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(0.05%)  
activities  
activities  
activities  
(121,971)  
(53,747)  
the period  
\$34.0 million  
statements  
a limited partnership  
by Knutsen NYK Offshore Tankers AS  
completed on April 15, 2013.  
the Carmen Knutsen, the Hilda Knutsen, the Torill Knutsen, the Dan Cisne, the Dan Sabia, the Ingrid Knutsen, the Raquel Knutsen, the Tordis Knutsen, the Vigdis Knutsen, the Lena Knutsen, the Brasil Knutsen, the Anna Knutsen, the Tove Knutsen and the Synnøve Knutsen, each referred to as a Vessel and collectively, as the Vessels. The Vessels operate under fixed charter contracts to charterers, with expiration dates between 2024 and 2030. Please see Note 4a Operating Leases. On September 3, 2024, the Partnership's wholly owned subsidiary, KNOT Shuttle Tankers AS, sold to KNOT all outstanding shares in KNOT Shuttle Tankers 20 AS, the company that owns the Dan Cisne, and simultaneously acquired from KNOT all outstanding shares in KNOT Shuttle Tankers 31 AS, the company that owns the Tuva Knutsen. Please see Note 2a Subsequent Events. The sale of the Dan Cisne will be accounted for as a sale of an asset, and the acquisition of the Tuva Knutsen will be accounted for as an acquisition of an asset. As a result, the Partnership will record the results of operations of the Tuva Knutsen in its consolidated statement of operations from September 3, 2024. Correspondingly, the Partnership will cease recording the results of operations of the Dan Cisne in its consolidated statement of operations after September 3, 2024. The unaudited condensed consolidated financial statements have been prepared assuming that the Partnership will continue as a going concern. The Partnership expects that its primary future sources of funds will be available cash, cash from operations, borrowings under any new loan agreements, any vessel sales and the proceeds of any debt or equity financings. The Partnership believes that these sources of funds (assuming the current rates earned from existing charters) will be sufficient to cover operational cash outflows, working capital requirements and ongoing obligations under the Partnership's lease obligations and financing commitments to pay loan interest and make scheduled loan repayments and to make distributions on its outstanding units assuming the Partnership is able to timely refinance its maturing credit facilities on similar terms as its existing facilities. Accordingly, as of September 18, 2024, the Partnership believes that its current resources, including the undrawn portion of its revolving credit facilities of \$10 million, are sufficient to meet working capital requirements and other cash requirements for its current business for at least the next twelve months. See Note 12a Long-Term Debt. 2) Summary of Significant Accounting Policies (a) Basis of Preparation The accompanying unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and applicable rules and regulations of the U.S. Securities and Exchange Commission (SEC) for financial information. In the opinion of management of the Partnership, all adjustments considered necessary for a fair presentation, which are of normal recurring nature, have been included. All intercompany balances and transactions are eliminated. The unaudited condensed consolidated financial statements do not include all the disclosures and information required for a complete set of annual financial statements; and, therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the Partnership's audited consolidated financial statements for the year ended December 31, 2023, which are included in the Partnership's Annual Report on Form 20-F (the 2023 20-F). (b) Significant Accounting Policies The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Partnership's audited consolidated financial statements for the year ended December 31, 2023, as contained in the 2023 20-F. 8) Table of Contents (c) Recent Accounting Pronouncements For more information, please see the 20-F for 2023 about recently adopted accounting standards. Accounting pronouncements not yet adopted Other recently issued accounting pronouncements are not expected to materially impact the Partnership. 3) Segment Information The Partnership has not presented segment information as it considers its operations to occur in one reportable segment, the shuttle tanker market. As of June 30, 2024 and 2023, the Partnership's fleet consisted of eighteen vessels, and operated under time charters and bareboat charters. In both time charters and bareboat charters, the charterer, not the Partnership, controls the choice of which trading areas the Vessels will serve. Accordingly, the Partnership's management, including the chief operating decision makers, does not evaluate performance according to geographical region. The following table presents time charter and bareboat revenues and percentages of revenues for material customers that accounted for more than 10% of the Partnership's consolidated revenues during the three and six months ended June 30, 2024 and 2023. All of these customers are subsidiaries of major national or international oil companies. Three Months Ended June 30, 2024 (U.S. Dollars in thousands) 15% 23,019A 15% 23,996A 17% Equinor ASA 14,067A 19% 8,661A 12% 24,140A 16% 17,856A 13% Repsol Sinopec Brasil, S.A., a subsidiary of Repsol Sinopec Brasil, B.V., combined with Krot Trading S.A. 12,270A 14% 10,010A 14% 20,528A 14% 16,706A 12% Brazil Shipping I Limited, a subsidiary of Royal Dutch Shell 18,004A 24% 4,687A 7% 32,343A 22% 8,765A 6% KNOT 7,495A 10% 6,707A 11% 14,311A 10% 13,923A 10% Chartering and Shipping Service S.A., a subsidiary of TotalEnergies 4,514A 6% 14,424A 20% 8,995A 6% 28,689A 20% The Partnership has financial assets that expose it to credit risk arising from possible default by a counterparty. The Partnership considers its counterparties to be creditworthy banking and financial institutions and does not expect any significant loss to result from non-performance by such counterparties. The maximum loss due to credit risk that the Partnership would incur if counterparties failed completely to perform would be the carrying value of cash and cash equivalents, and derivative assets. The Partnership, in the normal course of business, does not demand collateral from its counterparties. 4) Operating Leases Revenues The Partnership's primary source of revenues is chartering its shuttle tankers to its customers. The Partnership primarily uses two types of contracts, time charter contracts and bareboat charter contracts. The Partnership's time charter contracts include both a lease component, consisting of the bareboat element of the contract, and non-lease component, consisting of operation of the vessel for the customers, which includes providing the crewing and other services related to the Vessel's operations, the cost of which is included in the daily hire rate, except when off hire. 9) Table of Contents The following table presents the Partnership's revenues by time charter and bareboat charters and other revenues for the three and six months ended June 30, 2024 and 2023. Three Months Ended June 30, 2024 (U.S. Dollars in thousands) 8,257A 4,873A 19,532 Total time charter and bareboat revenues 73,437A 69,924A 146,799A 132,857 Other revenues (voyage revenues, loss of hire insurance recoveries and other income) 983A 3,900A 4,253A 12,147 Total revenues 74,420A 73,824A 151,052A 145,004A As of June 30, 2024, the minimum contractual future revenues to be received from time charters and bareboat charters during the next five years and thereafter are as follows (including service element of the time charter, but excluding unexercised customer option periods and excluding any contracted revenues signed after June 30, 2024). (U.S. Dollars in thousands) 134,060,202A 252,300,202A 214,812,202A 105,696,202A 39,363,2029 and thereafter 27,136 Total 73,367A The minimum contractual future revenues should not be construed to reflect total charter hire revenues for any of the five years. Minimum contractual future revenues are calculated based on certain assumptions such as operating days per year. In addition, minimum contractual future revenues presented in the table above have not been reduced by estimated off hire time for periodic maintenance. The amounts may vary given unscheduled future events such as vessel maintenance. The Partnership's fleet as of June 30, 2024 consisted of: the Windsor Knutsen, a conventional oil tanker built in 2007 and retrofitted to a shuttle tanker in 2011 that is currently operating under a time charter contract with Brazil Shipping I Limited, a subsidiary of Royal Dutch Shell (Shell), that expires in January 2025. Thereafter, the Windsor Knutsen will operate under a new time charter with an oil major to commence in the first half of 2025 for a fixed period of two years; the Bodil Knutsen, a shuttle tanker built in 2011 that is currently operating under a time charter contract with Equinor ASA (Equinor) that expires in March 2026, with options for the charterer to extend the charter by two further one-year periods; the Fortaleza Knutsen, a shuttle tanker built in 2011 that is currently operating under a time charter contract that expires in March 2026 with Fronape International Company, a subsidiary of Petrobras Transporte S.A. (Petrobras); the Recife Knutsen, a shuttle tanker built in 2011 that is currently operating under a time charter that expires in August 2026 with Repsol Sinopec Brasil, B.V. a subsidiary of Repsol Trading S.A. (Repsol); the Carmen Knutsen, a shuttle tanker built in 2013 that is currently operating under a time charter contract that expires in January 2026 with Repsol Sinopec Brasil, B.V. a subsidiary of Repsol Trading S.A. (Repsol); the Hilda Knutsen, a shuttle tanker built in 2013 that is currently operating under a rolling time charter contract with Knutsen Shuttle Tankers Pool AS that expires in January 2025 unless terminated by either party on giving not less than 30 days' notice; the Torill Knutsen, a shuttle tanker built in 2013 that is currently operating under a time charter contract with Knutsen Shuttle Tankers Pool AS that expires in January 2025 unless terminated earlier by either party on giving not less than 30 days' notice. 10) Table of Contents a time charter commencing Q4 2024 has been executed with Eni Trading and Shipping S.p.A. (Eni) in respect of the Torill Knutsen for a fixed period of three years plus three charterer's options each of one year; the Dan Cisne, a shuttle tanker built in 2011 that was operating under a time charter contract with Knutsen Shuttle Tankers Pool AS until the closing on September 3, 2024, of her sale to KNOT. See Note 2a Subsequent Events; the Dan Sabia, a shuttle tanker built in 2012 that was received back by the Partnership via redelivery on July 10, 2024, following expiry of her bareboat contract with Transpetro. The Dan Sabia is being marketed for shuttle tanker operations principally in Brazil and remains available also for charter to KNOT (subject to negotiation and approvals) and short-term conventional tanker contracts; the Ingrid Knutsen, a shuttle tanker built in 2013 that is currently operating under a rolling monthly time charter with Knutsen Shuttle Tankers Pool AS at a reduced charter rate, to expire upon her delivery to Eni in October 2024. On April 12, 2024, an agreement was reached with Eni, on terms no less favourable to the Partnership than applied previously, to delay delivery of Ingrid Knutsen until October 2024 for a time charter for a fixed period of two years plus two charterer's options each of one year; the Raquel Knutsen, a shuttle tanker built in 2015 that is currently operating under a time charter contract that expires in June 2025 with Repsol, with options to extend the charter until June 2030; the Tordis Knutsen, a shuttle tanker built in 2016 that is currently operating under a time charter with Shell that expires in July 2028, with options to extend the charter until June 2031; the Vigdis Knutsen, a shuttle tanker built in 2017 that is currently operating under a time charter with Shell that expires in March 2027; the Lena Knutsen, a shuttle tanker built in 2017 that is currently operating under a time charter with Shell that expires in September 2028, with options to extend the charter until September 2031; the Anna Knutsen, a shuttle tanker built in 2017 that is currently operating under a time charter contract with a wholly owned subsidiary of TotalEnergies that expires in April 2026, with TotalEnergies having an option to extend the charter for one one-year period; the Brasil Knutsen, a shuttle tanker built in 2013 that is currently operating under a time charter contract with Petrorio Luxembourg Holding S.A.R.L. (Petrório) that expires on or around May 2025, with two one-month options. The vessel will commence on a new time charter contract with Equinor in the third quarter of 2025 for a fixed period of two years, with options for the charterer to extend the charter by two further one-year periods; the Tove Knutsen, a shuttle tanker built in 2020 that is currently operating under a time charter contract with Equinor that expires in November 2027, with options to extend the charter until November 2040; and the Synnøve Knutsen, a shuttle tanker built in 2020 that is currently operating under a time charter contract with Equinor that expires in February 2027, with options to extend the charter until February 2042. Furthermore, on September 3, 2024, the Partnership acquired from KNOT all outstanding shares in the owner of the Tuva Knutsen, a shuttle tanker built in 2021 that is currently operating under a time charter contract with TotalEnergies that expires in February 2026, with options to extend the charter until February 2036. As part of the terms of this acquisition, KNOT has guaranteed that, until September 3, 2031, daily charter hire to the Partnership in respect of Tuva Knutsen will be no less than what would be due from TotalEnergies assuming exercise of their relevant charterer's options. See Note 2a Subsequent Events. 11) Table of Contents Lease obligations The Partnership does not have any material leased assets but has some leased equipment on operational leases on the various ships operating on time charter contracts. As of June 30, 2024, the right-of-use asset and lease liability for operating leases was \$1.7 million and are presented as separate line items on the balance sheets. The operating lease cost and corresponding cash flow effect for the three and six months ended June 30, 2024, was \$0.3 million and \$0.6 million, respectively. As of June 30, 2024, the weighted average discount rate for the operating leases was 7.3% and was determined using the expected incremental borrowing rate for a loan facility of similar term. As of June 30, 2024, the weighted average remaining lease term is 1.6 years. A maturity analysis of the Partnership's lease liabilities from leased-in equipment as of June 30, 2024 is as follows: 12a Table of Contents (U.S. Dollars in thousands) 1,730A 5) Insurance proceeds Insurance claims for property damage for recoveries up to the amount of loss recognized are recorded when the claims submitted to insurance carriers are probable of recovery. Claims for property damage in excess of the loss recognized and for loss of hire are recognized when the proceeds are received. As of June 30, 2024, and December 31, 2023, the Partnership had open insurance claims for hull and machinery recoveries of \$1.1 million and \$0.1 million, respectively, which were recorded as part of Other Current Assets. See Note 17(b) Other Current Assets. Loss of hire proceeds of \$0.1 million for the three and six months ended June 30, 2024, related to the Brasil Knutsen, were recognized as a component of total revenues, since the day rates are recovered under terms of the policy. Loss of hire proceeds of \$1.4 million for the three months ended June 30, 2023, related to the Windsor Kn

