

**DYNAGAS LNG PARTNERS LP REPORTS RESULTS FOR THE THREE
MONTHS AND YEAR ENDED DECEMBER 31, 2019**

MONACO – March 12, 2020 – Dynagas LNG Partners LP (NYSE: “DLNG”) (“Dynagas Partners” or the “Partnership”), an owner and operator of liquefied natural gas (“LNG”) carriers, today announced its results for the three months and year ended December 31, 2019.

Quarter Highlights:

- ☞ Net income and earnings per common unit of \$5.5 million and \$0.07 respectively;
- ☞ Adjusted Net Income⁽¹⁾ and Adjusted EBITDA⁽¹⁾ of \$5.6 million and \$24.0 million, respectively;
- ☞ Distributable Cash Flow⁽¹⁾ of \$10.2 million;
- ☞ 100% fleet utilization;
- ☞ Repayment of the \$250 million aggregate principal amount 6.25% senior unsecured notes (the “Notes”) on October 30, 2019; and
- ☞ Cash distribution of \$0.5625 per unit on its Series A Preferred Units (NYSE: “DLNG PR A”) for the period from August 12, 2019 to November 11, 2019 and \$0.546875 per unit on the Series B Preferred Units (NYSE: “DLNG PR B”) for the period from August 22, 2019 to November 21, 2019.

Subsequent Events:

- ☞ Declared a quarterly cash distribution of \$0.5625 on the Series A Preferred Unit for the period from November 12, 2019 to February 11, 2020, which was paid on February 12, 2020; and
- ☞ Declared a quarterly cash distribution of \$0.546875 on the Series B Preferred Units for the period from November 22, 2019 to February 21, 2020, which was paid on February 24, 2020;

⁽¹⁾ Adjusted Net Income, Adjusted Earnings/(Loss) per common unit, Distributable Cash Flow and Adjusted EBITDA are not recognized measures under U.S. GAAP. Please refer to Appendix B of this press release for the definitions and reconciliation of these measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP and other related information.

CEO Commentary:

We are pleased to report the results for the three months and year ended December 31, 2019. Upon the delivery of our vessel *Lena River* to Yamal LNG on July 1, 2019 pursuant to her multi-year charter, each of our six LNG carriers are operating under their respective term charters with international gas producers with an average remaining contract term of 8.6 years. The earliest possible re-chartering availability in our fleet is in the third quarter of 2021, which is the earliest contracted re-delivery date for one of our six LNG carriers (*Arctic Aurora*) with the next carrier (*Clean Energy*) becoming available at the earliest in the first quarter of 2026.

The fleet performed well during the fourth quarter with a utilization of 100%. We reported Net Income of \$5.5 million for the fourth quarter and Adjusted EBITDA of about \$24.0 million, the latter of which is in line with our previous estimate of an annualized EBITDA of approximately \$95.0 million and which assumed that all of our vessels had been delivered pursuant to their respective long-term charters (i.e., from July 1, 2019).

We have in place term charter contracts with international energy companies for each of our vessels that generate cash flows that may be used towards the increased amortization requirements of our syndicated \$675 million senior secured term loan, or the Credit Facility, which is expected to build equity value over time. As a result of our financial profile, which is intended to deleverage our debt over time, we expect to be better positioned for future growth initiatives as we expect global LNG markets to continue their robust development.



Financial Results Overview:

	Three Months Ended		Year Ended	
	December 31, 2019 (unaudited)	December 31, 2018 (unaudited)	December 31, 2019 (unaudited)	December 31, 2018 (audited)
<i>(U.S. dollars in thousands, except per unit data)</i>				
Voyage revenues	\$ 34,317	\$ 31,019	\$ 130,901	\$ 127,135
Net Income / (Loss)	\$ 5,529	\$ (924)	\$ 3,613	\$ 3,613
Adjusted Net Income ⁽¹⁾	\$ 5,637	\$ 1,292	\$ 10,914	\$ 16,325
Operating income	\$ 15,953	\$ 11,712	\$ 59,916	\$ 52,983
Adjusted EBITDA ⁽¹⁾	\$ 23,991	\$ 21,587	\$ 90,357	\$ 96,094
Earnings / (Loss) per common unit	\$ 0.07	\$ (0.10)	\$ (0.22)	\$ (0.11)
Adjusted Earnings / (Loss) per common unit ⁽¹⁾	\$ 0.08	\$ (0.04)	\$ (0.02)	\$ 0.24
Distributable Cash Flow ⁽¹⁾	\$ 10,165	\$ 5,522	\$ 27,861	\$ 32,984

