TEEKAY OFFSHORE PARTNERS / TEEKAY LNG PARTNERS

2010 NAPTP Conference

May 2010

Teekay MLPs

TEEKAY LNG PARTNERS L.P.

NYSE: TGP

- Market Cap: $1.5bn*
- Strong Sponsor
  - Teekay Corp Ownership: 49.20% (incl. 2% GP interest)
- Core Focus: LNG & LPG projects
- Contracts: 10 – 25 year fixed-rate
- Built-in Growth:
  - 3 newbuild LPG carriers delivering in 2010/11
  - 4 newbuilding LNG carriers (33% interest) scheduled for delivery to Teekay Corp in 2011/12
- Tax Treatment: K1 filer
- Current Quarterly Distribution: $0.60/unit
  - Q1 distribution increased by 5.3%
  - **Current Yield: 9%***

TEEKAY OFFSHORE PARTNERS L.P.

NYSE: TOO

- Market Cap: $818m*
- Strong Sponsor
  - Teekay Corp Ownership: 35.92% (incl. 2% GP interest)
- Core Focus: Deep water offshore production and transport projects
- Contracts: 3 – 10 year fixed-rate
- Available Growth From Sponsor:
  - 4 FPSO units
  - 4 shuttle tanker newbuildings scheduled for delivery in 2010/11
- Tax Treatment: 1099 filer
- Current Quarterly Distribution: $0.475/unit
  - Q1 distribution increased by 5.6%
  - **Current Yield: 10%***

*As at May 10, 2010

TEEKAY OFFSHORE PARTNERS LP

NYSE: TOO

IPO Date: Dec. 13, 2006

Current Unit Price: $19.14*

Current Yield: 9.9%**

*As at May 10, 2010
**Based on an annualized dividend of $1.90 per unit

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 stability of the Partnership's distributable cash flow; the Partnership's future growth prospects; the potential for Teekay to offer up to four Aframax shuttle tanker newbuildings either with new long-term fixed-rate contracts, or to service the contracts-of-affreightment in the North Sea; the potential for Teekay to offer its four existing FPSO units; the expected contribution of the *Petrojarl Varg* FPSO to the Partnership's distributable cash flow and EBITDA; the potential for Teekay to secure future FPSO projects; the potential for Teekay to offer to Teekay Offshore additional limited partner interests in OPCO; and the Partnership's exposure to foreign currency fluctuations, particularly in Norwegian Kroner. 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 offshore oil, 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 or OPCO to renew or replace long-term contracts; required approvals by the board of directors of Teekay and Teekay Offshore, as well as the conflicts committee of Teekay Offshore to acquire additional vessels and/or interests in OPCO; the Partnership's ability to raise financing to purchase additional vessels and/or interests in OPCO; changes to the amount or proportion of revenues, expenses, or debt service costs denominated in foreign currencies; and other factors discussed in Teekay Offshore's filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2009. 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.

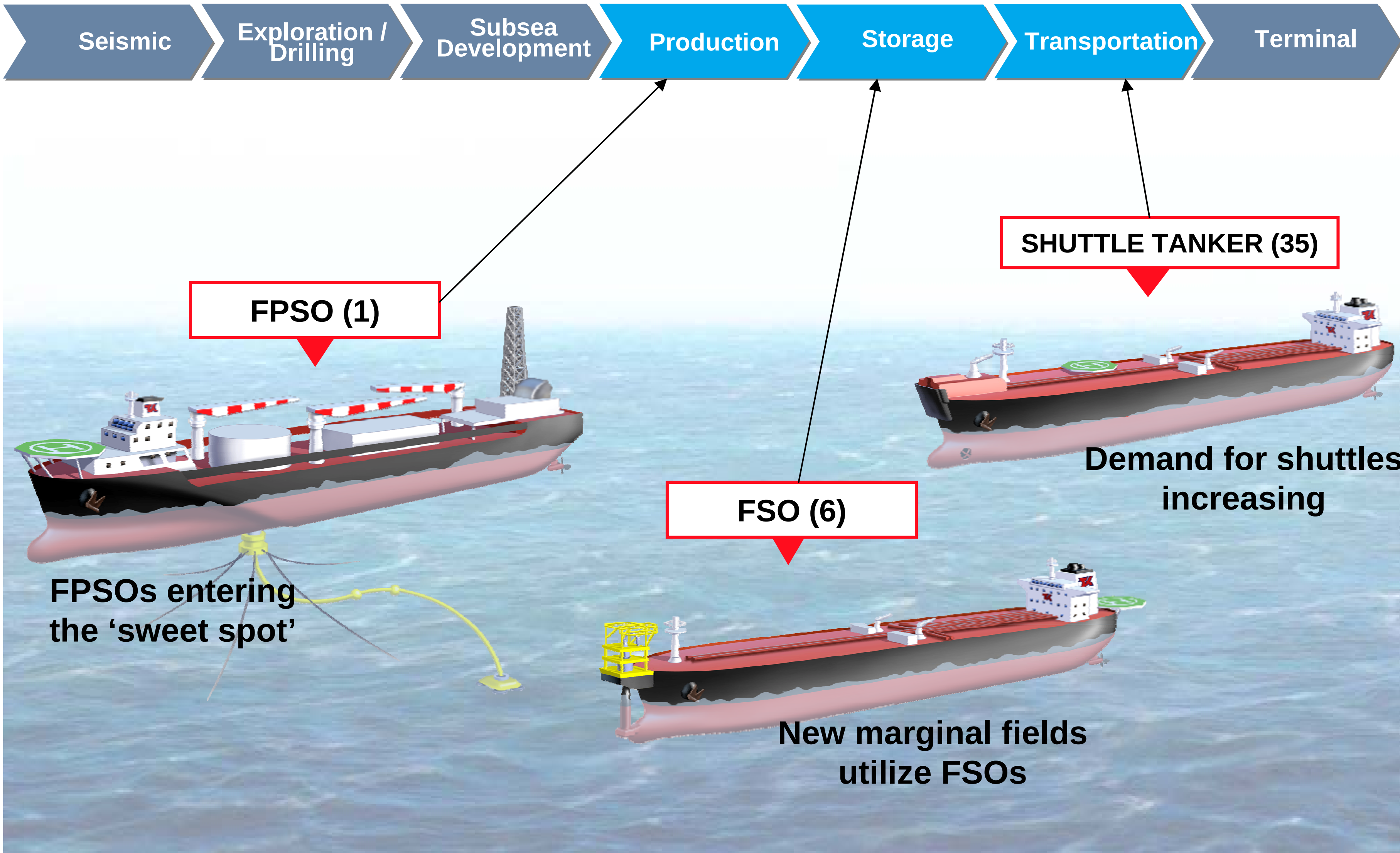
Teekay Offshore Partners - Investment Highlights

