Oiltanking Partners, L.P.
Form 424B5
November 20, 2013
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-185211

PROSPECTUS SUPPLEMENT

(To Prospectus dated December 14, 2012)

Oiltanking Partners, L.P.

2,600,000 Common Units

Representing Limited Partner Interests

We are selling 2,600,000 common units representing limited partner interests in Oiltanking Partners, L.P.

We have granted the underwriters an option to purchase up to 390,000 additional common units.

Our common units are listed on the New York Stock Exchange, or the NYSE, under the symbol OILT. The last reported sales price of our common units on the NYSE on November 18, 2013 was $64.11 per common unit.

Investing in our common units involves risks. You should carefully consider each of the factors described under Risk Factors on page S-6 of this prospectus supplement and on page 1 of the accompanying prospectus and the other risk factors incorporated by reference into this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement and the accompanying prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

	Per Common Unit	Total
Public Offering Price	$ 61.65	$ 160,290,000
Underwriting Discount(1)	$ 2.19	$ 5,694,000
Proceeds to Oiltanking Partners, L.P. (before expenses)	$ 59.46	$ 154,596,000

(1) We refer to you to Underwriting for additional information regarding underwriting compensation.

The underwriters expect to deliver the common units to purchasers on or about November 22, 2013 through the book-entry facilities of The Depository Trust Company.

Joint Book-Running Managers

Citigroup **Barclays**

Deutsche Bank Securities **J.P. Morgan** **Wells Fargo Securities** **RBC Capital Markets**

Co-Managers

Goldman, Sachs & Co. **U.S. Capital Advisors**

November 19, 2013

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Prospectus Supplement

Prospectus

About this Prospectus Supplement

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information about the securities we may offer from time to time, some of which may not apply to this offering of common units. If the information relating to this offering varies between the prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus supplement, the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus supplement or the accompanying prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement and the

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accompanying prospectus to the extent that a statement contained in this prospectus supplement, the accompanying prospectus or in any other subsequently filed document that is also incorporated by reference into this prospectus supplement or the accompanying prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus. Please read Incorporation by Reference on page S-17 of this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by or on behalf of us. We have not, and the underwriters have not, authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. This prospectus supplement and accompanying prospectus are not an offer to sell or a solicitation of an offer to buy our common units in any jurisdiction where such offer or sale would be unlawful. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus or any free writing prospectus is accurate as of any date other than the date on the front of those documents or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations or prospects may have changed since such dates.

You should review carefully all of the detailed information appearing in this prospectus supplement, the accompanying prospectus, any free writing prospectus and the documents we have incorporated by reference before making any investment decision.

None of Oiltanking Partners, L.P., the underwriters or any of their respective representatives is making any representation to you regarding the legality of an investment in our common units by you under applicable laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of an investment in our common units.

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SUMMARY

This summary highlights information included or incorporated by reference in this prospectus supplement. It does not contain all of the information that may be important to you. You should read carefully the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference into the prospectus supplement and the accompanying prospectus and the other documents to which we refer herein and therein for a more complete understanding of this offering.

As used in this prospectus supplement, and unless the context indicates otherwise, the terms (i) Oiltanking Partners, L.P., the partnership, we, our, us or like terms refer to Oiltanking Partners, L.P. and its subsidiaries; (ii) our general partner refers to OTLP GP, LLC, a Delaware limited liability company and the general partner of the partnership; (iii) OTA refers to Oiltanking Holding Americas, Inc., our North American parent and owner of our general partner; and (iv) Oiltanking GmbH refers to Oiltanking GmbH, our German foreign parent and the sole owner of OTA. Unless the context indicates otherwise, references to the Oiltanking Group refer to Oiltanking GmbH and its subsidiaries, other than us and our subsidiaries. OT Finance refers to Oiltanking Finance B.V., a wholly owned finance company of Oiltanking GmbH that serves as the global financing division for the Oiltanking Group s terminal holdings, including us.

Oiltanking Partners, L.P.

