USA Compression Partners, LP Reports Third Quarter 2016 Results and Updates 2016 Outlook

November 8, 2016

AUSTIN, Texas--(BUSINESS WIRE)--Nov. 8, 2016-- USA Compression Partners, LP (NYSE: USAC) ("USA Compression" or the "Partnership") announced today its financial and operating results for the third quarter 2016.

Third Quarter 2016 Summary Results

- Revenues decreased; third quarter 2016 down 13.3% from third quarter 2015
- Net income decreased; third quarter 2016 down 121.9% from third quarter 2015
- Net cash provided by operating activities increased; third quarter 2016 up 5.7% from third quarter 2015
- Adjusted EBITDA decreased; third quarter 2016 down 12.3% from third quarter 2015
- Distributable Cash Flow decreased; third quarter 2016 down 15.6% from third quarter 2015
- Third quarter 2016 cash distribution of $0.525 per common unit, consistent with third quarter 2015
- Distributable Cash Flow Coverage of 0.91x for third quarter 2016
- Cash Coverage of 1.06x for third quarter 2016

Full-Year 2016 Outlook

USA Compression is updating its full-year 2016 guidance as follows:

- Net income range of $9.3 million to $14.3 million;
- A forward-looking estimate of net cash provided by operating activities is not provided because the items necessary to estimate net cash provided by operating activities, in particular the change in operating assets and liabilities, are not accessible or estimable at this time. The Partnership does not anticipate the changes in operating assets and liabilities to be material, but changes in accounts receivable, accounts payable, accrued liabilities and deferred revenue could be significant, such that the amount of net cash provided by operating activities would vary substantially from the amount of projected Adjusted EBITDA and Distributable Cash Flow;
- Adjusted EBITDA range of $142.5 million to $147.5 million; and
- Distributable Cash Flow range of $114 million to $119 million.

	Three months ended		
	September 30, 2016	**June 30, 2016**	**September 30, 2015**
Operational Data			
Fleet Horsepower at period end	1,716,296	1,718,757	1,686,300
Revenue Generating Horsepower at period end	1,364,059	1,359,523	1,415,355
Average Revenue Generating Horsepower	1,356,423	1,378,496	1,423,749
Revenue Generating Compression Units at period end	2,502	2,558	2,765
Horsepower Utilization at period end (1)	88.3%	86.0%	90.4%
Average Horsepower Utilization for the period (1)	87.3%	86.1%	90.2%

Financial Data ($ in thousands, except per horsepower data)

Revenue	$ 61,130	$ 63,511	$ 70,540
Average Revenue Per Revenue Generating Horsepower Per Month (2)	$ 15.35	$ 15.52	$ 15.94
Net income (loss)	$ (2,146)	$ 3,274	$ 9,805
Operating income	$ 3,187	$ 8,500	$ 15,547
Net cash provided by operating activities	$ 36,139	$ 36,497	$ 34,193
Gross Operating Margin (3)	$ 42,245	$ 44,857	$ 48,621
Gross Operating Margin Percentage	69.1%	70.6%	68.9%
Adjusted EBITDA (3)	$ 34,634	$ 37,149	$ 39,481
Adjusted EBITDA Percentage	56.7%	58.5%	56.0%
Distributable Cash Flow (3) (4)	$ 27,223	$ 30,490	$ 32,269

(1) Horsepower utilization is calculated as (i) the sum of (a) revenue generating horsepower; (b) horsepower in the Partnership's fleet that is under contract but is not yet generating revenue; and (c) horsepower not yet in the Partnership's fleet that is under contract, not yet generating revenue and subject to a purchase order, divided by (ii) total available horsepower less idle horsepower that is under repair. Horsepower utilization based on revenue generating horsepower and fleet horsepower at each applicable period end was 79.5%, 79.1% and 83.9% for the quarters ended September 30, 2016, June 30, 2016 and September 30, 2015, respectively. Average horsepower utilization based on revenue generating horsepower and fleet horsepower was 78.8%, 80.4% and 85.3% for the quarters ended September 30, 2016, June 30, 2016 and September 30, 2015, respectively.

(2) Calculated as the average of the result of dividing the contractual monthly rate for all units at the end of each month in the period by the sum of the revenue generating horsepower at the end of each month in the period.

(3) Gross operating margin, Adjusted EBITDA and Distributable Cash Flow are all non-U.S. generally accepted accounting principles ("Non-GAAP") financial measures. For the definition of each measure, see "Non-GAAP Financial Measures" below.

