# TEEKAY LNG PARTNERS L.P.

## Moderator: Emily Yee
## August 9, 2013
## 10:00 am CT

Operator: Welcome to Teekay LNG Partners Second Quarter 2013 Earnings Results Conference call.

During the call, all participants will be in listen-only mode.

Afterwards, you will be invited to participate in a question and answer session. At that time, if you have a question, participants will be asked to press star 1 to register for a question.

For assistance during the call, please press star 0 on your touch-tone phone.

As a reminder, this call is being recorded.

Now for opening remarks and introductions I would like to turn the call over to Mr. Peter Evensen, Teekay LNG Partners Chief Executive Officer.

Please go ahead sir.

(Ryan): Before Mr. Evensen begins I'd like to direct all participants to our Web site at www.TeekayLNG.com where you'll find a copy of the Second Quarter 2013 Earnings Presentation. Mr. Evensen will review this presentation during today's conference call.

Please allow me to remind you that our discussion today contains forward-looking statements. Actual results may differ materially from the results projected by those forward-looking statements.

Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements is contained in the Second Quarter 2013 Earnings Release and Earnings Presentation available on our Web site.

I will now turn the call over to Mr. Evensen to begin.

Peter Evensen: Thank you (Ryan).

Good morning everyone. And thank you for joining us on our second quarter of 2013 Investor Conference call.

I'm joined today by Teekay Corporation's CFO, Vince Lok; Chief Strategy Officer Kenneth Hvid; and MLP Controller David Wong.

If you turn to Slide number 3 of the presentation, I will review some recent highlights.

The partnership generated distributable cash flow of $55.4 million in the second quarter of 2013 down slightly from the same quarter last year when we generated $56.8 million of distributable cash flow. The year-over-year decrease is mainly due to the heavy schedule of planned drydockings, lower rates earned on two of the partnership's conventional tankers, partially offset by cash flows from the partnership's 50% investment in Exmar's LPG fleet, and higher fixed charter rates earned on certain of our LNG carriers.

For the second quarter, we've declared and paid a cash distribution of $0.675 per unit which was consistent with the previous quarter. We entered into an accretive purchase leaseback transaction with Awilco LNG, a Norwegian ship owner for up to two LNG carriers that will provide near-term distributable cash flow growth as I will detail on the next slide.

There continues to be a significant amount of LNG and LPG project tender activity. And our business development group is actively evaluating and bidding on several of these.

As I'll detail on the following slides, we've positioned the partnership to be in a position to take advantage of these opportunities by ordering new buildings and gaining fixed rate options on berths that will meet charterer's requirements. As we match this tonnage with charters, this will result in accretive growth for investors in Teekay LNG Partners.

And our strategy is already meeting success. As we announced in June we expanded our long-term fixed rate portfolio with a new charter contract award by Cheniere.

Teekay LNG was successful in securing charters for its two first fuel-efficient MEGI newbuildings which we ordered in December 2012. The vessels will be chartered for a period of five years commencing upon delivery of the vessels in early 2016.

These LNG carriers will be used to transport gas from Cheniere's Sabine Pass terminal in Louisiana. Due to their size and efficiency these ships are perfectly suited to transport gas from the United States. And we believe this LNG export market is poised to grow significantly in the future and require more LNG vessels.

Our finance people have also been busy finding ways to diversify our sources of capital. And since the start of the second quarter we've raised approximately $1 billion in new capital to finance our future growth and refinance existing loan facilities. I will highlight some of these financings later in the presentation.

Slide number 4 gives greater detail on our recently announced acquisition from Awilco LNG, a transaction which provides near-term accretive growth to Teekay LNG, and which is a great complement to our LPG newbuildings which begin to arrive next year and our LNG newbuildings which begin to arrive in 2016. When you put all 3 growth initiatives together it provides the partnership with accretive growth in distributable cash flow for the next five years.

With that as a lead-in let me talk about the transaction.

Teekay LNG has agreed to acquire up to 255,000 cubic meter LNG newbuildings from Awilco for a net price of $155 million each. Awilco LNG has agreed to sell the first ship which is expected to deliver from DSME shipyard in September of this year to Teekay LNG and charter it back under a fixed-rate bareboat charter for a firm period of five years with an option to extend for one additional year.

