



TEEKAY

TEEKAY LNG PARTNERS Q1-2015 EARNINGS PRESENTATION

May 15, 2015

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: the Partnership's expected future revenues and ability of its portfolio of fixed-rate contracts to largely insulate it from fluctuations in spot LNG shipping rates; the Partnership's current project pipeline; the long-term fundamentals in the liquefied gas industry, including expected future growth in LNG supply and LNG vessel supply/demand balance; the delivery timing and total cost of the newbuilding vessels, either directly ordered by the Partnership or through its joint venture subsidiaries, the commencement of related time charter contracts and the effect of these contracts on the Partnership's distributable cash flows; future growth opportunities and the effect on the Partnership's operational results and distributable cash flow; expected fuel-efficiency and emission levels associated with the MEGI engines; the Partnership's ability to secure charter contract employment for currently unchartered vessels prior to their deliveries; the timing and certainty of exercising any of the Partnership's existing options to order up to four additional MEGI LNG carrier newbuildings; the outcome of the Partnership's dispute over the *Magellan Spirit* offhire incident and claimed charter contract termination; and the timing of the start-up of the Yamal LNG project and the expected total LNG production capacity of the project, if completed. 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 construction delays, newbuilding specification changes or cost overruns; availability of suitable LNG shipping, LPG shipping, floating storage and regasification and other growth project opportunities; 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; competitive dynamics in bidding for potential LNG, LPG or floating regasification projects; potential failure of the Yamal LNG project to be completed on time or at all for any reason, including due to lack of funding as a result of existing or future sanctions against Russian entities and individuals, which may affect partners in the project; 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; actual performance of the MEGI engines; failure by the Partnership to secure charter contracts for unchartered vessels; factors affecting the outcome of the Partnership's dispute over the *Magellan Spirit*; the Partnership's ability to raise financing for its existing newbuildings or to purchase additional vessels or to pursue other projects; actual capital expenditures under the Partnership's project pipeline; 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, 2014. 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 Q1-15 distributable cash flow* of \$66.2 million
 - Coverage ratio of 1.04x, which was negatively impacted by disputed Magellan Spirit off-hire
- Declared a Q1-15 cash distribution of \$0.70 per unit
- Exmar LPG JV took delivery of the fourth of 12 mid-size LPG carrier newbuildings
- Completed \$130 million Norwegian bond offering at an all-in fixed rate of 5.92% in early-May

* Distributable Cash Flow is a non-GAAP measure used by certain investors to measure the financial performance of Teekay LNG and other master limited partnerships.

Project Execution – First MEGI Creole Spirit



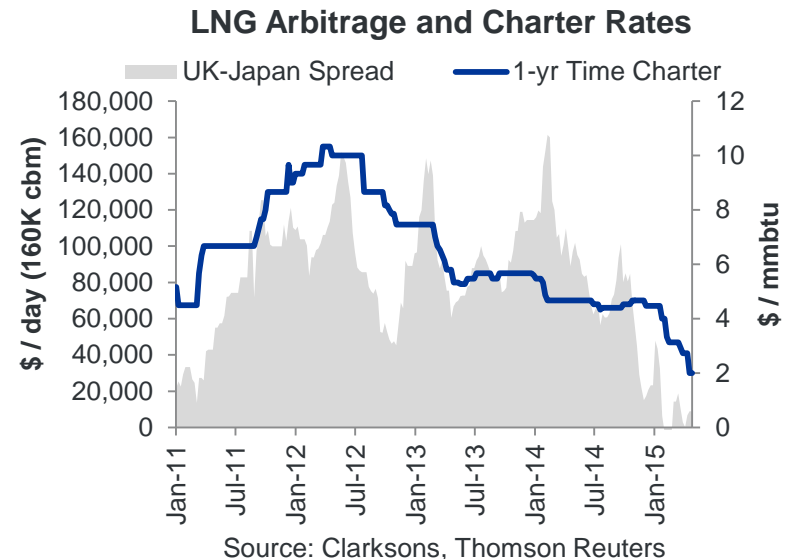
- Keel laying ceremony held on March 3
- Scheduled to deliver in Q1-2016, at which point it will commence a 5-year charter with Cheniere Energy
- 9 MEGI LNG carriers on order at DSME delivering in 2016 through 2018
 - 2 MEGIs to Cheniere Energy
 - 5 MEGIs to Shell
 - 2 MEGIs unchartered



