



TEEKAY

CREOLE SPIRIT
NASSAU
IMO 9681687

TEEKAY LNG PARTNERS Q1-2016 EARNINGS PRESENTATION

May 20, 2016

Forward Looking Statement

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: expected profitability of existing growth projects; the timing of newbuilding vessel deliveries and project start-up and the commencement of related contracts; the stability and growth of the Partnership's business and future cash flows, including the cash flow impact relating to the two MEGI LNG carrier newbuildings commencing charters to Cheniere during 2016; the percentage of the Partnership's LNG fleet that is subject to fixed-rate charters in 2016; fundamentals in the liquefied gas industry; the impact of the long-term plant financing for the Yamal LNG Project on the financing of the Partnership's ARC7 Ice-Class LNG carrier newbuildings; the financing of the Partnership's remaining newbuildings; and the charter payment deferral on the Partnership's two 52 percent-owned LNG carriers on charter to the Yemen LNG project. 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: potential shipyard and project construction delays, newbuilding specification changes or cost overruns; 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; 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; the inability of charterers to make future charter payments; the inability of the Partnership to renew or replace long-term contracts on existing vessels; factors affecting the outcome of the Partnership's dispute over the *Magellan Spirit*; the Partnership's and the Partnership's joint ventures' ability to raise financing for its existing newbuildings and projects; factors affecting the resumption of the LNG plant in Yemen; the inability of the Partnership to collect the deferred charter payments from the Yemen LNG project; 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, 2015. 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 flow¹ of \$54 million and cash flow from vessel operations² of \$114 million in Q1-16
 - DCF per LP unit of \$0.68 per unit
 - Distribution coverage ratio of 4.79 times
- Cheniere MEGI LNG Newbuildings on-track
 - Creole Spirit commenced 5-year fixed-rate charter with Cheniere Energy
 - Now on second voyage delivering U.S. shale gas from the U.S. to the Middle East
 - Oak Spirit scheduled to commence charter in Q3-16
- Two Suezmaxes sold, delivered in Q2-16
- Yamal LNG Project Plant financing secured

