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, 2010

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 and company contact person)

Ioannis E. Lazaridis, i.lazaridis@capitalpplp.com
(Name and Email of company 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.

37,946,183 Common Units
774,411 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 o by the International Accounting Standards Board**	**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 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", 220;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;*
- *tanker market conditions and fundamentals, including the balance of supply and demand in the markets in which we operate;*
- *future charter hire rates and vessel values;*
- *anticipated future acquisition of vessels from Capital Maritime & Trading Corp. ("Capital Maritime") 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 ability of our customers to meet their obligations under the terms of our charter agreements, including the timely payment of the rates under the agreements;*
- *the financial viability and sustainability of our customers;*
- *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 our 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;*
- *changes in the funding costs due to our banks;*
- *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 charterers and to recharter 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 Capital GP L.L.C., our general partner;*
- *increases in costs and expenses under our management agreement following expiration and/or renewal of such agreement in connection with certain of our vessels;*
- *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 "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.

A. Selected Financial Data

We have derived the following selected historical financial and other data for the three years ending December 31, 2010, from our audited consolidated financial statements for the years ended December 31, 2010, 2009 and 2008 (the "Financial Statements") respectively, appearing elsewhere in this Annual Report. The historical financial data presented for the years ended December 31, 2007 and 2006 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, 2007 and 2006 are not comparable to our financial statements for the years ended December 31, 2010, 2009 and 2008. Our initial public offering on April 3, 2007, and certain other transactions that occurred thereafter, including the delivery or acquisition of thirteen additional vessels, the exchange of two vessels, the new charters for our vessels, 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 eight of the vessels in our current fleet had been delivered to Capital Maritime and only two were in operation for the full year. 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:—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, 2010 (1)	Year Ended Dec. 31, 2009 (1)	Year Ended Dec. 31, 2008 (1)	Year Ended Dec. 31, 2007 (1)	Year Ended Dec. 31, 2006 (1)
Income Statement Data:					
Revenues	$ 113,562	$ 134,519	$ 147,617	$ 98,730	$ 33,976
Revenues – related party	11,030	–	–	–	–
Total revenues	124,592	134,519	147,617	98,730	33,976
Expenses:					
Voyage expenses (2)	7,009	3,993	5,981	6,238	3,103
Vessel operating expenses—related–party (3)	30,261	30,830	26,193	12,958	1,319
Vessel operating expenses (3)	1,034	2,204	5,682	7,894	6,891
General and administrative expenses	3,506	2,876	2,817	1,477	–
Depreciation and amortization	31,464	30,685	26,581	16,759	4,819
Total operating expenses	73,274	70,588	67,254	45,326	16,132
Operating income	51,318	63,931	80,363	53,404	17,844
Interest expense and finance costs	(33,259)	(32,675)	(26,631)	(14,792)	(6,510)
Loss on interest rate swap agreement	–	–	–	(3,763)	–
Interest and other income	860	1,460	1,254	711	13
Foreign currency gain/(loss), net	–	–	–	(56)	(78)
Net income	$ 18,919	$ 32,716	$ 54,986	$ 35,504	$ 11,269
Less:					
Net income attributable to CMTC operations:	983	3,491	4,219	13,933	11,269
Partnership's net income	**17,936**	**29,225**	**50,767**	**21,571**	–
General partner's interest in our net income	359	584	13,485	431	–
Limited partners' interest in our net income	17,577	28,641	37,282	21,140	–
Net income allocable to limited partner per (4):					
Common unit (basic and diluted)	0.54	1.15	1.56	1.11	–
Subordinated unit (basic and diluted)	–	1.17	1.50	0.70	–
Total unit (basic and diluted)	0.54	1.15	1.54	0.95	–
Weighted–average units outstanding (basic and diluted):					
Common units	32,437,314	23,755,663	15,379,212	13,512,500	–
Subordinated units	–	1,061,488	8,805,522	8,805,522	–
Total units	32,437,314	24,817,151	24,184,734	22,318,022	–
Balance Sheet Data (at end of period)**:**					
Vessels, net and under construction	$ 707,339	$ 703,707	$ 750,815	$ 569,223	$ 262,972
Total assets	758,252	760,928	821,907	608,627	276,666
Total partners' capital / stockholders' equity (6) (7)	239,760	188,352	214,126	209,274	71,458
Number of shares/units	38,720,594	25,323,623	25,323,623	22,773,492	5,700
Common units	37,946,183	24,817,151	16,011,629	13,512,500	–
Subordinated units (5)	–	–	8,805,522	8,805,522	–
General Partner units	774,411	506,472	506,472	455,470	–
Dividends declared per unit	$ 1.09	$ 2.27	$ 1.62	$ 0.75	–
Cash Flow Data:					
Net cash provided by operating activities	50,051	72,562	76,956	55,475	11,725
Net cash used in investing activities	(79,202)	(55,770)	(270,003)	(335,696)	(197,391)
Net cash provided by / (used in) financing activities	58,070	(56,389)	216,277	298,901	186,898

(1) The amount of historical earnings per unit for:
- a) the year ended December 31, 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,
- e) the years ended December 31, 2007, 2008 and 2009 and for the period from January 1, 2010 to June 29, 2010 for the M/T Alkiviadis, and
- f) the period from April 13, 2009 to December 31, 2009 and from January 1, 2010 to February 28, 2010 for the M/T Atrotos, 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 accounting guidance newly available at the time 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 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. According to the two class method, the portion of net income allocated to nonvested shares reduces the net income available to common unitholders.

(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 8: Financial Information—Termination of the Subordination Period" for additional information.

(6) In February and August 2010 we successfully completed two equity offerings of 6,281,578 and 6,052,254 common units, which include the partial exercise of the underwriters' overallotment option of 481,578 and 552,254 common units, respectively. During the same periods we issued, in exchange for cash, 128,195 and 123,515 general partner units, respectively, to our General Partner in order for it to maintain its 2% interest in us.

(7) On August 31, 2010, we issued either directly or through our general partner, 795,200 restricted units to the members of our board of directors, to all employees of our general partner, our manager, Capital Maritime and certain key affiliates and other eligible persons. Please read "Item 6E: Share Ownership—Omnibus Incentive Compensation Plan" and Note 13 (Omnibus Incentive Compensation Plan) to our Financial Statements included herein for additional information.

B. Capitalization and Indebtedness.

Not applicable.

C. Reasons for the Offer and Use of Proceeds.

Not applicable.

D. 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 recent 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, the second half of 2008, the year 2009 and parts of 2010 were marked by a major economic slowdown which has had, and is expected to continue to have, a significant impact on world trade, including the oil trade. Demand for oil and refined petroleum products contracted sharply as a result of the global economic slowdown, which in combination with the diminished availability of trade credit, deteriorating international liquidity conditions and declining financial markets, led to decreased demand for tanker vessels, creating downward pressure on charter rates. This economic downturn also affected ves sel values overall. Despite certain indications of recovery during 2010 and continual upward revisions of expected global oil demand growth for 2011, there has not been a material increase in demand for product tankers or in charter rates and global economic conditions remain fragile with significant uncertainty remaining with respect to recovery prospects, levels of recovery and long term effects. Such upward revisions are primarily based on increased demand from countries not part of the Organization for Economic Co-operation and Development ("OECD") such as China and India, and if economic growth in these countries slows global oil demand may be significantly affected. See "Item 4B: Business Overview—The International Product Tanker Industry". If these global economic conditions persist 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 deterioration of the current economic and market conditions or a negative change in global economic conditions or the product tanker market 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.

Charter rates for tanker vessels are highly volatile and are currently near historically low levels and may further decrease in the future, which may adversely affect our earnings and ability to make cash distributions.

We currently charter two vessels in the spot charter market and the charters of seven of our 21 vessels are scheduled to expire during 2011. We may only be able to recharter these vessels at reduced or unprofitable rates as their current charters expire, or we may not be able to recharter these vessels at all. Throughout 2010 the period charter market was, and continues to be, at close to historically low levels throughout 2010 and the majority of our vessels which entered into new charters during this period were rechartered at rates lower than their original charters. In the event the current low rate environment continues and charterers do not display an increased interest in chartering vessels for longer periods at improved rates, we may not be able to obtain competitive rates for our vessels and our earnings may be adversely affected.

Alternatively, we may have to deploy these vessels in the spot market, which, although common in the tanker industry, is cyclical and highly volatile, with rates fluctuating significantly based upon demand for oil and oil products and tanker supply, amongst others. In the past, the spot charter market has also experienced periods when spot rates have declined below the operating cost of vessels. 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 e xperience delays in realizing the benefits from such increases.

The demand for period charters may not increase and the tanker charter market may not significantly recover over the next several months or may decline further. The occurrence of any of these events could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to meet our obligations and to make cash distributions.

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 recent global economic downturn has severely affected the world economy and the prospects for recovery, especially in the OECD countries, remain unc ertain. Currently, growth for demand for oil products is mainly from developing countries such as China and India and a slowdown in these countries' economies may severely affect global oil demand growth, and 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 amounts of cash we will have available for distribution will also 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;
- our ability to service our debt and, when the non-amortizing period expires in as early as June 2012, to refinance our existing indebtedness or, in the event such indebtedness is not refinanced, our obligation to make principal payments under our credit facilities starting in September 2012;
- 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 supply for oil and oil products which is influenced by, amongst others:
    - international economic activity;
    - geographic changes in oil production, processing and consumption;
    - oil price levels;
    - inventory policies of the major oil and oil trading companies;
    - competition from alternative sources of energy; and
    - strategic inventory policies of countries such as the United States, China and India.
- the demand for 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;
- lower levels of demand for the seaborne transportation of refined products and crude oil;
- increases 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 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.

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

The market supply of tankers is affected by a number of factors such as demand for energy resources, oil and petroleum products, level of charterhire rates, as well as strong overall economic growth in parts of the world economy, including Asia, and has been increasing as a result of the delivery of substantial newbuilding orders over the last few years. Newbuildings were delivered in significant numbers starting at the beginning of 2006 and continued to be delivered in significant numbers through to 2010 and 2011. In addition, it is estimated by Clarkson Research Services Limited, Shipping Intelligence Weekly,that the newbuilding order book, which extends to 2014, equaled approximately 28% of the existing world tanker fleet and the order book may increase further in proportion to the existing fleet. If the capacity of new ships deliv ered exceeds the capacity of tankers being scrapped and lost, tanker capacity will increase. If the supply of tanker capacity increases and if the demand for tanker capacity does not increase correspondingly, charter rates and asset values could materially decline. If such a 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. A reduction in charter rates and the value of our vessels may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to make cash distributions.

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. Over the last several years, the frequency of piracy incidents has increased significantly, particularly in the Gulf of Aden off the coast of Somalia and towards the Mozambique Canal in the North Indian Ocean. For example, in April 2010, the M/V Samho Dream, a tanker vessel not affiliated with us, was captured by pirates in the Indian Ocean off the Somali Coast while carrying crude oil estimated to be worth $170.0 million. The vessel was in waters not normally known to be high risk seas for pirate attacks and was only released in November 2010 reportedly following a ransom payment in an undisclosed amount. On January 15, 2011, the M/V Samho Jewelry, a tanker vessel not affiliated with us, was pirated off the coast of Oman and was released following military action on January 21, 2010. According to EUNAVFOR there are now approximately 29 vessels and 693 hostages being held by pirates off the coast of Somalia and the average duration any vessel is held has increased. .

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 following consultation with regulatory authorities, could increase in such circumstances. 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. We may not be adequat ely 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 as well as resulting in increased costs and decreased cash flows to our customers impairing their ability to make payments to us under our charters.

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, which is scheduled to expire (at the earliest) for seven of our vessels during 2011 and an additional four during 2012, , is not renewed or is materially amended, we may have to separately deduct estimated capital expenditures associated with drydocking from our operating surplus in additi on 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 ca pital expenditures exceed our previous estimates.

If the contraction of the global credit markets and the resulting volatility in the financial markets continues or worsens, it may have a material adverse impact on our results of operations and on our ability to obtain bank financing and/or to access the capital markets for future debt or equity offerings. 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, or pursue other potential growth opportunities.

Since 2008, a number of major 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 financial turmoil affecting the world's debt, credit and capital markets, and the general decline in the willingness by banks and other financial institutions to extend credit, particularly in the shipping industry due to the historically low asset values of ships. Given these conditions, the ability of banks and credit institutions to finance new projects, including the acquisition of ne w vessels in the future, is uncertain. 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.

Furthermore, 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, including weakened demand for, and increased supply of, product tankers, 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. During 2010 we were successful in accessing the capital markets twice and issued 5,800,000 and 5,500,000 common units, respectively, the proceeds of which were u sed to expand our fleet and acquire two additional M/R product tankers, but continued access to the capital markets is not assured. If we are unable to obtain additional credit or draw down upon borrowing capacity, it may negatively impact our ability to fund current and future obligations. In addition, the severe deterioration in the banking and credit markets has resulted in potentially higher interest costs and overall limited availability of liquidity, which may further affect our ability to complete any future purchases of vessels from Capital Maritime or from third parties or to refinance our debt. Our failure to obtain the funds for necessary future capital expenditures and for the refinancing of our debt could also have a material adverse impact on our business, results of operations and financial condition, our ability to grow and make cash distributions and could cause the mar ket price of our common units to decline.

Disruptions in world financial markets and further 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 decline.

Since 2008, 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 emergencie s and may affect permanent changes in law or interpretations of existing laws. Any changes to securities, tax, environmental, or the laws of regulations, could have a material adverse effect on our results of operations, financial condition or cash flows and could cause the market price of our common units to decline.

A limited number of financial institutions hold our cash including financial institutions located in Greece.

A limited number of financial institutions, including institutions located in Greece, will hold all of our cash. Our bank accounts have been deposited from time to time with banks in Germany, United Kingdom, Norway and Greece amongst others. Of these financial institutions located in Greece, some are subsidiaries of international banks and others are Greek financial institutions. These balances are not covered by insurance in the event of default by these financial institutions. The occurrence of such a default could have a material adverse effect on our business, financial condition, results of operations and cash flows, and we may lose part or all of our cash that we deposit with such banks.

Our debt levels may limit our flexibility in obtaining additional financing, pursuing other business opportunities and paying distributions to you. In the event we are not able to refinance our debt, following the end of the relevant non-amortizing periods we will need to make principal payments which may have a material adverse impact on our ability to make distributions.

We entered into a $370.0 million revolving credit facility on March 22, 2007, as amended, (the "2007 facility"), and a further $350.0 million revolving credit facility on March 19, 2008, as amended (the "2008 facility" and together with the 2007 facility, our "credit facilities"). The 2007 facility is non-amortizing until June 2012 and the 2008 facility is non-amortizing until March 2013. As of December 31, 2010, we had drawn $366.5 million under the 2007 facility and $107.5 million under the 2008 facility, and had $3.5 and $242.5 million available, respectively. For more information regarding the terms of our credit facilities, please read "Item 5B: Liquidity and Capital Resources—Borrowings—Revolving Credit Facilities" below. In the future we may incur additional indebtedness, the level of which will have several important effects on our future operations, including, without limitation, 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 and, when the non-amortizing period expires in as early as June 2012, to refinance our existing indebtedness or, in the event such indebtedness is not refinanced, our obligation to make principal payments under our credit facilities starting in September 2012, 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. In the event we are not able to refinance our existing debt obligations, or if our operating results are not sufficient to service our current or future indebtedness, or to make relevant principal repayments if necessary, we may be forced to take actions such as reducing or eliminating distributions, reducing or del aying 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. In the event we cannot make relevant interest or principal payments we may be in default under the terms of our credit facilities, which would materially affect our business and operations.

Our credit facilities contain, and we expect that any new or amended 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 new or amended credit facility we enter into in the future 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 collateralized 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").

In addition, 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 (the "collateral maintenance"). The interest margin of our credit facilities increased from 1.35% to 1.45% over LIBOR in connection with an amendment to the facilities in 2009. Although we were in compliance with these financial debt covenants as of December 31, 2010, our ability to comply with the covenants and restrictions contained in our credit facilities may be affected by events beyond our control, including prevailing economic, financial and industry conditions, interest rate developments, changes in the funding costs of our banks and changes in asset valuations. If market or other economic conditions further deteriorate or fail to improve, 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 recent global economic downturn has had an adverse effect on tanker asset values which is likely to persist if the economic slowdown resumes. 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. 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 strat egy which could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions.

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' commitments to make further loans to us may terminate. We may also be unable to execute 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 ag reement 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 execute 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 recent global economic downturn has had an adverse effect on tanker asset values which is likely to persist if the economic slowdown resumes. 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.

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: Management's Discussion and Analysis of Financial Condition and Results of Operations" below.

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, 2010, BP Shipping Limited, Morgan Stanley Capital Group Inc. and subsidiaries of Overseas Shipholding Group Inc accounted for 49%, 11% and 11% of our revenues, respectively, as compared to 54%, 20% and 11% of our revenues, respectively for the year ended December 31, 2009. For the year ended December 31, 2008 BP Shipping Limited and Morgan Stanley Capital Group Inc., accounted for 48% and 29%, respectively. 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 rechartered, 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.

Our largest customer, BP Shipping, may be materially adversely affected by the oil leak in the Gulf of Mexico. The oil leak also may result in additional or changes to existing regulation that could result in additional costs to us or expose us to additional liabilities.

Our largest customer, BP Shipping, is an affiliate of BP p.l.c. ("BP"). BP and its affiliates may be materially adversely affected by the explosion onboard the semisubmersible drilling rig Deepwater Horizon in the Gulf of Mexico in April 2010 and the resulting oil leak from a well being operated by an affiliate of BP and in which such affiliate had a majority working interest. Eight of our vessels are currently chartered to BP Shipping. BP Shipping accounted for approximately 54% and 49% of our revenues for the year ended December 31, 2009 and the year ended December 31, 2010, respectively.

On November 2, 2010, BP announced that, in addition to the $32.2 billion pre-tax charge it had previously announced in July 2010 to reflect the impact of the Gulf of Mexico oil spill, it had taken an additional pre-tax charge of $7.7 billion, reaching a total pre-tax charge of $39.9 billion, which represented its best estimate of reliably measurable costs at the time. Costs incurred relating to the Gulf of Mexico oil spill were $11.6 billion in total, and BP also incurred a headline replacement cost profit for the quarter ended September 30, 2010 of $1.8 billion compared with a loss of $17.0 billion in the previous quarter. BP had previously announced the funding of a $20.0 billion escrow fund and its intention to sell assets for up to $30.0 billion, primarily in the upstream business, and announced that it had sales agreements in pla ce totaling approximately $14.0 billion. Although BP has announced that these asset dispositions will be primarily focused in BP's exploration and production business, such dispositions and continued losses, or failure on the part of BP to have accurately predicted such losses and future costs, could materially adversely affect BP generally and could, in turn, have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to meet our obligations and to make cash distributions.

In addition, in response to the Deepwater Horizon incident, the United States Congress is considering proposals that could result in additional and/or changes to existing regulation applicable to our operations. For example, bills have been introduced in both houses of the U.S. Congress that propose, among other things, to increase the limits of liability under the Oil Pollution Act of 1990 for all vessels, including tanker vessels. These proposals also address requirements for disaster response planning. If these or other bills are adopted, we could be subject to increased liabilities in the event of a disaster and/or increased operating costs.

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—Selected agreements entered into during the year ended December 31, 2007—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.

Five of our 21 vessels are currently under charter with 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 has been negatively affected by the economic downturn and in certain cases industry participants have postponed or cancelled 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, cash flows 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 t erm 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 either Capital Maritime or 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 of vessels or other shipping businesses may harm our business, financial condition and operating results and ability to make cash distributions.

Our growth strategy focuses on a gradual expansion of our fleet. We may also pursue opportunities for acquisitions of, or combinations with, other shipping businesses. Any acquisition of a vessel or business 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;
- incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges; or
- not be able to service our debt or make cash distributions.

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.

If we purchase and operate secondhand vessels, we will be exposed to increased operating costs which could adversely affect our earnings and, as our fleet ages, the risks associated with older vessels could adversely affect our ability to obtain profitable charters.

Our current business strategy includes additional growth through the acquisition of new and secondhand vessels. While we typically inspect secondhand vessels prior to purchase, this does not provide us with the same knowledge about their condition that we would have had if these vessels had been built for and operated solely by us. Generally, we do not receive the benefit of warranties from the builders for the secondhand vessels that we acquire. Our fleet has an average age of approximately 4.6 years as of January 31, 2011. In general the costs to maintain a vessel in good operating condition increase with the age of the vessel. Older vessels are typically less fuel efficient than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates also increase with the age of a vessel making older vesse ls less desirable to charterers.

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 newbuildings we have acquired since our initial public offering on the Nasdaq Global market on April 3, 2007 (the "IPO") had all been contracted directly by Capital Maritime and all costs for the construction and delivery of such vessels have been 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 ma de 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 any additional vessels or businesses we acquire in the future 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 in the future, we generally will be required to make significant installment payments for such acquisitions prior to their delivery and generation of any 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, 2010, our fleet consisted of 21 vessels, only eight 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 to finance the acquisition of a vessel or business, your ownership interest in us will be diluted. Please read "Risks Inherent in an Investment in Us—We may issue additional equity securities without your approval, which would dilute your ownership interest" be low.

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 a business or 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.

Delays in deliveries, 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.

The vessels that currently make up our fleet, as well as the remaining vessel we may purchase from Capital Maritime under our omnibus agreement, have been 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 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 coul d 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. 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, in certain cases, not been in operation for meaningful periods of time. 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.

Political and government 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. In particular, we derive a portion of our revenues from shipping oil and oil products from politically unstable regions 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. Past political efforts to disrupt shipping in these regions, particularly in the Arabian Gulf, have included attacks on ships and mining of waterways. 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, the current conflicts in Iraq and Afghanistan and other current and future conflicts and the continuing response of t he 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 negatively impact the US and world economy, potentially leading to an economic recession. 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.

Furthermore, 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. 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.

If our vessels call on ports located in countries that are subject to restrictions imposed by the United States government, it could adversely affect our reputation and the market for our common units.

From time to time, the charterers that operate our vessels may arrange for vessels in our fleet may call on ports located in countries subject to sanctions and embargoes imposed by the United States government and countries identified by the United States government as state sponsors of terrorism. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. In 2010, the U.S. enacted the Comprehensive Iran Sanctions Accountability and Divestment Act ("CISADA"), which expanded the scope of the former Iran Sanctions Act. Among other things, CISADA expands the application of the prohibitions to non-U.S. persons, such as our partner ship, and introduces limits on the ability to do business or trade with Iran when such activities relate to the investment, supply or export of refined petroleum or petroleum products.

Although these sanctions and embargoes do not prevent our vessels from making calls to ports in these countries, potential investors could view such port calls negatively, which could adversely affect our reputation and the market for our common units. Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in our units. Additionally, some investors may decide to divest their interest, or not to invest, i n us simply because we do business with companies that do business in sanctioned countries. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. Investor perception of the value of our units may also be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

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.

Compliance with safety and other vessel requirements imposed by classification societies may be costly and could reduce our net cash flows and net income.

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, a cost which is undertaken by our manager under the terms of our management agreement.

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 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. Not all risks can be adequately insured against and any particular claim may not be paid for any number of reasons. We do not currently maintain off-hire insurance, covering loss of revenue during extended vessel off-hire periods such as may occur whilst a vessel is under repair. Accordingly, any extended vessel off-hire due to an accident or otherwise, could have a materially adverse effect on our business and our ability to pay distributions to our unitholders. Claims covered by insurance are subject to deductibles and since it is possible that a large number of claims may arise, 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 memb er 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, resulting in potential unbudgeted supplementary liability to fund claims made upon us." 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 lo ss 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, resulting in potential unbudgeted supplementary liability to fund claims made upon us.

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 proportionately to cover losses sustained by all the association's 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 Assoc iations with which our P&I Association has entered into pooling 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. 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 wi th 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 r egard 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, recent amendments to MARPOL regulations regarding the prevention of air pollution from ships establish a series of progressive standards to further limit the sulphur content in fuel oil, which will be phased in through 2020, and new tie rs of nitrogen oxide ("NOx") emission standards for new marine diesel engines, depending on their date of installation. Additionally, more stringent emission standards apply in the coastal areas designated as Emission Control Areas, including the Baltic Sea, the North Sea, and the United States and Canadian coastal 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, 2010, 27 states, representing approximately 25.2% 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. A meeting of the G8 to discuss such matters took 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, results of operations, cash flows and financial condition

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 a sserted 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— Selected agreements entered into during the year ended December 31, 2007—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. We do not currently have any outstanding subordinated units. 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 pr ovisions 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. Currently, 25,846,332 common units are owned by public unitholders, representing a 66.8% common unitholder interest in us.

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 31.2% 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 significant 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 31.2% 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 Maritim e 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 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" 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 29.8% 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.

Capital Maritime currently owns 11,304,651 common units, or 29.8% of our total common units. Following the termination of the subordination period in February 2009 and the resulting conversion of all of our outstanding subordinated units to common units, the affirmative vote of a majority of common units (or in certain cases a higher percentage), 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 such conversion, any shortfall in the payment of the quarterly distribution was borne first by the owners of the subordinated units. Following such conversion the risk is now borne by our common unitholders, including Capital Maritime, equally.

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. In addition, Capital Maritime, which holds 11,304,651 common units representing 29.8% of our common units and is our largest unitholder, may propose amendments to the partnership agreement that may favor its interests over yours and which may change or limit your rights under the partnership agreement.

Fees and cost reimbursements paid by us to Capital Ship Management for services provided to us and certain of our subsidiaries will be substantial, may fluctuate and will reduce our cash available for distribution to you. Such fees and cost reimbursements, the amount of which is determined by Capital Ship Management, may increase as vessel costs continue 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 extraordinary 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 "extraordinary fees"). For the year ended December 31, 2010 such fees amounted to approximately $2.0 million, compared to $3.0 million and $1.0 million for the years ended December 31, 2009 and 2008, respectively. 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 IPO, 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.

Our management agreement with Capital Ship Management is scheduled to expire (at the earliest) for seven of our vessels during 2011 and for an additional four during 2012. At such time, and in the event any new vessels are acquired, 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 materially 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 condition and age of our vessels, costs of crews for our time chartered vessels and insuran ce, 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.

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 and Crude Carriers Corp., an affiliate 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 genera l 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 elect ion 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.

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 below a specified threshold, 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 if general partner and its affiliates own sufficient units to be able to prevent such 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, 2010, Capital Maritime owned a 31.2% interest in us, including 11,304,651 common units and a 2% interest in us through its ownership of our general partner while 66.8% of our common units were owned by public unitholders.

- 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.
- 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 h olding 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.

One 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. 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. There are currently no outstanding subordinated units. As of December 31, 2010 Capital Maritime owned 11,304,651 common units registered under our Registration Statement on Form F-3 dated August 29, 2008, as amended (the "Form F-3"), 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 your approval, which would dilute your 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. During 2010 we financed the acquisition of two vessels from Capital Maritime through the issuance of additional common units through public offerings under our Form F-3. Previously we financed a portion of the purchase price of two non-contracted vessels we acquired from Capital Maritime during the first half of 2008 through the issuance of additional common units directly to Capital Maritime. In addition, in August 2010, we issued a total of 795,200 restricted common units under our Omnibus Incentive Compensation Plan adopted in April 2008, as amended. 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 you.

Our partnership agreement requires our board of directors 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. Our board of directors may also establish reserves for distributions on any future subordinated units, but only if those reserves will not prevent us from distributing the minimum quarterly distribution, plus any arrearages, on the common units for the following four quarters. We currently do not have any subordinated units outstanding. As described above in "—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 ad dition, 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 you to sell your 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, you may be required to sell your common units or subordinated units at an undesirable time or price and may not receive any return on your investment. You may also incur a tax liability upon a sale of your units.

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

As a limited partner in a partnership organized under the laws of the Marshall Islands, you could be held liable for our obligations to the same extent as a general partner if you participate in the "control" of our business. Our general partner generally has unlimited liability for the obligations of the partnership, such as its debts and environmental liabilities, except for those contractual obligations of the partnership that are expressly made without recourse to our general partner. In addition, the limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some jurisdictions in which we do business. Please read "The Partnership Agreement—Limited Liability" in our Registration Statement on Form F-1 filed with the SEC on March 19, 2007, for a more detailed discussion of the implications of the limitations on liability to a unitholder.

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

Our partnership agreement allows us to make working capital borrowings to pay distributions. Accordingly, 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: 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 you if the distribution would cause our liabilities to exceed the fair value of our assets. Marshall Islands law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Marshall Islands law will be liable to the limited partnership for the distribution amount. Assignees who become substituted limited partners are liable for the obligations of the assignor to make contributions to the partnership that are known to the assignee at the time it became a limited partn er 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 incurred, and may continue to incur significant costs in complying with the requirements of the U.S. 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.

We completed our IPO on the Nasdaq Global Market on April 3, 2007. 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 of 2002, the SEC and the Nasdaq Global Market, on which our common units are listed. Section 404 of the U.S. 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 ou r 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 th ese 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 it s 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 you 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 you believe that your rights have been infringed under securities laws or otherwise, including judgm ents predicated upon the civil liability provisions of the securities laws of the United States or any state of the United States. Even if you are successful in bringing an action of this kind there is 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 if (x) 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 per formance of services does not constitute "passive income". U.S. persons who own shares 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 shares in the PFIC.

Based on our current and projected method of operation, we believe that we are not currently a PFIC and we do not expect to become a PFIC in the future. We intend to treat our income from time 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. 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 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 enactment of previously proposed legislation could affect whether dividends paid by us constitute qualified dividend income eligible for the preferential rate.

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—Distributions" here in 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% of the gross shipping income of a vessel-owning or chartering corporation that is attributable to transportation that either begins or ends, but that does not both begin and end, in the U.S. is characterized as U.S. source shipping income and such income generally is subject to a 4% 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. See "Item 10E: Taxation—The Section 883 Exemption". However, there are factual circumstances, including some that may be beyond our control, which could cause us to lose the benefit of this tax exem ption. 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. 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. 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% 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.

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 controlled affiliates will be conducted and operated in a manner that minimizes income taxes imposed upon us and these controlled affiliates or which 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 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 acquiring, holding, disposing of or participating in the redemption of our units. However, the question of whether either we or any of our controlled affiliates 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 have entered 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 cou ntry’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 mo re 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, 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 2008 we purchased the M/T Amore Mio II, a 160,000 dwt, 2001 built tanker chartered to BP Shipping Limited at the time, and in April 2008 we purchased the M/T Aristofanis, a 12,000 dwt, 2005 built product tanker sister vessel to the M/T Attikos chartered to Shell International Trading & Shipping Company Ltd at the time. 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 the 2008 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, subject to compliance with the terms of the facility.

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). Please see "2010 Developments" below for a description of certain securities 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 fund ed 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 in February 2009, Capital Maritime owned 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. 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 owned 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 prior to the exchange, compensated us for the early term ination 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.

2010 Developments

In January 2010, we rechartered two tanker vessels, the M/T Axios and the M/T Agisilaos, with Capital Maritime. Each charter commenced directly upon the vessel's redelivery from its previous charter with BP Shipping Limited and is for a 12-month period (+/- 30 days).

On February 23, 2010 we announced the issuance of 5,800,000 common units at a public offering price of $8.85 per common unit under our Form F-3 shelf registration. An additional 481,578 common units were subsequently sold on the same terms following the partial exercise of the over-allotment option granted to the underwriters for the offering. Capital GP L.L.C., our general partner, participated in both the offering and the exercise of the over-allotment option and purchased an additional 128,195 units at the public offering price, thereby maintaining its 2 percent interest us. Aggregate proceeds, net of commissions but before expenses relating to the offering, were approximately $54.0 million. The net proceeds from the offering were used to re-acquire the M/T Atrotos at an acquisition price of $43.0 million and for general partnershi p purposes. The M/T Atrotos was acquired with a bareboat charter attached, as, prior to its acquisition, the vessel had been leased to Arrendadora Ocean Mexicana, S.A. de C.V. ("Arrendadora") pursuant to a finance lease agreement expected to expire in March 2014, and was renamed M/T El Pipila and registered under Mexican flag.

In June 2010 we rechartered the M/T Arionas with Capital Maritime and the M/T Akeraios with BP Shipping Limited. Each charter commenced directly upon the respective vessel's redelivery from its previous charter, and is for a 12-month period (+/- 30 days).

On June 30, 2010, we acquired the M/T Alkiviadis from Capital Maritime at a purchase price of $31.5 million, financed with cash. The M/T Alkiviadis is chartered to Capital Maritime for a 24-month period. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors.

On July 22, 2010, we held our annual general meeting of unitholders, at which time the two initial directors appointed by Capital Maritime and designated as Class III elected directors were re-elected by a majority of our common unitholders (excluding common units held by Capital Maritime). As of the 2010 annual meeting of unitholders, a majority of our board is now elected by our common unitholders, rather than appointed by our general partner.

On August 9, 2010, we announced the issuance of 5,500,000 common units at a public offering price of $8.63 per common unit under our Form F-3 shelf registration. An additional 552,254 common units were subsequently sold on the same terms following the partial exercise of the over-allotment option granted to the underwriters. Capital GP LLC, our general partner, participated in both the offering and the exercise of the over-allotment option and purchased an additional 123,515 units at the public offering price, thereby maintaining its 2 percent interest in the Partnership. Aggregate proceeds, net of commissions but before expenses relating to the offering, were approximately $50.8 million. The net proceeds from the offering were used to re-acquire the M/T Assos at an acquisition price of $43.5 million and for general partnership purposes. The M/T Assos was acquired with a bareboat charter attached, as, prior to its acquisition, the vessel had been leased to Arrendadora pursuant to a finance lease agreement expected to expire in March 2014, and was renamed M/T Insurgentes and registered under Mexican flag.

In September 2010 we rechartered the M/T Anemos I with Petroleo Brasileiro S.A. ("Petrobras") for a 36-month period (+/- 30 days).

