Capital Product Partners L.P.
Form F-3
June 26, 2013

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-As filed with the Securities and Exchange Commission on June 26, 2013

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Capital Product Partners L.P.

(as Specified in Its Charter)

4412

(Primary Standard Industrial

Classification of Code Number)

	3 Iassonos Street	
	Piraeus, 18537 Greece	
Republic of The Marshall Islands	**Telephone: +30 210 458 4950**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(Address and telephone number of registrant s principal executive offices)**	**(IRS Employer Identification Number)**

CT Corporation System

111 Eighth Avenue, 13th Floor

New York, NY 10011

Telephone: 212 894 8400

(Name, address and telephone number of agent for service)

With copies to:

Jay Clayton, Esq.

Sullivan & Cromwell LLP

125 Broad Street

New York, NY 10004

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ¨

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Amount to be registered(1)**	**Proposed maximum aggregate price per unit(2)**	**Proposed maximum aggregate offering price(3)**	**Amount of registration fee(2)**
Common units	8,484,849	$8.73	$74,072,731.77	$10,103.52

(1) Pursuant to Rule 416(a), the number of common units being registered shall be adjusted to include any additional units that may become issuable as a result of any unit distribution, split, combination or similar transaction.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act of 1933, as amended. The price per unit and aggregate offering price are based on the average of the high and low sale prices of the registrant s common units on June 24, 2013, as reported on the NASDAQ Global Market.

(3) The proposed maximum offering price per common unit will be determined from time to time by the selling unitholders in connection with, and at the time of, the sale by such selling unitholders of the securities registered hereunder.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended (the Act) or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. The selling unitholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission, in which this prospectus is included, is declared effective. This prospectus is not an offer to sell these securities and CPLP and the selling unitholders are not soliciting offers to buy these securities in any jurisdiction where such offer or sale is not permitted.

PROSPECTUS (subject to completion, dated June 26, 2013)

8,484,849 Common Units

Capital Product Partners L.P.

Common Units

Representing Limited Partner Interests

This prospectus relates to the offer or resale from time to time of up to 8,484,849 of our common units by the selling unitholders identified in this prospectus. These common units are issuable upon conversion of certain of certain of our Class B Convertible Preferred units that were issued pursuant to a certain subscription agreement dated as of March 15, 2013, between us and the selling unitholders in transactions exempt from the registration requirements of the Securities Act of 1933, as amended.

The selling unitholders may sell the common units at various times and in various types of transactions, directly to or through underwriters, dealers or other agents, including sales in the open market, sales in negotiated transactions and sales by a combination of these methods. We will not receive any of the proceeds from the sale of these common units by the selling unitholders.

Our common units trade on the NASDAQ Global Market under the symbol CPLP .

This prospectus provides you with a general description of the common units. Each time the selling unitholders offer to sell common units pursuant to this prospectus, a prospectus supplement will be provided that will contain specific information about those securities and the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. This prospectus may be used to offer and sell securities only if accompanied by a prospectus supplement. You should read this prospectus and any prospectus supplement carefully before you invest. You should also read the documents we refer to in the Where You Can Find More Information section of this prospectus for information about us and our financial statements.

Limited partnerships are inherently different from corporations. You should carefully consider each of the factors described under Risk Factors beginning on page 9 of this prospectus before you make an investment in our securities.

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

The date of this prospectus is , 2013

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form F-3 that we have filed with the U.S. Securities and Exchange Commission (the SEC or the Commission) using a shelf registration process. Under this shelf registration process, the selling unitholders may offer and sell, in one or more offerings, up to 8,484,849 of our common units, which are issuable upon conversion of certain of our Class B Convertible Preferred units, as described in this prospectus. This prospectus generally describes Capital Product Partners L.P. and our common units. In connection with certain sales of securities hereunder, a prospectus supplement that will describe, among other things, the specific amounts and prices of the securities being offered and the terms of the offering, including the specific terms of the securities being offered, will accompany this prospectus. The prospectus supplement may also add to, update or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement.

We will not receive any of the proceeds from any sale of common units by the selling unitholders. Except for underwriting discounts and selling commissions, if any, transfer taxes, if any, and the fees and expenses of their own counsel (and any other advisers), if any, which are to be paid by the selling unitholders, we have agreed to pay all other expenses incurred in connection with the registration of the common units owned by the selling unitholders covered by this prospectus.

