DYNAGAS LNG Partners LP

Dynagas LNG Partners LP

First Quarter 2014 Results

May 16, 2014

Forward Looking Statements

This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of applicable federal securities laws. All statements included in this presentation which are not historical or current facts (including our financial forecast and any other statements concerning plans and objectives of management for future operations, cash flows, financial position and economic performance, or assumptions related thereto, including in particular, the likelihood of our success in developing and expanding our business) are forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” “projects,” “forecasts,” “may,” “should” and similar expressions are forward-looking statements.

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Today's Presenters

Tony Lauritzen	**Chief Executive Officer and Director**
Michael Gregos	**Chief Financial Officer**

Q1 2014 Financial Results

- Dynagas LNG Partners reports results for the first quarter of 2014.
- For the first quarter 2014:
    - Net Time Charter Equivalent rate of Partnership's fleet amounts to $76,185 per day.
    - 100% utilization.
    - Net income attributable to unitholders of $11.0 million.
    - Operating income of $12.8 million.
    - Adjusted EBITDA of $16.3 million(1).
    - Distributable cash flow of $12.3 million for the quarter(2).

(1) Adjusted EBITDA is a non-GAAP financial measure used by management and investors to measure and evaluate the performance and liquidity of publically traded limited partnerships. Please see page 16 for a reconciliation to the most directly comparable GAAP financial measure.

(2) Distributable cash flow is a non-GAAP financial measure used by management and investors to measure and evaluate the performance and liquidity of publically traded limited partnerships. Please see page 8 for a reconciliation to the most directly comparable GAAP financial measure.

Recent Developments

New 13-year time-charter for the *Clean Force*	**On April 17, 2014, DLNG announced a new 13-year time-charter with Gazprom** - Contract scheduled to begin in July 2015 following expiration of existing BG Group charter. – Existing BG Group charter amended to terminate a year earlier to accommodate new charter. - Contract expected to generate $313 million of revenue assuming full utilization during 13-year contract period resulting in an attractive rate throughout the contract period. - New Gazprom charter expected to increase our average TCE rates, calculated for a period of twelve months following the commencement of the new Gazprom charter, to about $78,200 from an average of about $76,150 per day per LNG carrier based on the Partnership's three existing vessels. - Contract attained due to, among other things, ice class requirements of charterer.
New $340 million senior secured revolving credit facility	**On March 26, 2014, DLNG entered into a binding commitment letter with Credit Suisse subject to the completion of the Arctic Aurora acquisition for a new $340 million senior secured revolving credit facility** - Facility to be secured by the *Clean Force*, *Ob River, Clean Energy* and, when delivered, the *Arctic Aurora.* – Interest at LIBOR plus a margin; payable in 17 consecutive quarterly payments of $5.0 million each which may be extended under certain conditions; balloon payment of $255.0 million at maturity. - A portion of the amount will be drawn to partially finance the *Arctic Aurora* Acquisition and the balance to refinance the $214.1 million currently outstanding under the Partnership's existing senior secured revolving facility.
Cash distributions	**On April 24, 2014, DLNG announced the intention to recommend to the Board an increase in the quarterly cash distribution per unit of between $0.0225 and $0.0275 (annualized increase of between $0.09 and $0.11 per unit).** - Would become effective for the distribution with respect to the quarter ending June 30, 2014 on a pro-rata basis after giving effect to the Arctic Aurora acquisition. - On May 12, 2014, DLNG paid a cash distribution of $10.95 million, or $0.365 per unit, for Q1 2014.

The *Arctic Aurora* Acquisition

On April 17, 2014, we entered into an agreement with Dynagas Holding Ltd. to acquire 100% of the ownership interests of the *Arctic Aurora* for an aggregate purchase price of $235 million

- Acquisition to be funded from contemplated equity offering and partial proceeds from a new $340 million senior secured revolving credit facility
- The *Arctic Aurora* is a 2013 built, 155,000 cbm, ice class 1A and winterized LNG carrier
- The *Arctic Aurora* is currently operating under a 5-year charter with Statoil that commenced in August 2013
- The Board of Directors of the Partnership and the Conflicts Committee of the Board approved the *Arctic Aurora* acquisition
- During the remaining charter period with Statoil, the *Arctic Aurora* is expected to generate[(1)]:
  - Total contracted gross revenue of approximately $117.2 million
  - Annual gross revenues of approximately $28.3 million
  - Annual net cash from operations of approximately $21.7 million

Management recommended annualized distribution increase: $0.09 - $0.11[(2)]
Increases distribution per unit on an annualized basis to: $1.55 - $1.57

(1) Assuming full utilization and assumed delivery on May 30, 2014
(2) Effective for the distribution with respect to the quarter ending June 30, 2014 on a pro-rata basis after giving effect to the *Arctic Aurora* acquisition.

