Höegh LNG Partners LP – The Floating LNG Infrastructure MLP

HÖEGH LNG PARTNERS LP

4Q17 Financial Results

February 28, 2018

Forward-Looking Statements

This presentation contains certain forward-looking statements concerning future events and our operations, performance and financial condition. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words “believe,” “anticipate,” “expect,” “estimate,” “project,” “future”, “will be,” “will continue,” “will likely result,” “plan,” “intend” or words or phrases of similar meanings. These statements involve known and unknown risks and 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. Important factors that could cause actual results to differ materially include, but are not limited to: FSRU and LNG carrier market trends, 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; the anticipated review by HLNG of the IDR structure and changes, if any, of such review; restrictions in our debt agreements and pursuant to local laws on our joint ventures’ and our subsidiaries’ ability to make distributions to us; the ability of Höegh LNG to satisfy its indemnification obligations to us; our ability to integrate and realize the anticipated benefits from the acquisitions; our anticipated growth strategies; our anticipated receipt of dividends and repayment of shareholder loans and other 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; our continued ability to enter into long-term, fixed-rate charters; the operating performance of our vessels and any related claims by 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; 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 any 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, including our Annual Report on Form 20-F for the year ended December 31, 2016 and subsequent quarterly reports on Form 6-K. All forward-looking statements included in this presentation are made only as of the date of this presentation. New factors emerge from time to time, and it is not possible for the Partnership to predict all of these factors. Further, the Partnership cannot assess the impact of each such factor on its 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. The Partnership does not intend to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

Glossary

- "HMLP" – Höegh LNG Partners LP
- "HLNG" – Höegh LNG Holdings Ltd.
- "Höegh LNG Group" – HMLP and HLNG
- "LNGC" – Liquefied Natural Gas Carrier
- "FSRU" – Floating Storage and Regasification Unit
- "EGAS" – Egyptian Natural Gas Holding Company
- "PGN" – Perusahaan Gas Negara
- "SPEC" – Sociedad Portuaria El Cayao S.A. E.S.P. (JV of Promigas and private equity)

HMLP Fourth Quarter Highlights

- High-quality modern assets generated stable cash-flows in accordance with long-term contracts
- Highest ever quarterly results for Distributable cash flow(1)
- Particularly active quarter:
  - Oct: Diversified growth capital through $115 million perpetual preferred offering
  - Dec: Expanded with the acquisition of the remaining 49% interest in the *Höegh Grace*
- Post quarter-end:
  - Declared and paid $0.43 per unit distribution on common and subordinated units with respect to the quarter
  - Paid a $0.78993 per unit distribution on the Series A preferred units for the period commencing on October 5, 2017 to February 14, 2018(2)
  - Commenced an "at-the-market" common and preferred unit offering program ("ATM program")

(1) Distributable cash flow, Segment EBITDA, Adjusted Net Income and Limited Partners' Interest in Adjusted Net Income are non-GAAP financial measures. For a definition of each of these non-GAAP financial measures and reconciliations to their most directly comparable US GAAP financial measure, please see the Appendix.
(2) Subsequent quarterly distributions to be $0.546875 per unit, equivalent to $2.1875 per unit on an annual basis

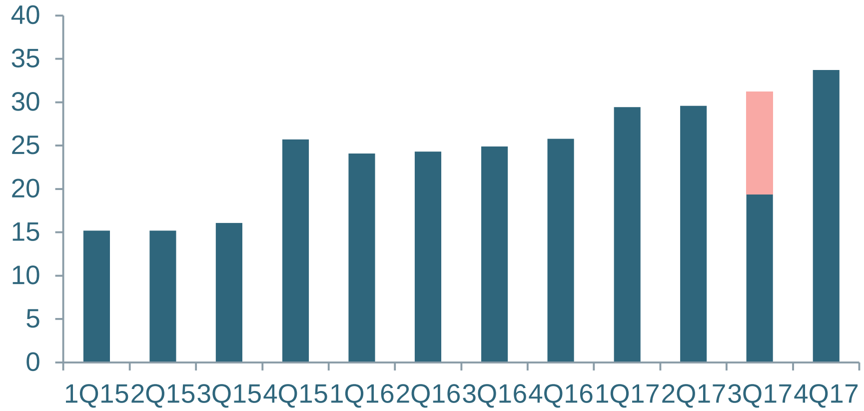
HMLP Partners Fourth Quarter Highlights (cont.)

(in millions of U.S. dollars)	Three months ended December 31, 2017	2016
Time charter revenue	37.6	23.3
Operating income	29.7	33.2
Net income	25.4	24.9
Limited partners' interest in net income	20.9	24.9
Excluding unrealized losses (gains) on derivative instruments:[(1)]		
Operating income	26.0	17.1
Excluding unrealized losses (gains) on derivative instruments and fx losses (gains):[(2)]		
Limited Partners' interest in adjusted net income[(3)]	16.4	8.1
Segment EBITDA[(3)]	33.7	25.8
Excluded from Segment EBITDA:		
Principal payment of direct financing lease	0.9	0.8
Amortization in revenues for above market contracts	0.9	0.6
Non-controlling interest: amortization of above market contract	(0.1)	0.0
Amortization for deferred revenue	(0.6)	(0.5)
Non-cash revenue: tax paid directly by charterer	(0.2)	0.0

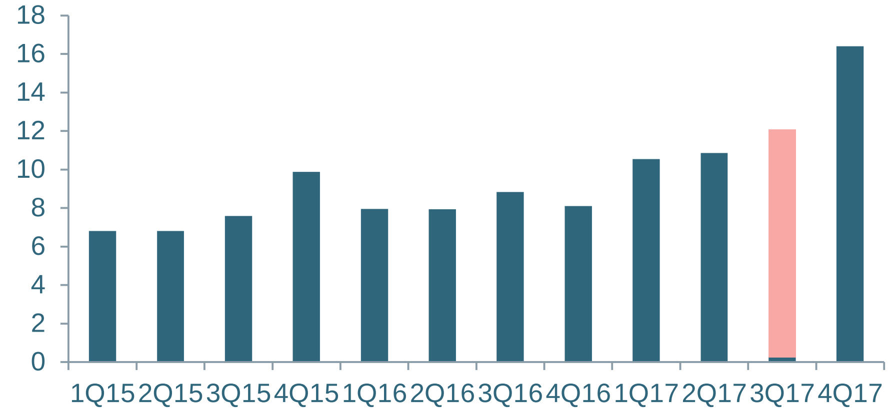
(1) Adjusts for share of (gains) losses for derivatives held by joint ventures for operating income
(2) Adjusts for all (gains) losses on derivatives and all foreign exchange (gains) losses
(3) Limited partners' interest in adjusted net income and Segment EBITDA are non-GAAP financial measures. See the Appendix for a reconciliation of Limited partners' interest in adjusted net income and Segment EBITDA to net income, the most directly comparable GAAP financial measure

