TEEKAY LNG PARTNERS Q2-2017 EARNINGS PRESENTATION

August 3, 2017

TEEKAY

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 forward fixed-rate revenues and weighted average remaining contract duration; the amount, timing and certainty of completing financings for newbuilding vessels and refinancings; and the timing of newbuilding vessel deliveries, the commencement of related contracts and cash flow contributions from these vessels. 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; the Partnership's and the Partnership's joint ventures' ability to secure financing for its existing newbuildings and projects and to refinance existing debt; 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, 2016. 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.

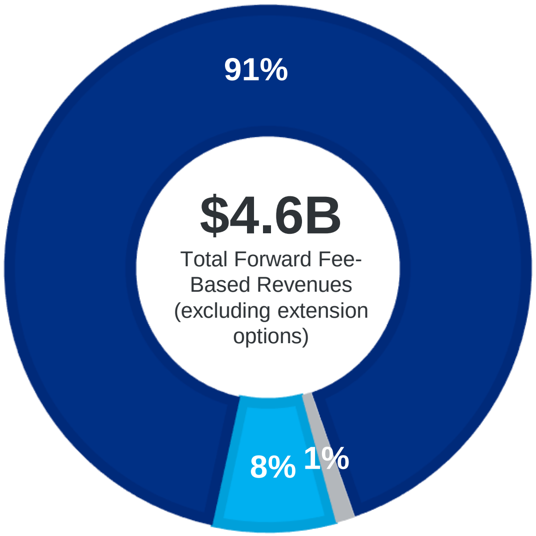
Recent Highlights

- Generated distributable cash flow[(1)] of $40.6 million and total cash flow from vessel operations[(1)] of $106.3 million in Q2-17
  - DCF per LP unit of $0.51 per unit
  - Distribution coverage ratio of 3.6x
- Completed charter contract extensions for two LNG carriers chartered to Awilco LNG and extended associated loan facilities
- Remaining newbuilding financings remain on-track for completion by the end of year
- In July 2017, Partnership's 50 percent-owned Exmar LPG Joint Venture took delivery of a mid-size LPG carrier newbuilding

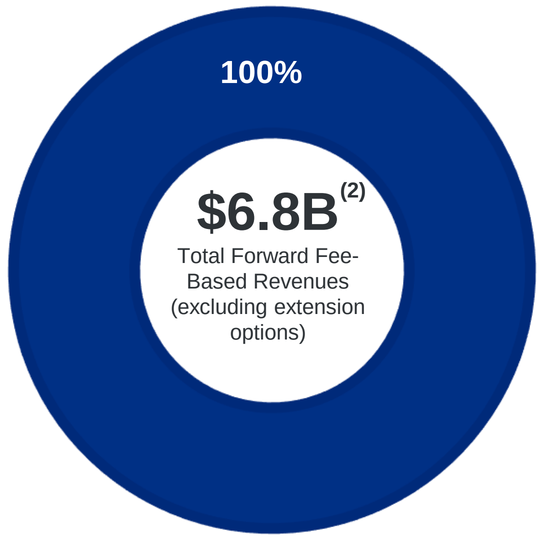
[1] These are non-GAAP financial measures. Please refer to "Definitions and Non-GAAP Financial Measures" and the Appendices in the Partnership's Q2-2017 earnings release for definitions of these terms and reconciliations of these non-GAAP financial measures as used in this presentation to the most directly comparable financial measures under United States generally accepted accounting principles (*GAAP*).

Market Leading Forward Revenues

Forward Revenues from <u>Existing Operations</u> by Segment(1)

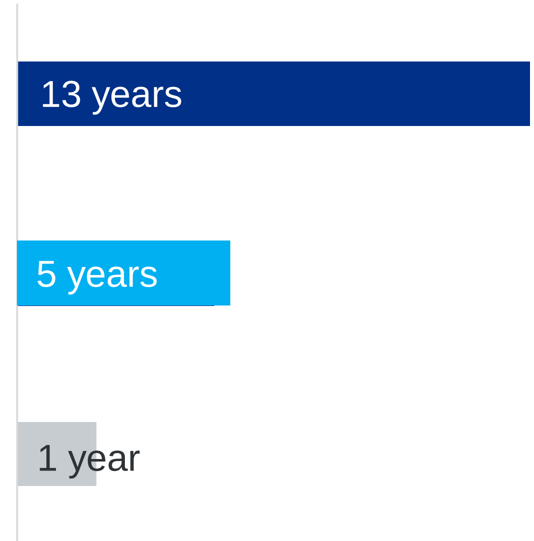


Forward Revenues from <u>Growth Projects</u> by Segment(1)