Long-term Export Growth Remains On-track

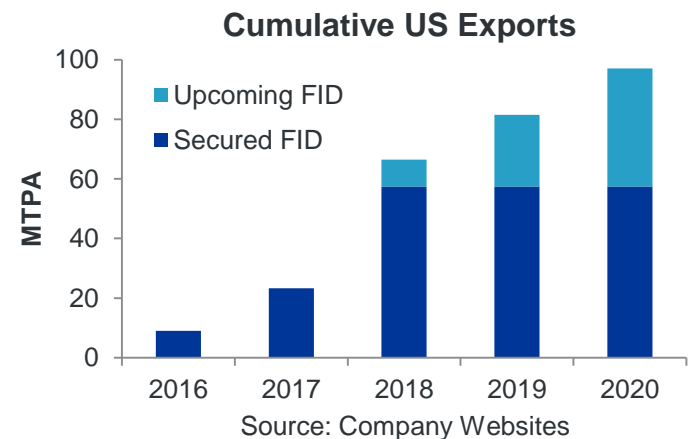
Near-term weakness due to vessel oversupply in the short-term market

- World LNG fleet increasingly involved in short-term trading
 - Delivery of uncommitted vessels, and committed vessels trading spot before export project startup
- Flat LNG trade volumes
 - Reduced inter-basin arbitrage trade
 - Mild weather and export project outages have further limited current LNG trade



Long-term strength due to continued development of new export projects

- More than 120 MTPA of future export capacity has already reached FID
- Additional U.S. export capacity is being developed
- Lower LNG prices support long term demand



Distributable Cash Flow and Coverage

Q1-15 vs. Q4-14

	Three Months Ended March 31, 2015 (unaudited)	Three Months Ended December 31, 2014 (unaudited)	
(Thousands of U.S. Dollars except coverage ratio information)			
Net voyage revenues ⁽¹⁾	96,438	98,271	
Vessel operating expenses	(21,634)	(23,694)	
Estimated maintenance capital expenditures	(11,662)	(12,021)	
General and administrative expenses ⁽¹⁾	(6,708)	(4,325)	
Restructuring recovery	-	242	
Partnership's share of equity accounted joint ventures' DCF net of estimated maintenance capital expenditures	25,209	30,683	
Interest expense ⁽¹⁾	(18,741)	(25,003)	
Interest income ⁽¹⁾	734	1,257	
Income tax recovery (expense) ⁽¹⁾	225	(71)	
Distributions relating to equity financing of newbuildings	3,916	3,869	
Other adjustments - net	3,776	3,847	
Distributable Cash Flow before Non-Controlling Interests	71,553	73,055	
Non-controlling interests' share of DCF	(5,352)	(4,015)	
Distributable Cash Flow⁽²⁾	66,201	69,040	A
Total Distributions	63,629	63,609	B
Coverage ratio	1.04x	1.09x	A/B

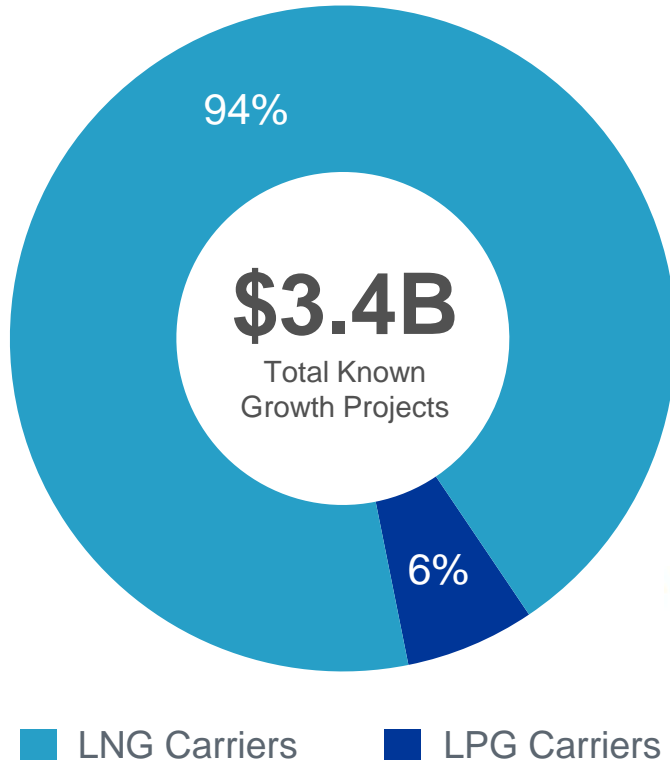
1) See Adjusted Operating Results in the Appendix to this presentation for a reconciliation to the amount reported in the Summary Consolidated Statements of Income and Comprehensive Income in the Q1-15 and Q4-14 earnings release.

