



TEEKAY LNG PARTNERS L.P.

Teekay LNG Partners Investor Day Presentation

June 18, 2012



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 opportunities; the Partnership's financial position; the potential increase to the Partnership's quarterly cash distribution per common unit; and the ability of the Partnership to pursue additional projects and acquisitions. 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 LNG or LPG, either generally or in particular regions; development of LNG and LPG projects; 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 of existing vessels in the Teekay LNG fleet and inability of the Partnership to renew or replace long-term contracts; the Partnership's ability to raise financing to purchase additional vessels or to pursue other projects; 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, 2011. 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.

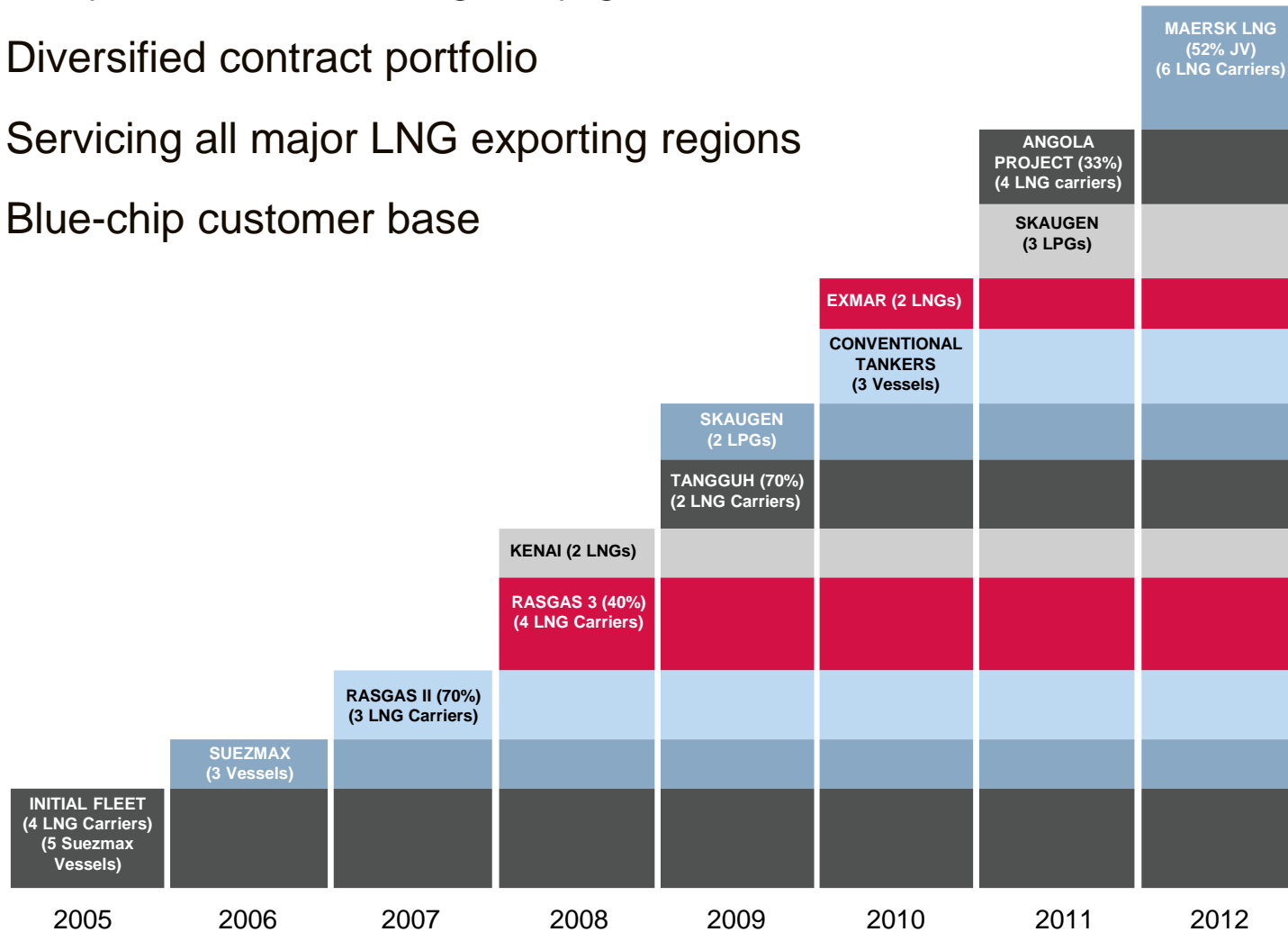
Investment Highlights

- Leading LNG shipping company with stable operating cash flow
- Solid LNG industry fundamentals
- Strong financial position and access to equity capital
 - No loan covenant concerns or unfunded CAPEX
 - ~\$440 million of liquidity and no material debt balloon payments until 2018
- Track-record of continuous growth since inception