Highest ever quarterly results for Distributable cash flow[1]

Segment EBITDA[1][2], $m

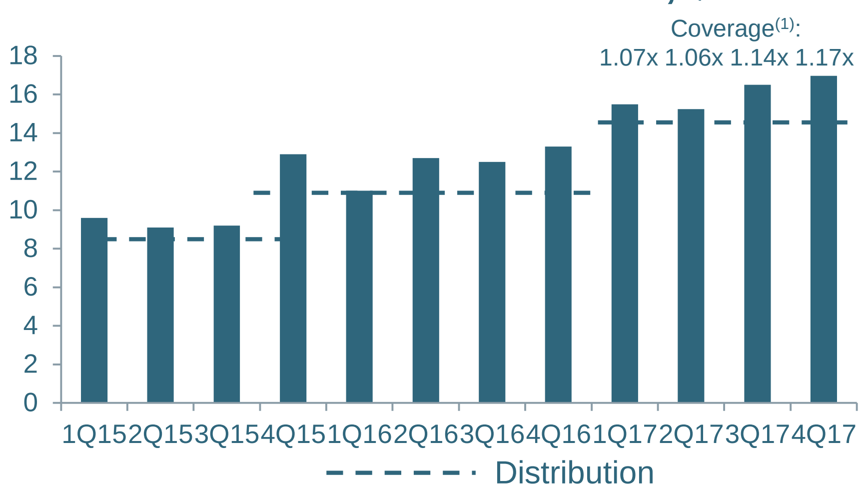


Adj. Net Income[1], $m

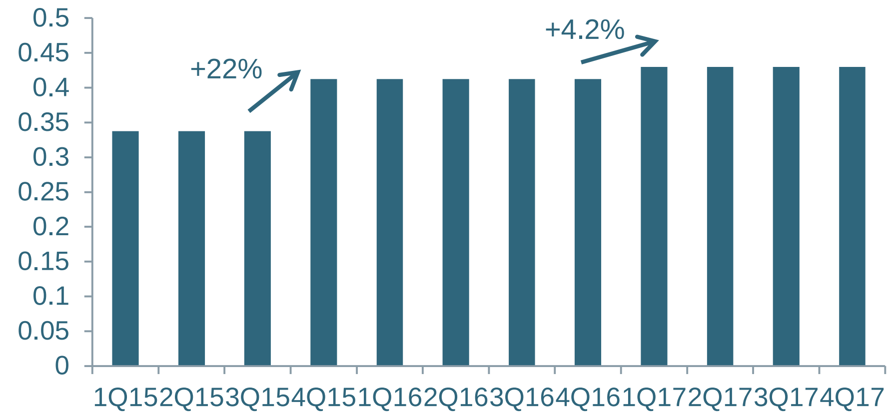


Indemnity[3]

Distributable Cash Flow[1], $m



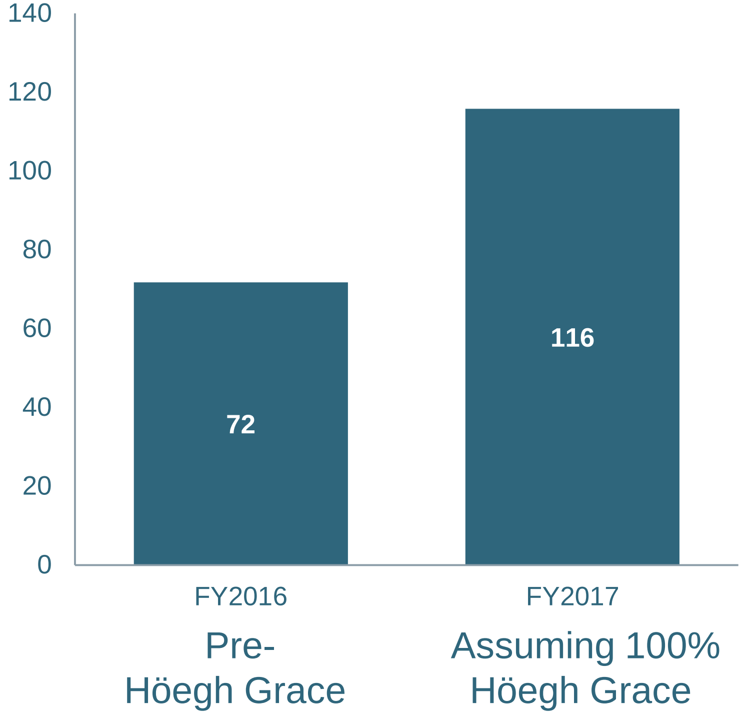
Distribution, $/unit



(1) Adjusted Net Income, Segment EBITDA, Distributable cash flow and Coverage are non-GAAP financial measures. For a definition of each of these non-GAAP financial measures and reconciliations to their most directly comparable US GAAP financial measure, please see the Appendix. Following the acquisition of the 51% interest in the Höegh Grace, Limited Partners' Interest in Adjusted Net Income is presented from 1Q17
(2) Excludes principal payment on direct financing lease, amortization in revenues for above market contracts and equity in earnings of JVs: amortization for deferred revenue.
(3) Non-cash accrual related to boil-of-gas claim to be indemnified by HLNG