- **Stable Operating Model**
  - Revenues generated from fixed-rate contracts
  - Diversified portfolio of contracts with major oil companies
- **Leading Market Positions**
  - Teekay is a market leader in harsh weather FPSO operations
  - World's largest owner and operator of shuttle tankers with a market leading position in the North Sea and expanding operations in Brazil
- **Industry Remains in Growth Mode**
  - Offshore oil production and transport remains an area of growth
    - Offshore production is expected to represent more than 35 percent of world oil production by 2015
    - Expect substantial new projects under all oil price scenarios
  - Significant Qualifying Assets available from Sponsor
    - Four additional FPSO units available for purchase from Teekay Parent
    - Four advanced shuttle tankers scheduled for 2010/11 delivery to parent and available for purchase from Teekay Parent
    - Remaining 49% interest in OPCO

2009: A Transformational Year

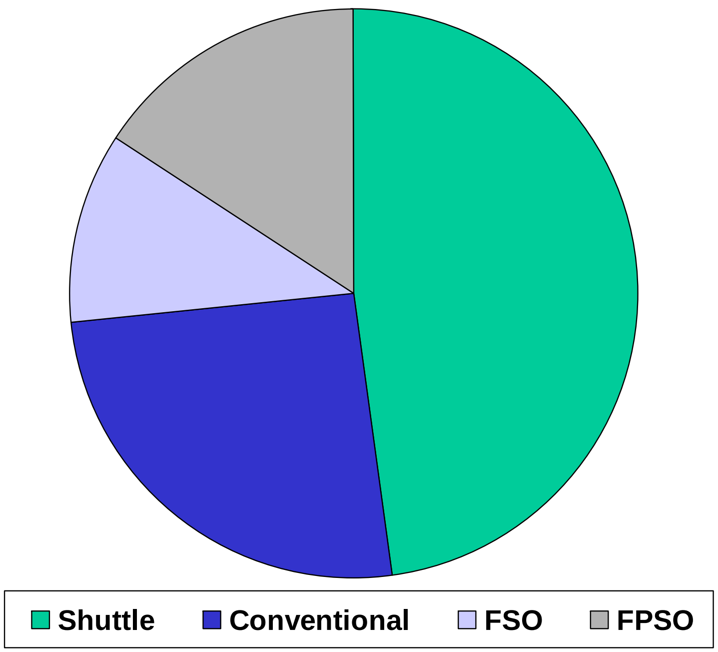
- Acquisition of Varg FPSO has moved TOO into another high growth offshore segment:
  - Only company that can handle both deepwater production and transportation
  - Returns generally higher for quality operators
  - Growth will mainly focus on opportunities in this strategically important and expanding market
- Actions taken in shuttle tanker operations are starting to have desired effect:
  - Operating expenses down 12% since peaking in Q1’09
  - CFVO in Q4’09 up 12% from bottom in Q1’09

TOO: Strategic Assets in the Offshore Value Chain



Diversified Operations from Four Business Segments

Percentage of TOO Q4'09 CFVO



	Cash Flow Characteristics
Shuttle Tanker Segment **(48.0%)**	▶ Mix of CoAs (volume based, fixed-rate) and time-charter/bareboat contracts
Conventional Tanker Segment **(25.5%)**	▶ Long-term fixed-rate time-charter contracts
FSO Segment **(10.6%)**	▶ Long-term fixed-rate time-charter contracts
FPSO Segment **(15.9%)**	▶ Long-term fixed-rate time-charter with upside based on amount of oil production

Cash Flows Backed by High Credit Quality Customers

Shuttle Tanker Segment

Fleet Breakdown

	Owned	In-chartered	Total
Shuttle Tankers	28	7	35

Operational/Contract Information

- Average remaining contract length = 4.3 years
- World's largest owner/operator, including 11 of 13 DP shuttles in Brazil and 75% market share in North Sea
- Fleet transports ~1,000,000 bbls/day
- Blue chip customers including: Statoil, Petrobras, Chevron, Total
- Operate under fixed-rate contracts:
  - Time-charters: Varying lengths; charterer has operational and commercial control of field export
  - CoAs: Varying lengths, often 'life-of-field'. Taxi principle; lift and transport oil produced at specified field as instructed by charterer.
    - Serving ~20 oil companies at ~40 oilfields in the North Sea
- Shuttle tanker contracts renewing at higher levels
  - Recent shuttle renewal achieved rate increase of 10-20%

