



TEEKAY LNG PARTNERS L.P.

Q1 2011 Earnings Presentation

May 13, 2011



NYSE : TGP

www.teekaylng.com

Forward Looking Statements

This presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including statements regarding: the Partnership's future growth opportunities; the timing of LNG and LPG/Multigas newbuilding deliveries and incremental cash flows relating long-term, fixed-rate contracts serviced by these newbuildings; the growth opportunities in floating LNG regasification market; the Partnership's financial position, including available liquidity; the potential for taxation changes that affect MLPs; and the related impact on Teekay LNG and the potential for the Partnership to increase distributable cash flow from future projects and acquisitions of additional vessels from third parties. The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: the unit price of equity offerings to finance acquisitions; changes in production of LNG or LPG, either generally or in particular regions; required approvals by the Conflicts Committee of the Board of Directors of the Partnership's general partner to acquire any projects offered to the Partnership by Teekay Corporation; less than anticipated revenues or higher than anticipated costs or capital requirements; changes in trading patterns significantly affecting overall vessel tonnage requirements; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; the potential for early termination of long-term contracts and inability of the Partnership to renew or replace long-term contracts; LNG and LPG/Multigas project delays or shipyard production delays which would change the expected timing and cost of newbuild vessel deliveries; the Partnership's ability to raise financing to purchase additional vessels or to pursue LNG or LPG/Multigas projects; changes to the amount or proportion of revenues, expenses, or debt service costs denominated in foreign currencies; the form of any potential taxation changes is substantially different than currently anticipated; and other factors discussed in Teekay LNG Partners' filings from time to time with the SEC, including its Report on Form 20-F/A for the fiscal year ended December 31, 2010. The Partnership expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Partnership's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