⁽¹⁾ Adjusted Net Income, Adjusted EBITDA, Adjusted Earnings/ (Loss) per common unit and Distributable Cash Flow are not recognized measures under U.S. GAAP. Please refer to Appendix B of this press release for the definitions and reconciliation of these measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

Three Months Ended December 31, 2019 and 2018 Financial Results

Net Income for the three months ended December 31, 2019 was \$5.5 million as compared to a Net Loss of \$0.9 million in the corresponding period of 2018, which represents an increase of \$6.4 million, or 711.1%. The increase in net income for the three months ended December 31, 2019 was mainly attributable to the increase in voyage revenues as well as the decrease in dry docking and special survey costs and finance costs of the quarter, as further discussed below.

Adjusted Net Income and Distributable Cash Flow for the quarter were \$5.6 million and \$10.2 million, respectively, compared to \$1.3 million and \$5.5 million, respectively, in the corresponding period of 2018, which represents a net increase of \$4.3 million or 330.8% and a net increase of \$4.7 million or 85.5%, respectively, mainly due to increased voyage revenues and decreased finance costs.

Voyage revenues for the three months ended December 31, 2019 were \$34.3 million as compared to \$31.0 million for the corresponding period of 2018, which represents an increase of \$3.3 million, mainly as a result of the higher revenues earned on *Lena River* further to its delivery to its multi-year contract with Yamal Trade Pte (“Yamal”) in July 2019.

The Partnership reported average daily hire gross of commissions⁽¹⁾ of approximately \$62,200 per day per vessel in the three-month period ended December 31, 2019, compared to approximately \$57,500 per day per vessel in the corresponding period of 2018. During the three-month periods ended December 31, 2019 and 2018, the Partnership’s vessels operated at 100% and 99.7% utilization, respectively.

Vessel operating expenses were \$7.1 million, which corresponds to a daily rate per vessel of \$12,799 in the three-month period ended December 31, 2019, as compared to \$6.4 million, or a daily rate per vessel of \$11,558 in the corresponding period of 2018. This increase is mainly attributable to the increased crewing and technical expenditures on certain of the Partnership's vessels in the three months ended December 31, 2019, as compared to the corresponding quarter of 2018.

Adjusted EBITDA for the three month period ended December 31, 2019 was \$24.0 million, as compared to \$21.6 million for the corresponding period of 2018. The increase of \$2.4 million, or 11.1%, was mainly due to the net effect of the increase in revenues and increase in the vessel's operating expenses as explained above.

Interest and finance costs were \$11.0 million in the three-month period ended December 31, 2019 as compared to \$13.1 million in the corresponding period of 2018, which represents a decrease of \$2.1 million, or 16.0% due to the lower weighted average interest as compared to the corresponding period of 2018.

For the three-month period ended December 31, 2019, the Partnership reported Earnings per common unit and Adjusted Earnings per common unit, basic and diluted, of \$0.07 and \$0.08, respectively, after taking into account the Series A Preferred Units' interest and the Series B Preferred Units' interest on the Partnership's net income/Adjusted Net Income. Earnings per common unit and Adjusted Earnings per common unit, basic and diluted, are calculated on the basis of a weighted average number of 35,490,000 common units outstanding during the period and in the case of Adjusted Earnings per common unit after reflecting the impact of the non-cash items presented in Appendix B of this press release.

