Owning Subsidiary or the assets, operations, and obligations of the Vessel B Owning Subsidiary or the businesses thereof, in each case, to the extent relating to, arising from, or otherwise attributable to facts, circumstances or events occurring prior to the Closing Date.

SECTION 9.02 Exclusive Post-Closing Remedy. After the Closing, and except for any non-monetary, equitable relief to which any Party may be entitled, or any remedies for willful misconduct or actual fraud, the rights and remedies set forth in this Article IX shall constitute the sole and exclusive rights and remedies of the Parties under or with respect to the subject matter of this Agreement.

ARTICLE X

Miscellaneous

SECTION 10.01 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and to be performed wholly within such jurisdiction without giving effect to conflict of law principles thereof other than Section 5-1401 of the New York General Obligations Law, except to the extent that it is mandatory that the law of some other jurisdiction, wherein the Vessel is located, shall apply.

SECTION 10.02 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same instrument.

SECTION 10.03 Complete Agreement. This Agreement and Schedules hereto contain the entire agreement between the parties hereto with respect to the transactions contemplated herein and, except as provided herein, supersede all previous oral and written and all contemporaneous oral negotiations, commitments, writings and understandings.

SECTION 10.04 Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 10.05 Severability. If any of the provisions of this Agreement are held by any court of competent jurisdiction to contravene, or to be invalid under, the laws of any governmental body having jurisdiction over the subject matter hereof, such contravention or invalidity shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain the particular provision or provisions held to be invalid, and an equitable adjustment shall be made and necessary provision added so as to give effect, as nearly as possible, to the intention of the Parties as expressed in this Agreement at the time of execution of this Agreement.

SECTION 10.06 Third Party Rights. Except to the extent provided in Article IX, a Person who is not a party to this Agreement has no right to enforce or to enjoy the benefit of any term of this Agreement.

SECTION 10.07 Notices. Any notice, claim or demand in connection with this Agreement shall be delivered to the parties at the following addresses (or at such other address or facsimile number for a party as may be designated by notice by such party to the other party):

(a). if to Capital Maritime & Trading Corp., as follows:

c/o Capital Ship Management Corp., 3 Iassonos Street, Piraeus, Greece
Attention: Nikolaos Syntichakis
Facsimile: +30 210 428 4286

(b). if to Capital Product Partners L.P., as follows:

c/o Capital Ship Management Corp., 3 Iassonos Street, Piraeus, Greece
Attention: Ioannis E. Lazaridis
Facsimile: +30 210 428 4285

and any such notice shall be deemed to have been received (i) on the next working day in the place to which it is sent, if sent by facsimile or (ii) forty eight (48) hours from the time of dispatch, if sent by courier.

SECTION 10.08 Representations and Warranties to Survive. All representations and warranties of CPLP and CMTC contained in this Agreement shall survive the Closing and shall remain operative and in full force and effect after the Closing, regardless of (a) any investigation made by or on behalf of any Party or its affiliates, any Person controlling any Party, its officers or directors, and (b) delivery of and payment for the Shares.

SECTION 10.09 Remedies. Except as expressly provided in Section 9.02, the rights, obligations and remedies created by this Agreement are cumulative and in addition to any other rights, obligations or remedies otherwise available at law or in equity. Except as expressly provided in this Agreement, nothing in this Agreement will be considered an election of remedies.

SECTION 10.10 Non-recourse to General Partner. Neither CPLP's general partner nor any other owner of Equity Interests in CPLP shall be liable for the obligations of CPLP under this Agreement or any of the related transaction documents, including, in each case, by reason of any payment obligation imposed by governing partnership statutes.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be signed as of the date first above written.

CAPITAL MARITIME & TRADING CORP.

By: ______________________________

Name: Evangelos M. Marinakis

Title: President and Chief Executive Officer

CAPITAL PRODUCT PARTNERS L.P.

By: Capital GP L.L.C., its general partner

By: ______________________________

Name: Ioannis E. Lazaridis

Title: Chief Executive Officer and Chief Financial Officer of Capital GP, L.L.C.

Exhibit 4.24

SHARE PURCHASE AGREEMENT

Dated April 13th , 2009

between

CAPITAL MARITIME & TRADING CORP.

and

CAPITAL PRODUCT PARTNERS L.P.

SHARE PURCHASE AGREEMENT (the "Agreement"), dated as of April 13th, 2009, by and between CAPITAL MARITIME & TRADING CORP. ("CMTC"), a corporation organized under the laws of the Republic of the Marshall Islands, and CAPITAL PRODUCT PARTNERS L.P. ("CPLP"), a limited partnership organized under the laws of the Republic of the Marshall Islands.

RECITAL

WHEREAS, CPLP wishes to purchase from CMTC, and CMTC wishes to sell to CPLP, the five hundred (500) shares of common stock (the "Shares A") representing all of the issued and outstanding shares of common stock of Navarro International S.A., a corporation organized under the laws of the Republic of the Marshall Islands (the "Vessel A Owning Subsidiary").

WHEREAS, the Vessel A Owning Subsidiary is the registered owner of the Liberian flagged motor tanker "Ayrton II" (the "Vessel A").

WHEREAS, CMTC wishes to transfer to CPLP all rights, title and interest in the Vessel A, and retain all assets, other than the Vessel A, the Contracts A (as defined below) and any necessary permits, and all liabilities of the Vessel A Owning Subsidiary.

WHEREAS, the Vessel A is subject to a time charter party agreement (type BPTIME3) dated 7th August 2008 and entered into by the Vessel A Owning Subsidiary and BP Shipping Limited (the "Charterer A") for a period of three (3) years (plus/minus 30 days at Charterer A's option) from 10th April 2009 (the "Charter A").

WHEREAS, CMTC wishes to purchase from CPLP, and CPLP wishes to sell to CMTC, the one hundred (100) shares of common stock (the "Shares B") representing all of the issued and outstanding shares of common stock of Epicurus Shipping Company, a corporation organized under the laws of the Republic of the Marshall Islands (the "Vessel B Owning Subsidiary").