Acquisition Of The Remaining 49% of Höegh Grace

Majority Held FSRUs (Segment EBITDA[(1)]), $m



- Closed December 1, 2017
- $85.9 million purchase price
- Funded with 8.75% perpetual preferred offering and draw/re-draw on RCF
- $86.6 million proportional share of total debt[(2)]
- $352 million valuation (100%)

Acquisition substantially additive to EBITDA

(1) Segment EBITDA is a non-GAAP financial measure. Please see Appendix for a reconciliation of Segment EBITDA to net income, the most directly comparable GAAP financial measure
(2) As of December 31, 2017

HMLP: Five FSRUs Serving as LNG Importation Terminals Globally

Neptune (50%)(1)

- Operating as an FSRU in Turkey under subcontract from Engie subsidiary

GDF Suez Cape Ann (50%)(1)

- Returned to Tianjin, China operating as an FSRU before the start of a H-Energy subcontract in Maharashtra, India

PGN FSRU Lampung

- Located offshore Sumatra, Indonesia, to replace imported liquid fuels with domestic LNG to support electricity demand

Höegh Gallant (100% since 4Q15)

- Chartered by EGAS to cover Egypt's deficit in domestic gas supply

Höegh Grace (100% since 4Q17)

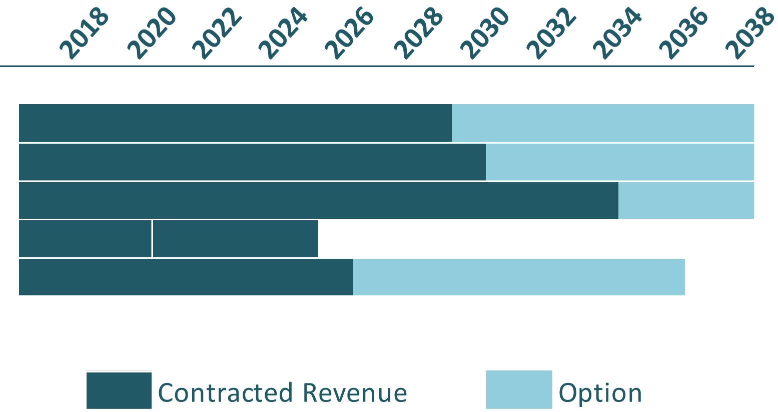
- Serving as a LNG import terminal in Cartagena, on the Atlantic coast of Colombia

Increasingly diversified portfolio of modern, high-quality assets

(1) The Neptune and the GDF Suez Cape Ann are both included within Engie's upstream & midstream LNG activities that are the subject of a potential acquisition by Total announced on November 8, 2017

11+ Year Average Contract Length and Full Contract Coverage Through 2025

Unit	Type	Ownership	Built	Region	Charterer
Current HMLP Fleet					
Neptune	FSRU	50%	2009	Turkey	Engie[2]
GDF Suez Cape Ann	FSRU	50%	2010	China	Engie[2]
PGN FSRU Lampung	FSRU	100%[1]	2014	Indonesia	PGN
Höegh Gallant	FSRU	100%	2014	Egypt	EGAS/HLNG[3]
Höegh Grace	FSRU	51%	2016	Colombia	SPEC



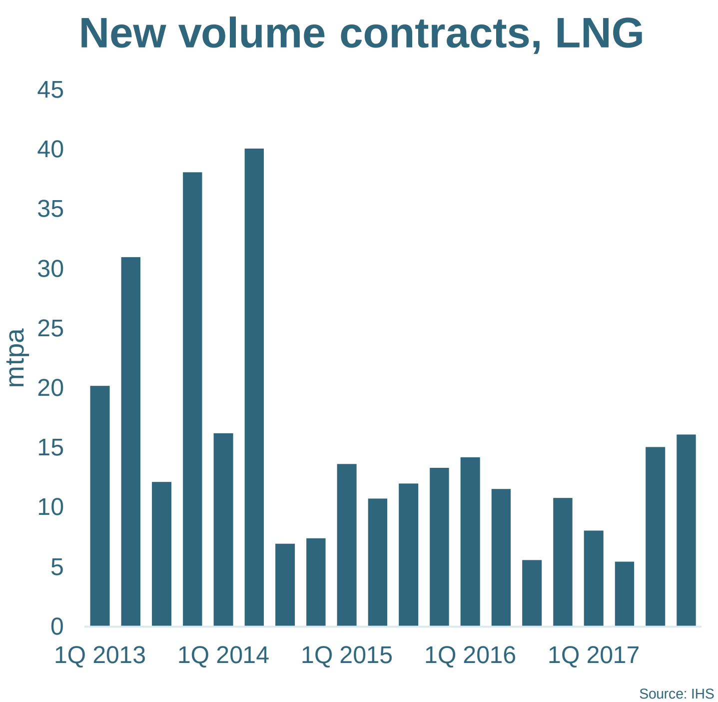
Unit	Type	Ownership	Built	Region	Charterer
HLNG FSRU Fleet					
Independence	FSRU	100%	2014	Lithuania	KN
Höegh Giant	FSRU	100%	2017		GNF
FSRU#8	FSRU	100%	2018		
FSRU#9	FSRU	100%	2019		
FSRU#10	FSRU	100%	2019		

Fixed Rate, Contracted Cash Flow Supports Long-Term Distributions

(1) Economic interest; ownership interest 49%
(2) Engie subsidiary, GDF Suez LNG Supply SA
(3) Includes HMLP option to charter FSRU *Höegh Gallant* to HLNG after end of EGAS contract