2) For a reconciliation of Distributable Cash Flow, a non-GAAP measure, to the most directly comparable GAAP figures, see Appendix B in the Q1-15 and Q4-14 Earnings Releases.

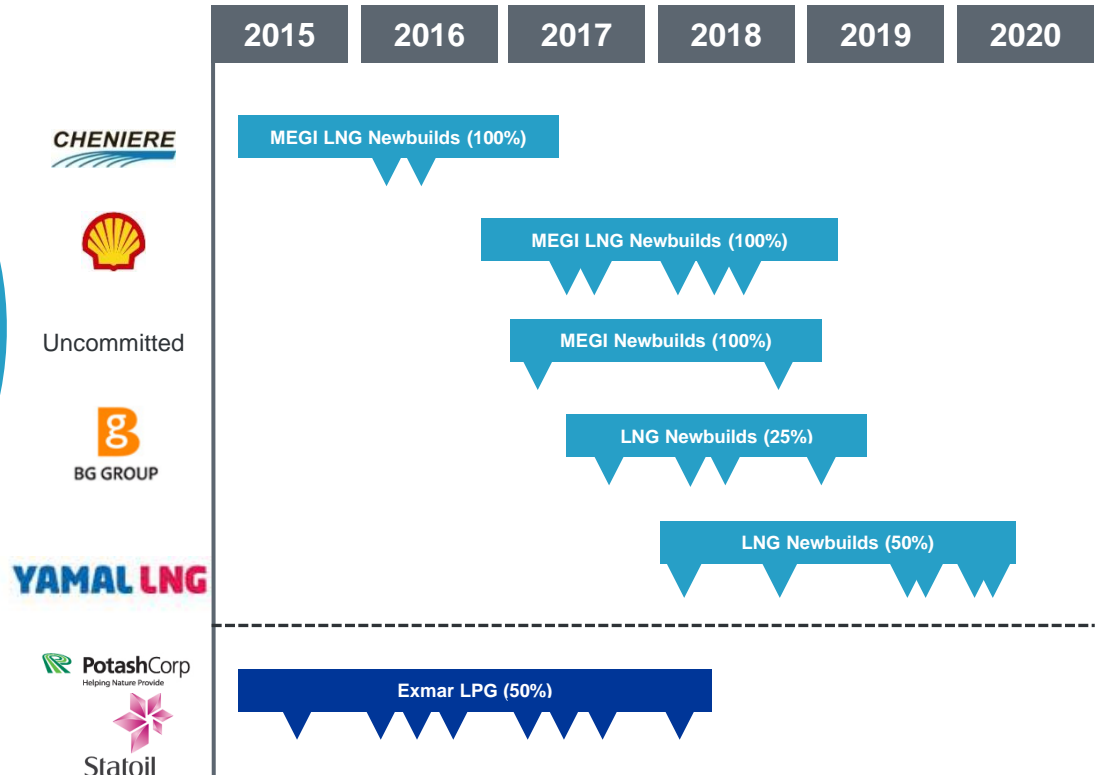
Teekay LNG's Growth Pipeline

Continue to bid on several LNG and FSRU projects

Growth Projects by Segment



Growth Project Deliveries



Options for 4 MEGI LNG carrier newbuilds

Appendix

Teekay LNG Capital Commitments

- Teekay LNG's remaining capital commitments relating to its portion of newbuildings as at March 31, 2015:

<i>(in \$ Millions)</i>	2015	2016	2017	2018	2019	2020	Total
LNG ⁽¹⁾	\$96	\$405	\$673	\$913	\$234	\$191	\$2,512
LPG ⁽²⁾	\$22	\$57	\$57	\$17	-	-	\$153
Total	\$118	\$462	\$730	\$930	\$234	\$191	\$2,665



- 1) Includes capital expenditures related to nine MEGI LNG newbuildings, Teekay LNG's 30% interest in two LNG newbuildings and 20% interest in two LNG newbuildings for BG Group and Teekay LNG's 50% interest in the six LNG newbuildings for the Yamal LNG project.
- 2) Includes capital expenditures related to Teekay LNG's 50% interest in eight LPG newbuildings being constructed for the Exmar LPG BVBA joint venture.