WHEREAS, the Vessel B Owning Subsidiary is the registered owner of the Liberian flagged motor tanker "Atrotos" (the "Vessel B").

WHEREAS, CPLP wishes to transfer to CMTC all rights, title and interest in the Vessel B, and retain all assets, other than the Vessel B and any necessary permits, and all liabilities of the Vessel B Owning Subsidiary.

WHEREAS, contemporaneously with the execution of this Agreement, CPLP and Capital Ship Management Corp. ("CSM") will execute an amendment to the Management Agreement dated as of April 3, 2007, as subsequently amended, and entered into between CPLP and CSM (the "Amendment to the Management Agreement").

WHEREAS Vessel A Owning Subsidiary and Vessel B Owning Subsidiary, have elected to be treated as disregarded entities for U.S. federal income tax purposes, the Parties intend for this transaction to be treated, for U.S. federal income tax purposes, as a tax-free exchange of Vessel A for Vessel B under Section 1031 of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

Interpretation

SECTION 1.01 Definitions. In this Agreement, unless the context requires otherwise or unless otherwise specifically provided herein, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“Additional Consideration” has the meaning given to it in Section 2.04;

“Agreement” means this Agreement, including its recitals and schedules, as amended, supplemented, restated or otherwise modified from time to time;

“Amendment to the Management Agreement” has the meaning given to it in the recitals;

“Applicable Law” in respect of any Person, property, transaction or event, means all laws, statutes, ordinances, regulations, municipal by-laws, treaties, judgments and decrees applicable to that Person, property, transaction or event and, whether or not having the force of law, all applicable official directives, rules, consents, approvals, authorizations, guidelines, orders, codes of practice and policies of any Governmental Authority having or purporting to have authority over that Person, property, transaction or event and all general principles of common law and equity;

“CPLP” has the meaning given to it in the preamble;

“CPLP Entities” means CPLP and its subsidiaries;

“CPLP Indemnitees” has the meaning given to it in Section 9.01;

“Charter A” has the meaning given to it in the recitals;

“Charterer A” has the meaning given to it in the recitals;

“Closing” has the meaning given to it in Section 2.02;

“Closing Date” has the meaning given to it in Section 2.02;

“Commitment” means (a) options, warrants, convertible securities, exchangeable securities, subscription rights, conversion rights, exchange rights or other contracts that could require a Person to issue any of its equity interests or to sell any equity interests it owns in another Person (other than this Agreement and the related transaction documents); (b) any other securities convertible into, exchangeable or exercisable for, or representing the right to subscribe for any equity interest of a Person or owned by a Person; and (c) stock appreciation rights, phantom stock, profit participation, or other similar rights with respect to a Person;

"Contracts A" has the meaning given to it in Section 5.08;

"CSM" has the meaning given to it in the recitals;

"Encumbrance" means any mortgage, lien, charge, assignment, adverse claim, hypothecation, restriction, option, covenant, condition or encumbrance, whether fixed or floating, on, or any security interest in, any property whether real, personal or mixed, tangible or intangible, any pledge or hypothecation of any property, any deposit arrangement, priority, conditional sale agreement, other title retention agreement or equipment trust, capital lease or other security arrangements of any kind;

"Equity Interest" means (a) with respect to any entity, any and all shares of capital stock or other ownership interest and any Commitments with respect thereto, (b) any other direct equity ownership or participation in a Person and (c) any Commitments with respect to the interests described in (a) or (b);

"Governmental Authority" means any domestic or foreign government, including federal, provincial, state, municipal, county or regional government or governmental or regulatory authority, domestic or foreign, and includes any department, commission, bureau, board, administrative agency or regulatory body of any of the foregoing and any multinational or supranational organization;

"Losses" means, with respect to any matter, all losses, claims, damages, liabilities, deficiencies, costs, expenses (including all costs of investigation, legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) or diminution of value, whether or not involving a claim from a third party, however specifically excluding consequential, special and indirect losses, loss of profit and loss of opportunity;

"Notice" means any notice, citation, directive, order, claim, litigation, investigation, proceeding, judgment, letter or other communication, written or oral, actual or threatened, from any Person;

"Organizational Documents A" has the meaning given to it in Section 5.03;

"Organizational Documents B" has the meaning given to it in Section 5.17;

"Parties" means all parties to this Agreement and "Party" means any one of them;

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of CPLP dated April 3, 2007.

"Person" means an individual, entity or association, including any legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, unincorporated organization or Governmental Authority;

"Permits" has the meaning given to it in Section 5.13;

"SEC Documents" means the Prospectus of CPLP dated March 29, 2007 and filed with the U.S. Securities and Exchange Commission and all filings CPLP is required to make pursuant to the Securities Act and the Securities Exchange Act of 1934, as amended from time to time;

"Securities Act" means the Securities Act of 1933, as amended from time to time;

"CMTC" has the meaning given to it in the preamble;

"CMTC Entities" means CMTC and its affiliates other than the CPLP Entities;

"CMTC Indemnities" has the meaning given to it in Section 9.02;

"Shares A" has the meaning given to it in the recitals;

"Shares B" has the meaning given to it in the recitals;

"Shares" means together Shares A and Shares B;

"Taxes" means all income, franchise, business, property, sales, use, goods and services or value added, withholding, excise, alternate minimum capital, transfer, excise, customs, anti-dumping, stumpage, countervail, net worth, stamp, registration, franchise, payroll, employment, health, education, business, school, property, local improvement, development, education development and occupation taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, dues and charges and other taxes required to be reported upon or paid to any domestic or foreign jurisdiction and all interest and penalties thereon;

"Vessel A Owning Subsidiary" has the meaning given to it in the recitals;

"Vessel B Owning Subsidiary" has the meaning given to it in the recitals;

"Vessel A" has the meaning given to it in the recitals; and

"Vessel B" has the meaning given to it in the recitals.