Teekay LNG Has a Consistent Track Record of Fleet Growth

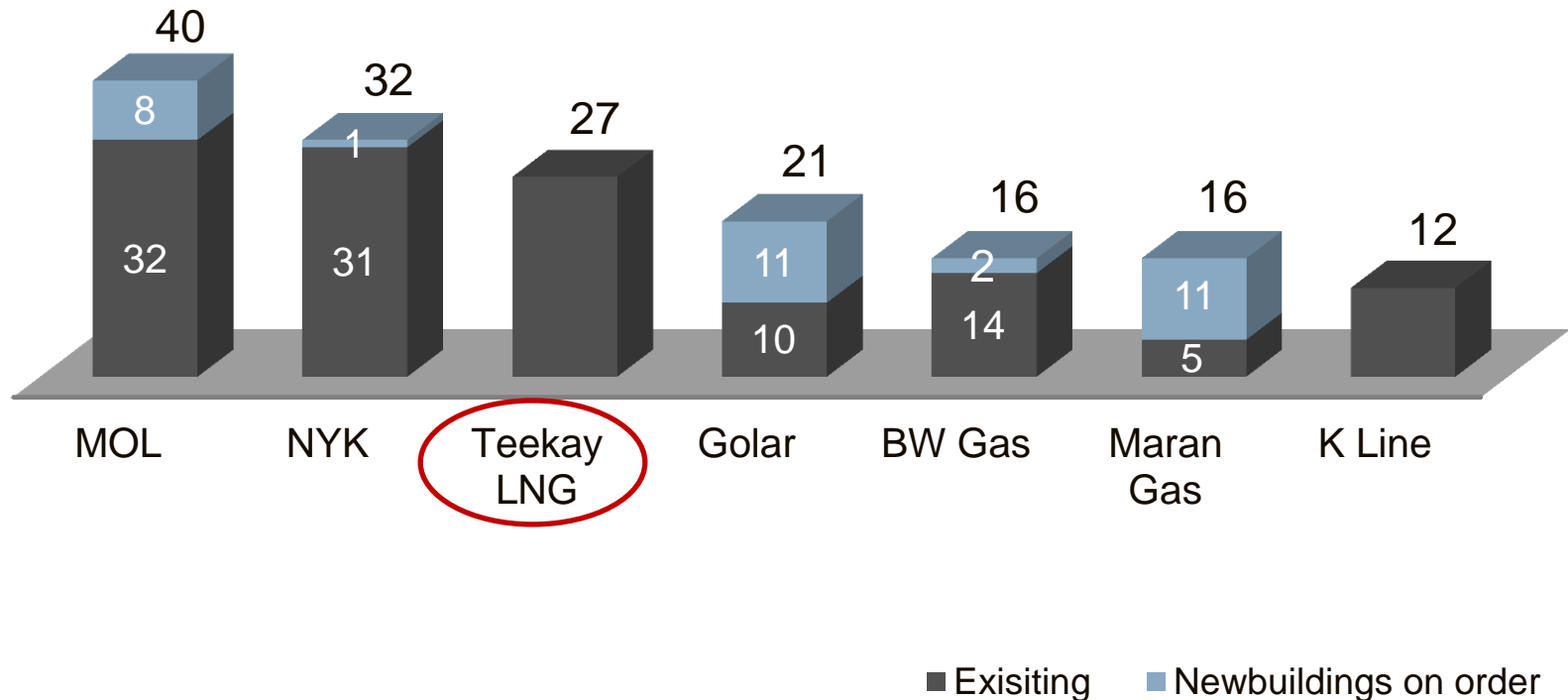
- Teekay LNG has strategically grown its fleet:
 - Diversified contract portfolio
 - Servicing all major LNG exporting regions
 - Blue-chip customer base



Note: Diagram not to scale.