At the end of the five or six year charter Awilco has an obligation to purchase the vessel back from Teekay LNG at a predetermined price. The purchase and leaseback of the first vessel is expected to provide incremental distributable cash flow to the partnership of approximately $7.5 million per annum for the five or six year term of the arrangement.

In addition, Teekay LNG has offered to acquire the second ship from Awilco under identical terms to the first vessel at Awilco's option. If accepted, this option must be declared by Awilco no less than two months prior to delivery of the second ship which is scheduled to deliver later in the fourth quarter or latest early in 2014.

We anticipate utilizing our existing liquidity initially to finance the purchase of the first Awilco vessel. And we've already begun discussions with banks to raise long-term debt financing to replenish our liquidity.

Turning to Slide number 5; I will review our recent activities in the newbuilding market.

As previously announced, in July we exercised a portion of our remaining options with DSME to construct two additional MEGI LNG carriers for delivery in 2016. Similar to our December 2012 newbuilding order we've secured a tail-heavy installment payment profile with the shipyard which reduces the need for substantial upfront funding. We will continue with the same strategy as we did with our previous two vessel LNG newbuilding order which were subsequently chartered to Cheniere and intend to secure charters and long-term financing for these two additional newbuildings prior to their delivery in 2016.

As part of the recent discussions with DSME we've also secured options to order up to an additional five LNG newbuildings in the future. We anticipate exercising some or all of these options only if we are awarded suitable contracts from customers.

In our LPG business our joint venture with Exmar has been busy ordering new ships as well. In July the LPG joint venture exercised options to order two additional medium-sized gas carriers for delivery in 2017. This brings the total number of newbuildings on order in the joint venture to ten vessels with deliveries scheduled between 2014 and 2017.

Turning to Slide number 6; we'll look at recent developments in the North American LNG market and the expected implications for LNG shipping.

Starting with the light blue area at the bottom of the graph of this slide; Cheniere's Sabine Pass export facility is currently under construction with startup expected as early as late 2015. And several more projects are likely to reach a final investment decision as well as regulatory approval in the next two to three years.

A number of these projects have established customer sales agreements in recent months represented by the purple shaded area. Freeport LNG has secured approval for export to non-free trade agreement countries and has sold 100% of the volume from the project's first two liquefaction trains. A final investment decision is expected before year-end.

Looking further out, (Lake Charles) has now been approved for non-FTA export. And the Dominion Cove and Cameron projects are next in line for approval. Dominion and Cameron have both also sold 100% of their export volumes.

And finally, with over 200 million tons per annum of projects currently in the planning stage across the U.S. and Canada -- represented by the dark blue area in the chart to the bottom right of the slide -- North America is emerging as a significant source of LNG export growth with the requirement for LNG transportation. The implications of this growth in North America LNG export capacity on LNG shipping could be significant.

As you can see from the table next to the graph, the long distances from U.S. projects to customers in Asia create strong demand for LNG shipping capacity. We estimate it takes 17 to 19 standardized ships to carry 10 million tons of LNG per annum from the U.S. Gulf to Asia. With a number of projects nearing final investment decision, the demand for LNG ships to export North American LNG is expected to increase materially.

Importantly, based on our recent success in securing the time charter contracts with Cheniere and our recent order of an additional two fuel efficient vessels with options for another five, we're executing on our strategy of having the right tonnage that charterers will require to transport LNG from North America.

But North America isn't the only place where there's LNG export growth. We also see the progress of proposed or already in construction projects in Australia, Papua New Guinea, and other regions around the world that will begin producing in the second half of this decade. Together this creates significant long-term growth opportunities for LNG shipping out to 2020.

Looking at Slide number 7; as I mentioned at the start of the call we've been active this quarter raising capital from various sources. In May we launched $195 million 17 year project bond through the U.S. Private Placement Market to refinance the Meridian Spirit LNG carrier which was one of the vessels we acquired from Maersk in early 2012.

The vessel is currently on charter to Total for 17 years. Significant investor demand enabled us to price the 17-year bond at an all in fixed interest rate of 4.11%.

In May we also launched our first continuous equity offering program which allows us to issue common units into the market during times when the insider trading windows are open. The proceeds from the program will be used to fund shipyard installments on our LNG and LPG newbuildings. During the second quarter we issued roughly 124,000 new units representing 0.2% of our total units outstanding for net proceeds of $5.2 million.