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Partnership may redeem the Series A Preferred Units at any time until February 2, 2027 at the redemption price specified in the Partnership Agreement, provided that upon notice from the Partnership to the holders of Series A Preferred Units of its intent to redeem, such holders may elect, instead, to convert their Series A Preferred Units into common units at the applicable conversion rate. Upon a change of control of the Partnership, the holders of Series A Preferred Units will have the right to require cash redemption at 100% of the Issue Price. In addition, the holders of Series A Preferred Units will have the right to cause the Partnership to redeem the Series A Preferred Units on February 2, 2027 in, at the option of the Partnership, (i) cash at a price equal to 70% of the Issue Price or (ii) common units such that each Series A Preferred Unit receives common units worth 80% of the Issue Price (based on the volume-weighted average trading price, as adjusted for splits, combinations and other similar transactions, of the common units as reported on the NYSE for the 30 trading day period ending on the fifth trading day immediately prior to the redemption date) plus any accrued and unpaid distributions. In addition, subject to certain conditions, the Partnership has the right to convert the Series A Preferred Units into common units at the applicable conversion rate if the aggregate market value (calculated as set forth in the partnership agreement) of the common units into which the outstanding Series A Preferred Units are convertible, based on the applicable conversion rate, is greater than 130% of the aggregate Issue Price of the outstanding Series A Preferred Units. The Series A Preferred Units have voting rights that are identical to the voting rights of the common units and Class B Units, except they do not have any right to nominate, appoint or elect any of the directors of the Board, except whenever distributions payable on the Series A Preferred Units have not been declared and paid for four consecutive quarters (a "Trigger Event"). Upon a Trigger Event, holders of Series A Preferred Units, together with the holders of any other series of preferred units upon which like rights have been conferred and are exercisable, may replace one of the members of the Board appointed by the General Partner with a person nominated by such holders, such nominee to serve until all accrued and unpaid distributions on the preferred units have been paid. The Series A Preferred Units are entitled to vote with the common units and Class B Units as a single class so that the Series A Preferred Units are entitled to one vote for each common unit into which the Series A Preferred Units are convertible at the time of voting. On September 7, 2021, the Partnership entered into an exchange agreement with its general partner and KNOT whereby KNOT contributed to the Partnership all of KNOT's IDR in exchange for the issuance by the Partnership to KNOT of 673,080 common units and 673,080 Class B Units, whereupon the IDRs were cancelled (the "IDR Exchange"). The IDR Exchange closed on September 10, 2021. The Class B Units are a new class of limited partner interests which are not entitled to receive cash distributions in any quarter unless common unitholders receive a distribution of at least \$0.52 for such quarter (the "Distribution Threshold"). When common unitholders receive a quarterly distribution at least equal to the Distribution Threshold, then Class B unitholders will be entitled to receive the same distribution as common unitholders. For each quarter (starting with the quarter ended September 30, 2021) that the Partnership pays distributions on the common units that are at or above the Distribution Threshold, one-eighth of the number of Class B Units originally issued will be converted to common units on a one-for-one basis until such time as no further Class B Units exist. The Class B Units will generally vote together with the common units as a single class. As of December 31, 2023 and June 30, 2024, a total of 420,675 of the Class B Units had been converted. On January 11, 2023, the Partnership declared a quarterly cash distribution with respect to the fourth quarter of 2022 of \$0.026 per common unit. After the payment of the Partnership's quarterly cash distributions in respect of the fourth quarter of 2022 through to the second quarter of 2024 inclusive, no Class B Units converted to common units. As a result, 252,405 out of the 673,080 Class B Units originally issued remain outstanding as of June 30, 2024. Table of Contents As of June 30, 2024, 71.4% of the Partnership's total number of common units outstanding representing limited partner interests were held by the public (in the form of 24,293,458 common units) and 28.4% of such units were held directly by KNOT (in the form of 9,661,255 common units). In addition, KNOT, through its ownership of the General Partner, held a 1.83% general partner interest (in the form of 640,278 general partner units) and a 0.3% limited partner interest (in the form of 90,368 common units). As of June 30, 2024, KNOT also held 208,333 Series A Preferred Units and 252,405 Class B Units. Earnings per unit "basic" is determined by dividing net income, after deducting the amount of net income attributable to the Series A Preferred Units and the distribution paid or to be made in relation to the period, by the weighted-average number of units outstanding during the applicable period. The computation of limited partner's interest in net income per common unit "diluted" assumes the issuance of common units for all potentially dilutive securities consisting of 3,541,666 Series A Preferred Units and 252,405 Class B Units as of June 30, 2024. Consequently, the net income attributable to limited partner's interest is exclusive of any distributions on the Series A Preferred Units. In addition, the weighted average number of common units outstanding has been increased assuming the Series A Preferred Units and Class B Units have been converted to common units using the if-converted method. The computation of limited partner's interest in net income per common unit "diluted" does not assume the issuance of Series A Preferred Units and Class B Units if the effect would be anti-dilutive. The General Partner's, Class B unitholders' and common unitholders' interest in net income was calculated as if all net income was distributed according to the terms of the Partnership Agreement, regardless of whether those earnings would or could be distributed. The Partnership Agreement does not provide for the distribution of net income. Rather, it provides for the distribution of available cash, which is a contractually defined term that generally means all cash on hand at the end of each quarter less the amount of cash reserves established by the Board to provide for the proper conduct of the Partnership's business, including reserves for future capital expenditures, anticipated credit needs and capital requirements and any accumulated distributions on, or redemptions of, the Series A Preferred Units. Unlike available cash, net income is affected by non-cash items, such as depreciation and amortization, unrealized gains and losses on derivative instruments and unrealized foreign currency gains and losses. (e) Unit Activity There was no movement in the number of common units, Class B Units, general partner units and Series A Preferred Units from December 31, 2023 until June 30, 2024. (f) Trade Accounts Receivable and Other Current Assets (a) Trade Accounts Receivable Trade accounts receivable are presented net of provisions for expected credit loss. As of June 30, 2024 and December 31, 2023, there were no provisions for expected credit loss. (b) Other Current Assets The following table presents other current assets of June 30, 2024 and December 31, 2023: (c) Insurance Claims for Recoveries (refer to note 5) (a) \$1,057,461 (b) \$1,254,147 (c) \$1,147,461 (d) \$1,568,000 (e) \$1,516,461 (f) \$1,568,000 (g) \$1,516,461 (h) \$1,568,000 (i) \$1,516,461 (j) \$1,568,000 (k) \$1,516,461 (l) \$1,568,000 (m) \$1,516,461 (n) \$1,568,000 (o) \$1,516,461 (p) \$1,568,000 (q) \$1,516,461 (r) \$1,568,000 (s) \$1,516,461 (t) \$1,568,000 (u) \$1,516,461 (v) \$1,568,000 (w) \$1,516,461 (x) \$1,568,000 (y) \$1,516,461 (z) \$1,568,000 (aa) \$1,516,461 (ab) \$1,568,000 (ac) \$1,516,461 (ad) \$1,568,000 (ae) \$1,516,461 (af) \$1,568,000 (ag) \$1,516,461 (ah) \$1,568,000 (ai) \$1,516,461 (aj) \$1,568,000 (ak) \$1,516,461 (al) \$1,568,000 (am) \$1,516,461 (an) \$1,568,000 (ao) \$1,516,461 (ap) \$1,568,000 (aq) \$1,516,461 (ar) \$1,568,000 (as) \$1,516,461 (at) \$1,568,000 (au) \$1,516,461 (av) \$1,568,000 (aw) \$1,516,461 (ax) \$1,568,000 (ay) \$1,516,461 (az) \$1,568,000 (ba) \$1,516,461 (bb) \$1,568,000 (bc) \$1,516,461 (bd) \$1,568,000 (be) \$1,516,461 (bf) \$1,568,000 (bg) \$1,516,461 (bh) \$1,568,000 (bi) \$1,516,461 (bj) \$1,568,000 (bk) \$1,516,461 (bl) \$1,568,000 (bm) \$1,516,461 (bn) \$1,568,000 (bo) \$1,516,461 (bp) \$1,568,000 (bq) \$1,516,461 (br) \$1,568,000 (bs) \$1,516,461 (bt) \$1,568,000 (bu) \$1,516,461 (bv) \$1,568,000 (bw) \$1,516,461 (bx) \$1,568,000 (by) \$1,516,461 (bz) \$1,568,000 (ca) \$1,516,461 (cb) \$1,568,000 (cc) \$1,516,461 (cd) \$1,568,000 (ce) \$1,516,461 (cf) \$1,568,000 (cg) \$1,516,461 (ch) \$1,568,000 (ci) \$1,516,461 (cj) \$1,568,000 (ck) \$1,516,461 (cl) \$1,568,000 (cm) \$1,516,461 (cn) \$1,568,000 (co) \$1,516,461 (cp) \$1,568,000 (cq) \$1,516,461 (cr) \$1,568,000 (cs) \$1,516,461 (ct) \$1,568,000 (cu) \$1,516,461 (cv) \$1,568,000 (cw) \$1,516,461 (cx) \$1,568,000 (cy) \$1,516,461 (cz) \$1,568,000 (da) \$1,516,461 (db) \$1,568,000 (dc) \$1,516,461 (dd) \$1,568,000 (de) \$1,516,461 (df) \$1,568,000 (dg) \$1,516,461 (dh) \$1,568,000 (di) \$1,516,461 (dj) \$1,568,000 (dk) \$1,516,461 (dl) \$1,568,000 (dm) \$1,516,461 (dn) \$1,568,000 (do) \$1,516,461 (dp) \$1,568,000 (dq) \$1,516,461 (dr) \$1,568,000 (ds) \$1,516,461 (dt) \$1,568,000 (du) \$1,516,461 (dv) \$1,568,000 (dw) \$1,516,461 (dx) \$1,568,000 (dy) \$1,516,461 (dz) \$1,568,000 (ea) \$1,516,461 (eb) \$1,568,000 (ec) \$1,516,461 (ed) \$1,568,000 (ee) \$1,516,461 (ef) \$1,568,000 (eg) \$1,516,461 (eh) \$1,568,000 (ei) \$1,516,461 (ej) \$1,568,000 (ek) \$1,516,461 (el) \$1,568,000 (em) \$1,516,461 (en) \$1,568,000 (eo) \$1,516,461 (ep) \$1,568,000 (eq) \$1,516,461 (er) \$1,568,000 (es) \$1,516,461 (et) \$1,568,000 (eu) \$1,516,461 (ev) \$1,568,000 (ew) \$1,516,461 (ex) \$1,568,000 (ey) \$1,516,461 (ez) \$1,568,000 (fa) \$1,516,461 (fb) \$1,568,000 (fc) \$1,516,461 (fd) \$1,568,000 (fe) \$1,516,461 (ff) \$1,568,000 (fg) \$1,516,461 (fh) \$1,568,000 (fi) \$1,516,461 (fj) \$1,568,000 (fk) \$1,516,461 (fl) \$1,568,000 (fm) \$1,516,461 (fn) \$1,568,000 (fo) \$1,516,461 (fp) \$1,568,000 (fq) \$1,516,461 (fr) \$1,568,000 (fs) \$1,516,461 (ft) \$1,568,000 (fu) \$1,516,461 (fv) \$1,568,000 (fw