On August 31, 2010, we, either directly or through our General Partner, issued 795,200 (or 2% of our total units outstanding as of December 31, 2010) of the 800,000 units authorized under our Omnibus Incentive Compensation Plan adopted in April 2008, as amended on July 22, 2010 to increase the aggregate number of awards issuable under the plan to 800,000 (the "Plan"). Awards were issued to all members of our board of directors, to officers of our General Partner, our manager, Capital Maritime and to employees of certain key affiliates and other eligible persons, with the majority vesting after three years from the date of issue, except for awards issued to our Chairman and to the three independent members of our board of directors which vest in equal annual installments over a three-year period. All awards are conditional upon the grantee's continued service until the applicable vesting date and all awards accrue distributions payable upon vesting. Please read "Item 6E: Share Ownership—Omnibus Incentive Compensation Plan" and Note 13 (Omnibus Incentive Compensation Plan) to our Financial Statements included herein for additional information.

In October 2010 we rechartered the M/T Apostolos with BP Shipping Limited for a 24-month period (+/- 30 days).

In January 2011 we rechartered the M/T Amore Mio II with Capital Maritime for a 12-month period (+/- 30 days). The transaction was approved by our board of directors following approval by the conflicts committee of independent directors.

As of January 31, 2011, our fleet consisted of 21 double-hull, high specification tankers with 69% of the fleet total days in 2011 secured under period charter coverage. We currently have no capital commitments to purchase or build additional vessels. We intend to continue to evaluate potential acquisitions of vessels or businesses 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.

Please see "—Our Fleet" below for more information regarding our vessels, their charters, acquisition dates and prices, charter rates and expirations, operating expenses and other information, "Item 5B: 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 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 fleet consists of 21 double-hull tankers with an average age of approximately 4.6 years as of January 31, 2011, including one of the largest Ice Class 1A MR product tanker fleets in the world based on number of vessels and carrying capacity with 69% of the fleet total days in 2011 secured under period charter coverage. We currently charter 19 of our 21 vessels under medium to long-term time and bareboat charters (with an average remaining term of approximately 4.6 years as of January 31, 2011) to large charterers such as BP Shipping Limited, Petrobras, Capital Maritime 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 9 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. Capital Maritime currently owns a 31.2% interest in us, including 11,304,651 common units and a 2% interest in us through its ownership of our general partner.

Business Strategies

Our primary business objective is to pay a sustainable quarterly distribution per unit and to increase our distributions over time by executing on the following business strategies:

- ***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 young 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. In addition, we may pursue opportunities for acquisitions of, or combinations with, other shipping businesses. 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 that is accretive to our distributions.

- ***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.*** 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. Capital Ship Management has an excellent vessel safety record, is capable of 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.

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 strong relationship with Capital Maritime and its affiliates provides numerous benefits which are essential to our long-term growth and success. Capital Maritime has a well-established reputation within the shipping industry and 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, Statoil ASA, Total S.A. and many others.

- ***Leading position in the product tanker market, with a modern, capable fleet, built to high specifications.*** Our fleet of 21 double-hull 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 4.6 years as of January 31, 2011, 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. 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.

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.
- ***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.
- ***Petroleo Brasileiro S.A. (Petrobras)***, the Brazilian state-run energy company, is an integrated oil and gas company with interests in exploration, production, refining, marketing and distribution. Petrobras also operates a fleet of close to 200 vessels and is listed on the New York Stock Exchange. Petrobras is one of the world's biggest companies in the world by market value.
- ***Arrendadora Ocean Mexicana S.A. de C.V.***, is a Mexican company specializing in the supply and operation of vessels for the offshore oil and gas industry.
- ***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, 2010, BP Shipping Limited, Morgan Stanley Capital Group Inc. and subsidiaries of Overseas Shipholding Group Inc accounted for 49%, 11% and 11% of our revenues respectively compared to 54%, 20% and 11% of our revenues, respectively for the year ended December 31, 2009. For the year ended December 31, 2008 BP Shipping Limited and Morgan Stanley Capital Group Inc., accounted for 48% and 29%, 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 greatly increased in terms of both number of vessels and carrying capacity and currently consists of 21 vessels of various sizes with an average age of approximately 4.6 years and average remaining term under our charters of approximately 4.6 years (as of January 31, 2011).

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
		May 2007	
Atrotos (1)	Yes	March 2010	$ 56,000,000$43,000,000
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 (2)	No	March 2008	$ 85,739,320
Aristofanis (2)	No	April 2008	$ 21,566,265
Aristotelis II	Yes	June 2008	$ 48,000,000
Aris II	Yes	August 2008	$ 48,000,000
Agamemnon II (1)	No	April 2009	$ 39,774,578
Ayrton II (1)	No	April 2009	$ 38,721,322
Alkiviadis (3)	No	June 2010	$ 31,500,000
Assos (1)	Yes	August 2010	$ 43,500,000

(1) The M/T Agamemnon II and the M/T Ayrton II 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. We subsequently re-acquired the M/T Atrotos and the M/T Assos from Capital Maritime in March and August 2010, respectively. Capital Maritime had granted us an offer to acquire all four vessels under the terms of the omnibus agreement. Please see Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding the se acquisitions.

(2) 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 4A: 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 a breakdown of the way such acquisitions were funded.

(3) Capital Maritime had granted us an offer to purchase the M/T Alkiviadis under the terms of the omnibus agreement. Please see Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding this acquisition.

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. In addition, we may pursue opportunities for acquisitions of, or combinations with, other shipping businesses. 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 and an additional three were acquired during 2010. Capital Mari time 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 January 31, 2011 about the vessels in our fleet and the vessels we 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 flee t.

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	Charter Duration/ Type[2]	Expiry of Charter[3]	Daily Charter Rate (Net)[4]	Profit Share[5]	Charterer[6]	Description
				VESSELS CURRENTLY IN OUR FLEET							
Atlantas[7]	A	2006	36,760	$250	Jan-Apr 2011	8-yr BC	Mar 2014	$15,000[8]		BP	Ice Class 1A IMO II/III Chemical/ Product
Aktoras[7]	A	2006	36,759	$250	Apr-Jul 2011	8-yr BC	Jun 2014	$15,000[8]		BP	
Aiolos[7]	A	2007	36,725	$250	Nov 2011-Feb 2012	8-yr BC	Feb 2015	$15,000[8]		BP	
Agisilaos	A	2006	36,760	$5,500	May-Aug 2011	1-yr TC	Feb 2011	$11,850	ü	CMTC	
Arionas	A	2006	36,725	$5,500	Aug-Nov 2011	1-yr TC	Sep 2011	$11,850	ü	CMTC	
Axios	B	2007	47,872	$5,500	Dec 2011-Mar 2012	1-yr TC	Feb 2011	$12,591	ü	CMTC	
Avax	B	2007	47,834	$5,500	Dec 2011-Mar 2012	1-yr TC	Apr 2011	$12,500	ü	BP	
Akeraios	B	2007	47,781	$5,500	May-Aug 2012	1-yr TC	May 2011	$12,500	ü	BP	
Anemos I	B	2007	47,782	$5,500	Jul-Oct 2012	3-yr TC	Aug 2013	$14,259		PTRB	
Apostolos	B	2007	47,782	$5,500	Jul-Oct 2012	2-yr TC	Sep 2012	$14,000	ü	BP	
Attikos	C	2005	12,000	$5,500	Sep-Nov 2012	Spot	–	–		–	Chem./Prod.
Alexandros II[9]	D	2008	51,258	$250	Dec 2012-Mar 2013	10-yr BC	Dec 2017	$13,000		OSG	IMO II/III Chem./Prod.
Amore Mio II	E	2001	159,982	$8,500	Mar-Apr 2013	1-yr TC	Dec 2011	$25,000		CMTC	Crude Oil
Aristofanis	C	2005	12,000	$5,500	Mar-Apr 2013	Spot	–	–		–	Chem./Prod.
Aristotelis II[10]	D	2008	51,226	$250	Mar-Jun 2013	10-yr BC	May 2018	$13,000		OSG	IMO II/III Chem./Prod.
Aris II[10]	D	2008	51,218	$250	May-Aug 2013	10-yr BC	Jul 2018	$13,000		OSG	
Agamemnon II[10]	D	2008	51,238	$6,500	Oct 2013	3-yr TC	Dec 2011	$22,000	ü	BP	
Ayrton II[10]	D	2009	51,260	$6,500	Mar 2014	2-yr TC	Mar 2012 [11]	$22,000	ü	BP	
Atrotos[10,12]	B	2007	47,786	$500	Mar 2014	5-yr BC	Mar 2014	$16,825		ARR	Ice Class 1A IMO II/III Chem./Prod.
Alkiviadis	A	2006	36,721	$7,000	Jun 2015	2-yr TC	Jun 2012	$12,838	ü	CMTC	
Assos [10,12]	B	2006	47,872	$500	Mar 2014	5-yr BC	Mar 2014	$16,825		ARR	
TOTAL FLEET DWT:			**995,341**								
	VESSELS WE MAY PURCHASE FROM CAPITAL MARITIME IF UNDER LONG TERM CHARTER[13]										
Aristidis	A	2006	36,680								

[1] Sister vessels are denoted in the tables by the same letter as follows: (A), (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, Spot: Vessel is currently trading on the spot market.

[3] Earliest possible redelivery date. For all 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. No commissions are payable on the BP time charters. The CMTC time charters are subject to 1.25% commissions. The PTRB time charter is subject to 3% commissions. There are no commissions payable on the ARR charters. (See Footnote 6 below for full names of our charterers)

[5] 50/50 profit share element for all vessels applies only to voyages that breach Institute Warranty Limits (IWL). With the exception of the BP bareboat charters where no commissions are payable, the amounts received under these profit-sharing arrangements are subject to the same commissions payable on the gross charter rates.

[6] BP: BP Shipping Limited. OSG: certain subsidiaries of Overseas Shipholding Group Inc. CMTC: Capital Maritime & Trading Corp. (our Sponsor). PTRB: Petroleo Brasileiro S.A. (Petrobras). ARR: Arrendadora Ocean Mexicana, S.A. de C.V.

[7] For the duration of the BC these vessels have been renamed British Ensign, British Envoy and British Emissary, respectively.

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

[9] For the duration of the BC these vessels have been renamed: Overseas Serifos, Overseas Sifnos and Overseas Kimolos. 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.

[10] The M/T Agamemnon II and the M/T Ayrton II 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. We subsequently re-acquired the M/T Atrotos and the M/T Assos from Capital Maritime in February and August 2010, respectively. Capital Maritime had granted us an offer to acquire all four vessels under the terms of the omnibus agreement. Please see Note 1 (Basis of Presentation and General Information) to our Financial Statements included herein for more information regarding these acquisitions.

[11] Charterers have the option to extend the time charter for one year upon the 2nd anniversary of the charter in March 2011.

[12] For the duration of the TC these vessels have been renamed M/T El Pipila and M/T Insurgentes. ARR has subsequently delivered these vessels to Petroleos Mexicanos (Pemex).

[13] 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

Nineteen of the 21 vessels in our fleet are under medium to long-term time or bareboat charters with an average remaining term under our charters of approximately 4.6 years as of January 31, 2011. Two of our vessels currently trade 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. 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 9 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 ins tances, through greater utilization of our vessels by our charterers.

BP and Capital Maritime Profit Sharing Arrangements

The profit sharing arrangements for four of the five vessels chartered with Capital Maritime and for five of the eight vessels chartered with BP Shipping Limited are based on the calculation of the time charter equivalent ("TCE") according to the "last to next" principle and are only applicable to voyages during which Institute Warranty Limits ("IWL") have been breached. In such event, we receive the basic net hire rate plus 50% of the excess over the gross hire rate. 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 ea ch voyage during which Institute Warranty Limits have been breached. 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 for any voyage where IWL have been breached 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 both Capital Maritime and BP Shipping Limited is calculated and settled the next calendar month following the completion of the voyage.

The amounts received under these profit-sharing arrangements are subject to the same commissions payable on the gross charter rates. Please see "—Our Fleet" above, including the chart and accompanying notes, for more information on commissions payable and profit sharing arrangements.

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 eight vessels under bareboat charter, three with B P Shipping Limited, three with subsidiaries of Overseas Shipholding Group Inc. and two with Arrendadora. 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 charter or a short term time charter. We currently have two vessels 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. 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 o r 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 extraordinary 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, 2010 such fees amounted to $2.0 million compared to $3.0 million for the year ended December 31, 2009 and $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 fixed daily fee per 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—Selected Agreements entered into during the year ended December 31, 2007—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 Lloyds Register. 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 Man agement" 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 players 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 proces s 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 under taken.

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 offices in Romania, Russia and the Philippines recruits senior officers and crews 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 drydocked 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 and Lloyd's. 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 possib le 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 costs are regarded as disproportionate to the benefit.

The following table sets forth certain information regarding our insurance coverage as of December 31, 2010.

Type	Aggregate Sum Insured For All Vessels in our Existing Fleet*
Hull and Machinery	$861.24 million (increased value insurance (including excess liabilities) provides additional coverage).
Increased Value (including Excess Liabilities)	Up to $373.56 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 refine ries 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. While global oil demand returned to growth in 2010, the product tanker market experienced a more limited improvement, as the supply of product tankers remained at historically high numbers and refined product inventories remained high.

According to the International Energy Agency (the “IEA”), global oil product demand for 2010 has been revised as of 10th December 2010 to 87.4 mb/day compared to 84.9 mb/day during 2009. The IEA expects 2011 oil demand to grow by 1.5% to 88.8 mb/day. Growth is expected to be driven by non-OECD countries, most notably in Asia. Due to increasing environmental restrictions on the building of refineries in the countries that belong to 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 global economic slowdown and the crisis in the financial markets resulted in a weak refining margins environment throughout 2010. A continued weakness in the refinin g industry might continue to adversely affect seaborne product trade, as well as plans to build new refineries or expand existing refining capacity.

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, especi ally as a large number of our vessels will come off charter during 2011. 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. As a result of the oil spill in the Gulf of Mexico resulting from the explosion of the Deepwater Horizon drilling rig, bills have been introduced in both houses of the U.S. Congress to increase the limits of OPA liability for all vessels, including tanker vessels.

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 $5.0 million for vessels carrying any hazardous substances as cargo, or $0.5 million for any other vessel, per release of or incident involving hazardous substances. These limits of liability do not apply if 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 G uard. 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 wate r. 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. 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 26, 2010, IMO designated the area extending 200 miles from the U.S. 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). These 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. The MEPC adopted amendments to Annex VI to the MARPOL, which ent ered into force on July 1, 2010, 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. Additionally, more stringent emission standards could apply in coastal areas designated as Emission Control Areas.. We may incur additional 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. All of our vessels are subject to Annex VI regulations. We believe that our exist ing 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, 2010. 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 v olume 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 drydock 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 U nited 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

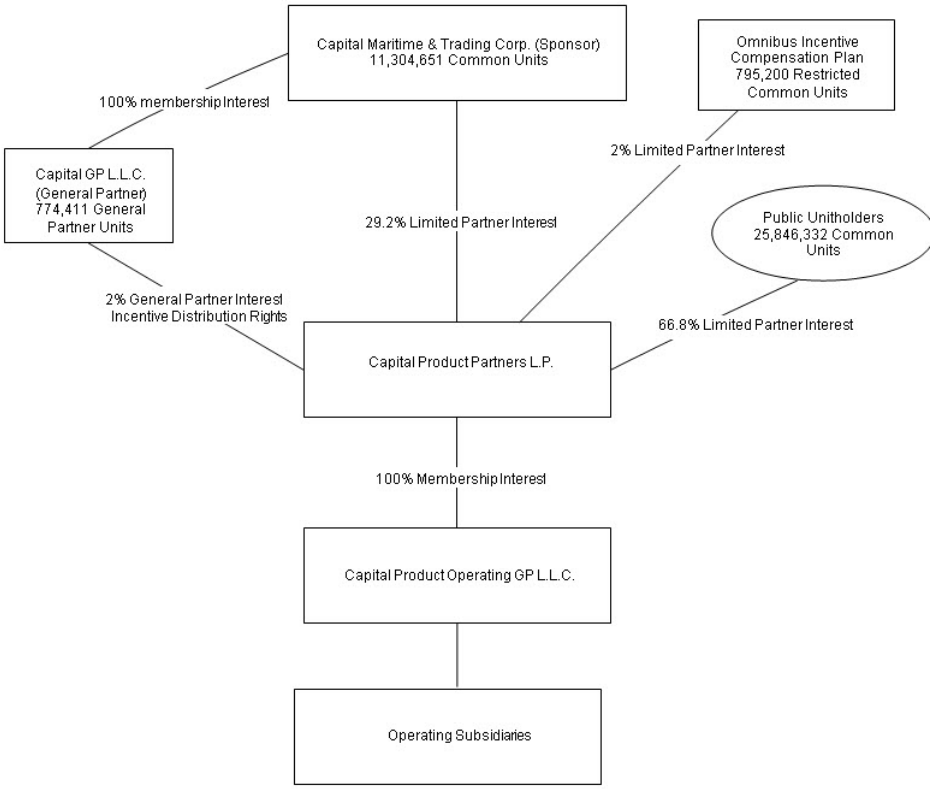
Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. On November 25, 2002, the Maritime Transportation Security Act of 2002 ("MTSA") came into effect. To implement certain portions of the MTSA, in July 2003, the U.S. Coast Guard 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.

C. Organizational Structure



Please also see Exhibit 8.1 to this Annual Report for a list of our significant subsidiaries as of December 31, 2010.

D. Property, Plants and Equipment

Other than our vessels, we do not have any material property. Our obligations under our credit facilities are secured by all our vessels. For further details regarding our credit facilities, please see "Item 5B: Liquidity and Capital Resources—Borrowings—Revolving Credit Facilities".

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 Financial Statements for the years ended December 31, 2010, 2009 and 2008 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 21 double-hull, high specification tankers with an average age of approximately 4.6 years as of January 31, 2011. 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 at fixed prices which were delivered during 2007 and 2008. 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 20 09, 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. During 2010 we acquired an additional three vessels from Capital Maritime, two of which had been previously sold to Capital Maritime and which were purchased by issuing additional equity under our Form F-3 Registration Statement. As of January 31, 2011, Capital Maritime owned a 31.2% interest in us, including 11,304,651 common units and a 2% interest in us through its ownership of our general partner.

Notwithstanding the recent global economic downturn and the recent partial recovery, the likely strength and duration of which it 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. Our strategy focuses on maintaining and growing our cash flows, continuing to grow our 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 te rm of approximately five years from when we take delivery of each vessel, and the fact that we currently have no capital commitments to purchase or build further vessels is likely to 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 (including, potentially, through the acquisition of, or combination with, other shipping businesses) 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 4B: Business Overview" above, for a description of the historical development of our company and a description of the significant acquisitions and financial events to date and "Item 4B: Business Overview —Our Fleet" for more information regarding our vessels, including dates of acquisition and acquisition prices and information on their charters, "Item 5B: 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 we re 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, 19 of the 21 vessels in our fleet are under medium to long-term time or bareboat charters with an average remaining term of approximately 4.6 years as of January 31, 2011. Currently, 69% of the fleet total days in 2011 are secured under period charter coverage. In addition, of our 11 time charters, 9 contain profit-sharing arrangements. Two of our vessels are 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, Capital Maritime, Petrobras, Arrendadora and subsidiaries of Overseas Shipholding Group Inc. BP Shipping Limited, Morgan Stanley Capital Group Inc. and subsidiaries of Overseas Shipholding Group Inc accounted for 49%, 11% and 11% of our revenues respectively for the year ended December 31, 2010. BP Shipping Limited, Morgan Stanley Capital Group Inc. and subsidiaries of Overseas Shipholding Group Inc accounted for 54%, 20% and 11% of our revenues respectively for the year ended December 31, 2009, compared to 48%, 29% and 0% respectively for the year ended December 31, 2008**.** The loss of any significant customer or a substantial decline in the amount of services requested by a significant customer cou ld 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”, “—Our Charters” and “—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

Following the annual general meeting of common unitholders on July 22, 2010, and the election of two Class III directors by non-Capital Maritime unitholders, the majority of our board of directors has been elected by non-Capital Maritime controlled unitholders. As a result, we are not considered to be under common control with Capital Maritime. As a result, since July 22, 2010, we no longer accounted for vessel acquisitions from Capital Maritime as transfer of equity interest between entities under common control.

All vessels we acquired from Capital Maritime prior to July 22, 2010, 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.

- Vessels that had an operating history as part of Capital Maritime’s fleet, prior to their acquisition by us have been treated as an acquisition of business. As a result, 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.

- Vessels that had no operating history and were delivered to us from the shipyards through Capital Maritime have been treated as an acquisition of assets from an entity under common control.

During 2009 we exchanged with Capital Maritime the vessel owning company of the M/T Assos for the vessel owning company of the M/T Agamemnon and the vessel owning company of the M/T Atrotos for the M/T Ayrton II. 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 the 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. The world economy experienced a major global economic slowdown during 2008-2009 as well as a severe deterioration in the banking and credit markets which had a negative impact on 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. The pace of recovery of the world economy and demand for oil and oil products and the deliveries of newbuilding vessels will a ffect the shipping industry in general and our future results. 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 recharter our vessels as their current charters expire;

- our ability to service our debt and, when the non-amortizing period expires in as early as June 2012, to refinance our existing indebtedness or, in the event such indebtedness is not refinanced, our obligation to make principal payments under our credit facilities starting in September 2012;

- 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 increased costs associated the renewal of our technical management agreement;
- 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, including covenants relating to the maintenance of asset value ratios, 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

We believe 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 prior to July 22, 2010, as if they were owned by us for the entire period from their delivery to Capital Maritime (with the exception of the M/T Assos for the period from April 7, 2009 to August 15, 2010). In certain cases, the Financial Statements have also been adjusted to reflect financial position and cash-flow items prior to delivery of the relevant vessel to Capital Maritime for acquisitions we made prior to July 22, 2010. 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 financial statements. Please read Note 1 of our Financial Statements included herein for a description of the financial treatment of vessel acquisitions and dispositions.

- *Vessel Acquisitions and Disposals*. Vessels that have been acquired or delivered to us prior to July 22, 2010, 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 Acquisition and Disposal 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 results of operations and cash flows for each vessel-owning subsidiary are included in our Financial Statements.

VESSEL INCLUSION IN FINANCIAL STATEMENTS						
				Vessel included in Consolidated Financial Statements for the year ended December 31,		
Vessel	**Incorporation date of VOC***	**Date acquired by Capital Maritime**	**Date acquired by us**	**2010**	**2009**	**2008**
M/T Atlantas (1)	09/16/2003	04/26/2006	04/04/2007	X	X	X
M/T Assos (1), (2), (3)	03/18/2004	05/17/2006	04/04/2007	Since Aug 16	Up to April 6	X
M/T Aktoras (1)	08/27/2003	07/12/2006	04/04/2007	X	X	X
M/T Agisilaos (1)	10/10/2003	08/16/2006	04/04/2007	X	X	X
M/T Arionas (1)	11/10/2003	11/02/2006	04/04/2007	X	X	X
M/T Avax (1)	02/10/2004	01/12/2007	04/04/2007	X	X	X
M/T Aiolos (1)	09/12/2003	03/02/2007	04/04/2007	X	X	X
M/T Axios (1)	02/10/2004	02/28/2007	04/04/2007	X	X	X
M/T Atrotos (4), (5), (3)#	02/11/2004	05/08/2007	05/08/2007	Since Mar 1	Up to April 12	X
M/T Akeraios (4)	02/03/2004	07/13/2007	07/13/2007	X	X	X
M/T Apostolos (4)	05/26/2004	09/20/2007	09/20/2007	X	X	X
M/T Anemos I (4)	07/08/2004	09/28/2007	09/28/2007	X	X	X
M/T Attikos (6)	12/29/2003	01/20/2005	09/24/2007	X	X	X
M/T Alexandros II (4)	02/07/2006	01/29/2008	01/29/2008	X	X	X
M/T Amore Mio II (6)	05/29/2007	07/31/2007	03/27/2008	X	X	X
M/T Aristofanis (6)	02/03/2004	06/02/2005	04/30/2008	X	X	X
M/T Aristotelis II (4)	02/07/2006	06/17/2008	06/17/2008	X	X	X
M/T Aris II (4)	01/24/2006	08/20/2008	08/20/2008	X	X	X
M/T Agamemnon II (6), (2)	07/14/2006	11/24/2008	04/07/2009	X	X	X
M/T Ayrton II (6), (5)	07/14/2006	04/10/2009	04/13/2009	X	X	X
M/T Alkiviadis (6)	06/22/2004	03/29/2006	06/30/2010	X	X	X

* VOC: Vessel-Owning Subsidiary

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

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

(3) On March 1, and August 16, 2010 we reacquired the vessel owning company of the M/T Atrotos and the M/T Assos, respectively.

(4) Committed Vessels. These vessels are newbuildings which were delivered directly to us from Capital Maritime on their delivery dates from the shipyards and had no prior 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.

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

(6) Non-Contracted Vessels. The Financial Statements have been retroactively adjusted to reflect their results of operations as of the incorporation date of their respective vessel-owning companies (with the exception of M/T Assos for the period from April 17, 2009 to August 15, 2010).

- *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, which in the case of our time chartered vessels 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. Capital Ship Management is also entitled to supplementary remuneration for extraordinary 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 (apart from M/T Assos and M/T Atrotos from the time they were chartered to Arrendadora) 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 drydocking.

- *Different Financing Arrangements*. The vessels delivered to Capital Maritime 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 most 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 IPO. 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. In 2010 we reacquired from Capital Maritime the two vessels we had exchanged in the first half of 2009 and also acquired one vessel for which Capital Maritime had granted us an offer to purchase under the omnibus agreement. We intend to continue to evaluate potential acquisitions of vessels or other shipping businesses in a prudent manner that is accretive to our distributable cash flow per unit.

Results of Operations

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

Results for the years ended December 31, 2010 and December 31, 2009 differ primarily due to the lower rates at which we have re-chartered some of our vessels and increased voyage expenses as two of our vessels operated under voyage charter arrangements for the whole year. The results for both years have been retroactively adjusted and reflect the results of operations from the M/T Atrotos, and the M/T Alkiviadis for the periods that they were part of Capital Maritime's fleet prior to their acquisition by us in March and June 2010, respectively. For the years ended December 31, 2010 and 2009 net income attributable to vessels' operations as part of Capital Maritime fleet amounted to $1.0 and $3.5 million respectively.

Total Revenues

Time, voyage and bareboat charter revenues amounted to approximately $124.6 million for the year ended December 31, 2010 (of which $11.0 million represents charter hire received from our sponsor, Capital Maritime), as compared to $134.5 million for the year ended December 31, 2009. The decrease of $9.9 million is primarily attributable to the lower rates at which we re-chartered our vessels compared to the rates at which they were previously fixed. During 2010 one of our vessels operated under voyage charters for the whole year and two vessels for part of the year whereas in 2009 all of our vessels, with the exception of the M/T Alkiviadis, operated under time and bare boat charters. Time, voyage and bareboat charter revenues are mainly comprised of the charter hire received from unaffiliated third-party customers and Capital Maritime and are affected by the number of days our vessels operate, the average number of vessels in our fleet and the charter rates. 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 $7.0 million for the year ended December 31, 2010, as compared to $4.0 million for the year ended December 31, 2009. Excluding voyage expenses incurred by the M/T Agamemnon II, the M/T Ayrton II, the M/T Atrotos and the M/T Alkiviadis during the period they were part of Capital Maritime's fleet, voyage expenses for the year ended December 31, 2010 amounted to $4.7 million, and consisted primarily of commissions payable under our charter agreements, bunker consumption and port costs as compared to $1.0 million for the year ended December 31, 2009. The higher voyage expenses in 2010 were primarily due to the bunker consumption and port expenses as one of our vessels operated under voyage charters for the whole year and two of our vessels operated under voyage charters for part of the year. During 2 009 our vessels' voyage expenses consisted primarily of commissions payable under our charter agreements.

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 Voyage costs under voyage charters are paid for by the owner.

Vessel Operating Expenses

For the year ended December 31, 2010, our vessel operating expenses amounted to approximately $31.3 million, of which $30.0 million was incurred under the management agreement with our manager and include $2.0 million in extraordinary 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, amongst others, certain costs associated with the vetting of our vessels, repairs related to unforeseen extraordinary events and insurance deductibles. Vess el operating expenses for the year ended December 31, 2010, also include actual costs of $1.3 million incurred by the M/T Atrotos and the M/T Alkiviadis which were operated as part of Capital Maritime's fleet prior to their acquisition by us in March and June 2010, respectively.

For the year ended December 31, 2009, our vessel operating expenses amounted to approximately $33.0 million, of which $29.9 million was incurred under the management agreement with our manager and include $3.0 in extraordinary fees and costs. For the year ended December 31, 2009, vessel operating expenses also include actual costs of $3.1 million incurred by the M/T Agamemnon, M/T Ayrton II, M/T Atrotos (for the period up to April 16, 2009) and M/T Alkiviadis which were operated as part of Capital Maritime's fleet prior to their acquisition by us. Decreases to vessel operating expenses are primarily attributable to decreases in the extraordinary fees and costs.

General and Administrative Expenses

General and administrative expenses amounted to $3.5 million for the year ended December 31, 2010, compared to $2.9 million for the year ended December 31, 2009. The increase was mainly due to a non-cash allocation for the equity plan compensation which amounted to $0.8 million. General and administrative expenses include board of directors' fees and expenses, audit fees, and other fees related to the expenses of the publicly traded partnership.

Depreciation

Depreciation of fixed assets amounted to $31.5 million for the year ended December 31, 2010 as compared to $30.7 million for the year ended December 31, 2009, primarily due to the increased number of vessels in our fleet.

The amount of depreciation for the year ended December 31, 2010 represents depreciation on 20 vessels for the whole year and on one vessel for part of the year. The amount of depreciation for the year ended December 31, 2009 represents depreciation on 19 vessels for the whole year and on 2 vessels for part of the year. 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, 2010, was approximately $32.4 million as compared to $31.2 million for the year ended December 31, 2009. The increase is primarily due to the higher interest rates charged under our amended credit facilities effective since June 30, 2009 and the decrease in the interest rates of deposits.

The 2010 amount represents interest expense and amortization of financing charges and bank charges of $33.3 million and interest and other income for the period of $0.9 million. The 2009 amount represents interest expense and amortization of financing charges and bank charges of $32.7 million. Interest and other income for the period was $1.5 million.

Net Income

Net income for the year ended December 31, 2010, amounted to $18.9 million as compared to $32.7 million for the year ended December 31, 2009. For a list of factors which we believe are important to consider when evaluating our results, please refer to the discussion under "— Factors to Consider When Evaluating Our Results" and "— Results of Operations" above.

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 ($32.7 in 2009 compared to $26.7 in 2008) due to the higher margin, which were partly offset by the higher average number of vessels in our fleet for 2009 (20 in 2009 compared to 17.9 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, the M/T Ayrton II, the M/T Atrotos and the M/T Alkiviadis which were operated as part of the Capital Maritime's fleet prior to their acquisition by us in April 2009, with respect to the first two vessels, and in March and June 201 0, respectively, for the last two vessels. 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, the M/T Aristofanis, and the M/T Alkiviadis which were operated as part of Capital Maritime's fleet prior to their acquisition by us in April 2009, with respect to the first two vessels, March and April 2008 and June 2010, respectively, for the last three vessels. For the years ended December 31 2009 and 2008 net income attributable to vessels' operations as part of Capital Maritime fleet amounted to $3.5 and $4.2 million respectively.

Total Revenues

Time and bareboat charter revenues amounted to approximately $134.5 million for the year ended December 31, 2009, as compared to $147.6 million for the year ended December 31, 2008. The decrease in 2009 was mainly due to the significant decrease in profit share revenues to $0.7 million from $18.5 million in 2008 which was partially offset by the higher average number of the vessels in our fleet. 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 $4.0 million for the year ended December 31, 2009, as compared to $6.0 for the year ended December 31, 2008. Excluding voyage expenses incurred by the M/T Amore Mio II, the M/T Aristofanis, the M/T Agamemnon II the M/T Ayrton II, the M/T Atrotos and the M/T Alkiviadis 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 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., the charterer was 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 $33.0 million, of which $29.9 million was incurred under the management agreement with our manager and include $3.0 million in extraordinary 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, amongst 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, also include actual costs of $3.1 million incurred by the M/T Agamemnon II, the M/T Ayrton II, the M/T Atrotos and the M/T Alkiviadis which were operated as part of Capital Maritime's fleet prior to their acquisition by us the first two in April 2009 and the remaining two in March and June 2010, respectively.

For the year ended December 31, 2008, our vessel operating expenses amounted to approximately $31.9 million, of which $25.3 million was incurred under the management agreement with our manager and include $1.0 million in extraordinary fees and costs. For the year ended December 31, 2008, vessel operating expenses also include actual costs of $6.6 million incurred by the M/T Amore Mio II, M/T Aristofanis, M/T Agamemnon II and M/T Alkiviadis which were operated as part of Capital Maritime's fleet prior to their acquisition by us the first two in March and April 2008, and the remaining two in April 2009 and June 2010, 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 expenses of the publicly traded partnership.

Depreciation

Depreciation of fixed assets amounted to $30.7 million for the year ended December 31, 2009 as compared to $26.6 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 19 vessels for the whole year 2009 and on two vessels for a part of the year. For 2008 this amount primarily represents depreciation on 16 vessels for the whole year and on four vessels for part of the year. 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 $(31.2) million as compared to $(25.4) 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 $(32.7) million, and interest and other income for the period of $1.5 million. The 2008 amount represents interest expense and amortization of financing charges and bank charges of $(26.7) million. Interest and other income for the period was $1.3 Million.

Net Income

Net income for the year ended December 31, 2009, amounted to $32.7 million as compared to $55.0 million for the year ended December 31, 2008. For a list of factors which we believe are important to consider when evaluating our results,, 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, 2010, total cash and cash equivalents were $32.5 million, restricted cash was $5.3 million, and total liquidity including cash and undrawn long-term borrowings was $283.8 million.

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.

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 par ties.

As at December 31, 2010, we had $246.0 million in undrawn amounts under our credit facilities, unchanged from the year ended December 31, 2009.

Total Partners' Capital / Stockholders' Equity as of December 31, 2010, amounted to $239.8 million, which reflects an increase of $51.4 million from the year ended December 31, 2009. This increase is due to the following:

- Partner's Capital - An increase in Partner's Capital by $82.6 million is due primarily to the proceeds of the two follow-on offerings in February and August of 2010 amounting to $103.6 million. In addition, during 2010, we paid $33.7 million in distributions, incurred an equity compensation expense of $0.8 million, an unrealized gain of $4.4 million on interest rate swaps, Partnership net income in the amount of $17.9 and a decrease in the amount of $10.4 million which is the effect on partner's capital from the purchase of the M/T Atrotos and the M/T Alkiviadis from our sponsor.