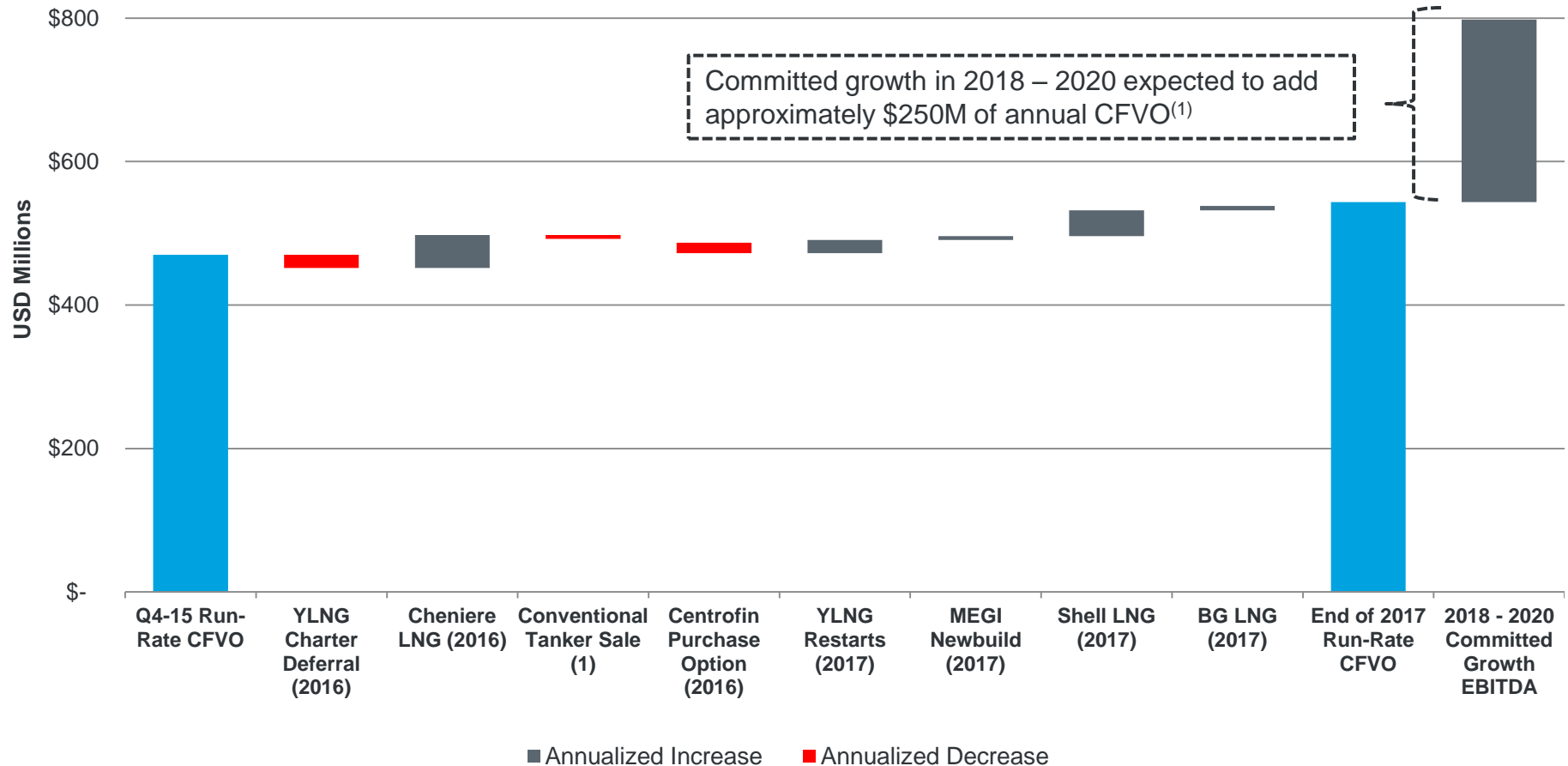


¹ Distributable cash flow (DCF) is a non-GAAP measure used by certain investors to measure the financial performance of Teekay LNG and other master limited partnerships.

² Cash flow from vessel operations (CFVO) is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies.

TGP's CFVO Continues to Grow

Includes TGP's proportionate share of equity-accounted investment CFVO



CFVO expected to grow moderately through 2017, with majority of growth coming in 2018 - 2020



1) Assumes sale of the Teide Spirit in Q4-2017.

Yamal LNG Project Update

Completion of Plant Financing a Significant Milestone for Yamal LNG Project

Yamal LNG Project Update

- Yamal LNG has now secured full external financing requirements for the project
- Overall progress of Yamal LNG project is progressing well with an estimated 51% complete as at March 31, 2016
- As at March 31, 2016, first LNG train is over 65% complete

Source	Amount (\$B)*	Completed
Chinese Lenders	\$12.1	April 2016
Russian Lenders	\$4.1	April 2016
National Welfare Fund (Russia)	\$2.4	2015
Yamal Sponsors' Equity	\$12.8	Fully Contributed
Total	\$31.4	