Conventional Tanker Segment

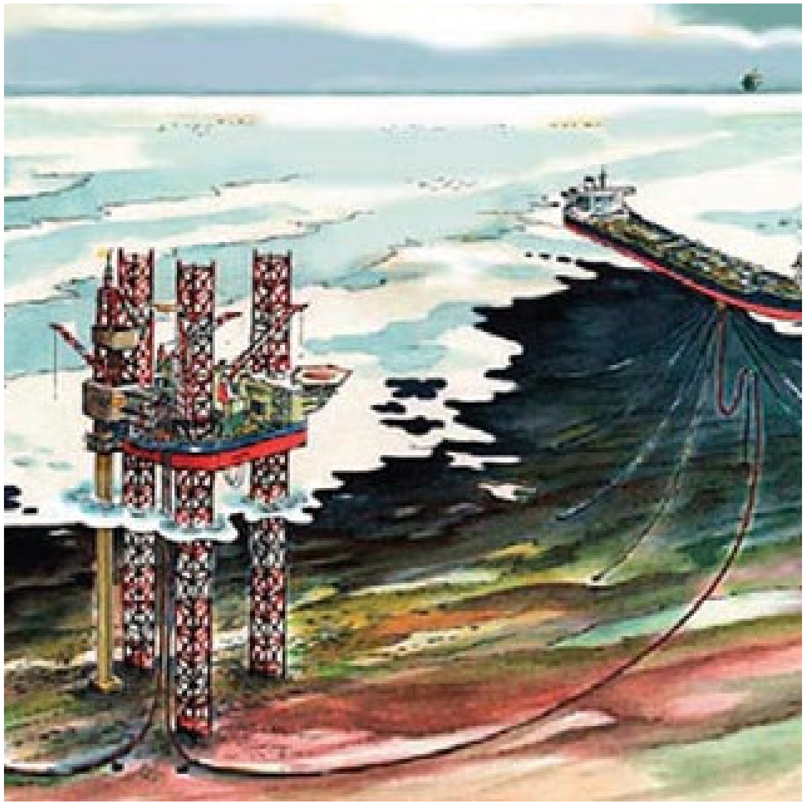
Operational/Contract Information

- Average remaining contract length = 6 years (plus 5 one-year options and 2 five-year options)
- All ships double hull
- Fixed-rate time-charters to Teekay and SPT provides stable cash flow support to distributions

Asset Breakdown & Description

	Total Owned
Aframaxes	9
Lightering vessels	2
Total	11

FSO Segment



Production facility and FSO Navion Saga

Asset Breakdown

	Total Owned
FSO Units	5

Operational/Contract Information

- Average remaining contract length = 4.9 years
- Located at offshore fields with limited/no storage capacity
- Blue chip customers including: Statoil, Chevron, Apache
- Older shuttle tankers good candidates for new FSO assignment
  - Increase earnings on older vessels
- Stable business as drydocking generally not required

FPSO Segment

Operational/Contract Information

- Remaining contract length = 3.5 years
  - Plus 3 x 3-year extension options
- Charterer: Talisman Energy
- Purpose built in 1999
- Processing capacity: 57,000 bbls/d
- Storage capacity: 450,000 bbls
- Contract structure:

  Base daily time-charter

  +

  Incentive component (based on operations)

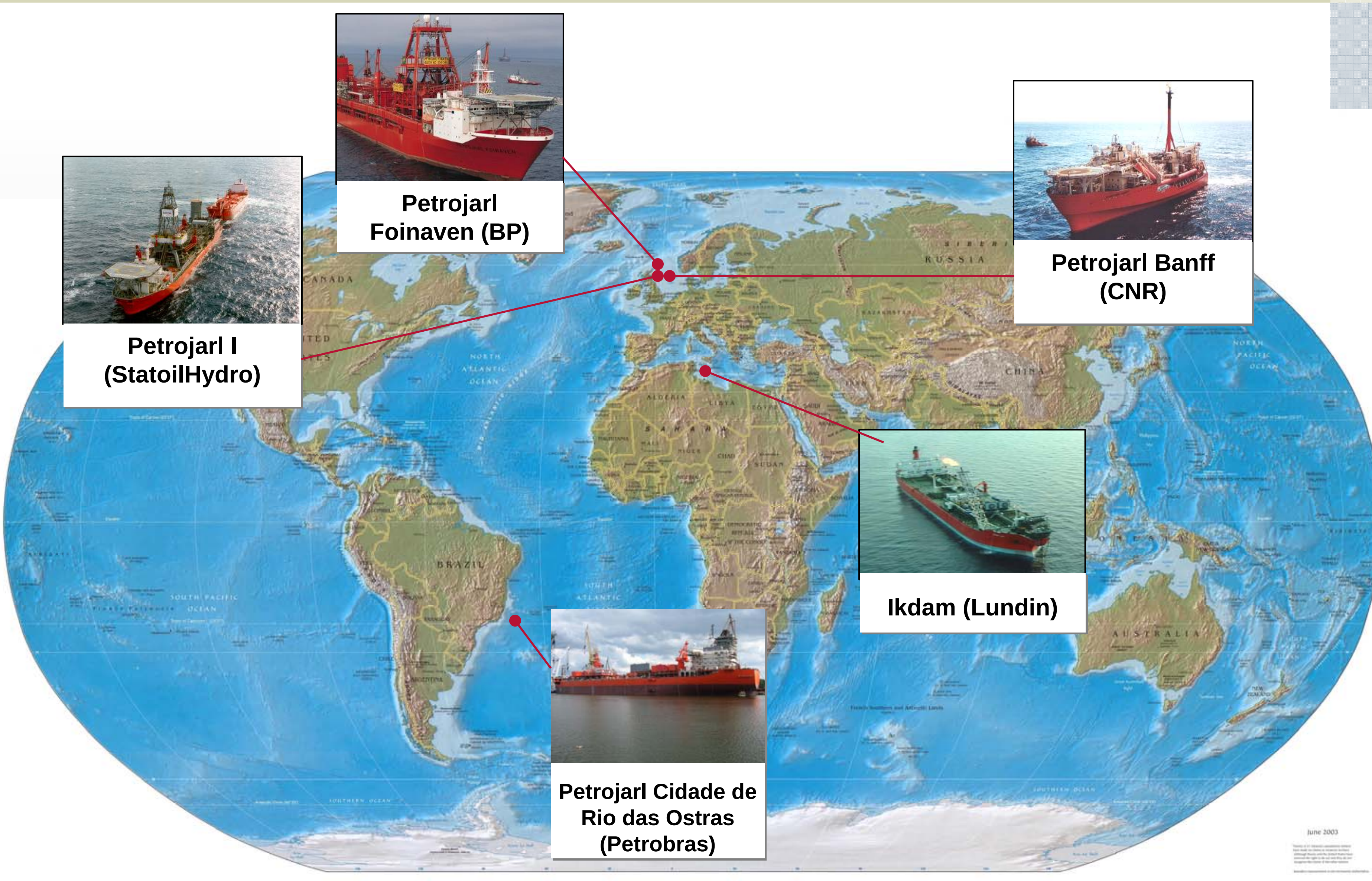
  +

  Tariff component (based on volume of oil produced)
- Current CFVO run-rate ~$55m per year