Income Statement

- Financial results and operations in line with forecast.
- Stability of revenues underpinned by multi-year time charter contracts and 100% utilization.
- OPEX improvement due to operational efficiencies.
- Lower interest & finance costs due to lower outstanding debt.
- Higher G&A expenses reflect our operations as a public company.

CONSOLIDATED STATEMENTS OF INCOME
(In thousands of Dollars except units and per unit data)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
REVENUES		
Voyage revenues	$ 21,009	$ 21,168
EXPENSES		
Voyage expenses	(175)	(176)
Voyage expenses-related party	(264)	(244)
Vessel operating expenses	(3,124)	(3,203)
General and administrative expenses	(580)	(23)
Management fees	(695)	(675)
Depreciation	(3,348)	(3,348)
Dry-docking and special survey costs	0	0
Operating income	12,823	13,499
Interest and finance costs, net	(1,944)	(2,326)
Other, net	150	34
Net Income	$ 11,029	$ 11,207
Earnings per unit, basic and diluted		
Common unit (basic and diluted)	0.37	0.52
Subordinated unit (basic and diluted)	0.37	0.52
General Partner unit (basic and diluted)	0.37	0.52
Weighted average number of units outstanding, basic and diluted:		
Common units	14,985,000	6,735,000
Subordinated units	14,985,000	14,985,000
General Partner units	30,000	30,000

Balance Sheet

- Total cash of $30.8 million.
- Non-amortizing interest bearing debt of $214.1 million.
- Further $43.0 million available for drawdown with $5 million quarterly reduction in availability.

CONSOLIDATED BALANCE SHEETS

(In thousands of Dollars except units data)

		March 31, 2014		December 31, 2013
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$	8,768	$	5,677
Restricted cash		—		—
Due from related party		1,447		1,456
Other current assets		806		473
Total current assets		**11,021**		**7,606**
FIXED ASSETS, NET:				
Vessels, net		449,827		453,175
Total fixed assets, net		**449,827**		**453,175**
OTHER NON CURRENT ASSETS:				
Restricted Cash		22,000		22,000
Due from related party		675		675
Deferred revenue and other deferred charges		4,847		5,279
Total assets	**$**	**488,370**	**$**	**488,735**
LIABILITIES AND PARTNERS' EQUITY				
CURRENT LIABILITIES:				
Current portion of long-term debt		—		—
Trade payables		3,324		3,743
Loan from related party		0		5,500
Due to related party		273		—
Accrued liabilities and other payables		803		1,041
Unearned revenue		4,500		4,619
Total current liabilities		**8,900**		**14,903**
Deferred revenue		1,895		2,048
Long-Term Debt, net of current portion		214,085		214,085
Total non-current liabilities		**215,980**		**216,133**
PARTNERS' EQUITY:				
General partner: 30,000 units issued and outstanding as at March 31, 2014 and December 31, 2013		155		150
Common unitholders: 14,985,000 units issued and outstanding as at March 31, 2014 and December 31, 2013		185,862		182,969
Subordinated unitholders: 14,985,000 units issued and outstanding as at March 31, 2014 and December 31, 2013.		77,473		74,580
Total partners' equity		**263,490**		**257,699**
Total liabilities and partners' equity	**$**	**488,370**	**$**	**488,735**

Distributable Cash Flow

		Three Months Ended March 31, 2014 *(in thousands of Dollars)*
Net income	$	11.029
Depreciation		3.348
Amortization and write-off of deferred finance fees		118
Interest and finance costs		1.826
Adjusted EBITDA	**$**	16.321
Interest and finance costs		-1.826
Non-cash revenue adjustments		161
Maintenance capital expenditure reserves		-514
Replacement capital expenditure reserves		-1.874
Distributable cash flow	**$**	12.268

Distributable Cash Flow with respect to any quarter means Adjusted EBITDA after considering period interest and finance costs, non-cash revenue amortization adjustments and estimated maintenance and replacement capital expenditures. Estimated maintenance and replacement capital expenditures, including estimated expenditures for drydocking, represent capital expenditures required to maintain over the long-term the operating capacity of, or the revenue generated by our capital assets. Distributable Cash Flow is a quantitative standard used by investors in publicly-traded partnerships to assist in evaluating a partnership's ability to make quarterly cash distributions. 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. The table above reconciles Distributable Cash Flow to Adjusted EBITDA and net income, the most directly comparable GAAP measure.