Major Independent LNG Operator

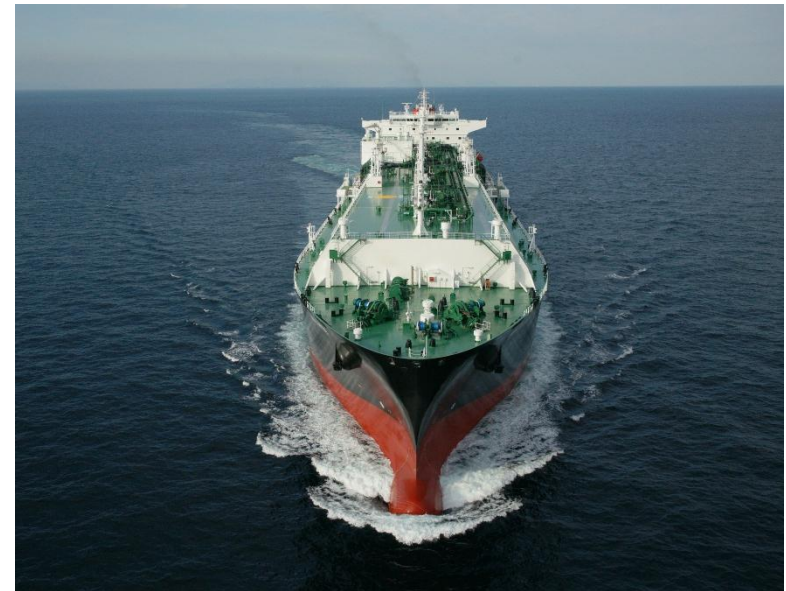
- Teekay LNG has grown to become the third largest independent operator of LNG carriers



Note: Excludes state & oil company fleets.

Stable Long-Term Cash Flows

- Attractive fixed-rate contracts, “locking-in” cash flows:
 - 10 - 25 years initial length for LNG carriers
 - High credit quality customers
 - Cost escalation provisions
- Long remaining contract life for all vessels:
 - LNGs: 14 years
 - LPGs: 13 years
 - Tankers: 8 years
- Liabilities are matched to contracts:
 - Repayment profile of principal matches revenue stream
 - Interest rates hedged for duration of contract



Teekay LNG's Fleet Under Long-Term Contracts

LNG Carrier Fleet



LNG Carrier (33% interest)*



LPG Carrier Fleet



Conventional Tanker 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
Excalibur
Excelsior
Arctic Spirit
Polar Spirit
Maersk Meridian
Woodside Donaldson
Maersk Magellan
Maersk Arwa
Maersk Marib
Maersk Methane