Overview

We are a growth-oriented Delaware limited partnership formed in March 2011 to engage in the terminaling, storage and transportation of crude oil, refined petroleum products and liquefied petroleum gas, or LPG. We are focused on growing our business through the acquisition, ownership and operation of terminaling, storage, pipeline and other midstream assets that generate stable cash flows. Within the energy industry, storage and terminaling services are the critical logistical midstream link between the exploration and production sector and the refining sector. The owner of our general partner is Oiltanking Holding Americas, Inc., a wholly owned subsidiary of Oiltanking GmbH, one of the world s leading independent storage providers for crude oil, refined products, liquid chemicals and gases. Through our wholly owned subsidiaries, Oiltanking Houston, L.P. and Oiltanking Beaumont Partners, L.P., we own and operate crude oil and refined petroleum products storage and terminaling assets located along the Texas Gulf Coast on the Houston Ship Channel and in Beaumont, Texas.

Our Houston terminal serves as a regional hub for crude oil and other feedstocks for refineries and petrochemical facilities located in the Gulf Coast region and also serves as an important import and export facility for LPGs and other refined petroleum products. Our Houston facility had an aggregate active storage capacity of approximately 14.4 million barrels at September 30, 2013 and provides integrated terminaling services to a variety of customers, including major integrated oil companies, distributors, marketers and chemical and petrochemical companies. Our Beaumont terminal serves as a regional hub for refined petroleum products for refineries located in the Gulf Coast region. Our Beaumont facility had an aggregate active storage capacity of approximately 5.6 million barrels at September 30, 2013 and provides integrated terminaling services to a variety of customers, including major integrated oil companies, distributors, marketers and chemical and petrochemical companies.

Recent Developments

Appelt Expansion Projects

In November 2013, we announced approval of expansion projects of approximately $101.0 million to construct approximately 3.5 million barrels of additional crude oil storage capacity near our Houston terminal at our Appelt property. One of these projects includes a new 390,000 barrel storage tank expected to be completed by the end of 2014. We have received all necessary construction permits in connection with this storage tank and

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anticipate commencing construction during the fourth quarter of 2013. The remaining additional storage capacity of approximately 3.1 million barrels consists of nine tanks to be constructed on 26 acres of land adjacent to our Appelt II expansion. We refer to this project as Appelt III. This project will include a new manifold and, upon completion, will bring total storage capacity at our Appelt property to approximately 10.0 million barrels. We anticipate commencing construction on this project during the third quarter of 2014 when all relevant permits are in place. The new storage capacity at Appelt III is expected to be placed into service during the fourth quarter of 2015 and first quarter of 2016.

Pipeline Expansion Projects

In November 2013, we announced approval of expansion projects of approximately $98.0 million to construct two new crude oil pipelines connecting our Houston terminal with Crossroads (sometimes referred to as Moore Road) Junction, which is the termination point of TransCanada Corporation s Gulf Coast Pipeline from Cushing, Oklahoma and the origination point of Shell Pipeline s Houston-to-Houma pipeline (the HoHo Pipeline). The expansion projects include a new 24-inch pipeline that will give our terminal customers direct access to the origination point of the HoHo Pipeline, which is expected to transport crude oil from the Houston area eastbound to refining centers in Texas and Louisiana. The expansion projects also include a new 36-inch pipeline that will give our terminal customers access to the termination point of TransCanada Corporation s Gulf Coast Pipeline, which is expected to be completed in late 2013, and would also connect to TransCanada Corporation s Keystone XL pipeline if approved and constructed. Our new 24-inch pipeline is expected to be completed by the end of 2014, and our new 36-inch pipeline is expected to be completed by the end of the first quarter of 2015.

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Organizational Structure

The following is a simplified diagram of our ownership structure with ownership percentages before giving effect to this offering.

Common Units Held by the Public	29.0%
Interests Held by OTA:	
Common Units	20.0%
Subordinated Units	49.0%
General Partner Interest	2.0%
Total	100.0%

Principal Executive Offices

Our principal executive offices are located at Three Allen Center, 333 Clay Street, Suite 2400, Houston, Texas 77002, and our telephone number is (281) 457-7900. We maintain a website at *www.oiltankingpartners.com*. The information on our website is not part of this prospectus supplement, and you should only rely on information contained in or incorporated by reference herein and in any free writing prospectus filed in connection with this offering when making an investment decision.

