Dynagas LNG Partners LP
Form 6-K
September 27, 2017
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of September 2017

Commission File Number: 001-36185

Dynagas LNG Partners LP
(Translation of registrant's name into English)

23, Rue Basse
98000 Monaco
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F [X]   Form 40-F [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): [ ].

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): [ ].

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached as Exhibit 99.1 to this Report on Form 6-K is management's discussion and analysis of financial condition and results of operations and interim unaudited consolidated financial statements for the six months ended June 30, 2017 of Dynagas LNG Partners LP (the "Partnership").

This Report on Form 6-K is hereby incorporated by reference into the Partnership's registration statement on Form F-3 (File No. 333-200659) that was filed with the U.S. Securities and Exchange Commission with an effective date of January 15, 2015.

FORWARD-LOOKING STATEMENTS

This Report on Form 6-K, and the documents to which the Partnership refers in this Report on Form 6-K, as well as information included in oral statements or other written statements made or to be made by the Partnership, contain statements that, in the Partnership's opinion, may constitute forward-looking statements. Statements containing words such as "expect," "anticipate," "believe," "estimate," "likely" or similar words that are used herein or in other written or oral information conveyed by or on behalf of the Partnership are intended to identify forward-looking statements. Forward-looking statements are made based upon management's current expectations and beliefs concerning future developments and their potential effects on the Partnership and involve known and unknown risks and uncertainties. These forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, these forward-looking statements should be considered in light of the information included in this Report on Form 6-K and the information under the heading "Item 3. Key Information—D. Risk Factors" set forth in the Partnership's Annual Report on Form 20-F for the year ended December 31, 2016, which was filed with the Commission on March 20, 2017.

In addition to important factors and matters discussed, or referred to, elsewhere in this Report on Form 6-K, important factors that, in our view, could cause our actual results to differ materially from those discussed in the forward-looking statements include:

- LNG market trends, including charter rates, factors affecting supply and demand, and opportunities for the profitable operations of LNG carriers;
- our anticipated growth strategies;
- the effect of a worldwide economic slowdown;
- potential turmoil in the global financial markets;
- fluctuations in currencies and interest rates;
- general market conditions, including fluctuations in charter hire rates and vessel values;
- changes in our operating expenses, including drydocking and insurance costs and bunker prices;
- forecasts of our ability to make cash distributions on the units or any increases in our cash distributions;

- our future financial condition or results of operations and our future revenues and expenses;
- the repayment of debt and settling of interest rate swaps (if any);
- our ability to make additional borrowings and to access debt and equity markets;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
- our ability to maintain long-term relationships with major LNG traders;
- our ability to leverage our Sponsor's relationships and reputation in the shipping industry;
- our ability to realize the expected benefits from our vessel acquisitions;
- our ability to purchase vessels from our Sponsor and other parties in the future, including the Optional Vessels;
- our continued ability to enter into long-term time charters;
- our ability to maximize the use of our vessels, including the re-deployment or disposition of vessels no longer under long-term time charters;
- future purchase prices of newbuildings and secondhand vessels and timely deliveries of such vessels;
- our ability to compete successfully for future chartering opportunities and newbuilding opportunities (if any);
- acceptance of a vessel by its charterer;
- termination dates and extensions of charters;
- the expected cost of, and our ability to comply with, governmental regulations, maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business;
- availability of skilled labor, vessel crews and management;
- our anticipated incremental general and administrative expenses as a publicly traded limited partnership and our fees and expenses payable under the fleet management agreements and the administrative services agreement with our Manager;
- the anticipated taxation of our Partnership and distributions to our unitholders;
- estimated future maintenance and replacement capital expenditures;

- our ability to retain key employees;
- charterers' 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 common units in the public market;
- our business strategy and other plans and objectives for future operations; and
- other factors detailed in this Report on Form 6-K and from time to time in our periodic reports.