Adjusted Net Income, Adjusted EBITDA, Distributable Cash Flow and Adjusted Earnings/(Loss) per common unit are not recognized measures under U.S. GAAP. Please refer to Appendix B of this press release for the definitions and reconciliation of these measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

Amounts relating to variations in period-on-period comparisons shown in this section are derived from the condensed financials presented below.

⁽¹⁾ Average daily hire gross of commissions represents voyage revenue excluding the non-cash time charter deferred revenue amortization and amortization of prepaid charter revenue, divided by the Available Days in the Partnership's fleet as described in Appendix B.

Liquidity/ Financing/ Cash Flow Coverage

During the three months ended December 31, 2019, the Partnership generated net cash from operating activities of \$13.5 million as compared to \$9.0 million in the corresponding period of 2018, which represents an increase of \$4.5 million, or 50.0%.

As of December 31, 2019, the Partnership reported total cash of \$66.2 million (including \$50.0 million of restricted cash).

During the three months ended December 31, 2019, the Partnership repaid the \$250 million aggregate principal amount of its 6.25% senior unsecured notes at their maturity. The Partnership's outstanding indebtedness as of December 31, 2019 under the Credit Facility, amounted to \$663.0 million, gross of unamortized deferred loan fees and including \$48.0 million, which was repayable within one year.

As of December 31, 2019, the Partnership had unused availability of \$30.0 million under its interest free \$30 million revolving credit facility with its Sponsor, or the \$30 Million Revolving Credit Facility, which was extended on November 14, 2018, and is available to the Partnership at any time until November 2023.

Vessel Employment

As of March 12, 2020, the Partnership had estimated contracted time charter coverage⁽¹⁾ for 100% of its fleet estimated Available Days (as defined in Appendix B) for 2020, 92% of its fleet estimated Available Days for 2021 and 83% of its fleet estimated Available Days for 2022.

As of the same date, the Partnership's contracted revenue backlog estimate⁽²⁾⁽³⁾ was \$1.24 billion, with an average remaining contract term of 8.6 years.

⁽¹⁾ Time charter coverage for the Partnership's fleet is calculated by dividing the fleet contracted days on the basis of the earliest estimated delivery and redelivery dates prescribed in the Partnership's current time charter contracts, net of scheduled class survey repairs by the number of expected Available Days during that period.

⁽²⁾ The Partnership calculates its estimated contracted revenue backlog by multiplying the contractual daily hire rate by the expected number of days committed under the contracts (assuming earliest delivery and redelivery and excluding options to extend), assuming full utilization. The actual amount of revenues earned and the actual periods during which revenues are earned may differ from the amounts and periods disclosed due to, for example, dry-docking and/or special survey downtime, maintenance projects, off-hire downtime and other factors that result in lower revenues than the Partnership's average contract backlog per day.

⁽³⁾ \$0.17 billion of the revenue backlog estimate relates to the estimated portion of the hire contained in certain time charter contracts with Yamal which represents the operating expenses of the respective vessels and is subject to yearly adjustments on the basis of the actual operating costs incurred within each year. The actual amount of revenues earned in respect of such variable hire rate may therefore differ from the amounts included in the revenue backlog estimate due to the yearly variations in the respective vessels' operating costs.

Conference Call and Webcast: March 13, 2020

As announced, the Partnership's management team will host a conference call on March 13, 2020 at 10:00 a.m. Eastern Time to discuss the Partnership's financial results.

Conference Call details:

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1 (877) 553-9962 (US Toll Free Dial In), 0(808) 238-0669 (UK Toll Free Dial In) or +44 (0) 2071 928592 (Standard International Dial In). Please quote "Dynagas."

A telephonic replay of the conference call will be available until March 19, 2020, by dialing 1(866) 331-1332 (US Toll Free Dial In), 0(808) 238-0667 (UK Toll Free Dial In) or +44 (0) 3333 009785(Standard International Dial In) and the access code required for the replay is: 59711562#.