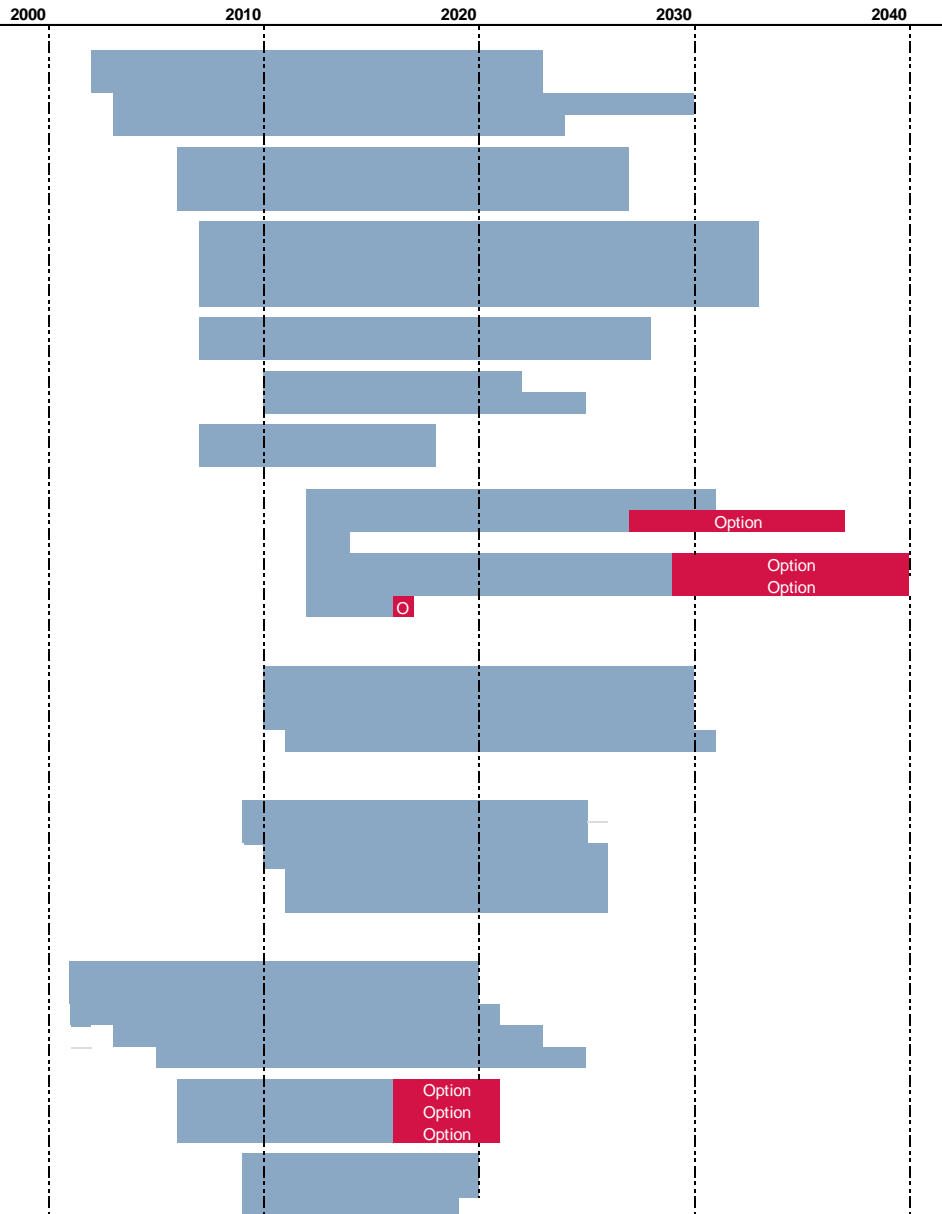
Soyo
Melanje
Lobito
Cubal

Norgas Pan
Norgas Cathinka
Norgas Unikum
Norgas Vision
Norgas Camila

Algeciras Spirit
Tenerife Spirit
Huelva Spirit
Teide Spirit
Toledo Spirit

African Spirit
European Spirit
Asian Spirit

Hamilton Spirit
Bermuda Spirit
Alexander Spirit



Long-Term Contract Portfolio With Strong Counterparties

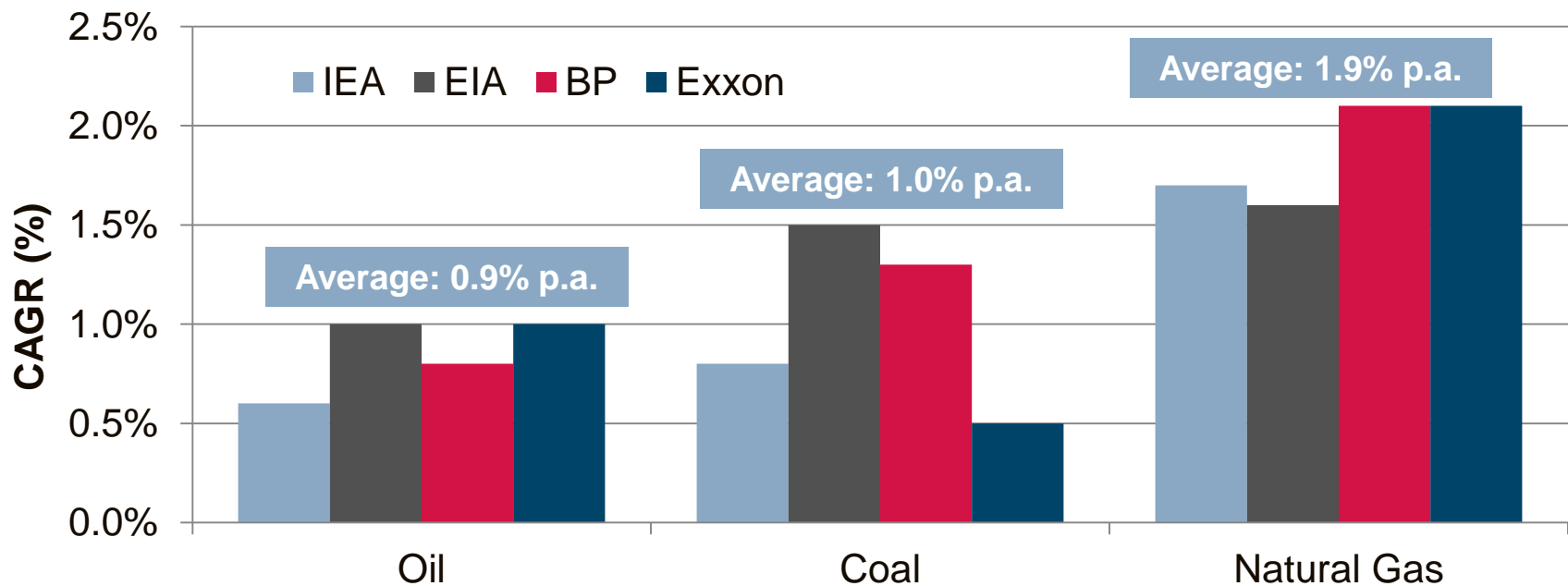
- Substantial portfolio of long-term fixed-rate contracts with high quality oil and gas companies
 - Weighted average remaining contract life of over 13.5 years