(4) Distributable Cash Flow for the quarter ended September 30, 2015 was previously presented as Adjusted Distributable Cash Flow. The definition of Distributable Cash Flow is identical to the definition of Adjusted Distributable Cash Flow previously presented. See "Non-GAAP Financial Measures" below for the definition of Distributable Cash Flow.

Third Quarter 2016 Financial and Operating Performance

Revenues in the third quarter of 2016 decreased 13.3% to $61.1 million from $70.5 million for the third quarter of 2015. Net income decreased 121.9% to a net loss of $2.1 million for the third quarter of 2016 as compared to net income of $9.8 million for the third quarter of 2015. Operating income decreased 79.5% to $3.2 million for the third quarter of 2016 as compared to $15.5 million for the third quarter of 2015. Net cash provided by operating activities increased 5.7% to $36.1 million in the third quarter of 2016 as compared to $34.2 million in the third quarter of 2015. Adjusted EBITDA decreased 12.3% to $34.6 million in the third quarter of 2016 from $39.5 million for the third quarter of 2015. Distributable Cash Flow decreased 15.6% to $27.2 million in the third quarter of 2016 from $32.3 million for the third quarter of 2015.

"As we have progressed through the first three quarters of 2016, we anticipated the third quarter results would reflect, in part, the softer activity levels we experienced earlier in the year," said Eric D. Long, USA Compression's President and Chief Executive Officer. "Our business generally serves as a lagging indicator of our customers' activity, and we expect the general recovery we have seen in the energy sector since the springtime lows to positively impact our business as we move forward. Specifically, recent trends in our business, including customer demand indications, actual contracting activity and fleet utilization provide additional optimism as we approach the end of 2016 and look to the start of 2017. Our customers are continuing to pursue projects that will require meaningful compression, and we expect to grow alongside them, while continuing to be judicious in our capital allocation and keeping a close watch on our cost structure."

Average revenue generating horsepower decreased 4.7% to 1,356,423 for the third quarter of 2016 from 1,423,749 for the third quarter of 2015. Average revenue per revenue generating horsepower per month decreased 3.7% to $15.35 for the third quarter of 2016 from $15.94 for the third quarter of 2015.

Gross operating margin decreased 13.1% to $42.2 million for the third quarter of 2016 from $48.6 million for the third quarter of 2015. Gross operating margin as a percentage of total revenues was 69.1% for the third quarter of 2016 compared to 68.9% in the third quarter of 2015.

Expansion capital expenditures were $10.9 million, maintenance capital expenditures were $2.4 million and cash interest expense, net was $4.7 million for the third quarter of 2016.

On October 20, 2016, the Partnership announced a cash distribution of $0.525 per unit on its common units. This third quarter distribution corresponds to an annualized distribution rate of $2.10 per unit. The distribution will be paid on November 14, 2016 to unitholders of record as of the close of business on November 4, 2016. USA Compression Holdings, LLC, the owner of approximately 42.9% of the Partnership's outstanding limited partner interests, elected to reinvest 30% of this distribution with respect to its units pursuant to the Partnership's Distribution Reinvestment Plan (the "DRIP"). For the third quarter of 2016, the Distributable Cash Flow Coverage Ratio was 0.91x and the Cash Coverage Ratio was 1.06x.

Liquidity and Credit Facility

As of September 30, 2016, the Partnership was in compliance with all covenants under its $1.1 billion revolving credit facility. As of September 30, 2016, the outstanding balance under the revolving credit facility, which matures in 2020, was $743.9 million.

Conference Call

The Partnership will host a conference call today beginning at 11:00 a.m. Eastern Time (10:00 a.m. Central Time) to discuss third quarter 2016 performance. The call will be broadcast live over the Internet. Investors may participate either by phone or audio webcast.

By Phone:	Dial 800-344-6491 inside the U.S. and Canada at least 10 minutes before the call and ask for the USA Compression Partners Earnings Call. Investors outside the U.S. and Canada should dial 785-830-7988. The conference ID for both is 5620867. A replay of the call will be available through November 19, 2016. Callers inside the U.S. and Canada may access the replay by dialing 888-203-1112. Investors outside the U.S. and Canada should dial 719-457-0820. The passcode for both is 5620867.
By Webcast:	Connect to the webcast via the "Events" page of USA Compression's Investor Relations website at investors.usacompression.com. Please log in at least 10 minutes in advance to register and download any necessary software. A replay will be available shortly after the call.