Audio Webcast - Slides Presentation:

There will be a live and then archived audio webcast of the conference call, via the internet through the Dynagas LNG Partners website, www.dynagaspartners.com. Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

The slide presentation on the fourth quarter ended December 31, 2019 financial results will be available in PDF format 10 minutes prior to the conference call and webcast, accessible on the company's website www.dynagaspartners.com on the webcast page. Participants to the webcast can download the PDF presentation.

None of the information contained in or that forms a part of the Partnership's conference calls, website or audio webcasts is part of this release.

About Dynagas LNG Partners LP

Dynagas LNG Partners LP (NYSE: DLNG) is a growth-oriented master limited partnership formed by Dynagas Holding Ltd., its sponsor, to own and operate liquefied natural gas ("LNG") carriers employed on multi-year charters. The current fleet of Dynagas Partners consists of six LNG carriers, with an aggregate carrying capacity of approximately 914,000 cubic meters.

Visit the Partnership's website at www.dynagaspartners.com

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Forward-Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The Partnership desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words “believe,” “anticipate,” “intends,” “estimate,” “forecast,” “project,” “plan,” “potential,” “project,” “will,” “may,” “should,” “expect,” “expected,” “pending” and similar expressions identify forward-looking statements. These forward-looking are not intended to give any assurance as to future results and should not be relied upon.

The forward-looking statements in this press release are based upon various assumptions and estimates, many of which are based, in turn, upon further assumptions, including without limitation, examination by the Partnership’s management of historical operating trends, data contained in its records and other data available from third parties. Although the Partnership believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Partnership’s control, the Partnership cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in the Partnership’s view, could cause actual results to differ materially from those discussed, expressed or implied, in the forward-looking statements include, but are not limited to, the strength of world economies and currency fluctuations, general market conditions, including fluctuations in charter rates, ownership days, and vessel values, changes in supply and demand for Liquefied Natural Gas (LNG) shipping capacity, changes in the Partnership’s operating expenses, including bunker prices, drydocking and insurance costs, the market for the Partnership’s vessels, availability of financing and refinancing, changes in governmental laws, rules and regulations or actions taken by regulatory authorities, economic, regulatory, political and governmental conditions that affect the shipping and the LNG industry, potential liability from pending or future litigation, general domestic and international



political conditions, potential disruption of shipping routes due to accidents or political events, vessel breakdowns, instances of off-hires and public health threats, the amount of cash available for distribution, and other factors. Please see the Partnership's filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties. The information set forth herein speaks only as of the date hereof, and the Partnership disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.



DYNAGAS LNG Partners LP

APPENDIX A

DYNAGAS LNG PARTNERS LP Condensed Consolidated Statements of Income

(In thousands of U.S. dollars except
units and per unit data)

	Three Months Ended December 31,		Year Ended December 31,	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (audited)
REVENUES				
Voyage revenues	\$ 34,317	\$ 31,019	\$ 130,901	\$ 127,135
EXPENSES				
Voyage expenses (including related party)	(775)	(629)	(2,709)	(2,802)
Vessel operating expenses	(7,065)	(6,380)	(28,351)	(25,042)
Dry-docking and special survey costs	—	(2,380)	—	(7,422)
General and administrative expenses (including related party)	(885)	(672)	(2,708)	(2,209)
Management fees -related party	(1,647)	(1,600)	(6,537)	(6,347)
Depreciation	(7,992)	(7,646)	(30,680)	(30,330)
Operating income	15,953	11,712	59,916	52,983
Interest and finance costs, net	(10,362)	(12,649)	(56,260)	(49,439)
Other, net	(62)	13	(43)	69
Net income / (loss)	\$ 5,529	\$ (924)	\$ 3,613	\$ 3,613
Earnings / (Loss) per common unit (basic and diluted)	\$ 0.07	\$ (0.10)	\$ (0.22)	\$ (0.11)
Weighted average number of units outstanding, basic and diluted:				
Common units	35,490,000	35,490,000	35,490,000	35,490,000