Pro Forma Partnership Profile

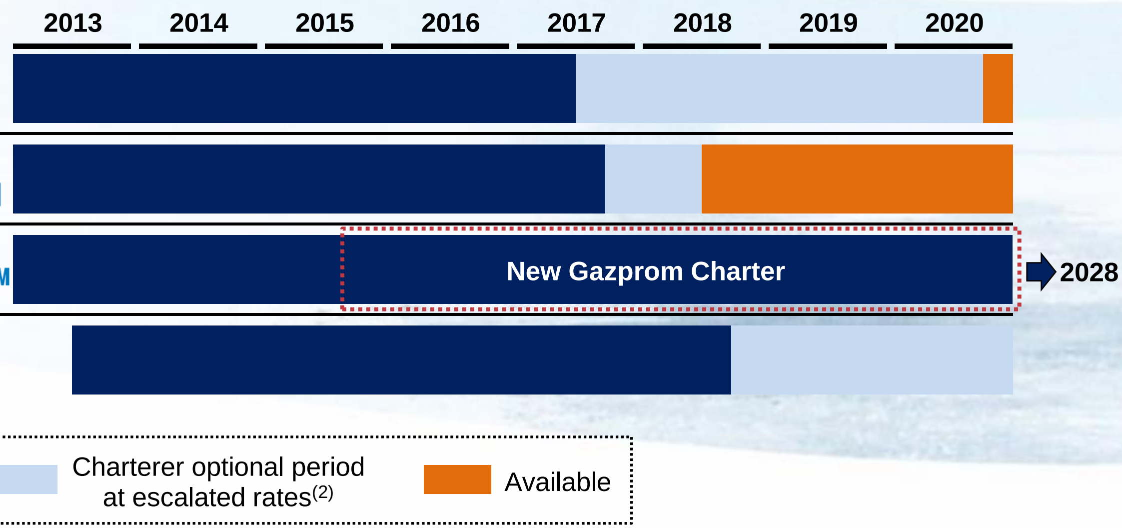
- Information shown pro forma for the contemplated acquisition of the *Arctic Aurora*

Vessels	■ 4 LNG carriers
Total Capacity	■ 604,100 cbm (149,700 cbm each for Initial Fleet, 155,000 for the *Arctic Aurora*)
Weighted Average Age	■ ~5.3 years(1)
Remaining Average Charter Duration	■ ~6.1 years(1)(2)
Counterparties	■ BG Group, Gazprom, and Statoil
Total Contracted Backlog	■ $652 million(3)

(1) As of May 30, 2014.
(2) Does not include customer extension options.
(3) As of May 15, 2014 for Initial Fleet and May 30, 2014 (expected delivery date) for the *Arctic Aurora*.

Multi-Year Fixed Charters with Established Counterparties Provide Steady, Predictable Cash Flows

Carrier Name	Year Built	Capacity (cbm)	Charterer
Clean Energy	2007	149,700	BG GROUP
Ob River	2007	149,700	GAZPROM
Clean Force	2008	149,700	BG GROUP / GAZPROM
Arctic Aurora (1)	2013	155,000	Statoil