impairment as events or changes in circumstances may indicate that a vessel's net carrying value exceeds the net undiscounted cash flows expected to be generated over its remaining useful life, and in such situation the carrying amount of the vessel is reduced to her estimated fair value. This exercise in respect of the second quarter of 2024 resulted in an impairment in respect of the Dan Cisne (owing to her sale on September 3, 2024) and the Dan Sabia (owing to the expiry of her charter contract, her high carrying value, and her smaller size not being optimal for the Brazilian market, therefore affecting the outlook for future employment). Time Charters to KNOTOn January 1, 2024, the Hilda Knutsen, Torill Knutsen and Bodil Knutsen each continued to operate on separate time charter contracts with a subsidiary of KNOT, at a reduced charter rate. On January 2, 2024, these rolling monthly contracts were extended until the earlier of January 2025 and any date on which the respective vessel would be delivered to a client for new, third-party charter employment. Similar time charters to KNOT were commenced for the Ingrid Knutsen on April 22, 2024 and the Dan Cisne on July 25, 2024. Ingrid Knutsen CharterOn April 12, 2024, an agreement was reached with Eni, on terms no less favourable to the Partnership than applied previously, to delay delivery of Ingrid Knutsen until October 2024 for a time charter for a fixed period of two years plus two charterer's options each of one year. On April 22, 2024, the Ingrid Knutsen began operating under a rolling monthly time charter with KNOT at a reduced charter rate, to expire upon her delivery to Eni in October 2024. Carmen Knutsen CharterOn April 17, 2024, a time charter for the Carmen Knutsen was executed with an oil major, to commence Q1 2026 for a fixed period of four years plus a charterer's option for one additional year. Dan Sabia RedeliveryOn July 10, 2024, the Partnership received the Dan Sabia back via redelivery, following expiry of her bareboat charter party to Transpetro. The Dan Sabia is being marketed for shuttle tanker operation principally in Brazil and remains available also for charter to KNOT (subject to negotiation and approvals) and short-term conventional tanker contracts. Torill Knutsen CharterOn July 25, 2024, in conjunction with the above-mentioned agreement relating to the Ingrid Knutsen, a time charter was executed with Eni in respect of the Torill Knutsen. The time charter is due to commence in Q4 2024 and is for a fixed period of three years plus three charterer's options each of one year. Torill Knutsen Repair CompletionOn August 15, 2024, repair work on the Torill Knutsen was completed following the breakage of a generator rotor in January 2024. The Torill Knutsen remained able to serve a limited range of client facilities, and the Partnership expects to be compensated by insurance for the extent to which, as a consequence of this breakage, the Torill Knutsen's earnings have fallen short of a contractual hire rate, commencing 14 days after the date of the breakage. The Partnership also expects that the repair cost will be covered by insurance, in excess of a deductible of \$150,000.29Table of ContentsTordis Knutsen and Lena Knutsen Charter ExtensionsOn August 22, 2024, the Partnership agreed with Shell to extend by 1 year the charters for Tordis Knutsen and Lena Knutsen and to provide Shell with options to extend each of these charters by up to 3 periods of 1 year each. Thus, the fixed charter period for each charter will extend until 2028 and the option periods will extend until 2031. Dan Cisne Sale; Tuva Knutsen AcquisitionOn September 3, 2024, the Partnership's wholly owned subsidiary, KNOT Shuttle Tankers AS, acquired KNOT Shuttle Tankers 31 AS, the company that owns the shuttle tanker Tuva Knutsen, from KNOT (the "Tuva Knutsen Acquisition"). Simultaneously, KNOT Shuttle Tankers AS sold KNOT Shuttle Tankers 20 AS, the company that owns the shuttle tanker Dan Cisne, to KNOT (the "Dan Cisne Sale"). The purchase price for the Tuva Knutsen Acquisition was \$97.5 million, less \$69.0 million of outstanding indebtedness under the credit facility related to the Tuva Knutsen (the "Tuva Facility") plus \$0.4 million of capitalized fees. The sale price for the Dan Cisne Sale was \$30 million and there was no related debt. The combination of the Tuva Knutsen Acquisition and the Dan Cisne Sale was settled by a net cash payment from KNOT to the Partnership of \$1.1 million (relating to the difference between the prices of the respective transactions). Customary adjustments related to working capital and an associated interest rate swap will be made following the closing. The Tuva Facility is repayable in quarterly installments with a final balloon payment of \$57.4 million due at maturity on January 28, 2027. The Tuva Facility bears interest at a rate equal to SOFR plus a margin of 2.16%. The Tuva Knutsen is operating in Brazil on a charter contract with TotalEnergies, for which the current fixed period expires in February 2026, and for which the charterer holds options for a further 10 years. As part of the Tuva Knutsen Acquisition, KNOT has agreed that if at any time during the seven years following the closing date of the Tuva Knutsen Acquisition the Tuva Knutsen is not receiving from any charterer a rate of hire that is equal to or greater than the rate of hire then in effect and payable under the TotalEnergies charter, then KNOT shall pay the Partnership such rate of hire that would have been in effect and payable under the TotalEnergies charter; provided, however, that in the event that for any period during such seven years the Tuva Knutsen is chartered under a charter other than the TotalEnergies charter and the rate of hire being paid under such charter is lower than the rate of hire that would have been in effect and payable under the TotalEnergies charter during any such period, then KNOT shall pay the Partnership the difference between the rate of hire that would have been in effect and payable under the TotalEnergies charter during such period and the rate of hire that is then in effect and payable under such other charter. Thus, KNOT has effectively guaranteed the hire rate for the Tuva Knutsen until September 3, 2031 on the same basis as if TotalEnergies had exercised its options through such date. The Partnership's Board of Directors (the "Board") and the conflicts committee of the Board (the "Conflicts Committee") approved the purchase prices of the Tuva Knutsen Acquisition and the Dan Cisne Sale. The Conflicts Committee retained an outside financial advisor and outside legal counsel to assist with its evaluation of the Tuva Knutsen Acquisition and the Dan Cisne Sale.3Table of ContentsResults of OperationsThree Months Ended June 30, 2024 Compared with the Three Months Ended June 30, 2023 (U.S. Dollars in thousands)A A A A 2024 A A A 2023A A A % ChangeA Time charter and bareboat revenues: \$7,437.46 vs. \$69,924.66; 5% Voyage revenues: \$351.46 vs. \$1,585.56; (1,234) vs. (78)% Loss of hire insurance recoveries: \$78.46 vs. \$1,424.46; (1,346) vs. (95)% Other income: \$554.46 vs. \$891.46; (337) vs. (38)% Vessel operating expenses: \$26,952.26 vs. \$25,287.46; 1,665.80 vs. 7% Voyage expenses and commission: \$584.46 vs. \$159.46; 425.00 vs. 267% Depreciation: \$2,774.86 vs. \$2,107.46; (359) vs. (1)% Impairment: \$16,384.46 vs. \$49,649.46; (33,265) vs. (67)% General and administrative expenses: \$1,426.46 vs. \$1,838.46; (412) vs. (22)% Interest income: \$897.46 vs. \$861.46; 36.00 vs. 4% Interest expense: \$16,863.46 vs. \$18,107.46; (1,244) vs. (7)% Other finance income (expense): \$177.46 vs. \$112.46; 65.00 vs. (58)% Realized and unrealized gain (loss) on derivative instruments: \$1,797.46 vs. \$8,124.46; (6,327) vs. (7)% Net gain (loss) on foreign currency transactions: \$28.46 vs. \$109.46; (81) vs. (74)% Income tax (expense): \$123.46 vs. \$49.46; 74.00 vs. 335% Net income (loss): \$12,851.46 vs. \$40,390.46; (27,539) vs. (68)% Time charter and bareboat revenues: Time charter and bareboat revenues increased by \$3.5 million to \$73.4 million for the three months ended June 30, 2024 compared to \$69.9 million for the three months ended June 30, 2023. The increase was mainly due to commencement of new time charter contracts for several of the vessels and higher utilization in the fleet in the second quarter of 2024 compared to second quarter of 2023, which was affected by the scheduled drydocking of the Brasil Knutsen and Hilda Knutsen. Voyage revenues: Voyage revenues for the three months ended June 30, 2024 were \$0.4 million compared to \$1.6 million for the same period last year. Voyage revenues for the three months ended June 30, 2024 and 2023 relate to spot voyages performed by the Ingrid Knutsen and the Torill Knutsen, and less spot voyages were performed by these two vessels for the three months ended June 30, 2024 compared to same period last year. Loss of hire insurance recoveries: Loss of hire insurance recoveries for the three months ended June 30, 2024 were \$0.1 million, compared to \$1.4 million for the three months ended June 30, 2023. The loss of hire insurance recoveries in the three months ended June 30, 2024 related to the Brasil Knutsen in connection with repairs of a tunnel thruster reported in the second quarter of 2023. The loss of hire insurance recoveries in the three months ended June 30, 2023, related to the Windsor Knutsen were \$0.8 million and were in connection with repairs of a leakage from a tunnel thruster reported in the third quarter of 2022, for which the Windsor Knutsen was off hire from September 29, 2022, to October 31, 2022. For the three months ended June 30, 2023, the Partnership recorded \$0.6 million in loss of hire recoveries with respect to the Lena Knutsen in connection with excessive and abnormal wear found on the steering gear rotor in relation with her scheduled drydocking in second quarter of 2022. Other income: Other income for the three months ended June 30, 2024 was \$0.6 million compared to \$0.9 million for the three months ended June 30, 2023. Vessel operating expenses: Vessel operating expenses for the three months ended June 30, 2024 were \$27.0 million, an increase of \$1.7 million from \$25.3 million in the three months ended June 30, 2023. The increase is mainly due to more vessels operating on time charter contracts for the three months ended June 30, 2024 compared to same period last year. Voyage expenses and commission: Voyage expenses and commission for the three months ended June 30, 2024 were \$0.6 million and relate to bunker cost, commission and port costs for spot voyages performed by the Ingrid Knutsen and the Torill Knutsen. Voyage expenses and commission for the three months ended June 30, 2023 were \$159,000 and relate to commissions from spot voyages performed by the Ingrid Knutsen and port costs for a spot voyage performed by the Torill Knutsen. Depreciation: Depreciation expense for the three months ended June 30, 2024 was \$27.8 million compared to \$28.1 million for the three months ended June 30, 2023.31Table of ContentsImpairment: Impairment charge for the three months ended June 30, 2024 was \$16.4 million compared to \$49.6 million for the three months ended June 30, 2023. The impairment charges for the three months ended June 30, 2024 and 2023, relate to the Dan Cisne and the Dan Sabia. The carrying values of the Dan Cisne and the Dan Sabia were written down to their estimated fair values, using a discounted cash flow valuation. General and administrative expenses: General and administrative expenses for the three months ended June 30, 2024 were \$1.4 million compared to \$1.8 million for the same period in 2023. Interest income: Interest income was \$0.9 million for each of the three month periods ended June 30, 2024 and 2023. Interest expense: Interest expense for the three months ended June 30, 2024 was \$16.9 million, a decrease of \$1.2 million from \$18.1 million for the three months ended June 30, 2023. The decrease is mainly due to repayment of outstanding debt. Other finance income (expense): Other finance income was \$0.2 million for the three months ended June 30, 2024, compared to an expense of \$0.1 million for the three months ended June 30, 2023. Realized and unrealized gain (loss) on derivative instruments: Realized and unrealized gain (loss) on derivative instruments for the three months ended June 30, 2024 was \$1.8 million, compared to a gain of \$8.1 million for the three months ended June 30, 2023, as set forth in the table below: A A A A 2024 A A A 2023Realized gain (loss): \$3,987.46 vs. \$3,538Unrealized gain (loss): \$3,987.46 vs. \$3,538Interest rate swap contracts: \$3,987.46 vs. \$3,538Total realized gain (loss): \$3,987.46 vs. \$3,538Interest rate swap contracts: \$3,987.46 vs. \$3,538Forward contracts: \$3,987.46 vs. \$3,538Total unrealized gain (loss): \$3,987.46 vs. \$3,538Total realized and unrealized gain (loss) on derivative instruments: \$3,987.46 vs. \$3,538The total notional amount of the Partnership's outstanding interest rate swap contracts that were entered into in order to offset part of the exposure to interest rate changes in respect of outstanding or forecasted debt obligations was \$389.3 million as of June 30, 2024 and \$440.6 million as of June 30, 2023. The unrealized loss in the three months ended June 30, 2024 was related to a mark-to-market loss on interest rate swaps of \$2.2 million. The unrealized gain in the three months ended June 30, 2023 was related to mark-to-market gain on interest rate swaps of \$4.7 million and a loss of \$0.1 million on foreign exchange contracts. Net gain (loss) on foreign currency transactions: Net gain on foreign currency transactions for the three months ended June 30, 2024 was \$0.03 million compared to a gain of \$0.1 million for the three months ended June 30, 2023. Income tax expense: Income tax expense for the three months ended June 30, 2024 was \$0.2 million compared to \$0.05 million for the three months ended June 30, 2023. Net income (loss): As a result of the foregoing, the Partnership recorded net loss of \$12.9 million for the three months ended June 30, 2024, compared to net loss of \$40.4 million for the three months ended June 30, 2023.32Table of Contents



(a)  $\frac{\text{Interest rate swap contracts}}{\text{Total unrealized gain (loss)}} = \frac{1,251}{1,251} = 100\%$  (b)  $\frac{\text{Interest rate swap contracts}}{\text{Total unrealized gain (loss)}} = \frac{1,251}{1,251} = 100\%$  (c)  $\frac{\text{Interest rate swap contracts}}{\text{Total unrealized gain (loss)}} = \frac{1,251}{1,251} = 100\%$

The realized and unrealized gain (loss) on derivative instruments was \$6,799,446, or 6.8%, of the total notional amount of the Partnership's outstanding interest rate swap contracts that were entered into in order to offset part of the exposure to interest rate changes in respect of outstanding or forecasted debt obligations was \$389.3 million as of June 30, 2024 and \$440.6 million as of June 30, 2023. The unrealized loss in the six months ended June 30, 2024 was related to a mark-to-market loss on interest rate swaps of \$1.3 million. The unrealized loss in the six months ended June 30, 2023 was related to mark-to-market loss on interest rate swaps of \$0.6 million and a loss of \$0.1 million on foreign exchange contracts. Net gain (loss) on foreign currency transactions: Net loss on foreign currency transactions for the six months ended June 30, 2024 was \$198,000, compared to \$27,000 for the six months ended June 30, 2023. Income tax benefit (expense): Income tax expense for the six months ended June 30, 2024 was \$0.4 million compared to an income tax benefit of \$0.2 million for the six months ended June 30, 2023. Net income (loss): As a result of the foregoing, the Partnership recorded a net loss of \$5.4 million for the six months ended June 30, 2024, compared to net loss of \$41.7 million for the six months ended June 30, 2023.