Unless otherwise indicated, the term selling unitholders as used in this prospectus means the selling unitholders referred to in this prospectus and their valid transferees. Unless otherwise indicated, references in this prospectus to Capital Product Partners , we , us and our and similar terms refer to Capital Product Partners L.P. and/or one or more of its subsidiaries. Unless otherwise indicated, all references in this prospectus to dollars and $ are to, and amounts are presented in, U.S. Dollars, and financial information presented in this prospectus is prepared in accordance with accounting principles generally accepted in the United States or GAAP . References to our Annual Report are to our Annual Report on Form 20-F for the year ended December 31, 2012 incorporated by reference herein.

You should read carefully this prospectus, any prospectus supplement, and the additional information described below under the heading Where You Can Find More Information . You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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CAPITAL PRODUCT PARTNERS L.P.

We are a master limited partnership formed as Capital Product Partners L.P. under the laws of the Republic of The Marshall Islands on January 16, 2007, by Capital Maritime & Trading Corp. (Capital Maritime), an international shipping company with a long history of operating and investing in the shipping market. We maintain our principal executive headquarters at 3 Iassonos Street, Piraeus, 18537 Greece and our telephone number is +30 210 4584 950.

We are an international diversified shipping 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, edible oils and certain chemicals, such as ethanol, as well as dry cargo and containerized goods. As of the date of this prospectus, our fleet of 27 high specification vessels (1.9 million dwt) consists of 18 modern medium range product tankers, four Suezmax crude oil tankers, four post panamax container carrier vessels and one Capesize bulk carrier, with an average age (weighted by dwt) of approximately 5.8 years as of May 31, 2013.

On April 3, 2007, we completed our initial public offering (the IPO) on the NASDAQ Global Market of 13,512,500 common units at a price of $21.50 per unit. Capital Ship Management Corp., a subsidiary of Capital Maritime (Capital Ship Management), provides management, commercial and technical services in connection with our vessels under fixed or floating rate arrangements. Since the IPO we have increased the size of our fleet in terms of both number of vessels and carrying capacity, including through the completion of our merger with Crude Carriers Corp. (Crude Carriers) on September 30, 2011. On May 23, 2012, we completed an issuance of $140.0 million of Class B Convertible Preferred Units (the Class B Units) to a group of investors, including Capital Maritime. On March 19, 2013, and March 26, 2013, we completed two issuances of $37.5 million of Class B Units each to a group of investors, including Capital Maritime and the selling unitholders. We intend to continue to make strategic acquisitions and to take advantage of our relationship with Capital Maritime. Capital Maritime has granted us a right of first offer for any product or crude oil tankers with a carrying capacity greater than or equal to 30,000 dwt in its fleet. As of the date of this prospectus, Capital Maritime owned a 24.3% interest in us, including 17,763,305 common units, 4,048,484 Class B Units and a 1.5% interest through its ownership of our general partner, Capital GP L.L.C.

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WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement on Form F-3 that we filed with the SEC, utilizing a shelf registration process or continuous offering process. Under this shelf registration process, the selling unitholders may, from time to time, sell in the aggregate up to 8,484,849 of the common units described in this prospectus in one or more offerings. Each time the selling unitholders offer securities, this prospectus and a prospectus supplement will be provided to you that will describe, among other things, the specific amounts and prices of the securities being offered and the terms of the offering.

That prospectus supplement may include additional risk factors or other special considerations applicable to those securities and may also add, update, or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in that prospectus supplement.

We are subject to the information requirements of the Securities Exchange Act of 1934 (the Exchange Act), and, in accordance therewith, are required to file with the SEC annual reports on Form 20-F within four months of our fiscal year-end, and provide to the SEC other material information on Form 6-K. These reports and other information may be inspected and copied at the public reference facilities maintained by the SEC or obtained from the SEC s website as provided above.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, certain rules prescribing the furnishing and content of proxy statements, and our directors and principal unitholders and the executive officers of our general partner are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, including the filing of quarterly reports or current reports on Form 8-K. However, we furnish or make available to our unitholders annual reports containing our audited consolidated financial statements prepared in accordance with U.S. GAAP and make available to our unitholders quarterly reports containing our unaudited interim financial information for the first three fiscal quarters of each fiscal year.

