

TEEKAY LNG PARTNERS

First Quarter 2007 Earnings Presentation

May 11, 2007



Forward Looking Statements

This release 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 estimated financial results for 2007 and corresponding potential increases in cash distributions to unitholders; the Partnership's future growth prospects; the timing of the commencement of the RasGas II, RasGas 3, and Tangguh LNG projects; the timing of LNG and LPG newbuilding deliveries; 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: failure of Teekay GP L.L.C. to authorize increased cash distributions to unitholders; the unit price of equity offerings to finance acquisitions, changes in production of LNG or LPG, either generally or in particular regions; 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 project delays, shipyard production delays; the Partnership's ability to raise financing to purchase additional vessels or to pursue LNG or LPG projects; changes to the amount or proportion of revenues, expenses, or debt service costs denominated in foreign currencies; and other factors discussed in Teekay LNG's filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2006. 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.

Highlights

- ▶ Generated distributable cash flow of \$17.9⁽¹⁾ million, compared to \$17.6 million in 1Q06.
- ▶ Declared a cash distribution of \$0.4625 for the first quarter of 2007 (\$1.85 annualized)
 - ▶ Record date: May 1st ▶ Payment date: May 14th
- ▶ Second and third RasGas II LNG carriers delivered January and February 2007.
- ▶ Acquired LPG carrier, *Dania Spirit*, in January 2007, on 9-year charter to Statoil
- ▶ Reiterate previously provided guidance for cash distributions:
 - ▶ \$2.12 per unit (\$0.53 per quarter) commencing with the distribution relating to the second quarter of 2007

(1) Please refer to the 1st Quarter of 2007 Earnings Release for a description of Distributable Cash Flow and its most directly comparable GAAP measure

Distributable Cash Flow and Cash Distribution

Teekay LNG Partners L.P.
 Distributable Cash Flow & Coverage Ratio (Unaudited)
 In thousands of dollars

In thousands of U.S. dollars	Three months ended Mar. 31, 2007 (unaudited)
Net income	\$ 1,402
Add:	
Foreign exchange loss	4,800
Depreciation and amortization	15,819
Non-cash interest expense	2,918
Income tax expense	453
Less:	
Estimated maintenance capital expenditures	6,372
Minority interest recovery	1,067
Minority owners' share of DCF before estimated maintenance capital expenditures	63
<u>Distributable Cash Flow ⁽¹⁾</u>	<u>\$ 17,890 A</u>

Quarterly Distribution (34,975,119 units x \$0.4625 / share)	\$ 16,176
General Partner 2% Distribution	330
Total Distribution	<u>\$ 16,506 B</u>
Coverage Ratio	1.08x =A/B

⁽¹⁾ Please refer to the 1st Quarter of 2007 Earnings Release for a description of Distributable Cash Flow and a reconciliation to its most directly comparable GAAP financial measure.

Segment Results

Teekay LNG Partners L.P.
 Operating Results (Unaudited)
 In thousands of dollars

(in thousands of U.S. dollars)	Three Months Ended 31-Mar-07 (unaudited)			Three Months Ended 30-Dec-06 (unaudited)		
	Liquefied Gas Segment	Suezmax Segment	Total	Liquefied Gas Segment	Suezmax Segment	Total
Net voyage revenues	37,471	20,592	58,063	27,907	21,055	48,962
Vessel operating expenses	8,167	5,654	13,821	4,949	5,591	10,540
Depreciation & amortization	10,814	5,005	15,819	8,720	4,875	13,595
Cash flow from vessel operations*	27,516	13,208	40,724	20,887	13,281	34,168

*Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Partnership's Web site at www.teekaylng.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

Q1 '07 vs. Q4 '06

Teekay LNG Partners L.P.
 Summary Consolidated Income Statement (Unaudited)
 In thousands of dollars

	Three Months Ended		Variance
	March 31, 2007	December 31, 2006	
Net Voyage Revenues ⁽¹⁾	58,063	48,962	9,101
Operating Expenses			
Vessel operating expenses	13,821	10,540	3,281
Depreciation and amortization	15,819	13,595	2,224
General and administrative expenses	3,518	4,254	(736)
	33,158	28,389	4,769
Income from Vessel Operations	24,905	20,573	4,332
Other Items			
Interest expense	(30,347)	(24,196)	(6,151)
Interest income	11,097	10,664	433
Income tax recovery (expense)	(453)	9	(462)
Foreign exchange loss	(4,800)	(15,137)	10,337
Other - net	1,000	669	331
	(23,503)	(27,991)	4,488
Net income (loss)	1,402	(7,418)	8,820