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, except as otherwise required by applicable law. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the 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 units. The various disclosures included in this Report on Form 6-K and in our other filings made with the U.S. Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations should be carefully reviewed and considered.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: September 27, 2017

DYNAGAS LNG PARTNERS LP

By:	/s/ Tony Lauritzen
Name:	Tony Lauritzen
Title:	Chief Executive Officer

Exhibit 99.1

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the financial condition and results of operations of Dynagas LNG Partners LP for the six month periods ended June 30, 2017 and 2016. Unless otherwise specified herein, references to the "Partnership", "we", "our" and "us" or similar terms shall include Dynagas LNG Partners LP and its wholly owned subsidiaries, references to our "Sponsor" are to Dynagas Holding Ltd. and its subsidiaries. References to our "General Partner" are to Dynagas GP LLC and references to our "Manager" are to Dynagas Ltd., which is wholly owned by the chairman of our Board of Directors, Mr. Georgios Prokopiou. All references in this report to "Gazprom", "Statoil" and "Yamal" refer to Gazprom Marketing and Trading Singapore Pte Ltd, Statoil ASA and Yamal Trade Pte. Ltd. respectively, and certain of their respective subsidiaries or affiliates, who are our current or prospective charterers.

You should read the following discussion and analysis together with the unaudited interim condensed consolidated financial statements and related notes included elsewhere in this report. Amounts relating to percentage variations in period-on-period comparisons shown in this section are derived from the unaudited interim condensed consolidated financial statements included elsewhere in this report. The following discussion contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control which could cause actual events or conditions to differ materially from those currently anticipated and expressed or implied by such forward-looking statements. For additional information relating to our management's discussion and analysis of financial condition and results of operation and a more complete discussion of the risks and uncertainties referenced in the preceding sentence, please see our Annual Report on Form 20-F for the year ended December 31, 2016, which was filed with the U.S. Securities and Exchange Commission, or the Commission, on March 20, 2017, and our other filings with the Commission.

Business Overview and Development of the Partnership

We are a master limited partnership currently focused on owning and operating primarily ice-class designated LNG carriers. Five of our six Fleet vessels are currently employed on multi-year time charters, which we define as charters with initial terms of two years or more, with major international energy companies, providing us with the benefits of contracted cash flows and minimal exposure to market or seasonal driven downfalls in utilization rates. We are currently employing our remaining vessel on consecutive short-term charters prior to its delivery to Gazprom in July 2018, when it will commence a charter with duration of approximately eight years.

We intend to leverage the reputation, expertise and relationships with our charterers, our Sponsor and our Manager in pursuing further business and growth opportunities, maintaining cost-efficient operations and providing reliable seaborne transportation services to our current and prospective charterers. In addition, as opportunities arise, we intend to acquire additional vessels from our Sponsor and from third-parties and/or engage in investment opportunities incidental to the LNG industry. In connection with such plans for growth, we may enter into additional financing arrangements, refinance existing arrangements that our Sponsor, its affiliates, or such third party sellers may have in place for vessels that we may acquire, and, subject to favorable market conditions, we may raise capital in the public or private markets, including through debt or equity offerings of our securities. There is no guarantee that we will grow or maintain the size of our Fleet or the per unit distributions that we intend to pay or that we will be able to execute our plans for growth.

As of September 27, 2017, there were outstanding 35,490,000 common units, 35,526 general partner units and 3,000,000 9.00% Series A Cumulative Redeemable Preferred Units, or the Series A Preferred Units. Our Sponsor currently beneficially owns 44.0% of the equity interests (excluding the Series A Preferred Units) in the Partnership and 100% of our General Partner, which owns a 0.1% General Partner interest in the Partnership and 100% of our incentive distribution rights. Our Sponsor does not own any Series A Preferred Units. Our common units and the Series A Preferred Units trade on the New York Stock Exchange, or NYSE, under the symbols "DLNG" and "DLNG PR A", respectively.

