

Hoegh LNG Partners LP  
Form 424B5  
September 28, 2017

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell the securities described herein and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(5)  
Registration Statement No. 333-213781**

***SUBJECT TO COMPLETION, DATED SEPTEMBER 28, 2017***

***PRELIMINARY PROSPECTUS SUPPLEMENT  
(To Prospectus dated November 16, 2016)***

***Höegh LNG Partners LP***

***% Series A Cumulative Redeemable Preferred Units  
(Liquidation Preference \$25.00 per unit)***

***We are offering      of our      % Series A Cumulative Redeemable Preferred Units, liquidation preference \$25.00 per unit (or Series A Preferred Units).***

***Distributions on the Series A Preferred Units are cumulative from the date of original issue and will be payable quarterly in arrears on the 15<sup>th</sup> day of February, May, August and November of each year, when, as and if declared by our board of directors. The initial distribution on the Series A Preferred Units offered hereby will be payable on February 15, 2018 in an amount equal to \$      per unit. Distributions will be payable out of amounts legally available therefor at an initial rate equal to      % per annum of the stated liquidation preference.***

***At any time on or after October      , 2022, the Series A Preferred Units may be redeemed, in whole or in part, out of amounts legally available therefor, at a redemption price of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption, whether or not declared.***

***We intend to apply to have the Series A Preferred Units listed on the New York Stock Exchange (or NYSE) under the symbol HMLP PRA . If the application is approved, we expect trading of the Series A Preferred Units on the NYSE to begin within 30 days after their original issue date. Currently, there is no public market for the Series A Preferred Units.***

***Investing in our Series A Preferred Units involves a high degree of risk. Our Series A Preferred Units have not been rated and are subject to the risks associated with unrated securities. Please read Risk Factors beginning on page S-19 of this prospectus supplement and on page 7 of the accompanying prospectus.***

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

	<i>Per Series A Preferred Unit</i>	<i>Total</i>
<i>Public offering price</i>	\$	\$
<i>Underwriting discounts and commissions<sup>(1)</sup></i>	\$	\$
<i>Proceeds to Höegh LNG Partners LP (before expenses)</i>	\$	\$

*(1) See Underwriting for additional information regarding the total underwriting compensation.*

*We have granted the underwriters an option for a period of 30 days to purchase up to an additional Series A Preferred Units solely to cover over-allotments, if any. If the underwriters exercise the option in full, the total underwriting discount will be \$ and the total proceeds to us before expenses will be \$ .*

*The underwriters expect to deliver the Series A Preferred Units on or about , 2017.*

*Joint Bookrunners*

**MORGAN STANLEY**

**UBS INVESTMENT BANK**

**STIFEL**

*September , 2017*

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TABLE OF CONTENTS

## **ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of Series A Preferred Units. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of Series A Preferred Units. Generally, when we refer to the prospectus, we refer to both parts combined. If information varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

This prospectus and any free writing prospectus we may authorize to be delivered to you contain and incorporate by reference information that you should consider when making your investment decision. Neither we nor the underwriters have authorized anyone to provide you with additional, different or inconsistent information. We take no responsibility for, and can provide no assurance as to, the reliability of any other information that others may give you. You should not assume that the information contained in this prospectus or any free writing prospectus we may authorize to be delivered to you, as well as the information we previously filed with the Securities and Exchange Commission (or *SEC*) that is incorporated by reference herein, is accurate as of any date other than its respective date. Our business, financial condition, results of operations and prospects may have changed since such dates.

We are offering to sell the Series A Preferred Units, and are seeking offers to buy the Series A Preferred Units, only in jurisdictions where offers and sales are permitted. The distribution of this prospectus and the offering of the Series A Preferred Units in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the Series A Preferred Units and the distribution of this prospectus outside the United States. This prospectus does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Unless otherwise indicated, references in this prospectus to Hoegh LNG Partners, the Partnership, we, us and our similar terms refer to Hoegh LNG Partners LP and/or one or more of its subsidiaries, except that those terms, when used in this prospectus in connection with the Series A Preferred Units described herein, shall mean specifically Hoegh LNG Partners LP.

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 generally accepted accounting principles in the United States (or *U.S. GAAP*).

Unless otherwise indicated, references in this prospectus to unitholders refer to common unitholders, Series A Preferred unitholders and subordinated unitholders, and references to units refer to common units, Series A Preferred Units and subordinated units.

You should read carefully this prospectus, any related free writing prospectus, and the additional information described under the headings Where You Can Find More Information and Incorporation of Documents by Reference.



TABLE OF CONTENTS

## **ALTERNATIVE SETTLEMENT DATE**

**It is expected that delivery of the Series A Preferred Units will be made on or about the closing date specified on the cover page of this prospectus, which will be the fifth business day following the date of pricing of the Series A Preferred Units (this settlement cycle being referred to as T+5 ). Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless the parties to a trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Series A Preferred Units on the initial pricing date of the Series A Preferred Units or the next two succeeding business days will be required, by virtue of the fact that the Series A Preferred Units initially will settle in T+5, to specify alternative settlement arrangements at the time of any such trade to prevent a failed settlement and should consult their own advisor.**

S-ii

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TABLE OF CONTENTS

## TABLE OF CONTENTS

### Prospectus Supplement

<u>About this Prospectus Supplement</u>	S-i
<u>Where You Can Find More Information</u>	S-1
<u>Incorporation of Documents by Reference</u>	S-1
<u>Forward-Looking Statements</u>	S-3
<u>Summary</u>	S-6
<u>Risk Factors</u>	S-19
<u>Use of Proceeds</u>	S-26
<u>Ratio of Earnings to Fixed Charges and to Fixed Charges and Preferred Unit Distributions</u>	S-27
<u>Capitalization</u>	S-28
<u>Description of Series A Preferred Units</u>	S-29
<u>The Partnership Agreement</u>	S-35
<u>Material U.S. Federal Income Tax Considerations</u>	S-56
<u>Non-United States Tax Considerations</u>	S-62
<u>Taxation of the Partnership</u>	S-64
<u>Underwriting</u>	S-68
<u>Legal Matters</u>	S-70
<u>Experts</u>	S-71
<u>Expenses</u>	S-72

### Prospectus

<u>About This Prospectus</u>	1
<u>Where You Can Find More Information</u>	2
<u>Forward-Looking Statements</u>	4
<u>About Höegh LNG Partners LP</u>	6
<u>Risk Factors</u>	7
<u>Use of Proceeds</u>	8
<u>Capitalization</u>	9
<u>Ratio of Earnings to Fixed Charges</u>	10
<u>Price Range of Common Units and Distributions</u>	11
<u>Description of the Common Units</u>	12
<u>Our Cash Distribution Policy and Restrictions on Distributions</u>	16
<u>Description of the Other Classes of Units</u>	28
<u>Description of the Options</u>	29
<u>Description of the Warrants</u>	30
<u>Description of the Rights</u>	31
<u>Description of the Debt Securities</u>	32
<u>Material U.S. Federal Income Tax Considerations</u>	40
<u>Non-United States Tax Considerations</u>	46

<u>Plan of Distribution</u>	<u>48</u>
<u>Selling Unitholder</u>	<u>50</u>
<u>Service of Process and Enforcement of Civil Liabilities</u>	<u>51</u>
<u>Legal Matters</u>	<u>51</u>
<u>Experts</u>	<u>51</u>
<u>Expenses</u>	<u>52</u>

S-iii

---

TABLE OF CONTENTS

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form F-3 regarding the securities covered by this prospectus. This prospectus does not contain all of the information found in such registration statement. For further information regarding us and the securities offered in this prospectus, you may wish to review the full registration statement, including its exhibits. In addition, we file annual and other reports with, and furnish information to, the SEC. You may inspect and copy any document we file with, or furnish to, the SEC at the public reference facilities maintained by the SEC at 100 F Street, NE, Washington, D.C. 20549. Copies of this material can also be obtained upon written request from the Public Reference Section of the SEC at 100 F Street, NE, Washington, D.C. 20549, at prescribed rates or from the SEC's website at [www.sec.gov](http://www.sec.gov) free of charge. Please call the SEC at 1-800-SEC-0330 for further information on public reference facilities. You can also obtain information about us at the offices of the NYSE at 20 Broad Street, New York, New York 10005.

As a foreign private issuer, we are exempt under the Securities Exchange Act of 1934, as amended (or *Exchange Act*), from, among other things, certain rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal unitholders 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 on Form 10-Q or current reports on Form 8-K. However, we intend to make available quarterly reports containing our unaudited interim financial information for the first three fiscal quarters of each fiscal year on Form 6-K.

## INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference information that we file with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus by referring you to other documents filed separately with the SEC. The information incorporated by reference is an important part of this prospectus. Information that we later provide to the SEC, and which is deemed to be filed with the SEC and incorporated into this prospectus, automatically will update information previously filed with the SEC, and may replace information in this prospectus.

We incorporate by reference into this prospectus the documents listed below:

our annual report on Form 20-F for the fiscal year ended December 31, 2016 filed on April 6, 2017 (or *2016 Annual Report*);

our report on Form 6-K for the quarter ended March 31, 2017 filed on May 24, 2017 and our report on Form 6-K for the quarter ended June 30, 2017 filed on August 24, 2017;

our report on Form 6-K filed on September 28, 2017;

all subsequent reports on Form 6-K furnished prior to the termination of this offering that we identify in such reports as being incorporated by reference into the registration statement of which this prospectus is a part;

the description of our common units contained in our registration statement on Form 8-A filed on August 4, 2014, including any subsequent amendments or reports filed for the purpose of updating such description; and

all of our subsequent registration statements on Form 8-A or 8-A/A with the SEC prior to the termination of this offering.