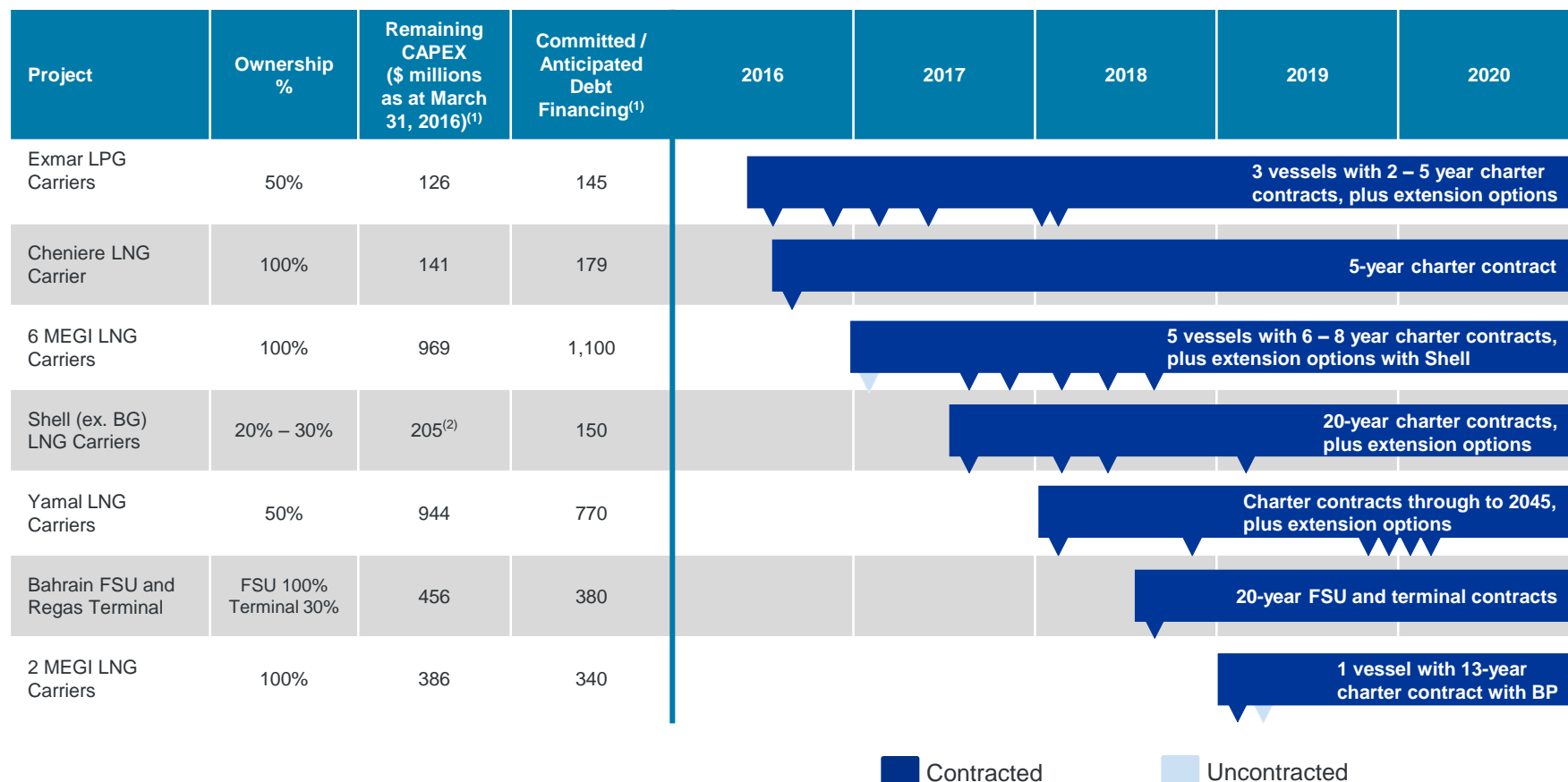
Update on TGP's Yamal LNG Vessels

- Vessels remain on track to delivery in 2018 through 2020, at which point they will commence fee-based contracts through to 2045, plus extension options
- Significant progress made on long-term debt financing:
 - Multiple attractive offers received from Chinese financiers



Focused On Securing Financing for Growth Projects

Growth projects contribute to significant CFVO growth



Total estimated annual CFVO from growth projects of over \$300 million⁽¹⁾



(1) Proportionate share

(2) Excludes shipbuilding and crew training costs reimbursable by Shell (ex. BG)

Appendix

Distributable Cash Flow

Q1-16 vs. Q4-15

	Three Months Ended March 31 2016 (unaudited)	Three Months Ended December 31 2015 (unaudited)	Explanation
(Thousands of U.S. Dollars except units outstanding or unless otherwise indicated)			
Net voyage revenues ⁽¹⁾	95,944	99,751	Decrease due to 2015 profit share relating to the <i>Teide Spirit</i> recorded in Q4, partially offset by the charter contract commencement for the <i>Creole Spirit</i> in Q1
Vessel operating expenses	(21,853)	(24,046)	Timing of maintenance work and crew training
Estimated maintenance capital expenditures	(11,976)	(11,907)	
General and administrative expenses	(5,428)	(5,666)	
Partnership's share of equity accounted joint ventures' DCF net of estimated maintenance capital expenditures	20,573	25,060	Lower equity income from the MALT and Exmar LPG joint ventures, partially offset by higher equity income from the RasGas 3 joint venture.
Interest expense ⁽¹⁾	(21,620)	(21,463)	
Interest income	602	539	
Income tax expense	(261)	(981)	
Other adjustments - net	3,913	5,686	
Distributable Cash Flow before Non-Controlling Interests	59,894	66,973	
Non-controlling interests' share of DCF	(5,490)	(5,432)	
Distributable Cash Flow⁽²⁾	54,404	61,541	
Cash distributions to the General Partner	(227)	(227)	
Limited partners' Distributable Cash Flow	54,177	61,314	
Weighted-average number of common units outstanding	79,557,872	79,528,595	
Distributable Cash Flow per limited partner unit	0.68	0.77	

1) See Adjusted Operating Results in the Appendix to this presentation for a reconciliation to the amount reported in the Consolidated Statements of (Loss) Income in the Q1-16 and Q4-15 Earnings Releases.

2) For a reconciliation of Distributable Cash Flow, a non-GAAP measure, to the most directly comparable GAAP figures, see Appendix B in the Q1-16 and Q4-15 Earnings Releases.