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THE OFFERING

Common units offered by us	2,600,000 common units, or 2,990,000 common units if the underwriters exercise in full their option to purchase an additional 390,000 common units from us.
Units outstanding before this offering	19,449,901 common units and 19,449,901 subordinated units.
Units outstanding after this offering	22,049,901 common units, or 22,439,901 common units if the underwriters exercise in full their option to purchase an additional 390,000 common units from us, and 19,449,901 subordinated units.
Use of proceeds	We expect to receive net proceeds of approximately $157.6 million from this offering, or approximately $181.3 million if the underwriters exercise in full their option to purchase additional common units from us, in each case including our general partner s proportionate capital contribution to maintain its 2% general partner interest in us and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering, including any net proceeds from the underwriters exercise of their option to purchase additional common units from us, to reduce indebtedness outstanding under our revolving credit facility with OT Finance, fund ongoing expansion projects and for general partnership purposes. Please read Use of Proceeds.
Cash distributions	Our partnership agreement requires that we distribute all of our available cash each quarter in the following manner: *first*, 98.0% to the holders of our common units and 2.0% to our general partner, until each common unit has received the minimum quarterly distribution of $0.3375 plus any arrearages from prior quarters; *second*, 98.0% to the holders of our subordinated units and 2.0% to our general partner, until each subordinated unit has received the minimum quarterly distribution of $0.3375; and *third*, 98.0% to all unitholders pro rata, and 2.0% to our general partner, until each unit has received a quarterly distribution of $0.38813. If cash distributions to our unitholders exceed $0.38813 per common unit and subordinated unit in any quarter, our general partner will receive, in addition to distributions on its 2.0% general partner interest, increasing percentages, up to 48.0%, of the cash we distribute in excess of that amount. We refer to these distributions as incentive distributions.

Please read Provisions of Our Partnership Agreement Relating to Cash Distributions in the accompanying prospectus.

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Issuance of additional units	Our partnership agreement authorizes us to issue an unlimited number of additional units without the approval of our unitholders.
Limited voting rights	Our general partner manages and operates our business. Unlike the holders of common stock in a corporation, our unitholders have only limited voting rights on matters affecting our business. Our unitholders have no right to elect our general partner or its directors on an annual or other continuing basis. Our general partner may not be removed except by a vote of the holders of at least 66 2/3% of the outstanding units, including any units owned by our general partner and its affiliates, voting together as a single class. Upon the closing of this offering, OTA will own an aggregate of 66.0% of our outstanding limited partner interests (or 65.4% of our outstanding limited partner interests, if the underwriters exercise in full their option to purchase additional common units). This gives OTA the ability to prevent the removal of our general partner. Please read The Partnership Agreement Voting Rights in the accompanying prospectus.
Estimated ratio of taxable income to distributions	We estimate that if you own the common units you purchase in this offering through the record date for distributions for the period ending December 31, 2016, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be less than 20% of the cash distributed to you with respect to that period. Please read Material Tax Considerations in this prospectus supplement for an explanation of the basis of this estimate.
Material federal income tax considerations	For a discussion of the material federal income tax considerations that may be relevant to prospective unitholders who are individual citizens or residents of the United States, please read Material Tax Considerations in this prospectus supplement and Material Tax Consequences in the accompanying prospectus.
NYSE symbol	OILT.
Risk factors	You should read the risk factors on page S-6 of this prospectus supplement, on page 1 of the accompanying prospectus and in the documents incorporated herein by reference, as well as the other cautionary statements throughout this prospectus supplement, to ensure you understand the risks associated with an investment in our common units.

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RISK FACTORS

An investment in our common units involves risk. You should carefully read the risk factors included under the caption Risk Factors beginning on page 1 of the accompanying prospectus, as well as the risk factors included in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, together with all of the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. If any of these risks were to occur, our business, financial condition, results of operations or prospects could be materially adversely affected. In such case, the trading price of our common units could decline, and you could lose all or part of your investment.

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USE OF PROCEEDS

We expect to receive net proceeds of approximately $157.6 million from the sale of 2,600,000 common units offered by us pursuant to this prospectus supplement, including our general partner s proportionate capital contribution to maintain its 2% general partner interest in us, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise in full their option to purchase additional common units from us, we will receive additional net proceeds of approximately $23.7 million.