DYNAGAS LNG Partners LP

DYNAGAS LNG PARTNERS LP
Consolidated Condensed Balance Sheets
(Expressed in thousands of U.S. Dollars—except for unit data)

	December 31, 2019 (unaudited)	December 31, 2018 (audited)
ASSETS:		
Cash and cash equivalents (current and non-current)	\$ 66,206	\$ 109,917
Due from related party (current and non-current)	1,350	2,436
Other current assets	1,966	1,960
Vessels, net	916,697	947,377
Other non-current assets	2,968	1,746
Total assets	\$ 989,187	\$ 1,063,436
LIABILITIES		
Total long-term debt, net of deferred financing costs	\$ 653,154	\$ 712,816
Total other current liabilities	16,951	20,682
Due to related party (current and non-current)	2,202	306
Total other non-current liabilities	3,173	3,147
Total liabilities	\$ 675,480	\$ 736,951
PARTNERS' EQUITY		
General partner (35,526 units issued and outstanding as at December 31, 2019 and 2018)	(28)	(16)
Common unitholders (35,490,000 units issued and outstanding as at December 31, 2019 and 2018)	187,022	199,400
Series A Preferred unitholders: (3,000,000 units issued and outstanding as at December 31, 2019 and 2018)	73,216	73,216
Series B Preferred unitholders: (2,200,000 units issued and outstanding as at December 31, 2019 and 2018)	53,497	53,885
Total partners' equity	\$ 313,707	\$ 326,485
Total liabilities and partners' equity	\$ 989,187	\$ 1,063,436



DYNAGAS LNG Partners LP

DYNAGAS LNG PARTNERS LP
Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. Dollars)

	<u>Three Months Ended</u> <u>December 31,</u>		<u>Year Ended</u> <u>December 31,</u>	
	2019	2018	2019	2018
Cash flows from Operating Activities:				
Net income / (loss):	\$ 5,529	\$ (924)	\$ 3,613	\$ 3,613
Adjustments to reconcile net (loss) / income to net cash provided by operating activities:				
Depreciation	7,992	7,646	30,680	30,330
Amortization and write-off of deferred financing fees	769	817	10,696	3,261
Amortization of fair value of acquired time charter	—	—	—	5,267
Deferred revenue amortization	53	(201)	(377)	(45)
Amortization of deferred charges	55	37	181	68
Changes in operating assets and liabilities:				
Trade accounts receivable	(143)	20	(95)	107
Prepayments and other assets	85	248	(413)	389
Inventories	81	620	502	(421)
Due from/ to related parties	3,256	221	2,982	31
Deferred charges	(1)	478	(1,000)	(27)
Trade accounts payable	348	(716)	(101)	1,149
Accrued liabilities	(2,738)	(901)	(2,565)	155
Unearned revenue	(1,814)	1,669	(926)	(883)
Net cash from Operating Activities	<u>13,472</u>	<u>9,014</u>	<u>43,177</u>	<u>42,994</u>
Cash flows from Investing Activities				
Vessel acquisitions and other additions to vessels' cost	—	(1)	—	(409)
Net cash used in Investing Activities	<u>—</u>	<u>(1)</u>	<u>—</u>	<u>(409)</u>
Cash flows from Financing Activities:				
Issuance of preferred units, net of issuance costs	—	53,138	—	53,138
Payment of securities registration and other filing costs	—	—	(139)	(48)
Distributions declared and paid	(2,890)	(10,570)	(16,391)	(48,422)
Proceeds from long-term debt	—	—	675,000	—
Repayment of long-term debt	(262,000)	(1,200)	(734,800)	(4,800)
Payment of deferred finance fees	—	—	(10,558)	—
Net cash provided by / (used in) Financing Activities	<u>(264,890)</u>	<u>41,368</u>	<u>(86,888)</u>	<u>(132)</u>
Net (decrease) / increase in cash and cash equivalents and restricted cash				
	(251,418)	50,381	(43,711)	42,453
Cash and cash equivalents and restricted cash at beginning of the period / year	<u>317,624</u>	<u>59,536</u>	<u>109,917</u>	<u>67,464</u>
Cash and cash equivalents and restricted cash at end of the period / year	<u>\$ 66,206</u>	<u>\$ 109,917</u>	<u>\$ 66,206</u>	<u>\$ 109,917</u>