Asset Breakdown

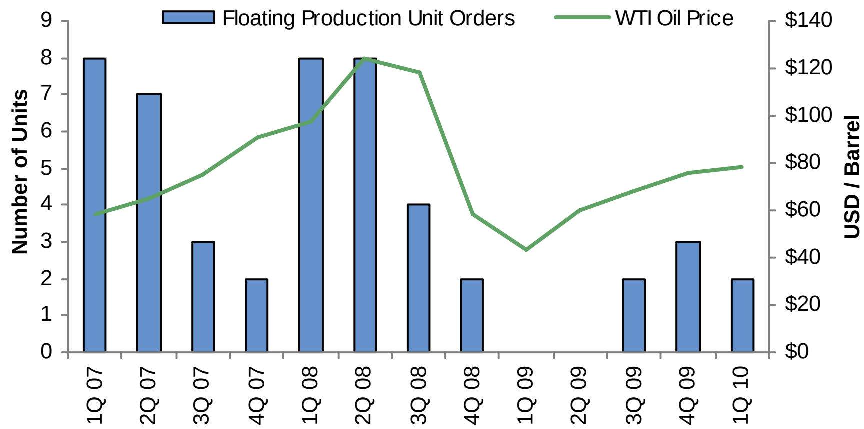
	Total Owned
Petrojarl Varg	1

FPSOs Available for Dropdown from Sponsor



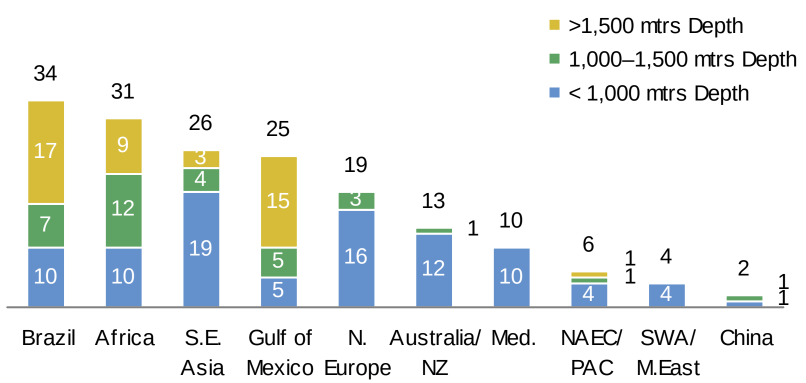
Recent Uptick in Floating Production Project Activity

Floating Production Unit Orders vs. Oil Price



Source: International Maritime Associates / EIA

Offshore Projects Planned or Under Study



170 projects involving floating production or storage systems

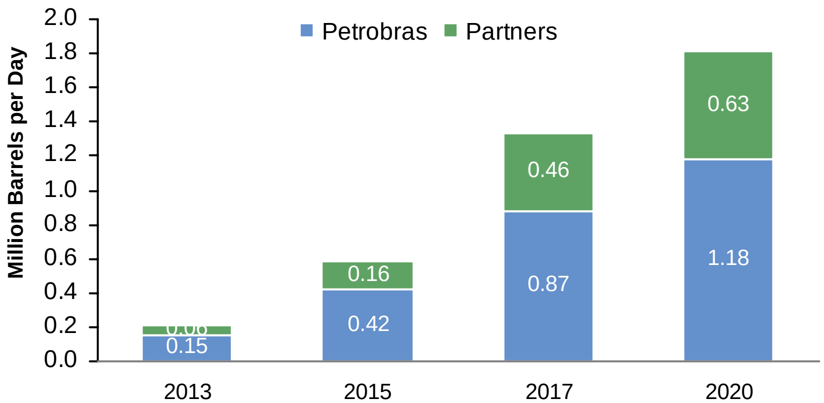
Source: International Maritime Associates

Offshore Market Update

- Global E&P spending expected to increase by 11% in 2010, which is expected to drive FPSO / FSO / shuttle tanker requirements
- No floating production unit contracts were awarded during 1H-2009 due to a combination of strained financial markets and a collapse in oil prices
- A pick up in oil prices over the last six months as well as a rebound in economic conditions has led to the resumption of offshore project awards
- 10 FPSO contracts have been awarded in the last six months (8 long term plus 2 short term)
- Brazil expected to be at the forefront of new offshore exploration and production activity in the near term but also see new projects emerging in the North Sea
- As a result, new shuttle tanker requirements emerging

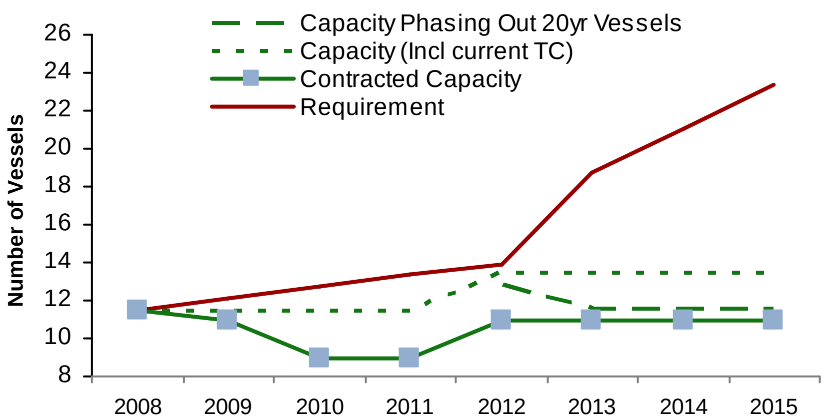
Growth Market – Offshore Brazil

Brazilian Pre-Salt Production Forecast



Source: Petrobras

Estimated Brazilian Shuttle Tanker Requirement



Source: Internal Estimates

Increasing FPSO & Shuttle Requirement in Brazil

- World's largest offshore market frontier
  - Approximately 85% of Brazil's oil production currently comes from offshore fields
  - Petrobras oil production in Brazil expected to double between 2009 and 2020
  - 2009 to 2013 investment plan of USD 174.4 billion of which USD 28 billion is for upstream pre salt play
- 34 projects involving a floating production or storage system are currently planned or under study in Brazil
- Teekay is currently the largest shuttle tanker supplier in Brazil and operates one specialized heavy oil production FPSO
- Estimated requirement for ~10-12 extra shuttle tankers by 2015 as offshore production ramps up.