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

Notwithstanding the recent global economic downturn and the recent recovery, the likely strength and duration of which it is 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, 2008 to March 26, 2008 and April 29, 2008 for the M/T Amore Mio II and the M/T Aristofanis, respectively;
- for the period from January 1, 2008 to April 6, 2009 and to April 12, 2009 for the M/T Agamemnon II and the M/T Ayrton II, respectively,
- for the period from April 13, 2009 to February 28, 2010 for the M/T Atrotos,
- for the period from January 1, 2008 to June 29, 2010 for the M/T Alkiviadis,

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 "Vessel Inclusion in Financial Statements" 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:

	2010	2009	2008
Net Cash Provided by Operating Activities	$ 50.1	$ 72.6	$ 77.0
Net Cash (Used in) Investing Activities	$ (79.2)	$ (55.8)	$ (270.0)
Net Cash Provided by / (Used in) Financing Activities	$ 58.1	$ (56.4)	$ 216.3

Net Cash Provided by Operating Activities

Net cash provided by operating activities declined to $50.1 million for the year ended December 31, 2010 from $72.6 million for the year ended December 31, 2009 primarily due to lower rates that at which have re-chartered some of our vessels during the year. In addition, trade accounts receivable for the year ended December 31, 2010 increased by $2.7 million compared to a decrease of $5.4 million for the year ended December 31, 2009. This difference mainly resulted from the receipt of $6.4 million in 2009 of the uncollected profit share of 2008. Net cash provided by operating activities declined to $72.6 million for the year ended December 31, 2009 from $77.0 million 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 as of December 31, 2008. 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, 2010, net cash used was comprised of:

- Vessel acquisitions and acquisition of above market bare-boat charter of $108.8 which is analyzed as follows:
  - $64.1 million, representing the net book value of the two vessels acquired during 2010 (the M/T Atrotos and the M/T Alkiviadis) at their respective delivery dates;
  - $43.5 million, representing the amount we paid to our sponsor Capital Maritime for the acquisition of M/T Assos together with the bare boat charter that was attached to the vessel;
  - $0.9 and $0.3 million, representing the amounts paid for upgrading the M/T Attikos and the M/T Aristofanis, respectively;
- $0.8 million representing the increase to our restricted cash which is the minimum amount of free cash we were required to maintain under our credit facilities for the period, due to the acquisitions of the M/T Atrotos, M/T Alkiviadis and M/T Assos; and
- $81.7 million and $112.1 million, representing purchases of short term investments and maturities of short term investments, respectively.

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 and $82.6 million, representing purchases of short term investments, and maturities of short term investments, respectively.

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 $10.1 million 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.

Net Cash Provided by Financing Activities

Net cash provided by financing activities amounted to $58.1 million for the year ended December 31, 2010, as compared to net cash used in financing activities $(56.4) million for the year ended December 31, 2009. For the year ended December 31, 2008, net cash provided by financing activities amounted to $216.3 million.

For the year ended December 31, 2010 we successfully completed two follow-on offerings receiving proceeds of $105.3 million after the deduction of the underwriters commissions. Total expenses paid in connection with these two offerings were $1.5 million. During 2009 and 2008 there were no equity issuances to third parties.

There were no proceeds from the issuance of long-term debt for the years ended December 31, 2010 and 2009 compared to $199.5 million for the year ended December 31, 2008. The proceeds for the year ended December 31, 2008 consisted of amounts drawn down under our two credit facilities.

There were no proceeds from long-term debt due to related parties for the year ended December 31, 2010. For the year ended December 31, 2009 such proceeds amounted to $26.4 million and related to a loan draw-down from Capital Maritime for the financing of M/T Atrotos. For the year ended December 31, 2008 such proceeds amounted to $112.8 million and related to credit facilities entered into by Capital Maritime.

There was no repayment of debt for the years ended December 31, 2010 and 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.

Repayment of related party-debt for the year ended December 31, 2010, amounted to $1.6 million, reflecting the debt related to the M/T Atrotos and the M/T Alkiviadis. Repayment of related-party debt for the year ended December 31, 2009, amounted to $52.2 million, reflecting the debt related to the M/T Agamemnon II, the M/T Atrotos and the M/T Alkiviadis and the repayment of the M/T Ayrton II, compared to $54.3 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 and the debt related to the M/T Alkiviadis.

During the first and the second quarter of 2010 we acquired two vessels from Capital Maritime, the M/T Atrotos and the M/T Alkiviadis, for a total purchase price of $74.5 million which represented an excess of $10.4 million over the net book value of these vessels reflected in our financial statements. 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. The excess of purchase price over book value of the acquired vessels of $10.4 million in 2010 and $3.8 million in 2008 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, 2010 there were no capital contributions. 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.

During the year ended December 31, 2010 we made distributions of $33.7 million to our unitholders. 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.

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, 2010, long term debt remained unchanged from the period ended December 31, 2009 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 long term debt.” As of December 31, 2010, both long-term related-party debt and current portion of related-party debt was $0 million. As of December 31, 2009, long-term related-party debt and current portion of related-party long term debt was $43.5 and $4.4 million respectively.

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. The 2007 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 2007 facility has been amended periodically to, amongst other things, include the financing of the acquisition cost of the M/T Attikos and to amend the provisio ns relating to security offered under the facility and include references to additional vessels. To date, we have drawn down $366.5 million under the 2007 facility. We drew down $274.5 million during 2007, 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 or 2010. Subject to compliance with our covenant restrictions, 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 2007 facility is non-amortizing until June 2012 and we will not be required to make any repayments of the principal amounts outstand ing under the facility provided that we comply with the covenants and restrictive ratios set out in the facility and described below. If our 2007 facility is not refinanced prior to June 2012 we will become obligated to make principal payments beginning in September 2012. The final maturity date of the 2007 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 the 2008 facility to finance a portion of the acquisition price of an identified vessel 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. The 2008 facility has been amended periodically to, amongst other things, to include the M/T Atrotos as security to the facility and to amend the provisions relating to security offered under the facility and include references to additional vessels. To date, we have used $107.5 million of the 2008 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 2008 facility is non-amortizing until March 2013 and we will not be required to make any repayments of the principal amounts outstanding under the 2008 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 the 2008 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. If our 2008 facility is not refinanced prior to March 2013, we will become obligated to make principal payments beginning in June 2013. The final maturity date of the 2008 facility is March 2018. The 2008 facility is subject to similar covenants and restrictions as those in our 2007 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.

As at December 31, 2010, 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 collateralized 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. Interest expenses for the three month period ending March 31, 2011, have increased by 0.477140% under the 2007 facility and by 0.370550%, under the 2008 facility, respectively, in accordance with the terms of each facility. This increase in each facility reflects the increase in funding costs announced by our banks for this three month period.

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 the 2007 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 collateralized 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 collateralized 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, 2010 we were in compliance with all 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 recent global economic downturn has had an adverse effect on tanker asset values which is likely to persist if the economic slowdown resumes. 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 refinanc e our 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
	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
$370.0 million credit	USD	56,000	5.1325%	02.20.2007	09.20.2007	06.29.2012
facility	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	4.5200%	06.13.2008	06.17.2008	06.28.2012
	USD	46,000	3.525%	03.25.2008	03.27.2008	03.27.2013
$350.0 million credit	USD	11,500	3.895%	04.24.2008	04.30.2008	03.28.2013
facility	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, 2010 (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	$ –	$ 63,038	$ 94,800	$ 316,162
Interest Obligations (1) (2) (3)	157,318	31,192	48,806	45,934	31,386
Management fee (4)	62,583	28,430	29,663	4,490	–
Total	$ 693,901	$ 59,622	$ 141,507	$ 145,224	$ 347,548

(1) We have used the fixed interest rate under our swap interest rate agreements until June 2012 and March 2013 for the 2007 and 2008 credit facilities respectively plus margin.
(2) Interest expenses for the three month period ending March 31, 2011, will increase above the fixed swap interest rate by 0.477140% under the 2007 facility and by 0.370550%, under the 2008 facility in accordance with the terms of each facility, as amended, and reflect the increase in funding costs announced by our banks for this three month period.
(3) Calculations for interest obligations, upon the expiration of the interest rate swap agreements in June 2012 and March 2013 for the 2007 and 2008 credit facilities respectively, have been based on Bloomberg forward rates plus a margin of 2.5% which reflects our best estimates.
(4) 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 accounting principles generally accepted in the United States of America ("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.

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 of what we expect to receive at the end of the vessel's useful life. In the shipping industry, the use of a 25-year vessel life for tankers has become the prevailing standard. However, the a ctual life of a vessel may be different, with a shorter life potentially resulting in an impairment loss. 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. Prior to July 22, 2010, vessels transferred from Capital Maritime to us, were transferred at their net book values because such transfers were accounted for as transfers of assets between entities under common control. Charter rates for tanker vessels decreased and values of assets were affected. We considered these market developments as indicators of potential impair ment of the carrying amount of our assets. We performed the undiscounted cash flow test as of December 31, 2010 and 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, 2010 and 2009.

Revenue Recognition

We generate revenues from charterers for the charterhire of our vessels, which are chartered either under time, voyage 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. Two 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 appropri ate 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.

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

As of December 31, 2010 and 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.

Item 6. Directors, Senior Management and Employees.

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. Each of the Class I, Class II and Class III Directors were re-elected during our 2008, 2009 and 2010 annual meeting of unitholders, respectively, for an additional three-year term. As of the 2010 annual meeting of unitholders, a majority of our board is now elected by our common unitholders (excluding common units h eld by Capital Maritime) rather than appointed by Capital Maritime. At each annual meeting of unitholders, directors are 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 may 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.

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 and Crude Carriers Corp., an affiliate 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 o r 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.

A. 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, 2010.

Name	Age	Position
Evangelos M. Marinakis (1)	43	Director and Chairman of the Board
Ioannis E. Lazaridis (1)	43	Director and Chief Executive Officer and Chief Financial Officer of our general partner
Nikolaos Syntychakis (1)	48	Director
Robert Curt (2)	60	Director (5)
Abel Rasterhoff (3)	70	Director (5)
Evangelos G. Bairactaris (4)	39	Director and Secretary
Keith Forman (4)	52	Director (5)

(1) Appointed by our general partner (term expires in 2013).
(2) Class I director (term expires in 2011).
(3) Class II director (term expires in 2012).
(4) Class III director (term expires in 2013).
(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. Mr. Marinakis serves as Chairman and Chief Executive Officer of NYSE-listed Crude Carriers Corp., an affiliate of Capital Maritime, since March 2010. 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 Curzo n 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 serves as President of NYSE-listed Crude Carriers Corp., an affiliate of Capital Maritime, since March 2010 and 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, a nd 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 1999 he worked as the Chief Officer and DPA 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.< /div>

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 was, until March 31, 2010, a Partner and served as Chief Financial Officer of Crestwood Midstream Partners. Crestwood Midstream was a private investment partnership focused on making equity investments in the midstream energy market. Crestwood's other partners included the Blackstone Group, Kayne Anderson and GSO Capital. 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. M r. 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 and have also received restricted units under our Equity Plan. Please also read "Item 6E: Share Ownership—Omnibus Incentive Compensation Plan" below for additional information. For the years ended December 31, 2010 and 2009, our directors, excluding our chairman, received an aggregate amount of $350,000 each year as compared to $290,000 received for the year ended December 31, 2008. In lieu of any other compensation, our chairman recei ves 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 for our chairman 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.

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, three of which are appointed by our general partner. . 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 of 2002. 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 con clusively 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 expect to 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, 2010:

- 795,200 restricted units had been issued under our Plan (described below);
- Our director Keith Forman has owned a small number of common units since the date of our IPO. In addition, restricted common units were also issued to all members of our board of directors in August 2010 under the terms of our Plan (described below) which they may be deemed to beneficially own, or to have beneficially owned. No member of our board of directors owns common or restricted units in a number representing more than 1.0% of our outstanding common units; 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.

Omnibus Incentive Compensation Plan

On April 29, 2008 our board of directors adopted the Plan according to which we may issue a limited number of awards, not to exceed 500,000 units initially, to our employees, consultants, officers, directors or affiliates, including the employees, consultants, officers or directors of our general partner, our manager, Capital Maritime and certain key affiliates and other eligible persons. Awards may be made in the form of incentive stock options, non-qualified stock options, stock appreciation rights, dividend equivalent rights, restricted stock, unrestricted stock, restricted stock units and performance shares. The Plan is administered by our general partner as authorized by our board of directors.

On July 22, 2010, our board of directors amended the Plan to increase the aggregate number of restricted units issuable under the Plan to 800,000 from 500,000.

On August 31, 2010, we, either directly or through our General Partner, issued 795,200 (or 2% of our total units outstanding as of December 31, 2010) of the 800,000 units authorized under the Plan. Awards were issued to all members of our board of directors, to officers of our General Partner, our manager, Capital Maritime and to employees of certain key affiliates and other eligible persons, with the majority vesting after 3 years from the date of issue, except for awards issued to our Chairman and to the three independent members of our board of directors which vest in equal annual installments over a three-year period. All awards are conditional upon the grantee’s continued service until the applicable vesting date and all awards accrue distributions payable upon vesting. Please read Note 13 (Omnibus Incentive Compensation Pl an) to our Financial Statements included herein for more information regarding 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, 2010, our partners' capital consisted of 37,946,183 common units, no subordinated units and 774,411 general partner units. Capital Maritime, the sole member of our general partner, owns a 31.2% 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, 2010, 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	**29.8%**
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) Our director Keith Forman has owned a small number of common units since the date of our IPO. In addition, restricted common units were also issued to all members of our board of directors in August 2010 under the terms of our Plan which they may be deemed to beneficially own, or to have beneficially owned. No member of our board of directors owns common or restricted units in a number representing more than 1.0% of our outstanding common units.

(4) This information is based on the Schedule 13G filed by Kayne Anderson Capital Advisors, L.P. and Richard A. Kayne with the SEC on December 23, 2010.

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 ex cess 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 a 29.8% 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 29.8% 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, 2010

1. *M/T Amore Mio II – Charter Party Agreement with Capital Maritime.* On January 7, 2011, we rechartered the M/T Amore Mio II with Capital Maritime at a net daily charter rate of $25,000 ($25,316.45 gross). The charter commenced directly upon the vessel's redelivery from its previous charter with BP Shipping Limited on January 9, 2011, and has an earliest scheduled expiration date of December 2011. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors.

2. *Investor Relations Services Agreement.* On January 1, 2011, 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 holders of units representing limited partnership interests in us 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, 2010

1. *Restricted Share Issuance under the Plan.* On August 31, 2010, we, either directly or through our General Partner, issued 795,200 (or 2% of our total units outstanding as of December 31, 2010) of the 800,000 units authorized under the Plan, with the majority vesting after 3 years from the date of issue, with the exception of awards issued to our Chairman and to the three independent members of our board of directors which vest in equal annual installments over a three-year period.

2. *Equity Offering-Re-Acquisition of M/T Assos from Capital Maritime.* On August 9, 2010, we announced the issuance of 5,500,000 common units at a public offering price of $8.63 per common unit under our Form F-3 shelf registration. An additional 552,254 common units were subsequently sold on the same terms following the partial exercise of the over-allotment option granted to the underwriters for the offering. Capital GP L.L.C., our general partner, participated in both the offering and the exercise of the over-allotment option and purchased an additional 123,515 units at the public offering price, thereby maintaining its 2 percent interest in the Partnership. Aggregate proceeds, net of commissions but before expenses relating to the offering, were approximately $50.8 million. The net pr oceeds from the offering, were used to re-acquire the M/T Assos at an acquisition price of $43.5 million and for general partnership purposes. The M/T Assos was acquired with a bareboat charter attached, as, prior to its acquisition, the vessel had been leased to Arrendadora pursuant to a finance lease agreement, and was renamed M/T Insurgentes and registered under Mexican flat. The vessel was subsequently delivered by Arrendadora to Petroleos Mexicanos, the state-owned Mexican petroleum company ("Pemex"), under a bareboat charter agreement expected to expire in March 2014, at the earliest. The proposed transaction has been approved by our board of directors following approval by the conflicts committee of independent directors. The conflicts committee retained outside legal and financial advisors to assist in evaluating the proposed transaction and the purchase price.

3. *Purchase of M/T Alkiviadis and Charter Agreement with Capital Maritime.* On June 30, 2010, 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 Alkiviadis. The aggregate purchase price for the vessel was $31.5 million under the terms of the share purchase agreement with Capital Maritime, financed with cash. The M/T Alkiviadis is chartered to Capital Maritime for a 24-month period (+/- 30 days) at a net rate of $12,838 with an earliest scheduled expiration date of June 2012. The charter includes 50/50 profit share for voyages outside the IWL. The vessel's operating expenses are fixed for five years until June 2015 at a daily rate of $7,000 under our Management Agreement with Capital Maritime. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors. Please see 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 its accounting treatment.

4. *M/T Arionas-Charter Party Agreement with Capital Maritime*. On June 4, 2010, we rechartered the M/T Arionas with Capital Maritime at a net daily charter rate of $11,850. The charter includes 50/50 profit share for voyages outside the IWL. The charter commenced in October 2010 upon the vessel's redelivery from its previous charter in October 2010**,** and has an earliest scheduled expiration date of September 2011.

5. *Equity Offering–Re-Acquisition of M/T Atrotos from Capital Maritime.* On February 23, 2010 we announced the issuance of 5,800,000 common units at a public offering price of $8.85 per common unit under our Form F-3 shelf registration. An additional 481,578 common units were subsequently sold on the same terms following the partial exercise of the over-allotment option granted to the underwriters for the offering. Capital GP L.L.C., our general partner, participated in both the offering and the exercise of the over-allotment option and purchased an additional 128,195 units at the public offering price, thereby maintaining its 2 percent interest us. Aggregate proceeds, net of commissions but before expenses relating to the offering, were approximately $54.0 million. The net proceeds from the o ffering were used to reacquire the M/T Atrotos at an acquisition price of $43.0 million and for general partnership purposes. The M/T Atrotos was acquired with a bareboat charter attached, as, prior to its acquisition, on March 1, 2010, the vessel had been leased to Arrendadora pursuant to a finance lease agreement, and was renamed M/T El Pipila and registered under Mexican flat. The vessel was subsequently delivered by Arrendadora to Pemex under a bareboat charter agreement expected to expire in March 2014, at the earliest. The proposed transaction has been approved by our board of directors following approval by the conflicts committee of independent directors. The conflicts committee retained outside legal and financial advisors to assist in evaluating the proposed transaction and the purchase price.

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

7. *M/T Axios – Charter Party Agreement with 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 includes 50/50 profit share for voyages outside the IWL. The charter commenced directly upon the vessel's redelivery from its previous charter with BP Shipping Limited in February 2010 and is expected to expire in February or March 2011. The transaction was approved by our board of directors following approval by the conflicts committee of independent directors.

8. *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 holders of units representing limited partnership interests in us 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, 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. Lastly, 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: 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 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 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. 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 approx imately 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 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 M/T Assos, except the vessel and necessary permits were retained by us. Lastly, 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 appro val by the conflicts committee of independent directors. Please see "Item 5B: 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. *Related Party Loan – M/T Atrotos.* Upon acquisition of the M/T Atrotos from Capital Maritime in April 2009, 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, 2009 the balance outstanding under this loan was $22.2 million. The vessel-owning subsidiary of the M/T Atrotos ceased to be a guarantor under the loan as of the date the vessel was transferred to us on March 1, 2010.

6. *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 $12.5 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 $12.5 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 $12.5 million incentive distribution payment had paid in full to Capital GP L.L.C.

7. *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 holders of units representing limited partnership interests in us 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 U.S. Sarbanes-Oxley Act of 2002, 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 the 2008 facility. The M/T Aristofanis, a 12,000 dwt, 2005 built, double hull product tanker sist er 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: 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 the 2008 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: 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.

Selected agreements entered into during the year ended December 31, 2007

1. *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 have agreed, and have 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 have 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 has agreed (and has 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 will 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.

2. *Management Agreement*. We have 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 and spot 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 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 extraordinary fees and costs (as defined in our management agreement) of any direct and indirect expenses it reasonably incurs in providing these services.

3. *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 servi ces 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.

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 amounti ng 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 $12.5 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 below “Termination of the Subordination period” for more details regarding such distributions and its 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 29.8%.

- 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 and 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 pr ohibited 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, with the exception of the December 31, 2010, distribution declared on January 21, 2011, which will be paid on February 15, 2011 to unitholders of record on February 4, 2011, paid:

Distributions for Quarter Ended:	Amount of Cash Distributions	Cash Distributions per Unit
Jun. 30, 2007[1]	$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[2]	$1.050 per unit[3]
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
Dec. 31, 2009	$10.4 million	$0.410 per unit
Mar. 31, 2010	$7.1 million	$0.225 per unit
Jun. 30, 2010	$7.1 million	$0.225 per unit
Sep. 30, 2010	$9.0 million	$0.2325 per unit
Dec. 31, 2010	$9.0 million	$0.2325 per unit

(1) Prorated for the period from April 4, 2007 (our IPO) to June 30, 2007.
(2) Includes $12.5 million with respect to incentive distribution rights held by our general partner in accordance with the terms of our partnership agreement.
(3) Exceptional non-recurring cash distribution.

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 distributio n 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 owned a 46.6% interest in us. Capital Maritime currently owns a 31.2% 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 se parately 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 $12.5 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 $12.5 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.

		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	%

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 21, 2011 we declared a cash distribution of $0.2325 per unit, which will be paid on February 15, 2011, to unitholders of record on February 4, 2011.

Please read Note 16 (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,		
2010	10.01	6.88
2009	11.49	5.21
2008	24.93	5.51
2007*	32.50	20.80
Quarter Ended:		
December 31, 2010	9.75	8.19
September 30, 2010	9.29	7.80
June 30, 2010	9.19	5.31
March 31, 2010	10.06	7.69

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
Month Ended:		
February 2, 2011**	10.20	9.64
January 31, 2011	10.24	9.56
December 31, 2010	9.75	8.31
November 30, 2010	8.91	8.19
October 31, 2010	8.90	8.31
September 30, 2010	8.35	8.09
August 31, 2010	9.16	8.05

* For the period commencing March 30, 2007.
** For the period up to and including February 2, 2011.

Item 10. Additional Information.

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The information required to be disclosed under this 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 contracts entered into in the ordinary course of business, to which we or any of our subsidiaries are 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.

- Share Purchase Agreement dated August 13, 2010, with Capital Maritime to acquire all of its interest in the wholly owned subsidiary that owns the M/T Assos, one of the vessels identified under our Omnibus Agreement with Capital Maritime, using the net proceeds of an equity offering completed on August 9, 2010. The acquisition price of the vessel was $43.5 million. Prior to its acquisition, the vessel had been leased to Arrendadora pursuant to a finance lease agreement, and was renamed M/T Insurgentes and registered under Mexican flat. The vessel was subsequently delivered by Arrendadora to Pemex under a bareboat charter agreement expected to expire in March 2014, at the earliest. Please see 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.

- Omnibus Incentive Compensation Plan – Amendment. On July 22, 2010, our board of directors amended the Plan to increase the aggregate number of restricted units issuable under the Plan to 800,000 from 500,000.

- Share Purchase Agreement dated June 30, 2010, with Capital Maritime to acquire all of its interest in the wholly owned subsidiary that owns the M/T Alkiviadis, one of the vessels identified under our Omnibus Agreement with Capital Maritime. The aggregate purchase price for the vessel was $31.5 million, financed with cash. Please see 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 February 22, 2010, with Capital Maritime to acquire all of its interest in the wholly owned subsidiary that owns the M/T Atrotos, one of the vessels identified under our Omnibus Agreement with Capital Maritime, using the net proceeds of an equity offering completed on February 23, 2010. The acquisition price of the vessel was $43.0 million. Prior to its acquisition, the vessel had been leased to Arrendadora pursuant to a finance lease agreement, and was renamed M/T El Pipila and registered under Mexican flat. The vessel was subsequently delivered by Arrendadora to Pemex under a bareboat charter agreement expected to expire in March 2014, at the earliest. Please see Note 1 (Basis of Presentation and General Information) to our Financial Statements included herei n for more information regarding this acquisition, including a detailed explanation of how it was accounted for.

- 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: 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: 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 $12.5 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.

- Omnibus Incentive Compensation Plan. On April 29, 2008, our board of directors adopted the Plan according to which we may issue a limited number of awards, not to exceed 500,000 units initially, to our employees, consultants, officers, directors or affiliates, including the employees, consultants, officers or directors of our general partner, our manager, Capital Maritime and certain key affiliates and other eligible persons. Awards may be made in the form of incentive stock options, non-qualified stock options, stock appreciation rights, dividend equivalent rights, restricted stock, unrestricted stock, restricted stock units and performance shares. The Plan is administered by our general partner as authorized by our board of 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: Liquidity and Capital Resources—Revolving Credit Facilities” for a full description of this 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 securities. We are not aware of any limitations on the right of non-resident or foreign owners to hold or vote our securities 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, our operating subsidiary and our controlled affiliates do not, and we do not expect that we, our operating subsidiary and our controlled affiliates 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 sub ject 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, our operating subsidiary and our controlled affiliates do not, and we do not expect that we, our operating subsidiary and our controlled affiliates will, conduct business or operations in the Marshall Islands, under current Marshall Islands law neither we nor our controlled affiliates will be subject to income, capital gains, profits or other taxation As a result, distributions by our operating subsidiary and our controlled affiliates to us will not be subject to Marshall Islands taxation.

Material United States Federal Income Tax Considerations

The following is a discussion of the material U.S. federal income tax considerations that may be relevant to prospective unitholders. This discussion is based upon provisions of the Internal Revenue Code of 1986, as amended (or 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.

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 spot charter, time charter and 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 unless exempt from U.S. taxation under Section 883 of the Code (or the "Section 883 Exemption"), 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 (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 countr y. 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 repres ent 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 the 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.

We expect that our units will not lose eligibility for the Section 883 Exemption as a result of the Closely Held Block Exception, 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. See "The Section 883 Exemption and Voting" below. 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 Exception. 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 be correct, our ability to satisfy the test will be compromised.

The Section 883 Exemption and Voting

To preserve our ability to qualify for the Section 883 Exemption, if at any time, any person or group, other than our general partner or its affiliates, owns beneficially 5% or more of any class of our 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 in the hands of that holder 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.

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 busines s 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.

Upon 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 fr om 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 2012) 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 (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 obli gation 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, 2013 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& #8221; 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 di vidends 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 a 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. 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. In a recently published guidance, however, the IRS states that it disagrees with the aforementioned Fifth Circuit holding, and specifies that the time charters at issue there should be treated as service contracts. We have not sought, and we do not expect to seek, an IRS ruling on this matter. As a result, the IRS or a court could disagree with our position. If such a position were sustained, we would probably be a PFIC. No assurance can be given that this result will not occur. In addition, although we intend to conduct our affairs in a manner to avoid, to the extent possible, 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, or that we can avoid PFIC status 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 t he 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 o f 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. Statements by Experts

Not applicable.

H. Documents on Display

We have filed with the SEC a registration statement on Form F-1 and a Registration Statement on Form F-3 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 Inter net 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, 2010.

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, 2010, 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 prev ailing on December 31, 2010. 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 credit facilities of $370.0 million and $350.0 million bear floating interest of 1.35% -1.45% per annum over US$ 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 for $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 the 2008 facility for a period up to March 2013. We intend to swap the LIBOR portion of any further amounts drawn down under the 2007 facility and the 2008 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 agre ements 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. Interest expenses for the three month period ended March 31, 2011 has increased by 0.477140% and by 0.370550% under the 2007 facility, and under the 2008 facility, respectively in accordance with the terms of each facility to compensate the banks for the increased funding costs they may incur. An increase of 1% in our interest rate will cause interest expense to increase by $4.7 million. Please refer to "Item 5B: 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, 2010, 2009 and 2008 60%, 74% and 77% 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: 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 extraordinary 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 $2.0, $3.0 and $1.0 million for the years ended December 31, 2010, 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 ec onomy, 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.

No material modifications to the rights of security holders.

Item 15. Controls and Procedures.

a. Disclosure Controls and Procedures

As of December 31, 2010, 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 c ontrol 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, 2010, 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, 2010.

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, 2010, 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 transact ions 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, 2010, 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 financial statements as of and for the year ended December 31, 2010 of the Partnership and our report dated February 4, 2011 expressed an unqualified opinion on those financial statements and included explanatory paragraphs relating to: 1) the preparation of the portion of the financial statements attributable to Ross Shipmanagement Co., Baymont Enterprises Incorporated, Forbes Maritime Co., Mango Finance Co., Navarro International S.A., Epicurus Shipping Company, and Adrian Shipholding Inc., prior to the vessel acquisition by the Partnership, from the separate records maintained by Capital Maritime & Trading Corp., and 2) the retroactive adjustments to previously - -issued financial statements resulting from transactions between entities under common control.

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

February 4, 2011

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 of 2002 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 ar ea 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 2010 and 2009 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	2010	2009
Audit Fees (1)	$ 505.0	$ 387.0
Audit-Related Fees	–	–
Tax Fees (2)	67.0	33.0
Total	$ 572.0	$ 420.0

(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 2010 and 2009.

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, 2010, neither the issuer nor any affiliated persons purchased any equity securities registered by the issuer pursuant to section 12 of the Exchange Act. As of December 31, 2010, Capital Maritime owns a 31.2% 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 director s. 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 (7)
1.4	Second Amended and Restated Agreement of Limited Partnership of Capital Product Partners L.P. dated February 22, 2010 (8)
1.5	Certificate of Formation of Capital GP L.L.C. (1)
1.6	Limited Liability Company Agreement of Capital GP L.L.C. (1)
1.7	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 (7)
4.5	Fourth Supplemental Agreement to Revolving $370.0 Million Credit Facility dated April 8, 2009 (7)
4.6	Fifth Supplemental Agreement to Revolving $370.0 Million Credit Facility dated October 2, 2009 (7)
4.7	Sixth Supplemental Agreement to Revolving $370.0 Million Credit Facility dated June 30, 2010
4.8	Seventh Supplemental Agreement to Revolving $370.0 Million Credit Facility dated November 30, 2010
4.9	Revolving $350.0 Million Credit Facility dated March 19, 2008 (3)
4.10	First Supplemental Agreement to Revolving $350.0 million Credit Facility dated October 2, 2009 (7)
4.11	Second Supplemental Agreement to Revolving $350.0 million Credit Facility dated June 30, 2010
4.12	Omnibus Agreement (1)
4.13	Management Agreement with Capital Ship Management (1)
4.14	Amendment 1 to Management Agreement with Capital Ship Management dated September 24, 2007 (3)
4.15	Amendment 2 to Management Agreement with Capital Ship Management dated March 27, 2008 (3)
4.16	Amendment 3 to Management Agreement with Capital Ship Management dated April 30, 2008 (4)
4.17	Amendment 4 to Management Agreement with Capital Ship Management dated April 7, 2009 (7)
4.18	Amendment 5 to Management Agreement with Capital Ship Management dated April 13, 2009 (7)
4.19	Amendment 6 to Management Agreement with Capital Ship Management dated April 30, 2009 (7)
4.20	Amendment 7 to Management Agreement with Capital Ship Management dated March 1, 2010
4.21	Amendment 8 to Management Agreement with Capital Ship Management dated June 30, 2010
4.22	Amendment 9 to Management Agreement with Capital Ship Management dated August 13, 2010
4.23	Administrative Services Agreement with Capital Ship Management (1)
4.24	Contribution and Conveyance Agreement for Initial Fleet (1)
4.25	Share Purchase Agreement for 2007 and 2008 Vessels (1)
4.26	Share Purchase Agreement for M/T Attikos dated September 24, 2007 (3)
4.27	Share Purchase Agreement for M/T Amore Mio II dated March 27, 2008 (3)
4.28	Share Purchase Agreement for M/T Aristofanis dated April 30, 2008 (4)
4.29	Share Purchase Agreement for M/T Agamemnon II dated April 3, 2009 (7)
4.30	Share Purchase Agreement for M/T Ayrton II dated April 12, 2009 (7)
4.31	Share Purchase Agreement for M/T Atrotos (El Pipila) dated February 22, 2010
4.32	Share Purchase Agreement for M/T Alkiviadis dated June 30, 2010
4.33	Share Purchase Agreement for M/T Assos (Insurgentes) dated August 13, 2010
4.34	Capital Product Partners L.P. 2008 Omnibus Incentive Compensation Plan dated April 29, 2008 (5)
4.35	Capital Product Partners L.P. 2008 Omnibus Incentive Compensation Plan amended July 22, 2010
4.36	Form Restricted Unit Award
4.37	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 U.S. 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.
(7) Previously filed as an exhibit to the registrant's Annual Report on Form 20-F for the year ended December 31, 2009 and filed with the SEC on February 4, 2010.
(8) Previously filed as a Current Report on Form 6-K with the SEC on February 24, 2010.

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, 2011

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 balance sheets of Capital Product Partners L.P. (the "Partnership") as of December 31, 2010 and 2009, and the related consolidated statements of income, changes in partners' capital/ stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2010. 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 financial statements present fairly, in all material respects, the financial position of Capital Product Partners L.P. as of December 31, 2010 and 2009, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, through, March 27, 2008, April 30, 2008, April 7, 2009, April 13, 2009, March 1, 2010, and June 30, 2010 the portion of the accompanying financial statements attributable to Baymont Enterprises Incorporated, Forbes Maritime Co., Mango Finance Corp., Navarro International S.A., Epicurus Shipping Company, and Adrian Shipholding Inc., 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 financial statements, the financial statements give retroactive effect to the March 1, 2010 acquisition by Capital Product Partners L.P. of Epicurus Shipping Company., and the June 30, 2010 acquisition of Adrian Shipholding Inc.

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, 2010, 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, 2011 expressed an unqualified opinion on the Partnership's internal control over financial reporting.