LNG LPG Conventional Tanker

Weighted Average Remaining Contract Length by Segment (1)

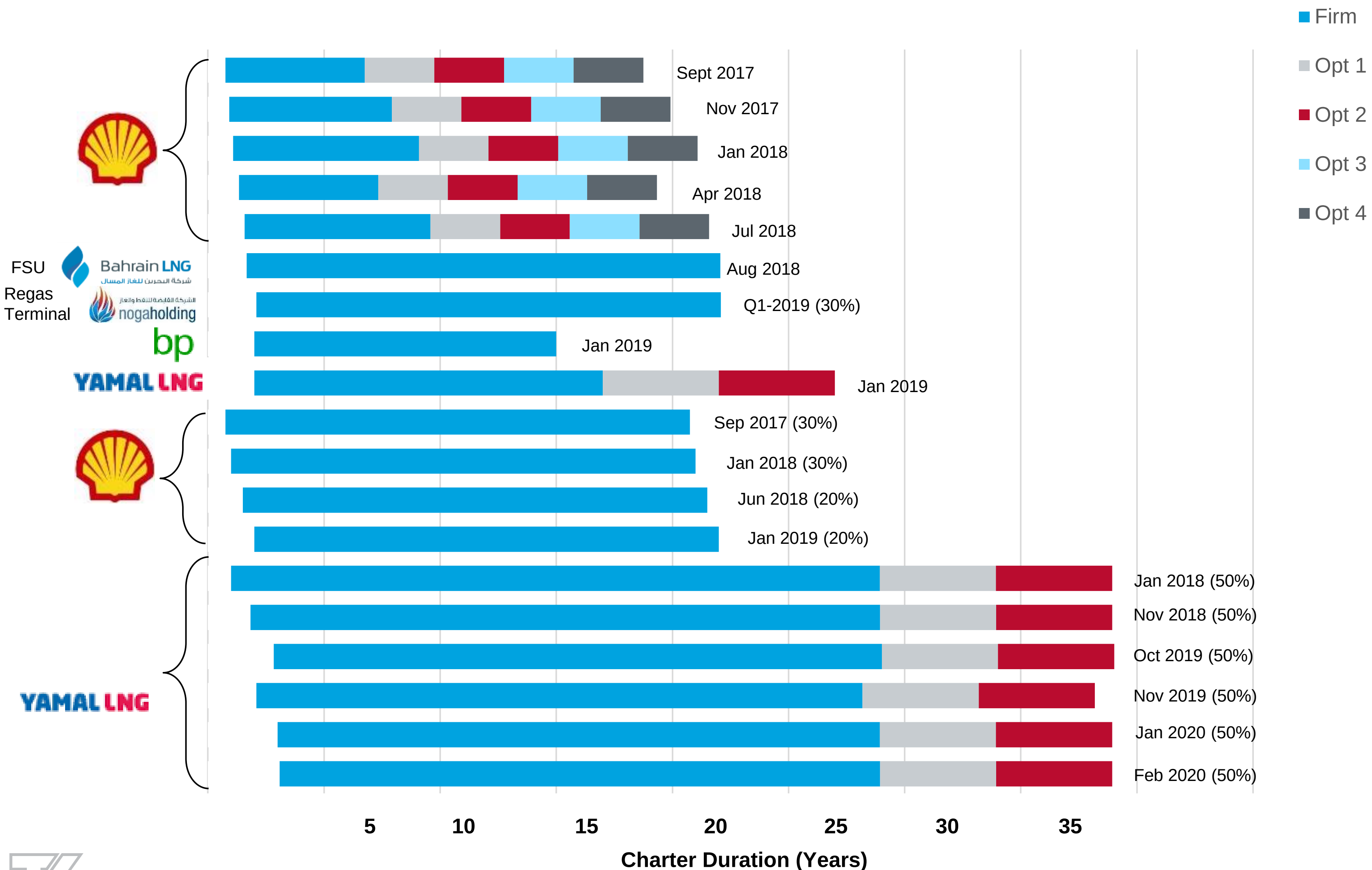


Teekay LNG's fleet is ~96% fixed in 2017

(1) As at June 30, 2017. Excludes extension options
(2) Growth projects represents newbuildings not yet delivered and for which charters have been secured