About USA Compression Partners, LP

USA Compression Partners, LP is a growth-oriented Delaware limited partnership that is one of the nation's largest independent providers of compression services in terms of total compression fleet horsepower. The Partnership partners with a broad customer base composed of producers, processors, gatherers and transporters of natural gas and crude oil. The Partnership focuses on providing compression services to infrastructure applications primarily in high-volume gathering systems, processing facilities and transportation applications. More information is available at usacompression.com.

Non-GAAP Financial Measures

This news release includes the non-GAAP financial measures of Adjusted EBITDA, Gross operating margin, Distributable Cash Flow, Distributable Cash Flow Coverage Ratio and Cash Coverage Ratio.

The Partnership's management views Adjusted EBITDA as one of its primary financial measures in evaluating the results of the Partnership's business, and the Partnership tracks this item on a monthly basis both as an absolute amount and as a percentage of revenue compared to the prior month, year-to-date, prior year and budget. The Partnership defines EBITDA as net income (loss) before net interest expense, depreciation and amortization expense, and income taxes. The Partnership defines Adjusted EBITDA as EBITDA plus impairment of compression equipment, impairment of goodwill, interest income on capital lease, unit-based compensation expense, severance charges, certain transaction fees and loss (gain) on sale of assets and other. Adjusted EBITDA is used as a supplemental financial measure by the Partnership's management and external users of its financial statements, such as investors and commercial banks, to assess:

- the financial performance of the Partnership's assets without regard to the impact of financing methods, capital structure or historical cost basis of the Partnership's assets;
- the viability of capital expenditure projects and the overall rates of return on alternative investment opportunities;
- the ability of the Partnership's assets to generate cash sufficient to make debt payments and distributions; and
- the Partnership's operating performance as compared to those of other companies in its industry without regard to the impact of financing methods and capital structure.

The Partnership's management believes that Adjusted EBITDA provides useful information to investors because, when viewed with U.S. generally accepted accounting principles ("GAAP") results and the accompanying reconciliations, it provides a more complete understanding of the Partnership's performance than GAAP results alone. The Partnership's management also believes that external users of its financial statements benefit from having access to the same financial measures that management uses in evaluating the results of the Partnership's business.

Adjusted EBITDA should not be considered an alternative to, or more meaningful than, net income (loss), operating income, cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP, as measures of operating performance and liquidity. Moreover, Adjusted EBITDA as presented may not be comparable to similarly titled measures of other companies.

Gross operating margin is defined as revenue less cost of operations, exclusive of depreciation and amortization expense. The Partnership's management believes that gross operating margin is useful as a supplemental measure of the Partnership's performance. Gross operating margin is impacted primarily by the pricing trends for service operations and cost of operations, including labor rates for service technicians, volume and per unit costs for lubricant oils, quantity and pricing of routine preventative maintenance on compression units and property tax rates on compression units. Gross operating margin should not be considered an alternative to, or more meaningful than, operating income, its most directly comparable GAAP financial measure, or any other measure of financial performance presented in accordance with GAAP. Moreover, gross operating margin as presented may not be comparable to similarly titled measures of other companies. Because the Partnership capitalizes assets, depreciation and amortization of equipment is a necessary element of its costs. To compensate for the limitations of gross operating margin as a measure of the Partnership's performance, the Partnership's management believes that it is important to consider operating income determined under GAAP, as well as gross operating margin, to evaluate the Partnership's operating profitability. A reconciliation of gross operating margin to operating income is provided in this news release.

Distributable Cash Flow is defined as net income (loss) plus non-cash interest expense, non-cash income tax expense, depreciation and amortization expense, unit-based compensation expense, severance charges, impairment of compression equipment, impairment of goodwill, certain transaction fees and loss (gain) on sale of assets and other, less maintenance capital expenditures. The definition of Distributable Cash Flow is identical to the definition of Adjusted Distributable Cash Flow previously presented.

The Partnership's management believes Distributable Cash Flow is an important measure of operating performance because such measure allows management, investors and others to compare basic cash flows the Partnership generates (prior to the establishment of any retained cash reserves by the Partnership's general partner and the effect of the DRIP) to the cash distributions the Partnership expects to pay its unitholders.