Original Strategy Still Drives Management

Business objective hasn't changed since IPO in 2006:

Increase distributions per unit by executing on the following strategies:

- **Expand global operations in high growth regions**
  - Focus on Brazil and new, niche fields in the North Sea
- **Pursue additional opportunities in the FPSO sector**
  - FPSO sector expanding again, in addition to 4 FPSOs at Sponsor
- **Acquire additional vessels on long-term fixed-rate contracts**
  - All vessels acquired will be servicing contracts – no speculative ordering
- **Provide superior customer service by maintaining high reliability, safety, environmental and quality standards**
  - Operational expertise is a competitive advantage

TEEKAY LNG PARTNERS LP

NYSE: TGP

IPO Date: May 4, 2005

Current Unit Price: $27.91*

Current Yield: 8.6%**

*As at May 10, 2010
**Based on an annualized dividend of $2.40 per unit

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; Teekay Corporation offering its interest in four LNG newbuilding vessels to the Partnership; the timing of three LPG newbuilding deliveries and the contribution to future cash flows; and the amount and timing of cash flows related to the acquisition of three conventional tankers under long-term contracts. 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; the outcome of a ruling that the Partnership requested of the IRS with respect to an LPG carrier holding structure that the Partnership also intends to use to acquire and hold the carriers servicing the Tangguh LNG project; 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 LNG 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 project delays, shipyard production delays; the Partnership's ability to raise financing to purchase additional vessels or to pursue LNG or LPG projects; the securing of lenders' internal approvals for the provision of financing on the Partnership's five LPG newbuildings; changes to the amount or proportion of revenues, expenses, or debt service costs denominated in foreign currencies; 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, 2007. 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.

Teekay LNG Partners - Investment Highlights

- **Stable operating model**
  - Contracts are long-term (typically 10-25 years) fixed-rate and generate stable cash flows from strong counterparties
  - Operating costs escalated by relevant index
- **Existing growth CAPEX projects fully financed**
  - Fully financed newbuilding program
- **LNG industry dynamics**
  - Global demand for LNG is expected to increase by more than 50 percent by 2030
- **New growth focused on organic value-added projects and existing vessel acquisitions**
  - 3 newbuilding LPG carriers delivering in 2010/11
  - 4 LNG carriers (33% interest) delivering to Teekay Corp in 2011/12 will be offered to the Partnership

Q1-10 Acquisition of Three vessels on Long-term Contracts

- Approved acquisition in March 2010 of three vessels for $160m, all of which are currently employed under long-term fixed-rate contracts

Name	Ship type	Age (in years)	Remaining Contract Length	Charterer
Bermuda Spirit	Suezmax	1	11 years	Centrofin
Hamilton Spirit	Suezmax	1	11 years	Centrofin
Alexander Spirit	Product Tanker	2.5	10 years	Caltex Australia

- *No additional public equity required to complete this acquisition*
  - To be financed with the assumption of $126m in existing debt on the *Bermuda Spirit* and *Hamilton Spirit*, with the remaining $34m from existing liquidity

Expected to provide incremental annual distributable cash flow of ~$8.0 million

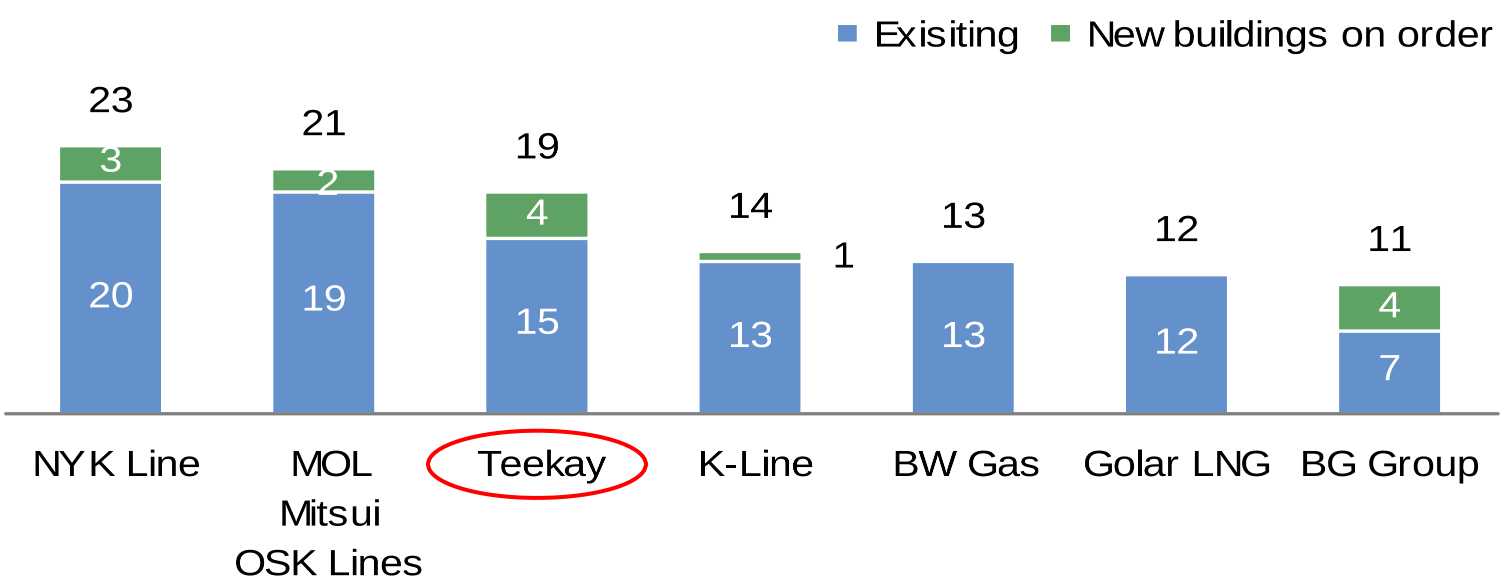
Acquisition in line with Our Business Strategy