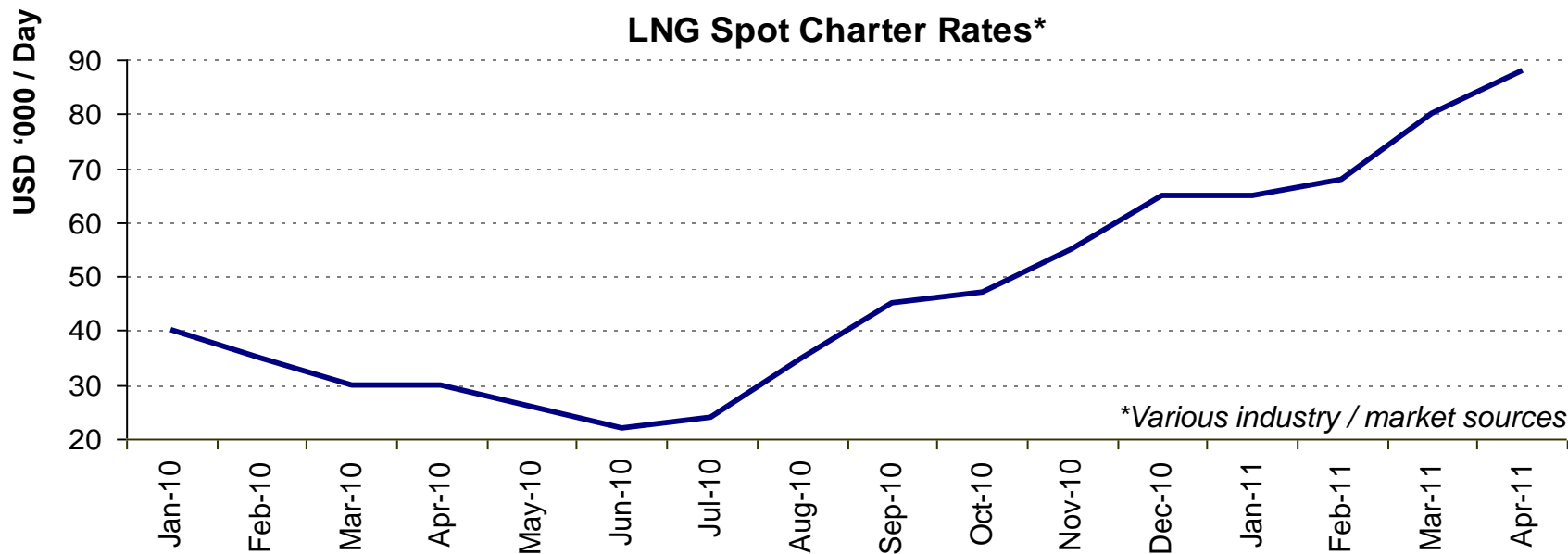
Recent Highlights

- » Generated distributable cash flow of \$39.1 million in Q1-11, up 15% from \$33.9 million in Q1-10
- » Earlier this year, raised quarterly distribution to \$0.63 per unit, an increase of \$0.03 per unit or 5%
- » Agreed to acquire 33 percent interest in 4 LNG newbuildings
 - Scheduled to deliver in 2011 and early 2012
 - Financing for the acquisition completed
- » With proceeds from recent equity offering, liquidity increased to ~\$600 million
- » Tendering activity for LNG shipping and FSRUs picking-up