Adjusted Operating Results

Q1-16

(in thousands of U.S. Dollars)

	Three Months Ended			
	March 31, 2016			
	As Reported	Appendix A Items (1)	Reclass for Realized Gains/Losses on Derivatives (2)	TGP Adjusted Income Statement
Voyage revenues	95,771	-	630	96,401
Voyage expenses	(457)	-	-	(457)
Net voyage revenues	95,314	-	630	95,944
Vessel operating expense	(21,853)	-	-	(21,853)
Depreciation and amortization	(23,611)	-	-	(23,611)
General and administrative expenses	(5,428)	-	-	(5,428)
Loss on sale of vessels	(27,439)	27,439	-	-
Income from vessel operations	16,983	27,439	630	45,052
Equity income ⁽³⁾	9,498	4,138	-	13,636
Interest expense	(13,997)	1,398	(9,021)	(21,620)
Interest income	602	-	-	602
Realized and unrealized loss on non-designated derivative instruments	(38,089)	32,076	6,013	-
Foreign exchange loss	(10,118)	7,740	2,378	-
Other income – net	419	-	-	419
Income tax expense	(261)	-	-	(261)
Net (loss) income	(34,963)	72,791	-	37,828
Less: Net loss (income) attributable to Non-controlling interests	(2,175)	(1,502)	-	(3,677)
NET (LOSS) INCOME ATTRIBUTABLE TO THE PARTNERS	(37,138)	71,289	-	34,151

1) See Appendix A to the Partnership's Q1-16 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 footnotes (5) and (6) to the Consolidated Statements of (Loss) Income in the Q1-16 Earnings Release.

3) Please refer to footnote (3) to the Consolidated Statements of (Loss) Income in the Q1-16 Earnings Release.



Adjusted Operating Results

Q4-15

	Three Months Ended			
	December 31, 2015			
	As Reported	Appendix A Items (1)	Reclass for Realized Gains/Losses on Derivatives (2)	TGP Adjusted Income Statement
(in thousands of U.S. Dollars)				
Voyage revenues	103,642	(491)	(3,185)	99,966
Voyage expenses	(215)	-	-	(215)
Net voyage revenues	103,427	(491)	(3,185)	99,751
Vessel operating expense	(24,046)	-	-	(24,046)
Depreciation and amortization	(23,002)	-	-	(23,002)
General and administrative expenses	(5,666)	-	-	(5,666)
Restructuring charge	(491)	491	-	-
Income from vessel operations	50,222	-	(3,185)	47,037
Equity income ⁽³⁾	23,588	(5,927)	-	17,661
Interest expense	(10,827)	-	(10,636)	(21,463)
Interest income	539	-	-	539
Realized and unrealized gain on non-designated derivative instruments	9,957	(20,254)	10,297	-
Foreign exchange gain	5,712	(9,236)	3,524	-
Other income – net	355	-	-	355
Income tax expense	(2,431)	1,450	-	(981)
Net income	77,115	(33,967)	-	43,148
Less: Net income attributable to Non-controlling interests	(4,891)	1,280	-	(3,611)
NET INCOME ATTRIBUTABLE TO THE PARTNERS	72,224	(32,687)	-	39,537

1) See Appendix A to the Partnership's Q4-15 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 footnotes (3) and (4) to the Consolidated Statements of Income and Comprehensive Income in the Q4-15 Earnings Release.

3) Please refer to footnote (2) to the Consolidated Statements of Income and Comprehensive Income in the Q4-15 Earnings Release.



2016 Drydock Schedule

Segment	March 31, 2016 (A)		June 30, 2016 (E)		September 30, 2016 (E)		December 31, 2016 (E)		Total 2016 (E)	
	Vessels	Total Dry-dock Days	Vessels	Total Dry-dock Days	Vessels	Total Dry-dock Days	Vessels	Total Dry-dock Days	Vessels	Total Dry-dock Days
LPG Carrier - equity accounted	-	18	1	21	-	-	1	31	2	70
	-	18	1	21	-	-	1	31	2	70



Note: In the case that a vessel drydock straddles between quarters, the drydock has been allocated to the quarter in which the majority of drydock days occur.

The background is a solid blue color with a subtle, wavy texture. Overlaid on this background are several thick, white, geometric lines that form a stylized, abstract shape resembling the letter 'E'. The lines are composed of multiple parallel paths, creating a sense of depth and movement. The overall composition is clean and modern.

BRINGING ENERGY TO THE WORLD