18 LNG Carrier Newbuildings All Contracted

Newbuilding Fleet Adds an Average 18 Years of Contract Duration



Financing of Growth Projects On Track

Project	Remaining CAPEX ($ millions as at June 30, 2017)[1]	Completed Undrawn Debt Financings[1]	In-Process Debt Financings[1]	Status of In-Process Debt Financings	2017	2018	2019	2020
7 MEGI LNG Carriers (100%)	1,098	737	350	1 vessel credit approved 1 vessel signed term sheet Delivery 2019	5 vessels with 6 – 8 year contracts, plus extension options, with Shell, 1 vessel with 13-year contract with BP, and 1 vessel with 15-year contract with Yamal LNG			
Bahrain Regas Terminal (30%) and FSU (100%)	374	171	170	FSU signed term sheet	20-year FSU and terminal contracts			
Shell (ex. BG) LNG Carriers (20-30%)	177[2]	129	-	-	20-year contracts, plus extension options			
Yamal LNG ARC 7 Carriers (50%)	860	-	820	6 vessels in documentation	Charter contracts through to 2045, plus extension options			
Exmar LPG Carriers (50%)	75	84	20	1 newbuilding to be financed Delivery Q3-18	Expect to trade in short-term market upon delivery			
Total	**$2,584**	**$1,121**	**$1,360**					

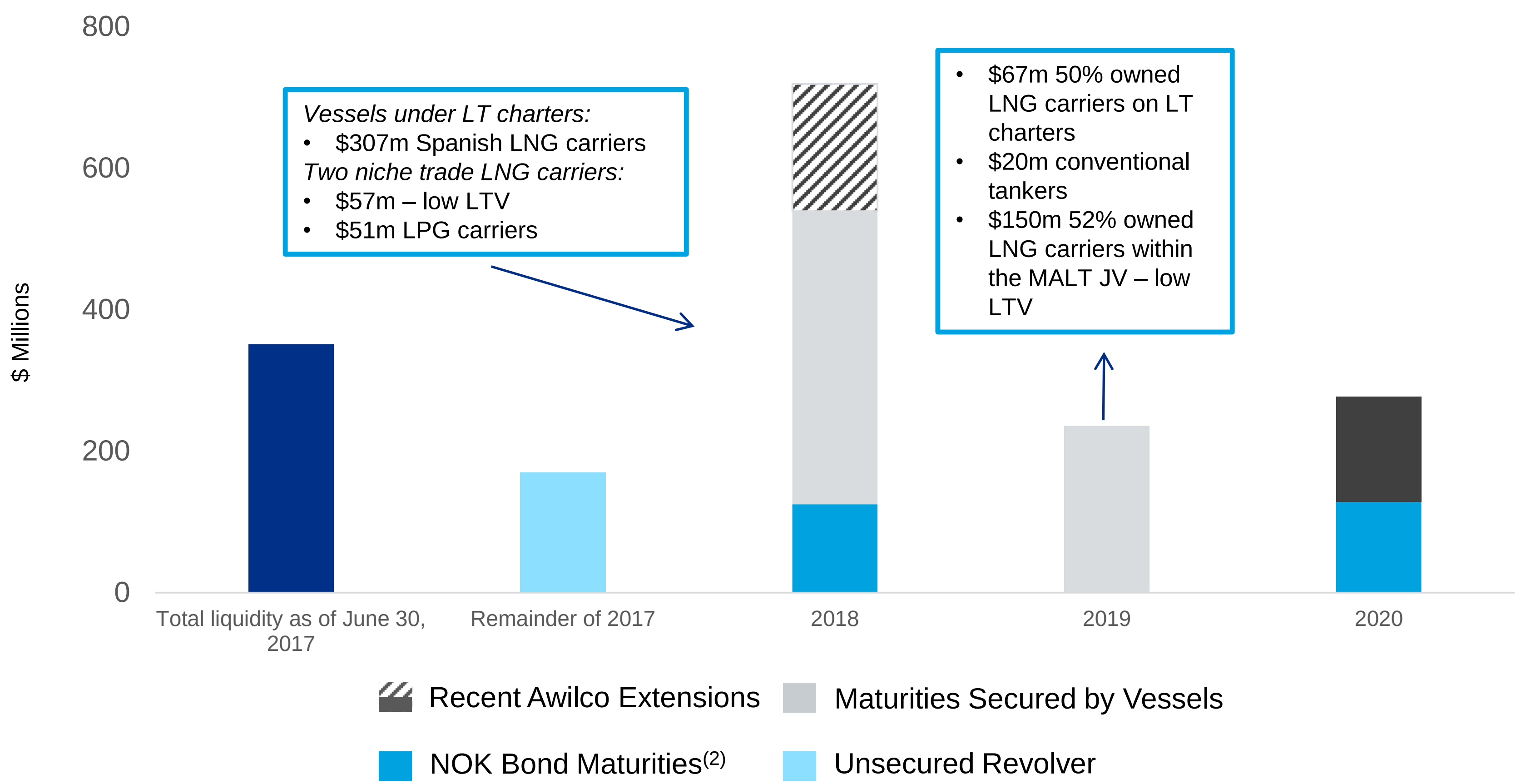
Vessel Financing Completed   Vessel Financing to be Completed