ARTICLE II

Purchase and Sale of Shares; Closing

SECTION 2.01 Purchase and Sale of Shares A and Shares B. CMTC agrees to sell and transfer to CPLP, and CPLP agrees to purchase from CMTC in accordance with and subject to the terms and conditions set forth in this Agreement, the Shares A which in turn shall result in CPLP indirectly owning the Vessel A.

CPLP agrees to sell and transfer to CMTC, and CMTC agrees to purchase from CPLP in accordance with and subject to the terms and conditions set forth in this Agreement, the Shares B which in turn shall result in CMTC indirectly owning the Vessel B.

SECTION 2.02 Closing. On the terms of this Agreement, the sale and transfer of the Shares and payment of the Purchase Price shall take place on the date hereof (the "Closing Date"). The sale and transfer of the Shares is hereinafter referred to as "Closing."

SECTION 2.03 Place of Closing. The Closing shall take place at the premises of CSM at 3 Iassonos Street, Piraeus, Greece.

SECTION 2.04 Consideration for Shares. On the Closing Date, (i) CPLP shall pay to CMTC (to such account as CMTC shall nominate) the amount of US Dollars $ 4,000,000 (the "Additional Consideration") and transfer the Shares B in exchange and as consideration for the Shares A and (ii) CMTC shall transfer the Shares A in exchange for payment of the Additional Consideration and the Shares B. CPLP shall have no responsibility or liability hereunder for CMTC's allocation and distribution of the Additional Consideration among the CMTC Entities.

SECTION 2.05 Payment of the Additional Consideration. The Additional Consideration will be paid by CPLP to CMTC by wire transfer of immediately available funds to an account designated in writing by CMTC.

ARTICLE III

Representations and Warranties of CPLP

CPLP represents and warrants to CMTC that as of the date hereof:

SECTION 3.01 Organization and Limited Partnership Authority. CPLP is duly formed, validly existing and in good standing under the laws of the Republic of the Marshall Islands, and has all requisite limited partnership power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by CPLP, has been effectively authorized by all necessary action, limited partnership or otherwise, and constitutes legal, valid and binding obligations of CPLP. No meeting has been convened or resolution proposed or petition presented and no order has been made to wind up CPLP.

SECTION 3.02 Agreement Not in Breach of Other Instruments. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, or conflict with, any agreement or other instrument to which CPLP is a party or by which it is bound, the Certificate of Formation and the Partnership Agreement, any judgment, decree, order or award of any court, governmental body or arbitrator by which CPLP is bound, or any law, rule or regulation applicable to CPLP which would have a material effect on the transactions contemplated hereby.

SECTION 3.03 No Legal Bar. CPLP is not prohibited by any order, writ, injunction or decree of any body of competent jurisdiction from consummating the transactions contemplated by this Agreement and no such action or proceeding is pending or, to the best of its knowledge and belief, threatened against CPLP which questions the validity of this Agreement, any of the transactions contemplated hereby or any action which has been taken by any of the parties in connection herewith or in connection with any of the transactions contemplated hereby.

SECTION 3.04 Independent Investigation. CPLP has had the opportunity to conduct to its own satisfaction independent investigation, review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Vessel A Owning Subsidiary and, in making the determination to proceed with the transactions contemplated hereby, has relied solely on the results of its own independent investigation and the representations and warranties set forth in Articles IV, V and VI.

SECTION 3.05 Good and Marketable Title to Shares B. CPLP is the owner (of record and beneficially) of all of the Shares B and has good and marketable title to the Shares B, free and clear of any and all Encumbrances. The Shares B constitute 100% of the issued and outstanding Equity Interests of the Vessel B Owning Subsidiary.

SECTION 3.06 The Shares B. Assuming CMTC has the requisite power and authority to be the lawful owner of the Shares B, upon delivery to CMTC at the Closing of certificates representing the Shares B, duly endorsed by CPLP for transfer to CMTC or accompanied by appropriate instruments sufficient to evidence the transfer from CPLP to CMTC of the Shares B under the Applicable Laws of the relevant jurisdiction, or delivery of such Shares B by electronic means, CMTC shall own good and valid title to the Shares B, free and clear of any Encumbrances, other than those arising from acts of the CMTC Entities. Other than this Agreement and any related transaction documents, the Organizational Documents B and restrictions imposed by Applicable Law, at the Closing, the Shares B will not be subject to any voting trust agreement or other contract, agreement, arrangement, commitment or understanding restricting or otherwise relating to the voting, dividend rights or disposition of the Shares B, other than any agreement to which any CMTC Entity is a party.

ARTICLE IV

Representations and Warranties of CMTC

CMTC represents and warrants to CPLP that as of the date hereof:

SECTION 4.01 Organization and Corporate Authority. CMTC is duly incorporated, validly existing and in good standing under the laws of the Republic of the Marshall Islands, and has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by CMTC, has been effectively authorized by all necessary action, corporate or otherwise, and constitutes legal, valid and binding obligations of CMTC. No meeting has been convened or resolution proposed or petition presented and no order has been made to wind up CMTC.

SECTION 4.02 Agreement Not in Breach. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, or conflict with, any agreement or other instrument to which CMTC is a party or by which it is bound, the Articles of Incorporation and Bylaws of CMTC, any judgment, decree, order or award of any court, governmental body or arbitrator by which CMTC is bound, or any law, rule or regulation applicable to CMTC which would have a material effect on the transactions contemplated hereby.

SECTION 4.03 No Legal Bar. CMTC is not prohibited by any order, writ, injunction or decree of any body of competent jurisdiction from consummating the transactions contemplated by this Agreement and no such action or proceeding is pending or, to the best of its knowledge and belief, threatened against CMTC which questions the validity of this Agreement, any of the transactions contemplated hereby or any action which has been taken by any of the parties in connection herewith or in connection with any of the transactions contemplated hereby.