Distributable Cash Flow Coverage Ratio, a non-GAAP measure, is defined as Distributable Cash Flow less cash distributions to be paid to the

Partnership's general partner and incentive distribution rights ("IDRs") in respect of such period, divided by distributions declared to limited partner unitholders in respect of such period. Cash Coverage Ratio is defined as Distributable Cash Flow less cash distributions to be paid to the Partnership's general partner and IDRs in respect of such period, divided by cash distributions expected to be paid to limited partner unitholders in respect of such period, after taking into account the non-cash impact of the DRIP. The Partnership's management believes Distributable Cash Flow Coverage Ratio and Cash Coverage Ratio are important measures of operating performance because they allow management, investors and others to gauge the Partnership's ability to pay cash distributions to limited partner unitholders using the cash flows the Partnership generates. The Partnership's Distributable Cash Flow Coverage Ratio and Cash Coverage Ratio as presented may not be comparable to similarly titled measures of other companies.

This news release also contains a forward-looking estimate of Adjusted EBITDA and Distributable Cash Flow projected to be generated by the Partnership in its 2016 fiscal year. A forward-looking estimate of net cash provided by operating activities and reconciliations of the forward-looking estimates of Adjusted EBITDA and Distributable Cash Flow to net cash provided by operating activities are not provided because the items necessary to estimate net cash provided by operating activities, in particular the change in operating assets and liabilities, are not accessible or estimable at this time. The Partnership does not anticipate the changes in operating assets and liabilities to be material, but changes in accounts receivable, accounts payable, accrued liabilities and deferred revenue could be significant, such that the amount of net cash provided by operating activities would vary substantially from the amount of projected Adjusted EBITDA and Distributable Cash Flow.

See "Reconciliation of Non-GAAP Financial Measures" for Adjusted EBITDA reconciled to net income (loss) and net cash provided by operating activities, and net income (loss) and net cash provided by operating activities reconciled to Distributable Cash Flow, Distributable Cash Flow Coverage Ratio and Cash Coverage Ratio.

Forward-Looking Statements

Some of the information in this news release may contain forward-looking statements. These statements can be identified by the use of forward-looking terminology including "may," "believe," "expect," "intend," "anticipate," "estimate," "continue," or other similar words, and include the Partnership's expectation of future performance contained herein, including as described under "Full-Year 2016 Outlook." These statements discuss future expectations, contain projections of results of operations or of financial condition, or state other "forward-looking" information. You are cautioned not to place undue reliance on any forward-looking statements, which can be affected by assumptions used or by known risks or uncertainties. Consequently, no forward-looking statements can be guaranteed. When considering these forward-looking statements, you should keep in mind the risk factors noted below and other cautionary statements in this news release. The risk factors and other factors noted throughout this news release could cause actual results to differ materially from those contained in any forward-looking statement. Known material factors that could cause the Partnership's actual results to differ materially from the results contemplated by such forward-looking statements are described in Part I, Item 1A ("Risk Factors") of the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which was filed with the Securities and Exchange Commission on February 11, 2016, and Part II, Item 1A ("Risk Factors") of the Partnership's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, which was filed with the Securities and Exchange Commission on August 4, 2016, and include:

- changes in general economic conditions and changes in economic conditions of the crude oil and natural gas industry specifically;
- competitive conditions in the industry;
- changes in the long-term supply of and demand for crude oil and natural gas;
- our ability to realize the anticipated benefits of acquisitions and to integrate the acquired assets with our existing fleet;
- actions taken by the Partnership's customers, competitors and third-party operators;
- the deterioration of the financial condition of our customers;
- changes in the availability and cost of capital;
- operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond the Partnership's control;
- the effects of existing and future laws and governmental regulations;
- the effects of future litigation; and
- other factors discussed in the Partnership's filings with the Securities and Exchange Commission.

All forward-looking statements speak only as of the date of this news release and are expressly qualified in their entirety by the foregoing cautionary statements. Unless legally required, the Partnership undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Unpredictable or unknown factors not discussed herein also could have material adverse effects on forward-looking statements.