	LNG Carriers	LPG Carriers	Conventional Tankers
# of units	27	5	11
Average Contract Life	14 years	13 years	8 years
Forward Revenues	\$5.8 billion	\$0.3 billion	\$0.6 billion
High Quality Customers:			

“Golden Age of Gas”

- Natural gas gaining market share from oil and coal due to its low cost, abundance, and cleaner burning properties
- Demand driven by the power sector (gas displacing coal)
- Non-OECD accounts for ~85% of natural gas demand growth to 2035

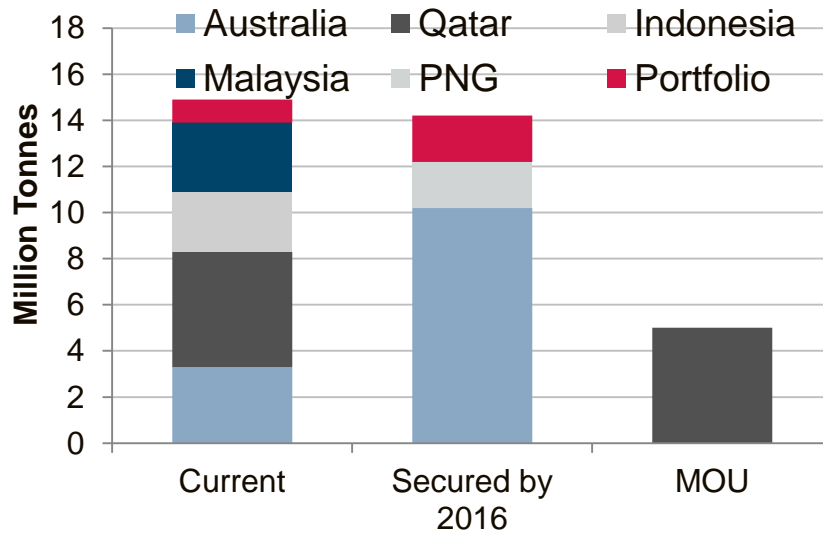
Fossil Fuel Demand Growth Outlook (2010-35)



LNG Demand Primarily Driven By China & India

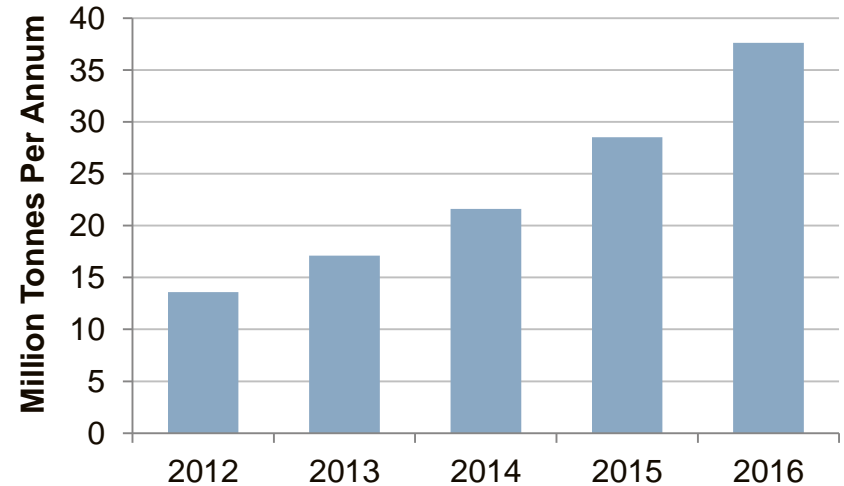
- LNG is a cornerstone of China's energy mix
- Chinese LNG imports expected to double to ~25-30 MT by 2015
- Domestic gas shortfall prompting India to turn to LNG
- India planning to double regasification capacity by end-2015