SECTION 4.04 Independent Investigation. CMTC has had the opportunity to conduct to its own satisfaction independent investigation, review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Vessel B Owning Subsidiary and, in making the determination to proceed with the transactions contemplated hereby, has relied solely on the results of its own independent investigation and the representations and warranties set forth in Articles IV, V and VI.

SECTION 4.05 Good and Marketable Title to Shares A. CMTC is the owner (of record and beneficially) of all of the Shares A and has good and marketable title to the Shares A, free and clear of any and all Encumbrances. The Shares constitute 100% of the issued and outstanding Equity Interests of the Vessel A Owning Subsidiary.

SECTION 4.06 The Shares A. Assuming CPLP has the requisite power and authority to be the lawful owner of the Shares A, upon delivery to CPLP at the Closing of certificates representing the Shares A, duly endorsed by CMTC for transfer to CPLP or accompanied by appropriate instruments sufficient to evidence the transfer from CMTC to CPLP of the Shares A under the Applicable Laws of the relevant jurisdiction, or delivery of such Shares A by electronic means, and upon CMTC’s receipt of the Purchase Price, CPLP shall own good and valid title to the Shares A, free and clear of any Encumbrances, other than those arising from acts of the CPLP Entities. Other than this Agreement and any related transaction documents, the Organizational Documents A and restrictions imposed by Applicable Law, at the Closing, the Shares A will not be subject to any voting trust agreement or other contract, agreement, arrangement, commitment or understanding restricting or otherwise relating to the voting, dividend rights or disposition of the Shares A, other than any agreement to which any CPLP Entity is a party.

ARTICLE V

(i) Representations and Warranties of CMTC Regarding the Vessel A Owning Subsidiary

CMTC represents and warrants to CPLP that as of the date hereof:

SECTION 5.01 Organization Good Standing and Authority. The Vessel A Owning Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the Republic of the Marshall Islands. The Vessel A Owning Subsidiary has full corporate power and authority to carry on its business as it is now, and has since its incorporation been, conducted, and is entitled to own, lease or operate the properties and assets it now owns, leases or operates and to enter into legal and binding contracts. No meeting has been convened or resolution proposed or petition presented and no order has been made to wind up the Vessel A Owning Subsidiary.

SECTION 5.02 Capitalization. The Shares A consist of the 500 shares of common stock without par value and have been duly authorized and validly issued and are fully paid and non-assessable, and constitute the total issued and outstanding capital stock of the Vessel A Owning Subsidiary. There are not outstanding (i) any options, warrants or other rights to purchase from the Vessel A Owning Subsidiary any capital stock of such Vessel A Owning Subsidiary, (ii) any securities convertible into or exchangeable for shares of the capital stock of the Vessel A Owning Subsidiary or (iii) any other commitments of any kind for the issuance of additional shares of capital stock or options, warrants or other securities of the Vessel A Owning Subsidiary.

SECTION 5.03 Organizational Documents. CMTC has supplied to CPLP true and correct copies of the organizational documents of the Vessel A Owning Subsidiary, as in effect as of the date hereof (the "Organizational Documents A").

SECTION 5.04 Agreement Not in Breach. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate, or result in a breach of, any of the terms and provisions of, or constitute a default under, or conflict with, or give any other party thereto a right to terminate any agreement or other instrument to which the Vessel A Owning Subsidiary is a party or by which it is bound including, without limitation, any of the Organizational Documents A, or any judgment, decree, order or award of any court, governmental body or arbitrator applicable to the Vessel A Owning Subsidiary.

SECTION 5.05 Litigation.

(a) There is no action, suit or proceeding to which the Vessel A Owning Subsidiary is a party (either as a plaintiff or defendant) pending before any court or governmental agency, authority or body or arbitrator; there is no action, suit or proceeding threatened against the Vessel A Owning Subsidiary; and, to the best knowledge of CMTC, there is no basis for any such action, suit or proceeding;

(b) The Vessel A Owning Subsidiary has not been permanently or temporarily enjoined by any order, judgment or decree of any court or any governmental agency, authority or body from engaging in or continuing any conduct or practice in connection with its respective business, assets, or properties; and

(c) There is not in existence any order, judgment or decree of any court or other tribunal or other agency enjoining or requiring the Vessel A Owning Subsidiary to take any action of any kind with respect to its respective business, assets or properties.

SECTION 5.06 Indebtedness to and from Officers, etc. The Vessel A Owning Subsidiary will not be indebted, directly or indirectly, to any person who is an officer, director, stockholder or employee of CMTC or any spouse, child, or other relative or any affiliate of any such person, nor shall any such officer, director, stockholder, employee, relative or affiliate be indebted to the Vessel A Owning Subsidiary.

SECTION 5.07 Personnel. The Vessel A Owning Subsidiary has no employees.

SECTION 5.08 Contracts and Agreements. Other than the Charter A and the Amendment to the Management Agreement (together, the "Contracts A"), there are no material contracts or agreements, written or oral, to which the Vessel A Owning Subsidiary is a party or by which any of the assets of the Vessel A Owning Subsidiary are bound.

(a) Each of the Contracts A is a valid and binding agreement of the Vessel A Owning Subsidiary, and to the best knowledge of CMTC, of all other parties thereto;

(b) The Vessel A Owning Subsidiary has fulfilled all material obligations required pursuant to its Contracts A to have been performed by it prior to the date hereof and has not waived any material rights thereunder; and

(c) There has not occurred any material default on the part of the Vessel A Owning Subsidiary under any of the Contracts A, or to the best knowledge of CMTC, on the part of any other party thereto nor has any event occurred which with the giving of notice or the lapse of time, or both, would constitute any material default on the part of the Vessel A Owning Subsidiary under any of the Contracts A nor, to the best knowledge of CMTC, has any event occurred which with the giving of notice or the lapse of time, or both, would constitute any material default on the part of any other party to any of the Contracts A.