And lastly in July after a reverse inquiry we issued $40 million of common units to an institutional investor through a private placement transaction with the proceeds used to fund the first shipyard installment for our latest order of LNG newbuildings thereby preserving the partnership's liquidity balance.

Moving on to the financial results for the quarter on Slide number 8 and starting at the top of the income statement; net voyage revenues decreased by approximately $1.3 million primarily due to the scheduled drydocking of the Catalunya Spirit and the European Spirit in Q2. This was partially offset by the scheduled drydocking of the Arctic Spirit in Q1. For the third quarter 28 off-hire days are expected from the scheduled drydocking of one Suezmax conventional tanker.

Vessel operating expenses were in line with the prior quarter. Depreciation expense increased by $1 million primarily due to depreciation on the scheduled drydockings in the first and second quarter.

General and administrative expenses decreased mainly due to the timing of recognition of short-term and long-term incentive compensation expenses which are typically higher in the first quarter of each year.

Equity income increased by approximately $3.5 million primarily due to a full quarter's income from the Exmar LPG joint venture which was acquired in mid-February and the Methane Spirit being on hire for a full quarter after completing its scheduled drydock last quarter. Net interest expense is in line with the prior quarter.

I won't walk through all of Slide number 9 which was included in our recent earnings release. However, I'd like to point out that our coverage ratio of 1.04 times for the second quarter is within our target coverage ratio range. And we expect it to increase in the second half of this year as we work our way through the scheduled drydockings and complete the acquisition of the first Awilco ship in September.

For an overview of the scheduled drydockings for the remainder of 2013 please refer to the Appendix to this earnings presentation.

On Slide number 10 we've updated our illustrative future growth chart for the current and potential opportunities we see over the next few years. Starting with the Awilco LNG carrier acquisition we're now poised to grow our distributable cash flow in the second half of this year, and in 2014, and 2015 when our Exmar LPG joint venture is scheduled to take delivery of four LPG newbuildings each year with the latest two announced today delivering in 2017. Should Awilco exercise their option to sell us another LNG carrier that will add to 2014's growth.

In 2016 our first two MEGI LNG newbuildings will deliver. And once we successfully charter the other two recently announced newbuildings our distributable cash flow will increase again in a meaningful way following the delivery of these vessels in 2016.

Looking to 2016 and beyond, the partnership has these options to order an additional six LNG carriers which can be employed to service the new LNG growth projects which I spoke about earlier.

Wrapping up the fundamentals in the LNG shipping market remain strong further supported by the growing potential to export LNG from the U.S. And with Teekay LNG Partners' scale and access to an increasingly diverse base of growth capital, the partnership remains well-positioned to win new business.

Operator, I'm now available to take questions.

Operator: Thank you.

Ladies and gentleman, if you'd like to ask a question, please signal by pressing the star key followed by the digit 1 on your telephone keypad.

If you're using a speakerphone please make sure your mute function is turned off to allow your signal to reach our equipment.

Please standby while we assemble the queue.

And our first question comes in from (Michael Webber) from Wells Fargo.

Please go ahead.

(Michael Webber): Hey good morning guys. Long time no see.

Peter Evensen: Hi (Mike).

(Michael Webber): Hey.

So Peter, I wanted to jump in and start talking about the newbuild orders. And this has quietly been a pretty big positive for you guys longer-term.

First, before we start, you know, I think you guys had an older option this summer. And I wasn't sure whether that rolled or not.

So in terms of your current orders plus your current options, do you have five or six options right now for next year?

Peter Evensen: We have six options.

(Michael Webber): ((inaudible)).

Peter Evensen: We have one from the original order.

(Michael Webber): Yes.

Peter Evensen: And we picked up another five. So it's a total of six.

(Michael Webber): Got you, okay.

I mean, in terms of kind of building out that newbuild fleet which is going to give you the kind of visible growth ramp that TGP has been lacking in the last year or two - well first of all, where do you see that heading? I mean, where is the endgame for this kind of an order book? And what level would you be comfortable with?

Obviously, you know, you've got the four orders and six options. Can you kind of think scale beyond that? Or is that the kind of size we could be looking at provided you guys can find employment?

Peter Evensen: Well what we're trying to do is we had to change the business model in order to have some vessels that were already ordered so that we could take advantage of near-term charter opportunities. So that's why we changed our model from being purely built-to-suit to having a couple vessels on order.