Remaining Newbuilding Financings Remain On-Track for Completion within 2H-2017

(1) Teekay LNG's proportionate share
(2) Excludes shipbuilding and crew training costs reimbursable by Shell (ex. BG)

Progressing 2018 Refinancings

- Total liquidity (cash, cash equivalents and undrawn lines) as at June 30, 2017: $351 million
- Loan extensions on vessels chartered to Awilco LNG reduces 2018 refinancings



(1) Future balloon payments reflect Teekay LNG's proportionate debt in joint ventures which are accounted for under the equity method.

(2) NOK Bond Maturities are net of cash collateral placed to secure associated cross-currency swaps

TEEKAY LNG HIGHLIGHTS

Market Leading Position

One of the world's largest independent LNG carrier owners and operators

Stable Operating Model

$11.4 billion of forward fee-based revenues with average remaining contract duration of 13 years(1)

Long-term Visible Growth

Largest LNG orderbook of committed growth projects, which is expected to significantly increase operating cash flow

Attractive Industry Fundamentals

Gas is the fastest growing fossil fuel which will drive future demand for LNG shipping

(1) As of June 30, 2017. Excludes extension options; includes existing vessels and growth projects

Appendix

Distributable Cash Flow

Q2-17 vs. Q1-17

(Thousands of U.S. Dollars except units outstanding or unless otherwise indicated)	Q2-2017 (unaudited)	Q1-2017 (unaudited)	Comments
Net voyage revenues[1]	99,773	99,758	Increased due to the charter commencement for the *Torben Spirit* in March 2017, the Q1-17 scheduled dry docking of the *Hispania Spirit* for 31 days, and the acquisition of the *Norgas Sonoma* in April 2017. These increases were mostly offset by 35 days of unscheduled off-hire for repairs on one LNG carrier in Q2-17, and the sale of the *Asian Spirit* in Q1-17
Vessel operating expenses	(26,001)	(23,388)	Increased due to the delivery of the *Torben Spirit* and the acquisition of the *Norgas Sonoma*
Estimated maintenance capital expenditures	(13,190)	(12,628)	
General and administrative expenses	(4,642)	(4,157)	
Partnership's share of equity-accounted joint ventures' DCF net of estimated maintenance capital expenditures	12,229	11,660	Higher equity income from the Teekay LNG-Marubeni JV due to better results from vessels trading in the short-term market during Q2-17
Adjusted interest expense[1]	(26,274)	(25,283)	Increased due to the delivery of the *Torben Spirit*
Interest income	579	854	
Income tax expense	(236)	(157)	
Distributions relating to preferred units	(2,812)	(2,812)	
Distributions relating to equity financing of newbuildings	1,536	1,707	
Direct finance lease payments received in excess of revenue recognized	5,056	5,227	
Other adjustments - net	(446)	(884)	
Distributable Cash Flow before Non-Controlling Interests	**45,572**	**49,897**	
Non-controlling interests' share of DCF	(4,949)	(6,670)	Decreased due to the unscheduled off-hire for one LNG carrier described above
Distributable Cash Flow[2]	**40,623**	**43,227**	
Cash distributions to the General Partner	(228)	(228)	
Limited partners' Distributable Cash Flow	40,395	42,999	
Weighted-average number of common units outstanding	79,626,819	79,590,153	
Distributable Cash Flow per limited partner unit	**0.51**	**0.54**	