**Liquidity and Capital Resources**—We operate in a capital-intensive industry, and we expect to finance the purchase of additional vessels and other capital expenditures through a combination of borrowings from commercial banks, cash generated from operations, any vessel sales and debt and equity financings. In addition to paying distributions, our other liquidity requirements relate to payment of operating costs, servicing our debt, payment of lease obligations, funding investments (including the equity portion of investments in vessels), funding working capital, including drydocking, and maintaining cash reserves against fluctuations in operating cash flows. As of September 18, 2024, we believe our sources of funds (assuming the current contracted rates are earned from our existing charters), including the undrawn portion of our revolving credit facilities of \$10A million, are sufficient to meet our working capital and other cash requirements for our current business for at least the next twelve months. Generally, our long-term sources of funds are cash from operations, long-term bank borrowings and other debt and equity financings. Because we distribute our available cash, we expect to rely upon external financing sources, including bank borrowings and the issuance of debt and equity securities, to fund acquisitions and other expansion capital expenditures. On January 11, 2023, we reduced our quarterly common unit distribution to \$0.026 per unit. We expect to continue to use our internally generated cash flow to provide for working capital, reduce our debt levels and strengthen our balance sheet. Our funding and treasury activities are intended to maximize investment returns while maintaining appropriate liquidity. Cash and cash equivalents are held primarily in U.S. Dollars with some balances held in NOK, British Pounds and Euros. We have not made use of derivative instruments other than for interest rate and currency risk management purposes, and we expect to continue to economically hedge part of our exposure to interest rate fluctuations in the future by entering into new interest rate swap contracts when suitable opportunities arise. We estimate that we will spend in total approximately \$46.9 million for drydocking and classification surveys for the vessels in our fleet as of June 30, 2024, between 2024 and 2027, with approximately \$7.1 million of this amount to be spent in the twelve months ending June 30, 2025. As our fleet matures and expands, our drydocking expenses will likely increase. Ongoing costs for compliance with environmental regulations are primarily included as part of our drydocking and society classification survey costs or are a component of our vessel operating expenses. We are not aware of any regulatory changes or environmental liabilities that we currently anticipate will have a material impact on our current or future operations. There will be further costs related to voyages to and from drydocking yards that will depend on the distance from the vessel's ordinary trading area to the drydocking yard. As of June 30, 2024, the Partnership had available liquidity of \$66.6 million, which consisted of cash and cash equivalents of \$56.6 million and undrawn capacity under one of the revolving credit facilities of \$10 million. The Partnership's total interest-bearing obligations outstanding as of June 30, 2024 were \$901.0 million (\$895.4 million net of debt costs). The average margin paid on the Partnership's outstanding debt during the second quarter of 2024 was approximately 2.26 % over the SOFR. As of June 30, 2024, the Partnership had total \$901.0 million in outstanding obligations, which include installments and interest on long-term debt, sale and leaseback commitments in respect of the Raquel Knutsen and the Torill Knutsen, interest commitments on interest rate swaps and operating lease commitments. Of the total outstanding obligations, \$89.2 million matures within one year and \$806.2 million matures after one year. The consolidated financial statements have been prepared assuming that the Partnership will continue as a going concern. As of June 30, 2024, the Partnership's net current liabilities were \$27.3 million. Included in current liabilities are \$89.2 million of short-term loan obligations that mature before June 30, 2025 and are therefore presented as current debt. Currently, we do not have any off-balance sheet arrangements. The following table summarizes our net cash flows from operating, investing and financing activities and our cash and cash equivalents for the periods presented:

Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Operating activities	\$60,572
Investing activities	\$(75)
Financing activities	\$(67,710)
Effect of exchange rate changes on cash	\$(89)
Net increase in cash and cash equivalents	\$(7,302)

Cash and cash equivalents at the end of the period were \$56,619,446, or 56.6%, of the total notional amount of the Partnership's outstanding interest rate swap contracts that were entered into in order to offset part of the exposure to interest rate changes in respect of outstanding or forecasted debt obligations was \$389.3 million as of June 30, 2024 and \$440.6 million as of June 30, 2023. The increase of \$15.3 million was primarily due to drydocking expenditures related to the Carmen Knutsen, the Brasil Knutsen and the Hilda Knutsen for the six months ended June 30, 2023, compared with a small expenditure for corresponding period of 2024. Changes in working capital decreased net cash provided by operating activities by \$8.4 million for the six months ended June 30, 2024, a decrease of \$26.8 million from a contribution of \$18.4 million for the six months ended June 30, 2023. The decrease from positive to negative contribution in changes in working capital was mainly due to the use of cash for the increase in other current assets and the use of cash for the decreases in trade accounts payable and accrued expenses. Net cash used in investing activities: Net cash used in investing activities was \$0.1 million in the six months ended June 30, 2024, compared to \$2.7 million in the six months ended June 30, 2023. The decrease is mainly related to installation of a Ballast Water Treatment System (BWTS) on the Carmen Knutsen and the Brasil Knutsen in the first half of 2023 with a small installation on the Torill Knutsen for the corresponding period of 2024. Net cash used in financing activities: Net cash used in financing activities during the six months ended June 30, 2024 of \$67.7 million was mainly related to the following:

- Proceeds of \$60 million from the drawdown on a new three-year loan facility secured by the Hilda Knutsen. This was offset by the following:
  - Repayment of long-term debt of \$121.9 million, of which \$58.5 million was repaid in connection with the refinancing of the maturing loan facility secured by the Hilda Knutsen;
  - Payment of cash distributions of \$5.2 million; and
  - Payment of debt issuance costs of \$0.5 million in connection with the refinancing of the maturing loan facility secured by the Hilda Knutsen. Net cash used in financing activities during the six months ended June 30, 2023 of \$53.7 million was mainly related to the following:
    - Proceeds of \$240 million from the refinancing of a new five-year loan facility secured by the Windsor Knutsen, the Bodil Knutsen, the Fortaleza Knutsen, the Recife Knutsen, the Carmen Knutsen and the Ingrid Knutsen. This was offset by the following:
      - Repayment of long-term debt of \$286.1 million, of which \$239.5 million was repaid in connection with the refinancing of the new loan facility secured by the Windsor Knutsen, the Bodil Knutsen, the Fortaleza Knutsen, the Recife Knutsen, the Carmen Knutsen and the Ingrid Knutsen;
      - Payment of cash distributions of \$5.2 million; and
      - Payment of debt issuance costs of \$2.5 million in connection with the refinancing of the \$240 Million Loan Facility.

Borrowing Activities—Long-Term Debt—As of June 30, 2024, and December 31, 2023, the Partnership had the following debt amounts outstanding:

As of June 30, 2024	As of December 31, 2023
Anna Knutsen, Tordis Knutsen, Vigdis Knutsen, Brasil Knutsen, Lena Knutsen	\$275,984
Hilda Knutsen	\$288,534
Windsor Knutsen, Bodil Knutsen, Carmen Knutsen, Fortaleza Knutsen, Recife Knutsen, Ingrid Knutsen	\$60,000
Hilda Knutsen	\$60,000
Synnøve Knutsen, Tove Knutsen	\$192.1 million
Shinsei Knutsen	\$25,000
Raquel Knutsen	\$94,955
Torill Knutsen	\$99,065
Current installments	\$91,251
Unamortized deferred loan issuance costs	\$2,094
Current portion of long-term debt	\$89,157
Unamortized deferred loan issuance costs	\$3,569
Long-term debt, less current installments, and unamortized deferred loan issuance costs	\$4,166

The Partnership's outstanding debt of \$901.0 million as of June 30, 2024, is repayable as follows:

  - Sale and Leaseback—As of June 30, 2024, the Partnership has \$15,751A to \$23,525A of sale and leaseback agreements with a term of 1.4 years to 1.5 years. The average margin paid on the Partnership's sale and leaseback agreements was 1.75% to 2.40%. The average margin paid on the Partnership's sale and leaseback agreements was 1.75% to 2.40%. The average margin paid on the Partnership's sale and leaseback agreements was 1.75% to 2.40%.
  - Long-Term Debt—As of June 30, 2024, the interest rates on the Partnership's loan agreements were SOFR plus a fixed margin ranging from 1.75% to 2.40%. The average margin paid on the Partnership's sale and leaseback agreements was 1.75% to 2.40%. The average margin paid on the Partnership's sale and leaseback agreements was 1.75% to 2.40%.

Additional credit facilities or amendments to existing credit facilities entered into by the Partnership since December 31, 2023. The Partnership is in compliance with all covenants under its credit facilities.

**Loan Facilities**—On January 9, 2024, the loan facility secured by the Dan Sabia was repaid in full.

**Bank ABP** (the \$60 million Hilda Facility)—The \$60 million Hilda Facility is repayable in 12 consecutive quarterly installments with a final payment due at maturity of \$39.4 million, which includes the balloon payment and last quarterly installment. The \$60 million Hilda Facility bears interest at a rate per annum equal to SOFR plus a margin of 2.25%. The \$60 million Hilda Facility is secured by a mortgage on the Hilda Knutsen. The Partnership and KNOT Shuttle Tankers AS are the sole guarantors. The facility matures in May 2027. The \$60 million Hilda Facility contains the following primary financial covenants:

  - Positive working capital of the Partnership; and
  - Minimum liquidity of the Partnership of \$15 million plus increments of \$1.5 million for each owned vessel with less than 12 months remaining tenor on its employment contracts up to 8 vessels and \$1.0 million for each owned vessel with less than 12 months remaining tenor on its employment contract up to 12 additional vessels in excess of 8 vessels (of which a minimum of \$10 million must be cash); and
  - Minimum book equity ratio for the Partnership of 30%; and
  - Minimum EBITDA to interest ratio for the Partnership of 2.50. The \$60 million Hilda Facility also identifies various events that may trigger mandatory reduction, prepayment and cancellation of the facility, including if the market value of the Hilda Knutsen is less than 135% of the outstanding loan under the \$60 million Hilda Facility, upon a total loss or sale of the Hilda Knutsen and customary events of default. As of June 30, 2024, the borrower and the guarantors were in compliance with all covenants under this facility.

**Tuva Facility**—On January 15, 2021, KNOT Shuttle Tankers 31 AS, the subsidiary owning the Tuve Knutsen, as borrower, entered into a \$88 million term



swaps;â—planned capital expenditures and availability of capital resources to fund capital expenditures;â—KNOT Offshore Partnersâ€™ ability to maintain long-term relationships with major users of shuttle tonnage;â—KNOT Offshore Partnersâ€™ ability to leverage KNOTâ€™s relationships and reputation in the shipping industry;â—KNOT Offshore Partnersâ€™ ability to maximize the use of its vessels, including the re-deployment or disposition of vessels no longer under charter;â—the financial condition of KNOT Offshore Partnersâ€™ existing or future customers and their ability to fulfill their charter obligations;â—timely purchases and deliveries of newbuilds;â—future purchase prices of newbuilds and secondhand vessels;â—any impairment of the value of KNOT Offshore Partnersâ€™ vessels;â—KNOT Offshore Partnersâ€™ ability to compete successfully for future chartering and newbuild opportunities;â—acceptance of a vessel by its charterer;â—the impact of the Russian war with Ukraine, the conflict between Israel and Hamas and other conflicts in the Middle East;â—termination dates and extensions of charters;â—the expected cost of, and KNOT Offshore Partnersâ€™ ability to, comply with governmental regulations (including climate change regulations) and maritime self-regulatory organization standards, as well as standard regulations imposed by its charterers applicable to KNOT Offshore Partnersâ€™ business;â—availability of skilled labor, vessel crews and management;â—the effects of outbreaks of pandemics or contagious diseases, including the impact on KNOT Offshore Partnersâ€™ business, cash flows and operations as well as the business and operations of its customers, suppliers and lenders;â—41Table of Contentsâ—KNOT Offshore Partnersâ€™ general and administrative expenses and its fees and expenses payable under the technical management agreements, the management and administration agreements and the administrative services agreement;â—the anticipated taxation of KNOT Offshore Partners and distributions to its unitholders;â—estimated future capital expenditures;â—Marshall Islands economic substance requirements;â—KNOT Offshore Partnersâ€™ ability to retain key employees;â—customersâ€™ increasing emphasis on climate, environmental and safety concerns;â—the impact of any cyberattack;â—potential liability from any pending or future litigation;â—potential disruption of shipping routes due to accidents, political events, piracy or acts by terrorists;â—future sales of KNOT Offshore Partnersâ€™ securities in the public market;â—KNOT Offshore Partnersâ€™ business strategy and other plans and objectives for future operations; and â—other factors listed from time to time in the reports and other documents that KNOT Offshore Partners files with the SEC, including its 2023 20-F and subsequent reports on Form 6-K.Foward-looking statements in this Report on Formâ 6-K are based upon managementâ€™s current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties, including those risks discussed in this Formâ 6-K and our 2023 20-F. 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 impact 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 do 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.â—2Table of ContentsEXHIBITSThe following exhibits are filed as part of this report:ExhibitNumberâ 1.â 2.â 3.â 4.â 5.â 6.â 7.â 8.â 9.â 10.â 11.â 12.â 13.â 14.â 15.â 16.â 17.â 18.â 19.â 20.â 21.â 22.â 23.â 24.â 25.â 26.â 27.â 28.â 29.â 30.â 31.â 32.â 33.â 34.â 35.â 36.â 37.â 38.â 39.â 40.â 41.â 42.â 43.â 44.â 45.â 46.â 47.â 48.â 49.â 50.â 51.â 52.â 53.â 54.â 55.â 56.â 57.â 58.â 59.â 60.â 61.â 62.â 63.â 64.â 65.â 66.â 67.â 68.â 69.â 70.â 71.â 72.â 73.â 74.â 75.â 76.â 77.â 78.â 79.â 80.â 81.â 82.â 83.â 84.â 85.â 86.â 87.â 88.â 89.â 90.â 91.â 92.â 93.â 94.â 95.â 96.â 97.â 98.â 99.â 100.â 101.â 102.â 103.â 104.â 105.â 106.â 107.â 108.â 109.â 110.â 111.â 112.â 113.â 114.â 115.â 116.â 117.â 118.â 119.â 120.â 121.â 122.â 123.â 124.â 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the Business or part thereof; entered into by any arrangement with, or made an assignment for the benefit of, its creditors; or ceased to function as a going concern. The Company does not own, directly or indirectly, any equity or long-term debt securities of any corporation, partnership, limited liability company or other entity.