(Michael Webber): Yes.

Peter Evensen: Now that we chartered those first two vessels, we all - we declared the options for two more. So I think you can say we've - we're comfortable having two or three vessels available for near-term charter.

But on the options, we haven't departed from our main strategy which is build-to-suit. So in the past we might've not have had fixed-options in order to order ships. But now given the type of vessel that we have which we think is superior to some of the other vessels that can be built, we decided it was better to have these options so we can demonstrate to charterers that we have near-term delivery windows with defined price as well as the timetable.

And so that's why I would anticipate we would just continue to have rolling orders moving forward.

(Michael Webber): Got you.

So you're just going to kind of keep inching up by a couple vessels at a time and just kind of taking what the market is giving you in terms of employment and then kind of ((inaudible)).

Peter Evensen: Yes and we - and all across Teekay but specifically here, we've established a strategic relationship with DSME. And so I think that's a really important issue.

We have built at all three yards in the past. But DSME has the right kind of ship for us.

(Michael Webber): Got you.

I mean, in terms of looking at those options and then the two you just exercised, what kind of interest is out there right now? I mean clearly there's significant interest. But I mean in terms of looking at the likelihood of those options, are you guys having conversations around all of those slots at this point or just the two that you guys have exercised?

Peter Evensen: Yes, we in fact are having conversations for more than those...

(Michael Webber): Okay.

Peter Evensen: ...options.

(Michael Webber): Okay.

Peter Evensen: So we have six. And if we were to get all the business we would require more tonnage.

(Michael Webber): Yes.

Peter Evensen: But Teekay is a conservative company. We just move very methodically.

(Michael Webber): Yes.

Peter Evensen: And so I've been pleased with that.

And I would just say that this is the visible growth that you see. As you just saw this quarter we're able to make acquisitions which are beyond what you see in the visible growth side.

(Michael Webber): Okay.

Peter Evensen: So I wouldn't exclude that either.

(Michael Webber): Sure, okay. No, that makes sense.

I wanted to touch briefly on your JV with Exmar which had a couple of vessels added to it this quarter. It's interesting because it, you know, it's kind of this little pocket of money that's got a, you know, little bit more market exposure than the rest of TGP. But it's kind of uniquely structured, you know, as a JV. So you're a bit more insulated.

Could that JV end up being a home for other fleets that might carry similar employment profiles? Particularly I'm just kind of thinking around, you know, smaller LPG fleets that may be, you know, that are trading at or below (NAV). We're clearly - see TGP has a pretty huge cost of equity advantage that could come in and accretively kind of add to that kind of mixed employment kind of LPG JV.

Is that something you guys look at seriously? Or is it more kind of...

Peter Evensen: Well the LPG class is different up in the very large as well as in the smaller ships in the ethylene camp where we already have five ships.

(Michael Webber): Yes.

Peter Evensen: And then in the fully pressurized where we don't intend to play there, the ships are too small.

But what distinguishes us and Exmar is that it - they have less volatility in their rates which is important. And they also have these contracts of affreightment a lot with minimum/maximum or minimum rates. And that suits the type of business that we do as an MLP.

(Michael Webber): Definitely.

Peter Evensen: What we also see with the Exmar Joint Venture is we can expand it and we can go after, you know, ethane contracts for ethane export from the U.S. which is a developing market. But we aren't going to depart from our view of having fixed-rate charters.

(Michael Webber): No, yes, no that’s...

Peter Evensen: We're not going to be a spot (VLGC) player.

(Michael Webber): No ((inaudible)).

Peter Evensen: Exmar's got great contacts. That's why we entered into the joint venture.

I was over there talking with them last month. And I'm pleased to see how they're looking at various contract opportunities with their newbuilding fleet.

(Michael Webber): Got you, sure.

Peter Evensen: And we could also build-to-suit more vessels in the LPG space against longer-term contracts.

(Michael Webber): Got you.

And just to follow-up on that in terms of not wanting to enter the smaller pressurized market; what about that market kind of keeps you all from more seriously thinking about it? Or I guess what are kind of what would kind of hinder you actually looking at that smaller pressurized fleet?

Peter Evensen: I think it's more volatile. And the ratio of bareboat to operating expenses means that if your operating expenses have an issue then you have - then it hurts your total returns.