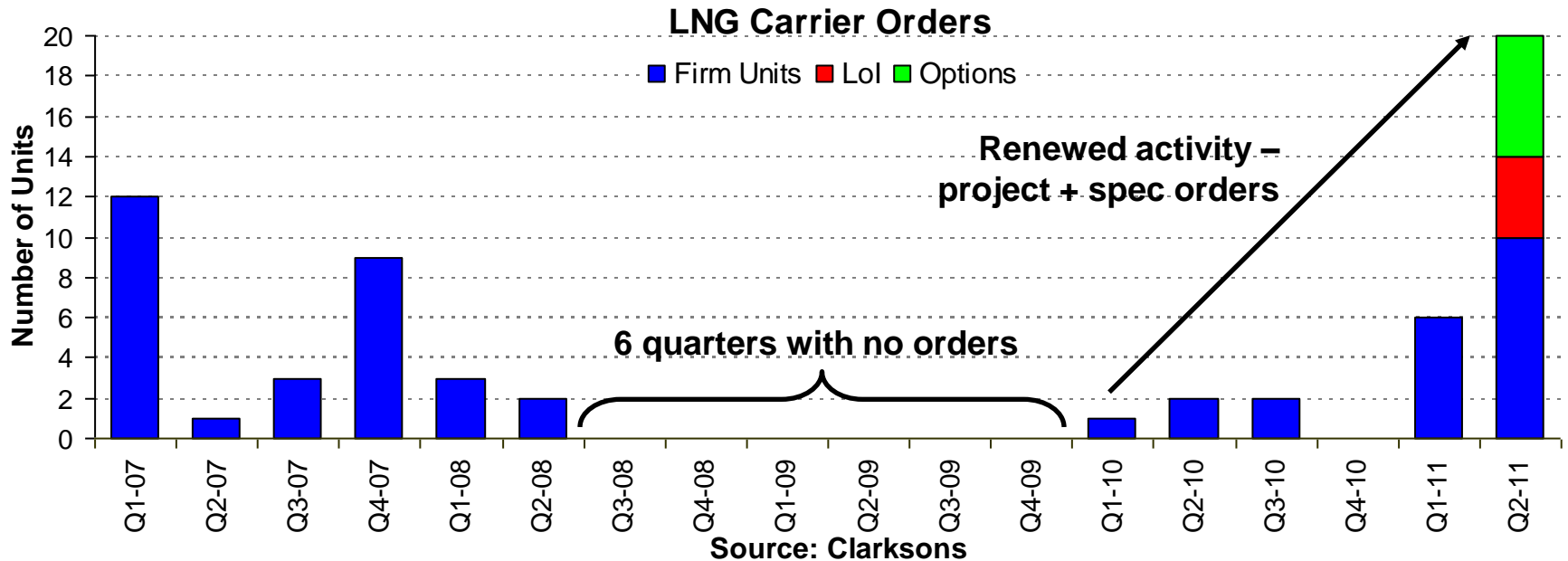


LNG Shipping Market – Recent Developments

- » Increase in tender activity for both LNG transportation and floating regasification (FSRU) projects
 - » TGP actively bidding on new gas transportation and FSRU projects
- » Seeking additional fleet growth through third party acquisition opportunities
- » Recent increase in spot / short term activity and rates:
 - Increase in Japanese LNG demand due to power outages following the devastating March 11th earthquake
 - Attractiveness of spot LNG prices versus long-term contract prices
 - Availability of uncommitted LNG supply from the Middle East



Renewed LNG Newbuilding Activity



- » Recent uptick in newbuilding order activity for both conventional units and FSRUs
- » Renewal in LNG carrier ordering a result of several factors:
 - » Much tighter short term / spot LNG market
 - » Increased volume of FSRU / conventional LNG tender activity
 - » Perception that LNG carrier newbuilding prices have bottomed

Adjusted Operating Results for Q1 2011 vs. Q4 2010

Teekay LNG Partners L.P. Adjusted Net Income (unaudited)

(in thousands of US dollars)

	Three Months Ended			Three Months Ended	
	March 31, 2011			December 31, 2010	
	As Reported	Appendix A Items (1)	Reclass for Realized Gains/Losses on Derivatives (2)	TGP Adjusted Income Statement	TGP Adjusted Income Statement
NET VOYAGE REVENUES					
Voyage revenues	93,219	-	-	93,219	95,597
Voyage expenses	370	-	-	370	685
Net voyage revenues	92,849	-	-	92,849	94,912
OPERATING EXPENSES					
Vessel operating expense	20,807	-	-	20,807	20,545
Depreciation and amortization	22,349	-	-	22,349	22,658
General and administrative	6,326	(949)	-	5,377	5,566
Total operating expenses	49,482	(949)	-	48,533	48,769
Income from vessel operations	43,367	949	-	44,316	46,143
OTHER ITEMS					
Interest expense	(11,754)	-	(15,582)	(27,336)	(28,045)
Interest income	1,578	-	5,345	6,923	7,239
Realized and unrealized gain on derivative instruments	10,769	(21,006)	10,237	-	-
Foreign exchange (loss) gain	(21,033)	21,033	-	-	-
Equity income	8,057	(2,554)	-	5,503	4,142
Other (expense) income - net	(1,247)	-	-	(1,247)	(1,435)
Total other items	(13,630)	(2,527)	-	(16,157)	(18,099)
Net income	29,737	(1,578)	-	28,159	28,044
Less: Net income attributable to Non-controlling interest	(4,757)	2,484	-	(2,273)	(1,877)
NET INCOME ATTRIBUTABLE TO THE PARTNERS	24,980	906	-	25,886	26,167

(1) See Appendix A to the Partnership's Q1-11 earnings release for description of Appendix A items.

(2) Reallocating the realized gains/losses to their respective line as if hedge accounting had applied. Please refer to footnote (2) to the Summary Consolidated Statements of Income in the Q1-11 earnings release.

Distributable Cash Flow and Cash Distribution

	<u>Three Months Ended March 31, 2011 (unaudited)</u>	
Net income	29,737	
Add:		
Depreciation and amortization	22,349	
Partnership's share of joint ventures' DCF before estimated maintenance capital expenditures	7,863	
Non-cash tax expense	617	
Unrealized foreign exchange loss	21,033	
Less:		
Unrealized gain from derivatives and other non-cash items	(19,427)	
Estimated maintenance capital expenditures	(11,168)	
Equity income from joint ventures	(8,057)	
Distributable Cash Flow before Non-controlling interest	42,947	
Non-controlling interests' share of DCF before estimated maintenance capital expenditures	(3,866)	
Distributable Cash Flow	39,081	A
Total Distributions	40,572	B
Coverage Ratio	0.96x	A / B