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

February 4, 2011

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

	December 31, 2010	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	$ 32,471	$ 3,552
Short term investments (Note 2)	-	30,390
Trade accounts receivable	2,305	1,217
Due from related-parties (Note 3)	2	13,365
Prepayments and other assets	278	584
Inventories	83	466
Total current assets	**35,139**	**49,574**
Fixed assets		
Vessels, net (Note 4)	707,339	703,707
Total fixed assets	**707,339**	**703,707**
Other non-current assets		
Above market acquired bare-boat charter (Note 5)	8,062	-
Deferred charges, net	2,462	3,147
Restricted cash (Notes 2, 6)	5,250	4,500
Total non-current assets	**723,113**	**711,354**
Total assets	**$ 758,252**	**$ 760,928**
Liabilities and Partners' Capital/ Stockholders' Equity		
Current liabilities		
Current portion of long-term debt (Note 6)	$ -	$ -
Current portion of related-party long-term debt (Note 3)	-	4,412
Trade accounts payable	526	778
Due to related parties (Note 3)	4,544	4,939
Accrued liabilities (Note 8)	898	2,470
Deferred revenue – current	3,207	3,456
Total current liabilities	**9,175**	**16,055**
Long-term liabilities		
Long-term debt (Note 6)	474,000	474,000
Long-term related-party debt (Note 3)	-	43,528
Deferred revenue – long-term	2,812	2,062
Derivative instruments (Note 7)	32,505	36,931
Total long-term liabilities	**509,317**	**556,521**
Total liabilities	**518,492**	**572,576**
Commitments and contingencies (Note 15)		
Stockholders' equity		
Common stock (par value $0 and 1,000 shares issued and outstanding at December 31, 2009)		
Additional paid in capital	-	15,859
Retained earnings	-	15,365
Partners' capital		
General Partner	5,584	3,803
Limited Partners - Common (37,946,183 and 24,817,151 units issued and outstanding at December 31, 2010 and 2009, respectively)	262,918	186,493
Accumulated other comprehensive loss (Notes 2, 7)	(28,742)	(33,168)
Total partners' capital/ stockholders' equity	**239,760**	**188,352**
Total liabilities and partners' capital/ stockholders' equity	**$ 758,252**	**$ 760,928**

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

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

	For the years ended December 31,		
	2010	**2009**	**2008**
Revenues	$ 113,562	$ 134,519	$ 147,617
Revenues – related party (Note 3)	11,030	-	-
Total revenues	**124,592**	**134,519**	**147,617**
Expenses:			
Voyage expenses (Note 9)	7,009	3,993	5,981
Vessel operating expenses - related party (Notes 3, 9)	30,261	30,830	26,193
Vessel operating expenses (Note 9)	1,034	2,204	5,682
General and administrative expenses	3,506	2,876	2,817
Depreciation (Note 4)	31,464	30,685	26,581
Operating income	**51,318**	**63,931**	**80,363**
Other income (expense):			
Interest expense and finance cost	(33,259)	(32,675)	(26,631)
Interest and other income	860	1,460	1,254
Total other expense, net	**(32,399)**	**(31,215)**	**(25,377)**
Net income	**18,919**	**32,716**	**54,986**
Less:			
Net income attributable to CMTC operations	983	3,491	4,219
Partnership's net income	**$ 17,936**	**$ 29,225**	**$ 50,767**
General Partner's interest in Partnership's net income	$ 359	$ 584	13,485
Limited Partners' interest in Partnership's net income	$ 17,577	$ 28,641	37,282
Net income per:			
• Common units (basic and diluted)	$ 0.54	$ 1.15	1.56
• Subordinated units (basic and diluted)	-	$ 1.17	1.50
• Total units (basic and diluted)	$ 0.54	$ 1.15	1.54
Weighted-average units outstanding:			
• Common units (basic and diluted)	32,437,314	23,755,663	15,379,212
• Subordinated units (basic and diluted)	-	1,061,488	8,805,522
• Total units (basic and diluted)	32,437,314	24,817,151	24,184,734

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

Capital Product Partners L.P.
Consolidated 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
Balance at January 1, 2008		**$ 47,335**	**$ 3,444**	**$ 104,339**	**$ 64,444**
Dividends declared and paid to unitholders (Note 12)			(798)	(24,871)	(14,221)
Capital contribution by CMTC (Note 12)		12,135			
Net income attributable to CMTC	$ 4,219	4,219			
Equity of contributed companies retained by CMTC (Note 12)		(21,738)			
Issuance of common units for vessels' acquisitions (Notes 1, 4)			956	28,686	18,163
Excess of purchase price over acquired assets (Note 4)			(302)	(9,397)	(5,384)
Partnership net income	50,767		13,485	24,054	13,228
Other comprehensive income/(loss):					
• Unrealized loss on derivative instruments (Notes 2, 7)	(33,363)				
Comprehensive income	$ 21,623				
Balance at December 31, 2008		**41,951**	**16,785**	**122,811**	**76,230**
Dividends declared and paid to unitholders (Note 12)			(13,880)	(47,337)	(9,246)
Capital contribution by CMTC (Note 12)		48,913			

Capital Product Partners L.P.
Consolidated 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
Net income attributable to CMTC	3,491	3,491						3,491
Equity of contributed companies retained by CMTC (Note 12)		(63,131)						(63,131)
Partnership net income	29,225		584	27,399	1,242	29,225		29,225
Conversion of subordinated units (Note 12)				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
• Unrealized gain on derivative instruments (Notes 2, 7)	10,483						10,483	10,483
Comprehensive income	$ 43,199							
Balance at December 31, 2009		**31,224**	**3,803**	**186,493**		**190,296**	**(33,168)**	**188,352**
Dividends declared and paid to unitholders (Note 12)			(674)	(32,991)		(33,665)		(33,665)
Issuance of Partnership units			2,305	101,297		103,602		103,602
Equity compensation expense (Note 13)				782		782		782
Net income attributable to CMTC	983	983						983
Equity of contributed companies retained by CMTC (Note 12)		(32,207)						(32,207)

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

	Comprehensive Income	Common Stockholders' Equity	Partners' Capital				Accumulated Other Comprehensive Loss	Total
			General Partner	Common	Subordinated	Total		
Partnership net income	17,936		359	17,577		17,936		17,936
Excess of purchase price over acquired assets (Note 4)			(209)	(10,240)		(10,449)		(10,449)
Other comprehensive income/(loss):								
• Unrealized gain on derivative instruments (Notes 2, 7)	4,426						4,426	4,426
Comprehensive income	$ 23,345							
Balance at December 31, 2010		**$ -**	**$ 5,584**	**$ 262,918**	**$ -**	**$ 268,502**	**$ (28,742)**	**$ 239,760**

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

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

	For the years ended December 31,		
	2010	**2009**	**2008**
Cash flows from operating activities:			
Net income	$ 18,919	$ 32,716	$ 54,986
Adjustments to reconcile net income to net cash provided by operating activities:			
Vessel depreciation and amortization	31,464	30,685	26,581
Amortization of deferred charges	552	456	408
Amortization of above market acquired bare-boat charter	938	-	-
Equity compensation expense	782	-	-
Changes in operating assets and liabilities:			
Trade accounts receivable	(2,717)	5,381	(3,543)
Due from related parties	6	(1,795)	(6,318)
Prepayments and other assets	230	(2)	(563)
Inventories	237	(264)	106
Trade accounts payable	118	507	1,173
Due to related parties	(570)	4,460	2,584
Accrued liabilities	(409)	271	601
Deferred revenue	501	147	1,192
Dry docking expenses paid	-	-	(251)
Net cash provided by operating activities	**50,051**	**72,562**	**76,956**
Cash flows from investing activities:			
Vessel acquisitions and new building advances (Note 4)	(99,842)	(26,460)	(267,673)
Acquisition of above market bare-boat charter	(9,000)	-	-
Additions to restricted cash	(750)	-	(1,250)
Purchase of short term investments	(81,729)	(111,850)	(1,080)
Maturity of short term investments	112,119	82,540	-
Net cash used in investing activities	**(79,202)**	**(55,770)**	**(270,003)**
Cash flows from financing activities:			
Proceeds from issuance of Partnership units	105,273	-	-
Expenses paid for issuance of Partnership units	(1,533)	-	(249)
Proceeds from issuance of long-term debt	-	-	199,500
Proceeds from related-party debt	-	26,400	112,843
Payments of long-term debt	-	-	(8,080)
Payments of related-party debt/financing	(1,556)	(52,171)	(54,275)
Loan issuance costs	-	(725)	(1,950)
Excess of purchase price over book value of vessels acquired from entity under common control (Note 4)	(10,449)	-	(3,755)
Dividends paid	(33,665)	(70,463)	(39,890)
Cash balance distributed to previous owner	-	-	(2)
Capital contributions by CMTC	-	40,570	12,135
Net cash (used in) / provided by financing activities	**58,070**	**(56,389)**	**216,277**
Net (decrease) / increase in cash and cash equivalents	28,919	(39,597)	23,230
Cash and cash equivalents at beginning of period	3,552	43,149	19,919
Cash and cash equivalents at end of period	**32,471**	**3,552**	**43,149**
Supplemental Cash Flow Information			
Cash paid for interest	$ 31,860	$ 31,548	$ 25,248
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 11)	$ 31,844	$ 31,073	$ 74,239
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
Capitalized vessel costs included in liabilities	$ 175	$ 870	-
Reduction in deferred offering expenses	$ 107	-	-
Change in payable offering expenses	$ 31	-	$ 49

The accompanying notes are an integral part of these consolidated 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. 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 short-term voyage charters and 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 agreements including:

- A contribution agreement with Capital Maritime & Trading Corp. ("CMTC"), pursuant to which the Partnership purchased all of the outstanding capital stock of eight wholly owned vessel-owning subsidiaries ("the Initial Vessels"), 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, its sponsor, Capital GP L.L.C. ("CGP"), its general partner, 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 7).

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, the closing price as quoted on the Nasdaq Stock Exchange on March 26, 2008, the day prior to the acquisition.

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.

1. Basis of Presentation and General Information – Continued

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, the closing price as quoted on the Nasdaq Stock Exchange on April 29, 2008, the day prior to the acquisition.

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.

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.

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. In exchange, CMTC received all the shares of the vessel-owning company of M/T Assos 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.

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. In exchange, CMTC received all the shares of the vessel-owning company of M/T Atrotos 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.

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 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 financial statements.

In February 2010 the Partnership completed successfully an equity offering of 5,800,000 common units receiving proceeds of $48,886 after the deduction of the underwriters' commissions. On the same date CMTC made a contribution of $1,048 to the Partnership in exchange for the issuance of 118,367 general partner units to Capital GP L.L.C. ("CGP") in order for it to maintain its 2% general partner interest in the Partnership. In March 2010 the underwriters' exercised in part the overallotment options receiving an additional 481,578 common units from the Partnership. In exchange of the issuance of these common units the Partnership received the amount of $4,055 after the deduction of the underwriters' commissions. CMTC made a contribution of $87 to the Partnership in exchange for the issuance of 9,828 general par tner units to CGP in order for it to maintain its 2% general partner interest in the Partnership. Total expenses other than underwriters' commissions related to the offering amounted to $821.

On March 1, 2010 the Partnership used $43,000 of the offering proceeds for the acquisition of the shares of the vessel owning company of the M/T Atrotos (renamed M/T El Pipila), a medium range product tanker vessel, from CMTC. The vessel came with a bare boat charter attached for five years to Petróleos Mexicanos (PEMEX), the state-owned Mexican petroleum company, through Arrendadora Ocean Mexicana, S.A. de C.V., which began on April 2009. The acquisition of the M/T Atrotos was unanimously approved by the Partnership's Board of Directors following the unanimous approval and recommendation of the Board's conflicts committee, which is comprised entirely of independent directors.

1. Basis of Presentation and General Information – Continued

On June 30, 2010 the Partnership acquired the shares of the vessel-owning company of the M/T Alkiviadis, a medium range product tanker vessel, from CMTC for the amount of $31,500. The acquisition of the M/T Alkiviadis was unanimously approved by the Partnership's Board of Directors following the unanimous approval and recommendation of the Board's conflicts committee, which is comprised entirely of independent directors.

The Partnership accounted for the acquisition of the vessel-owning company of the M/T Amore Mio II, the M/T Aristofanis, the M/T Agamemnon II, the M/T Ayrton II, the M/T Atrotos and the M/T Alkiviadis as a transfer of equity interest between entities under common control. All assets and liabilities of the vessel-owning companies, except the vessel, necessary permits and time charter agreement, were retained by CMTC. 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 s heets 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. Purchase premium or discount representing the difference between the cash consideration paid and the book value of the net assets acquired is recorded as increase or decrease to the 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. 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.< /div>

The M/T Alexandros II, M/T Aristotelis II, and M/T Aris II, which were part of the committed vessels and acquired during 2008, were delivered to CMTC from the shipyards (unrelated parties) and on the same date the Partnership acquired the shares of the vessel-owning companies. The acquisition of the M/T Alexandros II, M/T Aristotelis II, and M/T Aris II was treated by the Partnership as an acquisition of assets from a company under common control. Accordingly the 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 M/T Alexandros II, M/T Aristotelis II, and M/T Aris II had at the time of the transfer were retained by CMTC.

As stated in the Partnership agreement, the board of directors of the Partnership has the power to oversee, direct the operation, management and policies of the Partnership. The General partner is responsible to run the day to day operations under the direction of the board of directors. Following the annual general meeting of common unitholders on July 22, 2010, and the elections of two Class III directors (Keith Forman and Evangelos G. Bairactaris by non-CMTC unitholders) the majority of the board has since been elected by non-CMTC controlled unitholders. As a result, the Partnership is not considered to be under common control with CMTC. As a consequence, starting with July 22, 2010, the Partnership no longer accounts for vessel acquisitions from CMTC as transfer of equ ity interest between entities under common control.

In August 2010 the Partnership completed successfully an equity offering of 5,500,000 common units receiving proceeds of $45,460 after the deduction of the underwriters' commissions. On the same date CMTC made a contribution of $969 to the Partnership in exchange for the issuance of 112,245 general partner units to Capital GP L.L.C. ("CGP") in order for it to maintain its 2% general partner interest in the Partnership. The underwriters' exercised in part the overallotment options receiving an additional 552,254 common units from the Partnership. In exchange of the issuance of these common units the Partnership received the amount of $4,540 after the deduction of the underwriters' commissions. CMTC made a contribution of $97 to the Partnership in exchange for the issuance of 11,270 general partner units to CGP in order for it to maintain its 2% general partner interest in the Partnership. Total expenses other than underwriters' commissions related to the offering amounted to $850.

1. Basis of Presentation and General Information – Continued

On August 16, 2010 the Partnership used $43,500 of the offering proceeds for the acquisition of the shares of the vessel owning company of the M/T Assos (renamed M/T Insurgentes), a medium range product tanker vessel, from CMTC. The vessel came with a bare boat charter attached for five years to Petróleos Mexicanos (PEMEX), the state-owned Mexican petroleum company, through Arrendadora Ocean Mexicana, S.A. de C.V., which began on April 2009. The acquisition of the M/T Assos was unanimously approved by the Partnership's Board of Directors following the unanimous approval and recommendation of the Board's conflicts committee, which is comprised entirely of independent directors. The Partnership accounted for the acquisition of the vessel-owning company of M/T Assos as an acqu isition of a business. All assets and liabilities of the vessel-owning company of the M/T Assos, except the vessel, necessary permits and bare-boat charter agreement, were retained by CMTC.

The effect of recasting the Partnership's financial statements to account for the common control transactions related to the acquisition of M/T Alkiviadis and M/T Atrotos increased revenue by $11,042 and $14,942 and net income by $2,681 and $5,266, respectively, for the years ended December 31, 2009 and 2008 from amounts previously reported. In addition, such recasting increased revenue and net income by $5,704 and $983, respectively, for the year ended December 31, 2010. The common control transactions noted above had no impact on the Partnership's net income and net income per unit.

(In thousands of United States Dollars)

1. Basis of Presentation and General Information – Continued

The consolidated financial statements include the following vessel-owning companies and operating 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 (M/T Insurgentes) (1,4)	47,872	04/04/2007 08/16/2010	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 (M/T El Pipila) (2,5)	47,786	05/08/2007 03/01/2010	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
Adrian Shipholding Inc.	06/22/2004	M/T Alkiviadis (3)	36,721	06/30/2010	03/29/2006

(1) Initial Vessels (acquired from CMTC upon consummation of IPO)
(2) Committed Vessels (the Partnership committed to acquire these vessels from CMTC upon consummation of the IPO)
(3) Non-Contracted Vessels (vessels acquired from CMTC that were not initial nor committed vessels)
(4) Was acquired on April 4, 2007, on April 7, 2009 was exchanged with the M/T Agamemnon II and was reacquired on August 16, 2010
(5) Was acquired on May 8, 2007, on April 13, 2009 was exchanged with the M/T Ayrton II and was reacquired on March 1, 2010

2. Significant Accounting Policies

(a) ***Principles of Consolidation and Combination:*** The accompanying consolidated 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 2008, 2009 and 2010, as described in Note 1 to the consolidated 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 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, 2010, 2009 and 2008 other comprehensive income/(loss) amounted to $4,426, $10,483 and ($33,363), respectively, and is solely comprised of changes in interest rate swaps that qualify as cash flow hedges (Note 7). As of December 31, 2010, 2009 and 2008 the Partnership had Accumulated Other Comprehensive Loss of $28,742, $33,168 and $43,651, 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 on time charters, bareboat charters or voyage 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 charterer generally assumes all risk and costs of operation during the bareboat charter period. 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 are assumed by the charterer, with the exception of Overseas Shipholding Group Inc. bareboat charter agreements where the charterer is responsible for the commissions. For voyage charters all voyage expenses are paid by the Partnership.

2. Significant Accounting Policies – Continued

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

Vessel operating expenses presented in the consolidated financial statements consist mainly 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 per vessel. 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. The Partnership pays a fixed daily fee per vessel, to the Manager for expenses mainly to cover compliance costs.

Vessel operating expenses presented in the 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 inc luded in interest and other income in the accompanying consolidated 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 $0 and $30,390 as of December 31, 2010 and 2009, 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, 2010 and 2009, restricted cash amounted to $5,250 and $4,500, respectively, and is presented under other non-current assets.

(i) Trade Accounts Receivable: The amount shown as trade accounts receivable primarily consists of earned revenue that has not been billed yet or that it has been billed 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, 2010 and 2009.

(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 scrap value of the Partnership's vessels to be $0.2 per light weight ton (LWT) and 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 greater 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. 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 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 have changed significantly as a result of the credit crisis and resulting slowdown in world trade of crude oil and related products. Charter rates for tanker vessels decreased and values of assets were affected. 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, 2010 and 2009, determining undiscounted projected net operating cash flows for the vessels and comparing them to the vessels' carrying values. In developing estimates of futu re 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, 2010 and 2009.

(m) ***Intangible assets:*** The Partnership records all identified tangible and intangible assets or any liabilities associated with the acquisition of a business at fair value. When a business is acquired that owns a vessel with an existing charter agreement, the Partnership determines the present value of the difference between: (i) the contractual charter rate and (ii) the prevailing market rate for a charter of equivalent duration. When determining present value the Partnership uses Weighted Average Cost of Capital ("WACC"). The resulting above-market (assets) and below-market (liabilities) charters are amortized using straight line method as a reduction and increase, respectively, to revenues over the remaining term of the charters.

(n) **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.

(o) ***Pension and Retirement Benefit Obligations***: The vessel-owning companies included in the consolidated 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.

(p) ***Concentration of Credit Risk:*** Financial instruments which potentially subject the Partnership to significant concentrations of credit risk consist principally of cash and cash equivalents, short-term investments, 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 rated by qualified rating agencies. Most of the Partnership's revenues were derived from a few charterers. For the year ended December 31, 2010, British Petroleum Shipping Limited, Morgan Stanley Capital Group Inc., and OSG accounted for 49%, 11% and 11% of the Partnership's total revenue, respectively. For the year ended December 31, 2 009 British Petroleum Shipping Limited, Morgan Stanley Capital Group Inc. and OSG accounted for 54%, 20% and 11% of total revenue, respectively. For the year ended December 31, 2008 British Petroleum Shipping Limited and Morgan Stanley Capital Group Inc., accounted for 48% and 29% of total revenue, respectively The Partnership does not obtain rights of collateral from its charterers to reduce its credit risk.

(q) ***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 carrying value of trade receivables, due from related parties, due to related parties, 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 c ovenant 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, 2010. Interest rate swaps are recorded at fair value on the consolidated balance sheet.

2. Significant Accounting Policies – Continued

(r) ***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.

(r) ***Net Income Per Limited Partner Unit:*** Basic 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) and less net income allocable to unvested units by the weighted-average number of outstanding limited partner units during the period (Note 14). 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.

(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) **Equity incentive plan awards:** Equity compensation expense represents vested and unvested units granted to employees and to non-employee directors, for their services as directors, as well as to non-employees and are included in "General and administrative expenses" in the "Consolidated statements of income." These units are measured at their fair value equal to the market value of the Partnership's common units on the grant date. The units that contain a time-based service vesting condition are conside red unvested units on the grant date and a total fair value of such units is recognized on a straight-line basis over the requisite service period. In addition, unvested awards granted to non-employees are measured at their then-current fair value as of the financial reporting dates until non-employees complete the service (Note 13).

(v) **Recent Accounting Pronouncements:** There are no recent accounting pronouncements that their adoption would have a material effect on the Partnership's consolidated financial statements in the current year or expected to have an impact on future years.

(In thousands of United States Dollars)

3. Transactions with Related Parties

The Partnership and its subsidiaries, have 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 for all time and voyage chartered vessels, except for the M/T Amore Mio II, M/T Alkiviadis, MT Agamemnon II and M/T Ayrton II for which the daily fixed fee is $8.5, $7.0, $6.5, and $6.5, respectively, and $0.3 for each bare boat chartered vessel, except M/T Atrotos and M/T Assos which the daily fixed fee is $0.5 per vessel. The daily fixed fee for the time and voyage chartered vessels also includes expenses related to the next scheduled special or intermediate survey as applicable and related dry docking for each vessel.

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 $1,966, $2,963 and $1,002 for the years ended December 31, 2010, 2009 and 2008, 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. These expenses are included in general & administrative expenses in the statemen ts of income.

The vessel-owning companies of the M/T Amore Mio II, M/T Aristofanis, M/T Agamemnon II, M/T Ayrton II, M/T Atrotos and M/T Alkiviadis 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 or acquisition of the M/T Amore Mio II, M/T Aristofanis, M/T Agamemnon II, M/T Ayrton II, M/T Atrotos and M/T Alkiviadis ,
- 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 9),
- 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.

Balances and transactions with related parties consisted of the following:

	As of December 31, 2010	As of December 31, 2009
Assets:		
Hire receivable (e)	$ 2	$
Manager – Vessels' operation (a)		13,365
Total assets	**$ 2**	**$ 13,365**
Liabilities:		
CMTC – loans current portion (b)	$	$ 4,412
CMTC – loans long–term portion (b)		43,528
Manager – payments on behalf of the Partnership (c)	2,048	2,691
Management fee payable to CSM (d)	2,496	2,248
Total liabilities	**$ 4,544**	**$ 52,879**

(In thousands of United States Dollars)

3. Transactions with Related Parties – Continued

Statement of income

	For the year ended December 31,		
	2010	**2009**	**2008**
Revenues (e)	$ 11,030	$ -	$ -
Vessel operating expenses	30,261	30,830	26,193
General and administrative expenses	1,103	1,088	1,133
Interest expense and finance cost	210	543	1,013

(a) ***Vessels' Operation:*** The balance in this line-item relates to funds that are received from charterers less disbursements made by the Manager on behalf of the vessel-owning subsidiaries.

(b) ***CMTC – Related party loans*****:** On December 22, 2005 CMTC entered into a loan agreement with a bank for the amount of $28,985 for the financing of the construction of the vessel M/T Alkiviadis. The balance of the loan as of December 31, 2009 was $22,190. The related-party loan relating to the M/T Alkiviadis was fully repaid by CMTC on June 30, 2010 (the date the shares of the vessel-owning company of M/T Alkiviadis were transferred to the Partnership).

On July 28, 2009 CMTC entered into a loan agreement with a bank for the amount of $26,400 for the financing of the acquisition of the shares of the vessel owning company of the M/T Atrotos. The balance of the loan as of December 31, 2009 was $25,750. The related-party loan relating to the M/T Atrotos was fully repaid by CMTC on March 1, 2010 (the date the shares of the vessel-owning company of M/T Atrotos were transferred to the Partnership).

Interest expense for the related-party loans for the years ended December 31, 2010, 2009 and 2008 amounted to $210, $543 and $1,013, respectively.

(c) ***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.

(d) ***Management fee payable to CSM***: The amount outstanding as of December 31, 2010 and 2009 represents the management fee payable to CSM as a result of the management agreement the Partnership entered into with CSM (Note 1).

(e) ***Revenues:*** On January 21, 2010 the vessel-owning companies of M/T Agisilaos and M/T Axios have entered into a one year time charter agreement with CMTC for a daily charter hire of $12 and $12.8, respectively. The charter of M/T Axios commenced on February 3, 2010 and the charter of M/T Agisilaos commenced on March 1, 2010.

On June 4, 2010 the vessel-owning company of M/T Arionas entered into a one year time charter agreement with CMTC for a daily charter hire of $12. The charter of M/T Arionas commenced on October 23, 2010.

On June 21, 2010 the vessel-owning company of M/T Alkiviadis entered into a two year time charter agreement with CMTC for a daily charter hire of $13. The charter of M/T Alkiviadis commenced on June 30, 2010.

(In thousands of United States Dollars)

4. Vessels

An analysis of vessels is as follows:

	As of December 31, 2010	As of December 31, 2009
Cost:		
Vessels	813,746	778,651
Less: accumulated depreciation	(106,407)	(74,944)
Vessels, net	**$ 707,339**	**$ 703,707**

All of the Partnership's vessels as of December 31, 2010 have been provided as collateral to secure the Partnership's two credit facilities.

On August 16, 2010 the Partnership acquired from CMTC the vessel-owning company of M/T Assos (renamed Insurgentes) for $43,500 in cash. The vessel has been recorded in the Partnerships financial statements at fair value of $34,500. In addition the Partnership recognized an above market acquired bare-boat charter of $9,000 which represents the value of the bare-boat charter attached to the vessel at the time of the acquisition.

On June 30, 2010, the Partnership acquired from CMTC the shares of the vessel owning company of the M/T Alkiviadis for a total purchase price of $31,500. The vessel has been recorded in the Partnership's financial statements at the amount of $30,573 which represents the net book value of the vessel 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 asset of $927 was recognized as a reduction of partners' capital and is presented as a financing activity in the statement of cash flows for the year ended December 31, 2010.

In April 2010, the M/T Aristofanis underwent improvements and modifications in order to upgrade the vessel to a chemical tanker; these costs amounted to $510 and were capitalized as part of the vessel's historic cost.

On March 1, 2010, the Partnership acquired from CMTC the shares of the vessel owning company of the M/T Atrotos for a total purchase price of $43,000. The vessel has been recorded in the Partnership's financial statements at the amount of $33,478 which represents the net book value of the vessel 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 asset of $9,522 was recognized as a reduction of partners' capital and is presented as a financing activity in the statement of cash flows for the year ended December 31, 2010.

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 and modifications in order to upgrade the vessel to a chemical tanker; these costs amounted to $1,179 and were capitalized as part of the vessel's historic cost.

(In thousands of United States Dollars)

4. Vessels – Continued

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 t he 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.

5. Above market acquired bare-boat charter

M/T Assos was acquired on August 16, 2010 with an outstanding bare-boat charter terminating in April, 2014 with a charter rate of $16.8 per day. This charter rate was above the market rates for equivalent bare boat charters prevailing at the time. The present value of the above the market charter was estimated by the Partnership at $9,000, and was recorded as an asset in the consolidated balance sheet. For the year ended December 31, 2010 revenues included a reduction of $938 as amortization of the above market acquired bare-boat charter for M/T Assos. The remaining unamortized above market acquired bare-boat charter was $8,062 as of December 31, 2010 and will be amortized in future years as follows:

Year ended December 31,	Amount
2011	$ 2,481
2012	2,488
2013	2,481
2014	612
Total	**$ 8,062**

6. Long-Term Debt

Long-term debt consists of the following:

	Bank Loans	Entity	As of December 31, 2010	As of December 31, 2009
(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 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.

(In thousands of United States Dollars)

6. Long-Term Debt – Continued

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 acquisi tion 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.

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.	04/04/2007	$ 30,000	
M/T Atrotos	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**

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.

On June 30, 2010 the Partnership amended its two credit facilities in order to substitute M/T Aristofanis with M/T Atrotos as collateral to the $350,000 credit facility and in order to add M/T Aristofanis and M/T Alkiviadis as collateral to the $370,000 credit facility.

On November 30, 2010 the Partnership amended its $370,000 credit facility in order to add M/T Assos as collateral to the credit facility.

As of December 31, 2010, 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, 2010, 2009 and 2008 the Partnership recorded interest expense of $31,634, $30,508 and $23,459, respectively. As of December 31, 2010 the weighted average interest rate of the Partnership's loan facilities was 6.64%.

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 (LIBOR) stated in the loan agreement with the Partnership. For the years ended December 31, 2010 and 2009 the Partnership incurred an additional interest expense in the amount of $1,468 and $1,799, respectively due to the "Market Disruption Clause". For the year ended December 31, 2008 the Partnership did not incur any additional interest expense relating to "Market Disruption Clause."

(In thousands of United States Dollars)

6. Long-Term Debt – Continued

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 twenty-one 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 7).

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. A lso 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, 2010, 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, 2010 are as follows:

Bank loans repayment schedule			
Year ended December 31,	**(i)**	**(ii)**	**Total**
2011			
2012	18,325		18,325
2013	36,650	8,063	44,713
2014	36,650	10,750	47,400
2015	36,650	10,750	47,400
Thereafter	238,225	77,937	316,162
Total	**366,500**	**107,500**	**474,000**

(In thousands of United States Dollars)

7. 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, 2010 and 2009 are as follows:

	December 31, 2010		December 31, 2009	
	Interest Rate Swaps	Total	Interest Rate Swaps	Total
Long-term liabilities	$ (32,505)	$ (32,505)	$ (36,931)	$ (36,931)
	$ (32,505)	**$ (32,505)**	**$ (36,931)**	**$ (36,931)**

Tabular disclosure of financial instruments is as follows:

Liability Derivatives

	December 31, 2010	December 31, 2009
Balance Sheet Location	**Fair value**	**Fair value**
Financial instruments Long-term liabilities	$ 32,505	$ 36,931
Total derivatives designated as hedging instruments	**$ 32,505**	**$ 36,931**

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,**		
	2010	**2009**	**2008**
Interest rate swaps	$ 4,426	$ 10,483	$ (33,363)
Total	**4,426**	**10,483**	**(33,363)**

There was no effect of derivative instruments on the Statements of Income for the years ended December 31, 2010, 2009 and 2008.

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 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.

(In thousands of United States Dollars)

7. Financial Instruments – Continued

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.

Derivatives	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2009	$ (36,931)		$ (36,931)	
December 31, 2010	$ (32,505)		$ (32,505)	

The Partnership entered into eight interest rate swap agreements that were transferred from CMTC through novation agreements on April 4, 2007. Furthermore the Partnership has entered into six additional swap agreements in 2008 to fix the LIBOR portion of its outstanding debt. As of December 31, 2010, all of the Partnerships debt has been swapped.

As of December 31, 2010 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).

Details of the Partnership's interest rate swap agreements are as follows:

Bank	Currency	Notional Amount	Fixed rate	Trade date	Value date	Maturity date	Fair market value as of December 31, 2010
HSH Nordbank AG	USD	30,000	5.1325%	02.20.2007	04.04.2007	06.29.2012	$ (2,069)
HSH Nordbank AG	USD	56,000	5.1325%	02.20.2007	05.08.2007	06.29.2012	(3,862)
HSH Nordbank AG	USD	56.000	5.1325%	02.20.2007	07.13.2007	06.29.2012	(3,862)
HSH Nordbank AG	USD	56,000	5.1325%	02.20.2007	09.28.2007	06.29.2012	(3,862)
HSH Nordbank AG	USD	56,000	5.1325%	02.20.2007	09.20.2007	06.29.2012	(3,862)
HSH Nordbank AG	USD	24,000	5.1325%	02.20.2007	01.29.2008	06.29.2012	(1,655)
HSH Nordbank AG	USD	24,000	5.1325%	02.20.2007	01.29.2008	06.29.2012	(1,655)
HSH Nordbank AG	USD	24,000	5.1325%	02.20.2007	08.20.2008	06.29.2012	(1,655)
HSH Nordbank AG	USD	20,500	4.9250%	09.20.2007	09.24.2007	06.29.2012	(1,349)
HSH Nordbank AG	USD	46,000	3.5250%	03.25.2008	03.27.2008	03.27.2013	(2,744)
HSH Nordbank AG	USD	11,500	3.8950%	04.24.2008	04.30.2008	03.28.2013	(782)
HSH Nordbank AG	USD	20,000	4.5200%	06.13.2008	06.17.2008	06.28.2012	(1,194)
HSH Nordbank AG	USD	28,000	4.6100%	06.13.2008	06.17.2008	03.28.2013	(2,356)
HSH Nordbank AG	USD	22,000	4.0990%	08.14.2008	08.20.2008	03.28.2013	(1,598)
Total derivative instruments fair value							**$ (32,505)**

8. Accrued Liabilities

Accrued liabilities consist of the following:

	As of December 31, 2010	2009
Accrued loan interest and loan fees	$ 111	$ 155
Accrued operating expenses	-	1,757
Accrued voyage expenses and commissions	394	221
Accrued general and administrative expenses	393	337
Total	**$ 898**	**$ 2,470**

(In thousands of United States Dollars)

9. Voyage Expenses and Vessel Operating Expenses

Voyage expenses and vessel operating expenses consist of the following:

	For the years ended December 31,		
	2010	**2009**	**2008**
Voyage expenses:			
Commissions	$ 1,279	$ 1,084	$ 1,431
Bunkers	4,295	2,209	2,874
Port expenses	1,412	604	1,570
Other	23	96	106
Total	**$ 7,009**	**$ 3,993**	**$ 5,981**
Operating expenses:			
Crew costs and related costs	$ 551	$ 1,332	$ 1,669
Insurance expense	69	162	240
Spares, repairs, maintenance and other expenses	269	1,015	2,962
Stores and lubricants	112	256	668
Management fees (Note 3)	28,294	27,191	25,191
Vetting, insurances, spares and repairs (Note 3)	1,966	2,963	1,002
Other operating expenses	34	115	143
Total	**$ 31,295**	**$ 33,034**	**$ 31,875**

10. Income Taxes

Under the laws of the Marshall Islands, the country in which the vessel-owning subsidiaries were incorporated, these companies are not subject to tax on international shipping income. However, they are subject to registration and tonnage taxes in the country in which the vessels are registered, which have been included in vessel operating expenses in the accompanying consolidated statements of income.

