



TEEKAY LNG PARTNERS L.P.

# Third Quarter 2012 Earnings Presentation

November 9, 2012



# Forward Looking Statements

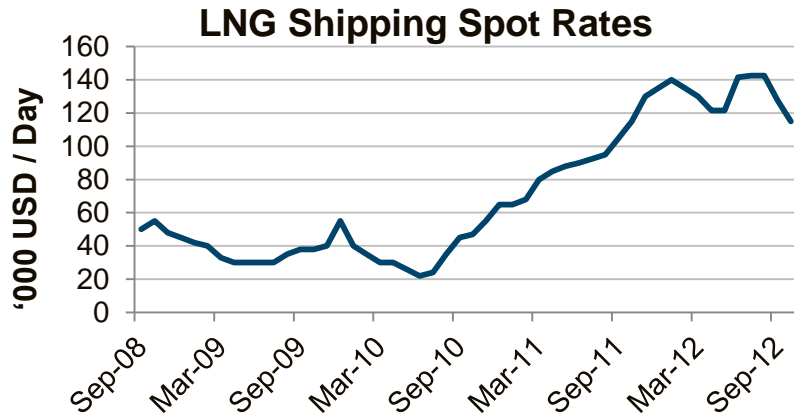
This presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including statements regarding: future growth opportunities, including current bidding activity by the Partnership on potential LNG and floating storage and regasification projects and anticipated start-up timing of those projects; LNG shipping market fundamentals, including the balance of supply and demand of LNG shipping capacity and LNG shipping charter rates; the stability of the Partnership's cash flows; the Partnership's financial position, including available liquidity; and the Partnership's ability to secure additional accretive growth opportunities. 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: availability of LNG shipping, floating storage, regasification and other growth project opportunities; changes in production of LNG or LPG, either generally or in particular regions; changes in trading patterns or timing of start-up of new LNG liquefaction and regasification projects significantly affecting overall vessel tonnage requirements; the Partnership's ability to secure new contracts through bidding on project tenders and/or acquire existing on-the-water assets; 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 of existing vessels in the Teekay LNG fleet and inability of the Partnership to renew or replace long-term contracts; the Partnership's ability to raise financing to purchase additional vessels or to pursue other projects; changes to the amount or proportion of revenues, expenses, or debt service costs denominated in foreign currencies; competitive dynamics in bidding for potential LNG or LPG projects; and other factors discussed in Teekay LNG Partners' filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2011. 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 and Market Outlook

- Generated distributable cash flow of \$57.8 million in Q3-12, up 32% from \$43.7 million in Q3-11
- Fleet integration of Maersk LNG carriers completed in September
- Declared and today paid a quarterly cash distribution of \$0.675 per unit
- \$182 million of net proceeds from September 2012 follow-on equity offering targeted for investment
- Significant increase in the number of LNG project tenders
  - Actively bidding on several projects

# LNG Market Snapshot

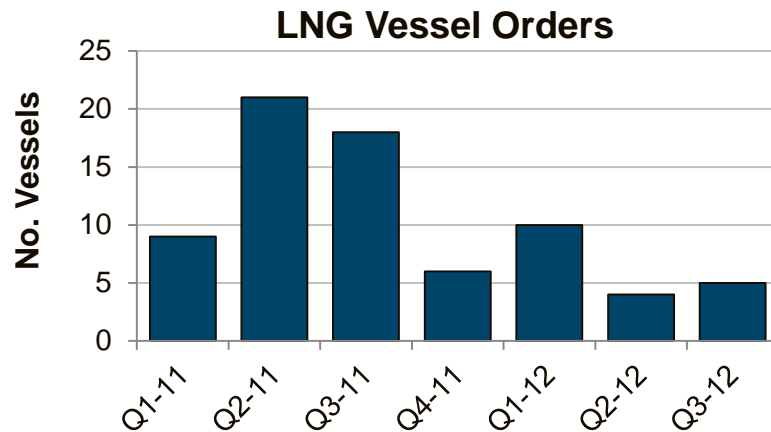
## Short Term Shipping Rates Weakening Due To Lower LNG Supply, Reduced Arbitrage