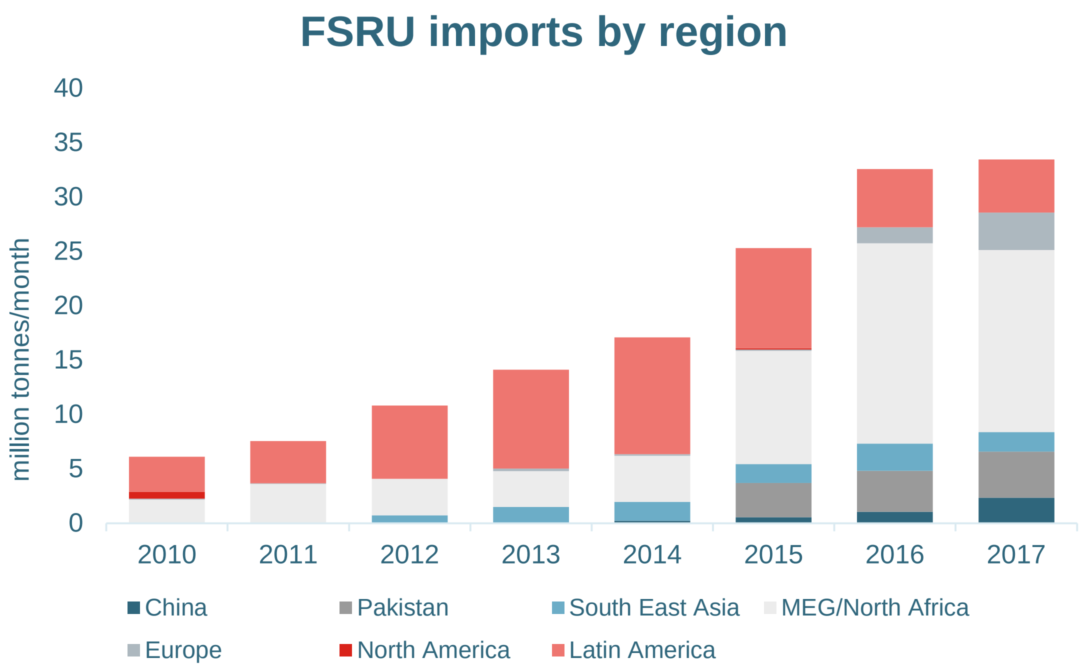
FSRU Market Update

- HLNG's business development activity continues to increase, coinciding with a rebound in the volume of sales contracts for LNG
- New business opportunities evaluated on a more frequent basis
- HLNG is currently involved in several advanced tendering processes
- Strategic partnerships pursued as a channel for growing the contract backlog



LNG Infrastructure Correlated to New LNG Volumes and Evolving Spot Market

China, Turkey and Pakistan Adding to FSRU Imports in 2017



Source: IHS, HLNG

Potential New Projects in Public Domain

- Australia
- Brazil
- Colombia
- Cote d'Ivoire
- Croatia
- Greece
- Hong Kong
- Lebanon
- Mexico
- Pakistan
- Turkey
- UAE
- UK

Income Statement

(in thousands of U.S. dollars)	Three months ended December 31, 2017	Three months ended December 31, 2016	Year ended December 31, 2017	Year ended December 31, 2016
REVENUES				
Time charter revenues	$ 37,574	23,308	143,531	$ 91,107
Total revenues	37,574	23,308	143,531	91,107
OPERATING EXPENSES				
Vessel operating expenses	(6,077)	(3,372)	(23,791)	(16,080)
Construction contract expenses	—	—	(151)	(315)
Administrative expenses	(2,622)	(2,682)	(9,910)	(9,718)
Depreciation and amortization	(5,265)	(2,639)	(21,054)	(10,552)
Total operating expenses	(13,964)	(8,693)	(54,906)	(36,665)
Equity in earnings (losses) of joint ventures	6,102	18,632	5,139	16,622
Operating income (loss)	29,712	33,247	93,764	71,064
FINANCIAL INCOME (EXPENSE), NET				
Interest income	159	160	500	857
Interest expense	(6,858)	(6,135)	(30,085)	(25,178)
Gain (loss) on derivative instruments	982	661	2,463	1,839
Other items, net	(718)	(554)	(3,574)	(3,333)
Total financial income (expense), net	(6,435)	(5,868)	(30,696)	(25,815)
Income (loss) before tax	23,277	27,379	63,068	45,249
Income tax benefit (expense)	2,104	(2,446)	(3,878)	(3,872)
Net income (loss)	$ 25,381	24,933	59,190	$ 41,377
Non-controlling interest in net income	1,953	—	10,408	—
Preferred unitholders' interest in net income	2,480	—	2,480	—
Limited partners' interest in net income (loss)	$ 20,948	24,933	46,302	$ 41,377

Financial Income and Expense

(in thousands of U.S. dollars)	Three months ended December 31, 2017	2016
Interest income	$ 159	$ 160
Interest expense:		
Interest expense	(6,410)	(5,389)
Commitment fees	(250)	(279)
Amortization of debt issuance cost and fair value of debt assumed	(198)	(467)
Total interest expense	(6,858)	(6,135)
Gain (loss) on derivative instruments	982	661
Other items, net:		
Unrealized foreign exchange gain (loss)	(46)	140
Realized foreign exchange gain (loss)	(2)	(94)
Bank charges, fees and other	(39)	(45)
Withholding tax on interest expense and other	(631)	(555)
Total other items, net	(718)	(554)
Total financial income (expense), net	$ (6,435)	$ (5,868)

Segment Reporting

(in thousands of U.S. dollars)	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Elimin-ations		Consolidated reporting
	Three months ended December 31, 2017						
Time charter revenues	$ 37,574	10,557	—	48,131	(10,557)	(2)	$ 37,574
Total revenues	37,574	10,557	—	48,131			37,574
Operating expenses	(6,986)	(2,292)	(1,713)	(10,991)	2,292	(2)	(8,699)
Equity in earnings (losses) of joint ventures	—	—	—	—	6,102	(2)	6,102
Less: Non-controlling interest in Segment EBITDA	(3,438)	—	—	(3,438)	3,438	(3)	—
Segment EBITDA (1)	**27,150**	**8,265**	**(1,713)**	**33,702**			
Add: Non-controlling interest in Segment EBITDA	3,438	—	—	3,438	(3,438)	(3)	—
Depreciation and amortization	(5,265)	(2,435)	—	(7,700)	2,435	(2)	(5,265)
Operating income (loss)	25,323	5,830	(1,713)	29,440			29,712
Gain (loss) on derivative instruments	982	3,681	—	4,663	(3,681)	(2)	982
Other financial income (expense), net	(7,047)	(3,409)	(370)	(10,826)	3,409	(2)	(7,417)
Income (loss) before tax	19,258	6,102	(2,083)	23,277	—		23,277
Income tax benefit (expense)	2,088	—	16	2,104	—		2,104
Net income (loss)	$ 21,346	6,102	(2,067)	25,381	—		$ 25,381
Non-controlling interest in net income	1,953	—	—	1,953	—		1,953
Preferred unitholders' interest in net income	—	—	—	—	2,480	(4)	2,480
Limited partners' interest in net income (loss)	$ 19,393	6,102	(2,067)	23,428	(2,480)	(4)	$ 20,948