These reports contain important information about us, our financial condition and our results of operations.





TABLE OF CONTENTS

You may obtain any of the documents incorporated by reference in this prospectus from the SEC through its public reference facilities or its website at the addresses provided above. You also may request a copy of any document incorporated by reference in this prospectus (excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference in this document), at no cost by visiting our website at *www.hoeghlngpartners.com*. You may also make requests for such documents at no cost by writing or calling us at the following address:

Hoegh LNG Partners LP  
Wessex House, 5<sup>th</sup> Floor  
45 Reid Street  
Hamilton, HM 12  
Bermuda  
+441-295-6815

The information contained in our website, or any other website, is not incorporated by reference in this prospectus and does not constitute a part of this prospectus.

S-2

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TABLE OF CONTENTS

## FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical fact, included in or incorporated by reference into this prospectus and any free writing prospectus are forward-looking statements. In addition, we and our representatives may from time to time make other oral or written statements that are also forward-looking statements. Such statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business, expectations regarding our distribution levels and the markets in which we operate. In some cases, you can identify the forward-looking statements by the use of words such as may, will, could, should, would, expect, plan, intend, forecast, believe, estimate, predict, propose, potential, continue or the negative of these terms and comparable terminology.

Forward-looking statements appear in a number of places in this prospectus and the documents we incorporate by reference and include statements with respect to, among other things:

- market trends for floating storage and regasification units (or *FSRUs*) and liquefied natural gas (or *LNG*) carriers, including hire rates and factors affecting supply and demand;
- our distribution policy and ability to make cash distributions on our units or any increases in the quarterly distributions on our common units;
- restrictions in our debt agreements and pursuant to local laws on our joint ventures and our subsidiaries ability to make distributions to us;
- our ability to consummate the acquisition of the 23.5% interest in the joint ventures that own the *Neptune* and the *GDF Suez Cape Ann*, and the timing thereof;
- our ability to settle or resolve the GDF Suez boil-off claim, including the estimated amount thereof;
- our ability to purchase the remaining 49% interest in the *Höegh Grace* or additional vessels from Höegh LNG in the future;
  - the ability of Höegh LNG to satisfy its indemnification obligations to us;
  - our ability to integrate and realize the anticipated benefits from acquisitions;
    - our anticipated growth strategies;
- our anticipated receipt of dividends and repayment of indebtedness from subsidiaries and joint ventures;
  - effects of volatility in global prices for crude oil and natural gas;
  - the effect of the worldwide economic environment;
  - turmoil in the global financial markets;
  - fluctuations in currencies and interest rates;
- general market conditions, including fluctuations in hire rates and vessel values;
- changes in our operating expenses, including drydocking and insurance costs;
- our ability to comply with financing agreements and the expected effect of restrictions and covenants in such agreements;
  - the future financial condition of our existing or future customers;
- our ability to make additional borrowings and to access public equity and debt capital markets;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
  - the exercise of purchase options by our customers;
- our ability to maintain long-term relationships with our customers;
- our ability to leverage Höegh LNG's relationships and reputation in the shipping industry;

S-3

TABLE OF CONTENTS

our continued ability to enter into long-term, fixed-rate charters;  
the operating performance of our vessels and any related claims by GDF Suez or other customers;  
our ability to maximize the use of our vessels, including the redeployment or disposition of vessels no longer under long-term charters;  
expected pursuit of strategic opportunities, including the acquisition of vessels;  
our ability to compete successfully for future chartering and newbuilding opportunities;  
timely acceptance of our vessels by their charterers;  
termination dates and extensions of charters;  
the cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business;  
our ability to conduct our operations on a profitable basis under the political, regulatory and economic regimes in the countries where our vessels operate;  
demand in the FSRU sector or the LNG shipping sector in general and the demand for our vessels in particular;  
availability of skilled labor, vessel crews and management;  
our incremental general and administrative expenses as a publicly traded limited partnership and our fees and expenses payable under our ship management agreements, the technical information and services agreement and the administrative services agreements;  
the anticipated taxation of the Partnership and distributions to unitholders;  
estimated future maintenance and replacement capital expenditures;  
our ability to retain key employees;  
customers' increasing emphasis on environmental and safety concerns;  
potential liability from any pending or future litigation;  
potential disruption of shipping routes due to accidents, political events, piracy or acts by terrorists;  
future sales of our units in the public market;  
our business strategy and other plans and objectives for future operations;  
our ability to successfully remediate material weaknesses in our internal control over financial reporting and our disclosure controls and procedures; and  
other factors listed from time to time in the reports and other documents that we file with the SEC.

Forward-looking statements are made based upon management's current plans, expectations, estimates, assumptions and beliefs concerning future events affecting us. Forward-looking statements are subject to risks, uncertainties and assumptions, including those risks discussed in Risk Factors set forth in this prospectus and those risks discussed in other reports we file with the SEC and that are incorporated into this prospectus by reference, including, without limitation, our 2016 Annual Report and subsequent quarterly reports on Form 6-K. 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.

S-4

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TABLE OF CONTENTS

We undertake no obligation to update any forward-looking statement 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. In addition, we cannot assess the effect 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. We make no prediction or statement about the performance of our Series A Preferred Units or other securities.

S-5

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TABLE OF CONTENTS

## SUMMARY

*The following summary highlights selected information contained elsewhere in this prospectus and the documents incorporated by reference herein and does not contain all the information you should consider before deciding whether to invest in the Series A Preferred Units. You should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein. Unless otherwise specifically stated, the information presented in this prospectus supplement assumes that the underwriters have not exercised their option to purchase additional Series A Preferred Units.*

*Unless the context requires otherwise, references in this prospectus to our or the Joint Ventures refer to the joint ventures that own two of the vessels in our fleet (the Neptune and the GDF Suez Cape Ann). References in this prospectus to our general partner refer to Höegh LNG GP LLC, the general partner of Höegh LNG Partners. References in this prospectus to our operating company refer to Höegh LNG Partners Operating LLC, a wholly owned subsidiary of the Partnership. References in this prospectus to Höegh LNG refer, depending on the context, to Höegh LNG Holdings Ltd. and to any one or more of its direct and indirect subsidiaries, other than us. References in this prospectus to Höegh Lampung refer to Hoegh LNG Lampung Pte Ltd., a wholly owned subsidiary of our operating company. References in this prospectus to Höegh FSRU III refer to Höegh LNG FSRU III Ltd., a wholly owned subsidiary of our operating company. References in this prospectus to PT Höegh refer to PT Hoegh LNG Lampung, the owner of the PGN FSRU Lampung. References in this prospectus to Höegh Cyprus refer to Hoegh LNG Cyprus Limited including its wholly owned branch, Hoegh LNG Cyprus Limited Egypt Branch (or Egypt Branch), a wholly owned subsidiary of Höegh FSRU III and the owner of the Höegh Gallant. References in this prospectus to Höegh Colombia Holding refer to Höegh LNG Colombia Holding Ltd., a 51% owned subsidiary of our operating company. References in this prospectus supplement to Höegh FSRU IV refer to Höegh LNG FSRU IV Ltd., a wholly owned subsidiary of Höegh Colombia Holding and the owner of the Höegh Grace. References in this prospectus to GDF Suez refer to GDF Suez LNG Supply S.A., a subsidiary of Engie, a French publicly listed, government-backed, electric utility company (or Engie). References in this prospectus to PGN LNG refer to PT PGN LNG Indonesia, a subsidiary of PT Perusahaan Gas Negara (Persero) Tbk (or PGN). References in this prospectus to SPEC refer to Sociedad Portuaria El Cayao S.A. E.S.P. References in this prospectus to EgyptCo refer to Hoegh LNG Egypt LLC, a wholly owned subsidiary of Höegh LNG.*

## Overview

We are a growth-oriented limited partnership formed to own, operate and acquire FSRUs, LNG carriers and other LNG infrastructure assets that are operating under long-term charters, which we define as charters of five years or more. We intend to leverage the relationships, expertise and reputation of Höegh LNG Holdings Ltd. (Oslo Børs symbol: HLNG), a leading floating LNG service provider, to pursue potential growth opportunities and to attract and retain high-quality, creditworthy customers. In addition to owning our general partner, which owns a non-economic general partner interest in us, Höegh LNG owns all of our incentive distribution rights, a portion of our common units and all of our subordinated units, representing an aggregate 46.4% limited partner interest in us.

Our current fleet consists of five modern FSRUs operating under long-term charters with stable cash flows. Our fleet consists of interests in the following vessels with an average remaining contract duration of 12 years as of June 30, 2017, excluding the exercise of any options:

a 50% interest in the *Neptune*, an FSRU built in 2009 that is currently operating under a time charter with GDF Suez, a subsidiary of Engie, that expires in 2029, with an option to extend for up to two additional periods of five years

each;

a 50% interest in the *GDF Suez Cape Ann*, an FSRU built in 2010 that is currently operating under a time charter with GDF Suez, a subsidiary of Engie, that expires in 2030, with an option to extend for up to two additional periods of five years each;

a 100% economic interest in the *PGN FSRU Lampung*, an FSRU built in 2014 that is currently operating under a time charter with PGN LNG, a subsidiary of an Indonesian publicly listed, government-controlled, gas and energy company that constructs gas pipelines and infrastructure

S-6

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## TABLE OF CONTENTS

and distributes and transmits natural gas to industrial, commercial and household users. The time charter expires in 2034, with an option for the charterer to extend for up to one additional period of ten years or two additional periods of five years each;

a 100% interest in the *Höegh Gallant*, an FSRU built in 2014 that is currently operating under a time charter with EgyptCo that expires in 2020. In addition, we have an option agreement pursuant to which we have the right to cause Höegh LNG to charter the *Höegh Gallant* from the expiration or termination of the EgyptCo charter until July 2025 at a rate equal to 90% of the current charter hire rate; and

a 51% interest in the *Höegh Grace*, an FSRU built in 2016 that is currently operating under a time charter with SPEC. The non-cancellable charter period is 10 years. The initial term of the charter is 20 years. However, each party has an unconditional option to cancel the charter after 10 and 15 years without penalty. However, if SPEC waives its right to terminate in year 10 within a certain deadline, we will not be able to exercise our right to terminate in year 10.