Pursuant to Section 883 of the United States Internal Revenue Code (the "Code") and the regulations there under, a foreign corporation engaged in the international operation of ships is generally exempt from U.S. federal income tax on its U.S.-source shipping income if the foreign corporation meets both of the following requirements: (a) the foreign corporation is organized in a foreign country that grants an "equivalent exemption" to corporations organized in the United States for the types of shipping income (e.g., voyage, time, bareboat charter) earned by the foreign corporation and (b) more than 50% of the voting power and value of the foreign corporation's stock is "primarily and regularly traded on an established securities market" in the United States and certain other requirements are satisfied (the "Publicly-Traded Test").

The jurisdictions where the Partnership's vessel-owning subsidiaries are incorporated each grants an "equivalent exemption" to United States corporations with respect to each type of shipping income earned by the Partnership's ship-owning subsidiaries. Additionally, our units are only traded on the Nasdaq Global Market, which is considered to be established securities market. We also believe that we satisfy the other requirements of the Publicly-Traded Test. Therefore, we have satisfied the Publicly-Traded Test for the years ended December 31, 2010, 2009 and 2008 and the ship-owning subsidiaries are exempt from United States federal income taxation with respect to U.S.-source shipping income.

(In thousands of United States Dollars)

11. Cash Flow

The following assets, liabilities and equity accounts were included in the balance sheets of CMTC entities, however, these amounts were retained by CMTC on March 26, 2008, April 29, 2008, April 6, 2009, April 12, 2009, March 1, 2010 and June 30, 2010 when the shares of the vessel-owning companies of the M/T Amore Mio II, the M/T Aristofanis, the M/T Agamemnon II, the M/T Ayrton II, the M/T Atrotos and M/T Alkiviadis were transferred from CMTC to the Partnership respectively (Note 1). The cash flows for the years ended December 31, 2010, 2009 and 2008 are adjusted accordingly to exclude the following assets and liabilities accounts as they did not result in cash inflows or outflows in the consolidated financial statements:

	As of December 31, 2010	As of December 31, 2009	As of December 31, 2008
Cash and cash equivalents	$	$	$ 2
Trade receivables	1,629	113	1,037
Due from related parties	13,357	11	4,497
Prepayments and other assets	76	69	353
Inventories	146	272	143
Deferred charges	65	69	251
Total assets	**15,273**	**534**	**6,283**
Trade accounts payable	401	673	1,913
Due to related parties		1,777	1,194
Accrued liabilities	332	166	418
Deferred revenue			
Borrowings	46,384	28,991	76,997
Total liabilities	**47,117**	**31,607**	**80,522**
Net liabilities assumed by CMTC upon contribution to the Partnership	**31,844**	**31,073**	**74,239**

The cash and cash equivalents of $2 are presented as cash dividend in the accompanying consolidated cash flow statement for the year ended December 31, 2008.

12. 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.

(In thousands of United States Dollars)

12. Partners' Capital / Stockholders' Equity and Distributions – Continued

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, 2010, 2009 and 2008 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 amo unts 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.

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".

(In thousands of United States Dollars)

12. Partners' Capital / Stockholders' Equity and Distributions – Continued

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, 2010 and 2009 our partners' capital included the following units:

	As of December 31, 2010	As of December 31, 2009
Limited partner units	37,946,183	24,817,151
General partner units	774,411	506,472
Total partnership units	**38,720,594**	**25,323,623**

During the years ended December 31, 2010, 2009 and 2008, the Partnership declared and paid dividends amounting to $33,665, $70,463 and $39,890, respectively.

Stockholders' Equity in the Statements of Changes in Stockholders' Equity reflects:

- the capital contribution made by CMTC in connection with the acquisition of 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, 2010, 2009 and 2008, such contributions amounted to $0, $48,913 and, $12,135, respectively,

- the cumulative earnings of 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, 2010, 2009 and 2008 represents the equity which was retained by CMTC upon the contribution of the Non-Contracted Vessels to the Partnership.

13. Omnibus Incentive Compensation Plan

On April 29, 2008, the Board of Directors approved the Partnership's Equity Incentive Plan (the "Plan"). The Plan has been amended on July 22, 2010. The Plan is administered by the General Partner as authorized by the Board of Directors. The persons eligible to receive awards under the Plan are officers, directors, and executive, managerial, administrative and professional employees of Capital Shipmanagement, or Capital Maritime & Trading, or other eligible persons (collectively, "key persons") as the General Partner, in its sole discretion, shall select based upon such factors as it deems relevant. Members of the board of directors are considered to be employees of the Partnership while employees of Capital Shipmanagement, Capital Maritime & Trading and other eligible persons under the plan are not considered to be employees of the Partnership. Awards may be made under the Plan in the form of incentive stock options, non-qualified stock options, stock appreciation rights, dividend equivalent rights, restricted stock, unrestricted stock, restricted stock units and performance shares.

(a) On August 25, 2010 the General Partner awarded 448,000 unvested units to all the members of the Board of Directors of the Partnership. Awards granted to the three independent directors and the chairman of the board of the Partnership will vest in three equal annual installments. Awards granted to other members of the board will vest on August 31, 2013.

(b) On August 31, 2010 the Board awarded 347,200 unvested units to employees of Capital Shipmanagement, Capital Maritime & Trading and other eligible persons under the plan. These awards will vest on August 31, 2013.

(In thousands of United States Dollars)

13. Omnibus Incentive Compensation Plan – Continued

As of December 31, 2010 all of the awards granted were unvested. There were no forfeitures of awards during the year ended December 31, 2010. The Partnership estimates the forfeitures of unvested units to be immaterial. The Partnership will, however, re-evaluate the reasonableness of its assumption at each reporting period.

All unvested units are conditional upon the grantee's continued service as a director or employee of Capital Shipmanagement and Capital Maritime & Trading until the applicable vesting date. The unvested units will accrue distributions as declared and paid which will be retained by the custodian of the Plan until the units vest at which time they are payable to the grantee. As of December 31, 2010 the unvested units accrued $185 of distributions. As unvested unit grantees accrue distributions on awards that are expected to vest, such distributions are charged to Partner's capital.

	Employee equity compensation		Non-employee equity compensation	
Unvested Units	Units	Weighted-average grant-date fair value	Units	Weighted-average grant-date fair value
Unvested on January 1, 2010	-		-	
Granted	448,000	$ 3,620	347,200	$ 2,798
Vested	-	-	-	-
Forfeited	-	-	-	-
Unvested on December 31, 2010	**448,000**	**$ 3,620**	**347,200**	**$ 2,798**

For the year ended December 31, 2010 the equity compensation expense that has been charged against income was $420 for the employee awards and $362 for the non-employee awards, this expense has been included in general and administrative expenses. As of December 31, 2010, there was $3,199 of total unrecognized compensation cost related to unvested equity compensation arrangements granted under the Plan based on the grant date unit price of $8.08 on August 25, 2010 used for the valuation of the shares awarded to employees. That cost is expected to be recognized over a period of 2.7 years. As of December 31, 2010, there was $2,999 of total unrecognized compensation cost related to unvested equity compensation arrangements granted under the Plan based on the closing unit price of $9.68 on December 31, 2010 used for the valuation of the share s awarded to non-employees. That cost is expected to be recognized over a weighted average period of 2.7 years. The Partnership has used the straight-line method to recognize the cost of the awards.

14. Net Income 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 12), 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. The Partnership follow s the 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 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.

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 12).

(In thousands of United States Dollars)

14. Net Income Per Unit – Continued

During the years ended December 31, 2010 and 2009, the Partnership's net income did not exceed the First Target Distribution Level, 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, 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 (Note 12).

The Partnership excluded the dilutive effect of 795,200 non-vested unit awards in calculating dilutive EPU for its common unitholders as of December 31, 2010, as they were anti-dilutive. The non-vested units are participating securities because they receive distributions from the Partnership and these distributions do not have to be returned to the Partnership if the non-vested units are forfeited by the grantee.

The two class method was used to calculate EPU as follows:

Numerators	**2010**	**2009**	**2008**
Partnership's net income	$ 17,936	$ 29,225	$ 50,767
Less:			
General Partner's interest in Partnership's net income	359	584	13,485
Subordinated units interest in Partnership's net income	-	1,242	13,228
Partnership's net income allocable to unvested units	147	-	-
Partnership's net income available to common unitholders	$ 17,430	$ 27,399	$ 24,054
Denominators			
Weighted average number of common units outstanding, basic and diluted	32,437,314	23,755,663	15,379,212
Net income per common unit:			
Basic and diluted	$ 0.54	$ 1.15	$ 1.56

15. 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 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.

(In thousands of United States Dollars)

15. Commitments and Contingencies – Continued

(a) ***Lease Commitments:*** The vessel-owning subsidiaries of the Partnership have entered into time and bareboat charter agreements, which as of December 31, 2010 are summarized as follows:

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	1 TC	03/2010	CMTC	50/50 (3)	$12.0
M/T Arionas	1 TC	10/2010	CMTC	50/50 (3)	$12.0
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	1 TC	05/2010	B.P. Shipping Ltd	50/50 (3)	$12.5
M/T Axios	1 TC	02/2010	CMTC	50/50 (3)	$12.8
M/T Alkiviadis	2 TC	06/2010	CMTC	50/50 (3)	$13.0
M/T Assos (3)	5 BC	04/2009	PEMEX		$16.8
M/T Atrotos (4)	5 BC	04/2009	PEMEX		$16.8
M/T Akeraios	1 TC	06/2010	B.P. Shipping Ltd	50/50 (3)	$12.5
M/T Anemos I	3 TC	09/2010	Petrobras		$14.7
M/T Apostolos	2 TC	10/2010	B.P. Shipping Ltd	50/50 (3)	$14.0
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 Agamemnon II	3 TC	1/2009	B.P. Shipping Ltd	50/50 (3)	$22.3
M/T Ayrton II	2+1 TC (4)	4/2009	B.P. Shipping Ltd	50/50 (3)	$22.3

(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) 50/50 profit share for breaching IWL (Institute Warranty Limits -- applies to voyages to certain ports at certain periods of the year).

(4) Subject to extension option by the charterers upon the second year anniversary.

(In thousands of United States Dollars)

15. Commitments and Contingencies – Continued

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, 2010 were:

Year ended December 31,	Amount
2011	$ 57,659
2012	52,346
2013	44,548
2014	26,766
2015	15,033
Thereafter	4,420
Total	**$ 200,772**

16. Subsequent Events

(a) ***Dividends:*** On January 21, 2011 the Partnership's board of directors declared a cash distribution of $0.2325 per unit, which will be paid on February 15, 2011, to unitholders of record on February 4, 2011.

Date 30 June 2010

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

SIXTH 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, 8 April 2009 and 2 October 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 30 June 2010

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, 8 April 2009 and 2 October 2009, 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 on the date hereof outstanding by way of principal.

(B) The Borrower has requested that the Lenders agree to:

(i) the addition of each of Forbes Maritime Co. and Adrian Shipholding Inc. as a Security Party for the purposes of the Loan Agreement; and

(ii) the granting and/or registration of certain security over and/or in respect of m.t. "ARISTOFANIS" and m.t. "ALKIVIADIS owned by Forbes Maritime Co. and Adrian Shipholding Inc. respectively in favour of the Security Trustee.

(C) This Agreement sets out the terms and conditions on which the Creditor Parties agree, with effect on and from the Effective Date, to the Borrower's requests and to carry out the consequential amendments to 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:

"Adrian" means Adrian Shipholding Inc., 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;

"ALKIVIADIS" means the 2006-built chemical oil double hull product tanker of approximately 37,000 deadweight tons registered in the ownership of Adrian under the Marshall Islands flag with the name "ALKIVIADIS";

"ARISTOFANIS" means the 2005-built chemical oil double hull product tanker of approximately 12,000 deadweight tons registered in the ownership of Forbes under the Liberian flag with the name "ARISTOFANIS";

"**Effective Date**" means the date on which the conditions precedent in Clause 3 are satisfied;

"**Forbes**" means Forbes Maritime Co., 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.

"**New Charterparty Assignment**" means, in respect of any Charterparty for each New Ship, a first priority assignment thereof executed or to be executed by the New Owner owning that New Ship in favour of the Security Trustee in such form as the Lenders may approve or require and, in the plural, means both of them;

"**New Earnings Account**" means, in respect of each New Owner, an account opened or to be opened in the name of that New Owner with the Agent in Hamburg designated "[*name of New Owner*] - 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 that New Ship for the purposes of the Loan Agreement and, in the plural, means both of them;

"**New Earnings Account Pledge**" means, in respect of each New Earnings Account the first priority pledge of that New Earnings Account to be executed by the relevant New Owner in favour of the Lenders in such form as the Lenders may approve or require and, in the plural, means both of them;

"**New Finance Documents**" means, together, the New Guarantees, the New Mortgages, the New General Assignments, any New Charterparty Assignments, the New Manager's Undertakings and the New Earnings Account Pledges and, in the singular, means any of them;

"**New General Assignment**" means, in respect of each New Ship, a first priority general assignment of the Earnings, Insurances and Requisition Compensation in respect thereof executed or to be executed by the New Owner owning that New Ship in favour of the Security Trustee in such form as the Lenders may approve or require and, in the plural, means both of them;

"**New Guarantee**" means, in respect of each New Owner, the guarantee of the obligations of the Borrower under the Loan Agreement and the other Finance Documents executed or to be executed by that New Owner in favour of the Security Trustee in such form as the Lenders may approve or require and, in the plural, means both of them;

"**New Manager's Undertaking**" means, in respect of each New Ship, 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 that New Ship and subordinating the rights of the Approved Manager against that New Ship and the New Owner thereof to the rights of the Creditor Parties under the Finance Documents, in such form as the Lenders, may approve or require and, in the plural, means both of them;

"**New Mortgage**" means:

(a) in respect of each "ARISTOFANIS", the first preferred Liberian mortgage; and

(b) on respect of "ALKIVIADIS", the first preferred Marshall Islands mortgage,

each executed or to be executed by the relevant New Owner in favour of the Security Trustee in such form as the Lenders may approve or require and, in the plural, means both of them;

"New Owner" means each of Adrian and Forbes and, in the plural, means both of them; and

"**New Ship**" means each of "ALKIVIADIS" and "ARISTOFANIS" and, in the plural, means both of them.

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 to the:

(a) addition of each New Owner as a Security Party for the purposes of the Loan Agreement; and

(b) granting and/or registration of certain security by each New Owner including, without limitation, security over the New Ship owned by it (constituted by the relevant New Finance Documents) in favour of the Security Trustee.

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 in connection with the execution of this Agreement, updated with appropriate modifications to refer to this Agreement;

(b) a certificate of an officer of each 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 the resolutions passed at separate meetings of the directors and shareholders of each New Owner authorising and approving the execution of each New Finance Document to which it is a party and authorising its directors or other representatives to execute the same on its behalf;

(d) the original of any power of attorney issued by each New Owner pursuant to such resolutions aforesaid;

(e) evidence that each New Ship is:

(i) registered in the name of the relevant New Owner under the laws and flag of:

(A) in the case of "ALKIVIADIS, the Republic of the Marshall Islands; and

(B) in the case of "ARISTOFANIS", the Republic of Liberia; and

(i) insured in accordance with the relevant provisions of the Loan Agreement and/or the relevant New Mortgage and all requirements thereof in respect of such insurances have been fulfilled;

(f) each New Finance Document has been duly executed by the relevant New Owner together with evidence that:

(i) each New Mortgage has been registered against the relevant New Ship with first priority in accordance with the laws of:

(A) in the case of "ALKIVIADIS, the Republic of the Marshall Islands; and

(B) in the case of "ARISTOFANIS", the Republic of Liberia;

(ii) all notices required to be served under the relevant New General Assignment and any New Charterparty Assignment to which that New Owner is a party have been served and acknowledged in the manner therein provided; and

(iii) save for the Security Interests created by or pursuant to the New Mortgages, the New General Assignments and any Charterparty Assignments, there are no Security Interests of any kind whatsoever on the New Ships or their Earnings, Insurances or Requisition Compensation;

(g) a certified true copy of any Charterparty entered into in respect of either New Ship duly signed by the parties thereto;

(h) evidence that each New Earnings Account has been opened and all mandate forms and all, documentation required by each Creditor Party in relation to the relevant New Owner pursuant to that Creditor Party's "know your customer" requirements have been received;

(i) a true and complete copy of the management agreement in respect of each New Ship;

(j) the New Manager's Undertakings executed by the Approved Manager in favour of the Security Trustee;

(k) evidence that each New Owner is a direct or indirect wholly-owned subsidiary of the Borrower;

(l) copies of ISM DOC, SMC and the International Ship Security Certificate under the ISPS Code in respect of each New Ship;

(m) 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 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;

(n) such legal opinions as the Agent may require in respect of the matters contained in this Agreement and the New Finance Documents; and

(o) 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 Agreement and the New Finance Documents.

2 REPRESENTATIONS AND WARRANTIES

2.1 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.

2.2 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.

3 AMENDMENTS TO LOAN AGREEMENT AND OTHER FINANCE DOCUMENTS

3.1 Specific amendments to Loan Agreement. With effect on and from the Effective Date the Loan Agreement shall be amended as follows:

(a) by inserting in clause 1.1 thereof the definitions of "Adrian", "ALKIVIADIS","ARISTOFANIS" and "Forbes" set out in Clause 1.2;

(b) by adding the words ""ALKIVIADIS", ARISTOFANIS, " after the words "Existing Ships, " in the second line of the definition of "Ships" in clause 1.1 thereof;

(c) in the definition of "Owner" in clause 1.1 thereof by:

(A) inserting the following new sub-paragraphs (j) and (k):

"(j) "ALKIVIADIS", Adrian;

(k) "ARISTOFANIS", Forbes"; and

(B) redesignating the existing sub-paragraphs (j), (k), (l), (m) and (n) as (l), (m), (n), (o) and (r) respectively;

(d) 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 Agreement and as the same may from time to time be further supplemented and/or amended"; and

(e) 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.

3.2 **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; 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 Agreement.

3.3 **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.

4 **FURTHER ASSURANCES**

4.1 **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.

4.2 **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.

4.3 **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.

4.4 **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.

5 **EXPENSES**

5.1 **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.

6 COMMUNICATIONS

6.1 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.

7 SUPPLEMENTAL

7.1 Counterparts. This Agreement may be executed in any number of counterparts.

7.2 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.

8 LAW AND JURISDICTION

8.1 Governing law. This Agreement shall be governed by and construed in accordance with English law.

8.2 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
BNPP Fortis (previously known as Fortis Bank)	94 Vassilisis Sofias & 1 Kerassountos Street 115 28 Athens Greece

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:

Name:
Address:

COUNTERSIGNED this day 30th of June 2010 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.

Date 30 November 2010

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

SEVENTH 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, 7 April 2009, 8 April 2009,
2 October 2009 and 30 June 2010) 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 30 November 2010

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, 8 April 2009, 2 October 2009 and 30 June 2010, 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 the principal outstanding aggregate, on the date hereof, is US$366,500,000.

(B) The Borrower has requested that the Lenders agree to:

(i) the addition of Canvey Shipmanagement Co. as a Security Party for the purposes of the Loan Agreement; and

(ii) the granting and/or registration of certain security over and/or in respect of m.t. "INSURGENTES" in favour of the Security Trustee and/or the Lenders.

(C) This Agreement sets out the terms and conditions on which the Creditor Parties agree, with effect on and from the Effective Date, to the Borrower's requests and to carry out the consequential amendments to the Loan Agreement and the other Finance Documents.

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:

"Arrendadora" means Arrendadora Ocean Mexicana S.A. De S.V., a company existing and registered in the Republic of Mexico whose registered office is at
;

"**ATA**" means the irrevocable administration and source of payment trust agreement dated 21 December 2009 entered into between (i) Arrendadora as settlor and fourth beneficiary, (ii) NBG as first beneficiary, (iii) Canvey as second beneficiary, (iv) the Approved Manager as third beneficiary and (iv) BYNM as trustee (as amended and restated or, as the context may require to be amended and restated by an amended and restated administration and source of payment trust agreement entered or to be entered into between (i) Arrendadora as settlor and fourth beneficiary, (ii) the Agent as first beneficiary, (iii) Canvey as second beneficiary, (iv) the Approved Manager as third beneficiary and (iv) BYNM as trustee in such form as the Lenders may approve or require);

"**Bareboat Charter**" means a bareboat charter dated 25 March 2009 entered into between Arrendadora as lessee and the Bareboat Charterer in respect of the Ship;

"**Bareboat Charterer**" means Pemex Refinación a public organization, decentralized from the federal government of Mexico;

"BYNM" means The Bank of New York Melon, S.A., Institución De Banca Multiple, existing under the laws of the Republic of Mexico whose registered address is at Paseo de la Reforma No. 115 Piso 23, Col. Lomas de Chapultepec, Del. Miguel Hidalgo, C.P. 11000, México, D.F;

"Canvey" means Canvey Shipmanagement Co., 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;

"**Effective Date**" means the date on which the conditions precedent in Clause 3 are satisfied;

"**Financial Lease Agreement**" means the financial lease agreement dated as of 29 March 2009 (as amended and supplemented by an addendum no.1 dated 29 March 2009) entered into between Canvey as lessor and Arrendadora as lessee pursuant to which Canvey has agreed to lease the Ship to Arrendadora in a form acceptable to the Lenders;

"**Financial Lease Agreement Assignment**" means a first priority assignment of the Financial Lease Agreement in such form as the Lenders may approve or require;

"**GTA**" means the irrevocable guarantee trust agreement dated 21 December 2009 entered into between (i) Canvey as settlor and second beneficiary, (ii) NBG as first beneficiary and (iii) BYNM as trustee (as amended and restated or, as the context may require, to be amended and restated by an amended and restated guarantee trust agreement entered or to be entered between (i) Canvey as settlor and second beneficiary, (ii) the Agent as first beneficiary and (iii) BYNM as trustee in such form as the Lenders may approve or require);

"INSURGENTES" means the -built medium range product tanker of approximately 47,000 deadweight tons currently registered in the ownership of Arrendadora, as lessee under Mexican flag with the name "INSURGENTES" and whose legal ownership has been transferred by Canvey to BYNM pursuant to the GTA;

"**NBG**" means the National Bank of Greece S.A. a bank acting through its branch at Bouboulinas 2 & Akti Miaouli, 185 35 Piraeus, Greece;

"New Earnings Account" means an account opened or to be opened in the name of Canvey with the Agent in Hamburg designated "Canvey Shipmanagement Co. – Earnings Account", or any other account (with that or another office of the Agent) which is designated by the Lenders as the Earnings Account for Canvey for the purposes of the Loan Agreement;

"New Earnings Account Pledge" means, in relation to the New Earnings Account, a deed of pledge thereof, in such form as the Lenders may approve or require;

"New Finance Documents" means, together, the Financial Lease Agreement Assignment, the ATA, the GTA, the New Earnings Account Pledge, the New Guarantee, the New General Assignment and the New Manager's Undertaking 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 "INSURGENTES" executed or to be executed by Canvey 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 Canvey 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 Lenders agreeing certain matters in relation to the Approved Manager serving as the manager of "INSURGENTES" and, assigning, as co-assured, its rights and interests in the Insurances of "INSURGENTES" in favour of the Security Trustee and subordinating the rights of the Approved Manager against "INSURGENTES" and Canvey to the rights of the Lenders under the Finance Documents, in such form as the Lenders may approve or require; and

"**Underlying Documents**" means, together, the Financial Lease Agreement and the Bareboat Charter and, in the singular means either of them.

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 to the:

(a) addition of Canvey as a Security Party for the purposes of the Loan Agreement; and

(b) granting and/or registration of certain security by Canvey including, without limitation, security over "INSURGENTES" (constituted by the relevant New Finance Documents) in favour of the Security Trustee.

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 in connection with the execution of this Agreement, updated with appropriate modifications to refer to this Agreement;

(b) a certificate of an officer of Canvey 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 the resolutions passed at separate meetings of the directors and shareholders of Canvey authorising and approving the execution of each New Finance Document to which it is a party and authorising its directors or other representatives to execute the same on its behalf;

(d) the original of any power of attorney issued by Canvey pursuant to such resolutions aforesaid;

(e) evidence satisfactory to the Agent that Canvey is a direct or, as the case may be, indirect wholly-owned subsidiary of the Borrower;

(f) evidence that the New Earnings Account has been duly opened by Canvey with the Agent;

(g) evidence that "INSURGENTES" is:

(i) registered in the name of Arrendadora as lessee under the laws and flag of the Republic of Mexico; and

(ii) insured in accordance with the relevant provisions of the New Guarantee and all requirements thereof in respect of such insurances have been fulfilled;

(h) each New Finance Document has been duly executed by Canvey together with evidence that:

(i) all notices required to be served under the Financial Lease Agreement Assignment, the New General Assignment and the New Manager's Undertaking have been served and acknowledged in the manner therein provided; and

(ii) save for the Security Interests created by or pursuant to each New Finance Document there are no Security Interests of any kind whatsoever on "INSURGENTES" or her Earnings, Insurances or Requisition Compensation;

(i) certified true copies of each Underlying Document and any other document executed in connection therewith duly signed by the parties thereto;

(j) copies of ISM DOC, SMC and the International Ship Security Certificate under the ISPS Code in respect of "INSURGENTES";

(k) at the cost of the Borrower, an insurance opinion from an independent insurance consultant acceptable to the Lenders on such matters relating to the Insurance of "INSURGENTES" as the Agent may require;

(l) 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 Second 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 Lenders deem appropriate;

(m) 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 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;

(n) such legal opinions as the Agent may require in respect of the matters contained in this Agreement and the New Finance Documents; and

(o) 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 Agreement and the New Finance Documents.

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 in clause 1.1 thereof the definitions of "Arrendadora", "ATA", "Bareboat Charter", "Bareboat Charterer", "BYNM", "Canvey" "Financial Lease Agreement", "Financial Lease Agreement Assignment", "GTA" and "NBG" which have been set out in Clause 1.1 hereof;

(b) by adding the words "or, in the case of "INSURGENTES" during the Lease Period, the Mexican flag" after the words "Marshall Islands flag" in the first line in the definition of "Approved Flag" in clause 1.1 thereof;

(c) in the definition of "Owner" in clause 1.1 thereof by inserting the following new sub-paragraph (o):

"(o) "INSURGENTES", Canvey;";

(c) by adding the following new definitions in clause 1.1 thereof:

""**INSURGENTES**" means the medium range product tanker of approximately 47,000 deadweight tons registered:

(a) during the Lease Period, in the name of Arrendadora, as lessee under Mexican flag with the name "INSURGENTES; or

(b) at all other times in the name of Canvey under the relevant Approved Flag with the name "ASSOS";

"**Lease Period**" means the period commencing on 30 November 2010 and ending on the earlier of:

(a) the date on which the Financial Lease Agreement is terminated, or rescinded or expires in accordance with its terms; or

(b) the date on which "INSURGENTES" is redelivered by Arrendadora to Canvey pursuant to the terms of the Financial Lease Agreement;";

(d) by adding the words ", Arrendadora":

(i) after the word "Owner" in the definition of "ISM Code" in clause 1.1 thereof;

(ii) after the word "Ships'" in the first line of sub-paragraph (c) in the definition of "ISM Code Documentation" in clause 1.1 thereof; and

(iii) after the word "the Approved Manager" in the second line in clause 10.16 thereof;

(e) by adding the words "Arrendadora," after the words "except" in the first line of the definition of "Security Party" in clause 1.1 thereof;

(f) by adding the words "INSURGENTES" after the word "ARISTOFANIS," in the first line of the definition of "Ships" in clause 1.1 thereof;

(g) by adding the words ", Arrendadora, BYNM (in its capacity as trustee pursuant to the ATA and the GTA), the Bareboat Charterer" after the words "Approved Manager" in the third line of clause 11.11 thereof;

(h) by adding the words "the Approved Manager, Arrendadora, BYNM (in its capacity as trustee pursuant to the GTA), the Bareboat Charterer" after the word "Borrower" in clause 11.17(a) thereof;

(i) by adding the following new clause 11.22:

"**11.22 Financial Lease Agreement.** If at any time the Financial Lease Agreement is terminated or rescinded or expires (through the passage of time) the Borrower shall procure that Canvey shall immediately:

(a) provide the Agent with evidence acceptable to it and its lawyers that "INSURGENTES" has been permanently deleted from the Mexican flag;

(b) provide the Agent with evidence that Canvey has no further obligations under the Financial Lease Agreement and that the ATA and the GTA are no longer in effect;

(c) permanently register "INSURGENTES" in its name under an Approved Flag with the name "ASSOS";

(d) duly register or record (as the case may be) a Mortgage against "INSURGENTES" as a valid first preferred ship or, as the case may be a first priority, mortgage in accordance with the laws of the applicable Approved Flag State;

(e) execute in favour of the Security Trustee (if applicable) a Charterparty Assignment in respect of any Charterparty for "INSURGENTES"; and

(f) deliver to the Security Trustee an Approved Manager's Undertaking in respect of "INSURGENTES" duly executed by the Approved Manager.";

(j) by inserting the words "or, in the case of "INSURGENTES" during the Lease Period, Arrendadora" after the word "Owner" in the first line of clauses 14.10 and 14.11 thereof;

(k) 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 Agreement and as the same may from time to time be further supplemented and/or amended"; and

(l) 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 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 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 EXPENSES

7.1 **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

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 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
BNPP Fortis (previously known as Fortis Bank)	94 Vassilisis Sofias & 1 Kerassountos Street 115 28 Athens Greece

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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 30th day of November 2010 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 Seventh 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.

for and on behalf of
ADRIAN SHIPHOLDING INC.

for and on behalf of
FORBES MARITIME CO.

Date 30 June 2010

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

SECOND SUPPLEMENTAL AGREEMENT

---

in relation to a Loan Agreement dated 19 March 2008
(as amended and supplemented by
a supplemental agreement dated 2 October 2009)
in respect of revolving credit and term loan facilities
of (originally) US$350,000,000 in aggregate

INDEX

THIS SECOND SUPPLEMENTAL AGREEMENT is made on 30 June 2010

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 (as amended and supplemented by a supplemental agreement dated 2 October 2009, 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 (the "**Loan**") in aggregate of which an amount of US$107,500,000 is by way of principal outstanding on the date hereof.

(B) The Borrower has requested that the Lenders agree to:

(i) the release of:

(a) Forbes Maritime Co. ("**Forbes**") from all its obligations under the Finance Documents to which it is a party and its substitution by Epicurus Shipping Company ("**Epicurus**") as guarantor for the obligations of the Borrower under the Loan Agreement; and

(b) Adrian Shipholdings Inc. ("**Adrian**") and Atlantas Shipping Company ("**Atlantas**") from their respective obligations under the Finance Documents to which each is a party; and

(ii) the substitution of m.t. "ARISTOFANIS" (owned by Forbes) with the m.t. "EL PIPILA" ("**EL PIPILA**") owned by Epicurus 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 Forbes with Epicurus;

(ii) release Adrian and Atlantas from their respective obligations under the Finance Documents to which each is a party;

(iii) substitute m.t. “ARISTOFANIS” with m.t. “EL PIPILA”; and

(iv) the consequential amendments to the Loan Agreement and the other Finance Documents in connection with those matters.

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:

“Arrendadora” means Arrendadora Ocean Mexicana S.A. De S.V., a company existing and registered in the Republic of Mexico whose registered office is at

“**ATA**” means the irrevocable administration and source of payment trust agreement dated 21 December 2009 entered into between (i) Arrendadora as settlor and fourth beneficiary, (ii) HSBC as first beneficiary, (iii) Epicurus as second beneficiary, (iv) the Approved Manager as third beneficiary and (iv) BYNM as trustee (as amended and restated or, as the context may require to be amended and restated by an amended and restated administration and source of payment trust agreement entered or to be entered into between (i) Arrendadora as settlor and fourth beneficiary, (ii) the Facility Agent as first beneficiary, (iii) Epicurus as second beneficiary, (iv) the Approved Manager as third beneficiary and (iv) BYNM as trustee in such form as the Lenders may approve or require);

“**Bareboat Charter**” means a bareboat charter dated 25 March 2009 entered into between Arrendadora as lessee and the Bareboat Charterer in respect of the Ship;

“**Bareboat Charterer**” means Pemex Refinación a public organization, decentralized from the federal government of Mexico;

“BYNM” means The Bank of New York Melon, S.A., Institución De Banca Multiple, existing under the laws of the Republic of Mexico whose registered address is at Paseo de la Reforma No. 115 Piso 23, Col. Lomas de Chapultepec, Del. Miguel Hidalgo, C.P. 11000, México, D.F;

“EL PIPILA” means the -built medium range product tanker of approximately 47,000 deadweight tons currently registered in the ownership of Arrendadora, as lessee under Mexican flag with the name “EL PIPILA” and whose legal ownership will be transferred by Epicurus to BYNM pursuant to the GTA;

“**Financial Lease Agreement**” means the financial lease agreement dated as of 29 March 2009 (as amended and supplemented by an addendum no.1 dated 29 March 2009) entered into between Epicurus as lessor and Arrendadora as lessee pursuant to which Epicurus has agreed to lease the Ship to Arrendadora in a form acceptable to the Lenders;

“**Financial Lease Agreement Assignment**” means a first priority assignment of the Financial Lease Agreement in such form as the Lenders may approve or require;

"**GTA**" means the irrevocable guarantee trust agreement dated 21 December 2009 entered into between (i) Epicurus as settlor and second beneficiary, (ii) HSBC as first beneficiary and (iii) BYNM as trustee (as amended and restated or, as the context may require, to be amended and restated by an amended and restated guarantee trust agreement entered or to be entered between (i) Epicurus as settlor and second beneficiary, (ii) the Facility Agent as first beneficiary and (iii) BYNM as trustee in such form as the Lenders may approve or require);

"**HSBC**" means HSBC Bank plc a bank acting through its branch at 93 Akti Miaouli, 185 38 Piraeus, Greece;

"New Earnings Account" means an account opened or to be opened in the name of Epicurus with the Facility Agent in Hamburg designated "Epicurus Shipping Company – Earnings Account", or any other account (with that or another office of the Facility Agent) which is designated by the Lenders as the Earnings Account for Epicurus for the purposes of the Loan Agreement;

"New Earnings Account Pledge" means, in relation to the New Earnings Account, a deed of pledge thereof, in such form as the Lenders may approve or require;

"**New Effective Date**" means the date on which the conditions precedent in Clause 3 are satisfied;

"New Finance Documents" means, together, the Financial Lease Agreement Assignment, the ATA, the GTA, the New Earnings Account Pledge, the New Guarantee, the New General Assignment and the New Manager's Undertaking 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 "EL PIPILA" executed or to be executed by Epicurus 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 Epicurus 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 Lenders agreeing certain matters in relation to the Approved Manager serving as the manager of "EL PIPILA" and, assigning, as co-assured, its rights and interests in "EL PIPILA's" Insurances in favour of the Security Trustee and subordinating the rights of the Approved Manager against "EL PIPILA" and Epicurus to the rights of the Lenders under the Finance Documents, in such form as the Lenders may approve or require; and

"**Underlying Documents**" means, together, the Financial Lease Agreement and the Bareboat Charter and, in the singular means either of them.