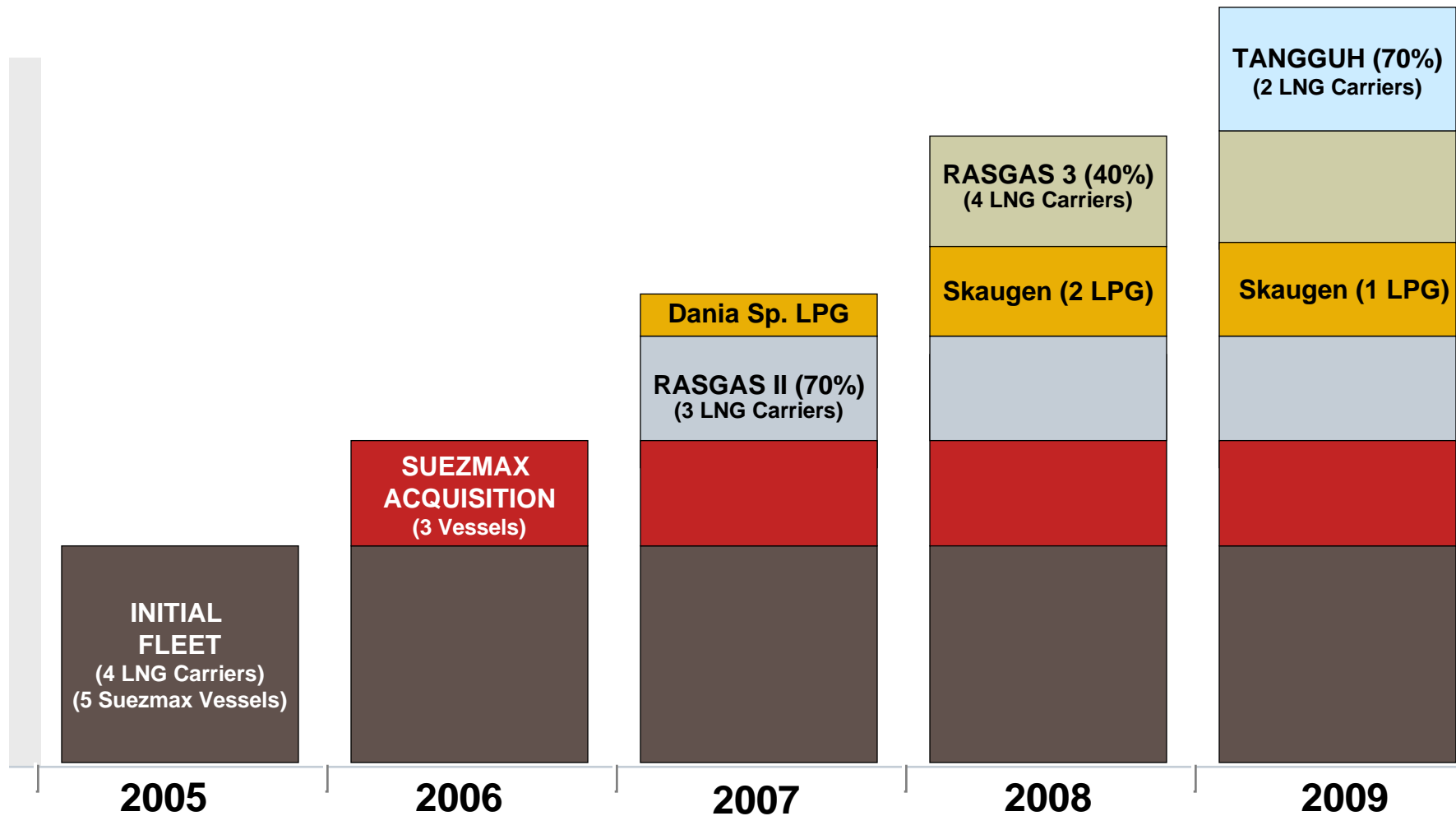
(1) Net voyage revenues represents voyage revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net voyage revenues is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to voyage revenues or any other indicator of the Partnership's performance required by accounting principles generally accepted in the United States. Please refer to the Partnership's web site at www.teekaylng.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure

Balance Sheet

Teekay LNG Partners L.P. In thousands of U.S. dollars (unaudited)	As at March 31, 2007			As at December 31, 2006	
	TK LNG (excl RG 3 and Tangguh)	RasGas 3	Tangguh	Consolidated	Consolidated
ASSETS					
Cash and cash equivalents	35,407	-	-	35,407	28,871
Restricted cash related to newbuilding vessels to be delivered	-	-	-	-	293,409
Other current assets	11,501	-	-	11,501	15,937
Vessels and equipment	1,633,186	-	-	1,633,186	1,316,836
Other assets	273,926	206,550	86,956	567,432	499,011
Total Assets	1,954,020	206,550	86,956	2,247,526	2,154,064
LIABILITIES AND PARTNERS' EQUITY					
Accounts payable and accrued liabilities	21,044	1,269	39	22,352	18,668
Unearned revenue	6,594	-	-	6,594	6,708
Advances from affiliate	14,640	4,865	4,209	23,714	38,939
Long-term debt*, net of restricted cash	1,141,218	-	-	1,141,218	825,030
Long-term debt related to newbuilding vessels to be delivered *	-	120,373	-	120,373	266,340
Other long-term liabilities	58,768	-	2,218	60,986	114,153
Minority interest	3,403	80,133	82,139	165,675	165,729
Partners' equity	708,353	(90)	(1,649)	706,614	718,497
Total Liabilities and Partners' Equity	1,954,020	206,550	86,956	2,247,526	2,154,064
Total Liquidity				376,700	444,500

*including current portion of long-term debt

Multi-year, Built-in Growth



This portfolio of projects puts us in a position to grow in 2007, 2008 and 2009

TEEKAY LNG PARTNERS