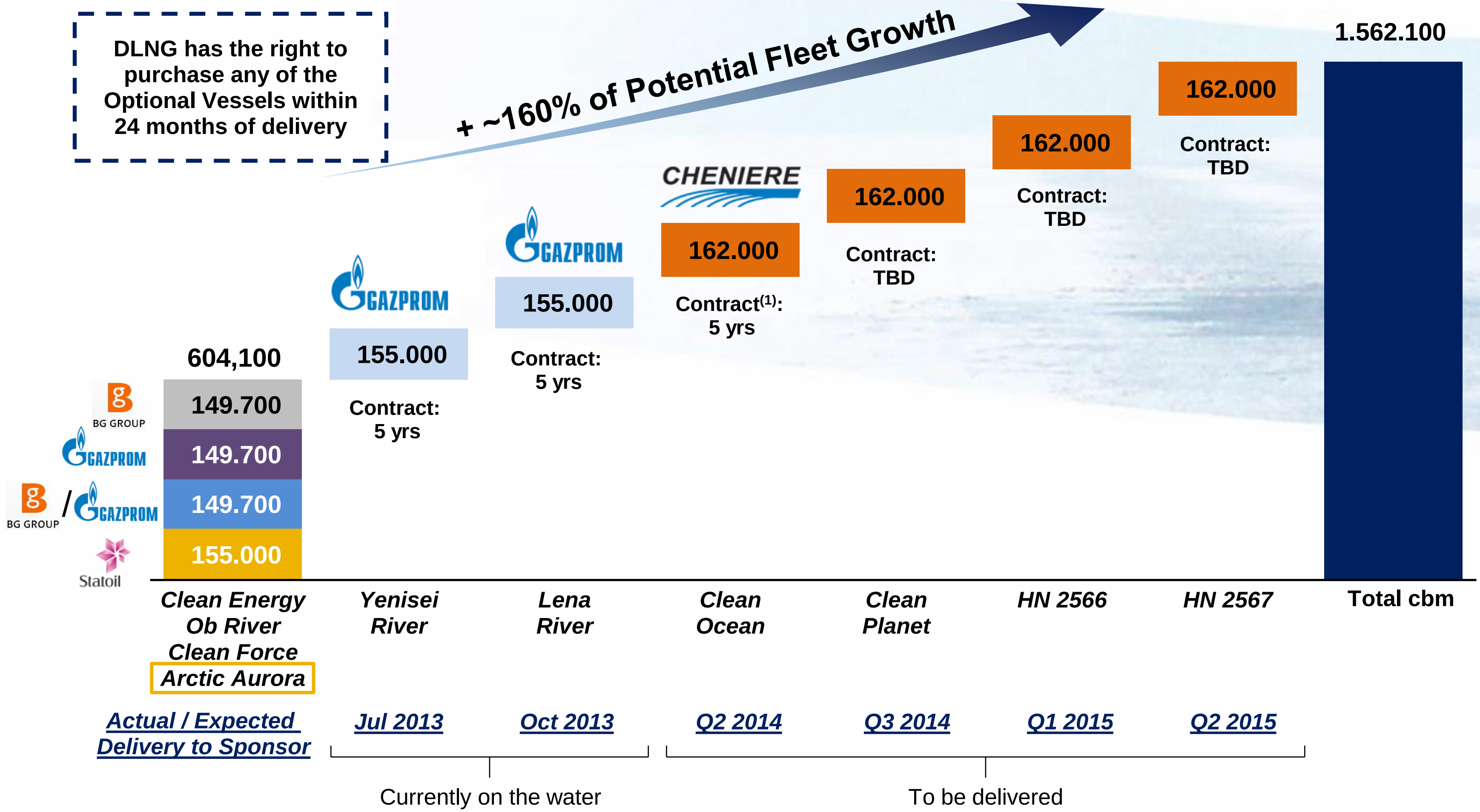
	Ratings	Market cap	
BG GROUP	A2 / A-	~$73bn	$19bn (2013A revenue) global energy company that specializes in the exploration, development, and production of natural gas and oil
GAZPROM	Baa1 / BBB	~$92bn	$148bn (2013A revenue) global energy company focused on geological exploration, production, and transportation of gas and other hydrocarbons
Statoil	Aa2 / AA-	~$99bn	$105bn (2013A revenue) global energy company that explores, produces, transports, refines, and markets petroleum and petroleum-derived products

100% contracted fleet with minimal capital requirements provides significant free cash flow

Source: Company websites, 2013 Annual Report, Capital IQ as of May 13, 2014.
(1) Optional period consists of consecutive additional one-year terms exercisable at Statoil's option.
(2) Charterer has right to extend charter period at escalated rates.

Clear Drop-Down Opportunity from Optional Vessels

cbm (cubic meters)



Remaining Optional Vessels consist of six highly capable and versatile LNG carriers

(1) Contract begins in Q2 2015.