We intend to use the net proceeds from this offering, including any net proceeds from the underwriters exercise of their option to purchase additional common units from us, to reduce indebtedness outstanding under our revolving credit facility with OT Finance, fund ongoing expansion projects and for general partnership purposes.

At September 30, 2013, we had $42.0 million of outstanding borrowings under our revolving credit facility with OT Finance at a weighted average interest rate of 2.18% per annum. We used borrowings from our revolving credit facility with OT Finance to fund ongoing expansion projects and other capital expenditures and for general partnership purposes. Our revolving credit facility with OT Finance matures on November 30, 2017.

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CAPITALIZATION

The following table shows our capitalization and cash and cash equivalents as of September 30, 2013 on a historical basis and as adjusted to reflect this offering of common units and the application of the net proceeds as described under Use of Proceeds.

The following table should be read together with our historical financial statements and the related notes thereto that are incorporated by reference into this prospectus supplement and the accompanying prospectus. The following table does not reflect any common units that may be sold to the underwriters upon exercise of their option to purchase additional common units.

	As of September 30, 2013	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents	$ 16,530	$ 132,147
Long-term debt:		
Term borrowings from OT Finance	$ 191,250	$ 191,250
Revolving credit facility with OT Finance(1)	42,000	
Total long-term debt	233,250	191,250
Partners equity:		
Held by public:		
Common units	152,833	307,179
Held by OTA:		
Common units	105,653	105,653
Subordinated units	46,664	46,664
General partner interest	14,547	17,818
Total partners capital	319,697	477,314
Total capitalization	$ 552,947	$ 668,564

(1) As of November 18, 2013, we had approximately $56.0 million of indebtedness outstanding under our revolving credit facility with OT Finance.

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PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS

Our common units are listed on the NYSE under the symbol OILT. The last reported sales price of our common units on the NYSE on November 18, 2013 was $64.11 per common unit. As of November 18, 2013, we had issued and outstanding 19,449,901 common units that were held by approximately six holders of record, including common units held by OTA. This number of holders of record does not include unitholders whose units are held in trust by other entities. The actual number of unitholders is greater than the number of holders of record. We also have 19,449,901 outstanding subordinated units, for which there is no established public trading market. All of the subordinated units are held directly or indirectly by OTA.

The following table presents the high and low sales prices for our common units (as reported on the NYSE) since our initial public offering and the amount of the cash distributions we paid on each of our outstanding units for the periods indicated:

	Price Ranges		Cash Distribution per Unit(1)
	High	Low	
2013			
Fourth Quarter (through November 18, 2013)	$ 65.99	$ 50.73	$
Third Quarter	52.73	46.68	0.445
Second Quarter	53.97	46.50	0.425
First Quarter	53.20	38.01	0.405
2012			
Fourth Quarter	$ 38.60	$ 33.11	$ 0.39
Third Quarter	41.13	30.74	0.375
Second Quarter	31.96	27.65	0.36
First Quarter	32.93	26.57	0.35
2011			
Fourth Quarter	$ 29.55	$ 22.11	$ 0.34
Third Quarter(2)	25.25	21.75	0.2678

(1) Cash distributions for a quarter are declared and paid in the following quarter. Cash distributions in respect of the third quarter of 2013 were declared on October 21, 2013, and paid on November 14, 2013, to unitholders of record on November 1, 2013.

(2) The distribution paid for the third quarter of 2011 represents our minimum quarterly distribution prorated for the period beginning immediately after the closing date of our initial public offering, July 19, 2011, and ending on September 30, 2011.

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MATERIAL TAX CONSIDERATIONS

The tax consequences to you of an investment in our common units will depend in part on your own tax circumstances. For a discussion of the principal federal income tax considerations associated with our operations and the purchase, ownership and disposition of our units, please read the risk factors included under the caption Tax Risks to Unitholders in our Annual Report on Form 10-K for the year ended December 31, 2012, and Material Tax Consequences in the accompanying base prospectus, as well as the other information contained in or incorporated by reference herein and therein. You are urged to consult with your own tax advisor about the federal, state, local and foreign tax consequences particular to your circumstances.