## **Our Relationship with Höegh LNG Holdings Ltd.**

We believe that one of our principal strengths is our relationship with Höegh LNG (Oslo Børs symbol: HLNG). With a track record dating back to the delivery of the world's first Moss-type LNG carrier in 1973, we believe that Höegh LNG is one of the most experienced operators of LNG carriers and one of only five operators of FSRUs in the world and has the largest FSRU fleets in operation and under construction. Our affiliation with Höegh LNG gives us access to Höegh LNG's long-standing relationships with leading oil and gas companies, utility companies, shipbuilders, financing sources and suppliers, which we believe will allow us to compete more effectively when seeking additional long-term charters for FSRUs and other LNG infrastructure assets. In addition, we believe Höegh LNG's more than 40-year track record of providing LNG services and its technical, commercial and managerial expertise will enable us to continue to maintain the high utilization of our fleet to preserve our stable cash flows.

Höegh LNG currently owns our general partner, all of our incentive distribution rights, a portion of our common units and all of our subordinated units, representing an aggregate 46.4% limited partner interest in us.

## **Growth Opportunities**

Pursuant to the contribution, purchase and sale agreement we entered into with Höegh LNG with respect to the acquisition of 51% of Höegh Colombia Holding, the indirect owner of the *Höegh Grace*, we have a right of first offer to purchase the remaining 49% interest.

Pursuant to the omnibus agreement we entered into with Höegh LNG at the time of the IPO, Höegh LNG is obligated to offer to us any FSRU or LNG carrier operating under a charter of five or more years. Accordingly, we may in the future have the opportunity to acquire from Höegh LNG the FSRUs associated with the projects listed below:

On May 26, 2015, Höegh LNG signed a contract with Penco LNG to provide an FSRU to service the Penco-Lirquén LNG import terminal to be located in Concepción Bay, Chile. The contract is for a period of 20 years and is subject to Penco LNG's completing financing and obtaining necessary environmental approvals. In February 2017, Penco LNG informed Höegh LNG that the environmental approval had been temporarily halted by the legal system in Chile which is expected to delay permitting and completion of the infrastructure and the commencement of the FSRU contract.

The *Höegh Giant* was delivered from the shipyard on April 27, 2017. It is allocated to an FSRU contract with Quantum Power Ghana Gas (or *QP*) for a LNG import project in Tema, Ghana. The contract is subject to QP being awarded the FSRU project by the government in Ghana. It is currently trading as an LNG carrier.

On December 15, 2016, Höegh LNG signed an FSRU contract with Global Energy Infrastructure Limited (or *GEI*) for GEI's LNG import project in Port Qasim near Karachi, Pakistan. The time





## TABLE OF CONTENTS

charter is for a period of 20 years with two five-year extension options and subject to certain conditions. GEI has a long-term LNG supply agreement with Qatargas. A consortium comprising LNG suppliers, Höegh LNG and one or more potential other investors, is expected to provide the infrastructure for the project subject to final investment decisions.

On July 18, 2017, Höegh LNG signed a memorandum of understanding with Qatar Gas Transport Company Ltd., known as Nakilat, with the aim of jointly developing new FSRU projects, where the LNG is sourced from Qatar. The structure is expected to be joint ventures to own and operate FSRUs for the joint projects.

There can be no assurance that we will make any particular acquisition. Any acquisition will be subject to reaching an agreement with Höegh LNG regarding the purchase price and the approval of our conflicts committee as well as our ability to raise additional financing.

## Competitive Strengths

We believe that our future prospects for success are enhanced by the following aspects of our business:

***Relationship with a Leader in Floating Regasification Technology.*** We believe we benefit from our relationship with Höegh LNG, a fully integrated provider of floating LNG infrastructure services, offering regasification and transportation services under long-term charters. Höegh LNG is one of only five operators of FSRUs in the world as of September 1, 2017 and has extensive experience in providing LNG transportation, having been operating since 1973, when it took delivery of the world's first Moss-type LNG carrier. We believe that Höegh LNG's expertise in the LNG sector, strong relationships with customers, shipyards and financial institutions, and its newbuilding strategy will enable Höegh LNG to attract additional long-term charters for FSRUs, LNG carriers and other LNG infrastructure assets, which would in turn enhance our growth opportunities.

***Secure Cash Flows from Long-Term Charters.*** All five of our vessels operate under fixed-rate charters with an average remaining firm contract duration of 12 years as of June 30, 2017, excluding the exercise of any options. Two of our customers, GDF Suez (a subsidiary of Engie) (France) and PGN LNG (Indonesia), are government-backed utility companies. SPEC is majority owned by Promigas S.A. ESP, a Colombian company focused on the transportation and distribution of natural gas, and EgyptCo is a subsidiary of Höegh LNG.

***Enhanced growth opportunities through our relationship with Höegh LNG.*** We believe our relationship with Höegh LNG provides us with many benefits that we believe will drive growth in cash available for distribution, including opportunities to acquire other vessels, strong customer relationships, leading operational expertise, enhanced shipyard relationships, access to Höegh LNG's relationships with leading financing providers and a large pool of experienced and qualified global seafarers.

***Built-In Growth Opportunities.*** We have a right of first offer to purchase the remaining 49% interest in Höegh Columbia Holding, the indirect owner of the *Höegh Grace*. We also have the right to purchase any other additional FSRUs and LNG carriers in Höegh LNG's fleet that are placed under a charter of five or more years.

***Modern, Technologically Advanced Fleet.*** Our existing fleet and the newbuilding FSRUs that Höegh LNG has on order are or will be equipped with the latest floating, storage and regasification technology in terms of size, onboard regasification of LNG, thermal insulation, power generation and regas systems. These vessels have all been built by leading shipyards in South Korea that have constructed much of the world's newbuilding FSRU fleet. We believe the significant investment needed to build FSRUs and our ability to customize specifications to customers' requirements and to provide highly trained personnel for operations create significant barriers to entry for new competitors. As a result, we believe that we are positioned to become a preferred provider of FSRUs and other LNG infrastructure assets and to secure additional long-term charters.

S-8

## TABLE OF CONTENTS

***Hoegh LNG's Record of Efficiency, Safety and Operational Performance.*** Through its technical expertise, Hoegh LNG has been safely and efficiently operating LNG vessels since 1973. With approximately 120 onshore employees and approximately 470 seafarers as of September 1, 2017, Hoegh LNG maintains global operations with in-house engineering expertise that allows us to offer our customers reliable and efficient performance, while maintaining close control over operating costs. This operational performance will also support our stable cash flow profile by maintaining high utilization of our fleet.

## **Business Strategies**

Our primary business objective is to increase our cash available for distribution by executing the following strategies:

***Focus on FSRU Newbuilding Acquisitions.*** We intend to acquire newbuilding FSRUs on long-term charters, which we believe generally offer greater flexibility than FSRUs based on retrofitted, first-generation LNG carriers. Newbuilding FSRUs have superior fuel efficiency, improved storage performance and larger capacity than retrofitted, first-generation LNG carriers. Their larger capacity allows for a full cargo from a comparably sized, modern-day LNG carrier to be offloaded in a single transfer, and this streamlines logistics. We may also acquire retrofitted LNG carriers if such vessels are converted from modern LNG carriers with comparable capacity and logistical benefits. In addition, Hoegh LNG has strong customer relationships deriving from its ability to work alongside customers on their vessel design needs. Moreover, Hoegh LNG pursues a strategy of maintaining one or more uncontracted newbuilding vessels on order so it can provide its customers an FSRU with minimum lead time. We believe that Hoegh LNG's ability to offer newbuild vessels promptly and its engineering expertise make it an operator of choice for projects that require rapid execution, complex engineering or unique specifications. This, in turn, enhances the growth opportunities available to us.

***Pursue Strategic and Accretive Acquisitions of FSRUs and Other LNG Infrastructure Assets on Long-Term, Fixed-Rate Charters with Strong Counterparties.*** We will seek to leverage our relationship with Hoegh LNG to make strategic and accretive acquisitions. Pursuant to the omnibus agreement that we have entered into with Hoegh LNG, Hoegh LNG is required to offer us the opportunity to purchase all or a portion of Hoegh LNG's interests in FSRUs or LNG carriers under a charter of five or more years. We also intend to take advantage of business opportunities and market trends in the LNG transportation industry to grow our assets through third-party acquisitions of FSRUs and other LNG infrastructure assets under long-term charters.

***Expand Global Operations in High-Growth Regions.*** We will seek to capitalize on opportunities emerging from the global expansion of LNG production activity and the need to provide flexible regasification solutions in areas which require natural gas imports. We believe that Hoegh LNG's position as one of five FSRU owners and operators in the world, more than 40-year operational track record and strong customer relationships will enable us to have early access to new projects worldwide.