SECTION 5.09 Compliance with Law. The conduct of business by the Vessel A Owning Subsidiary does not and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any laws, statutes, ordinances, rules, regulations, decrees, orders, permits or other similar items in force (including, but not limited to, any of the foregoing relating to employment discrimination, environmental protection or conservation) of any country, province, state or other governing body, the enforcement of which would materially and adversely affect the business, assets, condition (financial or otherwise) or prospects of the Vessel A Owning Subsidiary taken as a whole, nor has the Vessel A Owning Subsidiary received any notice of any such violation.

SECTION 5.10 No Undisclosed Liabilities. The Vessel A Owning Subsidiary (and the Vessel A owned by it) has no liabilities or obligations of any nature, whether absolute, accrued, contingent or otherwise, and whether due or to become due (including, without limitation, any liability for Taxes and interest, penalties and other charges payable with respect to any such liability or obligation). Notwithstanding the foregoing, the Parties acknowledge and agree that there may be obligations under the Contracts A that are not due and payable as of the date hereof and that will be the responsibility of CMTC pursuant to Section 9.01(c) of this Agreement.

SECTION 5.11 Disclosure of Information. CMTC has disclosed to CPLP all material information on, and about, the Vessel A Owning Subsidiary and the Vessel A and all such information is true, accurate and not misleading in any material respect. Nothing has been withheld from the material provided to CPLP which would render such information untrue or misleading.

SECTION 5.12 Payment of Taxes. The Vessel A Owning Subsidiary has filed all foreign, federal, state and local income and franchise tax returns required to be filed, which returns are correct and complete in all material respects, and has timely paid all taxes due from it, and the Vessel A is in good standing with respect to the payment of past and current Taxes, fees and other amounts payable under the laws of the jurisdiction where it is registered as would affect its registry with the ship registry of such jurisdiction.

SECTION 5.13 Permits. The Vessel A Owning Subsidiary has such permits, consents, licenses, franchises, concessions, certificates and authorizations ("Permits") of, and has all declarations and filings with, and is qualified and in good standing in each jurisdiction of, all federal, provincial, state, local or foreign Governmental Authorities and other Persons, as are necessary to own or lease its properties and to conduct its business in the manner that is standard and customary for a business of its nature other than such Permits the absence of which, individually or in the aggregate, has not and could not reasonably be expected to materially or adversely affect the Vessel A Owning Subsidiary. The Vessel A Owning Subsidiary has fulfilled and performed all its obligations with respect to such Permits which are or will be due to have been fulfilled and performed by such date and no event has occurred that would prevent the Permits from being renewed or reissued or that allows, or after notice or lapse of time would allow, revocation or termination thereof or results or would result in any impairment of the rights of the holder of any such Permit, except for such non-renewals, non-issues, revocations, terminations and impairments that would not, individually or in the aggregate, materially or adversely affect the Vessel A Owning Subsidiary, and none of such Permits contains any restriction that is materially burdensome to the Vessel A Owning Subsidiary.

SECTION 5.14 No Material Adverse Change in Business. Since December 31, 2008, there has been no material adverse change in the condition, financial or otherwise, or in the earnings, properties, business affairs or business prospects of the Vessel A Owning Subsidiary, whether or not arising in the ordinary course of business, that would have or could reasonably be expected to have a material adverse effect on the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Vessel A Owning Subsidiary.

(ii) Representations and Warranties of CPLP Regarding the Vessel B Owning Subsidiary

CPLP represents and warrants to CMTC that as of the date hereof:

SECTION 5.15 Organization Good Standing and Authority. The Vessel B Owning Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the Republic of the Marshall Islands. The Vessel B Owning Subsidiary has full corporate power and authority to carry on its business as it is now, and has since its incorporation been, conducted, and is entitled to own, lease or operate the properties and assets it now owns, leases or operates and to enter into legal and binding contracts. No meeting has been convened or resolution proposed or petition presented and no order has been made to wind up the Vessel B Owning Subsidiary.

SECTION 5.16 Capitalization. The Shares B consist of the 100 shares of common stock without par value and have been duly authorized and validly issued and are fully paid and non-assessable, and constitute the total issued and outstanding capital stock of the Vessel B Owning Subsidiary. There are not outstanding (i) any options, warrants or other rights to purchase from the Vessel B Owning Subsidiary any capital stock of such Vessel B Owning Subsidiary, (ii) any securities convertible into or exchangeable for shares of the capital stock of the Vessel B Owning Subsidiary or (iii) any other commitments of any kind for the issuance of additional shares of capital stock or options, warrants or other securities of the Vessel B Owning Subsidiary.

SECTION 5.17 Organizational Documents. CPLP has supplied to CMTC true and correct copies of the organizational documents of the Vessel B Owning Subsidiary, as in effect as of the date hereof (the "Organizational Documents B").

SECTION 5.18 Agreement Not in Breach. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate, or result in a breach of, any of the terms and provisions of, or constitute a default under, or conflict with, or give any other party thereto a right to terminate any agreement or other instrument to which the Vessel B Owning Subsidiary is a party or by which it is bound including, without limitation, any of the Organizational Documents B, or any judgment, decree, order or award of any court, governmental body or arbitrator applicable to the Vessel B Owning Subsidiary.

SECTION 5.19 Litigation.

(a) There is no action, suit or proceeding to which the Vessel B Owning Subsidiary is a party (either as a plaintiff or defendant) pending before any court or governmental agency, authority or body or arbitrator; there is no action, suit or proceeding threatened against the Vessel B Owning Subsidiary; and, to the best knowledge of CPLP, there is no basis for any such action, suit or proceeding;

(b) The Vessel B Owning Subsidiary has not been permanently or temporarily enjoined by any order, judgment or decree of any court or any governmental agency, authority or body from engaging in or continuing any conduct or practice in connection with its respective business, assets, or properties; and

(c) There is not in existence any order, judgment or decree of any court or other tribunal or other agency enjoining or requiring the Vessel B Owning Subsidiary to take any action of any kind with respect to its respective business, assets or properties.