Business Strategy		Acquisition Details
To own and operate ships on long-term contracts	✓	All ships operating under long-term contracts: *Alexander Spirit*: 10 years remaining *Hamilton Spirit*: 11 years remaining *Bermuda Spirit*: 11 years remaining
Pursue industry consolidation through accretive acquisitions	✓	Expands conventional tanker segment from 8 to 11 vessels
Leverage Teekay's customer and supplier relationships	✓	Customers represent long-term clients of sponsor, Teekay Corp.
Provide superior vessel operations	✓	Vessels operated by Teekay Corp.

Q1-10 distribution increased by 5.3% to $0.60 per unit

Major Independent LNG Operator

- Teekay LNG has grown to become the third largest independent operator of LNG carriers



Teekay LNG's Fleet Under Long-Term Contracts

LNG Carrier Fleet

Hispania Spirit
Catalunya Spirit
Galicia Spirit
Madrid Spirit

Al Marrouna
Al Areesh
Al Daayen

Al Huwaila
Al Kharsaah
Al Shamal
Al Khuwair

Tangguh Hiri
Tangguh Sago

Arctic Spirit
Polar Spirit

LPG Carrier Fleet

Dania Spirit
Norgas Pan
Norgas Cathinka

LPG Carrier Newbuildings

WZL 0503
Dingheng Jiangsu NB (1)
Dingheng Jiangsu NB (2)