End of Subordination period and Conversion of Subordinated Units

On January 23, 2017, upon our payment to unitholders of the quarterly distribution in respect of the fourth quarter of 2016, the conditions set forth in our Third Amended and Restated Limited Partnership Agreement, or the Partnership Agreement, for the conversion of the subordinated units were satisfied and the subordination period expired. At the expiration of the subordination period, the 14,985,000 subordinated units owned by our Sponsor converted into common units on a one-to-one basis.

Securities Offerings

In November 2013, we completed our underwritten initial public offering, or IPO, of 8,250,000 common units at $18.00 per common unit, together with 4,250,000 common units offered by our Sponsor at the same price, and in December 2013, the underwriters in the IPO exercised in full their option to purchase an additional 1,875,000 common units from our Sponsor. The IPO resulted in gross proceeds of approximately $148.5 million to the Partnership and approximately $110.3 million to our Sponsor.

In June 2014, we completed an underwritten public offering of 4,800,000 common units at $22.79 per common unit, and on June 18, 2014, the underwriters in the offering exercised their option to purchase an additional 720,000 common units at the same price. This offering resulted in gross proceeds to the Partnership of approximately $125.8 million.

In September 2014, we completed an underwritten public offering of $250.0 million aggregate principal amount 6.25% Senior Notes due 2019, or our 2019 Notes. The 2019 Notes commenced trading on the NYSE on December 30, 2014 under the ticker symbol "DLNG 19."

In July 2015, we completed an underwritten public offering of 3,000,000 Series A Preferred Units at $25.00 per unit. This offering resulted in gross proceeds to the Partnership of $75 million.

Vessel Acquisitions

In June 2014, we completed the acquisition of the Arctic Aurora, a 2013-built ice class liquefied natural gas carrier, and the related time charter contract, from our Sponsor, pursuant to our right to acquire this vessel under the Omnibus Agreement with our Sponsor in effect at that time.

In September 2014, we completed the acquisition of the Yenisei River, a 2013-built ice class liquefied natural gas carrier, and the related time charter contract, from our Sponsor, pursuant to our right to acquire this vessel under the Omnibus Agreement with our Sponsor in effect at that time.

In December 2015, we completed the acquisition of the Lena River, a 2013-built ice class liquefied natural gas carrier, and the related time charter contract, from our Sponsor, pursuant to our right to acquire this vessel under the Omnibus Agreement with our Sponsor in effect at that time.

Each of the vessel acquisitions described above was financed with a combination of the proceeds we received from our equity and debt offerings and our secured credit facilities. Our secured credit facilities have since been refinanced with the net proceeds from the Term Loan B (defined below).

Recent Events

Quarterly Common Units Cash Distribution

On July 1, 2017, our Board of Directors declared a quarterly cash distribution of $0.4225 per common unit in respect of the second quarter of 2017. This cash distribution was paid on July 18, 2017, to all common unitholders of record as of July 11, 2017.

Series A Preferred Units Cash Distribution

On July 19, 2017, our Board of Directors declared a cash distribution of $0.5625 per unit on our Series A Preferred Units for the period from May 12, 2017 to August 11, 2017. This cash distribution was paid on August 14, 2017, to all Series A Preferred unitholders of record as of August 5, 2017.

$480.0 million Term Loan B- refinancing of existing indebtedness

On May 18, 2017, we refinanced our existing $340.0 million senior secured Credit Suisse AG facility and our existing $200.0 million ABN Amro NV term loan facility with a new $480.0 million institutional senior secured term loan B due in 2023 (the "Term Loan B"). The Term Loan B provides for 0.25% quarterly amortization on the principal and a bullet payment at maturity. The Term Loan B is secured by, among other things, the six LNG carriers in our Fleet.