SECTION 5.20 Indebtedness to and from Officers, etc. The Vessel B Owning Subsidiary will not be indebted, directly or indirectly, to any person who is an officer, director, stockholder or employee of CPLP or any spouse, child, or other relative or any affiliate of any such person, nor shall any such officer, director, stockholder, employee, relative or affiliate be indebted to the Vessel B Owning Subsidiary.

SECTION 5.21 Personnel. The Vessel B Owning Subsidiary has no employees.

SECTION 5.22 Contracts and Agreements. There are no material contracts or agreements, written or oral, to which the Vessel B Owning Subsidiary is a party or by which any of the assets of the Vessel B Owning Subsidiary are bound.

SECTION 5.23 Compliance with Law. The conduct of business by the Vessel B Owning Subsidiary does not and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any laws, statutes, ordinances, rules, regulations, decrees, orders, permits or other similar items in force (including, but not limited to, any of the foregoing relating to employment discrimination, environmental protection or conservation) of any country, province, state or other governing body, the enforcement of which would materially and adversely affect the business, assets, condition (financial or otherwise) or prospects of the Vessel B Owning Subsidiary taken as a whole, nor has the Vessel B Owning Subsidiary received any notice of any such violation.

SECTION 5.24 No Undisclosed Liabilities. The Vessel B Owning Subsidiary (and the Vessel B owned by it) has no liabilities or obligations of any nature, whether absolute, accrued, contingent or otherwise, and whether due or to become due (including, without limitation, any liability for Taxes and interest, penalties and other charges payable with respect to any such liability or obligation). Notwithstanding the foregoing, the Parties acknowledge and agree that there may be obligations under the Contracts B that are not due and payable as of the date hereof and that will be the responsibility of CPLP pursuant to Section 9.01(c) of this Agreement.

SECTION 5.25 Disclosure of Information. CPLP has disclosed to CMTC all material information on, and about, the Vessel B Owning Subsidiary and the Vessel and all such information is true, accurate and not misleading in any material respect. Nothing has been withheld from the material provided to CMTC which would render such information untrue or misleading.

SECTION 5.26 Payment of Taxes. The Vessel B Owning Subsidiary has filed all foreign, federal, state and local income and franchise tax returns required to be filed, which returns are correct and complete in all material respects, and has timely paid all taxes due from it, and the Vessel B is in good standing with respect to the payment of past and current Taxes, fees and other amounts payable under the laws of the jurisdiction where it is registered as would affect its registry with the ship registry of such jurisdiction.

SECTION 5.27 Permits. The Vessel B Owning Subsidiary has such Permits of, and has all declarations and filings with, and is qualified and in good standing in each jurisdiction of, all federal, provincial, state, local or foreign Governmental Authorities and other Persons, as are necessary to own or lease its properties and to conduct its business in the manner that is standard and customary for a business of its nature other than such Permits the absence of which, individually or in the aggregate, has not and could not reasonably be expected to materially or adversely affect the Vessel B Owning Subsidiary. The Vessel B Owning Subsidiary has fulfilled and performed all its obligations with respect to such Permits which are or will be due to have been fulfilled and performed by such date and no event has occurred that would prevent the Permits from being renewed or reissued or that allows, or after notice or lapse of time would allow, revocation or termination thereof or results or would result in any impairment of the rights of the holder of any such Permit, except for such non-renewals, non-issues, revocations, terminations and impairments that would not, individually or in the aggregate, materially or adversely affect the Vessel B Owning Subsidiary, and none of such Permits contains any restriction that is materially burdensome to the Vessel B Owning Subsidiary.

SECTION 5.28 No Material Adverse Change in Business. Since December 31, 2008, there has been no material adverse change in the condition, financial or otherwise, or in the earnings, properties, business affairs or business prospects of the Vessel B Owning Subsidiary, whether or not arising in the ordinary course of business, that would have or could reasonably be expected to have a material adverse effect on the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Vessel B Owning Subsidiary.

ARTICLE VI

(i) Representations and Warranties of CMTC regarding the Vessel A

CMTC represents and warrants to CPLP that as of the date hereof:

SECTION 6.01 Title to Vessel. (a) The Vessel A Owning Subsidiary is the owner (beneficially and of record) of the Vessel A and has good and marketable title to the Vessel.

SECTION 6.02 No Encumbrances. The Vessel A Owning Subsidiary and the Vessel A are free of all Encumbrances other than the Encumbrances arising under the Charter A.

SECTION 6.03 Condition. The Vessel A is (i) adequate and suitable for use by the Vessel A Owning Subsidiary in the manner that is standard and customary for a vessel of its type, ordinary wear and tear excepted; (ii) seaworthy in all material respects for hull and machinery insurance warranty purposes and in good running order and repair; (iii) insured against all risks, and in amounts, consistent with common industry practices; (iv) in compliance with maritime laws and regulations; and (v) in compliance in all material respects with the requirements of its class and classification society; and all class certificates of the Vessel are clean and valid and free of recommendations affecting class; and CPLP acknowledges and agrees that, subject only to the representations and warranties in this Agreement, it is acquiring the Vessel A on an "as is, where is" basis.

(ii) Representations and Warranties of CPLP regarding the Vessel B

CPLP represents and warrants to CMTC that as of the date hereof:

SECTION 6.04 Title to Vessel. (a) The Vessel B Owning Subsidiary is the owner (beneficially) of the Vessel B and has good and marketable title to the Vessel.

SECTION 6.05 No Encumbrances. The Vessel B Owning Subsidiary and the Vessel B are free of all Encumbrances.