1) Refer to next slide for a reconciliation of Net Voyage Revenues and Adjusted Interest Expense.

2) For a reconciliation of Distributable Cash Flow, a non-GAAP measure, to the most directly comparable GAAP figures, see Appendix B in the Q2-17 and Q1-17 Earnings Releases.

Reconciliations of Non-GAAP Financial Measures

Reconciliation of the Partnership's Net Voyage Revenues:

(Thousands of U.S. Dollars)	Three Months Ended June 30, 2017 (unaudited)	Three Months Ended March 31, 2017 (unaudited)
Voyage revenues	100,904	101,180
Voyage expenses	(996)	(1,437)
Realized (losses) gains on charter contract derivative instrument	(135)	15
Net voyage revenues	**99,773**	**99,758**

Reconciliation of the Partnership's Adjusted Interest Expense:

(Thousands of U.S. Dollars)	Three Months Ended June 30, 2017 (unaudited)	Three Months Ended March 31, 2017 (unaudited)
Interest expense as reported	(20,525)	(16,988)
Ineffectiveness of hedge-accounted interest rate swaps	747	-
Realized losses on derivative instruments and other	(6,496)	(8,295)
Adjusted Interest Expense	**(26,274)**	**(25,283)**

Q3 2017 Outlook

Distributable Cash Flow Item	Q3 2017 Outlook (compared to Q2 2017)
Net voyage revenues	• $3M increase due to Q2-17 unscheduled off-hire of one LNG carrier to complete repairs • $2M decrease due to scheduled dry docking of the *Arctic Spirit* in Q3-17
Vessel operating expenses	• $2M increase due to timing of operating expenses
Estimated maintenance capital expenditures	• Expected to be consistent with Q2-17
General and administrative expenses	• Expected to be consistent with Q2-17
Partnership's share of equity-accounted joint ventures' DCF net of estimated maintenance capital expenditures	• $1M decrease in equity income from the Teekay LNG–Marubeni Joint Venture due to timing of operating expenses
Adjusted interest expense	• $1M decrease due to maturity of a portion of our NOK bonds in May 2017
Distributions relating to preferred units	• Expected to be consistent with Q2-17
Distributions relating to equity financing of newbuildings	• Expected to be consistent with Q2-17
Direct finance lease payments received in excess of revenue recognized	• $3M decrease due to the charter hire deferral agreement with Awilco effective July 2017 relating to the *Wilpride* and *Wilforce*.
Non-controlling interests' share of DCF	• $1M increase as a result of the Q2-17 unscheduled off-hire of one LNG carrier described above
Cash distributions to the General Partner	• Expected to be consistent with Q2-17

2017 Drydock Schedule

Segment	March 31, 2017 (A)		June 30, 2017 (A)		September 30, 2017 (E)		December 31, 2017 (E)		Total 2017 (E)	
	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days
Liquefied Gas - Consolidated	1	31	-	-	1	36	-	-	2	67
LPG - Equity Accounted	2	10	2	94	1	5	2	61	7	170
LNG - Equity Accounted	-	-	-	8	1	23	1	30	2	61
	3	41	2	102	3	64	3	91	11	298


BRINGING ENERGY TO THE WORLD