Chinese LNG Purchase Agreements



Source: Thomson Reuters

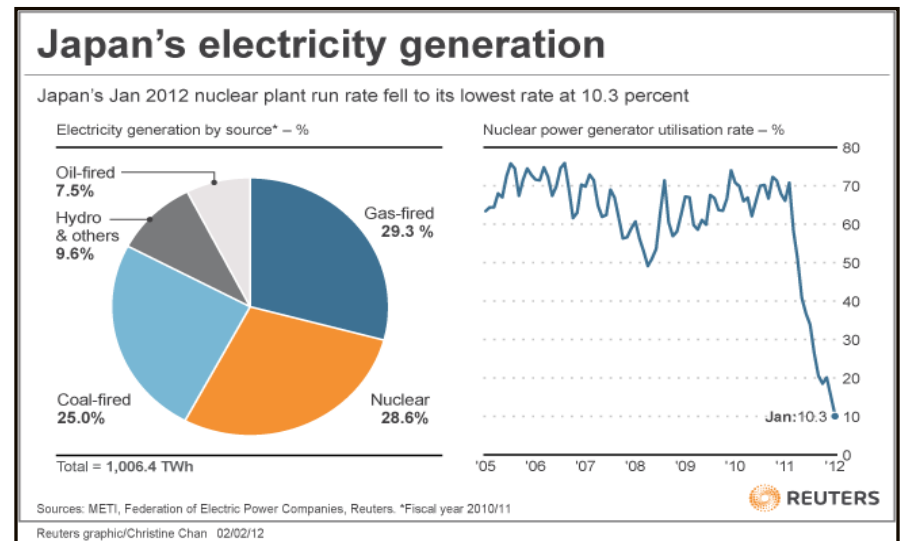
Indian Regasification Capacity



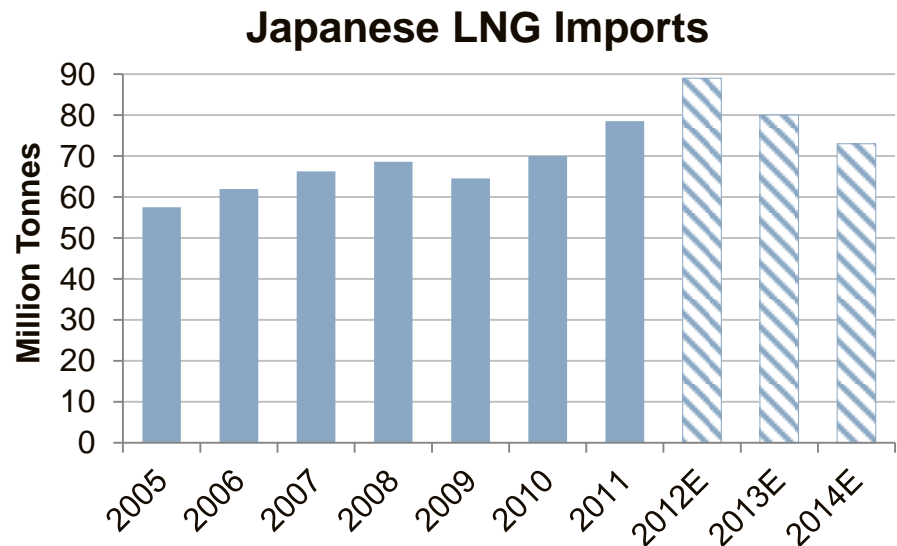
Source: Ambit Capital

Japan and the “Fukushima Effect”

- Nuclear accounted for 30% of Japan’s electricity generation pre-Fukushima
- Without nuclear Japan depends on fossil fuel imports (vulnerable to price shocks)
- None of Japan’s 54 nuclear reactors are currently online - reactors anticipated to start returning from 2H-12
- Backwardation in LNG charter rates reflect the Fukushima effect lasting through end 2013