But the main issue is that the utilization of that fleet goes up and down quite dramatically. And therefore we don't feel that it fits into an MLP.

(Michael Webber): Got you. That's really helpful, thanks.

One more for me and I'll turn it over.

You've had a competitor kind of come out pretty publicly and try to draw a line in the sand in terms of where they think long-term charter rates should be for larger modern tonnage kind of that 90 to 95k range. And this kind of amid an environment that's improving from where you guys first probably started negotiating those Cheniere contracts.

Is that something you guys think is realistic in terms of where the market could be right now for five to ten year contracts on either MEGI or tri-fuel assets, and maybe some color around how you think about where that long-term market settles?

Peter Evensen: Well first of all I will just point out that we're sold out for the next few years.

(Michael Webber): Yes.

Peter Evensen: So with the exception of helping Awilco with their newbuild on long-term charter -- which is one of the strategic reasons that we thought it was a good deal -- we're sort of bystanders looking at this in the short-term market.

But we of course are out talking with people. And I would say that the market is unfortunately not there in the 90s for five - for beyond five years. And I think when people look at it they will see that the competition is just too intense for that.

(Michael Webber): Definitely.

Where - I mean just that - where - one more for me.

Where will you put that period market for then kind of an on-the-water steam asset that's a bit older? Is that a period ((inaudible)).

Peter Evensen: Well first of all I don't have any on-the-water steam assets. So I'm actually not - our business development guys are not out looking at that market. So I think we would just refer to the broker reports on that.

(Michael Webber): ((inaudible)).

Peter Evensen: But I would just caution everyone that it isn't just what the rate is. You have to look at the full utilization because if the vessel isn't employed between voyages that is a negative detriment to the net time charter result. And that's something we take into account which is why we have our short and longer-term charter model.

(Michael Webber): Right, focusing on I guess the net PC there, okay.

Peter Evensen: Yes.

(Michael Webber): All right, great.

That’s all I’ve got. Thank you for - thank you Peter.

Peter Evensen: Thank you.

Operator: Thank you.

And our next question comes in from (Fotis Giannakoulis) sorry if I ruined that - and from Morgan Stanley.

Please go ahead sir.

(Fotis Giannakoulis): That's okay. That was close.

Thank you operator.

Peter I want to ask you about - a little bit more color about the structure with the Awilco sale and leaseback. And was - the $50 million that is you get up front - I guess the purchase price; is it going against the charter hire on an equal basis during the next five years or it goes against the purchase obligation that Awilco has?

Peter Evensen: So that has been the source of some confusion. So Awilco had already paid a certain amount of money to the yard.

And so we agreed to buy it for the $205 million. And we credited them with $50 million. In other words you can think about it a little bit like having a seller's credit.

And therefore we're going to give them $155 million of cash. And they're going to give us about $7.5 million a year in distributable cash flow or EBITDA. And that's the transaction.

And I think that's - so that’s a...

(Fotis Giannakoulis): Yes ((inaudible)) my question.

Peter Evensen: Sorry, it isn't EBITDA. It's just distributable cash flow. Sorry I needed to correct myself on that. It isn't EBITDA it's distributable cash flow. The EBITDA is much higher.

And the $155 million - so at the end of it they will purchase - they have a mandatory purchase option that is at less than $155 million. But we've given them $155 million. And the effect on the partnership after you run it through is $7.5 million. We obviously get more EBITDA in that time.

(Fotis Giannakoulis): I understand that you cannot disclose the EBITDA. But can you help us understand how you have derived from your EBITDA number to the (BCF) number?

Peter Evensen: I think I'll leave that up to Awilco.

(Fotis Giannakoulis): Okay, thank you.

Peter Evensen: But what you can see out of the $7.5 million is it's an accretive transaction for us.

(Fotis Giannakoulis): Okay, thank you.

And I want to ask you a little bit about the LPG market.

First of all you exercised these options for 2017. I mean your JV exercised these options.

Why did you exercise options with so much forward delivery? Is there a problem with the shipbuilding availability? Do you need four years in order to order a vessel like that?

Peter Evensen: Really it's for two reasons.

First of all there aren't that many yards that can build quality LPG tonnage. And there actually aren't that many yards that want to build LPG tonnage. Most are concentrating on other areas.

And quite frankly our options were in the money by considerable margin. So they - it was a pretty easy decision when we looked at it and its quality yard. And so that's why we looked at it.

