

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

IRC 316 AND 301(c)

18 Can any resulting loss be recognized? ▶ _____

FOR U.S. FEDERAL INCOME TAX PURPOSES, THE DISTRIBUTIONS WILL NOT RESULT IN ANY TAX LOSS FOR ANY COMMON UNITHOLDERS.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____

SEE ATTACHED STATEMENT


Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ _____ Date ▶ 21st March 2017

Print your name ▶ John Andrew Costain Title ▶ Chief Executive Officer

Paid Preparer Use Only

Print/Type preparer's name <u>SUSAN MCKILLIGAN</u>	Preparer's signature 	Date <u>03/21/2017</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P01491547</u>
Firm's name ▶ <u>PRICEWATERHOUSECOOPERS LLP</u>			Firm's EIN ▶ <u>98-0189320</u>	
Firm's address ▶ <u>#700-250 HOWE STREET, VANCOUVER, BC CANADA V6C 3S7</u>			Phone no. <u>604-806-7000</u>	

Attachment to Form 997
Report of Organizational Actions Affecting Basis of Securities

Issuer: KNOT Offshore Partners LP
EIN: 98-1098373

Part I, Items 9,
10 and 12 Common Units
 CUSIP # - Y48125101
 Ticker Symbol - KNOP

Part II, Item 14 During the year ended December 31, 2016, KNOT Offshore Partners LP ("KNOP") declared the following cash distributions to the common unitholders on the dates of record:

	Date of Record	Amount per Unit	Date Paid
Common Units	February 3, 2016	\$0.5200	February 15, 2016
	May 4, 2016	\$0.5200	May 16, 2016
	August 3, 2016	\$0.5200	August 15, 2016
	November 1, 2016	\$0.5200	November 14, 2016

Part II, Item 15 Dividends paid in excess of the current and accumulated earnings and profits of a corporation reduce the basis of the shares of the corporation pursuant to Internal Revenue Code §301(c)(2) and §316(a).

Based on the current and accumulated earnings and profits of KNOP, a portion of the distributions paid per unit as of the dates of record should reduce the basis of each common unitholder as follows:

Common Units	\$0.0000 per common unit for holders on February 3, 2016
	\$0.0000 per common unit for holders on May 4, 2016
	\$0.1323 per common unit for holders on August 3, 2016
	\$0.1323 per common unit for holders on November 1, 2016

Part II, Item 19 The reportable tax year is 2016. Unitholders as of the following dates of record should reduce the basis of each unit held on those dates by the following amounts per unit:

Common Units	\$0.0000 per common unit for holders on February 3, 2016
	\$0.0000 per common unit for holders on May 4, 2016
	\$0.1323 per common unit for holders on August 3, 2016
	\$0.1323 per common unit for holders on November 1, 2016

The reduction in basis is cumulative such that a unitholder who was the unitholder of record for all four distributions would be required to reduce its basis by a total of \$0.2646 per unit.