APPENDIX B

Fleet statistics

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
<i>(expressed in United states dollars except for operational data)</i>				
Number of vessels at the end of period/year	6	6	6	6
Average number of vessels in the period/year ⁽¹⁾	6	6	6	6
Calendar Days ⁽²⁾	552.0	552.0	2,190.0	2,190.0
Available Days ⁽³⁾	552.0	535.2	2,190.0	2,144.7
Revenue earning days ⁽⁴⁾	552.0	533.5	2,156.3	2,139.5
Time Charter Equivalent ⁽⁵⁾	\$ 60,764	\$ 56,783	\$ 58,535	\$ 57,972
Fleet Utilization ⁽⁴⁾	100%	99.7%	98.5%	99.8%
Vessel daily operating expenses ⁽⁶⁾	\$ 12,799	\$ 11,558	\$ 12,946	\$ 11,435

- (1) Represents the number of vessels that constituted the Partnership's fleet for the relevant period, as measured by the sum of the number of days that each vessel was a part of the Partnership's fleet during the period divided by the number of Calendar Days (defined below) in the period.
- (2) "Calendar Days" are the total days that the Partnership possessed the vessels in its fleet for the relevant period.
- (3) "Available Days" are the total number of Calendar Days that the Partnership's vessels were in its possession during a period, less the total number of scheduled off-hire days during the period associated with major repairs, or dry-dockings.
- (4) The Partnership calculates fleet utilization by dividing the number of its Revenue earning days, which are the total number of Available Days of the Partnership's vessels net of unscheduled off-hire days (which do not include positioning/ repositioning days for which compensation has been received) during a period by the number of Available Days. The shipping industry uses fleet utilization to measure a company's efficiency in finding employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons such as unscheduled repairs but excluding scheduled off-hires for vessel upgrades, dry-dockings or special or intermediate surveys.
- (5) Time charter equivalent rate ("TCE rate"), is a measure of the average daily revenue performance of a vessel. For time charters, this is calculated by dividing total voyage revenues, less any voyage expenses, by the number of Available Days during that period. Under a time charter, the charterer pays substantially all vessel voyage related expenses. However, the Partnership may incur voyage related expenses when positioning or repositioning vessels before or after the period of a time charter, during periods of commercial waiting time or while off-hire during dry-docking or due to other unforeseen circumstances. The TCE rate is not a measure of financial performance under U.S. GAAP (non-GAAP measure), and should not be considered as an alternative to voyage revenues, the most directly comparable GAAP measure, or any other measure of financial performance presented in accordance with U.S. GAAP. However, the TCE rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in a company's performance and to assist the Partnership's management in making decisions regarding the deployment and use of the Partnership's vessels and in evaluating their financial performance. The Partnership's calculation of TCE rates may not be comparable to that reported by other companies. The following table reflects the calculation of the Partnership's TCE rates for the three and twelve months ended December 31, 2019 and 2018 (amounts in thousands of U.S. dollars, except for TCE rates, which are expressed in U.S. dollars, and Available Days):



DYNAGAS LNG Partners LP

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
<i>(In thousands of U.S. dollars, except for Available Days and TCE rate)</i>				
Voyage revenues	\$ 34,317	\$ 31,019	\$ 130,901	\$ 127,135
Voyage Expenses *	(775)	(629)	(2,709)	(2,802)
Time Charter equivalent revenues	\$ 33,542	\$ 30,390	\$ 128,192	\$ 124,333
Available Days	552.0	535.2	2,190.0	2,144.7
Time charter equivalent (TCE) rate	\$ 60,764	\$ 56,783	\$ 58,535	\$ 57,972

*Voyage expenses include commissions of 1.25% paid to Dynagas Ltd., the Partnership's Manager, and third party ship brokers, when defined in the charter parties, bunkers, port expenses and other minor voyage expenses.