***Enhance and Diversify Customer Relationships Through Continued Operating Excellence and Technological Innovation.*** We intend to maintain and grow our cash flows by focusing on strong customer relationships and actively seeking the extension and renewal of existing charters, entering into new long-term charters with current customers, and identifying new business opportunities with other creditworthy charterers. We believe our customer relationships are enhanced by our ability to provide expert technical advice to our customers through Hoegh LNG's in-house engineering department, which in turn enables us to be directly involved in our customers' project development processes. We will continue to incorporate safety, health, security and environmental stewardship into all aspects of vessel design and operation in order to satisfy our customers and comply with national and international rules and regulations. We believe that Hoegh LNG's operational expertise, recognized position, and track record in floating LNG infrastructure services will position us favorably to capture additional commercial opportunities in the FSRU and LNG sectors.



TABLE OF CONTENTS

## Recent Developments

On August 24, 2017, we announced that our wholly owned subsidiary, Höegh LNG Partners Operating LLC, had entered into a term sheet to acquire from Mitsui O.S.K. Lines, Ltd. (or *MOL*) 23.5% of the shares of each of SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd. (or *Joint Ventures*), as well as 23.5% of the outstanding shareholder loans from MOL aggregating \$1.5 million (or *Acquisition*). The purchase price of the Acquisition is \$27.3 million. The 23.5% share of third party debt of Joint Ventures less cash and cash equivalents and restricted cash was \$101 million as of June 30, 2017.

We currently own 50% of the shares in each Joint Venture. The Joint Ventures own the FSRUs *Neptune* and *GDF Suez Cape Ann*, which operate under long-term time charters with GDF Suez. Pursuant to the charters, the Joint Ventures undertake to ensure that the vessels meet certain performance standards. The performance standards under each of such time charters require that the vessel not exceed a maximum average daily boil-off of LNG, subject to certain contractual exclusions. Pursuant to the charters, the hire rate is subject to reduction by GDF Suez in the event of failure to satisfy the performance standards. GDF Suez requested that the Joint Ventures calculate and present the boil-off since the beginning of the time charters, compared with the maximum average daily boil-off allowed under the charters. On September 8, 2017, GDF Suez notified the Joint Ventures that it was formally making a claim for compensation in accordance with the provisions of the charters for a stated quantity of LNG exceeding the maximum average daily boil-off since the beginning for the charters. The charters for the *Neptune* and *GDF Suez Cape Ann* started in 2009 and 2010, respectively. The claim asserted a gross amount of compensation for the excess boil-off volume but the claim recognized that the calculations required adjustment for allowable exclusions under the charters and requested the Joint Ventures provide updated calculations including the exclusions. The Joint Ventures do not agree with the basis for the claim. Depending on interpretations of the contractual provisions including exclusions to the performance standards, we estimate from our preliminary calculations based upon currently available information that our 50% share of the claim adjusted for exclusions could range from zero or negligible amounts to approximately \$14 million. Accordingly, a settlement of the claim for boil-off with GDF Suez could materially adversely affect the Joint Ventures' financial condition and results of operations.

On September 27, 2017, we entered into an indemnification agreement with Höegh LNG with respect to the GDF Suez claims described above pursuant to which Höegh LNG will, among other things, indemnify us for our share of any losses and expenses related to or arising from the failure of either of the *Neptune* or the *GDF Suez Cape Ann* to meet the performance standards related to the daily boil-off of LNG under their respective time charter (including any cash impact that may result from any settlement with respect to such claims, including any reduction in the hire rate under either time charter). Although we are indemnified by Höegh LNG for our share of any losses and expenses related to or arising from the failure of either of the *Neptune* or the *GDF Suez Cape Ann* to meet the performance standards related to the daily boil-off of LNG under their respective time charter, a settlement with GDF Suez could materially adversely affect the Joint Ventures' financial condition and results of operations.

We have suspended the Acquisition pending resolution of this matter. Closing of the Acquisition is subject to the execution of a definitive purchase agreement, as well as certain other documentation and final board approvals, and there can be no assurance that the Acquisition will close at all.

## Principal Executive Offices

Our registered and principal executive offices are located at Wessex House, 5<sup>th</sup> Floor, 45 Reid Street, Hamilton, Bermuda, and our phone number is +441 295 6815. We make our periodic reports and other information filed with or

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furnished to the SEC, available, free of charge, through our website at [www.hoeghlngpartners.com](http://www.hoeghlngpartners.com), as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC.

The information on our website is not part of this prospectus and you should rely only on information contained or incorporated by reference in this prospectus supplement or the accompanying base prospectus when making a decision as to whether to not to invest in our Series A Preferred Units. Please read "Where You Can Find More Information" for an explanation of our reporting requirements as a foreign private issuer.

S-10

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TABLE OF CONTENTS

## THE OFFERING

### Issuer

Höegh LNG Partners LP

### Securities Offered

of our % Series A Cumulative Redeemable Preferred Units, liquidation preference \$25.00 per unit, plus up to an additional Series A Preferred Units if the underwriters exercise in full their option to purchase additional units.

For a detailed description of the Series A Preferred Units, please read Description of Series A Preferred Units.

### Price per Unit

### Conversion; Exchange and Preemptive Rights

The Series A Preferred Units will not have any conversion or exchange rights or be subject to preemptive rights.

### Distributions

Distributions on Series A Preferred Units will accrue and be cumulative from the date that the Series A Preferred Units are originally issued and will be payable on each Distribution Payment Date (as defined below) when, as and if declared by our board of directors out of legally available funds for such purpose.

### Distribution Payment Dates

February 15, May 15, August 15 and November 15 (each, a *Distribution Payment Date*). The initial distribution on the Series A Preferred Units will be payable on February 15, 2018.

### Distribution Rate

The distribution rate for the Series A Preferred Units will be % per annum per \$25.00 of liquidation preference per unit (equal to \$ per unit).

### Distribution Calculation

Distributions on the Series A Preferred Units will be payable based on a 360-day year consisting of twelve 30-day months.

### Ranking

The Series A Preferred Units will represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. The Series A Preferred Units will rank:

senior to our common units and subordinated units and to each other class or series of limited partner interests or other equity securities established after the original issue date of the Series A Preferred Units that is not expressly made senior to or on parity with the Series A Preferred Units as to the payment of distributions and amounts payable upon liquidation, dissolution or winding up, whether voluntary or involuntary (or *Junior Securities*);

*pari passu* with any class or series of limited partner interests or other equity securities established after the original issue date of the Series A Preferred Units with terms expressly providing that such class or series ranks on a parity with the Series A Preferred Units as to the payment of distributions and amounts payable upon liquidation, dissolution or winding up, whether voluntary or involuntary (or *Parity Securities*);

TABLE OF CONTENTS

junior to all of our indebtedness and other liabilities with respect to assets available to satisfy claims against us; and

junior to each other class or series of limited partner interests or other equity securities expressly made senior to the Series A Preferred Units as to the payment of distributions and amounts payable upon liquidation, dissolution or winding up, whether voluntary or involuntary (or *Senior Securities*).

**Optional Redemption**

At any time on or after October , 2022, we may redeem, in whole or in part, the Series A Preferred Units at a redemption price of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose. We must provide not less than 30 days and not more than 60 days written notice of any such redemption.

**Voting Rights**

Holders of the Series A Preferred Units generally have no voting rights. However, if and whenever distributions payable on the Series A Preferred Units are in arrears for six or more quarterly periods, whether or not consecutive, holders of Series A Preferred Units (voting together as a class with all other classes or series of Parity Securities upon which like voting rights have been conferred and are exercisable) will be entitled to replace one of the members of our board of directors appointed by our general partner with a person nominated by such holders (unless the holders of Series A Preferred Units and Parity Securities upon which like voting rights have been conferred, voting as a class, have previously elected a member of our board of directors, and such director continues then to serve on the board of directors). Distributions payable on the Series A Preferred Units will be considered to be in arrears for any quarterly period for which full cumulative distributions through the most recent distribution payment date have not been paid on all outstanding Series A Preferred Units. The right of such holders of Series A Preferred Units to elect a member of our board of directors will continue until such time as all accumulated and unpaid distributions on the Series A Preferred Units have been paid in full.

Unless we have received the affirmative vote or consent of the holders of at least two-thirds of the outstanding Series A Preferred Units, voting as a single class, we may not adopt any amendment to our partnership agreement that would have a material adverse effect on the existing terms of the Series A Preferred Units.

In addition, unless we have received the affirmative vote or consent of the holders of at least two-thirds of the outstanding Series A Preferred Units, voting as a class together with holders of any other Parity Securities upon which like voting rights have been conferred and are exercisable, we may not (i) issue

S-12

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TABLE OF CONTENTS

any Parity Securities if the cumulative distributions on Series A Preferred Units are in arrears or (ii) create or issue any Senior Securities.

**Fixed Liquidation Price**

In the event of any liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary, holders of the Series A Preferred Units will have the right to receive the liquidation preference of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of payment, whether or not declared, before any payments are made to holders of our common units, subordinated units or any other Junior Securities. A consolidation or merger of us with or into any other entity, individually or in a series of transactions, will not be deemed to be a liquidation, dissolution or winding up of our affairs.

**No Sinking Fund**

The Series A Preferred Units will not be subject to any sinking fund requirements.

**No Fiduciary Duties**

None of us, our general partner or our officers or directors will owe any fiduciary duties to holders of the Series A Preferred Units other than a contractual duty of good faith and fair dealing pursuant to our partnership agreement.