(1) Segment EBITDA is a non-GAAP financial measure. For a definition of Segment EBITDA and reconciliations to net income, the most directly comparable US GAAP financial measure, please see the Appendix.
(2) Eliminations reverse each of the income statement line items of the proportional amounts for joint venture FSRUs and record the Partnership's share of the joint venture FSRUs net income (loss) to Equity in earnings (loss) of joint ventures.
(3) Eliminations reverse the adjustment to Non-controlling interest in Segment EBITDA included for Segment EBITDA and the adjustment to reverse the Non-controlling interest in Segment EBITDA to reconcile to operating income and net income.
(4) Allocates the preferred unitholders' interest in net income to the preferred unitholders.

Segment Reporting – 2016 Comparison

(in thousands of U.S. dollars)	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Elimin-ations (2)	Consolidated reporting
	Three months ended December 31, 2016					
Time charter revenues	$ 23,308	11,218	—	34,526	(11,218)	$ 23,308
Total revenues	23,308	11,218	—	34,526		23,308
Operating expenses	(3,999)	(2,626)	(2,055)	(8,680)	2,626	(6,054)
Equity in earnings (losses) of joint ventures	—	—	—	—	18,632	18,632
Segment EBITDA (1)	**19,309**	**8,592**	**(2,055)**	**25,846**		
Depreciation and amortization	(2,639)	(2,395)	—	(5,034)	2,395	(2,639)
Operating income (loss)	16,670	6,197	(2,055)	20,812		33,247
Gain (loss) on derivative instruments	661	16,120	—	16,781	(16,120)	661
Other financial income (expense), net	(5,412)	(3,685)	(1,117)	(10,214)	3,685	(6,529)
Income (loss) before tax	11,919	18,632	(3,172)	27,379	—	27,379
Income tax expense	(2,430)	—	(16)	(2,446)	—	(2,446)
Net income (loss)	$ 9,489	18,632	(3,188)	24,933	—	$ 24,933

(1) Segment EBITDA is a non-GAAP financial measure. For a definition of Segment EBITDA and reconciliations to net income, the most directly comparable US GAAP financial measure, please see the Appendix.
(2) Eliminations reverse each of the income statement line items of the proportional consolidation amounts for joint venture FSRUs and record the Partnership's share of the Joint venture FSRUs' net income (loss) to Equity in earnings (loss) of joint ventures.

Balance Sheet

(in thousands of U.S. dollars)	As of December 31, 2017	As of December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	$ 22,679	$ 18,915
Restricted cash	6,962	8,055
Other current assets	16,785	17,391
Total current assets	46,426	44,361
Long-term assets		
Restricted cash	13,640	14,154
Cash designated for acquisition	—	91,768
Vessels, net of accumulated depreciation	679,041	342,591
Net investment in direct financing lease	282,820	286,626
Other long-term assets	37,032	30,967
Total long-term assets	1,012,533	766,106
Total assets	$ 1,058,959	$ 810,467
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of long-term debt	$ 45,458	$ 32,208
Amounts due to owners and affiliates	1,417	1,374
Other current liabilities	16,949	24,234
Total current liabilities	63,824	57,816
Long-term liabilities		
Long-term debt	434,845	300,440
Revolving credit and seller's credit due to owners and affiliates	51,832	43,005
Other long-term liabilities	33,799	44,416
Total long-term liabilities	520,476	387,861
Total liabilities	584,300	445,677
Total partners' capital	474,659	364,790
Non-controlling interest	—	—
Total Equity	474,659	364,790
Total liabilities and equity	$ 1,058,959	$ 810,467

Distributable Cash Flow

(in thousands of U.S. dollars)		Three months ended December 31, 2017
Segment EBITDA (1)	**$**	**33,702**
Cash collection/Principal payment on direct financing lease		900
Amortization in revenues for above market contracts		915
Non-controlling interest: Amortization of above market contract		(101)
Equity in earnings of JVs: Amortization of deferred revenue		(588)
Non-cash revenue: Tax paid directly by charterer		(229)
Non-controlling interest: Non-cash revenue		34
Interest income (2)		187
Interest expense (2)		(10,295)
Amortization of debt issuance cost (2) and fair value of debt assumed		242
Other items, net (2)		(718)
Unrealized foreign exchange losses (gains)		47
Current income tax expense, net of uncertain tax position		659
Non-cash income tax: Tax paid directly by charterer		229
Non-controlling interest: Finance and tax items		714
Other adjustments:		
Refund to Höegh LNG of previous indemnifications for non-budgeted expenses		(1,534)
Distributions relating to Series A preferred units		(2,480)
Estimated maintenance and replacement capital expenditures		(4,725)
Distributable cash flow	$	**16,959**
Declared distribution		14,445
Coverage ratio		1.17x

(1) Segment EBITDA and Distributable cash flow are non-GAAP measures. For a definition of each of these non-GAAP measures and reconciliations to their comparable US GAAP financial measures, please see the Appendix.
(2) The Partnership's interest in the joint ventures' interest income, interest expense and amortization of debt issuance cost is $28, $3,438 and $44 respectively.