SECTION 6.06 Condition. The Vessel B is (i) adequate and suitable for use by the Vessel B Owning Subsidiary in the manner that is standard and customary for a vessel of its type, ordinary wear and tear excepted; (ii) seaworthy in all material respects for hull and machinery insurance warranty purposes and in good running order and repair; (iii) insured against all risks, and in amounts, consistent with common industry practices; (iv) in compliance with maritime laws and regulations; and (v) in compliance in all material respects with the requirements of its class and classification society; and all class certificates of the Vessel are clean and valid and free of recommendations affecting class;

Notwithstanding the above it is agreed that the Vessel B shall be delivered to CMTC:

a) Free of cargo, hot washed and free of slops with gas free tanks together with a gas free certificate suitable for man entry, and

b) CMTC will have the right, at its own risk, time and expense, to carry out an inspection of the Vessel B's underwater parts by class approved divers. CPLP shall arrange at its own expense to have a class surveyor attending such diving inspection. If any damage is found to the Vessel's underwater parts which the Vessel B's classification society confirms is affecting the Vessel B's clean certificate of class, then CPLP shall repair such damage to the reasonable satisfaction of the Vessel B's class society and of CMTC, at CPLP's time and expense.

c) CPLP shall be responsible for repairs or renewals occasioned by latent defects in the Vessel B, her machinery or appurtenances, existing at the time of delivery under this Agreement, provided such defects have manifested themselves within six (6) months after delivery.

d) CPLP shall at its own cost supply the Vessel B with all parts for the proper and safe running of the Vessel B.

ARTICLE VII

Covenants

SECTION 7.01 Financial Statements.

(i) CMTC agrees to cause the Vessel A Owning Subsidiary to provide access to the books and records of the Vessel A Owning Subsidiary to allow CPLP's outside auditing firm to prepare at CPLP's expense any information, review or audit CPLP reasonably believes is required to be furnished or provided by CPLP pursuant to applicable securities laws. CMTC will (A) direct its auditors to provide CPLP's auditors access to the auditors' work papers and (B) use its commercially reasonable efforts to assist CPLP with any such information, review or audit and to provide other financial information reasonably requested by CPLP or its auditors, including the delivery by CMTC Entities of any information, letters and similar documentation, including reasonable "management representation letters" and attestations.

(ii) CPLP agrees to cause the Vessel B Owning Subsidiary to provide access to the books and records of the Vessel A Owning Subsidiary to allow CMTC's outside auditing firm to prepare at CMTC's expense any information, review or audit CMTC reasonably believes is required to be furnished or provided by CMTC pursuant to applicable securities laws. CPLP will (A) direct its auditors to provide CMTC's auditors access to the auditors' work papers and (B) use its commercially reasonable efforts to assist CMTC with any such information, review or audit and to provide other financial information reasonably requested by CMTC or its auditors, including the delivery by CPLP Entities of any information, letters and similar documentation, including reasonable "management representation letters" and attestations.

ARTICLE VIII

Amendments and Waivers

SECTION 8.01 Amendments and Waivers. This Agreement may not be amended except by an instrument in writing signed on behalf of each parties hereto. By an instrument in writing CPLP, on the one hand, or CMTC, on the other hand, may waive compliance by the other with any term or provision of this Agreement that such other party was or is obligated to comply with or perform.

ARTICLE IX

Indemnification

SECTION 9.01 Indemnity by the Parties.

CMTC shall be liable for, and shall indemnify CPLP and each of its subsidiaries and each of their directors, employees, agents and representatives (the "CPLP Indemnitees") against and hold them harmless from, any Losses, suffered or incurred by such CPLP Indemnitee:

(a) by reason of, arising out of or otherwise in respect of any inaccuracy in, or breach of, any representation or warranty (without giving effect to any supplement to the schedules or qualifications as to materiality or dollar amount or other similar qualifications), or a failure to perform or observe any covenant, agreement or obligation of, CMTC in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by CMTC;

(b) any fees, expenses or other payments incurred or owed by CMTC or the Vessel A Owning Subsidiary to any brokers, financial advisors or comparable other persons retained or employed by it in connection with the transactions contemplated by this Agreement; or

(c) by reason of, arising out of or otherwise in respect of obligations, liabilities, expenses, cost and claims relating to, arising from or otherwise attributable to the assets owned by the Vessel A Owning Subsidiary or the assets, operations, and obligations of the Vessel A Owning Subsidiary or the businesses thereof, in each case, to the extent relating to, arising from, or otherwise attributable to facts, circumstances or events occurring prior to the Closing Date.

CPLP shall be liable for, and shall indemnify CMTC and each of its subsidiaries and each of their directors, employees, agents and representatives (the "CMTC Indemnitees") against and hold them harmless from, any Losses, suffered or incurred by such CMTC Indemnitee:

(a) by reason of, arising out of or otherwise in respect of any inaccuracy in, or breach of, any representation or warranty (without giving effect to any supplement to the schedules or qualifications as to materiality or dollar amount or other similar qualifications), or a failure to perform or observe any covenant, agreement or obligation of, CPLP in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by CPLP;

(b) any fees, expenses or other payments incurred or owed by CPLP or the Vessel B Owning Subsidiary to any brokers, financial advisors or comparable other persons retained or employed by it in connection with the transactions contemplated by this Agreement; or

(c) by reason of, arising out of or otherwise in respect of obligations, liabilities, expenses, cost and claims relating to, arising from or otherwise attributable to the assets owned by the Vessel B Owning Subsidiary or the assets, operations, and obligations of the Vessel B Owning Subsidiary or the businesses thereof, in each case, to the extent relating to, arising from, or otherwise attributable to facts, circumstances or events occurring prior to the Closing Date.

SECTION 9.02 Exclusive Post-Closing Remedy. After the Closing, and except for any non-monetary, equitable relief to which any Party may be entitled, or any remedies for willful misconduct or actual fraud, the rights and remedies set forth in this Article IX shall constitute the sole and exclusive rights and remedies of the Parties under or with respect to the subject matter of this Agreement.