**Use of Proceeds**

We intend to use a portion of the net proceeds of the sale of the Series A Preferred Units, which are expected to total approximately \$ million (or approximately \$ million if the underwriters exercise in full their option to purchase additional units), after deducting underwriting discounts and estimated offering expenses, to repay the approximately \$34.4 million outstanding under the 8% seller's credit note related to the *Höegh Gallant* acquisition. The remainder of the net proceeds will be used for general partnership purposes, which may include the repayment of additional indebtedness or the funding of acquisitions (including the potential Acquisition and/or the potential purchase of the 49% interest in Höegh LNG Colombia Holding Ltd. over which we have a right of first offer) or other capital expenditures. Please read Use of Proceeds.

**Ratings**

The Series A Preferred Units will not be rated by any Nationally Recognized Statistical Rating Organization.

**Listing**

We intend to file an application to list the Series A Preferred Units on The New York Stock Exchange (or *NYSE*) under the symbol HMLP PRA. If the application is approved, trading of the Series A Preferred Units on the NYSE is expected to begin within 30 days after the original issue date of the Series A Preferred Units. The underwriters have advised us that they intend to make a market in the Series A Preferred Units prior to commencement of any trading on the NYSE. However, the underwriters will have no obligation to do so, and no assurance can be given that a market for the Series A Preferred Units will develop prior to commencement of trading on the NYSE or, if developed, will be maintained.

S-13

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TABLE OF CONTENTS

**Tax Considerations**

Although we are organized as a partnership, we have elected to be taxed as a corporation solely for U.S. federal income tax purposes. For such purposes, we believe that all or a portion of the distributions you would receive from us with respect to your Series A Preferred Units would constitute dividends. If you are an individual citizen or resident of the United States or a U.S. estate or trust and meet certain holding period requirements, such dividends would be expected to be treated as qualified dividend income that is taxable at preferential capital gain tax rates. Any portion of your distribution that is not treated as a dividend will be treated first as a non-taxable return of capital to the extent of your tax basis in your Series A Preferred Units and, thereafter, as capital gain. In addition, there are other tax matters you should consider before investing in the Series A Preferred Units, including our tax status as a non-U.S. issuer. Please read Material U.S. Federal Income Tax Considerations, Non-United States Tax Considerations, Taxation of the Partnership and Risk Factors Tax Risks.

**Book-Entry Form**

The Series A Preferred Units will be issued and maintained in book-entry form registered in the name of the nominee of The Depository Trust Company, or DTC, except under limited circumstances.

**Settlement**

Delivery of the Series A Preferred Units offered hereby will be made against payment therefor on or about October , 2017.

**Risk Factors**

An investment in our Series A Preferred Units involves risks. You should consider carefully the factors set forth in the section of this prospectus entitled Risk Factors beginning on page S-19 of this prospectus supplement and on page 7 of the accompanying prospectus, as well as the risk factors beginning on page 7 in our 2016 Annual Report incorporated by reference into this prospectus, to determine whether an investment in our Series A Preferred Units is appropriate for you.

S-14

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TABLE OF CONTENTS**Summary Historical Financial and Operating Data**

The summary historical financial and operating data of Höegh LNG Partners LP presented as of December 31, 2016 and 2015, and for the years ended December 31, 2016, 2015 and 2014 have been derived from the audited consolidated and combined carve-out financial statements and the notes related thereto contained in our 2016 Annual Report and incorporated by reference into this prospectus, and include, for periods prior to the closing of our initial public offering (or *IPO*) on August 12, 2014, selected consolidated and combined carve-out financial and operating data of the Partnership and its subsidiaries that had interests in the *PGN FSRU Lampung* and the Joint Ventures. The summary historical financial and operating data of Höegh LNG Partners LP presented as of June 30, 2017 and for the six months ended June 30, 2017 and 2016 have been derived from our unaudited condensed consolidated financial statements and the notes related thereto contained in our report on Form 6-K for the quarterly period ended June 30, 2017 filed on August 24, 2017 and incorporated by reference into this prospectus.

On October 1, 2015, we acquired Höegh LNG's 100% interest in the subsidiary that indirectly owns and operates the *Höegh Gallant*, which we accounted for as an acquisition of a business. On January 3, 2017, we acquired 51% of Höegh LNG's ownership interest in the subsidiary that indirectly owns and operates the *Höegh Grace*, which we accounted for as an acquisition of a business. Accordingly, the results of the *Höegh Gallant* and *Höegh Grace* are included in our results of operations from their respective dates of acquisition.

The following financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated and combined carve-out financial statements and the notes thereto included in our 2016 Annual Report and in our report on Form 6-K for the quarterly period ended June 30, 2017 filed on August 24, 2017, each of which is incorporated by reference into this prospectus.

Our financial position, results of operations and cash flows could differ from those that would have resulted if we operated autonomously or as an entity independent of Höegh LNG in the periods prior to our IPO in August 2014 for which historical financial data are presented below, and such data may not be indicative of our future operating results or financial performance.

	Year Ended December 31,			Six Months Ended	
	2016	2015	2014	2017	2016
	(unaudited)				
	(U.S. Dollars in thousands)				
<b>Statement of Operations Data:</b>					
Time charter revenues	\$91,907	\$57,465	\$22,227	\$70,101	\$44,454
Construction contract revenues			51,868		
Other revenue			474		
Total revenues	91,907	57,465	74,569	70,101	44,454
Voyage expenses			(1,139 )		
Vessel operating expenses	(16,080)	(9,679 )	(6,197 )	(11,805)	(8,034 )
Construction contract expenses	(315 )		(38,570)	(151 )	(315 )
Administrative expenses	(9,718 )	(8,733 )	(12,566)	(5,222 )	(4,700 )
Depreciation and amortization	(10,552)	(2,653 )	(1,317 )	(10,526)	(5,265 )
Total operating expenses	(36,665)	(21,065)	(59,789)	(27,704)	(18,314)
Equity in earnings (losses) of joint ventures	16,662	17,123	(5,330 )	6,360	(8,575 )

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Operating income	71,064	53,523	9,450	48,757	17,565
Interest income	857	7,568	4,959	243	505
Interest expense	(25,178)	(17,770)	(9,665 )	(15,488)	(12,760)
Gain (loss) on derivative instruments	1,839	949	(161 )	910	662
Other items, net	(3,333 )	(2,678 )	(2,788 )	(2,224 )	(2,001 )
Income before tax	45,249	41,592	1,795	32,198	3,971
Income tax expense	(3,872 )	(313 )	(481 )	(3,797 )	(949 )
Net income	\$41,377	\$41,279	\$1,314	\$28,401	\$3,022

S-15

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TABLE OF CONTENTS

	Year Ended December 31,			Six Months Ended June 30,	
	2016	2015	2014	2017	2016
	(unaudited)				
	(U.S. Dollars in thousands)				
<b>Balance Sheet Data (at end of period):</b>					
Assets:					
Cash and cash equivalents	\$ 18,915	\$ 32,868		\$ 15,452	
Vessels, net of accumulated depreciation	342,591	353,078		689,241	
Net investment in direct financing lease	290,111	293,303		288,407	
Other assets	158,850	84,494		80,513	
Total assets	\$ 810,467	\$ 763,743		\$ 1,073,613	
Liabilities and Equity:					
Long-term debt (including current portion)	\$ 332,648	\$ 362,843		\$ 502,627	
Accumulated losses of joint ventures	25,886	42,507		19,526	
Revolving credit and seller's credit due to owners and affiliates	43,005	47,000		54,705	
Other liabilities	44,138	61,595		45,639	
Total liabilities	\$ 445,677	\$ 513,945		\$ 622,497	
Total partners' capital	\$ 370,526	\$ 257,039		\$ 360,934	
Accumulated other comprehensive income (loss)	(5,736 )	(7,241 )		(5,785 )	
<b>Cash Flow Data:</b>					
Net cash provided by operating activities	\$ 39,428	\$ 42,785	\$ 27,976	\$ 34,755	\$ 19,436
Net cash provided by (used in) investing activities	(83,084 )	15,455	(292,199)	5,057	4,994
Net cash provided by (used in) financing activities	29,703	(55,849 )	294,592	(43,275 )	(39,292)
<b>Fleet Data:</b>					
Number of vessels <sup>(1)</sup>	4	4	3	5	4
Average age (years)	4.8	3.8	3.5	4.4	4.3
Average charter length remaining excluding options (years)	13.1	14.1	16.7	12.0	13.6
Average charter length remaining including options (years)	19.4	20.4	24.9	19.0	19.9
<b>Other Financial Data:</b>					
Segment EBITDA <sup>(2)</sup>	\$ 99,159	\$ 72,258	\$ 48,931	\$ 59,052	\$ 48,421

(1) Includes vessels in our Joint Ventures.

(2) Please read Non-U.S. GAAP Financial Measure below.