- (6) Daily vessel operating expenses, which include crew costs, provisions, deck and engine stores, lubricating oil, insurance, spares and repairs and flag taxes, are calculated by dividing vessel operating expenses by fleet Calendar Days for the relevant time period.

Reconciliation of U.S. GAAP Financial Information to Non-GAAP Financial Information

Reconciliation of Net Income to Adjusted EBITDA

<i>(In thousands of U.S. dollars)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Net income / (loss)	\$ 5,529	\$ (924)	\$ 3,613	\$ 3,613
Net interest and finance costs ⁽¹⁾	10,362	12,649	56,260	49,439
Depreciation	7,992	7,646	30,680	30,330
Class survey costs	—	2,380	—	7,422
Amortization of fair value of acquired time charter	—	—	—	5,267
Amortization of deferred revenue	53	(201)	(377)	(45)
Amortization of deferred charges	55	37	181	68
Adjusted EBITDA	\$ 23,991	\$ 21,587	\$ 90,357	\$ 96,094

⁽¹⁾ Includes interest and finance costs and interest income, if any.

The Partnership defines Adjusted EBITDA as earnings before interest and finance costs, net of interest income (if any), gains/losses on derivative financial instruments (if any), taxes (when incurred), depreciation and amortization (when incurred), class survey costs and significant non-recurring items (if any). Adjusted EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as investors, to assess the Partnership's operating performance.

The Partnership believes that Adjusted EBITDA assists its management and investors by providing useful information that increases the ability to compare the Partnership's operating performance from period to period and against that of other companies in its industry that provide Adjusted EBITDA information. This increased comparability is achieved by excluding the potentially disparate effects between periods or against companies of interest, other financial items, depreciation and amortization and taxes, which items are affected by various and possible changes in financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. The Partnership believes that including Adjusted EBITDA as a measure of operating performance benefits investors in (a) selecting between investing in the Partnership and other investment alternatives and (b) monitoring the Partnership's ongoing financial and operational strength.

Adjusted EBITDA is not intended to and does not purport to represent cash flows for the period, nor is it presented as an alternative to operating income. Further, Adjusted EBITDA is not a measure of financial performance under U.S. GAAP and does not represent and should not be considered as an alternative to net income, operating income, cash flow from operating activities or any other measure of financial performance presented in accordance with U.S. GAAP. Adjusted EBITDA excludes some, but not all, items that affect net income and these measures may vary among other companies. Therefore, Adjusted EBITDA, as presented above, may not be comparable to similarly titled measures of other businesses because they may be defined differently by those other businesses. It should not be considered in isolation or as a substitute for a measure of performance prepared in accordance with GAAP. Any Non-GAAP measures should be viewed as supplemental to, and should not be considered as alternatives to, GAAP measures including, but not limited to net earnings (loss), operating profit (loss), cash flow from operating, investing and financing activities, or any other measure of financial performance or liquidity presented in accordance with GAAP.



DYNAGAS LNG Partners LP

Reconciliation of Net Income to Adjusted Net Income available to common unitholders and Adjusted Earnings per common unit

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
<i>(In thousands of U.S. dollars except for units and per unit data)</i>				
Net Income / (Loss)	\$ 5,529	\$ (924)	\$ 3,613	\$ 3,613
Non-cash expense from accelerated amortization of deferred loan fees	—	—	7,497	—
Amortization of deferred revenue	53	(201)	(377)	(45)
Amortization of deferred charges	55	37	181	68
Amortization of fair value of acquired time charter	—	—	—	5,267
Class survey costs	—	2,380	—	7,422
Adjusted Net Income	\$ 5,637	\$ 1,292	\$ 10,914	\$ 16,325
Less: Adjusted Net Income attributable to subordinated, preferred unitholders and general partner	(2,893)	(2,596)	(11,562)	(7,668)
Common unitholders' interest in Adjusted Net Income	\$ 2,744	\$ (1,304)	\$ (648)	\$ 8,657
Weighted average number of common units outstanding, basic and diluted:	35,490,000	35,490,000	35,490,000	35,490,000
Adjusted Earnings / (Loss) per common unit, basic and diluted	\$ 0.08	\$ (0.04)	\$ (0.02)	\$ 0.24