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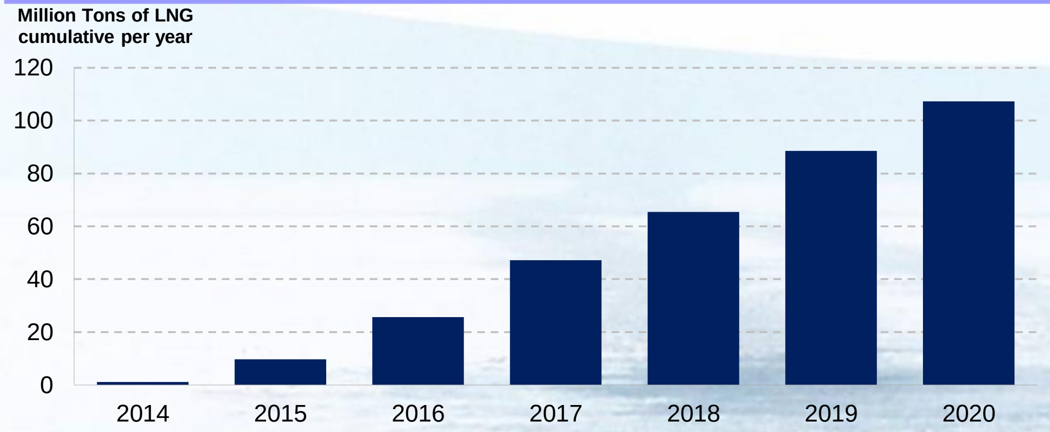
Industry Overview

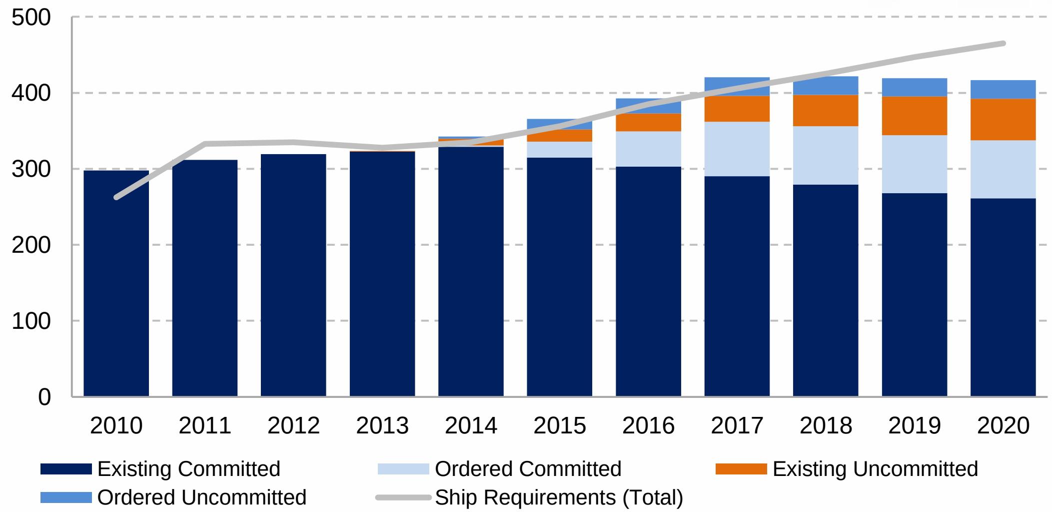
LNG Shipping Balance Outlook Through 2020

- Anticipated ~107 million tons of new LNG by 2020, a 47% increase from 2013.
- The shipping market is expected to remain tight over the long run.
- High utilization throughout.
- Shortage of shipping from 2018.
- The Base Case LNG Vessel Supply-Demand Balance is a conservative forecast basis existing knowledge of current project development schedules.
- No additional production upside allocated to new or existing projects (i.e. no debottling in Qatar).
- Includes US exports of ~30 million tons of LNG by 2020 (Sabine Pass, Freeport LNG, Lake Charles and Cove Point). May be larger volumes and further projects.
- “Existing uncommitted” vessels coming off charter, are on average significantly older than our fleet:
  - Year 2014: average age 22 years old.
  - Year 2015: average age 18 years old.
  - Year 2016: average age 18 years old.
  - Year 2017: average age 17 years old.
  - Year 2018: average age 16 years old.
  - Year 2019: average age 16 years old.
  - Year 2020: average age 17 years old.
- Russian Arctic LNG production requiring ice class notation tonnage expected from 2017 onwards.