Optional Vessels- extension of purchase option exercise deadline

On March 30, 2017, we agreed with our Sponsor to extend the deadline for exercising the purchase options relating to both the Clean Ocean and the Clean Planet granted to us under our Amended and Restated Omnibus Agreement with our Sponsor, or the Omnibus Agreement, from March 31, 2017 to March 31, 2018. Pursuant to the Omnibus Agreement, following this extension and as of the date of this report, we have the right but not the obligation, subject to certain terms and conditions, to acquire (i) our Sponsor's 100% ownership interest in four fully winterized LNG carriers, or the Initial Optional Vessels, and (ii) our Sponsor's ownership interest (which is currently 49.0%) in each of five entities jointly owned and operated by our Sponsor and two unrelated parties, which each own a 172,000 cubic meter ARC 7 LNG carrier, or the Additional Optional Vessels, after their respective delivery from the shipyard, at the period specified and as per the terms prescribed in the Omnibus Agreement. We refer to the Initial Optional Vessels and the Additional Optional Vessels together as the Optional Vessels.

Our Fleet and Our Charters

As of September 27, 2017, our Fleet consisted of six LNG carriers with an average age of 7.1 years. Five of our six fleet vessels are contracted on multi-year time charters with international energy companies such as Gazprom, Statoil and Yamal. One of our LNG carriers is currently trading in the spot market prior to its delivery to Gazprom in July 2018, when it will commence a time charter with a term of approximately eight years. As of September 27, 2017, the estimated contracted revenue backlog of our Fleet was approximately $1.48 billion with average remaining contract duration of 10.2 years. Our above referenced Fleet estimated contract backlog includes the charters of the Yenisei River and the Lena River with Yamal which are subject to the satisfaction of important conditions, which, if not satisfied, or waived by the charterer, may result in their cancellation or amendment before or after the charter term commences and in such case the Partnership may not receive the contracted revenues thereunder. The contracted revenue backlog of our Fleet excludes options to extend and assumes full utilization for the full term of the charter. The actual amount of revenues earned and the actual periods during which revenues are earned may differ from the amounts and periods described above due to, for example, off-hire for maintenance projects, downtime, scheduled or unscheduled dry-docking, cancellation or early termination of vessel employment agreements, and other factors that result in lower revenues than our average contract backlog per day.

The following table sets forth summary information about our Fleet and the existing time charters relating to the vessels in our Fleet as of September 27, 2017:

Vessel Name	Year Built	Capacity (cbm)	Ice Class	Propulsion	Charterer	Earliest Charter Expiration Date	Latest Charter Expiration Including Non-Exercised Options
Clean Energy	2007	149,700	No	Steam	Spot Market	N/A	N/A
					Gazprom	March 2026	April 2026 (1)
Ob River	2007	149,700	Yes	Steam	Gazprom	April 2018	May 2018
					Gazprom	March 2028	May 2028 (2)
Amur River	2008	149,700	Yes	Steam	Gazprom	June 2028	August 2028
Arctic Aurora	2013	155,000	Yes	Tri-fuel diesel engine (TFDE)	Statoil	July 2018	October 2018
Yenisei River	2013	155,000	Yes	Tri-fuel diesel engine (TFDE)	Gazprom	July 2018	August 2018
					Yamal	2033/2034	2049 (3)
Lena River	2013	155,000	Yes	Tri-fuel diesel engine (TFDE)	Gazprom	September 2018	October 2018
					Yamal	2034/2035	2049/2050 (3)

(1) In October 2016, we entered into a time charter contract with Gazprom for the employment of the Clean Energy for a firm period of seven years and nine months. The charter is expected to commence in July 2018.

(2) Upon its current contract expiration with Gazprom, the Ob River is expected to commence employment under a new multi-year time charter contract with the same charterer for a firm period of ten years.