Tax Rates

As of January 1, 2013, the highest marginal federal income tax rates for individuals applicable to ordinary income and long-term capital gains (generally, gains from the sale or exchange of certain investment assets held for more than one year) are 39.6% and 20%, respectively. These rates are subject to change by new legislation at any time.

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UNDERWRITING

Citigroup Global Markets Inc., Barclays Capital Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, Wells Fargo Securities, LLC and RBC Capital Markets, LLC are acting as joint book-running managers of the offering, and Citigroup Global Markets Inc. and Barclays Capital Inc. are acting as representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the number of common units set forth opposite the underwriter s name.

Underwriter	Number of Common Units
Citigroup Global Markets Inc.	590,200
Barclays Capital Inc.	590,200
Deutsche Bank Securities Inc.	309,400
J.P. Morgan Securities LLC	309,400
Wells Fargo Securities, LLC	309,400
RBC Capital Markets, LLC	309,400
Goldman, Sachs & Co.	91,000
USCA Securities LLC	91,000
Total	2,600,000

The underwriting agreement provides that the obligations of the underwriters to purchase the common units included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the common units (other than those covered by the underwriters option to purchase additional common units described below) if they purchase any of the common units. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or, under certain circumstances, the offering may be terminated

Common units sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any common units sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price not to exceed $1.314 per common unit. If all the common units are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms.

If the underwriters sell more common units than the total number set forth in the table above, we have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 390,000 additional common units at the public offering price less the underwriting discount. To the extent the option is exercised, each underwriter must purchase a number of additional common units approximately proportionate to that underwriter s initial purchase commitment. Any common units issued or sold under the option will be issued and sold on the same terms and conditions as the other common units that are the subject of this offering.

We, our general partner s officers and directors, OTA and OTB Holdco, LLC have agreed that, for a period of 60 days from the date of this prospectus supplement, we and they will not, without the prior written consent of Citigroup Global Markets Inc., dispose of or hedge any common units or any securities convertible into or exchangeable for our common units. Citigroup Global Markets Inc. in its sole discretion may release any of the securities subject to these lock-up agreements at any time without notice. Citigroup Global Markets Inc. has no present intent or arrangement to release any of the securities that would be subject to these lock-up agreements. Notwithstanding the foregoing, if (i) during the last 17 days of the 60-day restricted period, we issue an earnings release, announce material news or a material event relating to us occurs; or

(ii) prior to the expiration of the 60-day restricted period, we announce that we will release earnings results during the 16-day period beginning on

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the last day of the 60-day restricted period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release, announcement of the material news or occurrence of the material event.

Our common units are listed on the NYSE under the symbol OILT.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters option to purchase additional common units from us.

	Paid by Oiltanking Partners, L.P.	
	No Exercise	Full Exercise
Per common unit	$ 2.19	$ 2.19
Total	$ 5,694,000	$ 6,548,100

We estimate that the total expenses of this offering will be $250,000. We have also agreed to reimburse the underwriters for certain of their expenses in an amount up to $20,000.

In connection with the offering, the underwriters may purchase and sell common units in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions, which may include purchases pursuant to the underwriters option to purchase additional common units, and stabilizing purchases.

- Short sales involve secondary market sales by the underwriters of a greater number of common units than they are required to purchase in the offering.
  - Covered short sales are sales of common units in an amount up to the number of common units represented by the underwriters option to purchase additional common units.
  - Naked short sales are sales of common units in an amount in excess of the number of common units represented by the underwriters option to purchase additional common units.
- Covering transactions involve purchases of common units either pursuant to the underwriters option to purchase additional common units or in the open market in order to cover short positions.
  - To close a naked short position, the underwriters must purchase common units in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common units in the open market after pricing that could adversely affect investors who purchase in the offering.
  - To close a covered short position, the underwriters must purchase common units in the open market or must exercise their option to purchase additional common units. In determining the source of common units to close the covered short position, the underwriters will consider, among other things, the price of common units available for purchase in the open market as compared to the price at which they may purchase common units through the underwriters option to purchase additional common units.

Stabilizing transactions involve bids to purchase common units so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the u