CPLP files annual reports with and furnishes other reports and information to the SEC. You may read and copy any document CPLP files with or furnishes to the SEC free of charge at the SEC s public reference room at 100 F Street, NE, Washington, D.C. 20549. You may also obtain documents CPLP files with or furnishes to the SEC on the SEC website at www.sec.gov. The address of the SEC s website is provided solely for the information of prospective investors and is not intended to be an active link. Please visit the website or call the SEC at 1 (800) 732-0330 for further information about its public reference room. Reports and other information concerning the business of CPLP may also be inspected at the offices of the NASDAQ Global Market at One Liberty Plaza, 165 Broadway, New York, NY 10006.

We also make our periodic reports as well as other information filed with or furnished to the SEC available, free of charge, through our website, at www.capitalpplp.com, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows CPLP to incorporate by reference certain information filed with or furnished to the SEC, which means that CPLP can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. With respect to this prospectus, information that CPLP later files with or furnishes to the SEC and that is incorporated by reference will automatically update and supersede information in this prospectus and information previously incorporated by reference into this prospectus.

Each document incorporated by reference into this prospectus is current only as of the date of such document, and the incorporation by reference of such document is not intended to create any implication that there has been no change in the affairs or CPLP since the date of the relevant document or that the information contained in such document is current as of any time subsequent to its date. Any statement contained in such incorporated documents is deemed to be modified or superseded for the purpose of this prospectus to the extent that a subsequent statement contained in another document that is incorporated by reference into this prospectus at a later date modifies or supersedes that statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

This prospectus incorporates by reference the documents listed below, which CPLP has previously filed with or furnished to the SEC. These documents contain important information about CPLP and its financial condition, business and results.

CPLP Filings (File No. 001-33373):

- Annual Report on Form 20-F for the fiscal year ended December 31, 2012; and

- Current Reports on Form 6-K furnished on March 1, 2013 (Announcement of Conditional Agreement with Overseas Shipholding Group Inc.), March 18, 2013 (Announcement of Agreement to Issue 9.1 Million Convertible Preferred Units and Agreement to Acquire M/V Hyundai Premium and M/V Hyundai Paramount), March 21, 2013 (Expected Completion of Convertible Preferred Unit Issuance and Completion of Class B Convertible Preferred Unit Subscription Agreement, Amendment of the Limited Partnership Agreement, Registration Rights Agreement and Acquisition of M/V Hyundai Premium), April 23, 2013 (Announcement of Cash Distribution) and April 30, 2013 (Q1 2013 Earnings Release).

We are also incorporating by reference all subsequent annual reports on Form 20-F that we file with the SEC and certain Current Reports on Form 6-K that we furnish to the SEC after the date of this prospectus (if such Current Reports state that they are incorporated by reference into this prospectus) until we file a post-effective amendment indicating that the offering of the securities made by this prospectus has been terminated. In all cases, you should rely on the later information over different information included in this prospectus or any prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not, and any underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the selling unitholders and any underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any accompanying prospectus supplement as well as the information we previously filed with or furnished to the SEC and incorporated by reference, is accurate as of the dates on the front cover of those documents only. Our business, financial condition and results of operations and prospects may have changed since those dates.

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You may obtain copies of these documents in the manner described above under the section captioned Where You Can Find More Information. You may also request copies of these documents at no cost by contacting CPLP as follows:

Capital Product Partners L.P.

Investor Relations Representative

Nicolas Bornozis, President

Capital Link, Inc.

230 Park Avenue Suite 1536

New York, NY 10160, USA

Tel: +1 212 661-7566

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FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this prospectus concerning our business, operations, cash flows, and financial position, including, in particular, the likelihood of our success in developing and expanding our business, include forward-looking statements. In addition, we and our representatives may from time to time make other oral or written statements which are also forward-looking statements. Such statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business, financial condition and the markets in which we operate, and involve risks and uncertainties. In some cases, you can identify the forward-looking statements by the use of words such as may , could , should , would , expect , plan , anticipate , intend , forecast , believe , estimate , project , predict , propose , potential , continue or the negative of these terms or other comparable terminology. Although these statements are based upon assumptions we believe to be reasonable based upon available information, including projections of revenues, operating margins, earnings, cash flow, working capital and capital expenditures, they are subject to risks and uncertainties that are described more fully in this prospectus in the section titled Risk Factors . These forward-looking statements represent our estimates and assumptions only as of the date of this prospectus and are not intended to give any assurance as to future results. As a result, you are cautioned not to rely on any forward-looking statements. Forward-looking statements appear in a number of places in this prospectus and include statements with respect to, among other things:

- expectations of our ability to make cash distributions on the common units and the Class B Units;
- our ability to increase our distributions over time;
- global economic outlook and growth;
- shipping conditions and fundamentals, including the balance of supply and demand in the tanker, dry cargo and container markets in which we operate, as well as trends and conditions in the newbuilding markets, and scrapping of older vessels;
- increases in domestic or worldwide oil consumption;
- future supply of, and demand for, refined products and crude oil;
- future refined product and crude oil prices and production;
- our ability to operate in new markets, including the container carrier market;
- tanker, drybulk and container carrier industry trends, including charter rates and factors affecting the chartering of vessels;
- 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;

future charter hire rates and vessel values;

anticipated future acquisition of vessels from Capital Maritime and from third parties;

anticipated future chartering arrangements with Capital Maritime and third parties;

our ability to leverage to our advantage Capital Maritime s relationships and reputation in the shipping industry;

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

our current and future business and growth strategies and other plans and objectives for future operations;

our ability to access debt, credit and equity markets;

changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors;

our ability to refinance our debt and/or achieve further postponement of any amortization of our debt if necessary under the current terms of our credit facilities;

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 outcome of the Overseas Shipholding Group Inc. (OSG) bankruptcy proceedings and the actions of OSG and other parties relating thereto;

the debt amortization payments and 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;

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

changes in interest rates and any interest rate hedging;

our ability to maintain long-term relationships with major refined product importers and exporters, major crude oil companies and major commodity traders;

the ability of our manager, Capital Ship Management, to qualify for short- and long-term charter business with oil major charterers and oil 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 continued ability to enter into long-term, fixed-rate time charters with our charterers and to re-charter our vessels as their existing charters expire at attractive rates;

the changes to the regulatory requirements applicable to the oil transportation industry, including, without limitation, requirements adopted by international organizations, such as the International Maritime Organization and the European Union, 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, including with new environmental regulations and standards being introduced, as well as with standard regulations imposed by our charterers applicable to our business;

the impact of heightened regulations and the actions of regulators and other government authorities, including anti-corruption laws and regulations, as well as sanctions and other governmental actions;

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- our anticipated general and administrative expenses and our costs and expenses under the management agreements and the administrative services agreement with our manager, and for reimbursement for fees and costs of Capital GP L.L.C., our general partner;
- increases in costs and expenses including but not limited to: crew wages, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance and general and administrative expenses;
- the adequacy of our insurance arrangements and our ability to obtain insurance and required certifications;
- the impact of the floating fee structure under which an increasing number of our vessels are managed on operating expenses;
- potential increases in costs and expenses under our management agreements following expiration and/or renewal of such agreement in connection with certain of our vessels;
- the impact of heightened environmental and quality concerns of insurance underwriters and charterers;
- the anticipated taxation of our partnership and distributions to our common and Class B 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 crude oil and medium range vessels in particular;
- the expected lifespan and condition of our vessels;
- our ability to employ and retain key employees;
- our track record and performance in safety, environmental and regulatory matters;
- the effects of increasing emphasis on environmental and safety concerns by customers, governments and others, as well as changes in maritime regulations;
- expected financial flexibility to pursue acquisitions and other expansion opportunities;
- anticipated funds for liquidity needs and the sufficiency of cash flows; and
- future sales of our units in the public market.

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 and in our Annual Report under the heading 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.

Unless required by law, we expressly disclaim any 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 prospectus and in our other filings made with the SEC that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations.

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RISK FACTORS

An investment in our securities involves a high degree of risk. 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. 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. You should carefully consider the following risk factors together with all of the other information included in this prospectus, any prospectus supplement and the information that we have incorporated herein by reference in evaluating an investment in us. When we offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.

We hereby incorporate by reference all of our risk factors included in our Annual Report on Form 20-F for the year ended December 31, 2012 or included in any Annual Report on Form 20-F or Current Report on Form 6-K filed or furnished after the date of this prospectus.