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**

2.2 **Agreement of the Lenders.** The Lenders agree, subject to and upon the terms and conditions of this Agreement:

(a) to substitute Forbes with Epicurus as guarantor of the obligations of the Borrower under the Loan Agreement and the other Finance Documents;

(b) release of Adrian and Atlantas from their respective obligations under the Finance Documents to which each is a party;

(c) to substitute "ARISTOFANIS" with "EL PIPILA" as one of the Ships on which the Loan will be secured; and

(d) the amendments/variations to the Loan Agreement and the other Finance Documents referred to in Clause 5.

2.3 **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.

2.4 **New 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 New 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 New Effective Date:

(a) evidence that the persons executing this Second Supplemental Agreement on behalf of the Borrower are duly authorised to execute the same;

(b) a certificate from an officer of Epicurus 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 the resolutions passed at separate meetings of the directors and shareholders of each of the Borrower and Epicurus authorising and approving the execution of this Second Supplemental Agreement or, as the case may be, the New Finance Documents to which each is a party and any other document or action to which each is or is to be a party and authorising its directors or other representatives to execute the same on its behalf;

(d) the original of any power of attorney issued by each of the Borrower and Epicurus pursuant to such resolutions aforesaid;

(e) evidence satisfactory to the Agent that Epicurus is a direct or, as the case may be, indirect wholly owned subsidiary of the Borrower;

(f) evidence that the New Earnings Account has been duly opened by Epicurus with the Facility Agent;

(g) evidence that "EL PIPILA" is:

(i) registered in the name of Arrendadora as lessee under the laws and flag of the Republic of Mexico; and

(ii) insured in accordance with the relevant provisions of the Guarantee and all requirements thereof in respect of such insurances have been fulfilled;

(h) each New Finance Document has been duly executed by Epicurus together with evidence that:

(i) all notices required to be served under the Financial Lease Agreement Assignment, the New General Assignment and the New Manager's Undertaking have been served and acknowledged in the manner therein provided; and

(ii) save for the Security Interests created by or pursuant to each New Finance Document there are no Security Interests of any kind whatsoever on "EL PIPILA" or her Earnings, Insurances or Requisition Compensation;

(i) certified true copies of each Underlying Document and any other document executed in connection therewith duly signed by the parties thereto;

(j) copies of ISM DOC, SMC and the International Ship Security Certificate under the ISPS Code in respect of "EL PIPILA";

(k) at the cost of the Borrower, an insurance opinion from an independent insurance consultant acceptable to the Lenders on such matters relating to the insurance for "EL PIPILA" as the Agent may require;

(l) 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 Second 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 Lenders deem appropriate;

(m) such legal opinions as the Lenders may require in respect of the matters contained in this Second Supplemental Agreement and the New Finance Documents including, but not limited to, matters relating to Mexican law, Marshall Islands law and Liberian law; and

(n) 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 Second Supplemental Agreement and the New Finance Documents.

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 New Effective Date the Loan Agreement shall be amended as follows:

(a) by adding in clause 1.1 thereof the definitions of "Arrendadora", "ATA", "Bareboat Charter", "Bareboat Charterer", "BYNM", "Financial Lease Agreement", "Financial Lease Agreement Assignment", "GTA" and "HSBC" which have been set out in Clause 1.1 hereof;

(b) by adding the words “or, in the case of “EL PIPILA” during the Lease Period, the Mexican flag” after the words “or flag” in the beginning of the second line in the definition of “Approved Flag” in clause 1.1 thereof;

(c) by adding the following new definitions in clause 1.1 thereof:

““**EL PIPILA**” means the medium range product tanker of approximately 47,000 deadweight tons registered:

(a) during the Lease Period, in the name of Arrendadora, as lessee under Mexican flag with the name “EL PIPILA; or

(b) at all other times in the name of Epicurus under the relevant Approved Flag with the name “ATROTOS”;

“**Epicurus**” means Epicurus Shipping Company, a corporation incorporated and existing under the laws of the Republic of the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands;

“**Lease Period**” means the period commencing on the date of this agreement and ending on the earlier of:

(a) the date on which the Financial Lease Agreement is terminated, or rescinded or expires in accordance with its terms; or

(b) the date on which the Ship is redelivered by Arrendadora to Epicurus pursuant to the terms of the Financial Lease Agreement;”;

(d) by deleting sub-paragraph (b) in the definition of “Existing Charter” in clause 1.1 thereof;

(e) by deleting the words “and “ARISTOFANIS”” in the second line sub-paragraph (b) of the definition of “Charterparty Assignment” in clause 1.1 thereof;

(f) by deleting the word ““ARISTOFANIS”” and replacing it with the word ““EL PIPILA”” in the definition of “Existing Ships” in clause 1.1 thereof;

(g) by deleting the words “Forbes Maritime Co. (“**Forbes**”)” and replacing them with the words “Epicurus Shipping Company (“**Epicurus**”)” in sub-paragraph (d) of the definition of “Existing Owner” in clause 1.1 thereof;

(h) by adding the words “, Arrendadora”:

(i) after the word “Owner” in the definition of “ISM Code” in clause 1.1 thereof;

(ii) after the word “the Approved Manager” in the second line in clause 10.16 thereof;

(i) by adding the words “Arrendadora,” after the words “(except” in the first line of the definition of “Security Party” in clause 1.1 thereof;

(j) by adding the words “, Arrendadora, BYNM (in its capacity as trustee pursuant to the ATA and the GTA), the Bareboat Charterer” after the words “Approved Manager” in the third line of clause 11.11 thereof;

(k) by adding the words “the Approved Manager, Arrendadora, BYNM (in its capacity as trustee pursuant to the GTA), the Bareboat Charterer” after the word “Borrower” in clause 11.17(a) thereof;

(l) by adding the following new clause 11.22:

"11.22 Financial Lease Agreement. If at any time the Financial Lease Agreement is terminated or rescinded or expires (through the passage of time) the Borrower shall procure that Epicurus shall immediately:

(a) provide the Facility Agent with evidence acceptable to it and its lawyers that "EL PIPILA" has been permanently deleted from the Mexican flag;

(b) provide the Facility Agent with evidence that Epicurus has no further obligations under the Financial Lease Agreement and that the ATA and the GTA are no longer in effect;

(c) permanently register "EL PIPILA" in its name under an Approved Flag with the name "ATROTOS";

(d) duly register or record (as the case may be) a Mortgage against "EL PIPILA" as a valid first preferred ship or, as the case may be a first priority mortgage in accordance with the laws of the applicable Approved Flag State;

(e) Execute in favour of the Security Trustee (if applicable) a Charterparty Assignment in respect of any Charterparty for "El Pipila"; and

(f) Deliver to the Security Trustee an Approved Manager's Undertaking in respect of "El Pipila" duly executed by the Approved Manager.";

(l) by inserting the words "or, in the case of "EL PIPILA" during the Lease Period, Arrendadora" after the word "Owner" in the first line of clause 14.10 thereof;

(m) by inserting the words "or (in the case of "EL PIPILA"), during the Lease Period, Arrendadora's" after the word "its" in the first line of clause 14.11(e) thereof;

(n) 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 Second Supplemental Agreement and as the same may from time to time be further supplemented and/or amended"; and

(o) 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 New 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; 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 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 EXPENSES

7.1 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

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 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 30th of June 2010 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 Second 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 and the other Finance Documents.

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.

EXECUTION COPY

AMENDMENT TO MANAGEMENT AGREEMENT

AMENDMENT NO. 7 made effective the 1st day of March 2010 to the Management Agreement dated the 3rd day of April 2007, as amended (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 establis hed 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. On 1st day March 2010, 2010 CLP acquired Epicurus Shipping Company ("Epicurus") the vessel owning company of the product tanker "El Pipila" ex name Atrotos (the "Vessel") currently registered in the port of Salina Cruz, Oaxaca, Mexico in the name of Arrendadora Ocean Mexicana S.A. De C.V. of the Republic of Mexico ("Arrendadora") as lessee pursuant to a financial lease agreement (the "Financial Lease Agreement"**)** between Arrendadora as lessee and Epicurus as lessor ;

D. Arrendadora, as lessee, has entered into a bareboat charter (the "Bareboat Charter") with Pemex Refinación ("Pemex") a public organization, decentralized from the federal government of Mexico, as bareboat/demise charterer in respect of the Vessel.

E. Arrendadora has also entered into a management agreement with CSM, pursuant to which CSM performs a number of technical management services for the normal operation of the Vessel, excluding services related to the following: (i) fuel/bunkers and lubricating oil, (ii) victual/stores to the Vessel, (iii) crew (except that personnel required for the maintenance on board and on shore is to be provided by CSM), (iv) port fees, (v) catering, (vi) all Mexican taxes/duties and (vii) all type of insurances and bonds in relation to the Vessel (the "Arrendadora Management Agreement"). The technical and management services to be provided by CSM to Arrendadora are described exclusively and exhaustively in more detail in Schedule 2 of the Arrendadora Management Agreement.

F. In accordance with the terms of the Arrendadora Management Agreement, Arrendadora pays a fixed daily amount of USD$3,075.00 (Three thousand seventy five 00/100 US Dollars) for the duration of the Financial Lease Agreement (the "Arrendadora Management Fee"). Following the formation of an Administrative Trust Agreement amongst, inter alia, Epicurus, CSM and Arrendadora such Arrendadora Management Fee is paid by Arrendadora to CSM through payment made to Epicurus.

G. CLP has agreed to pay the Arrendadora Management Fee to CSM through Epicurus.

H. In addition to the services set out in the Arrendadora Management Agreement, CLP has agreed to pay a fixed daily fee of USD$500 to CSM for the provision of certain additional services not provided under the Arrendadora Management Agreement (the "CLP Bareboat Fee");

I. CLP has requested that CSM agree to amend certain provisions of the Management Agreement, as set forth herein; and

J. 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) Definition of "Vessels" shall include also the Vessel (as defined hereinabove) and any relevant reference in the Management Agreement to Vessel, Vessel or ownership of a Vessel by CLP shall be logically amended to reflect the legal structure under which the Vessel is or will be in the beneficial ownership of CLP.

(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, except that in the case of the m.t. “El Pipila” (ex Atrotos) CLP shall pay a fixed daily fee of USD$3,575, comprising of the Arrendadora Management Fee of US$3,075 and the CLP Bareboat Fee of USD$500, 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
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
El Pipila (ex Atrotos)	3,575 (3,075 + 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
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
El Pipila (ex Atrotos)	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 Agree ment 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: /s/ Ioannis E. Lazaridis
Name: Ioannis E. Lazaridis
Title: Chief Executive Officer and Chief Financial Officer of Capital GP L.L.C.

CAPITAL SHIP MANAGEMENT CORP.,

By: /s/ Nikolaos Syntichakis
Name: Nikolaos Syntichakis
Title: Attorney-in-Fact

AMENDMENT TO MANAGEMENT AGREEMENT

AMENDMENT NO. 8 made effective the 30th day of June 2010 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 and the 13th of April 2009 and the 30th of April 2009 and the 1st of March 2010 (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 Ho ng 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 all of the issued and outstanding shares of capital stock of Adrian Shipholding Inc., a corporation organized under the laws of the Republic of the Marshall Islands which holds record and beneficial ownership title to the Liberian flagged product tanker "Alkiviadis";

D. CLP wishes for CSM to provide commercial and technical services under the Management Agreement with respect to the product tanker Alkiviadis;

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, the Ayrton II and the Alkiviadis 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, except that in the case of the m.t. “El Pipila” (ex Atrotos) CLP shall pay a fixed daily fee of US$3,575, comprising the Arrendadora Management Fee of US$3,075 and the CLP Bareboat Fee of US$500, 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	
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	
El Pipila (ex Atrotos)	3,575	(3,075 + 500)
Alkiviadis	7,000	

(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
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
El Pipila (ex Atrotos)	March 2014
Alkiviadis	June 2015

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: /s/ Ioannis E. Lazaridis

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

CAPITAL SHIP MANAGEMENT CORP.,

By: /s/ Nikolaos Syntichakis

Name: Nikolaos Syntichakis
Title: Attorney-in-Fact

AMENDMENT TO MANAGEMENT AGREEMENT

AMENDMENT NO. 9 made effective the 13th day of August 2010 to the Management Agreement dated the 3rd day of April 2007, as amended (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. On the 13th day of August 2010, CLP acquired Canvey Shipmanagement Co. ("Canvey"), the vessel owning company of the product tanker "Insurgentes", ex name Assos (the "Vessel"), currently registered in the port of Salina Cruz, Oaxaca, Mexico in the name of Arrendadora Ocean Mexicana S.A. De C.V. of the Republic of Mexico ("Arrendadora") as lessee pursuant to a financial lease agreement (the "Financial Lease Agreement") between Arrendadora as lessee and Canvey as lessor;

D. Arrendadora, as lessee, has entered into a bareboat charter (the "Bareboat Charter") with Pemex Refinación ("Pemex") a public organization, decentralized from the federal government of Mexico, as bareboat/demise charterer in respect of the Vessel.

E. Arrendadora has also entered into a management agreement with CSM, pursuant to which CSM performs a number of technical management services for the normal operation of the Vessel, excluding services related to the following: (i) fuel/bunkers and lubricating oil, (ii) victual/stores to the Vessel, (iii) crew (except that personnel required for the maintenance on board and on shore is to be provided by CSM), (iv) port fees, (v) catering, (vi) all Mexican taxes/duties and (vii) all type of insurances and bonds in relation to the Vessel (the "Arrendadora Management Agreement"). The technical and management services to be provided by CSM to Arrendadora are described exclusively and exhaustively in more detail in Schedule 2 of the Arrendadora Management Agreement.

F. In accordance with the terms of the Arrendadora Management Agreement, Arrendadora pays a fixed daily amount of USD$3,075.00 (Three thousand seventy five 00/100 US Dollars) for the duration of the Financial Lease Agreement (the "Arrendadora Management Fee"). Following the formation of an Administrative Trust Agreement amongst, inter alia, Canvey, CSM and Arrendadora such Arrendadora Management Fee is paid by Arrendadora to CSM through payment made to Canvey.

G. CLP has agreed to pay the Arrendadora Management Fee to CSM through Canvey.

H. In addition to the services set out in the Arrendadora Management Agreement, CLP has agreed to pay a fixed daily fee of USD$500 to CSM for the provision of certain additional services not provided under the Arrendadora Management Agreement (the "CLP Bareboat Fee");

I. CLP has requested that CSM agree to amend certain provisions of the Management Agreement, as set forth herein; and

J. 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) Definition of "Vessels" shall include also the Vessel (as defined hereinabove) and any relevant reference in the Management Agreement to Vessel, Vessel or ownership of a Vessel by CLP shall be logically amended to reflect the legal structure under which the Vessel is or will be in the beneficial ownership of CLP.

(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, except that in the case of the m.t. "Insurgentes" (ex Assos) CLP shall pay a fixed daily fee of USD$3,575, comprising of the Arrendadora Management Fee of US$3,075 and the CLP Bareboat Fee of USD$500, 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	
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	
El Pipila (ex Atrotos)	3,575	(3,075 + 500)
Alkiviadis	7,000	
Insurgentes (ex Assos)	3,575	(3,075 + 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
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
El Pipila (ex Atrotos)	March 2014
Alkiviadis	June 2015
Insurgentes (ex Assos)	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: /s/ Ioannis E. Lazaridis

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

CAPITAL SHIP MANAGEMENT CORP.,

By: /s/ Nikolaos Syntichakis

Name: Nikolaos Syntichakis
Title: Attorney-in-Fact

Exhibit 4.31

SHARE PURCHASE AGREEMENT

Dated

February 22nd, 2010

between

CAPITAL MARITIME & TRADING CORP.

and

CAPITAL PRODUCT PARTNERS L.P.

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SHARE PURCHASE AGREEMENT (the "Agreement"), dated as of February 22nd, 2010, by and between CAPITAL MARITIME & TRADING CORP. (the "Seller"), a corporation organized under the laws of the Republic of the Marshall Islands, and CAPITAL PRODUCT PARTNERS L.P. (the "Buyer"), a limited partnership organized under the laws of the Republic of the Marshall Islands and recently formed by the Seller.

RECITAL

WHEREAS, the Buyer wishes to purchase from the Seller, and the Seller wishes to sell to the Buyer, the one hundred (100) shares of stock (the "Shares") representing all of the issued and outstanding shares of stock of Epicurus Shipping Company, a corporation organized under the laws of the Republic of the Marshall Islands (the "Vessel Owning Subsidiary").

WHEREAS, the Vessel Owning Subsidiary has entered into a financial lease agreement (the "Financial Lease Agreement") dated as of 29 March 2009 (as amended and supplemented by an addendum no.1 dated 29th March 2009) with Arrendadora Ocean Mexicana, S.A. De C.V. of the Republic of Mexico ("Arrendadora") pursuant to which the Vessel Owning Subsidiary has agreed to lease "M/T Atrotos" to Arrendadora upon the terms and conditions set out in the Financial Lease Agreement.

WHEREAS, Arrendadora has renamed the M.T. Atrotos as "El Pipila" (the "Vessel") and registered same in the port of Salina Cruz, Oaxaca, Mexico, under number (matrículas) in its name as lessee under the laws and flag of the Republic of Mexico.

WHEREAS, Arrendadora, as lessee, has entered into a bareboat charter dated 25 March 2009 (the "Bareboat Charter") with Pemex Refinación ("Pemex") a public organization, decentralized from the federal government of Mexico, as bareboat/demise charterer in respect of the Vessel.

WHEREAS, Arrendadora and CSM (as defined herein below) have entered into a management agreement dated 29 March 2009 in connection with the technical management of the Vessel (the "Technical Management Agreement").

WHEREAS, pursuant to the Financial Lease Agreement, the Vessel Owning Subsidiary is the beneficial owner of the Vessel.

WHEREAS, the Seller wishes to transfer to the Buyer the beneficial ownership of the Vessel, and retain all assets other than the Vessel, the Contracts (as defined below) and any necessary permits and all liabilities of the Vessel Owning Subsidiary.

WHEREAS, contemporaneously with the execution of this Agreement, the Buyer and Capital Ship Management Corp. ("CSM") will execute an amendment to the Management Agreement dated as of April 3, 2007, as subsequently amended from time to time, and entered into between the Buyer and CSM (the "Amendment to the Management Agreement").

WHEREAS, the Buyer intends to finance the acquisition of the Vessel Owning Subsidiary with the proceeds of the issuance and sale of common units representing limited partnership interests in the Buyer in an underwritten public offering (the "Offering") and Buyer and Seller wish to condition all of the obligations of the parties under this Agreement upon the successful completion of the Offering.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

Interpretation

SECTION 1.01 Definitions. In this Agreement, unless the conte xt 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:

"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;

"Arrendadora" has the meaning given to it in the recitals;

"Assos" has the meaning given to it in the recitals;

"ATA" means the irrevocable administration and source of payment trust agreement dated January 28, 2010, between (i) Arrendadora as settlor and fourth beneficiary, (ii) the Lender as first beneficiary, (iii) the Vessel Owning Subsidiary as second beneficiary, (iv) CSM as third beneficiary and (iv) BNYM as trustee over the collection rights of Arrendadora derived from the Bareboat Charter;

"BNYM" means The Bank of New York Mellon, S.A., Institución De Banca Multiple, existing under the laws of the Republic of Mexico whose registered address is at Paseo de la Reforma No. 115 Piso 23, Col. Lomas de Chapultepec, Del. Miguel Hidalgo, C.P. 11000, México, D.F;

"Buyer" has the meaning given to it in the preamble;

"Buyer Entities" means the Buyer and its subsidiaries;

"Buyer Indemnitees" has the meaning given to it in Section 9.01;

"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" 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);

"Financial Lease Agreement" has the meaning given to it in the recitals;

"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" has the meaning given to it in Section 5.03;

"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 the Buyer 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;

"Purchase Price" has the meaning given to it in Section 2.04;

"SEC Documents" means the Prospectus of the Buyer dated March 29, 2007 and filed with the U.S. Securities and Exchange Commission and all filings the Buyer 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;

"Seller" has the meaning given to it in the preamble;

"Seller Entities" means the Seller and its affiliates other than the Buyer Entities;

"Seller Indemnities" has the meaning given to it in Section 9.02;

"Shares" has the meaning given to it in the recitals;

"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 Owning Subsidiary" has the meaning given to it in the recitals; and

"Vessel" 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. The Seller agrees to sell and transfer to the Buyer, and the Buyer agrees to purchase from the Seller for the Purchase Price and in accordance with and subject to the terms and conditions set forth in this Agreement, the Shar es which in turn shall result in the Buyer indirectly owning the Vessel. The Seller and Buyer agree that all of the obligations of the parties under this Agreement are conditioned upon the successful completion of the Offering.

SECTION 2.02 Closing. On the terms of this Agreement, the sale and transfer of the Shares and payment of the Purchase Price shall t ake place within three days following the closing of the Offering (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 Purchase Price for Shares. On the Closing Date, the Buyer shall pay to the Seller (to such account as the Seller shall nominate) the amount of US Dollars $43,000,000 (the "Purchase Price") in exchange for the Shares. The Buyer shall have no responsibility or liability hereunder for the Seller's allocation and distribution of the Purchase Price among the Seller Entities.

SECTION 2.05 Payment of the Purchase Price. The Purchase Price will be paid by the Buyer to the Seller of the Shares by wire transfer of immediately available funds to an account designated in writing by the Seller.

ARTICLE III

Representations and Warranties of the Buyer

The Buyer represents and warrants to the Seller that as of the date hereof:

SECTION 3.01 Organization and Limited Partnership Authority. The Buyer 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 the Buyer, has been effectively authorized by all necessary action, limited partnership or otherwise, and constitutes legal, valid and binding obligations of the Buyer. No meeting has been convened or resolution proposed or petition presented and no order has been made to wind up the Buyer.

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 h ereof 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 the Buyer 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 the Buyer is bound, or any law, rule or regulation applicable to the Buyer which would have a material effect on the transactions contemplated hereby.

SECTION 3.03 No Legal Bar. The Buyer 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 the Buyer 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 Investigation. The Buyer 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 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.

ARTICLE IV

Representations and Warranties of the Seller

The Seller represents and warrants to the Buyer that as of the date hereof:

SECTION 4.01 Organization and Corporate Authority. The Seller 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 the Seller, has been e ffectively authorized by all necessary action, corporate or otherwise, and constitutes legal, valid and binding obligations of the Seller. No meeting has been convened or resolution proposed or petition presented and no order has been made to wind up the Seller.

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 confli ct with, any agreement or other instrument to which the Seller is a party or by which it is bound, the Articles of Incorporation and Bylaws of the Seller, any judgment, decree, order or award of any court, governmental body or arbitrator by which the Seller is bound, or any law, rule or regulation applicable to the Seller.

SECTION 4.03 No Legal Bar. The Seller is not prohibited by any order, writ, injunction or decree of any body of competent jurisdiction from consummating the transactions con templated by this Agreement and no such action or proceeding is pending or, to the best of its knowledge and belief, threatened against the Seller 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 Good and Marketable Title to Shares. The Seller is the owner (of record and beneficially) of all of the Shares and has good and marketable title to the Shares, free and clear of any and all Encumbrances. The Shares constitute 100% of the issued and outstanding Eq uity Interests of the Vessel Owning Subsidiary.

SECTION 4.05 The Shares. Assuming the Buyer has the requisite power and authority to be the lawful owner of the Shares, upon delivery to the Buyer at the Closing of certificates representing the Shares, duly endorsed by the Seller for transfer to the Buyer or accompanied by appropriate instruments sufficient to evidence the transfer from the Seller to the Buyer of the Shares under the Applicable Laws of the relevant jurisdiction, or delivery of such Shares by electronic means, and upon the Seller's receipt of the Purchase Price, the Buyer shall own good and valid title to the Shares, free and clear of any Encumbrances, other than those arising from acts of the Buyer Entities. Other than this Agreement and any related transaction documents, the Organizational Documents and restrictions imposed by Applicable Law, at the Closing, the Shares 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, other than any agreement to which any Buyer Entity is a party.

SECTION 4.06 Independent Investigation. The Seller 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 Buyer and, in ma king 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 Article III.

ARTICLE V

Representations and Warranties of the Seller Regarding the Vessel Owning Subsidiary

The Seller represents and warrants to the Buyer that as of the date hereof:

SECTION 5.01 Organization Good Standing and Authority. The Vessel 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 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 Owning Subsidiary.

SECTION 5.02 Capitalization. The Shares 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 Owning Subsidiary. ; There are not outstanding (i) any options, warrants or other rights to purchase from the Vessel Owning Subsidiary any capital stock of such Vessel Owning Subsidiary, (ii) any securities convertible into or exchangeable for shares of the capital stock of the Vessel 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 Owning Subsidiary.

SECTION 5.03 Organizational Documents. The Seller has supplied to the Buyer true and correct copies of the organizational documents of the Vessel Owning Subsidiary, as in effect as of the date hereof (the 0;Organizational Documents").

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 confl ict with, or give any other party thereto a right to terminate any agreement or other instrument to which the Vessel Owning Subsidiary is a party or by which it is bound including, without limitation, any of the Organizational Documents, or any judgment, decree, order or award of any court, governmental body or arbitrator applicable to the Vessel Owning Subsidiary.

SECTION 5.05 Litigation.

(a) There is no action, suit or proceeding to which the Vessel 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 Owning Subsidiary; and, to the best knowledge of the Seller, there is no basis for any such action, suit or proceeding;

(b) The Vessel 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 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 Owning Subsidiary will not be indebted, directly or indirectly, to any person who is an officer, director, stockholder or employee of the Seller or any spouse, child, or other relative or any affiliate o f any such person, nor shall any such officer, director, stockholder, employee, relative or affiliate be indebted to the Vessel Owning Subsidiary.

SECTION 5.07 Personnel. The Vessel Owning Subsidiary has no employees.

SECTION 5.08 Contracts and Agreements. Other than the Financial Lease Agreement, the ATA and the Amendment to the Management Agreement (together, the "Contracts"), there are no material contracts or agreements, written or oral, to which the Vessel Owning Subsidiary is a party or by which any of the assets of the Vessel Owning Subsidiary are bound.

(a) Each of the Contracts is a valid and binding agreement of the Vessel Owning Subsidiary, and to the best knowledge of the Seller, of all other parties thereto;

(b) The Vessel Owning Subsidiary has fulfilled all material obligations required pursuant to its Contracts 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 Owning Subsidiary under any of the Contracts, or to the best knowledge of the Seller, 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 Owning Subsidiary under any of the Contracts nor, to the best knowledge of the Seller, 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.

SECTION 5.09 Compliance with Law. The conduct of business by the Vessel 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, re gulations, 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 Owning Subsidiary taken as a whole, nor has the Vessel Owning Subsidiary received any notice of any such violation.

SECTION 5.10 No Undisclosed Liabilities. The Vessel Owning Subsidiary (and the Vessel 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, an y 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 that are not due and payable as of the date hereof and that will be the responsibility of the Seller pursuant to Section 9.01(c) of this Agreement.

SECTION 5.11 Disclosure of Information. The Seller has disclosed to the Buyer all material information on, and about, the Vessel 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 the Buyer which would render such information untrue or misleading.

SECTION 5.12 Payment of Taxes. The Vessel 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 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 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 Owning Subsidiary. The Vessel 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 Owning Subsidiary, and none of such Permits contains any restriction that is materially burdensome to the Vessel 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 Owning Subsidiary, w hether 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 Owning Subsidiary.

ARTICLE VI

Representations and Warranties of the Seller regarding the Vessel

The Seller represents and warrants to the Buyer that as of the date hereof:

SECTION 6.01 Title to Vessel. Pursuant to a guarantee trust agreement dated December 21, 2009 (the "Guarantee Trust Agreement"), between, among others, the Vessel Owning Subsidiary and BNYM, as trustee, title to the Vessel has been transferred to BNYM and the Vessel Owning Subsidiary has retained the beneficial ownership of the Vessel. Pursuant to the Financial Lease Agreement, Arrendadora has registered the Vessel under Mexican flag.

SECTION 6.02 No Encumbrances.

The assets of the Vessel Owning Subsidiary (other than the Vessel) are free of all Encumbrances other than the Encumbrances arising under the Contracts.

To the best knowledge and belief of the Seller, the Vessel is free of all Encumbrances other than the Encumbrances arising (i) under the Contracts, (ii) under the Guarantee Trust Agreement, and (iii) in the ordinary course of Pemex's business as bareboat/demise charterer in respect of the Vessel.

SECTION 6.03 Condition.

The Vessel is (i) adequate and suitable for use by the Vessel 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 the Buyer acknowledges and agrees that, subject only to the representations and warranties in this Agreement, it is acquiring the Vessel on an "as is, where is" basis.

ARTICLE VII

Covenants

SECTION 7.01 Financial Statements. The Seller agrees to cause the Vessel Owning Subsidiary to provide access to the books and records of the Vessel Owning Subsidiary to allow the Buyer's outside auditing firm to prepare at the Buyer's expense any information, review or audit the Buyer reasonably believes is required to be furnished or provided by the Buyer pursuant to applicable securities laws. The Seller will (A) direct its auditors to provide the Buyer's auditors access to the auditors' work papers and (B) use its commercially reasonable efforts to assist the Buyer with any such information, review or audit and to provide other financial information reasonably requested by the Buyer or its auditors, including the delivery by the Seller Entities of any information, letters and similar documentation, including reasonable "management representation letters" and attestations.

SECTION 7.02 Return of Vessel. At the expiration of the term of the lease under the Financial Lease Agreement, Pemex and Arrendadora must cause the Vessel to be free of all Encumbrances other than the Encumbrances, if any, arising under the Contracts.

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 i n writing the Buyer, on the one hand, or the Seller, 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 Seller. The Seller shall be liable for, and shall indemnify the Buyer and each of its subsidiaries and each of their directors, employees, agents and representatives (the "Buyer Indemnitees") against and hold them harmless from, any Losses, suffered or incurred by such Buyer 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, in the case of Section 6.02, knowledge, belief or awareness), or a failure to perform or observe any covenant, agreement or obligation of, the Seller in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Seller;

(b) any fees, expenses or other payments incurred or owed by the Seller or the Vessel 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 Owning Subsidiary or the assets, operations, and obligations of the Vessel 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 Indemnity by the Buyer. The Buyer shall indemnify the Seller and its subsidiaries other than any Buyer Indemnitees and each of their respective officers, directors, employees, agents and representatives (the "Seller Indemnitees") against and hold them harmless from, any Losses, suffered or incurred by such Seller Indemnitee 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 occurring after the date hereof 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, the Buyer in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Buyer.

SECTION 9.03 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 contempo raneous 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 i nvalidity 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.

(a) if to Capital Maritime & Trading Corp., as follows:

(b) c/o Capital Ship Management Corp.,
3 Iassonos Street, Piraeus, Greece
Attention: Evangelos M. Marinakis
Facsimile: 30 210 428 4286

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 the Buyer and Seller 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 9.03, 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 the Buyer's general partner nor any other owner of Equity Interests in the Buyer shall be liable for the obligations of the Buyer 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 4.32

SHARE PURCHASE AGREEMENT

Dated June 30th 2010

between

CAPITAL MARITIME & TRADING CORP.

and

CAPITAL PRODUCT PARTNERS L.P.

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SHARE PURCHASE AGREEMENT (the "Agreement"), dated as of June 30, 2010, by and between CAPITAL MARITIME & TRADING CORP. (the "Seller"), a corporation organized under the laws of the Republic of the Marshall Islands, and CAPITAL PRODUCT PARTNERS L.P. (the "Buyer"), a limited partnership organized under the laws of the Republic of the Marshall Islands.

WHEREAS, the Buyer wishes to purchase from the Seller, and the Seller wishes to sell to the Buyer, the five hundred (500) shares of capital stock (the "Shares") representing all of the issued and outstanding shares of capital stock of Adrian Shipholding Inc., a corporation organized under the laws of the Republic of the Marshall Islands with its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 and registered as a foreign maritime entity in the Republic of Liberia (the "Vessel Owning Subsidiary").

WHEREAS, the Vessel Owning Subsidiary is the registered owner of the Liberian flagged motor tanker "Alkiviadis" (the "Vessel").

WHEREAS, for a period of 24 months (+/- 30 days) commencing on June 30, 2010, the Vessel will be employed under a charter (recap) dated June 23, 2010 at a gross daily rate of $13,000 (the "Charter").

WHEREAS, contemporaneously with the execution of this Agreement, the Buyer and Capital Ship Management Corp. ("CSM") will execute an amendment to the Management Agreement dated as of April 3, 2007 and entered into between the Buyer and CSM (the "Amendment to the Management Agreement").

