

TEEKAY LNG PARTNERS

Q3 Earnings Release

November 3rd, 2005



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 prospects; the acquisition of three Suezmax tankers and related time charters from Teekay and their related financing and contribution to the Partnership's operating results; the offers to the Partnership of Teekay's interests in LNG projects; the timing of the commencement of the RasGas II, RasGas 3 and Tangguh LNG projects; the timing of LNG newbuilding deliveries; the expected cost of LNG newbuildings for the RasGas II project and related financing arrangements including the anticipated lease arrangement; and the Partnership's exposure to foreign currency fluctuations, particularly in Euros. 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: changes in production of LNG, either generally or in particular regions; 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; shipyard production delays; the Partnership's ability to raise financing to purchase additional vessels, including the three Suezmax tankers from Teekay, or to pursue LNG projects; Teekay's potential inability to complete lease arrangements for the three RasGas II vessels; required approvals by the conflicts committee of the board of directors of the Partnership's general partner of any LNG projects offered to the Partnership by Teekay; changes to the amount or proportion of revenues, expenses, or debt service costs denominated in foreign currencies; and other factors discussed in the Registration Statement of Teekay LNG Partners L.P. on Form F-1 dated November 2, 2005. The Partnership expressly disclaims any obligation or undertaking 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.



Third Quarter Highlights

- ▶ Generated distributable cash flow of \$13.7 million
- ▶ Declared a cash distribution of \$0.4125 for the third quarter of 2005 (\$1.65 annualized)
 - ▶ Record date: November 9
 - ▶ Payment date: November 14
- ▶ Entered into agreement to purchase 3 Suezmax oil tankers with long-term charters for \$180 million
- ▶ Announced follow-on public offering of up to 4 million units (4.6m including underwriter's over-allotment option)
- ▶ Teekay Shipping awarded contracts for six LNG newbuildings:
 - ▶ 4 on 25-year charter to RasGas 3 (40% interest) delivering mid '08
 - ▶ 2 on 20-year charter to Tangguh Project (70% interest) delivering late '08 and early '09



Distributable Cash Flow and Cash Distribution

(in thousands)	Three months ended <u>September 30, 2005</u> <u>(unaudited)</u>	
Net Income	\$	8,904
Add:		
Depreciation and amortization		10,607
Non-cash interest expense		1,288
Less:		
Estimated maintenance capital expenditure		4,137
Foreign exchange gain		1,347
Income tax recovery		1,587
Distributable Cash Flow (1)	\$	13,728 A

Minimum Quarterly Distribution (30,372,644 units x \$0.4125 / share)	\$	12,529
General Partner 2% Distribution		256
Total Distribution	\$	12,785 B
 Coverage Ratio		 1.07x =A/B

(1) Please refer to the 3rd Quarter of 2005 Earnings Release for a description of Distributable Cash Flow and a reconciliation to its most directly comparable GAAP financial measure



Q3 vs. Adjusted Q2 Results

Summary Consolidated Income Statement (Unaudited)

In thousands of U.S. dollars

	Three Months Ended		Variance
	September 30, 2005	June 30 2005*	
Net Voyage Revenues	34,625	35,509	(884)
Operating Expenses			
Vessel operating expenses	6,571	6,881	(310)
Depreciation and amortization	10,607	10,241	366
General and administrative expenses	2,733	2,230	503
Gain on sale of vessels and equipment	-	(326)	326
	19,911	19,026	885
Income from Vessel Operations	14,714	16,483	(1,769) ^A
Other Items			
Interest expense	(14,382)	(14,343)	(39)
Interest income	5,638	5,255	383
Income tax recovery	1,587	2,926	(1,339)
Foreign exchange gain	1,347	40,238	(38,891)
Other - net	-	(329)	329
	(5,810)	33,747	(39,557) ^B
Net Income	8,904	50,230	(41,326) ^{=A+B}

* Based on the actual results for the period of May 10 to June 30, 2005, extrapolated to reflect a 91 day period.



Balance Sheet

(in thousands of U.S. dollars)

	<u>As at Sept 30,</u> <u>2005</u> unaudited	<u>As at June 30,</u> <u>2005</u> unaudited
ASSETS		
Cash and cash equivalents	59,934	55,875
Other current assets	9,334	6,334
Vessels and equipment	1,041,154	980,299
Advances on newbuilding contracts	175,920	172,448
Other assets	221,784	224,132
Total Assets	1,508,126	1,439,088
LIABILITIES AND PARTNERS' EQUITY		
Accounts payable and accrued liabilities	22,344	21,663
Advance from affiliate	1,208	520
Long-term debt*, net of restricted cash	608,539	578,514
Minority interest	175,920	140,554
Other long-term liabilities	14,701	14,985
Partners' equity	685,414	682,852
Total Liabilities and Partners' Equity	1,508,126	1,439,088

Net Debt to Capitalization = 44.5%

* Including current portion of long-term debt



TEEKAY LNG PARTNERS



Reconciliation of Net Debt to Capitalization

in thousands of US dollars	<u>As at Sept. 30, 2005</u> (unaudited)	
Cash and cash equivalents	59,934	
Restricted cash - current	87,725	
Restricted cash - long-term	<u>302,397</u>	
Total cash and restricted cash	450,056	A
Current portion of long-term debt	91,110	
Long-term debt	<u>907,551</u>	
Total long-term debt	998,661	B
Net debt	548,605	C=B-A
Partners' equity	685,414	
Net debt	<u>548,605</u>	
Total capital	1,234,019	
Net debt	548,605	C
Total capital	1,234,019	D
Net debt to capital	44.5%	=C/D