8.2 Corporate authorisation and non-contra-ventionThis Agreement and each other document or instrument delivered or to be delivered in connection with this Agreement has been duly authorised by all necessary corporate action(s) of each of the Company and the Seller, as appropriate, and constitutes or will, when executed, constitute valid and binding obligations of each of the Company and the Seller, as appropriate, enforceable in accordance with its respective terms. The execution by each of the Company and the Seller, as appropriate, of this Agreement and each other document or instrument delivered or to be delivered in connection with it, and the performance by each of the Company and the Seller, as appropriate, of its obligations under this Agreement and the consummation of the transactions provided for in this Agreement, do not and will not result in a breach of any provision of the articles of association of each of the Company and the Seller, as appropriate, or of any applicable law, order, judgment or decree of any court or Governmental Authority or of any agreement to which each of the Company and the Seller, as appropriate, is bound. Each of the Company and the Seller, as appropriate, is not required to obtain any authorisations, consents, approvals or exemptions by any Governmental Authority in connection with the entering into or performance of its obligations under this Agreement.

8.3 Capitalisation and titleThe Seller has full ownership to the Tuva Shares. The Tuva Shares are duly authorised, validly issued and fully paid and at Closing, will be free and clear from any Encumbrances, other than pursuant to the Tuva Facility. There is no outstanding subscription, option or similar rights relating to the Tuva Shares.

8.4 RecordsThe Company's articles of association, shareholders' register and other organizational documents are true, accurate, up-to-date and complete.

8.5 Charter documents; validity of the CharterThe Seller has supplied to the Buyer true and correct copies of the Charter and any related documents, as amended to the Closing Date. The Charter is a valid and binding agreement of the Company enforceable against the Company in accordance with its terms and, to the knowledge of the Seller, the Charter is a valid and binding agreement of all other parties thereto enforceable against such parties in accordance with its terms.

8.6 AccountsThe Accounts have been prepared in accordance with the Accounting Principles and in accordance with the books and records of the Company. The Accounts give a true and accurate view of the financial position, solvency, assets, liabilities, liquidity, cash flow and the result of the operations of the Company as of the Accounts Date.

8.7 No undisclosed liabilitiesNeither the Company nor the Vessel has any Encumbrances, or other liabilities or obligations of any nature, whether absolute, accrued, contingent or otherwise, and whether due or to become due (including, without limitation, any liability for Taxes and interest, penalties and other charges payable with respect to any such liability or obligation), except for such liabilities or obligations arising under the Charter, the Tuva Facility, the Swap Agreements, the management agreement relating to the Vessel with KNOT Management AS, the inter-company balances described in Clause 8.8 b) and the Encumbrances appearing in the ship registry of the Vessel and arising under the Tuva Facility and the Swap Agreements.

8.8 Loans and other financial facilitiesAll loans and other financial facilities available to the Company have been made available for review by the Buyer.

8.9 As of the Signing Date, the principal outstanding amount under the Tuva Facility in respect of the Vessel is USD 69,037,510 where the next instalments of USD 1,294,000 is due 29. October, 2024.

8.10 As of 31 July 2024, the non-interest bearing inter-company balance between the Company (as borrower) and KNOT Management AS (as lender) was USD 306,730. No event has occurred which gives, or after notice or lapse of time, or both, would give any third party the right to call for repayment from the Company prior to normal maturity of any loan or other financial facility. The Company is not indebted, directly or indirectly, to any person who is an officer, director, stockholder or employee of the Seller or any spouse, child or other relative or any affiliate of any such person, nor is any such officer, director, stockholder, employee, relative or affiliate indebted to the Company.

8.9 AssetsAt the Closing Date, the Company shall not be using assets in the Business that it neither owns nor has the right to use pursuant to written agreements with third parties. At the Closing Date, the assets of the Company will comprise all the assets necessary for carrying on the Business fully and effectively to the extent to which it is conducted at the Signing Date.

8.10 Absence of certain changes or eventsSince the Accounts Date, there has not occurred or arisen:

a) any change of accounting methods, principles or practices, accounting, invoicing and supplier practice or procedures for the Company;

b) any acquisition or disposal of, or the entering into any agreement to acquire or dispose of, any asset, other than the sale of products in the ordinary course of business;

c) the termination of any Material Agreement, other than the Commercial Management Agreement dated 30 October 2018 between the Company and KNOT Management AS pursuant to the Agreement on Termination of the Commercial Management Agreement dated 30 August 2024;

d) any obligations, commitments or liabilities, contingent or otherwise, whether for Taxes or otherwise, except obligations, commitments and liabilities arising in the ordinary course of business;

e) any event or condition, whether covered by insurance or not, which has resulted in or may result in a Material Adverse Effect;

or

f) the entering into of any agreements or commitments other than on customary terms.

8.11 AgreementsEach Material Agreement is in full force and effect. No other Material Agreement will be entered into by the Company prior the Closing Date without the prior consent of the Buyer (such consent not to be unreasonably withheld). The Company has fulfilled all material obligations required pursuant to the Material Agreements to have been performed by it prior to the Signing Date and has not waived any material rights thereunder. There has not occurred any material default on the part of the Company under any of the Material Agreements, or to the knowledge of the Seller, on the part of any other party thereto, nor has any event occurred that with the giving of notice or the lapse of time, or both, would constitute any material default on the part of the Company under any of the Material Agreements nor, to the knowledge of the Seller, has any event occurred that with the giving of notice or the lapse of time, or both, would constitute any material default on the part of any other party to any of the Material Agreements. The term "Material Agreement" means each agreement, contract or other undertaking by or of the Company (a) that is of material importance to the Business or (b) the value of which, in respect of total turnover during one year, is not less than USD 50,000, provided, however, that such term includes the Charter, the Tuva Facility and the Swap Agreements.

8.12 InsuranceThe Company maintains insurance policies on fire, theft, loss, disruption, product and general liability and other forms of insurance with reputable insurers that would reasonably be judged to be sound and required for the Business. The Company's insurance policies do not contain any provisions regarding a change of control or ownership of the insured. The Company is in compliance with all terms and conditions contained in the insurance policies, and nothing has been done or omitted to be done that would make any insurance policy or insurance void or voidable or that would result in a reduction of the coverage (No: avkortning).

8.13 Environmental mattersThe Company is not and has not been in breach of any applicable laws (whether civil, criminal or administrative), statutes, regulations, directives, codes, judgments, orders or any other measures imposed by any governmental, statutory or regulatory body with regard to the pollution or the protection of the environment or to the protection of human health or human safety, or any other living organisms supported by the environment. There is no current governmental investigation or disciplinary proceeding relating to any alleged breach of any law or permit by the Company, and none is pending, nor threatened. The Company has not, other than as permitted under applicable permits or applicable laws or regulations held from time to time, disposed of, discharged, released, placed, dumped or emitted any hazardous substances, such as pollutants, contaminants, hazardous or toxic materials, wastes or chemicals. Neither the Seller nor the Company has received any formal or informal notice or other communication from which it appears that the Company may be or has been in violation of any laws or permits. There are no actual or contingent obligations on the Company to pay money or carry out any work in order to keep or be granted an extension or renewal of any existing permit. There are no facts or circumstances that could result in such an obligation. The properties used by the Company are not made of or do not contain any form of asbestos or any other toxic substance that may cause damage to the health of the persons working or visiting the premises.

8.14 Compliance with lawsThe Company has at all times conducted the Business in accordance with and have complied with any applicable laws in Norway and in any other relevant countries relating to each of their operations and the Business. All necessary licences, consents, permits and authorisations have been obtained by the Company enable the Company to carry on the Business in the places and in the manner in which such Business is now conducted and all such licences, consents, permits and authorisations are valid and subsisting and have been complied with in all respects.

8.15 LitigationThere are no claims, actions, lawsuits, administrative, governmental, arbitration or other legal proceedings (including but not limited to proceedings related to Taxes) pending or threatened against or involving the Company, the Business or properties or assets of the Company and which would result in a Material Adverse Effect if adversely determined.

8.16 TaxesThe Company has properly filed with the appropriate Tax authorities all Tax returns and reports required to be filed for all Tax periods ending prior to the Closing Date. Such filings are true, correct and complete. All information required for a correct assessment of Taxes has been provided. The Tax returns of the Company have been assessed and approved by the Tax authorities through the Tax years up to and including the years for which such assessment and approval is required, and the Company is not subject to any dispute with any such authority. All Taxes that have become due have been fully paid or fully provided for in the Accounts, and the Company shall not be liable for any additional Tax pertaining to the period before the Accounts Date. All Taxes for the period after the Accounts Date have been fully paid when due. There are no Tax audits, Tax disputes or Tax litigation pending or threatened against or involving the Company. There is no basis for assessment of any deficiency in any Taxes against the Company that has not been provided for in the Accounts or that has not been paid. The Company is not and has not been involved in any transaction that could be considered as Tax-evasive. All losses for Tax purposes incurred by of the Company are trading losses and are available to be carried forward and set off against income in succeeding periods without limitation and have been accepted by the relevant Tax authorities. The Company is not and has not been subject to any Tax outside its respective country of fiscal residence.

8.12 a-c. 8.17 Relationship with the SellerExcept as disclosed to the Buyer, there are no written or oral agreements or arrangements between the Company and the Seller, and no liabilities or obligations (contingent or otherwise) owed by the Company to the Seller. No services provided by the Seller to the Company are necessary in the ordinary course of business. No payments of any kind, including, but not limited to management charges, have been made by the Company to the Seller, save for payments under agreements or arrangements made on an arm's-length basis in accordance with applicable law and regulations.

8.18 InformationAll documents provided to the Buyer by or on behalf of the Seller or the Company are true and correct, and no document provided to the Buyer by or on behalf of the Seller or the Company contains any untrue statement of a relevant fact or omits to state a relevant fact necessary to make the statements contained in the document not misleading. There are no facts or circumstances known to the Seller, relating to the affairs of the Company, that have not been disclosed to the Buyer, which, if disclosed, reasonably could have been expected to influence the decision of the Buyer to purchase the Tuva Shares on the terms of this Agreement. The Seller confirms that the Seller, prior to the Signing Date, has made, and until the Closing Date, shall continue to make, all investigations necessary in order to ensure that the statements in Clauses 8 and 9 are correct.

9 REPRESENTATIONS AND WARRANTIES OF THE SELLER REGARDING THE VESSELThe Seller represents and warrants to the Buyer as of the Signing Date and on the Closing Date, unless otherwise expressly stated:

9.1 Flag and titleThe Company is the registered owner of the Vessel and has good and marketable title to the Vessel, free and clear of any and all Encumbrances, other than those arising under the Tuva Facility and the Swap Agreements. The Vessel is properly registered in the name of the Seller under and pursuant to the flag and law of Norway, and all fees due and payable in connection with such registration have been paid.

9.2 ClassificationThe Vessel is entered with the DNV GL and has the highest classification rating. The Vessel is in class without any recommendations or notation as to class or other requirement of the relevant classification society, and if the Vessel is in a port, it is in such condition that it cannot be detached by any port state authority or the flag state authority for any deficiency.

9.3 MaintenanceThe Vessel has been maintained in a proper and efficient manner in accordance with internationally accepted standards for good ship maintenance, is in good operating order, condition and repair and is seaworthy, and all repairs made to the Vessel during the last two years and all known scheduled repairs due to be made and all known deficiencies have been disclosed to the Buyer.

9.4 LiensThe Vessel is not (a) under arrest or otherwise detained, (b) other than in the ordinary course of business, in the possession of any person (other than her master and crew) or (c) subject to a possessory lien.

9.5 SafetyThe Vessel is supplied with valid and up-to-date safety, safety construction, safety equipment, radio, loadline, health, tonnage, trading and other certificates or documents as may for the time being be prescribed by the law of Norway or of any other pertinent jurisdiction, or that would otherwise be deemed necessary by a shipowner acting in accordance with internationally accepted standards for good ship management and operations.

9.6 No blacklisting or boycottsNo blacklisting or boycotting of any type has been applied or currently exists against or in respect of the Vessel.

9.7 No optionsThere are not outstanding any options or other rights to purchase the Vessel.

9.8 InsuranceThe insurance policies relating to the Vessel are as set forth on Appendix 2 hereto, each of which is in full force and effect and, to the Seller's knowledge, not subject to being voided or terminated for any reason.