USA COMPRESSION PARTNERS, LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for unit amounts — Unaudited)

	Three months ended		
	September 30, 2016	June 30, 2016	September 30, 2015
Revenues:			
Contract operations	$ 60,282	$ 62,785	$ 68,227
Parts and service	848	726	2,313
Total revenues	61,130	63,511	70,540
Cost of operations, exclusive of depreciation and amortization	18,885	18,654	21,919
Gross operating margin	42,245	44,857	48,621
Other operating and administrative costs and expenses:			
Selling, general and administrative	12,577	11,180	10,351
Depreciation and amortization	23,195	23,412	21,360
Loss (gain) on sale of assets	(155)	1,072	920
Impairment of compression equipment	3,441	693	443
Total other operating and administrative costs and expenses	39,058	36,357	33,074
Operating income	3,187	8,500	15,547
Other income (expense):			
Interest expense, net	(5,275)	(5,139)	(4,665)
Other	16	7	6
Total other expense	(5,259)	(5,132)	(4,659)
Net income (loss) before income tax expense	(2,072)	3,368	10,888
Income tax expense	74	94	1,083
Net income (loss)	$ (2,146)	$ 3,274	$ 9,805
Net income (loss) allocated to:			
General partner's interest in net income (loss)	$ 272	$ 345	$ 411
Common units interest in net income (loss)	$ (2,418)	$ 2,929	$ 7,185
Subordinated units interest in net income (loss)	$ -	$ -	$ 2,209
Weighted average common units outstanding:			
Basic	55,086,760	54,505,856	34,123,395
Diluted	55,301,959	54,751,902	34,233,579
Weighted average subordinated units outstanding:			
Basic and diluted	-	-	14,048,588
Net income (loss) per common unit:			
Basic and diluted	$ (0.04)	$ 0.05	$ 0.21
Net income (loss) per subordinated unit:			
Basic and diluted	$ -	$ -	$ 0.16
Distributions declared per limited partner unit in respective periods	$ 0.525	$ 0.525	$ 0.525

USA COMPRESSION PARTNERS, LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands — Unaudited)

	Three months ended		
	September 30,	June 30,	September 30,

	2016	2016	2015
Net cash provided by operating activities	$ 36,139	$ 36,497	$ 34,193
Net cash used in investing activities	(21,223)	(8,481)	(57,169)
Net cash provided by (used in) financing activities	(14,916)	(28,016)	22,976

USA COMPRESSION PARTNERS, LP AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA TO NET INCOME (LOSS) AND NET CASH PROVIDED BY OPERATING ACTIVITIES
(In thousands — Unaudited)

The following table reconciles Adjusted EBITDA to net income (loss) and net cash provided by operating activities, its most directly comparable GAAP financial measures, for each of the periods presented:

	Three months ended		
	September 30, 2016	June 30, 2016	September 30, 2015
Net income (loss)	$ (2,146)	$ 3,274	$ 9,805
Interest expense, net	5,275	5,139	4,665
Depreciation and amortization	23,195	23,412	21,360
Income taxes	74	94	1,083
EBITDA	$ 26,398	$31,919	$ 36,913
Impairment of compression equipment	3,441	693	443
Interest income on capital lease	348	362	401
Unit-based compensation expense (1)	3,647	3,022	804
Transaction expenses for acquisitions (2)	950	-	-
Severance charges	5	81	-
Loss (gain) on sale of assets	(155)	1,072	920
Adjusted EBITDA	$ 34,634	$37,149	$ 39,481
Interest expense, net	(5,275)	(5,139)	(4,665)
Income tax expense	(74)	(94)	(1,083)
Interest income on capital lease	(348)	(362)	(401)
Non-cash interest expense	546	548	416
Transaction expenses for acquisitions	(950)	-	-
Severance charges	(5)	(81)	-
Changes in operating assets and liabilities	7,611	4,476	445
Net cash provided by operating activities	$ 36,139	$36,497	$ 34,193

(1) For the quarters ended September 30, 2016, June 30, 2016 and September 30, 2015, unit-based compensation expense included $0.7 million, $0.7 million, and $0.2 million, respectively, of cash payments related to quarterly payments of distribution equivalent rights on outstanding phantom unit awards. The remainder of the unit-based compensation expense for each period presented in 2016 and 2015 was related to non-cash adjustments to the unit-based compensation liability.

(2) Represents certain transaction expenses related to potential acquisitions. The Partnership believes it is useful to investors to exclude these fees.