## Non-U.S. GAAP Financial Measure

*Segment EBITDA.* EBITDA is defined as earnings before interest, depreciation and amortization and taxes. Segment EBITDA is defined as earnings before interest, depreciation and amortization, taxes and other financial items less non-controlling interest in Segment EBITDA. Other financial items consist of gains and losses on derivative instruments and other items, net (including foreign exchange gains and losses and withholding tax on interest expenses). Segment EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as our lenders, to assess its financial and operating performance. We believe that Segment EBITDA assists our management and investors by increasing the comparability of our performance from period to period and against the performance of other companies in the industry that provide Segment EBITDA information. This increased comparability is achieved by excluding the potentially disparate effects between periods or companies of interest, other financial items,

TABLE OF CONTENTS

depreciation and amortization and taxes, 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. We believe that including Segment EBITDA as a financial and operating measure benefits investors in (a) selecting between investing in us and other investment alternatives and (b) monitoring our ongoing financial and operational strength in assessing whether to continue to hold units. Segment EBITDA is a non-GAAP financial measure and should not be considered as an alternative to net income, operating income or any other measure of financial performance presented in accordance with U.S. GAAP. Segment EBITDA excludes some, but not all, items that affect net income, and this measure may vary among other companies. Therefore, Segment EBITDA as presented below may not be comparable to similarly titled measures of other companies. The following table reconciles Segment EBITDA to net income, the comparable U.S. GAAP financial measure, for the periods presented:

	Year Ended December 31,			Six Months Ended June 30,	
	2016	2015	2014	2017	2016
	(unaudited)				
	(U.S. Dollars in thousands)				
<b>Reconciliation to net income:</b>					
Net income	\$41,377	\$41,279	\$1,314	\$28,401	\$3,022
Interest income	(857 )	(7,568 )	(4,959 )	(243 )	(505 )
Interest expense, net	25,178	17,770	9,665	15,488	12,760
Depreciation and amortization	10,552	2,653	1,317	10,526	5,265
Income tax (benefit) expense	3,872	313	481	3,797	949
Other financial items <sup>(a)</sup>	1,494	1,729	2,949	1,314	1,339
<i>Equity in earnings of JVs:</i>					
Interest (income) expense, net	15,092	16,113	17,121	6,963	7,652
<i>Equity in earnings of JVs:</i>					
Depreciation and amortization	9,525	9,227	9,148	4,916	4,755
<i>Equity in earnings of JVs:</i>					
Other financial items <sup>(a)</sup>	(7,074 )	(9,257 )	11,895	(1,693 )	13,184
Non-controlling interest in Segment EBITDA				(10,417)	
Segment EBITDA	\$99,159	\$72,258	\$48,931	\$59,052	\$48,421

<sup>(a)</sup> Other financial items consist of gains and losses on derivative instruments and other items, net including foreign exchange gains or losses and withholding tax on interest expense.

S-17

TABLE OF CONTENTS

## Ratio of Earnings to Fixed Charges and to Fixed Charges and Preferred Unit Distributions

The following table sets forth the historical ratio of our consolidated earnings to our consolidated fixed charges and the ratio of our consolidated earnings to our consolidated fixed charges and preferred unit distributions for the periods indicated.

	Six Months Ended June 30, 2017	Year Ended December 31,			
		2016	2015	2014	2013
Ratio of earnings to fixed charges	2.67x	2.38x	2.70x	1.51x	0.93x
Ratio of earnings to fixed charges and preferred unit distributions <sup>(1)(2)</sup>	2.67x	2.38x	2.70x	1.51x	0.93x

For periods prior to our IPO, represents data for our predecessor in respect of the *PGN FSRU Lampung* and the (1) Joint Ventures, which made up our fleet for periods prior to our IPO in August 2014. For purposes of calculating the ratio of earnings to fixed changes:

fixed charges means the sum of the following: (a) interest expensed and capitalized and (b) amortized premiums, discounts and capitalized expenses relating to indebtedness; and

earnings is the amount resulting from (a) adding (i) pre-tax income adjusted for equity in earnings (losses) of joint ventures, (ii) fixed charges, (iii) amortization of capitalized interest and (iv) distributions from equity investees and (b) subtracting interest capitalized.

Preferred unit distributions represents the amount of pre-tax income that is required to pay the cash distributions on outstanding preferred units and is computed as the amount of (x) the distribution divided by (y) the result of one (2) minus the effective income tax rate applicable to continuing operations. We did not have any preferred units outstanding during any of the periods covered in the table. Accordingly, the ratio of earnings to combined fixed charges and preferred unit distributions is the same as the ratio of earnings to fixed charges.

S-18

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TABLE OF CONTENTS

## **RISK FACTORS**

*Before investing in our Series A Preferred Units, you should carefully consider all of the information included in or incorporated by reference into this prospectus. Although many of our business risks are comparable to those of a corporation engaged in a similar business, limited partner interests are inherently different from the capital stock of a corporation. When evaluating an investment in the Series A Preferred Units, you should carefully consider the discussion of risk factors set forth below and under the caption Risk Factors on page Z of the accompanying prospectus, as well as the risk factors beginning on page 13 in our 2016 Annual Report incorporated by reference into this prospectus. If any of these risks were to occur, our business, financial condition, operating results or cash flows could be materially adversely affected. In that case, our ability to pay distributions on our units may be reduced, the trading price of our Series A Preferred Units could decline and you could lose all or part of your investment.*

### **Risks Related to the Series A Preferred Units**

#### **The Series A Preferred Units represent perpetual equity interests.**

The Series A Preferred Units represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As a result, holders of the Series A Preferred Units may be required to bear the financial risks of an investment in the Series A Preferred Units for an indefinite period of time. In addition, the Series A Preferred Units will rank junior to all our indebtedness and other liabilities, and any other senior securities we may issue in the future with respect to assets available to satisfy claims against us.

#### **The Series A Preferred Units have not been rated.**

We have not sought to obtain a rating for the Series A Preferred Units, and they may never be rated. It is possible, however, that one or more rating agencies might independently determine to assign a rating to the Series A Preferred Units or that we may elect to obtain a rating of our Series A Preferred Units in the future. In addition, we may elect to issue other securities for which we may seek to obtain a rating. If any ratings are assigned to the Series A Preferred Units in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the Series A Preferred Units. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold any particular security, including the Series A Preferred Units. Ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the Series A Preferred Units may not reflect all risks related to us and our business, or the structure or market value of the Series A Preferred Units.

#### **We may not have sufficient cash from operations following the establishment of cash reserves and payment of fees and expenses to enable us to pay distributions on the Series A Preferred Units.**

We may not have sufficient cash from operations to pay distributions on the Series A Preferred Units. The amount of cash we can distribute on our units principally depends upon the amount of cash we generate from our operations. We generate cash from our operations and through distributions from our Joint Ventures, and as such our cash from operations are dependent on our operations and the cash distributions and operations of our Joint Ventures, each of

which may fluctuate based on the risks described in this section, including, among other things:

the hire rates we and our Joint Ventures obtain from charters;  
the level of operating costs and other expenses, such as the cost of crews, insurance, performance guarantees and liquidated damages;

demand for LNG;  
supply and capacities of FSRUs and LNG carriers;  
prevailing global and regional economic and political conditions;  
currency exchange rate fluctuations;

S-19

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TABLE OF CONTENTS

interest rate fluctuations; and  
the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business.

In addition, the actual amount of cash we will have available for distribution on the Series A Preferred Units will depend on other factors, including:

the level of capital expenditures we and our Joint Ventures make, including for maintaining or replacing vessels, building new vessels, acquiring existing vessels and complying with regulations;  
the number of unscheduled off-hire or reduced-hire days for our fleet and the timing of, and number of days required for, scheduled drydocking of our vessels;  
our and our Joint Ventures' debt service requirements, minimum free liquid asset requirements under debt covenants, and restrictions on distributions contained in our and our Joint Ventures' current and future debt instruments;  
fluctuations in interest rates;  
fluctuations in working capital needs;  
variable corporate income tax rates, payroll taxes, value added taxes and withholding taxes and to the extent applicable, the ability to recover under the charters;  
our ability to make, and the level of, working capital borrowings; and  
the amount of any cash reserves established by our board of directors.

The amount of cash we generate from our operations and the cash distributions received from our Joint Ventures may differ materially from our or their profit or loss for the period, which will be affected by non-cash items. As a result of this and the other factors mentioned above, we may make cash distributions during periods when we record losses and may not make cash distributions during periods when we record net income.

At present, our only source of available working capital borrowings is the \$85 million revolving credit facility with Höegh LNG to be used to fund our general partnership purposes, including working capital and distributions. Höegh LNG's ability to make loans under the revolving credit facility may be affected by events beyond our and their control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, our and their ability to comply with the terms of the revolving credit facility may be impaired. If we request a borrowing under the revolving credit facility, Höegh LNG may not have, or be able to obtain, sufficient funds to make loans under the revolving credit facility. In the event that Höegh LNG is unable to make loans to us pursuant to the revolving credit facility, or a default or other circumstance prohibits us from borrowing loans thereunder our financial condition, results of operations and ability to make cash distributions to our unitholders could be materially adversely affected.

**Restrictions in our debt agreements and local laws may prevent us from paying distributions on the Series A Preferred Units.**

The payment of principal and interest on our debt will reduce our cash available for distribution to the holders of the Series A Preferred Units. Our and our Joint Ventures' financing arrangements prohibit the payment of distributions upon the occurrence of certain events, including, but not limited to:

failure to pay any principal, interest, fees, expenses or other amounts when due;  
certain material environmental incidents;  
breach or lapse of insurance with respect to vessels securing the facilities;  
breach of certain financial covenants;  
failure to observe any other agreement, security instrument, obligation or covenant beyond specified cure periods in certain cases;

Restrictions in our debt agreements and local laws may prevent us from paying distributions on the Series A Preferred



TABLE OF CONTENTS

default under other indebtedness (including certain hedging arrangements or other material agreements);  
bankruptcy or insolvency events;  
inaccuracy of any representation or warranty;  
a change of ownership of the vessel-owning subsidiary, as defined in the applicable agreement; and  
a material adverse change, as defined in the applicable agreement.