10 COVENANTS PRIOR TO THE CLOSING10.1 Covenants of the Seller Prior to the ClosingFrom the Signing Date to the Closing Date, the Seller shall cause the Company to conduct its business in the usual, regular and ordinary course in substantially the same manner as previously conducted. The Seller shall not permit the Company to enter into any contracts or other written or oral agreements prior to the Closing Date, other than such contracts and agreements as have been disclosed to the Buyer prior to the Signing Date, without the prior consent of the Buyer (such consent not to be unreasonably withheld). In addition, the Seller shall not permit the Company to take any action that would result in any of the conditions to the purchase and sale of the Tuva Shares set forth in Clause 6 not being satisfied. Furthermore, the Seller hereby agrees and covenants that it:

a) shall use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to consummate and make effective as promptly as possible the transactions contemplated by this Agreement and to co-operate with the Buyer and others in connection with the foregoing;

b) shall use its best efforts to obtain the authorisations, consents, orders and approvals of regulatory bodies and officials that may be or become necessary for the performance of its obligations pursuant to this Agreement and the completion of the transactions contemplated by it;

c) shall co-operate with the Buyer and promptly seek to obtain such authorisations, consents, orders and approvals as may be necessary for the performance of the Parties' respective obligations pursuant to this Agreement;

d) shall not amend, alter or otherwise modify or permit any amendment, alteration or modification of any material provision of or terminate the Charter or any other contract prior to the Closing Date without the prior written consent of the Buyer, such consent not to be unreasonably withheld or delayed;

e) shall not exercise or permit any exercise of any rights or options contained in the Charter, without the prior written consent of the Buyer, not to be unreasonably withheld or delayed;

f) shall observe and perform in a timely manner, all of its covenants and obligations under the Charter, the Tuva Facility and the Swap Agreements, if any, and in the case of a default by another party thereto, it shall forthwith advise the Buyer of such default and shall, if requested by the Buyer, enforce all of its rights under such Charter, the Tuva Facility or the Swap Agreements, as applicable, in respect of such default;

g) shall not cause or, to the extent reasonably within its control, permit any Encumbrances to attach to the Vessel other than in connection with the Tuva Facility and the Swap Agreements; and

h) shall permit representatives of the Buyer to make, prior to the Closing Date, at the Buyer's risk and expense, such surveys, tests and inspections of the Vessel as the Buyer may deem desirable, so long as such surveys, tests or inspections do not damage the Vessel or interfere with the activities of the Seller, the Company or the Charterer thereon and so long as the Buyer shall have furnished the Seller with evidence that adequate liability insurance is in full force and effect.

10.2 Covenants of the Buyer Prior to the ClosingThe Buyer hereby agrees and covenants that during the period of time after the Signing Date and prior to the Closing Date, the Buyer shall, in respect of the Tuva Shares to be transferred on the Closing Date, take, or cause to be taken, all necessary company action, steps and proceedings to approve or authorize validly and effectively the purchase and sale of the Tuva Shares and the execution and delivery of this Agreement and the other agreements and documents contemplated hereby.

10.15 a-c. 11 TERMINATION11.1 TerminationThis Agreement may be terminated, and the transactions contemplated by this Agreement may be abandoned, at any time prior to the Closing Date:

a) by either Party if a breach of any provision of this Agreement has been committed by the other Party, such breach has not been waived and such breach is material to the transactions contemplated hereby, the Business or the assets, financial condition or prospect of the Company;

b) by the Buyer if satisfaction of any of the conditions in Clause 6.1 is or becomes impossible (other than through the failure of the Buyer to comply with its obligations under this Agreement) and the Buyer has not waived such condition;

c) by the Seller if satisfaction of any of the conditions in Clause 6.2 is or becomes impossible (other than through the failure of the Seller to comply with its obligations under this Agreement) and the Seller has not waived such condition;

d) by either Party if satisfaction of any of the conditions in Clause 6.3 is or becomes impossible and Buyer and Seller have not waived such condition;

e) by the Buyer due to a change having occurred that has resulted or may result in a Material Adverse Effect;

f) by mutual written consent of the Seller and the Buyer;

or

g) by either Party if the Dan Cisme SPA is terminated.

11.2 Rights on terminationIf this Agreement is terminated pursuant to Clause 11.1, all further obligations of the Parties pursuant to this Agreement shall terminate without further liability of a Party to the other, provided, however, that the obligations of the Parties contained in Clause 14 (Costs) and Clause 18 (Governing Law and arbitration) shall survive such termination, and further provided, that if this Agreement is terminated by a Party because of the breach of this Agreement by the other Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

12 GUARANTEE BY KNOT12.1 Guarantee relating to the Tuva Knutsen If at any time during the seven years following the Closing Date, the Tuva Knutsen is not receiving from any charterer a rate of hire that is equal to or greater than the rate of hire then in effect and payable under the Charter,