Adjusted Operating Results

Q1-15

(in thousands of U.S. Dollars)

	Three Months Ended			
	March 31, 2015			
	As Reported	Appendix A Items (1)	Reclass for Realized Gains/Losses on Derivatives (2)	TGP Adjusted Income Statement
NET VOYAGE REVENUES				
Voyage revenues	97,326	-	(570)	96,756
Voyage expenses	(318)	-	-	(318)
Net voyage revenues	97,008	-	(570)	96,438
OPERATING EXPENSES				
Vessel operating expense	(21,634)	-	-	(21,634)
Depreciation and amortization	(23,569)	-	-	(23,569)
General and administrative	(6,708)	-	-	(6,708)
Restructuring recovery	-	-	-	-
Total operating expenses	(51,911)	-	-	(51,911)
Income from vessel operations	45,097	-	(570)	44,527
OTHER ITEMS				
Equity income	18,058	1,520	-	19,578
Interest expense	(10,104)	-	(8,637)	(18,741)
Interest income	734	-	-	734
Realized and unrealized (loss) gain on derivative	(14,032)	6,157	7,875	-
Foreign exchange gain (loss)	25,930	(27,262)	1,332	-
Other income – net	443	-	-	443
Income tax recovery (expense)	225	-	-	225
Total other items	21,254	(19,585)	570	2,239
Net income	66,351	(19,585)	-	46,766
Less: Net (income) loss attributable to Non-controlling interest	(3,283)	436	-	(2,847)
NET INCOME ATTRIBUTABLE TO THE PARTNERS	63,068	(19,149)	-	43,919



1)
2)

See Appendix A to the Partnership's Q1-15 earnings release for description of Appendix A items.

Reallocating the realized gains/losses to their respective line as if hedge accounting had applied. Please refer to footnote (3) and (4) to the Summary Consolidated Statements of Income and Comprehensive Income in the Q1-15 earnings release.

Adjusted Operating Results

Q4-14

Three Months Ended
December 31, 2014

(in thousands of U.S. Dollars)

	As Reported	Appendix A Items (1)	Reclass for Realized Gains/Losses on Derivatives (2)	TGP Adjusted Income Statement
NET VOYAGE REVENUES				
Voyage revenues	99,339	-	(695)	98,644
Voyage expenses	(373)	-	-	(373)
Net voyage revenues	98,966	-	(695)	98,271
OPERATING EXPENSES				
Vessel operating expense	(23,694)	-	-	(23,694)
Depreciation and amortization	(23,178)	-	-	(23,178)
General and administrative	(5,619)	1,294	-	(4,325)
Restructuring charge	242	(242)	-	-
Total operating expenses	(52,249)	1,052	-	(51,197)
Income from vessel operations	46,717	1,052	(695)	47,074
OTHER ITEMS				
Equity income	23,471	1,257	-	24,728
Interest expense	(15,768)	3,009	(12,244)	(25,003)
Interest income	302	-	955	1,257
Realized and unrealized (loss) gain on derivative	(23,114)	12,427	10,687	-
Foreign exchange gain (loss)	5,769	(7,066)	1,297	-
Other income – net	200	-	-	200
Income tax expense	(6,427)	6,356	-	(71)
Total other items	(15,567)	15,983	695	1,111
Net income	31,150	17,035	-	48,185
Less: Net loss (income) attributable to Non-controlling interest	1,806	(4,397)	-	(2,591)
NET INCOME ATTRIBUTABLE TO THE PARTNERS	32,956	12,638	-	45,594



- 1) See Appendix A to the Partnership's Q4-14 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 footnote (3) and (4) to the Summary Consolidated Statements of Income and Comprehensive Income in the Q4-14 earnings release.

2015 Drydock Schedule

Segment	March 31, 2015 (A)		June 30, 2015 (E)		September 30, 2015 (E)		December 31, 2015 (E)		Total 2015	
	Vessels Drydocked	Total Offhire Days	Vessels Drydocked	Total Offhire Days	Vessels Drydocked	Total Offhire Days	Vessels Drydocked	Total Offhire Days	Vessels Drydocked	Total Offhire Days
Fixed-Rate Tanker	-	-	1	25	-	-	-	-	1	25
Liquefied Gas	-	-	-	-	1	4	2	41	3	45
LPG Carrier - equity accounted	1	37	1	27	1	27	3	73	6	164
LNG Carrier - equity accounted	-	-	1	11	3	41	1	11	5	63
	1	37	3	63	5	72	6	125	15	297



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 deep blue color with a subtle, wavy, water-like texture. Overlaid on this are several large, semi-transparent, light blue geometric shapes. These shapes consist of parallel lines forming zig-zag patterns and sharp, angular forms that resemble stylized arrows or chevrons pointing in various directions. The overall composition is modern and dynamic.

BRINGING ENERGY TO THE WORLD