RISKS RELATING TO THE BUSINESS AND OPERATIONS OF CPLP

Global economic conditions may have a material adverse effect on CPLP s ability to pay distributions as well as on its business, financial position, distributions and results of operations, and, along with changes in the oil markets, could result in decreased demand for its vessels and services and could materially affect its ability to recharter its 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 past four years were marked by a major economic slowdown which has had, and continues to have, a significant impact on world trade, including the oil trade. Global economic conditions remain fragile with significant uncertainty remaining with respect to recovery prospects, levels of recovery and long-term economic growth effects. In particular, the uncertainty surrounding the future of the Euro zone, the economic prospects of the United States and the future economic growth of China, Brazil, Russia, India and other emerging markets are all expected to affect demand for product and crude tankers going forward. Demand for oil and refined petroleum products remains weak as a result of the global economic slowdown, which in combination with the diminished availability of trade credit and reduced availability of financing for shipping, led to decreased demand for tanker vessels, creating downward pressure on charter rates. This economic downturn has also negatively affected vessel values overall. Despite global oil demand growth remaining marginally positive for 2013, charter rates for product and crude tankers remained, and continue to be, at historically low or depressed levels. Continuing positive oil demand growth is expected to come primarily from emerging markets which have been historically volatile, 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 CPLP s vessels and lower charter rates, which could have a material adverse effect on its business, results of operations, cash flows, financial condition and ability to make cash distributions.

If these global economic conditions persist CPLP may not be able to operate its vessels profitably or employ its vessels at favorable charter rates as they come up for rechartering. In the long term, oil demand may also 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. Furthermore, a significant decrease in the market value of CPLP s vessels may cause it to recognize losses if any of its vessels are sold or if their values are impaired, and may affect CPLP s ability to comply with its loan covenants. A deterioration of the current economic and market conditions or a negative change in global economic conditions or the product or crude tanker markets would be expected to have a material adverse effect on CPLP s business, financial position, results of operations and ability to make cash distributions and comply with its loan covenants, as well as its future prospects and ability to grow its fleet.

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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 CPLP s earnings and its ability to make cash distributions as it may not be able to recharter its vessels, or it may not be able to recharter them at competitive rates.

The shipping industry is cyclical, which may result in volatility in charter hire rates and vessel values. CPLP may not be able to successfully charter its vessels in the future or renew existing charters at the same or similar rates. Charter hires are currently near historically low levels and may further decrease in the future, which may adversely affect its earnings as it may not be able to recharter its vessels for period charters at competitive rates or at all. CPLP is particularly exposed to the fundamentals of the product and crude tanker markets as the majority of the vessels in our fleet are tankers and all the period charters scheduled to expire over the next twelve month period relate to tanker vessels. CPLP may only be able to recharter these vessels at reduced or unprofitable rates as their current charters expire, or it may not be able to recharter these vessels at all. 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, CPLP may not be able to obtain competitive rates for its vessels and its earnings and distributions may be adversely affected. Even if it manages to successfully charter its vessels in the future, its 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 CPLP is required to enter into a charter when charter hire rates are low, its results of operations and its ability to make cash distributions to its unitholders could be adversely affected.

Alternatively, CPLP 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 market has also experienced periods when spot rates have declined below the operating cost of vessels and currently charter rates in the spot market are also close to historical lows. The successful operation of CPLP s vessels in the spot 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, CPLP will generally experience 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 CPLP s business, results of operations, cash flows, financial condition and ability to meet its obligations and to make cash distributions.

CPLP may not be able to grow or to effectively manage its growth.

CPLP s future growth will depend upon a number of factors, some of which it cannot control. These factors include its ability to:

- capitalize on opportunities in the crude and product tanker market by fixing period charters for its vessels at attractive rates;
- identify businesses engaged in managing, operating or owning vessels for acquisitions or joint ventures;
- identify vessels and/or shipping companies for acquisitions;
- access financing and obtain required financing for existing and new operations, including refinancing of existing indebtedness;
- integrate any acquired businesses or vessels successfully with existing operations;
- hire, train and retain qualified personnel to manage, maintain and operate its growing business and fleet;

identify additional new markets;

improve operating and financial systems and controls;

complete accretive transactions in the future; and

maintain its commercial and technical management agreements with Capital Maritime or other competent managers.

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CPLP s ability to grow is in part dependent on its ability to expand its fleet through acquisitions of suitable vessels. CPLP may not be able to acquire newbuildings or secondhand vessels on favorable terms, which could impede its growth and negatively impact its financial condition and ability to pay distributions. CPLP may not be able to contract for newbuildings or locate suitable vessels or negotiate acceptable construction or purchase contracts with shipyards and owners, or obtain financing for such acquisitions on economically acceptable terms, or at all.

The failure to effectively identify, purchase, develop, employ and integrate any vessels or businesses could adversely affect CPLP s business, financial condition and results of operations, and its ability to make cash distributions.

CPLP currently derives all of its 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.