then Seller shall pay, or cause to be paid, to the Company, the owner of the Tuva Knutsen, such rate of hire that would have been inâ€16â€effect and payable under the Charter; provided, however, that in the event that for any period during such seven years following the Closing Date the Tuva Knutsen is chartered under a charter other than the Charter and the rate of hire being paid under such charter is lower than the rate of hire that would have been in effect and payable under the Charter during any such period, then Seller shall pay, or cause to be paid, to the owner of the Tuva Knutsen, the difference between the rate of hire that would have been in effect and payable under the Charter during such period and the rate of hire that is then in effect and payable under such other charter. No amounts shall be payable pursuant to this Clause 12 during any period of technical offhire of the vessel.12.2Gross upAny payment required to be made by Seller pursuant to this Clause 12 shall be increased as necessary such that the net payment after allowance for any applicable taxes equals the amount due under Clause 12.113INDEMNIFICATION13.1Indemnity by the SellerFollowing the Closing, the Seller shall be liable for, and shall indemnify, defend and hold harmless the Buyer and its respective officers, directors, employees, agents and representatives (the "Buyer Indemniteesâ€) from and against, any Losses, suffered or incurred by such Buyer Indemnitees:a)by reason of, arising out of or otherwise in respect of any inaccuracy in, breach of any representation or warranty, or a failure to perform or observe fully any covenant, agreement or obligation of, the Seller in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Seller;b)subject to Clause 14 b), any fees, expenses or other payments incurred or owed by the Seller to any brokers, financial advisors or comparable other persons retained or employed by it in connection with the transaction contemplated by this Agreement;c)any Losses of the Company or the Vessel or any other vessel chartered or owned by the Company incurred prior to or on the Closing Date arising from any violation of any applicable law or regulation relating to protection of natural resources, health and safety and the environment;d)all federal, state, foreign and local income tax liabilities attributable to the Company or operation of the Vessel prior to the Closing Date; ore)any Losses suffered or incurred by such Buyer Indemnitees in connection with any claim for the repayment of hire or Lossesâ€17â€in relation to the Vessel or any other vessel chartered or owned by the Company for periods prior to the Closing.13.2Indemnity by the BuyerFollowing the Closing, the Buyer shall be liable for, and shall indemnify, defend and hold harmless the Seller and its respective officers, directors, employees, agents and representatives (the "Seller Indemniteesâ€) from and against, any Losses, suffered or incurred by such Seller Indemnitees by reason of, arising out of or otherwise in respect of any inaccuracy in, breach of any representation or warranty, or a failure to perform or observe fully any covenant, agreement or obligation of, the Buyer in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Buyer.13.3Indemnification procedures with respect to third-party claimsIf the Seller or the Buyer, as the case may be (an "Indemnified Partyâ€), shall receive notice of any claim by a third party that is or may be subject to indemnification or compensation from the other Party pursuant to this Agreement (a "Third-Party Claimâ€), the Indemnified Party shall give the other Party (the "Indemnifying Partyâ€) prompt written notice of such Third-Party Claim and the Indemnifying Party shall, at the Indemnifying Partyâ€™s option, have the right to participate in the defence thereof by counsel at the Indemnifying Partyâ€™s own cost and expense. If the Indemnifying Party acknowledges within 30 days from such written notice in writing its obligation to indemnify the Indemnified Party against all Losses that may result from such Third-Party Claim, the Indemnifying Party shall be entitled, at the Indemnifying Partyâ€™s option, to assume and control the defence of such Third-Party Claim at the Indemnifying Partyâ€™s cost and expense and through counsel of the Indemnifying Partyâ€™s choice. No such Third-Party Claim may be settled by the Indemnifying Party without the written consent of the Indemnified Party, unless the settlement involves only the payment of money by the Indemnifying Party. No Third-Party Claim that is being defended in good faith by the Indemnifying Party shall be settled by the Indemnified Party without the written consent of the Indemnifying Party. The Indemnifying Party shall have no obligation to indemnify the Indemnified Party for any losses resulting from the settlement of Third-Party Claims in violation of the provisions of this Clause 13.3.14COSTS)a)Subject to Clause 14b) and 14c), each party shall pay its own costs and expenses in connection with the preparation for and completion of the transactions contemplated by this Agreement, including but not limited to all fees and expenses of its own representatives, agents, brokers, legal and financial advisers and authorities and no such costs or expenses shall be charged to or paid by, neither directly or indirectly, the Company.b)The fees and expenses related to the fairness opinion of AMA Capital Partners LLC dated 27 August 2024 will be divided equally between the Buyer and the Seller.c)Legal fees to Norwegian and UK legal counsel related to the transactions contemplated by this Agreement and the relatedâ€18â€and financing arrangements will be divided equally between the Buyer and the Seller.15NOTICESAll notices, requests, demands, approvals, waivers and other communications required or permitted under this Agreement must be in writing in the English language and shall be deemed to have been received by a Party when:a)delivered by post, unless actually received earlier, on the third Business Day after posting, if posted within Norway, or the fifth Business Day, if posted to or from a place outside Norway;b)delivered by hand, on the day of delivery; orc)delivered by fax, on the day of dispatch if supported by a written confirmation from the senderâ€™s fax machine that the message has been properly transmitted.All such notices and communications shall be addressed as set forth below or to such other addresses as may be given by written notice in accordance with this Clause 15.If to the Seller:Knutsen NYK Offshore Tankers AS Attention: President & CEO5medasundet 40, Postboks 2017, 5504 Haugesund, Norwayâ€19â€If to the Buyer:KNOT Shuttle Tankers AS Attention: Chairman of the Board5medasundet 40, Postboks 2017, 5504 Haugesund, Norway16ASSIGNMENTThis Agreement shall be binding upon and inure to the benefit of the successors of the Parties, but shall not be assignable by any of the Parties without the prior written consent of the other Party. The benefit of this Agreement may, however, be assigned by either of the Parties to any group directly or indirectly controlling, controlled by or under common control of the assignor, provided that the assignor shall remain liable for its own debt and for all obligations under this Agreement.17MISCELLANEOUS17.1Further AssurancesFrom time to time after the Signing Date, and without any further consideration, the Parties agree to execute, acknowledge and deliver all such additional deeds, assignments, bills of sale, conveyances, instruments, notices, releases, acquittances and other documents, and shall do all such other acts and things, all in accordance with applicable law, as may be necessary or appropriate (a) more fully to assure that the applicable Parties own all of the properties, rights, titles, interests, estates, remedies, powers and privileges granted by this Agreement, or which are intended to be so granted, (b) more fully and effectively to vest in the applicable Parties and their respective successors and assigns beneficial and record title to the interests contributed and assigned by this Agreement or intended so to be and (c) more fully and effectively to carry out the purposes and intent of this Agreement.17.2IntegrationThis Agreement, the Appendices hereto and the instruments referenced herein supersede all previous understandings or agreements among the Parties, whether oral or written, with respect to its subject matter hereof. This Agreement, the Appendices hereto and the instruments referenced herein contain the entire understanding of the Parties with respect to the subject matter hereof and thereof. No understanding, representation, promise or agreement, whether oral or written, is intended to be or shall be included in or form part of this Agreement unless it is contained in a written amendment hereto executed by the Parties hereto after the Signing Date.17.3No Brokerâ€™s FeesNo one is entitled to receive any finderâ€™s fee, brokerage or other commission in connection with the purchase of the Tuva Shares or the consummation of the transactions contemplated by this Agreement.18GOVERNING LAW AND ARBITRATIONThis Agreement shall be governed by and construed in accordance with Norwegian law.The Parties shall seek to solve through negotiations any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof. If the Parties fail toâ€20â€solve such dispute, controversy or claim by a written agreement within 60 days after one of the Parties has requested such negotiations by notice to the other Party, such dispute, controversy or claim shall be finally settled by arbitration in Haugesund in the English language in accordance with the Norwegian Arbitration Act. The arbitration tribunal shall consist of three arbitrators, of which the Buyer shall appoint one arbitrator and the Seller shall appoint one arbitrator. The arbitrators so appointed shall appoint the third arbitrator, who shall be the chairman of the arbitration tribunal. In the event of failure by a Party to appoint its arbitrator within 30 days after the request for arbitration first is given, or the failure by the first two arbitrators to appoint the third arbitrator within 30 days after appointment of the last of the first two arbitrators to be appointed, such arbitrator or arbitrators shall be appointed by the district judge (No: â€Sorenskriverâ€) of Haugesund District Court. Any Party may seek judgement upon any award in any court having jurisdiction, or an application may be made to such court for the judicial acceptance of the award and for an order of enforcement.Notwithstanding the above, either Party may bring an action in any court of competent jurisdiction (a) for provisional relief pending the outcome of arbitration, including, without limitation, provisional injunctive relief or pre-judgement attachment of assets, or (b) to compel arbitration or enforce any arbitral award. For purposes of any proceeding authorised by this Clause 18, each Party hereby consents to the non-exclusive jurisdiction of Haugesund, Norway.\* \*â€21â€This Agreement has been executed in two original copies, of which each Party has retained one copy.â€22â€Knutsen NYK Offshore Tankers ASA Ã A KNOT Shuttle Tankers ASâ€23â€By:â€24â€By:â€25â€By:â€26â€/s/ Trygve Seglemâ€27â€/s/ A ystein Emberlandâ€28â€â€Name: Trygve Seglemâ€29â€Name: A ystein Emberlandâ€30â€â€Title:CEOâ€31â€Title:Attorney-in-Factâ€32â€Appendix 1INSURANCESInsurance Policies (all quoted values are USD)Hull & MachineryHullInsured Value:\$110,000,000â€33â€Policy Renewal:01.05.2024-31.10.2025Hull InterestInsured Value:\$27,500,000â€34â€Policy Renewal:01.05.2024-31.10.2025Freight InterestInsured Value:\$27,500,000â€35â€Policy Renewal:01.05.2024-31.10.2025â€36â€P&I InsuranceGross Tonnage:89800â€37â€Policy Renewal:20.02.2024-20.02.2025â€38â€War RiskInsured Value:\$165,000,000â€39â€Policy Renewal:01.01.2024-31.12.2024â€40â€â€â€â€â€â€â€â€â€â€5,0%Alandia FAâ€™sArkringf Abp18,5%Aon London Broking Centre Allianzâ€41,0%Allianz Global Corporate & Speciality SE, Londonâ€42,5%Lloyd's Syndicate 1036 COFâ€43,5%Markel Insurance SE4,0%Aon London Broking Centre Archâ€44Arch Insurance Comp. (Europe) Ltd.8,5%Aon London Broking Centre AxaXLâ€45,8.5%Loyds Syndicate 2003 AXL3,0%Aon London Broking Centre BRT 2987â€46,3%Loyds Syndicate 2987 BRT5,0%Aon London Broking Centre CUL 3010â€47,5%Loyds Syndicate 3010 CUL3,5%Aon London Broking Centre SCORâ€48,3.5%SCOR UK Company Limited,2.5%AssuranceForenigen Skuld (Gjensidig)5,0%Codan Forsikring NUF5,0%DUPI Underwriting Agencies B.V.â€49,0.325%Axeria IARD S.A.â€50,1.500%Hamilton Insurance DACâ€51,1.875%Sirus Point Ltd.â€52,1.300%SMA S.A.7,5%Gard AS, as agents only for Gard M&E Ltd 7,5%Norwegian Hull Club25,0%Tokio Marine & Nichido Fire Insurance Co., Ltd.100,0%Totalâ€53â€â€â€â€Appendix 2ACCOUNTSâ€54â€(Separate attachment)â€55â€Exhibit 4.2SHARE PURCHASE AGREEMENTâ€56â€Betweenâ€57â€KNOT Shuttle Tankers AS(as Seller)â€58â€Andâ€59â€Knutsen NYK Offshore Tankers AS(as Buyer)for the sale and purchase of the shares inKNOT Shuttle Tankers 20 ASâ€60â€â€SHARE PURCHASE AGREEMENTThis agreement (this "Agreementâ€) is entered into on the 3 September 2024 between:(1)KNOT Shuttle Tankers AS, company registration no. 998Ã 942 829(the "Sellerâ€), and(2)Knutsen NYK Offshore Tankers AS, company registration no. 995Ã 221 713(the "Buyerâ€).The Seller and the Buyer are hereinafter individually referred to as a "Partyâ€and jointly the "Partiesâ€.1RECITALSWHEREAS:a)KNOT Shuttle Tankers 20 AS, company registration no. 897Ã 099 152, is a private limited liability company that has as its purpose to engage in shipowning activities, is duly incorporated under Norwegian law and has its registered place of business in Haugesund, Norway (the "Companyâ€);b)The Seller is the sole owner of the ownership interest in the Company, with a share capital of NOK 10,000,000;c)The Company is the owner of the MT â€Dan Cisneâ€, having IMO No. 9513440 (the "Vesselâ€); andd)The Seller and the Buyer have agreed that the Buyer shall acquire 100% of the shares in the Company (the "Dan Cisne Sharesâ€) on the terms and conditions set forth in this Agreement and the Settlement Agreement dated 3 September 2024 between the Seller and the Buyer (the "Settlement Agreementâ€).2DEFINITIONSIn this Agreement, the following definitions shall have the following meanings:a)Accounting Principlesmeans the applicable Norwegian generally accepted accounting principles as defined by Norwegian law and regulations and accounting standards issued by the Norwegian Accounting Standards Board (Nw: Norsk Regnskapsstiftelse/NRS), applied on a consistent basis;â€61â€â€â€b)Accountsmmeans, in respect of the Company, its audited profit and loss and balance sheet statement as per the Accounts Data attached as Appendix 2;â€62â€â€â€c)Accounts Datemeans 31 December 2023;â€63â€â€â€d)Agreementshall have the meaning ascribed to such term in the preamble to this Agreement;â€64â€â€â€e)Businessmeans the current business of the Company, being to own the Vessel, and charter the same under the Charter;â€65â€â€â€f)Business Daymeans a day on which banks are open for general banking business in Norway;â€66â€â€â€g)Buyershall have the meaning ascribed to such term in the preamble to this Agreement;â€67â€â€â€h)Buyer Indemniteeshall have the meaning ascribed to such term in Clause 12.1;â€68â€â€â€i)Chartermmeans the time charterparty 25 July, 2024, as amended, entered into between the Company as owner and the Charterer as charterer in respect of the Vessel;â€69â€â€â€j)Charterermeans Knutsen Shuttle Tanker Pool AS;â€70â€â€â€k)Closingshall have the meaning ascribed to such term in Clause 5.1;â€71â€â€â€l)Closing Datemeans the date when the Closing actually takes place according to Clause 5.1;â€72â€â€â€m)Companies Actmeans the Norwegian Limited Liability Companies Act of 1997;â€73â€â€â€n)Companyshall have the meaning ascribed to such term in Clause 1;â€74â€â€â€o)Dan Cisne Purchase Priceshall have the meaning ascribed to such term in Clause 4;â€75â€â€â€p)Dan Cisne Purchase Price Adjustmentshall have the meaning ascribed to such term in Clause 5.4;â€76â€â€â€q)Dan Cisne Sharesshall have the meaning ascribed to such term in Clause 1;â€77â€â€â€r)Encumbrancemeans any mortgage, charge, pledge, lien, option or other security interest or restriction of any kind;â€78â€â€â€s)Governmental Authoritymeans any domestic or foreign government, including federal, provincial, state, municipal, county or regional government or governmental or regulatory authority, domestic or foreign, and includes any department, commission, bureau, board, administrative agency or regulatory body of any of the foregoing and any multinational or supranational organization;â€79â€â€â€t)Indemnified Partyshall have the meaning ascribed to such term in Clause 12.3;â€80â€â€â€u)Indemnifying Partyshall have the meaning ascribed to such term in Clause 12.3;â€81â€â€â€v)Lossesmeans any loss, liability, claim, damage, expense (including costs of investigation and defence and reasonable attorneysâ€™ fees) or diminution of value, whether or not involving a third-party claim;â€82â€â€â€w)Material Adverse Effectmeans a material adverse effect on the condition (financial, commercial, technical, legal or otherwise) of the Business, assets, results of operations or prospects of the Company;â€83â€â€â€x)Material Agreementshall have the meaning ascribed to such term in Clause 8.11;â€84â€â€â€y)Partyshall have the meaning ascribed to such term in the preamble to this Agreement;â€85â€â€â€z)Partiesshall have the meaning ascribed to such term in the preamble to this Agreement;â€86â€â€â€aa)Partnershipmeans KNOT Offshore Partners LP, a Marshall Islands limited partnership;â€87â€â€â€â€b)Sellershall have the meaning ascribed to such term in the preamble to this Agreement;â€88â€â€â€â€c)Seller Indemnitieeshall have the meaning ascribed to such term in Clause 12.2;â€89â€â€â€â€d)Settlement Agreementshall have the meaning ascribed to such term in Clause 1;â€90â€â€â€â€e)Signing Datemeans the date of this Agreement;â€91â€â€â€â€f)Taxesmeans all taxes (including value-added tax and similar taxes), however denominated, including interest, penalties and other additions to tax that may become payable or imposed by any applicable statute, rule or regulation or any governmental agency, including all taxes, withholdings and other charges in respect of income, profits, gains, payroll, social security or other social benefit taxes, sales, use, excise, real or personalâ€92â€â€â€â€g)property, stamps, transfers and workersâ€™ compensation, which the Company is required to pay, withhold or collect; andâ€93â€â€â€â€g)Third-Party Claimshall have the meaning ascribed to such term in Clause 12.3;â€94â€â€â€â€h)Tuva SPAmmeans the Share Purchase Agreement, dated the date hereof, pursuant to which the Buyer has agreed to sell to the Seller all of the shares in KNOT Shuttle Tankers 31 AS, the owner of the vessel Tuva Knutsen; andâ€95â€â€â€â€i)Vesselsall have the meaning ascribed to such term in Clause 1.â€96â€SALE AND PURCHASESubject to the terms and conditions set forth in this Agreement, the Seller agrees to sell, and the Buyer agrees to purchase, the Dan Cisne Shares, together with all rights attached to them.The Dan Cisne Shares shall be transferred to the Buyer on the Closing Date, free and clear from any Encumbrances.â€97â€4â€PURCHASE PRICEThe Seller agrees to sell and transfer to the Buyer, and the Buyer agrees to purchase from the Seller the Dan Cisne Shares for USD 30,000,000, (the "Dan Cisne Purchase Priceâ€), plus the Dan Cisne Purchase Price Adjustments, all in accordance with and subject to the terms and conditions set forth in this Agreement.The Dan Cisne Purchase Price shall be settled and paid in accordance with the Settlement Agreement, subject to the subsequent Dan Cisne Purchase Price Adjustments in accordance with Clause 5.4.The Dan Cisne Purchase Price as calculated above is based on the assumption that Closing occurs within 5 September, 2024 at 23:59 CET. If Closing should occur at another time the Parties shall agree on an adjusted Dan Cisne Purchase Price to be paid on Closing.5CLOSING5.1Time and placeSubject to the satisfaction or waiver of the conditions set forth in Clause 6, the completion of the transactions contemplated by this Agreement (the "Closingâ€) shall take place at the offices of the Seller at 3 September 2024 or such other time as the Parties agree.5.2The Sellerâ€™s Closing obligationsAt the Closing, the Seller shall:a)deliver to the Buyer a copy of the minutes of the meeting of the board of directors of the Seller authorising the execution of, and the consummation of the transaction contemplated by, this Agreement; andb)in exchange for the payment of the Dan Cisne Purchase Price in accordance with the Settlement Agreement, transfer the Dan Cisne Shares to the Buyer and deliver to the Buyer the share register of the Company with the Buyer duly registered as the owner of the Dan Cisne Shares, as well as the related notices according to Sections 4-7 and 4-10 of the Companies Act.5.3The Buyerâ€™s Closing obligationsAt the Closing, the Buyer shalla)settle the Dan Cisne Purchase Price in accordance with Clause 4 and the Settlement Agreement.5.4Post-Closing Adjustments)Within 60 days following the Closing Date, the Buyer and the Seller shall agree on the amount of the post-Closing adjustments to the Dan Cisne Purchase Price based on:(i)The Companyâ€™s working capital (the "Dan Cisne Purchase Price Adjustmentsâ€) as of 00:01 hours CET, on 1 September, 2024.b)Within 3 business days following the date on which the Dan Cisne Purchase Price Adjustments have been agreed pursuant to Clause 5.4 a) above, the Buyer or the Sellerâ€5â€(as the case may be) shall pay to the other Party an amount, in cash, equal to the net Dan Cisne Purchase Price Adjustments. Any amounts other than those covered by the Dan