ARTICLE X

Miscellaneous

SECTION 10.01 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and to be performed wholly within such jurisdiction without giving effect to conflict of law principles thereof other than Section 5-1401 of the New York General Obligations Law, except to the extent that it is mandatory that the law of some other jurisdiction, wherein the Vessel is located, shall apply.

SECTION 10.02 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same instrument.

SECTION 10.03 Complete Agreement. This Agreement and Schedules hereto contain the entire agreement between the parties hereto with respect to the transactions contemplated herein and, except as provided herein, supersede all previous oral and written and all contemporaneous oral negotiations, commitments, writings and understandings.

SECTION 10.04 Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 10.05 Severability. If any of the provisions of this Agreement are held by any court of competent jurisdiction to contravene, or to be invalid under, the laws of any governmental body having jurisdiction over the subject matter hereof, such contravention or invalidity shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain the particular provision or provisions held to be invalid, and an equitable adjustment shall be made and necessary provision added so as to give effect, as nearly as possible, to the intention of the Parties as expressed in this Agreement at the time of execution of this Agreement.

SECTION 10.06 Third Party Rights. Except to the extent provided in Article IX, a Person who is not a party to this Agreement has no right to enforce or to enjoy the benefit of any term of this Agreement.

SECTION 10.07 Notices. Any notice, claim or demand in connection with this Agreement shall be delivered to the parties at the following addresses (or at such other address or facsimile number for a party as may be designated by notice by such party to the other party):

(a) if to Capital Maritime & Trading Corp., as follows:

c/o Capital Ship Management Corp., 3 Iassonos Street, Piraeus, Greece
Attention: Nikolaos Syntichakis
Facsimile: +30 210 428 4286

(b) if to Capital Product Partners L.P., as follows:

c/o Capital Ship Management Corp., 3 Iassonos Street, Piraeus, Greece
Attention: Ioannis E. Lazaridis
Facsimile: +30 210 428 4285

and any such notice shall be deemed to have been received (i) on the next working day in the place to which it is sent, if sent by facsimile or (ii) forty eight (48) hours from the time of dispatch, if sent by courier.

SECTION 10.08 Representations and Warranties to Survive. All representations and warranties of CPLP and CMTC contained in this Agreement shall survive the Closing and shall remain operative and in full force and effect after the Closing, regardless of (a) any investigation made by or on behalf of any Party or its affiliates, any Person controlling any Party, its officers or directors, and (b) delivery of and payment for the Shares.

SECTION 10.09 Remedies. Except as expressly provided in Section 9.02, the rights, obligations and remedies created by this Agreement are cumulative and in addition to any other rights, obligations or remedies otherwise available at law or in equity. Except as expressly provided in this Agreement, nothing in this Agreement will be considered an election of remedies.

SECTION 10.10 Non-recourse to General Partner. Neither CPLP's general partner nor any other owner of Equity Interests in CPLP shall be liable for the obligations of CPLP under this Agreement or any of the related transaction documents, including, in each case, by reason of any payment obligation imposed by governing partnership statutes.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be signed as of the date first above written.

CAPITAL MARITIME & TRADING CORP.

By: /s/ Evangelos M. Marinakis
Name: Evangelos M. Marinakis
Title: President and Chief Executive Officer

CAPITAL PRODUCT PARTNERS L.P.
By: Capital GP L.L.C., its general partner

By: /s/ Ioannis E. Lazaridis
Name: Ioannis E. Lazaridis
Title: Chief Executive Officer and Chief Financial Officer of Capital GP, L.L.C.

Exhibit 8.1

LIST OF SIGNIFICANT SUBSIDIARIES

The following is a list of Capital Product Partners L.P.'s significant subsidiaries as at December 31, 2009:

Name of Subsidiary	Jurisdiction of Incorporation	Proportion of Ownership Interest
Capital Product Operating GP L.L.C.	Republic of The Marshall Islands	100%

Exhibit 12.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Ioannis E. Lazaridis, certify that:

1. I have reviewed this annual report on Form 20-F of Capital Product Partners L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules
13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: February 4, 2010

By: /s/ Ioannis E. Lazaridis
Name Ioannis E. Lazaridis
Title: Chief Executive Officer

Exhibit 12.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Ioannis E. Lazaridis, certify that:

1. I have reviewed this annual report on Form 20-F of Capital Product Partners L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules
13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: February 4, 2010

By: /s/ Ioannis E. Lazaridis
Name: Ioannis E. Lazaridis
Title: Chief Financial Officer

Exhibit 13.1

Certification Pursuant to
18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the annual report on Form 20-F of Capital Product Partners L.P., a master limited partnership organized under the laws of the Republic of The Marshall Islands (the “Company”), for the period ending December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 4, 2010

By: /s/ Ioannis E. Lazaridis
Name: Ioannis E. Lazaridis
Title: Chief Executive Officer and Chief Financial Officer

Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-153274 on Form F-3 of our reports dated February 4, 2010, relating to the consolidated and combined financial statements of Capital Product Partners L.P. (the "Partnership") (which report expresses an unqualified opinion and includes explanatory paragraphs relating to: 1) the formation of Capital Product Partners L.P. and the preparation of the combined financial statements attributable to the period through April 4, 2007 from the separate records maintained by Capital Maritime & Trading Corp., 2) the preparation of the portion of the combined financial statements attributable to the Ross Shipmanagement Co., Baymont Enterprises Incorporated, Forbes Maritime Co., Mango Finance Co., and Navarro International S.A., prior to the vessels' acquisition by the Partnership, from the separate records maintained by Capital Maritime & Trading Corp., and 3) the retroactive adjustments to previously issued combined financial statements resulting from transactions between entities under common control) and management's report on the effectiveness of the Partnership's internal control over financial reporting, appearing in this Annual Report on Form 20-F of the Partnership for the year ended December 31, 2009.

/s/ Deloitte. Hadjipavlou, Sofianos & Cambanis S.A.

Athens, Greece
February 4, 2010