- » **Coverage ratio temporarily below 1.0x due to timing of equity offering in April and investment of proceeds (e.g. delivery of Angola LNG carriers & Skaugen LPG carriers)**

Potential Taxation of MLPs Unlikely to Impact TGP

- » TGP currently structured and taxed as a MLP
 - Investors receive K-1

HOWEVER

- » TGP does not generate income in U.S.
 - Assets owned and trade 'offshore'

THEREFORE

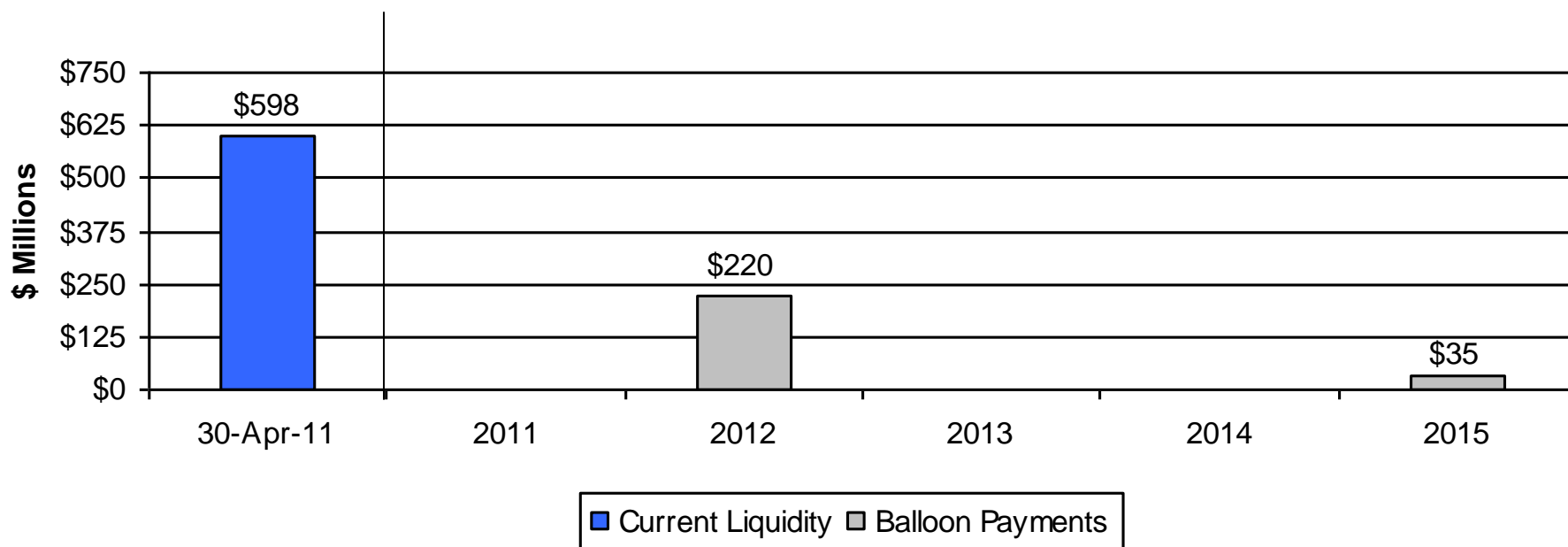
- » Were the Partnership to be taxed as a Corporation, no additional Corporate tax would be due
 - Could also elect to become a 1099-filer without owing any additional U.S. Corporate tax

THEREFORE

- » Unitholders and Partnership not disadvantaged by possible future changes to taxation of MLPs

Teekay LNG – Strong Credit Profile

- » April 30, 2011 total liquidity: ~\$600 million
- » No requirement to tap equity markets
- » No loan covenant concerns
- » Refinancing of 2012 balloon in the process of being finalized



Note: Future balloon payments are based on amounts drawn as at April 30, 2011.

TGP Has a Strong Record of Growing Distributions