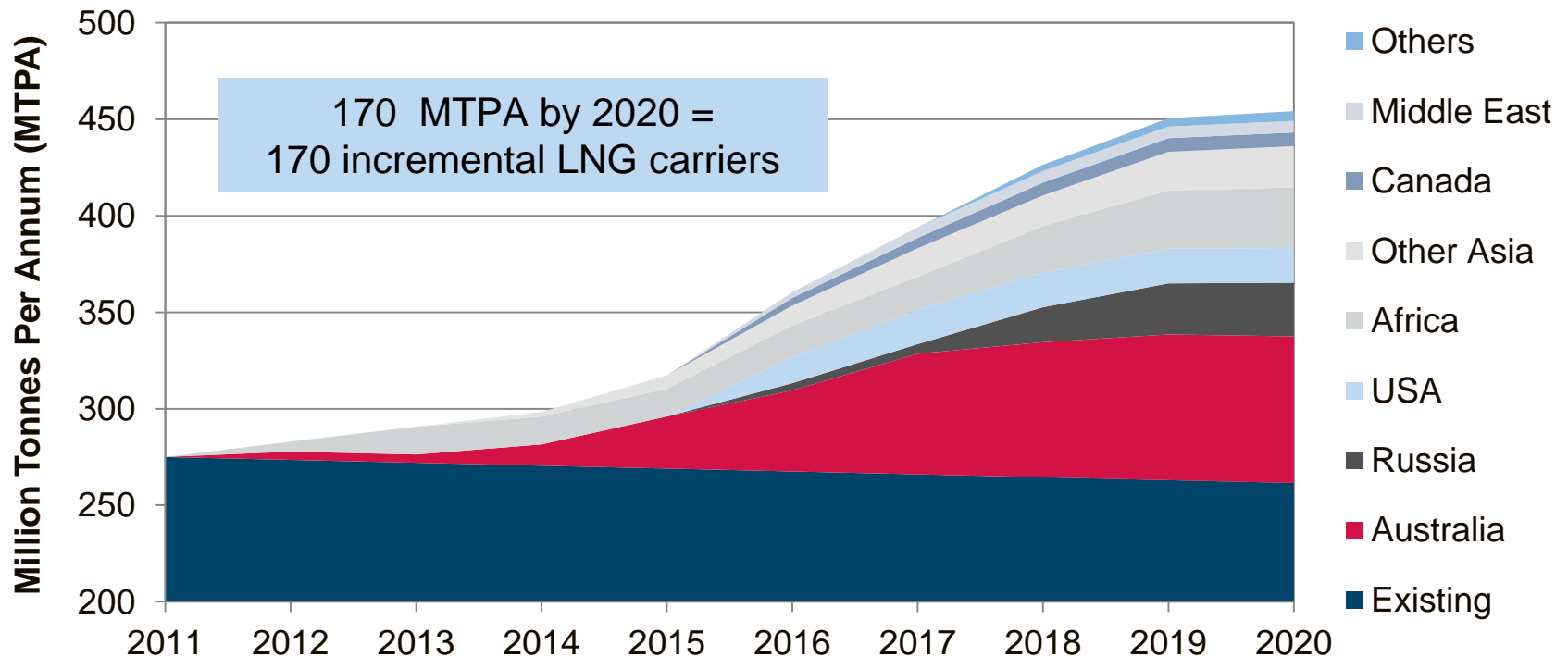
Source: Thomson Reuters



Wave of New LNG Supply From 2015

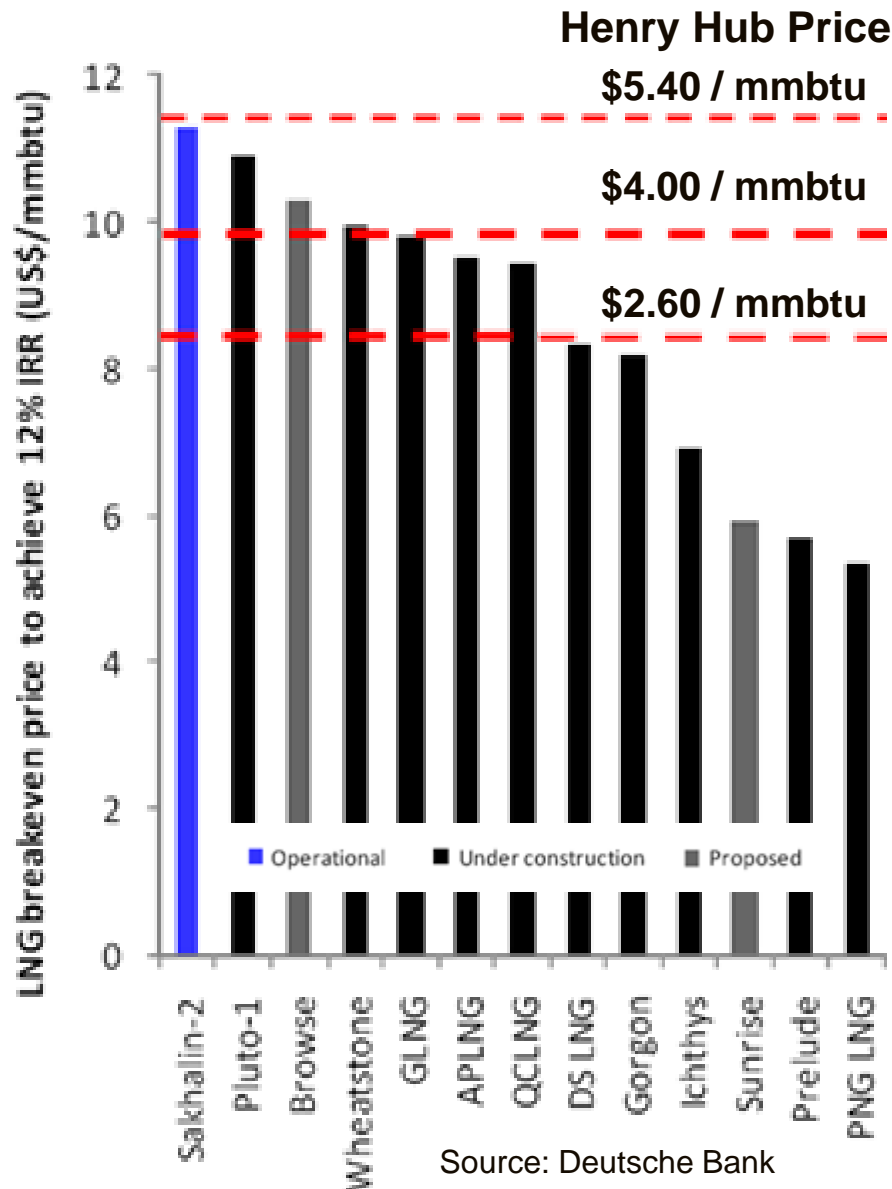
- Australia expected to add ~80 MTPA of LNG supply by 2020
- US is a wild card: 100+ MTPA of planned export projects, but how much will come online?
- Requirement for additional newbuildings to move new LNG volumes