Cisne Purchase Price Adjustments varying in the period between the Signing Date and the Closing Date shall be for Seller's account.6.CLOSING CONDITIONS6.1Conditions to the Buyer's Closing obligationsThe obligations of the Buyer to purchase the Dan Cisne Shares and to take the other actions required to be taken by it at the Closing are subject to the satisfaction of each of the following conditions (any of which may be waived in whole or in part by the Buyer) on or before the Closing Date:a)that the Vessel has been delivered to the Charterer in accordance with the provisions of the Charter and that all costs and expenses related thereto have been settled by the Seller;b)there is no material breach of any of the representations and warranties of the Seller set forth in Clause 8 and Clause 9;c)the Buyer shall have obtained the funds necessary to consummate the purchase of the Dan Cisne Shares, and to pay all related fees and expenses;d)in all respects material to the transactions contemplated hereby, the Seller shall have performed or complied with all of its obligations pursuant to this Agreement to be performed or complied with by the Seller at or prior to the Closing Date and shall have delivered each document or instrument to be delivered by it pursuant to this Agreement; ande)the results of the searches, surveys, tests and inspections of the Vessel referred to in Clause 10.1 h) are reasonably satisfactory to the Buyer.6.2Conditions to the Seller's Closing obligationsThe obligations of the Seller to sell the Dan Cisne Shares and to take the other actions required to be taken by it at the Closing are subject to the satisfaction of each of the following conditions (any of which may be waived in whole or in part by the Seller) on or before the Closing Date:a)there is no material breach of any of the representations and warranties of the Buyer set forth in Clause 7; andb)in all respects material to the transactions contemplated hereby, the Buyer shall have performed or complied with all of its obligations pursuant to this Agreement to be performed or complied with by the Buyer at or prior to the Closing Date and shall have delivered each document or instrument to be delivered by it pursuant to this Agreement.6.3Conditions of the Parties.The obligations of Seller to sell the Dan Cisne Shares and the obligations of Buyer to purchase the Dan Cisne Shares are subject to the satisfaction (or waiver by each of Seller and Buyer) on or prior to the Closing Date of the following conditions:6.4The Seller shall have received any and all written consents, permits, approvals or authorizations of any Governmental Authority or any other Person (including, but not limited to, with respect to the Charter and shall have made any and all notices or declarations to or filing with any Governmental Authority or any other Person, including those related to any environmental laws or regulations, required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereunder, including the transfer of the Dan Cisne Shares;b)No legal or regulatory action or proceeding shall be pending or threatened by any Governmental Authority to enjoin, restrict or prohibit the purchase and sale of the Dan Cisne Shares; andc)The sale of the shares of KNOT Shuttle Tankers 31 AS by Buyer to Seller pursuant to the terms of the Tuva SPA and the Settlement Agreement shall be consummated on the Closing Date.7.REPRESENTATIONS AND WARRANTIES OF THE BUYERThe Buyer represents and warrants to the Seller that as of the Signing Date and on the Closing Date, unless otherwise expressly stated:7.1Corporate existence and powerThe Buyer is duly incorporated, validly existing and in good standing under the laws of Norway.The Buyer has not been declared insolvent; become the subject of a petition in bankruptcy; had a receiver appointed with respect to it or to the Business or part thereof; entered into any arrangement with, or made an assignment for the benefit of, its creditors; or ceased to function as a going concern.7.2Corporate authorisation and non-contraventionThis Agreement and each other document or instrument delivered or to be delivered in connection with this Agreement has been duly authorised by all necessary corporate action(s) of the Buyer and constitutes or will, when executed, constitute valid and binding obligations of the Buyer enforceable in accordance with its respective terms.The execution by the Buyer of this Agreement and each other document or instrument delivered or to be delivered in connection with it, and the performance by the Buyer of its obligations under this Agreement and the consummation of the transactions provided for in this Agreement, do not and will not result in a breach of any provision of the articles of association of the Buyer or of any applicable law, order, judgment or decree of any court or Governmental Authority or of any agreement to which the Buyer is bound.The Buyer is not required to obtain any authorisations, consents, approvals or exemptions by any Governmental Authority in connection with the entering into or performance of its obligations under this Agreement.6.76.8REPRESENTATIONS AND WARRANTIES OF THE SELLERThe Seller represents and warrants to the Buyer as of the Signing Date and on the Closing Date, unless otherwise expressly stated:8.1Corporate existence and powerEach of the Company and the Seller is duly incorporated, validly existing and in good standing under the laws of Norway.Each of the Company and the Seller has not been declared insolvent; become the subject of a petition in bankruptcy; had a receiver appointed with respect to it or to the Business or part thereof; entered into any arrangement with, or made an assignment for the benefit of, its creditors; or ceased to function as a going concern.The Company does not own, directly or indirectly, any equity or long-term debt securities of any corporation, partnership, limited liability company or other entity.8.2Corporate authorisation and non-contraventionThis Agreement and each other document or instrument delivered or to be delivered in connection with this Agreement has been duly authorised by all necessary corporate action(s) of each of the Company and the Seller, as appropriate, and constitutes or will, when executed, constitute valid and binding obligations of each of the Company and the Seller, as appropriate, enforceable in accordance with its respective terms.The execution by each of the Company and the Seller, as appropriate, of this Agreement and each other document or instrument delivered or to be delivered in connection with it, and the performance by each of the Company and the Seller, as appropriate, of its obligations under this Agreement and the consummation of the transactions provided for in this Agreement, do not and will not result in a breach of any provision of the articles of association of each of the Company and the Seller, as appropriate, or of any applicable law, order, judgment or decree of any court or Governmental Authority or of any agreement to which each of the Company and the Seller, as appropriate, is bound.Each of the Company and the Seller, as appropriate, is not required to obtain any authorisations, consents, approvals or exemptions by any Governmental Authority in connection with the entering into or performance of its obligations under this Agreement.8.3Capitalisation and titleThe Seller has full ownership to the Dan Cisne Shares. The Dan Cisne Shares are duly authorised, validly issued and fully paid and at Closing, will be free and clear from any Encumbrances.8.4RecordsThe Company's articles of association, shareholders' register and other organizational documents are true, accurate, up-to-date and complete.8.5Charter documents; validity of the CharterThe Seller has supplied to the Buyer true and correct copies of the Charter and any related documents, as amended to the Closing Date. The Charter is a valid and binding agreement of the Company enforceable against the Company in accordance with its terms and, to the knowledge of the Seller, the Charter is a valid and binding agreement of all other parties thereto enforceable against such parties in accordance with its terms.8.6AccountsThe Accounts have been prepared in accordance with the Accounting Principles and in accordance with the books and records of the Company. The Accounts give a true and accurate view of the financial position, solvency, assets, liabilities, liquidity, cash flow and the result of the operations of the Company as of the Accounts Date.8.7No undisclosed liabilitiesNeither the Company nor the Vessel has any Encumbrances, or other liabilities or obligations of any nature, whether absolute, accrued, contingent or otherwise, and whether due or to become due (including, without limitation, any liability for Taxes and interest, penalties and other charges payable with respect to any such liability or obligation), except for such liabilities or obligations arising under the Charter, the management agreement relating to the Vessel with KNOT Management Denmark A/S, and the Encumbrances appearing in the ship registry of the Vessel.8.8Loans and other financial facilitiesThe vessel is debt free;The Company is not indebted, directly or indirectly, to any person who is an officer, director, stockholder or employee of the Seller or any spouse, child or other relative or any affiliate of any such person, nor is any such officer, director, stockholder, employee, relative or affiliate indebted to the Company.8.9AssetsAt the Closing Date, the Company shall not be using assets in the Business that it neither owns nor has the right to use pursuant to written agreements with third parties. At the Closing Date, the assets of the Company will comprise all the assets necessary for carrying on the Business fully and effectively to the extent to which it is conducted at the Signing Date.8.10Absence of certain changes or eventsSince the Accounts Date, there has not occurred or arisen:a)any change of accounting methods, principles or practices, accounting, invoicing and supplier practice or procedures for the Company;b)any acquisition or disposal of, or the entering into any agreement to acquire or dispose of, any asset, other than the sale of products in the ordinary course of business;c)the termination of any Material Agreement;d)any obligations, commitments or liabilities, contingent or otherwise, whether for Taxes or otherwise, except obligations, commitments and liabilities arising in the ordinary course of business;e)any event or condition, whether covered by insurance or not, which has resulted in or may result in a Material Adverse Effect; orf)the entering into of any agreements or commitments other than on customary terms.8.11AgreementsEach Material Agreement is in full force and effect. No other Material Agreements will be entered into by the Company prior the Closing Date without the prior consent of the Buyer (such consent not to be unreasonably withheld). The Company has fulfilled all material obligations required pursuant to the Material Agreements to have been performed by it prior to the Signing Date and has not waived any material rights thereunder.8.12InsuranceThe Company maintains insurance policies on fire, theft, loss, disruption, product and general liability and other forms of insurance with reputable insurers that would reasonably be judged to be sound and required for the Business.8.13Environmental mattersThe Company's insurance policies do not contain any provisions regarding a change of control or ownership of the insured. The Company is in compliance with all terms and conditions contained in the insurance policies, and nothing has been done or omitted to be done that would make any insurance policy or insurance void or voidable or that would result in a reduction of the coverage (No: avkortning).8.14Compliance with lawsThe Company is not and has not been in breach of any applicable laws (whether civil, criminal or administrative), statutes, regulations, directives, codes, judgments, orders or any other measures imposed by any governmental, statutory or regulatory body with regard to the pollution or the protection of the environment or to the protection of human health or human safety, or any other living organisms supported by the environment.8.15LitigationThere are no claims, actions, lawsuits, administrative, governmental, arbitration or other legal proceedings (including but not limited to proceedings related to Taxes) pending or threatened against or involving the Company, the Business or properties or assets of the Company and which would result in a Material Adverse Effect if adversely determined.8.16TaxesThe Company has properly filed with the appropriate Tax authorities all Tax returns and reports required to be filed for all Tax periods ending prior to the Closing Date. Such filings are true, correct and complete. All information required for a correct assessment of Taxes has been provided.8.17Relationship with the SellerExcept as disclosed to the Buyer, there are no written or oral agreements or arrangements between the Company and the Seller, and no liabilities or obligations (contingent or otherwise) owed by the Company to the Seller.No services provided by the Seller to the Company are necessary in the ordinary course of business.No payments of any kind, including, but not limited to management charges, have been made by the Company to the Seller, save for payments under agreements or arrangements made on an arm's-length basis in accordance with applicable law and regulations.8.18InformationAll documents provided to the Buyer by or on behalf of the Seller or the Company are true and correct, and no document provided to the Buyer by or on behalf of the Seller or the Company contains any untrue statement of a relevant fact or omits to state a relevant fact necessary to make the statements contained in the document not misleading.8.19There are no facts or circumstances known to the Seller, relating to the affairs of the Company, that have not been disclosed to the Buyer, which, if disclosed, reasonably could have been expected to influence the decision of the Buyer to purchase the Dan Cisne Shares on the terms of this Agreement.8.20The Seller confirms that the Seller, prior to the Signing Date, has made, and until the Closing Date, shall continue to make, all investigations necessary in order to ensure that the statements in Clauses 8 and 9 are correct.9.REPRESENTATIONS AND WARRANTIES OF THE SELLER REGARDING THE VESSELThe Seller represents and warrants to the Buyer as of the Signing Date and on the Closing Date, unless otherwise expressly stated:9.1Flag and titleThe Company is the registered owner of the Vessel and has good and marketable title to the Vessel, free and clear of any and all Encumbrances. The Vessel is properly registered in the name of the Seller under and pursuant to the flag and law of Denmark, and all fees due and payable in connection with such registration have been paid.9.2ClassificationThe Vessel is entered with the DNV GL and has the highest classification rating. The Vessel is in class without any recommendations or notation as to class or other requirement of the relevant classification society, and if the Vessel is in a port, it is in such condition that it cannot be detached by any port state authority or the flag state authority for any deficiency.9.3MaintenanceThe Vessel has been maintained in a proper and efficient manner in accordance with internationally accepted standards for good ship maintenance, is in good operating order, condition and repair and is seaworthy, and all repairs made to the Vessel during the last two years and all known scheduled repairs due to be made and all known deficiencies have been disclosed to the Buyer.9.4LiensThe Vessel is not (a) under arrest or otherwise detained, (b) other than in the ordinary course of business, in the possession of any person (other than her master and crew) or (c) subject to a possessory lien.9.5SafetyThe Vessel is supplied with valid and up-to-date safety, safety construction, safety equipment, radio, loadline, health, tonnage, trading and other certificates or documents as may for the time being be prescribed by the law of Denmark or of any other pertinent jurisdiction, or that would otherwise be deemed necessary by a shipowner acting in accordance with internationally accepted standards for good ship management and operations.9.6No blacklisting or boycottsNo blacklisting or boycotting of any type has been applied or currently exists against or in respect of the Vessel.9.7No optionsThere are not outstanding any options or other rights to purchase the Vessel.9.8InsuranceThe insurance policies relating to the Vessel are as set forth on Appendix 1 hereto, each of which is in full force and effect, and to the Seller's knowledge, not subject to being voided or terminated for any reason.10.COVENANTS PRIOR TO THE CLOSING10.1Covenants of the Seller Prior to the ClosingFrom the Signing Date to the Closing Date, the Seller shall cause the Company to conduct its business in the usual, regular and ordinary course in substantially the same manner as previously conducted. The Seller shall not permit the Company to enter into any contracts or other written or oral agreements prior to the Closing Date, other than such contracts and agreements as have been disclosed to the Buyer prior to the Signing Date, without the prior consent of the Buyer (such consent not to be unreasonably withheld). In addition, the Seller shall not permit the Company to take any action that would result in any of the conditions to the purchase and sale of the Dan Cisne Shares set forth in Clause 6 not being satisfied. Furthermore, the Seller hereby agrees and covenants that it shall use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to consummate and make effective as promptly as possible the transactions contemplated by this Agreement and to co-operate with the Buyer and others in connection with the foregoing;b)shall use its best efforts to obtain the authorisations, consents, orders and approvals of regulatory bodies and officials that may be or become necessary for the performance of its obligations pursuant to this Agreement and the completion of the transactions contemplated by it;c)shall co-operate with the Buyer and promptly seek to obtain such authorisations, consents, orders and approvals as may be necessary for the performance of the