Adjusted Net Income represents net income before non-recurring expenses (if any), charter hire amortization related to time charters with escalating time charter rates and amortization of fair value of acquired time charters, all of which are significant non-cash items. Adjusted Net Income available to common unitholders represents the common unitholders interest in Adjusted Net Income for each period presented. Adjusted Earnings per common unit represents Adjusted Net Income attributable to common unitholders divided by the weighted average common units outstanding during each period presented.

Adjusted Net Income, Adjusted Net Income per common unit and Adjusted Earnings per common unit, basic and diluted, are not recognized measures under U.S. GAAP and should not be regarded as substitutes for net income and earnings per unit, basic and diluted. The Partnership's definitions of Adjusted Net Income, Adjusted Net Income per common unit and Adjusted Earnings per common unit, basic and diluted, may not be the same at those reported by other companies in the shipping industry or other industries. The Partnership believes that the presentation of Adjusted Net Income and Adjusted Earnings per unit available to common unitholders are useful to investors because these measures facilitate the comparability and the evaluation of companies in the Partnership's industry. In addition, the Partnership believes that Adjusted Net Income is useful in evaluating its operating performance compared to that of other companies in the Partnership's industry because the calculation of Adjusted Net Income generally eliminates the accounting effects of items which may vary for different companies for reasons unrelated to overall operating performance. The Partnership's presentation of Adjusted Net Income available to common unitholders and Adjusted Earnings per common unit does not imply, and should not be construed as an inference, that its future results will be unaffected by unusual or non-recurring



DYNAGAS LNG Partners LP

items and should not be considered in isolation or as a substitute for a measure of performance prepared in accordance with GAAP.

Distributable Cash Flow Reconciliation

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
<i>(In thousands of U.S. dollars)</i>				
Net Income / (Loss)	\$ 5,529	\$ (924)	\$ 3,613	\$ 3,613
Depreciation	7,992	7,646	30,680	30,330
Amortization and write-off of deferred finance fees	769	817	10,696	3,261
Net interest and finance costs, excluding amortization ⁽¹⁾	9,593	11,832	45,564	46,178
Class survey costs	—	2,380	—	7,422
Amortization of fair value of acquired time charter	—	—	—	5,267
Amortization of deferred revenue	53	(201)	(377)	(45)
Amortization of deferred charges	55	37	181	68
Adjusted EBITDA	\$ 23,991	\$ 21,587	\$ 90,357	\$ 96,094
Less: Net interest and finance costs, excluding amortization ⁽¹⁾	(9,593)	(11,832)	(45,564)	(46,178)
Maintenance capital expenditure reserves	(1,038)	(1,038)	(4,152)	(4,152)
Replacement capital expenditure reserves	(3,195)	(3,195)	(12,780)	(12,780)
Distributable Cash Flow	\$ 10,165	\$ 5,522	\$ 27,861	\$ 32,984

⁽¹⁾ Includes interest and finance costs and interest income, if any.

Distributable Cash Flow with respect to any period presented means Adjusted EBITDA after considering period interest and finance costs and estimated maintenance and replacement capital expenditures. Estimated maintenance and replacement capital expenditures, including estimated expenditures for drydocking, represent capital expenditures required to maintain the operating capacity of, or the revenue generated by the Partnership's capital assets over the long-term. The Partnership's calculation of the Distributable Cash Flow may not be comparable to or may materially differ from that reported by other companies. Distributable Cash Flow is a non-GAAP financial measure and should not be considered as an alternative to net income or any other indicator of the Partnership's performance calculated in accordance with GAAP.