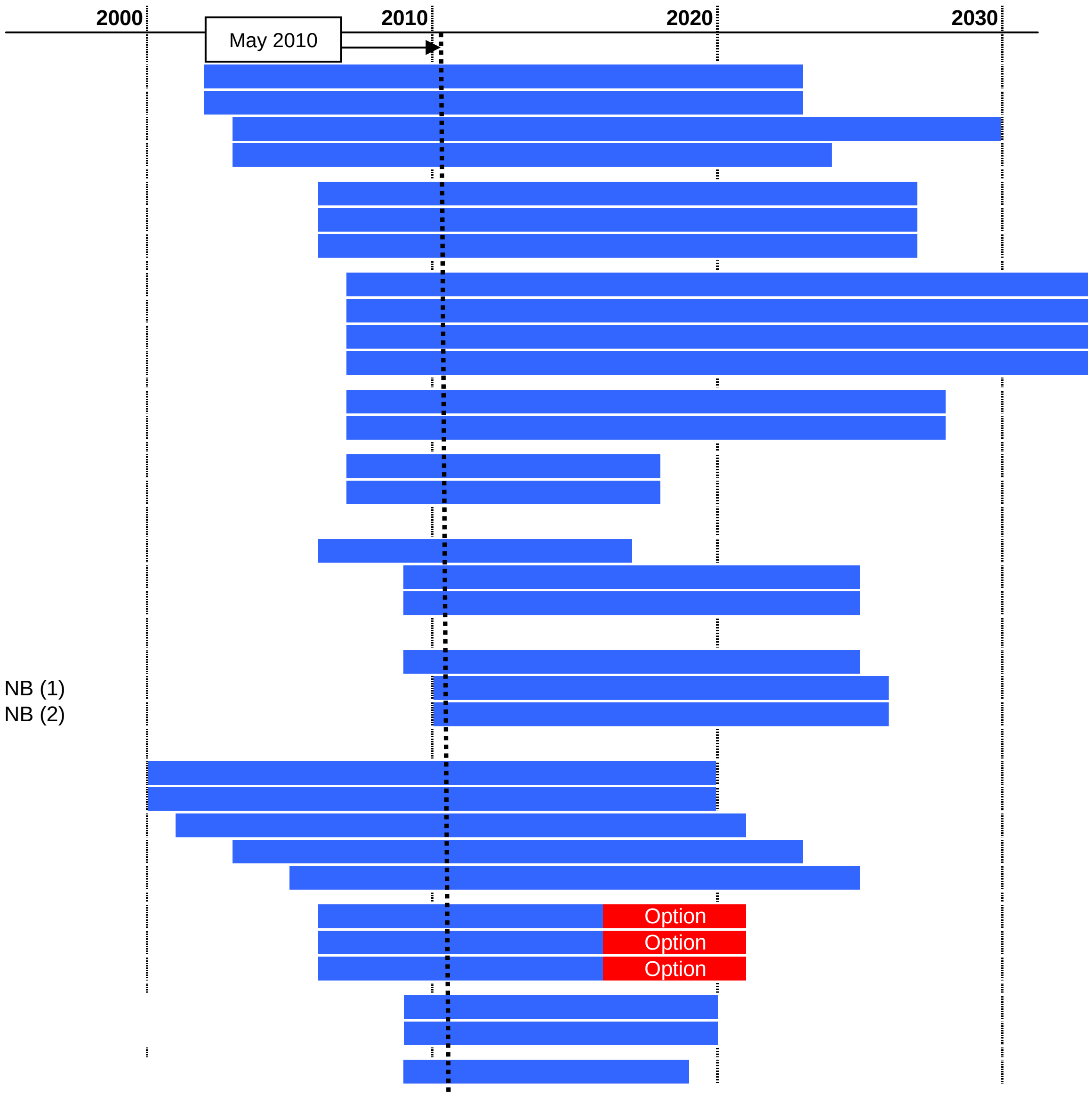
Conventional Tanker Fleet

Algeciras Spirit
Tenerife Spirit
Huelva Spirit
Teide Spirit
Toledo Spirit

African Spirit
European Spirit
Asian Spirit

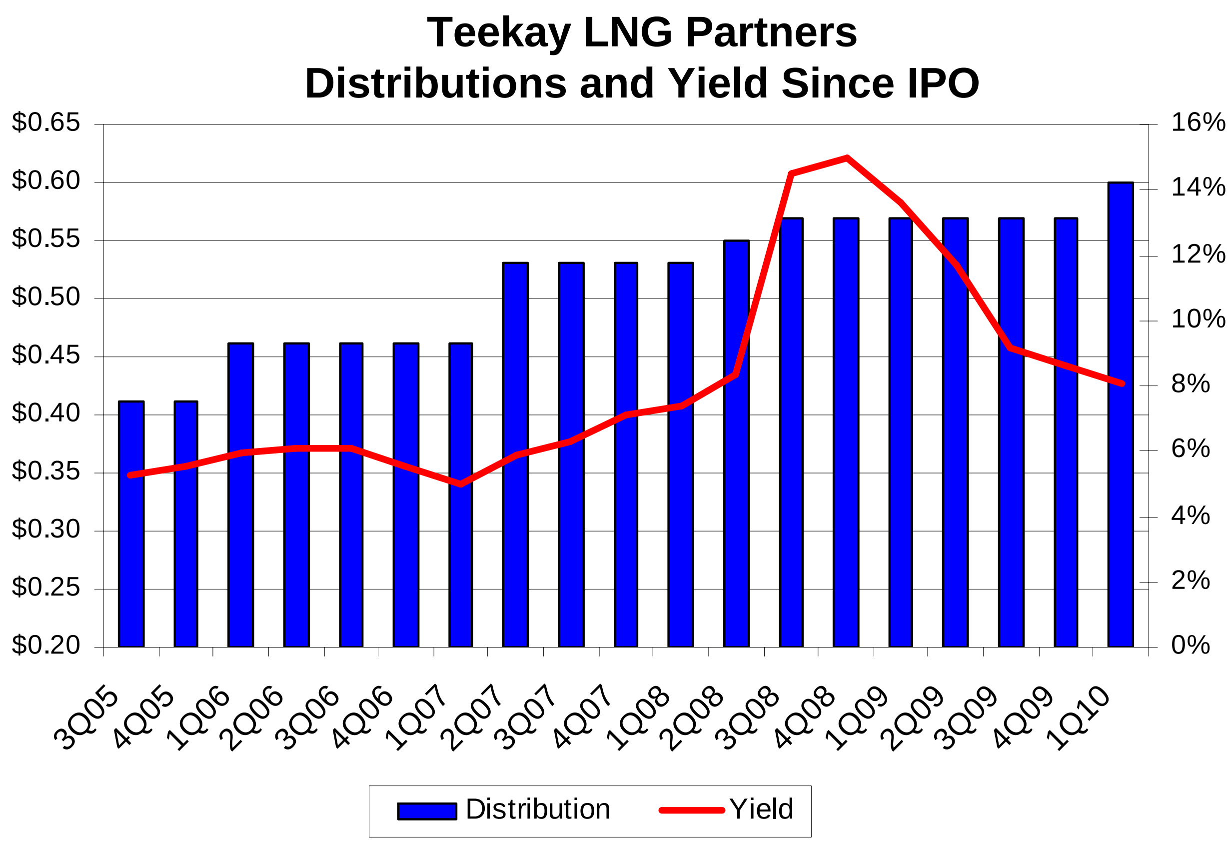
Hamilton Spirit
Bermuda Spirit

Alexander Spirit



Track Record of Growing Distributions

- TGP has steadily increased distributions as it completes projects and acquisitions
- Valuation of our partnership affected by market and macroeconomic factors

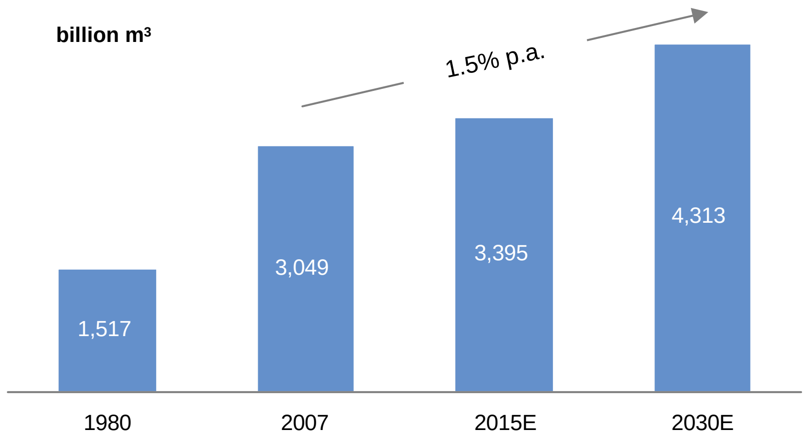


Teekay LNG – Areas of Focus

- Improving profitability of existing assets and operations
  - Reducing operating expenses
  - Reducing G&A through office rationalization
- Complete existing projects on-time and on-budget
  - Commenced construction of Angola newbuildings scheduled for delivery in 2011/12 under 20-year fixed-rate contracts
- New growth: focus on value-added projects and existing vessel acquisitions:
  - Teekay LNG Partners will shortly take delivery of the third (of five) LPG carriers on long-term charter to Skaugen
  - Focus on purchasing existing gas vessels with long-term contracts
  - Focus on niche LNG opportunities as opposed to point-to-point projects

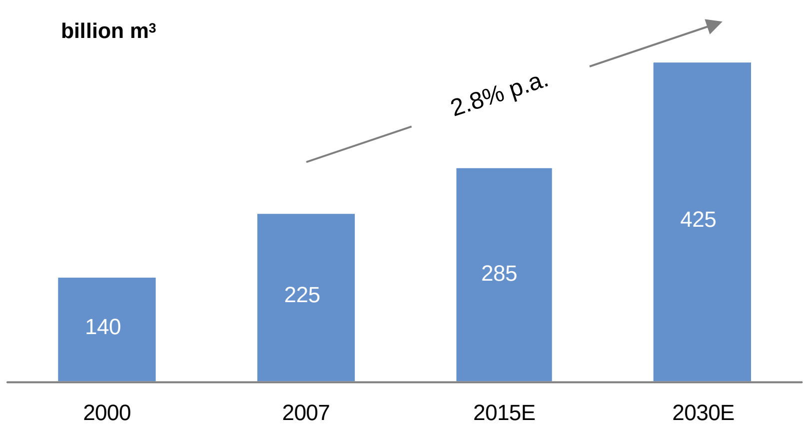
Industry Outlook – LNG

Global Natural Gas Demand



Source: IEA.