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:

"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;

"Buyer" has the meaning given to it in the preamble;

"Buyer Entities" means the Buyer and its subsidiaries;

"Buyer Indemnitees" has the meaning given to it in Section 9.01;

"Charter" 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" 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" has the meaning given to it in Section 5.03;

"Parties" means all parties to this Agreement and "Party" means any one of them;

"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;

"Purchase Price" has the meaning given to it in Section 2.03;

"Seller" has the meaning given to it in the preamble;

"Seller Entities" means the Seller and its affiliates other than the Buyer Entities;

"Seller Indemnities" has the meaning given to it in Section 9.02;

"Shares" has the meaning given to it in the recitals;

"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" has the meaning given to it in the recitals; and

"Vessel Owning Subsidiary" 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. The Seller agrees to sell and transfer to the Buyer, and the Buyer agrees to purchase from the Seller for the Purchase Price and in accordance with and subject to the terms and conditions set forth in this Agreement, the Shares.

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 Capital Ship Management Corp. at 3 Iassonos street, Piraeus, Greece.

SECTION 2.04. Purchase Price for Shares. On the Closing Date, the Buyer shall pay to the Seller (to such account as the Seller shall nominate) the amount of US Dollars 31,500,000 for the Shares (the "Purchase Price").

SECTION 2.05. Payment of the Purchase Price. The Purchase Price will be paid by the Buyer to the Seller of the Shares by wire transfer of immediately available funds to an account designated in writing by the Seller.

ARTICLE III

Representations and Warranties of the Buyer

The Buyer represents and warrants to the Seller that as of the date hereof:

SECTION 3.01. Organization and Limited Partnership Authority. The Buyer 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 the Buyer, has been effectively authorized by all necessary action, limited partnership or otherwise, and constitutes legal, valid and binding obligations of the Buyer. No meeting has been convened or resolution proposed or petition pre sented and no order has been made to wind up the Buyer.

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 the Buyer 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 the Buyer is bound, or any law, rule or regulation applicable to the Buyer which wo uld have a material effect on the transactions contemplated hereby.

SECTION 3.03. No Legal Bar. The Buyer 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 the Buyer 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. The Buyer 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 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.

ARTICLE IV

Representations and Warranties of the Seller

The Seller represents and warrants to the Buyer that as of the date hereof:

SECTION 4.01. Organization and Corporate Authority. The Seller 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 the Seller, has been effectively authorized by all necessary action, corporate or otherwise, and constitutes legal, valid and binding obligations of the Seller. No meeting has been convened or resolution proposed or petition presented and no order h as been made to wind up the Seller.

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 the Seller is a party or by which it is bound, the Articles of Incorporation and Bylaws of the Seller, any judgment, decree, order or award of any court, governmental body or arbitrator by which the Seller is bound, or any law, rule or regulation applicable to the Seller.

SECTION 4.03. No Legal Bar. The Seller 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 the Seller 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. Good and Marketable Title to Shares. The Seller is the owner (of record and beneficially) of all of the Shares and has good and marketable title to the Shares, free and clear of any and all Encumbrances.

SECTION 4.05. The Shares. Assuming the Buyer has the requisite power and authority to be the lawful owner of the Shares, upon delivery to the Buyer at the Closing of certificates representing the Shares, duly endorsed by the Seller for transfer to the Buyer or accompanied by appropriate instruments sufficient to evidence the transfer from the Seller to the Buyer of the Shares under the Applicable Laws of the relevant jurisdiction, or delivery of such Shares by electronic means, and upon the Seller's receipt of the Purchase Price, the Buyer shall own good and valid title to the Shares, free and clear of any Encumbrances, other th an those arising from acts of the Buyer Entities. Other than this Agreement and any related transaction documents, the Organizational Documents and restrictions imposed by Applicable Law, at the Closing, the Shares 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, other than any agreement to which any Buyer Entity is a party.

ARTICLE V

Representations and Warranties of
the Seller Regarding the Vessel Owning Subsidiary

The Seller represents and warrants to the Buyer that as of the date hereof:

SECTION 5.01. Organization Good Standing and Authority. The Vessel Owning Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the Republic of the Marshall Islands is duly registered and in good standing as a foreign maritime entity in the Republic of Liberia. The Vessel 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 meet ing has been convened or resolution proposed or petition presented and no order has been made to wind up the Vessel Owning Subsidiary.

SECTION 5.02. Capitalization. The Shares consist of the 500 shares of capital 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 Equity Interests of the Vessel Owning Subsidiary. There are not outstanding (i) any options, warrants or other rights to purchase from the Vessel Owning Subsidiary any capital stock of the Vessel Owning Subsidiary, (ii) any securities convertible into or exchangeable for shares of such capital stock or (iii) any other commitments of any kind for the issuance of additional shares of cap ital stock or options, warrants or other securities of the Vessel Owning Subsidiary.

SECTION 5.03. Organizational Documents. The Seller has supplied to the Buyer true and correct copies of the organizational documents of the Vessel Owning Subsidiary, as in effect as of the date hereof (the "Organizational Documents").

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 Owning Subsidiary is a party or by which it is bound including, without limitation, any of the Organizational Documents, or any judgment, decree, order or award of any court, governmental body or arbitrator applicable to the Vessel Owning Subsidiary.

SECTION 5.05. Litigation.

(a) There is no action, suit or proceeding to which the Vessel 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 Owning Subsidiary; and, to the best knowledge of the Seller, there is no basis for any such action, suit or proceeding;

(b) The Vessel 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 the business, assets, or properties of the Vessel Owning Subsidiary; 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 Owning Subsidiary to take any action of any kind with respect to its business, assets or properties.

SECTION 5.06. Indebtedness to and from Officers, etc. The Vessel Owning Subsidiary will not be indebted, directly or indirectly, to any person who is an officer, director, stockholder or employee of the Seller 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 Owning Subsidiary.

SECTION 5.07. Personnel. The Vessel Owning Subsidiary has no employees.

SECTION 5.08. Contracts and Agreements. Other than the Charter and the Amendment to the Management Agreement (together, the "Contracts"), there are no material contracts or agreements, written or oral, to which the Vessel Owning Subsidiary is a party or by which any of its assets are bound.

(a) Each of the Contracts is a valid and binding agreement of the Vessel Owning Subsidiary, and to the best knowledge of the Seller, of all other parties thereto;

(b) The Vessel Owning Subsidiary has fulfilled all material obligations required pursuant to its Contracts 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 under any of the Contracts on the part of the Vessel Owning Subsidiary, or to the best knowledge of the Seller, 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 Owning Subsidiary under any of the Contracts nor, to the best knowledge of the Seller, 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.

SECTION 5.09. Compliance with Law. The conduct of business by the Vessel 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 otherw ise) or prospects of the Vessel Owning Subsidiary taken as a whole, nor has the Vessel Owning Subsidiary received any notice of any such violation.

SECTION 5.10. No Undisclosed Liabilities. The Vessel Owning Subsidiary (or the Vessel 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 that are not due and payable as of the date hereof and that will be the responsibility of the Seller pursuant to Se ction 9.01(c) of this Agreement.

SECTION 5.11. Disclosure of Information. The Seller has disclosed to the Buyer all material information on, and about, the Vessel 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 the Buyer which would render such information untrue or misleading.

SECTION 5.12. Payment of Taxes. The Vessel 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 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 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, individ ually or in the aggregate, has not and could not reasonably be expected to materially or adversely affect the Vessel Owning Subsidiary. The Vessel 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 Owning Subsidiary, and none of such Permits contains any restriction that is materially burdensome to the Vessel Owning Subsidiary.

SECTION 5.14. No Material Adverse Change in Business. Since December 31, 2009, 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 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 Owning Subsidiary.

ARTICLE VI

Representations and Warranties of the Seller regarding the Vessel

The Seller represents and warrants to the Buyer that as of the date hereof:

SECTION 6.01. Title to Vessel. The Vessel Owning Subsidiary is the owner (beneficially and of record) of the Vessel and has good and marketable title to the Vessel.

SECTION 6.02. No Encumbrances. The Vessel Owning Subsidiary and the Vessel are free of all Encumbrances other than the Encumbrances arising under the Charter.

SECTION 6.03. Condition. The Vessel is (i) adequate and suitable for use by the Vessel 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 th e Vessel are clean and valid and free of recommendations affecting class; and the Buyer acknowledges and agrees that, subject only to the representations and warranties in this Agreement, it is acquiring the Vessel on an “as is, where is” basis.

ARTICLE VII

Covenants

SECTION 7.01. Financial Statements. The Seller agrees to cause the Vessel Owning Subsidiary to provide access to the books and records of the Vessel Owning Subsidiary to allow the Buyer’s outside auditing firm to prepare at the Buyer’s expense any information, review or audit the Buyer reasonably believes is required to be furnished or provided by the Buyer pursuant to applicable securities laws. The Seller will (A) direct its auditors to provide the Buyer’s auditors access to the auditors’ work papers and (B) use its commercially rea sonable efforts to assist the Buyer with any such information, review or audit and to provide other financial information reasonably requested by the Buyer or its auditors, including the delivery by the Seller Entities of any information, letters and similar documentation, including reasonable “management representation letters” and attestations.

SECTION 7.02. Expenses. All costs, fees and expenses incurred in connection with this Agreement and the related transaction documents shall be paid by the Buyer, including all costs, fees and expenses incurred in connection with conveyance fees, recording charges and other fees and charges applicable to the transfer of the Shares. For the avoidance of doubt, all costs and expenses incurred by the Buyer to load the Vessel with fuel oil, lubricating oil, greases, fresh water and other stores necessary to operate the Vessel after the Closing as well as in connection with the delivery of the Vessel to the delivery port (ballast) shall be for the Buyer's account.

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 the Buyer, on the one hand, or the Seller, 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 Seller. The Seller shall be liable for, and shall indemnify the Buyer and each of its subsidiaries and each of their directors, employees, agents and representatives (the "Buyer Indemnitees") against and hold them harmless from, any Losses, suffered or incurred by such Buyer 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, the Seller in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Seller;

(b) any fees, expenses or other payments incurred or owed by the Seller or the Vessel 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 Owning Subsidiary or the assets, operations, and obligations of the Vessel 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. Indemnity by the Buyer. The Buyer shall indemnify the Seller and its subsidiaries other than any Buyer Indemnitees and each of their respective officers, directors, employees, agents and representatives (the "Seller Indemnitees") against and hold them harmless from, any Losses, suffered or incurred by such Seller Indemnitee 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 occurring after the date hereof or qualificatio ns as to materiality or dollar amount or other similar qualifications), or a failure to perform or observe any covenant, agreement or obligation of, the Buyer in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Buyer.

SECTION 9.03. 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 X, 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: Evangelos M. Marinakis
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 the Buyer and Seller 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 9.03, 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 the Buyer's general partner nor any other owner of Equity Interests in the Buyer shall be liable for the obligations of the Buyer 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 4.33

SHARE PURCHASE AGREEMENT

Dated

August 13, 2010

between

CAPITAL MARITIME & TRADING CORP.

and

CAPITAL PRODUCT PARTNERS L.P.

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SHARE PURCHASE AGREEMENT (the "Agreement"), dated as of August 13, 2010, by and between CAPITAL MARITIME & TRADING CORP. (the "Seller"), a corporation organized under the laws of the Republic of the Marshall Islands, and CAPITAL PRODUCT PARTNERS L.P. (the "Buyer"), a limited partnership organized under the laws of the Republic of the Marshall Islands and recently formed by the Seller.

RECITAL

WHEREAS, the Buyer wishes to purchase from the Seller, and the Seller wishes to sell to the Buyer, the one hundred (100) shares of stock (the "Shares") representing all of the issued and outstanding shares of stock of Canvey Shipmanagement Co., a corporation organized under the laws of the Republic of the Marshall Islands (the "Vessel Owning Subsidiary").

WHEREAS, the Vessel Owning Subsidiary has entered into a financial lease agreement (the "Financial Lease Agreement") dated as of 29 March 2009 (as amended and supplemented by an addendum no.1 dated 29th March 2009) with Arrendadora Ocean Mexicana, S.A. De C.V. of the Republic of Mexico ("Arrendadora") pursuant to which the Vessel Owning Subsidiary has agreed to lease "M/T Assos" to Arrendadora upon the terms and conditions set out in the Financial Lease Agreement.

WHEREAS, Arrendadora has renamed the M.T. Assos as "Insurgentes" (the "Vessel") and registered same in the port of Salina Cruz, Oaxaca, Mexico, under number (matrículas) in its name as lessee under the laws and flag of the Republic of Mexico.

WHEREAS, Arrendadora, as lessee, has entered into a bareboat charter dated 25 March 2009 (the "Bareboat Charter") with Pemex Refinación ("Pemex") a public organization, decentralized from the federal government of Mexico, as bareboat/demise charterer in respect of the Vessel.

WHEREAS, Arrendadora and CSM (as defined herein below) have entered into a management agreement dated 29 March 2009 in connection with the technical management of the Vessel (the "Technical Management Agreement").

WHEREAS, pursuant to the Financial Lease Agreement, the Vessel Owning Subsidiary is the beneficial owner of the Vessel.

WHEREAS, the Seller wishes to transfer to the Buyer the beneficial ownership of the Vessel, and retain all assets other than the Vessel, the Contracts (as defined below) and any necessary permits and all liabilities of the Vessel Owning Subsidiary.

WHEREAS, contemporaneously with the execution of this Agreement, the Buyer and Capital Ship Management Corp. ("CSM") will execute an amendment to the Management Agreement dated as of April 3, 2007, as subsequently amended from time to time, and entered into between the Buyer and CSM (the "Amendment to the Management Agreement").

WHEREAS, the Buyer intends to finance the acquisition of the Vessel Owning Subsidiary with the proceeds of the issuance and sale of common units representing limited partnership interests in the Buyer in an underwritten public offering (the "Offering") and Buyer and Seller wish to condition all of the obligations of the parties under this Agreement upon the successful completion of the Offering.

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:

"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;

"Arrendadora" has the meaning given to it in the recitals;

"Assos" has the meaning given to it in the recitals;

"ATA" means the irrevocable administration and source of payment trust agreement dated January 28, 2010, between (i) Arrendadora as settlor and fourth beneficiary, (ii) the Lender as first beneficiary, (iii) the Vessel Owning Subsidiary as second beneficiary, (iv) CSM as third beneficiary and (iv) BNYM as trustee over the collection rights of Arrendadora derived from the Bareboat Charter;

"BNYM" means The Bank of New York Mellon, S.A., Institución De Banca Multiple, existing under the laws of the Republic of Mexico whose registered address is at Paseo de la Reforma No. 115 Piso 23, Col. Lomas de Chapultepec, Del. Miguel Hidalgo, C.P. 11000, México, D.F;

"Buyer" has the meaning given to it in the preamble;

"Buyer Entities" means the Buyer and its subsidiaries;

"Buyer Indemnitees" has the meaning given to it in Section 9.01;

"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" 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);

"Financial Lease Agreement" has the meaning given to it in the recitals;

"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" has the meaning given to it in Section 5.03;

"Parties" means all parties to this Agreement and "Party" means any one of them;

"Partnership Agreement" means the Second Amended and Restated Agreement of Limited Partnership of the Buyer dated February 22, 2010.

"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;

"Purchase Price" has the meaning given to it in Section 2.04;

"SEC Documents" means the Prospectus of the Buyer dated March 29, 2007 and filed with the U.S. Securities and Exchange Commission and all filings the Buyer 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;

"Seller" has the meaning given to it in the preamble;

"Seller Entities" means the Seller and its affiliates other than the Buyer Entities;

"Seller Indemnities" has the meaning given to it in Section 9.02;

"Shares" has the meaning given to it in the recitals;

"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 Owning Subsidiary" has the meaning given to it in the recitals; and

"Vessel" 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. The Seller agrees to sell and transfer to the Buyer, and the Buyer agrees to purchase from the Seller for the Purchase Price and in accordance with and subject to the terms and conditions set forth in this Agreement, the Shares which in turn shall result in the Buyer indirectly owning the Vessel. The Seller and Buyer agree that all of the obligations of the parties under this Agreement are conditioned upon the successful completion of the Offering.

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 within three days following the closing of the Offering (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 Purchase Price for Shares. On the Closing Date, the Buyer shall pay to the Seller (to such account as the Seller shall nominate) the amount of US Dollars $43,500,000 (the "Purchase Price") in exchange for the Shares. The Buyer shall have no responsibility or liability hereunder for the Seller's allocation and distribution of the Purchase Price among the Seller Entities.

SECTION 2.05 Payment of the Purchase Price. The Purchase Price will be paid by the Buyer to the Seller of the Shares by wire transfer of immediately available funds to an account designated in writing by the Seller.

ARTICLE III

Representations and Warranties of the Buyer

The Buyer represents and warrants to the Seller that as of the date hereof:

SECTION 3.01 Organization and Limited Partnership Authority. The Buyer 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 the Buyer, has been effectively authorized by all necessary action, limited partnership or otherwise, and constitutes legal, valid and binding obligations of the Buyer. No meeting has been convened or resolution proposed or petition presented and no order has been made to wind up the Buyer.

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 the Buyer 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 the Buyer is b ound, or any law, rule or regulation applicable to the Buyer which would have a material effect on the transactions contemplated hereby.

SECTION 3.03 No Legal Bar. The Buyer 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 the Buyer 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. The Buyer 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 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.

ARTICLE IV

Representations and Warranties of the Seller

The Seller represents and warrants to the Buyer that as of the date hereof:

SECTION 4.01 Organization and Corporate Authority. The Seller 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 the Seller, has been effectively authorized by all necessary action, corporate or otherwise, and constitutes legal, valid and binding obligations of the Seller. No meeting has been convened o r resolution proposed or petition presented and no order has been made to wind up the Seller.

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 the Seller is a party or by which it is bound, the Articles of Incorporation and Bylaws of the Seller, any judgment, decree, order or award of any court, governmental body or arbitrator by which the Seller is bound, or any law, rule or regulation applicable to the Seller.

SECTION 4.03 No Legal Bar. The Seller 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 the Seller 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 Good and Marketable Title to Shares. The Seller is the owner (of record and beneficially) of all of the Shares and has good and marketable title to the Shares, free and clear of any and all Encumbrances. The Shares constitute 100% of the issued and outstanding Equity Interests of the Vessel Owning Subsidiary.

SECTION 4.05 The Shares. Assuming the Buyer has the requisite power and authority to be the lawful owner of the Shares, upon delivery to the Buyer at the Closing of certificates representing the Shares, duly endorsed by the Seller for transfer to the Buyer or accompanied by appropriate instruments sufficient to evidence the transfer from the Seller to the Buyer of the Shares under the Applicable Laws of the relevant jurisdiction, or delivery of such Shares by electronic means, and upon the Seller's receipt of the Purchase Price, the Buyer shall own good and va lid title to the Shares, free and clear of any Encumbrances, other than those arising from acts of the Buyer Entities. Other than this Agreement and any related transaction documents, the Organizational Documents and restrictions imposed by Applicable Law, at the Closing, the Shares 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, other than any agreement to which any Buyer Entity is a party.

SECTION 4.06 Independent Investigation. The Seller 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 Buyer 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 Article III.

ARTICLE V

Representations and Warranties of the Seller Regarding the Vessel Owning Subsidiary

The Seller represents and warrants to the Buyer that as of the date hereof:

SECTION 5.01 Organization Good Standing and Authority. The Vessel 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 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 re solution proposed or petition presented and no order has been made to wind up the Vessel Owning Subsidiary.

SECTION 5.02 Capitalization. The Shares 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 Owning Subsidiary. There are not outstanding (i) any options, warrants or other rights to purchase from the Vessel Owning Subsidiary any capital stock of such Vessel Owning Subsidiary, (ii) any securities convertible into or exchangeable for shares of the capital stock of the Vessel Owning Subsid iary 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 Owning Subsidiary.

SECTION 5.03 Organizational Documents. The Seller has supplied to the Buyer true and correct copies of the organizational documents of the Vessel Owning Subsidiary, as in effect as of the date hereof (the "Organizational Documents").

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 Owning Subsidiary is a party or by which it is bound including, without limitation, any of the Or ganizational Documents, or any judgment, decree, order or award of any court, governmental body or arbitrator applicable to the Vessel Owning Subsidiary.

SECTION 5.05 Litigation.

(a) There is no action, suit or proceeding to which the Vessel 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 Owning Subsidiary; and, to the best knowledge of the Seller, there is no basis for any such action, suit or proceeding;

(b) The Vessel 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 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 Owning Subsidiary will not be indebted, directly or indirectly, to any person who is an officer, director, stockholder or employee of the Seller 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 Owning Subsidiary.

SECTION 5.07 Personnel. The Vessel Owning Subsidiary has no employees.

SECTION 5.08 Contracts and Agreements. Other than the Financial Lease Agreement, the ATA and the Amendment to the Management Agreement (together, the "Contracts"), there are no material contracts or agreements, written or oral, to which the Vessel Owning Subsidiary is a party or by which any of the assets of the Vessel Owning Subsidiary are bound.

(a) Each of the Contracts is a valid and binding agreement of the Vessel Owning Subsidiary, and to the best knowledge of the Seller, of all other parties thereto;

(b) The Vessel Owning Subsidiary has fulfilled all material obligations required pursuant to its Contracts 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 Owning Subsidiary under any of the Contracts, or to the best knowledge of the Seller, 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 Owning Subsidiary under any of the Contracts nor, to the best knowledge of the Seller, 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.

SECTION 5.09 Compliance with Law. The conduct of business by the Vessel 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 count ry, 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 Owning Subsidiary taken as a whole, nor has the Vessel Owning Subsidiary received any notice of any such violation.

SECTION 5.10 No Undisclosed Liabilities. The Vessel Owning Subsidiary (and the Vessel 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 obligati ons under the Contracts that are not due and payable as of the date hereof and that will be the responsibility of the Seller pursuant to Section 9.01(c) of this Agreement.

SECTION 5.11 Disclosure of Information. The Seller has disclosed to the Buyer all material information on, and about, the Vessel 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 the Buyer which would render such information untrue or misleading.

SECTION 5.12 Payment of Taxes. The Vessel 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 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 wi th the ship registry of such jurisdiction.

SECTION 5.13 Permits. The Vessel 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 proper ties 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 Owning Subsidiary. The Vessel 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 Owning Subsidiary, and none of such Permits contains any restriction that is mater ially burdensome to the Vessel 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 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 aff airs or business prospects of the Vessel Owning Subsidiary.

ARTICLE VI

Representations and Warranties of the Seller regarding the Vessel

The Seller represents and warrants to the Buyer that as of the date hereof:

SECTION 6.01 Title to Vessel. Pursuant to a guarantee trust agreement dated December 21, 2009 (the "Guarantee Trust Agreement"), between, among others, the Vessel Owning Subsidiary and BNYM, as trustee, title to the Vessel has been transferred to BNYM and the Vessel Owning Subsidiary has retained the beneficial ownership of the Vessel. Pursuant to the Financial Lease Agreement, Arrendadora has registe red the Vessel under Mexican flag.

SECTION 6.02 No Encumbrances.

The assets of the Vessel Owning Subsidiary (other than the Vessel) are free of all Encumbrances other than the Encumbrances arising under the Contracts.

To the best knowledge and belief of the Seller, the Vessel is free of all Encumbrances other than the Encumbrances arising (i) under the Contracts, (ii) under the Guarantee Trust Agreement, and (iii) in the ordinary course of Pemex's business as bareboat/demise charterer in respect of the Vessel.

SECTION 6.03 Condition.

The Vessel is (i) adequate and suitable for use by the Vessel 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 the Buyer acknowledges and agrees that, subject only to the representations and warranties in this Ag reement, it is acquiring the Vessel on an "as is, where is" basis.

ARTICLE VII

Covenants

SECTION 7.01 Financial Statements. The Seller agrees to cause the Vessel Owning Subsidiary to provide access to the books and records of the Vessel Owning Subsidiary to allow the Buyer's outside auditing firm to prepare at the Buyer's expense any information, review or audit the Buyer reasonably believes is required to be furnished or provided by the Buyer pursuant to applicable securities laws. The Seller will (A) direct its auditors to provide the Buyer's auditors access to the auditors' work papers and (B) use its commercially reasonable efforts to assist the Buyer with any such information, review or audit and to provide other financial information reasonably requested by the Buyer or its auditors, including the delivery by the Seller Entities of any information, letters and similar documentation, including reasonable "management representation letters" and attestations.

SECTION 7.02 Return of Vessel. At the expiration of the term of the lease under the Financial Lease Agreement, Pemex and Arrendadora must cause the Vessel to be free of all Encumbrances other than the Encumbrances, if any, arising under the Contracts.

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 the Buyer, on the one hand, or the Seller, 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 Seller. The Seller shall be liable for, and shall indemnify the Buyer and each of its subsidiaries and each of their directors, employees, agents and representatives (the "Buyer Indemnitees") against and hold them harmless from, any Losses, suffered or incurred by such Buyer 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, in the case of Section 6.02, knowledge, belief or awareness), or a failure to perform or observe any covenant, agreement or obligation of, the Seller in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Seller;

(b) any fees, expenses or other payments incurred or owed by the Seller or the Vessel 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 Owning Subsidiary or the assets, operations, and obligations of the Vessel 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 Indemnity by the Buyer. The Buyer shall indemnify the Seller and its subsidiaries other than any Buyer Indemnitees and each of their respective officers, directors, employees, agents and representatives (the "Seller Indemnitees") against and hold them harmless from, any Losses, suffered or incurred by such Seller Indemnitee by reason of, arising out of or otherwise in respect of any inacc uracy in, or breach of, any representation or warranty (without giving effect to any supplement to the schedules occurring after the date hereof 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, the Buyer in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Buyer.

SECTION 9.03 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 adjust ment 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: Evangelos M. Marinakis
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 the Buyer and Seller 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 9.03, 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 the Buyer's general partner nor any other owner of Equity Interests in the Buyer shall be liable for the obligations of the Buyer 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.

ADOPTED APRIL 29, 2008
AMENDED JULY 22, 2010

CAPITAL PRODUCT PARTNERS L.P.
2008 OMNIBUS INCENTIVE COMPENSATION PLAN

SECTION 1. Purpose. The purpose of this Capital Product Partners L.P. 2008 Omnibus Incentive Compensation Plan is to promote the interests of Capital Product Partners L.P., a Marshall Islands limited partnership (the "Partnership"), and its unitholders by providing incentive compensation as a way to (a) attract and retain exceptional directors, officers, employees and consultants (including prospective directors, officers, employees and consultants), whether a natural Person (as defined below) or entity, to the Partnership, the General Partner (as defined below) and their Affiliates (as defined below), including Capital Maritime & Trading Corp. (the "Organizational Limited Partn er"), and the General Partner, and (b) enable such Persons to participate in the long-term growth and financial success of the Partnership.

SECTION 2. Definitions. As used herein, the following terms shall have the meanings set forth below:

"Affiliate" means (a) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Partnership or the General Partner, including Capital Ship Management Corp. ("Capital Ship Management") and (b) any entity in which the Partnership or the General Partner has a significant equity interest, in either case as determined by the Board or the General Partner.

"Award" means any award that is permitted under Section 6 and granted under the Plan.

"Award Agreement" means any written agreement, contract or other instrument or document evidencing any Award, which may, but need not, require execution or acknowledgment by a Participant.

"Award Determinations" means all necessary and appropriate determinations with respect to any Award including: (i) determination of the terms and conditions of any Awards, (ii) determination of the vesting schedules of Awards and, if certain performance conditions must be attained in order for an Award to vest or be settled or paid, establishment of such performance conditions and certification of whether, and to what extent, such performance conditions have been attained, (iii) determination of whether, to what extent and under what circumstances Awards may be settled or exercised in cash, Units, other securities, other Awards or other property, or canceled, forfeited or suspended and the method or methods by which Awards may be settled, exercised, canceled , forfeited or suspended, (iv) determination of whether, to what extent and under what circumstances cash, Units, other securities, other Awards, other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Determining Party, (v) acceleration of the vesting or exercisability of, payment for or lapse of restrictions on, Awards and (vi) amendment of an outstanding Award or grant of a replacement Award for an Award previously granted under the Plan if, in its sole discretion, the Determining Party determines that (x) the tax consequences of such Award to the Partnership or the Participant differ from those consequences that were expected to occur on the date the Award was granted or (y) clarifications or interpretations of, or changes to, tax law or regulations permit Awards to be granted that have more favorable tax consequences than initially anticipated.

“Board” means the Board of Directors of the Partnership.

“Cash Incentive Award” shall have the meaning specified in Section 6(f).

“Change of Control” shall (a) have the meaning set forth in an Award Agreement or (b) if there is no definition set forth in an Award Agreement, mean, with respect to the Partnership or the General Partner (the “Applicable Person”), any of the following events: (a) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the Applicable Person’s assets to any other Person, unless immediately following such sale, lease, exchange or other transfer such assets are owned, directly or indirectly, by the Applicable Person; (b) the consolidation or merger of the Applicable Person with or into another Person pursuant to a transaction in which the outstanding Voting Securities of t he Applicable Person are changed into or exchanged for cash, securities or other property, other than any such transaction where (i) the outstanding Voting Securities of the Applicable Person are changed into or exchanged for Voting Securities of the surviving Person or its parent and (ii) the holders of the Voting Securities of the Applicable Person immediately prior to such transaction own, directly or indirectly, not less than a majority of the outstanding Voting Securities of the surviving Person or its parent immediately after such transaction; and (c) a “ person ” or “ group ” (within the meaning of Sections 13(d) or 14(d)(2) of the Exchange Act), other than the Organizational Limited Partner or its Affiliates with respect to the General Partner, being or becoming the “ beneficial owner ” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of more than 50% of all of the then outstanding Voting Securities of the Applicable Person, except in a merger or consol idation which would not constitute a Change of Control under clause (b) above.

“Code” means the United States Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto, and the regulations promulgated thereunder.

“Common Units” means “Common Units”, as defined in the Partnership Agreement.

“Conflicts Committee” means the conflicts committee of the Board.

“Determining Party” means, with respect to Awards granted to Participants other than Outside Director Participants, the General Partner, and, with respect to Awards granted to Outside Director Participants, the Board.

“Employee Participants” means all Participants other than Outside Directors.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended from time to time, or any successor statute thereto, and the regulations promulgated thereunder.

“Exercise Price” means (a) in the case of Options, the price specified in the applicable Award Agreement as the price-per-Unit at which Units may be purchased pursuant to such Option or (b) in the case of UARs, the price specified in the applicable Award Agreement as the reference price-per-Unit used to calculate the amount payable to the Participant.

“Fair Market Value” means (a) with respect to any property other than Units, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the General Partner and (b) with respect to the Units, as of any date, (i) the closing price of Units (A) as reported by the NASDAQ for such date or (B) if the Units are listed on any other national stock exchange, as reported on the stock exchange composite tape for securities traded on such stock exchange for such date or, with respect to each of clauses (A) and (B), if there were no sales on such date, on the closest preceding date on which there were sales of Units or (ii) in the event there shall be no public market for the Units on such date, th e fair market value of the Units as determined in good faith by the General Partner.

“General Partner” means Capital G.P. LLC.

“IRS” means the United States Internal Revenue Service or any successor thereto and includes the staff thereof.

“NASDAQ” means the National Association of Securities Dealers Automated Quotations or any successor thereto.

“Option” means an option to purchase Units from the Partnership that is granted under Section 6.

“Outside Director” means any member of the Board who is not an employee of the Partnership, the General Partner or its Affiliates.

“Participant” means any director, officer, employee or consultant (including any prospective director, officer, employee or consultant), whether a natural Person or entity, of the Partnership, the General Partner, Capital Ship Management, Curzon Shipbrokers Corp. (“Curzon Shipbrokers”), Curzon Maritime Limited (“Curzon Maritime” and, together with Curzon Shipbrokers, “Curzon”) or their Affiliates who is eligible for an Award under Section 5 and who is selected by the Board or the General Partner to receive an Award under the Plan or who receives a Substitute Award pursuant to Section 4(e).

“Partnership Agreement” means the First Amended and Restated Agreement of Limited Partnership of Capital Product Partners L.P., as amended from time to time.

“Performance Unit” means an Award under Section 6(e) that has a value set by the Determining Party (or that is determined by reference to a valuation formula specified by the Determining Party or to the Fair Market Value of Units), which value may be paid to the Participant by delivery of such property as the Determining Party shall determine, including without limitation, Units, cash, other securities, other Awards or other property, or any combination thereof, upon achievement of such performance goals during the relevant performance period as the Determining Party shall establish at the time of such Award or thereafter.

“Person” means any natural person, corporation, limited partnership, limited liability company, unlimited liability company, partnership, joint venture, trust, business association, governmental entity or other entity.

“Plan” means this Capital Product Partners L.P. 2008 Omnibus Incentive Compensation Plan, as in effect from time to time.

“Restricted Unit” means a Unit delivered under the Plan that is subject to certain transfer restrictions, forfeiture provisions and/or other terms and conditions specified herein and in the applicable Award Agreement.

“Retirement” means termination of employment after attainment of age 65.

“RUA” means a restricted unit Award that is designated as such in the applicable Award Agreement and that represents an unfunded and unsecured promise to deliver Units, cash, other securities, other Awards or other property in accordance with the terms of the applicable Award Agreement.

“SEC” means the United States Securities and Exchange Commission or any successor thereto and shall include the staff thereof.

“Subsidiary” means any entity in which the Partnership, directly or indirectly, possesses 50% or more of the total combined voting power of all classes of its stock.

“Substitute Awards” shall have the meaning specified in Section 4(e).

“UAR” means a unit appreciation right Award that represents an unfunded and unsecured promise to deliver Units, cash, other securities, other Awards or other property equal in value to the excess, if any, of the Fair Market Value per Unit over the Exercise Price per Unit of the UAR, subject to the terms of the applicable Award Agreement.

“Units” means the Common Units of the Partnership or such other securities of the Partnership (a) into which such units shall be changed by reason of a recapitalization, merger, consolidation, split-up, combination, exchange of units or other similar transaction or (b) as may be determined by the General Partner pursuant to Section 4(d).

"Voting Securities" means securities of any class of any Person entitling the holders thereof to vote in the election of members of the board of directors or other similar governing body of the Person.