But before we exercised them we went and looked at what the possibilities were for employment and the growth that we see particularly in the ammonia market. And so when we ran the numbers it looked good to us.

So it isn't just that the vessels are in the money. It's that we thought it was a good investment.

(Fotis Giannakoulis): Thank you Peter.

And again on the LPG space; you mentioned earlier that you're not interested in going to the volatile small vessel segment. But what about the very large gas carriers?

We've seen recent orders from another publicly listed company. Is this a market that you would be interested?

And what were the reasons that drove you to buy medium range carriers rather than ((inaudible)).

Peter Evensen: Well the underpinning cargo of the medium trade is ammonia. And so we first looked and saw what is the trade going to be in ammonia.

And we had historically looked at that market. And we knew that it wasn't as volatile. I mean it doesn't suit us as an MLP to have volatile cash flows that go up and down because that could result -- then we can't, you know, raise the distribution in a consistent manner. So we looked at that.

And we looked at the ability to have a medium-term charter coverage either through charters or through contracts of affreightment. And that led us into the MGC market.

We'd only really look at the VLGC market which as you know has been very volatile if we had term contracts. There are some available. So I won't exclude it.

But we would do it against charters because that's how we're set up as an MLP. We like to have a fixed rate portfolio.

And various people come to us. But for us it isn't just order a ship and trade it. And that's why for example we didn't go after some of the recent LPG fleets that were for sale.

(Fotis Giannakoulis): Thank you.

And my last question is about the LNG market.

I know that you don't have any vessel available right now. And you are not very close to the chartering market at this point.

But from your experience - you mentioned yesterday that there are 29 newbuildings available without any contracts. How long do you think that is going to take until these 29 vessels get employment?

And how quickly from the delivery of a vessel from the shipyard you think that under the current market the next 12 months there is possibility to find a period contract?

Peter Evensen: Well I think if you - in order to answer that I think you have to just look at what's happened over the last year as the Fukushima effect has sort of worn off.

And so what we've seen since the highs in 2012 is that we've seen lower rates because LNG liquefaction plants have had certain outages. You've had the delay of Angola LNG. You've had unplanned outages of (Snohvit) in Norway. You've had outages in Nigeria. And you've had lower export volumes from places like Egypt and Indonesia because the domestic demand was prioritized over the exports. And that's led to a moderate flow.

And when you look at it the actual transported LNG volumes have actually fallen in 2013 because of these outages and prioritization of domestic. So we haven't seen that much distance factor which we saw with the Fukushima effect.

So then the question is what happens when these 29 ships come in? And in our view -- and we can say this just as a view - as someone looking at it -- we see that you should have lower short-term rates. Longer-term rates against projects I think are relatively unaffected.

But you have - you've seen seven new LNGs delivered into the fleet, some with coverage. And we have 17 ships that are coming in that are supposed to come in before the end of the year of which seven are uncommitted. The one Awilco - or the two Awilco vessels were two of those seven.

And so I think some will get pushed into 2014. But they'll ultimately come.

And then what we see for example in 2014 is that you'll get another 28 ships of which 11 are uncommitted. So the question is what is - what pressure will the uncommitted ships bring onto the market?

But as I said in my prepared remarks you really have to go and wait and see where the export volumes are going to come. And there haven't been that much more.

Yes, Angola LNG came on. But we - they had already ordered tonnage for that.

And so you have Papua, New Guinea that should come on stream in 2014. And then you have some Australian volumes in 2015. Although they've ordered a lot of tonnage for that.

So that's why we ordered our ships for a post-2016 environment. And that's what we're geared up for both from Australia, as well as from the U.S., and Papua, New Guinea.

And that's - and you always really have to take in a certain amount of delay as I was just pointing out. So that's a long-winded way of saying that we see short-term weakness in the short-term markets. But ultimately the vessels will be absorbed because there's enough new liquefaction plants coming online 2016 and beyond.

(Fotis Giannakoulis): Thank you very much for these answers, thank you.

Peter Evensen: Thank you (Fotis).

Operator: Thank you.

And there are no more questions at this time.

Peter Evensen: Great, thank you all very much.

We look forward to reporting back to you next quarter.

Bye.

Operator: Ladies and gentleman this does conclude your conference call for today.

We thank you for your participation.

You may now disconnect your lines.

And have a great day.

END