Global LNG Trade



Source: IEA.

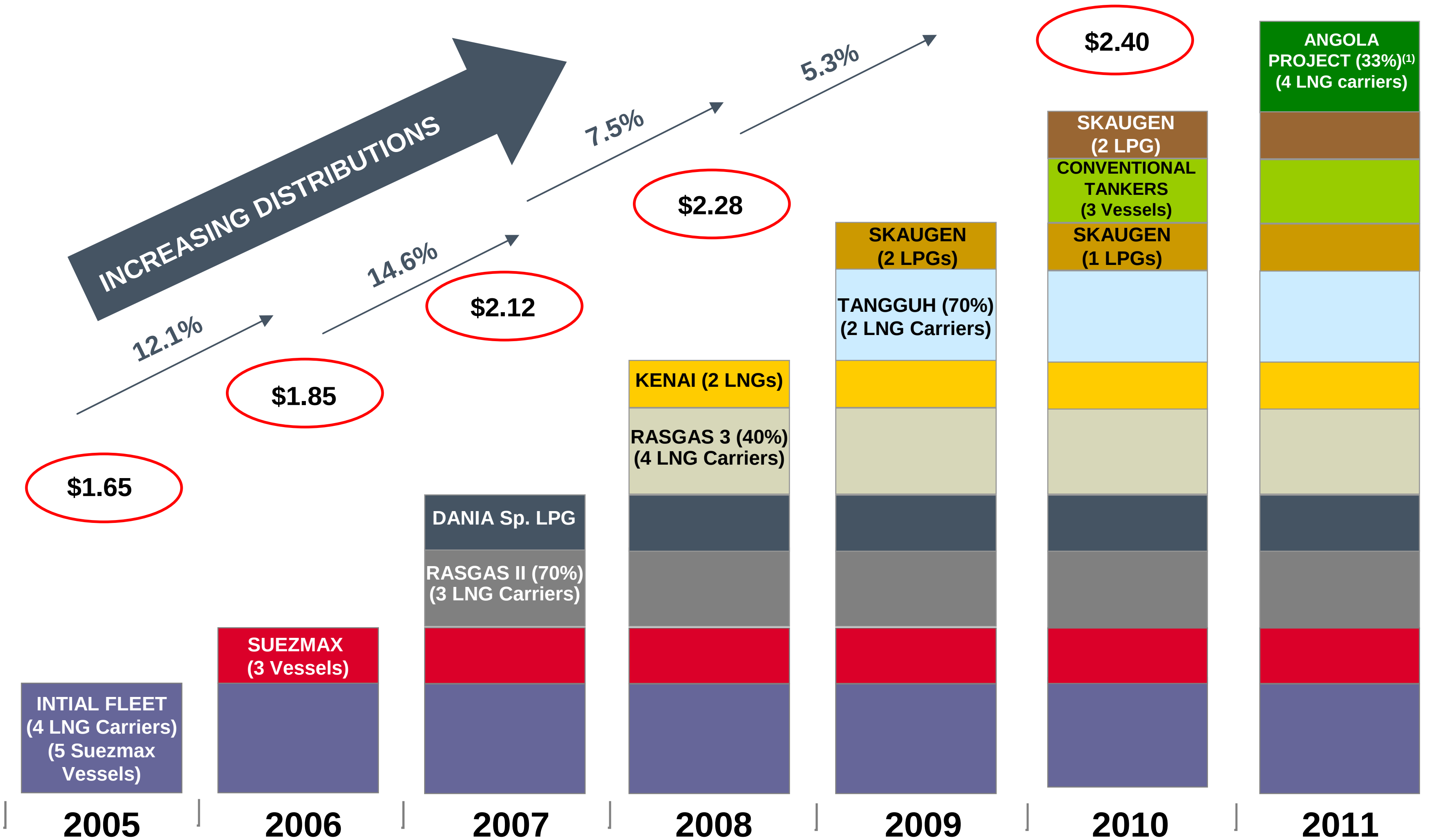
LNG Commentary

- Natural gas is one of the world's fastest growing primary energy sources due to its abundance and clean burning characteristics
- Global LNG trade grew by over 7% p.a. between 2000 and 2007
- Demand for LNG is expected to grow faster than underlying natural gas demand
- Emerging niche opportunity in floating LNG solutions (receiving and liquefaction terminals)

Teekay LNG Financial Snapshot

- Q1-10 distribution of $0.60 per unit ($2.40 per unit annualized), a 5.3% increase from Q4-09
- Total liquidity at December 31, 2009: $479.8 million
- No covenant concerns
- Stability of long-term contracts supports higher debt levels
  - Repayment profile of principal matches revenue stream
  - Interest rates hedged
- No near-term refinancing requirements
  - No significant balloon payments until early 2012
  - Current liquidity more than sufficient to repay all facilities coming due
- Fully funded CAPEX

Multi-Year, Built-in Growth



Additional growth opportunities exist through 3rd party acquisitions

Note: Distributions shown represent latest quarter dividends annualized. Diagram not to scale.
(1) Teekay Corporation is obligated to offer Teekay LNG Partners the opportunity to purchase its 33% interest in these vessels.