CPLP has derived, and believes that it will continue to derive, all of its revenues and cash flow from a limited number of customers. For the year ended December 31, 2012, Capital Maritime and BP Shipping Limited accounted for 45% and 23% of our revenues, respectively. For the year ended December 31, 2011, Capital Maritime, BP Shipping Limited and subsidiaries of OSG accounted for 24%, 32% and 11% of our revenues, respectively. For the year ended December 31, 2010, BP Shipping Limited, Morgan Stanley Capital Group Inc. and subsidiaries of OSG accounted for 49%, 11% and 11% of our revenues, respectively. CPLP could lose a customer, including Capital Maritime, 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 or its inability to trade our and other vessels profitably or due to the occurrence of losses due to the weaker charter markets;
- the customer fails to make charter payments due to 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.

On November 14, 2012, OSG and certain of its subsidiaries made a voluntary filing for relief under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware. CPLP had three IMO II/III Chemical/Product tankers (M/T Alexandros II, M/T Aristotelis II and M/T Aris II) on long term bareboat charter to subsidiaries of OSG. After discussions with OSG, CPLP agreed to enter into new charters with OSG on substantially the same terms as the prior charters but at a bareboat rate of $6,250 per day. The new charters were approved by the Bankruptcy Court on March 21, 2013 and are effective as of March 1, 2013. On the same date, the Bankruptcy Court also rejected the previous charters as of March 1, 2013. Rejection of each charter constitutes a material breach of such charter. On May 24, 2013, CPLP filed claims against each of the charterers and guarantors for damages resulting from the rejection of each of the previous charters, including, among other things, for the difference between the reduced amount of the new charters and the amount due under each of the rejected charters. However, no assurance can be given that we will be successful in pursuing our claims in the bankruptcy proceedings.

If CPLP loses a key charter, it 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 CPLP is unable to re-deploy a vessel for which the charter has been terminated, it will not receive any revenues from that vessel, but it may be required to pay expenses necessary to maintain the vessel in proper operating condition and may also have to enter into costly and lengthy legal proceedings in order to reserve its rights. Until such time as the vessel is rechartered, it may have to operate it in the spot market at charter rates which may not be as favorable to it as its current charter rates. In addition, if a customer exercises its right to purchase a vessel, CPLP would not receive any further revenue from the vessel and may be unable to obtain a substitute vessel and charter. This may cause it 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 CPLP may be unable to charter any replacement vessel on terms as favorable to it 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.

CPLP depends on Capital Maritime and its affiliates to assist it in operating and expanding its business. If Capital Maritime is materially adversely affected by the ongoing market fluctuations and risks or suffers material damage to its reputation and its safety and environmental track record it may affect its ability to comply with the terms of its charters with CPLP or provide CPLP with the necessary level of services to support and expand its business.

As of May 31, 2013, ten of CPLP s 27 vessels were under charter with Capital Maritime. In the future CPLP may enter into additional contracts with Capital Maritime to charter its vessels as they become available for rechartering. Capital Maritime is subject to the same risks and market fluctuations as all other charterers. In the event Capital Maritime is affected by the ongoing market downturn and limited availability of financing it may default under its charters with CPLP, which would materially adversely affect CPLP s operations and ability to make cash distributions.

In addition, pursuant to CPLP s management and administrative services agreements between it and Capital Ship Management, Capital Ship Management provides significant commercial and technical management services (including the commercial and technical management of its vessels, class certifications, vessel maintenance and crewing, purchasing and insurance and shipyard supervision) as well as administrative, financial and other support services to us. CPLP s operational success and ability to execute its growth strategy will depend significantly upon Capital Ship Management s satisfactory performance of these services. In the event Capital Maritime is materially affected by the ongoing market downturn and cannot support Capital Ship Management and Capital Ship Management fails to perform these services satisfactorily, or cancels or materially amends any of these agreements, or its track record in safety and environmental matters suffers, or if Capital Ship Management stops providing these services to CPLP, CPLP s business will be materially harmed.

CPLP s ability to enter into new charters and expand its customer relationships will depend largely on its ability to leverage its relationship with Capital Maritime and its reputation, safety and environmental track record, as well as Capital Maritime s 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 track record, justifiably or not, or to its relationships, it may harm CPLP s 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.

Finally, CPLP may also contract with Capital Maritime for it to have newbuildings constructed on its behalf and to incur the construction-related financing, and CPLP would purchase the vessels on or after delivery based on an agreed-upon price. If Capital Maritime is unable to meet the payments under any such contract CPLP enters into, it could have a material adverse effect on our business, results of operations and financial condition and CPLP s ability to make cash distributions.