Reconciliation of Distributable Cash Flow to Net Cash Provided by (Used in) Operating Activities

(in thousands of U.S. dollars)		Three months ended December 31, 2017
Distributable cash flow (1)	$	**16,959**
Estimated maintenance and replacement capital expenditures		4,725
Distributions relating to Series A preferred units		2,480
Refund to Höegh LNG of previous indemnifications for non-budgeted expenses		1,534
Non-controlling interest in Segment EBITDA		3,438
Non-controlling interest: Amortization of above market contract		101
Non-controlling interest: Finance and tax items		(714)
Non-controlling interest: Non-cash revenue		(34)
Equity in earnings of JVs: Amortization of deferred revenue		588
Equity in earnings of JVs: Amortization of debt issuance cost		(44)
Equity in earnings of JVs: Depreciation and amortization		(2,435)
Equity in earnings of JVs: Gain (loss) on derivative instruments		3,681
Equity in losses (earnings) of joint ventures		(6,102)
Cash collection/Principal payment on direct financing lease		(900)
Changes in accrued interest expense and interest income		266
Other adjustments		111
Changes in working capital		(2,133)
Net cash provided by (used in) operating activities	$	**21,521**

(1) Distributable cash flow is a non-GAAP liquidity measure. For a definition of distributable cash flow, please see the Appendix.

Höegh LNG Partners LP (NYSE:HMLP) – Investment Summary

Pure Play Owner and Operator of FSRUs	• The only publicly listed FSRU pure play • Leading player in highly concentrated FSRU market
Modern Assets Providing Critical Energy Infrastructure	• Average vessel age of under 5 years(1) • Meeting critical energy infrastructure needs
Growing Portfolio of Long-term Contracts	• Current fleet of five FSRUs on long-term, fixed-rate contracts • Average remaining contract term of 11.5 years plus options(2,3)
Dropdown Driven Distribution Growth	• Potential pipeline of high-quality dropdown assets • Accretive acquisitions of FSRUs expected to drive distribution growth
Favorable Industrial Fundamentals	• Readily available LNG supply to drive FSRU adoption globally • Environmental benefits of oil and coal displacement
Supportive General Partner	• Largest FSRU company in the industry • Review of incentive distribution right structure initiated by HLNG

(1) As of December 31, 2017
(2) As of December 31, 2017, 18.5 years including options
(3) Earliest contract expiry in 2025 including HMLP option to charter FSRU *Höegh Gallant* to HLNG after end of EGAS contract

HÖEGH LNG PARTNERS LP

Appendix

Non-GAAP Financial Measures

Adjusted Net Income and Limited partners' Interest in Adjusted Net Income

Adjusted Net Income is defined as net income adjusted for unrealized gains and losses on derivative instruments, foreign exchange gains and losses and non-controlling interest. *Limited partners' Interest in Adjusted Net Income* is adjusted net income less non-controlling interest, less non-controlling interest in gain (loss) on derivatives in majority held FSRUs. The adjustment for unrealized gains and losses on derivative instruments includes our share of such gains and losses related to the joint ventures accounted for under the equity method in addition to those gains and losses reflected as financial income (expense), net in the consolidated statements of income. Adjusted Net Income and Limited partners' Interest in Adjusted Net Income is used as a supplemental financial measure by management to assess its operating performance. The Partnership believes that Adjusted Net Income and Limited partners' Interest in Adjusted Net Income assists its management and investors by increasing the comparability of its performance from period to period and against the performance of other companies in the industry that provide Adjusted Net Income and Limited partners' Interest in Adjusted Net Income information. This increased comparability is achieved by excluding the potentially disparate effects between periods, which items are affected by different accounting solutions for interest rate swaps and swings in exchange rates which may significantly affect net income between periods. Adjusted Net Income and Limited partners' Interest in Adjusted Net Income should not be considered an alternative to net income or any other measure of financial performance presented in accordance with U.S. GAAP. Adjusted Net Income and Limited partners' Interest in Adjusted Net Income excludes some, but not all, items that affect net income and partners' interest in net income, and these measures may vary among other companies. Therefore, Adjusted Net Income and Limited partners' Interest in Adjusted Net Income as presented below may not be comparable to similarly titled measures of other companies. The following table reconciles Adjusted Net Income and Limited partners' Interest in Adjusted Net Income to Net Income (Loss), the comparable U.S. GAAP financial measure, for the periods presented:

	Three months ended									
(in thousands of U.S. dollars)	**December 31, 2015**	**September 30, 2015**	**March 31, 2016**	**June 30, 2016**	**September 30, 2016**	**December 31, 2016**	**March 31, 2017**	**June 30, 2017**	**September 30, 2017**	**December 31, 2017**
Net Income (Loss)	$ 5,185	17,078	(1,040)	4,062	13,425	24,933	16,188	12,212	5,407	$ 25,381
Loss (gain) on derivatives in Majority held FRSUs	(354)	(482)	(335)	(326)	(517)	(661)	(663)	(247)	(571)	(982)
Equity in earnings of JVs: Loss (gain) on derivatives in Joint Ventures	2,109	(5,416)	8,993	4,174	(4,139)	(16,120)	(2,496)	785	(1,802)	(3,681)
Foreign exchange loss (gain)	643	(1,299)	337	27	66	(47)	133	811	(24)	48
Adjusted Net Income (Loss)	7,583	9,881	7,955	7,937	8,836	8,106	13,162	13,561	3,010	20,766
Less non-controlling interest	—	—	—	—	—	—	(2,744)	(2,812)	(2,899)	(1,953)
Preferred unitholders' interest in net income	—	—	—	—	—	—	—	—	—	(2,480)
Less non-controlling interest in gain (loss) on derivatives in Majority held FSRUs	—	—	—	—	—	—	117	105	116	73
Limited partners' interest in Adjusted Net Income (Loss)	$ 7,583	9,881	7,955	7,937	8,836	8,106	10,535	10,855	227	$ 16,406

Non-GAAP Financial Measures

Segment EBITDA

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 the Partnership's lenders, to assess its financial and operating performance. The Partnership believes that Segment EBITDA assists its management and investors by increasing the comparability of its performance from period to period and against the performance of other companies in 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, 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. The Partnership believes that including Segment EBITDA as a financial and operating measure benefits investors in (a) selecting between investing in it and other investment alternatives and (b) monitoring its ongoing financial and operational strength in assessing whether to continue to hold common 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 these measures may vary among other companies. Therefore, Segment EBITDA as presented below may not be comparable to similarly titled measures of other companies. The following tables reconcile Segment EBITDA for each of the segments and the Partnership as a whole to net income (loss), the comparable U.S. GAAP financial measure, for the periods presented:

Segment EBITDA

(in thousands of U.S. dollars)	Three months ended March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Reconciliation to net income (loss)												
Net income (loss)	**$ 2,578**	**16,438**	**5,185**	**17,075**	**(1,040)**	**4,062**	**13,425**	**24,933**	**16,188**	**12,212**	**5,407**	**$ 25,381**
Interest income	(2,427)	(2,425)	(2,423)	(293)	(273)	(232)	(192)	(160)	(130)	(113)	(98)	(159)
Interest expense	3,800	3,710	3,744	6,517	6,406	6,354	6,283	6,135	7,736	7,752	7,739	6,858
Depreciation and amortization	8	8	8	2,630	2,630	2,636	2,647	2,639	5,263	5,263	5,264	5,265
Income tax expense	93	59	109	52	449	501	476	2,446	1,755	2,042	2,185	(264)
Other financial items (1)	979	942	922	(1,114)	702	636	261	(107)	139	1,175	62	(2,104)
Equity in earnings of JVs: Interest (income) expense, net	4,027	4,089	4,029	3,968	3,865	3,787	3,755	3,685	3,534	3,429	3,538	3,409
Equity in earnings of JVs: Depreciation and amortization	2,177	2,309	2,456	2,286	2,379	2,376	2,378	2,395	2,440	2,476	2,462	2,435
Equity in earnings of JVs: Other financial items (1)	3,953	(9,897)	2,109	(5,422)	9,010	4,174	(4,139)	(16,120)	(2,478)	785	(1,802)	(3,681)
Non-controlling interest in Segment EBITDA	—	—	—	—	—	—	—	—	(4,994)	(5,423)	(5,354)	(3,438)
Segment EBITDA	**$ 15,187**	**15,233**	**16,139**	**25,699**	**24,128**	**24,294**	**24,893**	**25,846**	**29,453**	**29,598**	**19,403**	**$ 33,702**

(1) 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.

Distributable Cash Flow

Distributable cash flow represents Segment EBITDA adjusted for cash collections on principal payments on the direct financing lease, amortization in revenues for above market contracts less non-controlling interest in amortization in revenues for above market contracts, non-cash revenue: tax paid directly by charterer less non-controlling interest: non-cash revenue, amortization of deferred revenues for the joint ventures, interest income, interest expense less amortization of debt issuance cost and fair value of debt assumed, other items (net), unrealized foreign exchange losses (gains), current income tax expense, net of uncertain tax position less non-cash income tax: tax paid directly by charterer, non-controlling interest in finance and tax items and other adjustments such as indemnification paid or to be paid by Höegh LNG for the non-cash boil-off accrual, non-budgeted expenses, losses and estimated maintenance indemnified by, or refunded to, Höegh LNG, distributions on the Series A preferred units and replacement capital expenditures. Cash collections on the direct financing lease investment with respect to the *PGN FSRU Lampung* consist of the difference between the payments under time charter and the revenues recognized as a financing lease (representing the payment of the principal recorded as a receivable). Amortization in revenues for above market contracts consist of the non-cash amortization of the intangible for the above market time charter contract related to the acquisitions of the *Höegh Gallant* and *Höegh Grace*. Amortization of deferred revenues for the joint ventures accounted for under the equity method consist of non-cash amortization to revenues of charterer payments for modifications and drydocking to the vessels. Non-cash revenue: tax paid directly by charterer and non-cash income tax: tax paid directly by charterer consists of certain taxes paid by the charterer directly to the Colombian tax authorities on behalf of the Partnership’s subsidiaries which is recorded as a component of time charter revenues and current income tax expenses. Estimated maintenance and replacement capital expenditures, including estimated expenditures for drydocking, represent capital expenditures required to maintain over the long-term the operating capacity of, or the revenue generated by, the Partnership's capital assets.

Distributable cash flow is presented starting with Segment EBITDA taken from the total segment reporting using the proportional consolidation method for the Partnership's 50% interests in the joint ventures as shown in this Appendix. Therefore, the adjustments to Segment EBITDA include the Partnership's share of the joint venture's adjustments. The Partnership believes distributable cash flow is an important liquidity measure used by management and investors in publicly traded partnerships to compare cash generating performance of the Partnership’ cash generating assets from period to period by adjusting for cash and non-cash items that could potentially have a disparate effect between periods, and to compare the cash generating performance for specific periods to the cash distributions (if any) that are expected to be paid to unitholders. The Partnership also believes distributable cash flow benefits investors in comparing its cash generating performance to other companies that account for time charters as operating leases rather than financial leases, or that do not have non-cash amortization of intangibles or deferred revenue. Distributable cash flow is a non-GAAP liquidity measure and should not be considered as an alternative to net cash provided by operating activities, or any other measure of the Partnership's liquidity or cash flows calculated in accordance with GAAP. Distributable cash flow excludes some, but not all, items that affect net cash provided by operating activities and the measures may vary among companies. For example, distributable cash flow does not reflect changes in working capital balances. Distributable cash flow also includes some items that do not affect net cash provided by operating activities. Therefore, distributable cash flow may not be comparable to similarly titled measures of other companies. Distributable cash flow is not the same measure as available cash or operating surplus, both of which are defined by the Partnership's partnership agreement. The first table below reconciles distributable cash flow to Segment EBITDA, which is reconciled to net income, the most directly comparable GAAP measure for Segment EBITDA, in this Appendix. Refer to this Appendix for the definition of Segment EBITDA. The second table below reconciles distributable cash flow to net cash provided by operating activities, the most directly comparable GAAP measures for liquidity.