Furthermore, our financing arrangements require that we maintain minimum amounts of free liquid assets and our subsidiaries and Joint Ventures to hold cash reserves that are, in certain cases, held for specifically designated uses, including working capital, operations and maintenance and debt service reserves, and are generally subject to waterfall provisions that allocate project revenues to specified priorities of use (such as operating expenses, scheduled debt service, targeted debt service reserves and any other reserves) and the remaining cash is distributable to us only on certain dates and subject to satisfaction of certain conditions, including meeting a 1.20 historical and in some cases, projected, debt service coverage ratio.

In addition, the laws governing our Joint Ventures and subsidiaries may prevent these entities from making dividend distributions to us, which would reduce our cash available for distribution to the holders of the Series A Preferred Units. Our Joint Ventures are subject to restrictions under the laws of the Cayman Islands and may only pay distributions out of profits or capital reserves if the Joint Venture entity is solvent after the distribution, Höegh Lampung is subject to Singapore laws and may make dividend distributions only out of profits. Dividends may only be paid by PT Höegh if its retained earnings are positive under Indonesian law. In addition, PT Höegh as an Indonesian incorporated company is required to establish a statutory reserve equal to 20% of its paid up capital. The dividend can only be distributed if PT Höegh's retained earnings are positive after deducting the statutory reserve. As of June 30, 2017 and December 31, 2016, PT Höegh had negative retained earnings and therefore cannot make dividend payments to us under Indonesia law. However, subject to meeting a debt service ratio of 1.20 to 1.00, PT Höegh can distribute cash from its cash flow from operations to us as payment of intercompany accrued interest and/or intercompany debt, after quarterly payments of the Lampung facility and fulfilment of the waterfall provisions to meet operating requirements as defined by the Lampung facility. Under Cayman Islands law, Höegh FSRU III, Höegh FSRU IV and Höegh Colombia Holding may only pay distributions out of profits or capital reserves if the entity is solvent after the distribution. In addition, Höegh FSRU IV would need to remain in compliance with the financial covenants under the credit facility secured by the *Höegh Gallant* and *Höegh Grace* (or *Gallant/Grace facility*). Dividends from Höegh Cyprus may only be distributed (i) out of profits and not from the share capital of the company and (ii) if after the dividend payment, Höegh Cyprus would remain in compliance with the financial covenants under the Gallant/Grace facility.

**We distribute all of our available cash to our limited partners and are not required to accumulate cash for the purpose of meeting our future obligations to holders of the Series A Preferred Units, which may limit the cash available to make distributions on the Series A Preferred Units.**

Subject to the limitations in our partnership agreement, we distribute all of our available cash each quarter to our limited partners. Available cash is defined in our partnership agreement, and it generally means, for each fiscal quarter, all cash on hand at the end of the quarter (including our proportionate share of cash on hand of certain subsidiaries we do not wholly own):

less the amount of cash reserves (including our proportionate share of cash reserves of certain subsidiaries we do not wholly own) established by our board of directors to:  
provide for the proper conduct of our business (including reserves for future capital expenditures and for our anticipated credit needs);

We distribute all of our available cash to our limited partners and are not required to accumulate cash for ~~the~~ purposes

comply with applicable law, any debt instruments, or other agreements;  
provide funds for payments to holders of Series A Preferred Units; or

S-21

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TABLE OF CONTENTS

provide funds for distributions to our limited partners and to our general partner for any one or more of the next four quarters;  
plus all cash on hand (including our proportionate share of cash on hand of certain subsidiaries we do not wholly own) on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter. Working capital borrowings are generally borrowings that are made under our credit agreements and in all cases are used solely for working capital purposes or to pay distributions to partners.  
As a result, we do not expect to accumulate significant amounts of cash. Depending on the timing and amount of our cash distributions, these distributions could significantly reduce the cash available to us in subsequent periods to make payments on the Series A Preferred Units.

**Our Series A Preferred Units are subordinated to our debt obligations, and your interests could be diluted by the issuance of additional limited partner interests, including additional Series A Preferred Units or other Senior Securities or Parity Securities, and by other transactions.**

Our Series A Preferred Units are subordinated to all of our existing and future indebtedness. As of September 25, 2017, our total debt was \$558.0 million and we had the ability to borrow an additional \$60.7 million under our revolving credit facilities, subject to limitations in the credit facilities. We may incur additional debt under these or future credit facilities. The payment of principal and interest on our debt reduces cash available for distribution to us and on our limited partner interests, including the Series A Preferred Units.

The issuance of additional limited partner interests on a parity with or senior to our Series A Preferred Units would dilute the interests of the holders of our Series A Preferred Units, and any issuance of Senior Securities or Parity Securities or additional indebtedness could affect our ability to pay distributions on, redeem or pay the liquidation preference on our Series A Preferred Units. No provisions relating to our Series A Preferred Units protect the holders of our Series A Preferred Units in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, which might adversely affect the holders of our Series A Preferred Units.

**The Series A Preferred Units will rank junior to any Senior Securities and *pari passu* with any Parity Securities.**

Our Series A Preferred Units will rank junior to any Senior Securities and *pari passu* with any Parity Securities and any other class or series of limited partner interests or other equity securities established after the original issue date of the Series A Preferred Units that is not expressly subordinated or senior to the Series A Preferred Units as to the payment of distributions and amounts payable upon liquidation, dissolution or winding up, whether voluntary or involuntary. If less than all distributions payable with respect to the Series A Preferred Units and any Parity Securities are paid, any partial payment shall be made pro rata with respect to Series A Preferred Units and any Parity Securities entitled to a distribution payment at such time in proportion to the aggregate amounts remaining due in respect of such units at such time.

**As a holder of Series A Preferred Units you have extremely limited voting rights.**

Your voting rights as a holder of Series A Preferred Units will be extremely limited. Holders of the Series A Preferred Units generally have no voting rights. However, in the event that six quarterly dividends, whether consecutive or not,

Our Series A Preferred Units are subordinated to our debt obligations, and your interests could be diluted **19** the iss

payable on Series A Preferred Units or any other Parity Securities are in arrears, the holders of Series A Preferred Units will have the right, voting together as a class with all other classes or series of Parity Securities upon which like voting rights have been conferred and are exercisable, to replace one of the members of our board of directors appointed by our general partner with a person nominated by such holders (unless the holders of Series A Preferred Units and Parity Securities upon which like voting rights have been conferred, voting as a class, have previously elected a member of our board of directors, and such director continues then to serve on the board of directors). The right of such holders of Series A Preferred Units to elect a member of our board of directors will continue until such time as all accumulated and unpaid dividends on the Series A Preferred Units have been paid in full. Certain other limited protective voting rights are described in this prospectus under Description of Series A Preferred Units Voting Rights.

S-22

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TABLE OF CONTENTS

**The Series A Preferred Units are a new issuance and do not have an established trading market, which may negatively affect their market value and your ability to transfer or sell your units. In addition, the lack of a fixed redemption date for the Series A Preferred Units will increase your reliance on the secondary market for liquidity purposes.**

The Series A Preferred Units are a new issue of securities with no established trading market. In addition, since the securities have no stated maturity date, investors seeking liquidity will be limited to selling their units in the secondary market absent redemption by us. We intend to apply to list the Series A Preferred Units on the NYSE, but there can be no assurance that the NYSE will accept the Series A Preferred Units for listing. Even if the Series A Preferred Units are approved for listing by the NYSE, an active trading market on the NYSE for the units may not develop or, even if it develops, may not last, in which case the trading price of the Series A Preferred Units could be adversely affected and your ability to transfer your units will be limited. If an active trading market does develop on the NYSE, our Series A Preferred Units may trade at prices lower than the offering price. The trading price of our Series A Preferred Units would depend on many factors, including:

prevailing interest rates;  
the market for similar securities;  
general economic and financial market conditions;  
our issuance of debt or preferred equity securities; and  
our financial condition, results of operations and prospects.

We have been advised by the underwriters that they intend to make a market in the Series A Preferred Units pending any listing of the Series A Preferred Units on the NYSE, but they are not obligated to do so and may discontinue market-making at any time without notice.

**Market interest rates may adversely affect the value of our Series A Preferred Units.**

One of the factors that will influence the price of our Series A Preferred Units will be the distribution yield on the Series A Preferred Units (as a percentage of the price of our Series A Preferred Units) relative to market interest rates.

An increase in market interest rates, may lead prospective purchasers of our Series A Preferred Units to expect a higher distribution yield, and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Accordingly, higher market interest rates could cause the market price of our Series A Preferred Units to decrease.

**The Series A Preferred Units are redeemable at our option.**

We may, at our option, redeem all or, from time to time, part of the Series A Preferred Units on or after October 1, 2022. If we redeem your Series A Preferred Units, you will be entitled to receive a redemption price equal to \$25.00 per unit plus accumulated and unpaid distributions to the date of redemption. It is likely that we would choose to exercise our optional redemption right only when prevailing interest rates have declined, which would adversely affect your ability to reinvest your proceeds from the redemption in a comparable investment with an equal or greater yield to the yield on the Series A Preferred Units had such units not been redeemed. We may elect to exercise our partial redemption right on multiple occasions.