SECTION 3. Administration. (a) Authority of Board and the General Partner. The Plan shall be administered by the Board (or such committee of the Board as may be designated by the Board from time to time) and by the General Partner, including all necessary and appropriate decisions and determinations with respect thereto, in accordance with its terms. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Board and the General Partner by the Plan:

(i) the General Partner shall have sole and plenary authority to administer the Plan except to the extent such authority is expressly granted to the Board under clause (ii) below, including the authority to (A) propose the aggregate number and type of Awards which will be available from time to time for grants to Participants, (B) designate Employee Participants, (C) determine the number and type or types of Board Approved Awards (as defined below) to be granted to such Employee Participants and make all other Award Determinations with respect to Employee Participants, (D) interpret, administer, reconcile any inconsistency in, correct any default in and supply of any omission in, the Plan and any instrument or agreement relating to, or Award made under, the Plan, (E) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan and (F) make any other determination and take any other action that it deems necessary or desirable for the administration of the Plan.

(ii) the Board shall have sole and plenary authority to (A) approve the aggregate number and type of Awards which will be available from time to time for grants to Participants (the "Board Approved Awards"), (B) designate Outside Director Participants and (C) determine the number and type or types of Awards to be granted to Outside Director Participants and make all other Award Determinations with respect to Outside Director Participants.

(iii) the Conflicts Committee shall have authority to approve any matters relating to Employee Participant Awards that the General Partner, in its sole discretion, may refer to the Conflicts Committee in accordance with Section 7.16(a) of the Partnership Agreement.

(b) Decisions. Unless otherwise expressly provided in the Plan, and not withstanding any delegation of its powers, authority or function under the Plan to a duly designated committee of the Board, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award shall be within the sole and plenary discretion of the General Partner as set forth in the Plan, may be made at any time and shall be final, conclusive and binding upon all Persons, including the Partnership, any Affiliate, any Participant, any holder or beneficiary of any Award and any unitholder.

(c) Indemnification. No member of the Board or partner of the General Partner or employee of the Partnership, the General Partner or any of their Affiliates (each such Person, a "Covered Person") shall be liable for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award hereunder. Each Covered Person shall be indemnified and held harmless by the Partnership against and from (i) any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covere d Person may be involved by reason of any action taken or omitted to be taken under the Plan or any Award Agreement and (ii) any and all amounts paid by such Covered Person, with the Partnership's approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; provided that the Partnership shall have the right, at its own expense, to assume and defend any such action, suit or proceeding, and, once the Partnership gives notice of its intent to assume the defense, the Partnership shall have sole control over such defense with counsel of the Partnership's choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case not subject to further appeal, determines that the acts or omiss ions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person's bad faith, fraud or wilful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by the Partnership Agreement. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under the Partnership Agreement, as a matter of law, or otherwise, or any other power that the Partnership may have to indemnify such Persons or hold them harmless.

SECTION 4. Units Available for Awards; Other Limits. (a) Units Available. Subject to adjustment as provided in Section 4(d), the aggregate number of Units that may be delivered pursuant to Awards granted under the Plan shall be 800,000 restricted units. If, after the effective date of the Plan, any Award granted under the Plan is forfeited, or otherwise expires, terminates or is canceled without the delivery of Units, then the Units covered by such forfeited, expired, terminated or canceled Award shall again become available to be delivered pursuant to Awards under the Plan. If Units issued up on exercise, vesting or settlement of an Award, or Units owned by a Participant (which are not subject to any pledge or other security interest), are surrendered or tendered to the Partnership in payment of the Exercise Price of an Award or any taxes required to be withheld in respect of an Award, in each case, in accordance with the terms and conditions of the Plan and any applicable Award Agreement, such surrendered or tendered Units shall again become available to be delivered pursuant to Awards under the Plan.

(b) Vesting of Awards. Each Award shall be vested at such times, in such manner and subject to such terms and conditions as the Determining Party may, in its sole and plenary discretion, specify in the applicable Award Agreement or thereafter. Except as otherwise specified by the Determining Party in the Award Agreement, Awards shall become vested on the fifth anniversary of the date of the grant.

(c) Expiration of Awards. Except as otherwise set forth in the applicable Award Agreement and subject to Section 6(b)(v), each Award shall expire immediately, without any payment or vesting, upon either (i) the date the Participant who is holding the Award ceases to be an officer, employee or consultant of the Partnership or one of its Affiliates for any reason other than the Participant's Retirement or death, (ii) one year after the date a Director Participant who is holding the Award ceases to be a Director by reason of such Director Participant's resignation or removal (except for cause) or non re-election as a Director (except for cause), (iii) six months after the date the Participant who is holding the Award ceases to be an officer, employee or consultant of the Partnership or one of its Affiliates by reason of the Participant's Retirement or (iv) six months after the date the Participant who is holding the Award ceases to be an officer, employee or consultant of the Partnership or one of its Affiliates by reason of the Participant's death.

(d) Adjustments for Changes in Capitalization and Similar Events. In the event that the General Partner determines that any dividend or other distribution (whether in the form of cash, Units, other securities or other property), recapitalization, unit split, reverse unit split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Units or other securities of the Partnership, issuance of warrants or other rights to purchase Units or other securities of the Partnership, or other similar corporate transaction or event that affects the value of the Units, then the General Partner shall (i) in such manner as it may determine equitable or desirable, adjust (A) the number of Units or other securities of the Partnership (or number and kind of other securities or property) with respect to which Awards may be granted, including (1) the aggregate number of Units that may be delivered pursuant to Awards granted under the Plan and (2) the maximum number of Units or other securities of the Partnership (or number and kind of other securities or property) with respect to which Awards may be granted to any Participant in any fiscal year of the Partnership, and (B) the terms of any outstanding Award, including (1) the number of Units or other securities of the Partnership (or number and kind of other securities or property) subject to outstanding Awards or to which outstanding Awards relate and (2) the Exercise Price with respect to any Award, (ii) if deemed appropriate or desirable by the General Partner, make provision for a payment (in cash, Units or other property) to the holder of an outstanding Award in consideration for the cancelation of such Award, including, in the case of an outstanding Option or UAR, a payment (in cash, Units or other property) to the holder of such Option or UAR in consideration for the cancelation of such Option or UAR in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the General Partner) of the Units subject to such Option or UAR over the aggregate Exercise Price of such Option or UAR and (iii) if deemed appropriate or desirable by the General Partner, cancel and terminate any Option or UAR having a per Unit Exercise Price equal to, or in excess of, the Fair Market Value of a Unit subject to such Option or UAR without any payment or consideration therefor.

(e) Substitute Awards. Awards may, in the discretion of the General Partner, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by the Partnership or any of its Affiliates or a company acquired by the Partnership or any of its Affiliates or with which the Partnership or any of its Affiliates combines ("Substitute Awards"). The number of Units underlying any Substitute Awards shall not be counted against the aggregate number of Units available for Awards under the Plan.

(f) Sources of Units Deliverable Under Awards. Any Units delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Units or of treasury Units.

SECTION 5. Eligibility. Any director, officer, employee or consultant (including any prospective director, officer, employee or consultant), whether a natural Person or entity, of the Partnership, the General Partner, Capital Ship Management, Curzon or any of their Affiliates shall be eligible to be designated a Participant in respect of services performed, directly or indirectly, for the benefit of the Partnership and its Subsidiaries.

SECTION 6. Awards. (a) Types of Awards. Awards may be made under the Plan in the form of (i) Options, (ii) UARs, (iii) Restricted Units, (iv) RUAs, (v) Performance Units, (vi) Cash Incentive Awards and (vii) other equity-based or equity-related Awards that the Determining Party determines are consistent with the purpose of the Plan and the interests of the Partnership. Awards may be granted in tandem with other Awards.

(b) Options. (i) Grant. Subject to the provisions of the Plan, the Determining Party shall have sole and plenary authority to determine the Participants to whom Options shall be granted, the number of Units to be covered by each Option and the conditions and limitations applicable to the vesting and exercise of the Option.

(ii) Exercise Price. Except as otherwise established by the Determining Party at the time an Option is granted and set forth in the applicable Award Agreement, the Exercise Price of each Unit covered by an Option shall be not less than 100% of the Fair Market Value of such Unit (determined as of the date the Option is granted).

(iii) Vesting and Exercise. Each Option shall be vested and exercisable at such times, in such manner and subject to such terms and conditions as the Determining Party may, in its sole and plenary discretion, specify in the applicable Award Agreement or thereafter. Except as otherwise specified by the Determining Party in the applicable Award Agreement, an Option may only be exercised to the extent that it has already vested pursuant to Section 4(b) at the time of exercise. An Option shall be deemed to be exercised when written or electronic notice of such exercise has been given to the Partnership in accordance with the terms of the Award by the Person entitled to exercise the Award and full payment pursuant to Section 6(b)(iv) for the Units with respect to which the Award is exercised has been received by the Partnership. Exercise of a vested Option may be for some or all of the portion of the Option that is then exercisable and any such partial exercise shall decrease the number of Units that thereafter may be available for sale under the Option. The Determining Party may impose such conditions with respect to the exercise of Options, including, without limitation, any relating to the application of Federal or state securities laws, as it may deem necessary or advisable.

(iv) Payment. (A) No Units shall be delivered pursuant to any exercise of an Option until payment in full of the aggregate Exercise Price therefor is received by the Partnership, and the Participant has paid to the Partnership an amount equal to any income and employment taxes required to be withheld. Such payments may be made in cash (or its equivalent) or, in the Determining Party's sole and plenary discretion, (1) by exchanging Units owned by the Participant (which are not the subject of any pledge or other security interest) or (2) if there shall be a public market for the Units at such time, subject to such rules as may be established by the General Partner, through delivery of irrevocable instructions to a broker to sell the Units otherwise deliverable upon the exercise of the Option and to deliver promptly to the Partnership an amount equal to the aggregate Exercise Price, or by a combination of the foregoing; provided that the combined value of all cash and cash equivalents and the Fair Market Value of any such Units so tendered to the Partnership as of the date of such tender is at least equal to such aggregate Exercise Price and the amount of any income, employment or other taxes required to be withheld.

(B) Wherever in the Plan or any Award Agreement a Participant is permitted to pay the Exercise Price of an Option or taxes relating to the exercise of an Option by delivering Units, the Participant may, if permitted by the Determining Party, and subject to procedures satisfactory to it, in its discretion, satisfy such delivery requirement by presenting proof of beneficial ownership of such Units, in which case the Partnership shall treat the Option as exercised without further payment and shall withhold such number of Units from the Units acquired by the exercise of the Option.

(v) Expiration. Except as otherwise set forth in the applicable Award Agreement, each Option shall expire immediately, without any payment, upon the earlier of (A) the tenth anniversary of the date the Option is granted and (B) either (i) the date the Participant who is holding the Option ceases to be an officer, employee or consultant of the Partnership or one of its Affiliates for any reason other than the Participant's retirement or death, (ii) one year after the date a Director Participant who is holding the Option ceases to be a Director by reason of such Director Participant's resignation or removal (except for cause) or non re-election as a Director (except for cause), (iii) six months after the date the Participant who is holding the Option ceases to be an officer, employee or consultant of the Partnership or one of its Affiliates by reason of the Participant's Retirement or (iv) six months after the date the Participant who is holding the Option ceases to be an officer, employee or consultant of the Partnership or one of its Affiliates by reason of the Participant's death. In no event may an Option be exercisable after the tenth anniversary of the date the Option is granted.

(c) UARs. (i) Grant. Subject to the provisions of the Plan, the Determining Party shall have sole and plenary authority to determine the Participants to whom UARs shall be granted, the number of Units to be covered by each UAR, the Exercise Price thereof and the conditions and limitations applicable to the exercise thereof.

(ii) Exercise Price. Except as otherwise established by the Determining Party at the time a UAR is granted and set forth in the applicable Award Agreement, the Exercise Price of each Unit covered by a UAR shall be not less than 100% of the Fair Market Value of such Unit (determined as of the date the UAR is granted).

(iii) Exercise. A UAR shall entitle the Participant to receive an amount equal to the excess, if any, of the Fair Market Value of a Unit on the date of exercise of the UAR over the Exercise Price thereof. The Determining Party shall determine, in its sole and plenary discretion, whether a UAR shall be settled in cash, Units, other securities, other Awards, other property or a combination of any of the foregoing.

(iv) Other Terms and Conditions. Subject to the terms of the Plan and any applicable Award Agreement, the Determining Party shall determine, at or after the grant of a UAR, the vesting criteria, term, methods of exercise, methods and form of settlement and any other terms and conditions of any UAR. The Determining Party may impose such conditions or restrictions on the exercise of any UAR as it shall deem appropriate or desirable.

(d) Restricted Units and RUAs. (i) Grant. Subject to the provisions of the Plan, the Determining Party shall have sole and plenary authority to determine the Participants to whom Restricted Units and RUAs shall be granted, the number of Restricted Units and RUAs to be granted to each Participant, the duration of the period during which, and the conditions, if any, under which, the Restricted Units and RUAs may vest or may be forfeited to the Partnership and the other terms and conditions of such Awards.

(ii) Transfer Restrictions. Restricted Units and RUAs may not be sold, assigned, transferred, pledged or otherwise encumbered except as provided in the Plan or as may be provided in the applicable Award Agreement; provided, however, that the Determining Party may in its discretion determine that Restricted Units and RUAs may be transferred by the Participant. Certificates issued in respect of Restricted Units shall be registered in the name of the Participant and deposited by such Participant, together with a unit power endorsed in blank, with the Partnership or such other custodian as may be designated by th e General Partner or the Partnership, and shall be held by the Partnership or other custodian, as applicable, until such time as the restrictions applicable to such Restricted Units lapse. Upon the lapse of the restrictions applicable to such Restricted Units, the Partnership or other custodian, as applicable, shall deliver such certificates to the Participant or the Participant's legal representative.

(iii) Payment/Lapse of Restrictions. Each RUA shall be granted with respect to one Unit or shall have a value equal to the Fair Market Value of one Unit. RUAs shall be paid in cash, Units, other securities, other Awards or other property, as determined in the sole and plenary discretion of the Determining Party, upon the lapse of restrictions applicable thereto, or otherwise in accordance with the applicable Award Agreement.

(e) Performance Units. (i) Grant. Subject to the provisions of the Plan, the Determining Party shall have sole and plenary authority to determine the Participants to whom Performance Units shall be granted and the terms and conditions thereof.

(ii) Value of Performance Units. Each Performance Unit shall have an initial value that is established by the Determining Party at the time of grant. The Determining Party shall set, in its sole and plenary discretion, performance periods, payment formulas and performance goals (or any other terms) which, depending on the extent to which they are met, will determine the number and value of Performance Units that will be paid out to the Participant.

(iii) Earning of Performance Units. Subject to the provisions of the Plan, after the applicable performance period has ended, the holder of Performance Units shall be entitled to receive a payout of the number and value of Performance Units earned by the Participant over the performance period, to be determined by the Determining Party, in its sole and plenary discretion, as a function of the extent to which the corresponding performance goals have been achieved and the applicable payment formulas (or any other terms).

(iv) Form and Timing of Payment of Performance Units. Subject to the provisions of the Plan, the Determining Party, in its sole and plenary discretion, may pay earned Performance Units in the form of cash, Units, other securities, other Awards or other property (or in any combination thereof) that has an aggregate Fair Market Value equal to the value of the earned Performance Units at the close of the applicable performance period. Such Units may be granted subject to any restrictions in the applicable Award Agreement deemed appropriate by the Determining Party. The determination of the Determining Party with respect to the form and timing of payout of such Awards shall be set forth in the applicable Award Agreement.

(f) Cash Incentive Awards. Subject to the provisions of the Plan, the Determining Party, in its sole and plenary discretion, shall have the authority to grant Cash Incentive Awards. The Determining Party shall establish Cash Incentive Award levels to determine the amount of a Cash Incentive Award payable upon the attainment of performance goals (or any other terms) specified by the Determining Party.

(g) Other Unit-Based Awards. Subject to the provisions of the Plan, the Determining Party shall have the sole and plenary authority to grant to Participants other equity-based or equity-related Awards (including, but not limited to, fully-vested Units) in such amounts and subject to such terms and conditions as the Determining Party shall determine.

(h) Distribution Equivalents. In the sole and plenary discretion of the Determining Party, an Award, other than an Option, UAR or Cash Incentive Award, may provide the Participant with distributions or distribution equivalents, payable in cash, Units, other securities, other Awards or other property, on a current or deferred basis, on such terms and conditions as may be determined by the Determining Party in its sole and plenary discretion, including, without limitation, payment directly to the Participant, withholding of such amounts by the Partnership subject to vesting of the Award or reinvestment in additional Units, Restricted Units or other Awards.

SECTION 7. Amendment and Termination. (a) Amendments to the Plan. Subject to any applicable law or government regulation and to the rules of the NASDAQ or any successor exchange or quotation system on which the Units may be listed or quoted, the Plan may be amended, modified or terminated by the Board and the General Partner at any time and in any manner without the approval of the unitholders of the Partnership. No modification, amendment or termination of the Plan may, without the consent of any Participant to whom any Award shall previously have been granted, materially and adversely affect the rights of s uch Participant (or his or her transferee) under such Award, unless otherwise provided by the Determining Party in the applicable Award Agreement.

(b) Amendments to Awards. The Determining Party may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate any Award theretofor granted, prospectively or retroactively; provided, however, that, except as set forth in the Plan, unless otherwise provided by the Determining Party in the applicable Award Agreement, any such waiver, amendment, alteration, suspension, discontinuance, cancelation or termination that would materially and adversely impair the rights of any Participant or any holder or beneficiary of any Award theret ofor granted shall not to that extent be effective without the consent of the impaired Participant, holder or beneficiary.

(c) Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The General Partner is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(d) or the occurrence of a Change of Control) affecting the Partnership, any Affiliate, or the financial statements of the Partnership or any Affiliate, or of changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles or law (i) whenever the General Partner, in its sole and plenary discr etion, determines that such adjustments are appropriate or desirable, including, without limitation, providing for a substitution or assumption of Awards, accelerating the exercisability of, lapse of restrictions on, or termination of, Awards or providing for a period of time for exercise prior to the occurrence of such event, (ii) if deemed appropriate or desirable by the General Partner, in its sole and plenary discretion, by providing for a payment (in cash, Units or other property) to the holder of an Award in consideration for the cancelation of such Award, including, in the case of an outstanding Option or UAR, a payment (in cash, Units or other property) to the holder of such Option or UAR in consideration for the cancelation of such Option or UAR in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the General Partner) of the Units subject to such Option or UAR over the aggregate Exercise Price of such Option or UAR and (iii) if deemed appropriate or desi rable by the General Partner, in its sole and plenary discretion, by canceling and terminating any Option or UAR having a per Unit Exercise Price equal to, or in excess of, the Fair Market Value of a Unit subject to such Option or UAR without any payment or consideration therefor.

SECTION 8. Change of Control. Unless otherwise provided in the applicable Award Agreement, in the event of a Change of Control after the date of the adoption of the Plan, unless provision is made in connection with the Change of Control for (a) assumption of Awards previously granted or (b) substitution for such Awards of new awards or similar entitlements covering equity interests in the successor corporation or other entity in the Change of Control with appropriate adjustments as to the number and kinds of equity interests, performance goals and the Exercise Prices, as applicable, (i) any outstanding Options or UARs then held by Participants that are unexercisable or otherwise unvested shall automa tically be deemed exercisable or otherwise vested, as the case may be, as of immediately prior to such Change of Control, (ii) all Performance Units and Cash Incentive Awards shall be paid out as if the date of the Change of Control were the last day of the applicable performance period and "target" performance levels had been attained and (iii) all other outstanding Awards (i.e., other than Options, UARs, Performance Units and Cash Incentive Awards) then held by Participants that are unexercisable, unvested or still subject to restrictions or forfeiture, shall automatically be deemed exercisable and vested and all restrictions and forfeiture provisions related thereto shall lapse as of immediately prior to such Change of Control.

SECTION 9. General Provisions. (a) Nontransferability. Except as otherwise specified in the applicable Award Agreement, during the Participant's lifetime each Award (and any rights and obligations thereunder) shall be exercisable only by the Participant, or, if permissible under applicable law, by the Participant's legal guardian or representative, and no Award (or any rights and obligations thereunder) may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment , alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Partnership or any Affiliate; provided that (i) the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance and (ii) the Determining Party may permit further transferability, on a general or specific basis, and may impose conditions and limitations on any permitted transferability. All terms and conditions of the Plan and all Award Agreements shall be binding upon any permitted successors and assigns.

(b) No Rights to Awards. No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Determining Party's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated.

(c) Unit Certificates. All certificates for Units or other securities of the Partnership or any Affiliate delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Determining Party may deem advisable under the Plan, the applicable Award Agreement or the rules, regulations and other requirements of the SEC, the NASDAQ or any other stock exchange or quotation system upon which such Units or other securities are then listed or reported and any applicable laws, and the Determining Party may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) Withholding. A Participant may be required to pay to the Partnership or any Affiliate, and the Partnership or any Affiliate shall have the right and is hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant, the amount (in cash, Units, other securities, other Awards or other property) of any applicable withholding taxes in respect of an Award, its exercise or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the General Partner to satisfy all obligations for the payment of such taxes.

(e) Award Agreements. Each Award hereunder shall be evidenced by an Award Agreement, which shall be delivered to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto, including, but not limited to, the effect on such Award of the death, disability or termination of employment or service of a Participant and the effect, if any, of such other events as may be determined by the Determining Party.

(f) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Partnership or any Affiliate from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of options, restricted units, units and other types of equity-based awards, and such arrangements may be either generally applicable or applicable only in specific cases.

(g) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained as a director, officer, employee, service provider or consultant of or to the Partnership or any Affiliate, nor shall it be construed as giving a Participant any rights to continued service on the Board. Further, the Partnership or an Affiliate may at any time dismiss a Participant from employment or discontinue any consulting relationship, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement.

(h) No Rights as Unitholder. No Participant or holder or beneficiary of any Award shall have any rights as a unitholder with respect to any Units to be distributed under the Plan until he or she has become the holder of such Units. In connection with each grant of Restricted Units, except as provided in the applicable Award Agreement, the Participant shall not be entitled to the rights of a unitholder in respect of such Restricted Units. Except as otherwise provided in Section 4(d), Section 7(c) or the applicable Award Agreement, no adjustments shall be made for dividends or distributions on (whether ordinary or extraordinary, and whether in cash, Units, other securities or other pro perty), or other events relating to, Units subject to an Award for which the record date is prior to the date such Units are delivered.

(i) Governing Law. The validity, construction and effect of the Plan and any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of New York, without giving effect to the conflict of laws provisions thereof.

(j) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the General Partner, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the General Partner, materially altering the intent of the Plan or the Award, such provision shall be construed or deemed stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(k) Other Laws. The General Partner may refuse to issue or transfer any Units or other consideration under an Award if, acting in its sole and plenary discretion, it determines that the issuance or transfer of such Units or such other consideration might violate any applicable law or regulation, and any payment tendered to the Partnership by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary. Without limiting the generality of the foregoing, no Award granted hereunder shall be construed as an offer to sell securities of the Partnership, and no such offer shall be outstanding, unle ss and until the General Partner in its sole and plenary discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of any applicable securities laws.

(l) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Partnership or any Affiliate, on one hand, and a Participant or any other Person, on the other hand. To the extent that any Person acquires a right to receive payments from the Partnership or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Partnership or such Affiliate.

(m) No Fractional Units. No fractional Units shall be issued or delivered pursuant to the Plan or any Award, and the General Partner shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Units or whether such fractional Units or any rights thereto shall be canceled, terminated or otherwise eliminated.

(n) Requirement of Consent and Notification of Election Under Section 83(b) of the Code or Similar Provision. No election under Section 83(b) of the Code (to include in gross income in the year of transfer the amounts specified in Section 83(b) of the Code) or under a similar provision of law may be made unless expressly permitted by the terms of the applicable Award Agreement or by action of the Determining Party in writing prior to the making of such election. If an Award recipient, in connection with the acquisition of Units under the Plan or otherwise, is expressly permitted under the terms of the applicable Award Agreement or by such Determining Party action to make such an elect ion and the Participant makes the election, the Participant shall notify the Partnership of such election within ten days of filing notice of the election with the IRS or other governmental authority, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code or other applicable provision.

(o) Interpretation. (i) Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

(ii) The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.

SECTION 10. Term of the Plan. (a) Effective Date. The Plan shall be effective as of the date of its adoption by the General Partner, with the approval of the Board.

(b) Expiration Date. No Award shall be granted under the Plan after the tenth anniversary of the date the Plan is approved under Section 10(a). Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted hereunder may, and the authority of the Determining Party to amend, alter, adjust, suspend, discontinue or terminate any such Award or to waive any conditions or rights under any such Award shall, nevertheless continue thereafter.

CAPITAL PRODUCT PARTNERS L.P.
RESTRICTED UNIT AWARD AGREEMENT DATED AUGUST 31, 2010
(THE "AWARD DATE")

WHEREAS, Capital Product Partners L.P. (the "**Partnership**") wishes to grant to _____ (the "**Recipient**") certain Restricted Units of the Partnership's common units; and

WHEREAS, the General Partner has determined that it would be to the advantage and in the best interests of the Partnership and its unitholders to grant the Restricted Units provided for herein to the Recipient as an inducement to continue to provide services to the Partnership and as an incentive for increased efforts during such service.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Restricted Unit Award Agreement (the "**Agreement**") the parties hereto do hereby agree as follows:

1. Definitions. All capitalized terms used herein shall have the meaning ascribed to them in the Partnership's 2008 Omnibus Incentive Compensation Plan (the "**Plan**").

2. Grant of Restricted Units. In consideration of the Recipient's services to the Partnership and the Recipient's covenants set out herein, the Partnership hereby grants to the Recipient _____ _____ Restricted Units (the "**Recipient's Restricted Units**") subject to the terms and conditions set forth in the Plan, including but not limited to the terms and conditions in connection with the vesting, expiration, limitations on the transferability of, adjustment to and withholding and payment of any taxes associated with such Recipient's Restricted Units, and in this Agreement.

3. Vesting. The Recipient's rights with respect to the Recipient's Restricted Units will vest, and the restrictions set forth in the Plan and in this Agreement with respect thereto shall lapse on:

(i) August 31, 2013, or
(ii) if not then fully vested, in full upon the death or total and permanent disability of the Recipient (such disability as determined in good faith by the Board based on an examination by a qualified medical doctor appointed by the Board), or
(iii) if not then fully vested, upon the Recipient's Retirement (defined as the termination of employment after attainment of age 65 or other mutually agreed retirement date, whichever later) pro rata in an amount equal to the Recipient's Restricted Units times the Number of days from Award Date to Retirement divided by the Number of days from the Award Date to the Vesting Date,

(each of the above, the "**Vesting Date**"), provided that following the Vesting Date the Recipient's Restricted Units shall be subject to the restrictions set forth in the Second Amended and Restated Limited Partner Agreement of the Partnership dated February 22, 2010, as amended (the "**Partnership Agreement**"), and the restrictions set out in Section 8 of this Agreement. For the avoidance of doubt, in the event the Recipient ceases to be an officer, employee or consultant of, or provide the relevant services to, the Partnership or one of its Affiliates or Subsidiaries for any reason other than the Recipients' Retirement, permanent d isability or death, the Recipient's Restricted Units shall be forfeited without any payment or vesting, unless otherwise mutually agreed.

4. Custodian. The custodian appointed by the General Partner in connection with the Recipient Restricted Units is the National Bank of Greece (the "**Custodian**").

5. Consideration to the Partnership. In consideration of the granting of the Recipient Restricted Units by the Partnership, the Recipient agrees to render faithful and efficient service to the Partnership, or its Subsidiaries, Affiliates or any Subsidiary of any Affiliate as the case may be, with such duties and responsibilities as the Partnership shall from time to time prescribe. Nothing in this Agreement shall confer upon the Recipient any right to continue to render services to the Partnership or to continue in the employ of the Partnership or any Subsidiary or Affiliate or any Subsidiary of any Affiliate, as the case may be, thereof, or shall interfere with or restrict in any way the rights of the Partnership, or any Subsidiary or Affiliate, to discharge the Recipient at any time and for any reason whatsoever.

6. Distributions. All Recipient's Restricted Units granted under the terms of this Agreement shall be entitled to dividends or other distributions made during the period between the Award Date and the Vesting Date, payable in full on the Vesting Date. Prior to such Vesting Date, any distributions allocated to the Recipient's Restricted Units shall be maintained by the Custodian on behalf of the Recipient.

7. Partnership Business. Nothing in this Agreement shall be construed as limiting or preventing the Partnership from taking any action with respect to the operation and conduct of its business that it deems appropriate or in its best interests, including any or all adjustments, recapitalizations, reorganizations, exchanges or other changes in the capital structure of the Partnership, any merger or consolidation of the Partnership, any issuance of units of or other Awards or subscription rights thereto, any issuance of bonds or debentures, any dissolution or liquidation of the Partnership, any sale or transfer of all or any part of the assets or business of the Partnership, or any other corpor ate act or proceeding, whether of a similar character or otherwise.

8. General Restrictions and Registration. (a) The Recipient Restricted Units shall be subject to all applicable laws, rules and regulations, United States Federal and state securities laws, the availability of exemptions from the registration requirements of such, including all United States Federal and state securities laws, and the obtaining of all approvals by governmental authorities as may be deemed necessary or appropriate by the Board. In no event will the Partnership be obligated to register the Recipient Restricted Units under Federal or state securities laws, to comply with the requirements of any exemption from registration requirements, or to take any other a ction that may be required in order to permit, or to remove any prohibition or limitation on, the Restricted Units which may be imposed by any applicable law, rule or regulation. (b) The Recipient hereby (i) represents and warrants that the Recipient will not distribute any Restricted Units, whether or not vested, in violation of any United States Federal or state securities laws or the Shareholders Agreement, (ii) acknowledges that, unless notified to the contrary by the Partnership, such Recipient Restricted Units will not have been registered under any United States Federal or state securities laws and must be held indefinitely unless subsequently registered under any applicable United States Federal or state securities laws or unless an exemption from such registration is or becomes available and (iii) represents and warrants that the Recipient has received and reviewed the Partnership's Insider Trading Policy and shall comply with the terms set out therein. (c) Any sale or transfer of the Recipient Restricted Units following the vesting of such Recipient Restricted Units shall remain subject applicable law and to the approval of the Board, or the Disclosure Committee of the Partnership, and shall be in compliance with the Insider Trading Policy of the Partnership. (d) The Partnership may affix to certificates for Units issued pursuant to this Agreement any legend that the Partnership determines to be necessary or advisable with respect to any applicable securities law or the Partnership Agreement. The Partnership may advise the Custodian to place a stop order against any legended units.

9. Taxation. The Partnership hereby makes no representation to you with respect to the potential tax consequences of the granting of such Recipient Restricted Units and bears no responsibility with connection to the tax consequences of receiving such Recipient Restricted Units to you. **You acknowledge that it is your sole responsibility to seek independent advice regarding your obligations with respect to such Restricted Units, including reporting, accounting, tax and filing obligations, and with respect to any consequences to you of receiving such Restricted Units.**

10. United States Tax Law (US Residents Only). You are authorized, if you so choose, to file an election with the United States Internal Revenue Service pursuant to Section 83(b) of the US Internal Revenue Code of 1986, as amended (the "**Code**") with respect to all or a portion of the Recipient Restricted Units. You agree that if you make such Section 83(b) election, you shall provide a copy of such election to the Partnership not later than ten days after filing the election with the United States Internal Revenue Service or other governmental authority in accordance with Section 9(n) of the Plan. &# 160;The Partnership has made no recommendation to you with respect to the advisability of making any such election. You acknowledge that it is your sole responsibility to seek advice regarding Section 83(b) of the Code and to determine the effect of making or failing to make such election. The delivery of Units pursuant to this Agreement is conditioned on satisfaction of any applicable withholding taxes.

11. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or when telecopied (with confirmation of transmission received by the sender), three business days after being sent by certified mail, postage prepaid, return receipt requested or one business day after being delivered to a nationally recognized overnight courier with next day delivery specified to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Partnership, to: Capital Product Partners L.P., Iassonos Street, Piraeus, 18537 Greece
Fax: +30 210 4284 285
Attn: General Counsel

If to the Participant, to the address on file with the Partnership.

Notices sent by email or other electronic means not specifically authorized by this Agreement shall not be effective for any purpose of this Agreement.

12. Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify this Agreement under any law deemed applicable by the General Partner, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the General Partner, materially altering the intent of this Agreement, such provision shall be construed or deemed stricken as to such jurisdiction, Person or Award and the remainder of the Agreement shall remain in full force and effect.

13. Survival. For the avoidance of doubt, the parties hereto acknowledge that Section 5 shall survive any termination, amendment, renewal or extension of this Agreement or any forfeiture or vesting of any Restricted Shares granted pursuant to this Agreement.

14. Successors and Assigns of the Partnership. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the Partnership and its successors and assigns.

15. Governing Law. The validity, construction and effect of this Agreement and any rules and regulations relating to this Agreement shall be determined in accordance with the laws of the State of New York, without giving effect to the conflict of laws provisions thereof.

Receipt of this Agreement and of the Plan confirmed and acknowledged by:

Recipient: _____

Capital Product Partners L.P.: _____

Date: _____August 31, 2010_____

LIST OF SIGNIFICANT SUBSIDIARIES

The following is a list of Capital Product Partners L.P.'s significant subsidiaries as at December 31, 2010:

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, 2011

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, 2011

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, 2010 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, 2011

By: /s/ Ioannis E. Lazaridis
Name: Ioannis E. Lazaridis
Title: Chief Executive 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, 2011, relating to the consolidated financial statements of Capital Product Partners L.P. (the "Partnership") (which report expresses an unqualified opinion and includes explanatory paragraphs relating to: 1) the preparation of the portion of the financial statements attributable to the Ross Shipmanagement Co., Baymont Enterprises Incorporated, Forbes Maritime Co., Mango Finance Co., Navarro International S.A., Epicurus Shipping Company, and Adrian Shipholding Inc., prior to the vessels' acquisition by the Partnership, from the separate records m aintained by Capital Maritime & Trading Corp., and 2) the retroactive adjustments to previously issued 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, 2010.

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

Athens, Greece
February 4, 2011