New LNG Export Production (cumulative)

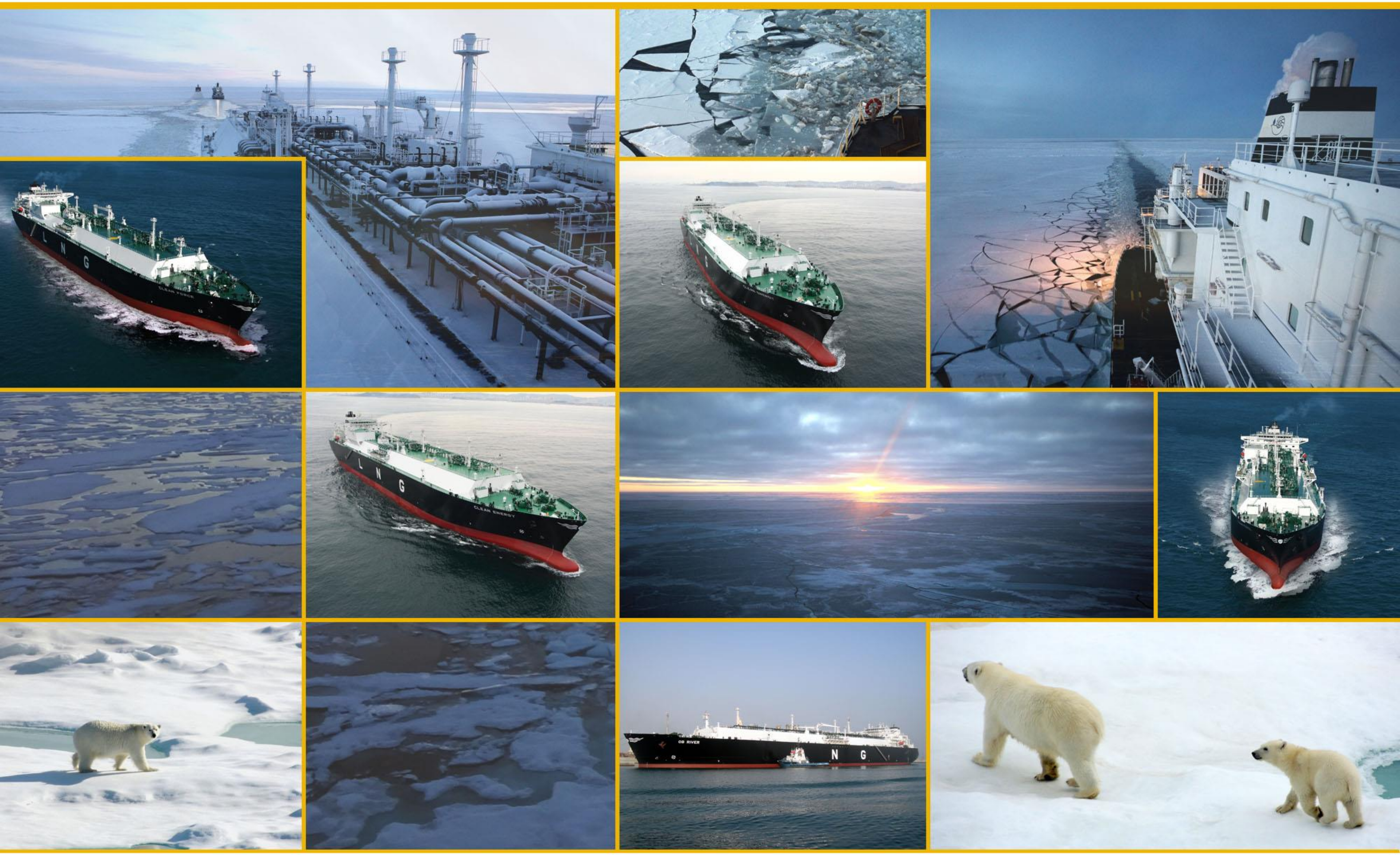


LNG Vessel Supply-Demand Balances



Source data: Poten and Partners May 2014

Q&A



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Appendix

Adjusted EBITDA

ADJUSTED EBITDA RECONCILIATION TO NET INCOME
(In thousands of Dollars)

	Three Months Ended March 31,	
	2014	**2013**
Net income	$ 11,029	$ 11,207
Net interest expense	1,944	2,326
Depreciation	3,348	3,348
Adjusted EBITDA	**$ 16,321**	**$ 16,881**

Adjusted EBITDA refers to earnings before interest, other financial items, taxes, non-controlling interest, depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure used by investors to measure our performance. The Partnership believes that adjusted EBITDA assists its management and investors by increasing the comparability of its performance from period to period and against the performance 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 companies of interest, other financial items, taxes and depreciation and amortization, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. The Partnership believes that including adjusted EBITDA as a financial measure 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 in assessing whether to continue to hold common units. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to net income or any other indicator of Partnership performance calculated in accordance with GAAP. The table below reconciles Adjusted EBITDA to net income, the most directly comparable GAAP measure.