Distributable Cash Flow

(in thousands of U.S. dollars)	Three months ended March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Segment EBITDA	**$ 15,187**	**15,233**	**16,139**	**25,699**	**24,128**	**24,294**	**24,893**	**25,846**	**29,453**	**$ 29,598**	**19,403**	**$ 33,702**
Cash collection/Principal payment on direct financing lease	703	722	739	755	772	789	806	824	843	861	881	900
Amortization in revenues for above market contracts	—	—	—	605	598	598	604	605	895	906	915	915
Non-controlling interest: Amortization of above market contract	—	—	—	—	—	—	—	—	(149)	(151)	(152)	(101)
Equity in earnings of JVs: Amortization of deferred revenue	—	—	—	—	(322)	(509)	(508)	(528)	(574)	(563)	(600)	(588)
Non-cash revenue: Tax paid directly by charterer	—	—	—	—	—	—	—	—	—	(432)	(200)	(229)
Non-controlling interest: Non-cash revenue	—	—	—	—	—	—	—	—	—	212	98	34
Interest income	2,427	2,425	2,423	293	273	232	192	162	141	126	122	187
Interest expense	(7,827)	(7,799)	(7,773)	(10,485)	(10,271)	(10,141)	(10,037)	(9,822)	(11,281)	(11,193)	(11,301)	(10,295)
Amortization of debt issuance cost and fair value of debt assumed	694	694	696	580	568	565	548	512	257	254	251	242
Other items, net	(1,100)	(934)	(1,276)	632	(1,037)	(962)	(778)	(554)	(820)	(1,421)	(633)	(718)
Unrealized foreign exchange losses (gains)	446	258	646	(1,245)	(51)	18	63	(141)	147	803	(36)	47
Current income tax expense, net of uncertain tax position	(177)	(179)	(185)	(806)	(108)	(30)	(86)	(99)	(691)	(1,127)	(1,103)	659
Non-cash income tax: Tax paid directly by charter	—	—	—	—	—	—	—	—	—	432	200	229
Non-controlling interest: Finance and tax items	—	—	—	—	—	—	—	—	1,176	1,304	1,319	714
Other adjustments:												
Indemnification paid by Höegh LNG after quarter end for non-budgeted expenses & losses	1,797	1,149	310	751	291	1,701	699	404	606	151	—	—
Indemnifications paid back by HMLP during the quarter	—	—	—	—	—	—	—	—	—	—	—	(1,534)
Equity in earnings of JVs: Non-cash boil off accrual to be indemnified by Höegh LNG	—	—	—	—	—	—	—	—	—	—	11,850	—
Distributions relating to Series A preferred units	—	—	—	—	—	—	—	—	—	—	—	(2,480)
Estimated maintenance and replacement capital expenditures	(2,550)	(2,428)	(2,550)	(3,870)	(3,870)	(3,870)	(3,870)	(3,870)	(4,520)	(4,520)	(4,520)	(4,725)
Distributable cash flow	**$ 9,600**	**9,141**	**9,169**	**12,909**	**10,971**	**12,685**	**12,526**	**13,339**	**15,483**	**$ 15,240**	**16,494**	**$ 16,959**
Declared distribution				10,967	10,967	10,971	10,971	13,717	14,437	14,441	14,441	14,445
Coverage ratio				1.18x	1.0x	1.15x	1.14x	0.97x	1.07x	1.06x	1.14x	1.17x

Reconciliation of Distributable Cash Flow to Net Cash Provided by Operating Activities

(in thousands of U.S. dollars)	Three months ended											
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Distributable cash flow	**$ 9,600**	**9,141**	**9,169**	**12,909**	**10,971**	**12,685**	**12,526**	**13,339**	**15,483**	**$ 15,240**	**16,494**	**$ 16,959**
Indemnification paid by Höegh LNG after quarter end for non-budgeted expenses & losses	(1,797)	(1,149)	(310)	(751)	(291)	(1,701)	(699)	(404)	(606)	(151)	—	—
Indemnifications paid back by HMLP during the quarter	—	—	—	—	—	—	—	—	—	—	—	1,534
Equity in earnings of JVs: Non-cash boil off accrual to be indemnified by Hõegh LNG	—	—	—	—	—	—	—	—	—	—	(11,850)	—
Accrued preferred equity distribution	—	—	—	—	—	—	—	—	—	—	—	2,480
Estimated maintenance and replacement capital expenditures	2,550	2,428	2,550	3,870	3,870	3,870	3,870	3,870	4,520	4,520	4,520	4,725
Non-controlling interest in Segment EBITDA	—	—	—	—	—	—	—	—	4,994	5,423	5,354	3,438
Non-controlling interest: amortization of above market contract	—	—	—	—	—	—	—	—	149	151	152	101
Non-controlling interest: finance and tax items	—	—	—	—	—	—	—	—	(1,176)	(1,304)	(1,319)	(714)
Non-controlling interest: non-cash revenue	—	—	—	—	—	—	—	—	—	(212)	(98)	(34)
Equity in earnings of JVs: Amortization of deferred revenue	—	—	—	—	322	509	508	528	574	563	600	588
Equity in earnings of JVs: Amortization of debt issuance cost	(46)	(46)	(46)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(44)	(44)
Equity in earnings of JVs: Depreciation and amortization	(2,177)	(2,309)	(2,456)	(2,285)	(2,379)	(2,376)	(2,378)	(2,395)	(2,440)	(2,476)	(2,462)	(2,435)
Equity in earnings of JVs: Gain (loss) on derivative instruments	(3,932)	9,871	(2,109)	5,416	(8,993)	(4,174)	4,139	16,120	2,496	(785)	1,802	3,681
Equity in losses (earnings) of joint ventures	2,122	(11,481)	249	(8,012)	6,708	1,866	(6,565)	(18,632)	(4,809)	(1,551)	7,321	(6,102)
Cash collection/Principal payment on direct financing lease	(703)	(722)	(739)	(755)	(772)	(789)	(806)	(824)	(843)	(861)	(881)	(900)
Changes in accrued interest expense and interest income	836	(235)	(270)	1,913	(113)	(411)	53	987	1,008	1,491	1,408	266
Other adjustments	14	(114)	192	52	10	231	56	302	136	332	186	111
Changes in working capital	7,454	(578)	5,144	372	2,655	(2,172)	3,854	(7,366)	136	(5,157)	3,600	(2,133)
Net cash provided by (used in) operating activities	**$ 13,921**	**4,806**	**11,374**	**12,684**	**11,943**	**7,493**	**14,513**	**5,479**	**19,577**	**$ 15,178**	**24,783**	**$ 21,521**

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