(3) The Yenisei River and the Lena River are each contracted to commence employment within one-year delivery windows starting January 1, 2019 and June 30, 2019, respectively, under multi-year time charter contracts with Yamal in the Yamal LNG Project, each with an initial term of 15 years, which may each be extended by three consecutive periods of five years. Each of these time charter contracts is subject to important conditions, which, if not satisfied, or waived by the charterer, may result in their cancellation, early termination or amendment, before or after their charter term commences, in which case, we may not receive the contracted revenues thereunder.

The following table summarizes our contracted charter revenues and contracted days for the vessels in our Fleet as of September 27, 2017 and for the each of the years ending December 31, 2017, 2018 and 2019:

	2017	2018	2019
Contracted time charter revenues (in millions of U.S. Dollars) (1)	$37.5	$105.7	$102.7
Contracted days	565	1,577	1,642
Available Days (2)	570	2,109	2,190
Contracted/Available Days	99%	75%	75%

(1) Annual revenue calculations are based on: (a) the earliest redelivery dates possible under our charters, (b) no exercise of any option to extend the terms of those charters except for those that have already been exercised, if any, and (c) excluding planned periodical class survey repair days.

(2) Assumes 27 scheduled dry-docking days for the three TFDE vessels in our Fleet which will undergo their scheduled special survey and dry-dock in 2018.

We may not be able to perform under these contracts due to events within or beyond our control, and our counterparties may seek to cancel or renegotiate our contracts for various reasons. In addition, as of June 30, 2017, we derived all of our revenues from three charterers, accounting for 70%, 19% and 11% of our total revenues, respectively. Our inability or the inability of any of our counterparties, to perform their respective contractual obligations may affect our ability to realize the estimated contractual backlog discussed above and may have a material adverse effect on our financial position, results of operations and cash flows and our ability to realize the contracted revenues under these agreements. Our estimated contract backlog may be adversely affected if the Yamal

LNG Project, in which certain of our vessels are contracted to be employed, is delayed, abandoned or not completed for any reason, including but not limited to changes in the demand for LNG. Readers are cautioned not to place undue reliance on this information. Neither our independent auditors nor any other independent accountants have compiled, examined or performed any procedures with respect to the information presented in the table, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the information in the table.

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Operating results

Selected Information

The following tables present selected unaudited consolidated financial and other data of the Partnership, at the dates and for the periods presented. All amounts are expressed in United States Dollars, except for Fleet Data, unit and per unit data and Other Financial Data.

Selected Historical Financial Data and Other Operating Information	Six Months Ended June 30, 2017	2016
STATEMENTS OF INCOME DATA:		
(In thousands of U.S. Dollars, except for units and per unit data)		
Voyage revenues	$71,067	$85,379
Voyage expenses- including related party [(1)]	(2,217)	(1,464)
Vessel operating expenses	(14,161)	(13,020)
Dry-docking and special survey costs	(5,131)	—
General and administrative expenses- including related party [(2)]	(840)	(1,074)
Management fees-related party	(3,056)	(2,983)
Depreciation	(15,035)	(15,111)
Operating income	$30,627	$51,727
Interest and finance costs, net	(22,615)	(17,405)
Other, net	(281)	(221)
Net Income	$7,731	$34,101
Common unitholders' interest in Net Income	$3,110	$17,715
Series A Preferred unitholders' interest in Net Income	$3,375	$3,375
Subordinated unitholders' interest in Net Income	$1,208	$12,946
General Partner's interest in Net Income	$38	$65
Earnings per unit (basic and diluted):		
Common Unit	$0.09	$0.86
Weighted average number of units outstanding (basic and diluted):		
Common units	33,585,829	20,505,000

Selected Historical Financial Data and Other Financial Information	Six Months Ended June 30, 2017	2016
CASH FLOW DATA:		
Net cash provided by operating activities	$ 29,568	$ 53,299
Net cash used in investing activities	$ —	$ (37,178)
Net cash (used in)/ provided by financing activities	$ (12,852)	$ 16,834
FLEET DATA:		
Number of vessels at the end of period	6	6
Average number of vessels in operation in period [(3)]	6	