Source: Various Broker Estimates

- Short-term LNG shipping rates have weakened moderately on lower LNG supply due to plant maintenance / outages
- Narrow Atlantic-Pacific arbitrage also weighing on demand (Asia spot price ~\$13/mmbtu vs. Europe ~\$10/mmbtu)

## Pace of LNG Vessel Ordering Has Slowed



Source: Clarksons

- 19 new LNG carrier orders in 2012 to date versus 53 in 2011.
- LNG orderbook sufficient to fulfill demand requirements to 2015
- Surge in new LNG supply post-2015 could require up to 100 more units

# Adjusted Operating Results for Q3-12 vs. Q2-12

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

(in thousands of US dollars)

	Three Months Ended September 30, 2012			Three Months Ended June 30, 2012	
	As Reported	Appendix A Items (1)	Reclass for Realized Gains/Losses on Derivatives (2)	TGP Adjusted Income Statement	TGP Adjusted Income Statement
<b>NET VOYAGE REVENUES</b>					
Voyage revenues	98,723	-	-	98,723	96,348
Voyage expenses	860	-	-	860	242
Net voyage revenues	97,863	-	-	97,863	96,105
<b>OPERATING EXPENSES</b>					
Vessel operating expense	21,992	-	-	21,992	20,104
Depreciation and amortization	24,570	-	-	24,570	24,673
General and administrative	6,254	-	-	6,254	6,506
Total operating expenses	52,816	-	-	52,816	51,283
Income from vessel operations	45,047	-	-	45,047	44,822
<b>OTHER ITEMS</b>					
Equity income	21,098	1,139	-	22,237	19,886
Interest expense	(14,414)	-	(14,829)	(29,243)	(28,138)
Interest income	850	-	5,255	6,105	6,117
Realized and unrealized (loss) gain on derivative instruments	(9,945)	495	9,450	-	-
Foreign exchange (loss) gain	(6,248)	6,124	124	-	-
Other (expense) income – net	(305)	-	-	(305)	348
Total other items	(8,964)	7,758	-	(1,206)	(1,787)
Net income	36,083	7,758	-	43,841	43,036
Less: Net (income) attributable to Non-controlling interest	(3,022)	865	-	(2,157)	(2,507)
<b>NET INCOME ATTRIBUTABLE TO THE PARTNERS</b>	<b>33,061</b>	<b>8,623</b>	<b>-</b>	<b>41,684</b>	<b>40,529</b>

(1) See Appendix A to the Partnership's Q3-12 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 (1) to the Summary Consolidated Statements of Income in the Q3-12 earnings release.



# Distributable Cash Flow and Cash Distribution

	Three Months Ended September 30,		
	2012 (unaudited)	2011 (unaudited)	
Net income	36,083	28,184	
Add:			
Depreciation and amortization	24,570	23,032	
Partnership's share of joint ventures DCF before estimated maintenance capital expenditures	29,597	9,658	
Unrealized loss (gain) from derivatives and other non-cash items	685	28,891	
Less:			
Estimated maintenance capital expenditures	(14,345)	(11,471)	
Unrealized foreign exchange loss (gain)	6,124	(29,480)	
Equity income from joint ventures	(21,098)	(891)	
Non-cash tax expense (recovery)	224	(454)	
<b>Distributable Cash Flow before Non-controlling interest</b>	61,840	47,469	
Non-controlling interests' share of DCF before estimated maintenance capital expenditures	(3,991)	(3,793)	
<b>Distributable Cash Flow</b>	57,849	43,676	<b>A</b>
Total Distributions	52,972	40,572	<b>B</b>
Coverage Ratio	1.09*	1.08	<b>A/B</b>

\* The coverage ratio would have been 1.17x excluding the issuance of 4.8 million units in the September 2012 follow-on equity offering.