USA COMPRESSION PARTNERS, LP AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
DISTRIBUTABLE CASH FLOW TO NET INCOME (LOSS) AND NET CASH PROVIDED BY OPERATING ACTIVITIES
(In thousands, except for per unit amounts — Unaudited)

The following table reconciles Distributable Cash Flow to net income (loss) and net cash provided by operating activities, its most directly comparable

GAAP financial measures, for each of the periods presented:

	Three months ended		
	September 30, 2016	June 30, 2016	September 30, 2015
Net income (loss)	$ (2,146)	$ 3,274	$ 9,805
Plus: Non-cash interest expense	546	548	416
Plus: Non-cash income tax expense	74	32	1,076
Plus: Depreciation and amortization	23,195	23,412	21,360
Plus: Unit-based compensation expense (1)	3,647	3,022	804
Plus: Impairment of compression equipment	3,441	693	443
Plus: Transaction expenses for acquisitions (2)	950	-	-
Plus: Severance charges	5	81	-
Plus: Loss (gain) on sale of assets and other	(82)	1,072	1,324
Less: Maintenance capital expenditures (3)	(2,407)	(1,644)	(2,959)
Distributable cash flow (4)	$ 27,223	$30,490	$ 32,269
Plus: Maintenance capital expenditures	2,407	1,644	2,959
Plus: Changes in operating assets and liabilities	7,611	4,476	445
Less: Other	(1,102)	(113)	(1,480)
Net cash provided by operating activities	$ 36,139	$36,497	$ 34,193
Distributable Cash Flow	27,223	30,490	32,269
Less: Cash distributions to general partner and IDRs	717	715	697
Distributable Cash Flow attributable to limited partner interest	$ 26,506	$29,775	$ 31,572
Distributions for Distributable Cash Flow Coverage Ratio (5)	$ 29,025	$28,805	$ 25,290
Distributions reinvested in the DRIP (6)	$ 4,108	$ 6,483	$ 15,179
Distributions for Cash Coverage Ratio (7)	$ 24,917	$22,322	$ 10,111
Distributable Cash Flow Coverage Ratio	0.91	1.03	1.25
Cash Coverage Ratio	1.06	1.33	3.12

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(1) For the quarters ended September 30, 2016, June 30, 2016 and September 30, 2015, unit-based compensation expense included $0.7 million, $0.7 million, and $0.2 million, respectively, of cash payments related to quarterly payments of distribution equivalent rights on outstanding phantom unit awards, respectively. The remainder of the unit-based compensation expense for 2016 and 2015 was related to non-cash adjustments to the unit-based compensation liability.

(2) Represents certain transaction expenses related to potential acquisitions. The Partnership believes it is useful to investors to exclude these fees.

(3) Reflects actual maintenance capital expenditures for the period presented. Maintenance capital expenditures are capital expenditures made to maintain the operating capacity of the Partnership’s assets and extend their useful lives, replace partially or fully depreciated assets or other capital expenditures that are incurred in maintaining the Partnership’s existing business and related operating income.

(4) Distributable Cash Flow for the quarter ended September 30, 2015 was previously presented as Adjusted Distributable Cash Flow. The definition of Distributable Cash Flow is identical to the definition of Adjusted Distributable Cash Flow previously presented. See “Non-GAAP Financial Measures” above for the definition of Distributable Cash Flow.

(5) Represents distribution to the holders of the Partnership’s units for each period.

(6) Represents distributions to holders enrolled in the DRIP as of the record date for each period. The amount for the quarter ended September 30, 2016 is based on an estimate as of the record date.

(7) Represents cash distributions declared for common units not participating in the DRIP for each period.

USA COMPRESSION PARTNERS, LP AND SUBSIDIARIES
FULL-YEAR 2016 ADJUSTED EBITDA AND DISTRIBUTABLE CASH FLOW GUIDANCE RANGE
RECONCILIATION TO NET INCOME
(Unaudited)

	Guidance
Net income	$9.3 million to $14.3 million
Plus: Interest expense, net	$21.2 million
Plus: Depreciation and amortization	$91.6 million
Plus: Income tax expense	$0.4 million
EBITDA	$122.5 million to $127.5 million
Plus: Interest income on capital lease	$1.5 million
Plus: Unit-based compensation expense (1)	$12.1 million
Plus: Impairment of compression equipment	$4.1 million
Plus: Loss (gain) on sale of assets	$0.8 million
Plus: Transaction expenses	$1.0 million
Plus: Severance charges	$0.5 million
Adjusted EBITDA	$142.5 million to $147.5 million
Less: Cash interest expense	$20.0 million
Less: Current income tax expense	$0.5 million
Less: Maintenance capital expenditures	$8.0 million
Distributable Cash Flow	$114.0 million to $119.0 million

(1) Based on the Partnership's unit closing price as of September 30, 2016.

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