## Risks Related to Our Business

**We have suspended the Acquisition, which may not close, and any settlement of GDF Suez's performance claims may materially affect our Joint Ventures financial condition and results of operations.**

On August 24, 2017, we announced that our wholly owned subsidiary had entered into a term sheet to acquire from MOL 23.5% of the shares of each of the Joint Ventures as well as 23.5% of the outstanding shareholder loans from MOL aggregating \$1.5 million. The Joint Ventures own the FSRUs *Neptune* and *GDF Suez Cape Ann*, which operate under long-term time charters with GDF Suez. Pursuant to the charters, the Joint Ventures undertake to ensure that the vessels meet certain performance standards. The performance standards under each charter require that the vessel not exceed a maximum average daily boil-off of LNG,

S-23

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TABLE OF CONTENTS

subject to certain contractual exclusions. Pursuant to the charters, the hire rate is subject to reduction by GDF Suez in the event of failure to satisfy the performance standards. GDF Suez requested that the Joint Ventures calculate and present the boil-off since the beginning of the time charters, compared with the maximum average daily boil-off allowed under the charters. On September 8, 2017, GDF Suez notified the Joint Ventures that it was formally making a claim for compensation in accordance with the provisions of the charters for a stated quantity of LNG exceeding the maximum average daily boil-off since the beginning for the charters. The charters for the *Neptune* and *GDF Suez Cape Ann* started in 2009 and 2010, respectively. The claim asserted a gross amount of compensation for the excess boil-off volume but the claim recognized that the calculations required adjustment for allowable exclusions under the charters and requested the Joint Ventures provide updated calculations including the exclusions. The Joint Ventures do not agree with the basis for the claim. Depending on interpretations of the contractual provisions including exclusions to the performance standards, we estimate from our preliminary calculations based upon currently available information that our 50% share of the claim adjusted for exclusions could range from zero or negligible amounts to approximately \$14 million. Accordingly, a settlement of the claim for boil-off with GDF Suez could materially adversely affect the Joint Ventures' financial condition and results of operations. We have suspended the Acquisition pending further resolution of this matter. Closing of the Acquisition is subject to the execution of a definitive purchase agreement as well as certain other documentation and final board approvals. We cannot assure you that the Acquisition will close or close without material adjustments. Accordingly, if you decide to purchase Series A Preferred Units in this offering, you should be willing to do so whether or not we complete the Acquisition.

Further, although we are indemnified by Höegh LNG for our share of any losses and expenses related to or arising from the failure of either of the *Neptune* or the *GDF Suez Cape Ann* to meet the performance standards related to the daily boil-off of LNG under their respective time charter, any settlement with GDF Suez could materially adversely affect the Joint Ventures' financial condition and results of operations. Also, Höegh LNG's ability to make payments to us with respect to such indemnification obligations may be affected by events beyond our and its control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, Höegh LNG's ability to meet its indemnification obligations to us may be impaired. If Höegh LNG is unable to meet its indemnification obligations to us or if either of the time charters is terminated by GDF Suez, our financial condition, results of operations and ability to make cash distributions to our unitholders could be materially adversely affected.

**We may experience operational problems with vessels that could reduce revenue, increase costs or lead to termination of our time charters.**

FSRUs are complex and their operations are technically challenging. The operations of our vessels may be subject to mechanical risks. Operational problems may lead to loss of revenue or higher than anticipated operating expenses or require additional capital expenditures. Moreover, pursuant to each time charter, the vessels in our fleet must maintain certain specified performance standards, which may include a guaranteed speed or delivery rate of regasified natural gas, consumption of no more than a specified amount of fuel, not exceed a maximum average daily boil-off or energy balance, loss of earnings and certain liquidated damages payable under the charterer's charter and other performance failures. In addition to the performance claims related to the FSRUs *Neptune* and *GDF Suez Cape Ann* described above, we are investigating a potential performance issue with EgyptCo with respect to the FSRU *Höegh Gallant*. If we fail to maintain these standards, we may be liable to our customers for reduced hire, damages, loss of earnings and certain liquidated damages payable under the charterer's charter and, in certain circumstances, our customers may terminate their respective time charters. Any of these results could harm our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

## Tax Risks

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

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be treated as a passive foreign investment company (or *PFIC*) for U.S. federal income tax purposes if at least 75.0% of its gross income for any taxable year consists of passive income or at least 50.0% of the average value of its

S-24

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TABLE OF CONTENTS

assets produce, or are held for the production of, passive income. For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property, and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute passive income. U.S. unitholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their interests in the PFIC.

Based on our current and projected method of operation, and an opinion of our U.S. counsel, Vinson & Elkins L.L.P., we believe that we were not a PFIC for our 2016 taxable year, and we expect that we will not be treated as a PFIC for the current or any future taxable year. We have received an opinion of our U.S. counsel in support of this position that concludes that the income our subsidiaries earn from certain of our present time-chartering activities should not constitute passive income for purposes of determining whether we are a PFIC. In addition, we have represented to our U.S. counsel that more than 25.0% of our gross income for our 2016 taxable year arose, and we expect that more than 25.0% of our gross income for the current and each future year will arise, from such time-chartering activities or other income our U.S. counsel has opined should not constitute passive income, and more than 50.0% of the average value of our assets for each such year was or will be held for the production of non-passive income. Assuming the composition of our income and assets is consistent with these expectations, and assuming the accuracy of other representations we have made to our U.S. counsel for purposes of their opinion, our U.S. counsel is of the opinion that we should not be a PFIC for our 2016 taxable year, the current year or any future year. This opinion is based and its accuracy is conditioned on representations, valuations and projections provided by us regarding our assets, income and charters to our U.S. counsel. While we believe these representations, valuations and projections to be accurate, the shipping market is volatile and no assurance can be given that they will continue to be accurate at any time in the future.

Moreover, there are legal uncertainties involved in determining whether the income derived from time-chartering activities constitutes rental income or income derived from the performance of services. In *Tidewater Inc. v. United States*, 565 F.3d 299 (5<sup>th</sup> Cir. 2009), the United States Court of Appeals for the Fifth Circuit (or *Fifth Circuit*) held that income derived from certain time-chartering activities should be treated as rental income rather than services income for purposes of a provision of the Internal Revenue Code of 1986, as amended (or *Code*), relating to foreign sales corporations. In that case, the Fifth Circuit did not address the definition of passive income or the PFIC rules; however, the reasoning of the case could have implications as to how the income from a time charter would be classified under such rules. If the reasoning of this case were extended to the PFIC context, the gross income we derive or are deemed to derive from our time-chartering activities may be treated as rental income, and we would likely be treated as a PFIC. In published guidance, the Internal Revenue Service (or *IRS*) stated that it disagreed with the holding in *Tidewater* and specified that time charters similar to those at issue in the case should be treated as service contracts. We have not sought, and we do not expect to seek, an IRS ruling on the treatment of income generated from our time-chartering activities. As a result, the IRS or a court could disagree with our position. No assurance can be given that this result will not occur. In addition, although we intend to conduct our affairs in a manner to avoid, to the extent possible, being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future, or that we will not be a PFIC in the future. If the IRS were to find that we are or have been a PFIC for any taxable year (and regardless of whether we remain a PFIC for any subsequent taxable year), our U.S. unitholders would face adverse U.S. federal income tax consequences. Please read *Material U.S. Federal Income Tax Considerations* *U.S. Federal Income Taxation of U.S. Holders* *PFIC Status and Significant Tax Consequences* for a more detailed discussion of the U.S. federal income tax consequences to U.S. unitholders if we are treated as a PFIC.



TABLE OF CONTENTS

## USE OF PROCEEDS

We expect to receive net proceeds of approximately \$      million from the sale of Series A Preferred Units we are offering (or \$      million if the underwriters exercise in full their option to purchase      additional Series A Preferred Units), after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use a portion of the net proceeds from this offering to repay the approximately \$34.4 million outstanding under the 8% seller's credit note related to the *Höegh Gallant* acquisition. The remainder of the net proceeds will be used for general partnership purposes, which may include the repayment of additional indebtedness or the funding of acquisitions (including the potential Acquisition and/or the potential purchase of the 49% interest in Höegh LNG Colombia Holding Ltd. over which we have a right of first offer) or other capital expenditures.

The seller's credit note bears interest at a rate of 8.0% per annum and matures on January 1, 2020. Proceeds from the seller's credit note were used to partially finance the acquisition of the *Höegh Gallant*.

S-26

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TABLE OF CONTENTS

# RATIO OF EARNINGS TO FIXED CHARGES AND TO FIXED CHARGES AND PREFERRED UNIT DISTRIBUTIONS

The following table sets forth the historical ratio of our consolidated earnings to our consolidated fixed charges and the ratio of our consolidated earnings to our consolidated fixed charges and preferred unit distributions for the periods indicated.

	Six Months Ended June 30, 2017	Year Ended December 31,			
		2016	2015	2014	2013
Ratio of earnings to fixed charges	2.67x	2.38x	2.70x	1.51x	0.93x
Ratio of earnings to fixed charges and preferred unit distributions <sup>(1)(2)</sup>	2.67x	2.38x	2.70x	1.51x	0.93x

For periods prior to our IPO, represents data for our predecessor in respect of the *PGN FSRU Lampung* and the (1) Joint Ventures, which made up our fleet for periods prior to our IPO in August 2014. For purposes of calculating the ratio of earnings to fixed changes:

fixed charges means the sum of the following: (a) interest expensed and capitalized and (b) amortized premiums, discounts and capitalized expenses relating to indebtedness; and

earnings is the amount resulting from (a) adding (i) pre-tax income adjusted for equity in earnings (losses) of joint ventures, (ii) fixed charges, (iii) amortization of capitalized interest and (iv) distributions from equity investees and (b) subtracting interest capitalized.

Preferred unit distributions represents the amount of pre-tax income that is required to pay the cash distributions on outstanding preferred units and is computed as the amount of (x) the distribution divided by (y) the result of one (2) minus the effective income tax rate applicable to continuing operations. We did not have any preferred units outstanding during any of the periods covered in the table. Accordingly, the ratio of earnings to combined fixed charges and preferred unit distributions is the same as the ratio of earnings to fixed charges.

S-27



TABLE OF CONTENTS

**CAPITALIZATION**