LNG Capacity Additions By Region



Source: Multiple Sources / Internal Estimates

US Exports Competitive at \$5-6 Henry Hub or Lower

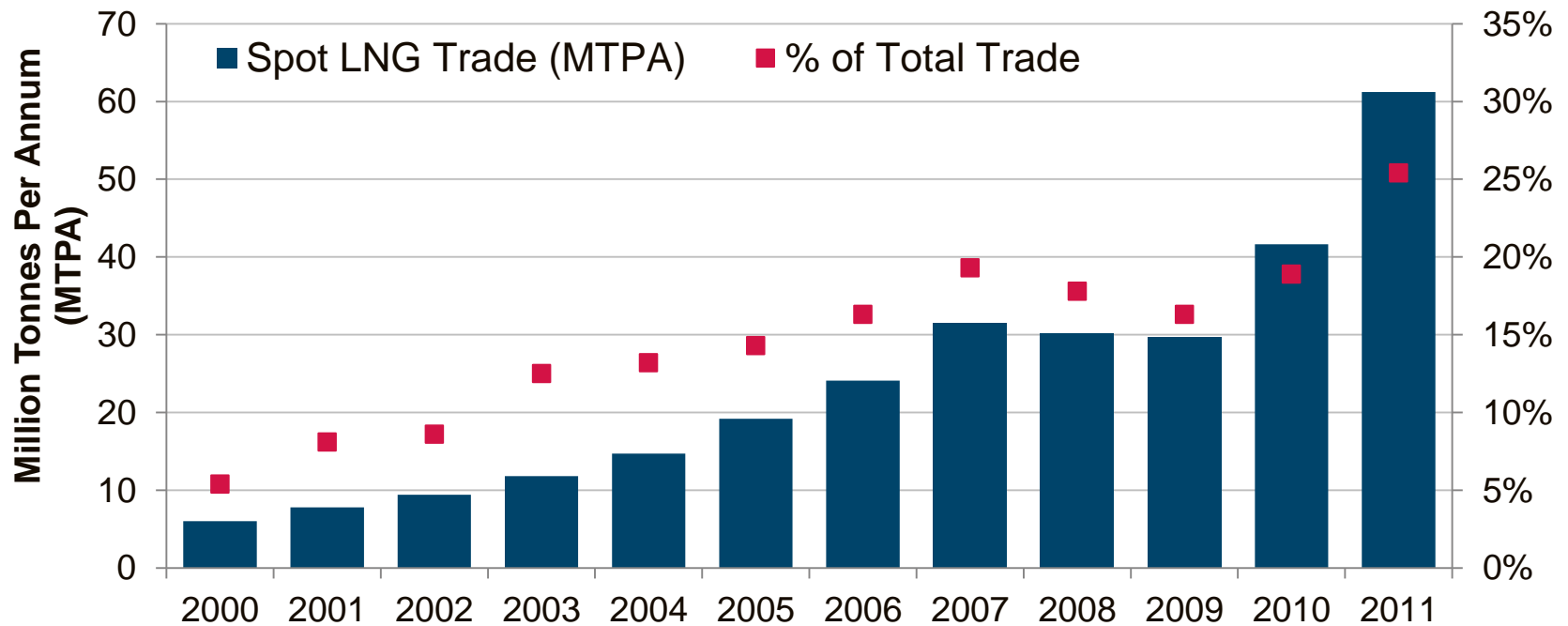


- US LNG export model based on cheap domestic natural gas prices
- At current prices US exports are competitive with Australia despite longer transportation distances
- US LNG exports remain competitive until the price exceeds \$5-6 / mmbtu
- New projects on hold until US government assesses the impact of LNG exports on domestic gas prices

Changing Nature of LNG Trade

- Spot and short-term LNG trade currently make up 25% of total trade (up from 5% in 2000)
- Trend expected to continue towards short-term / flexible volumes

Spot and Short-term LNG Trade

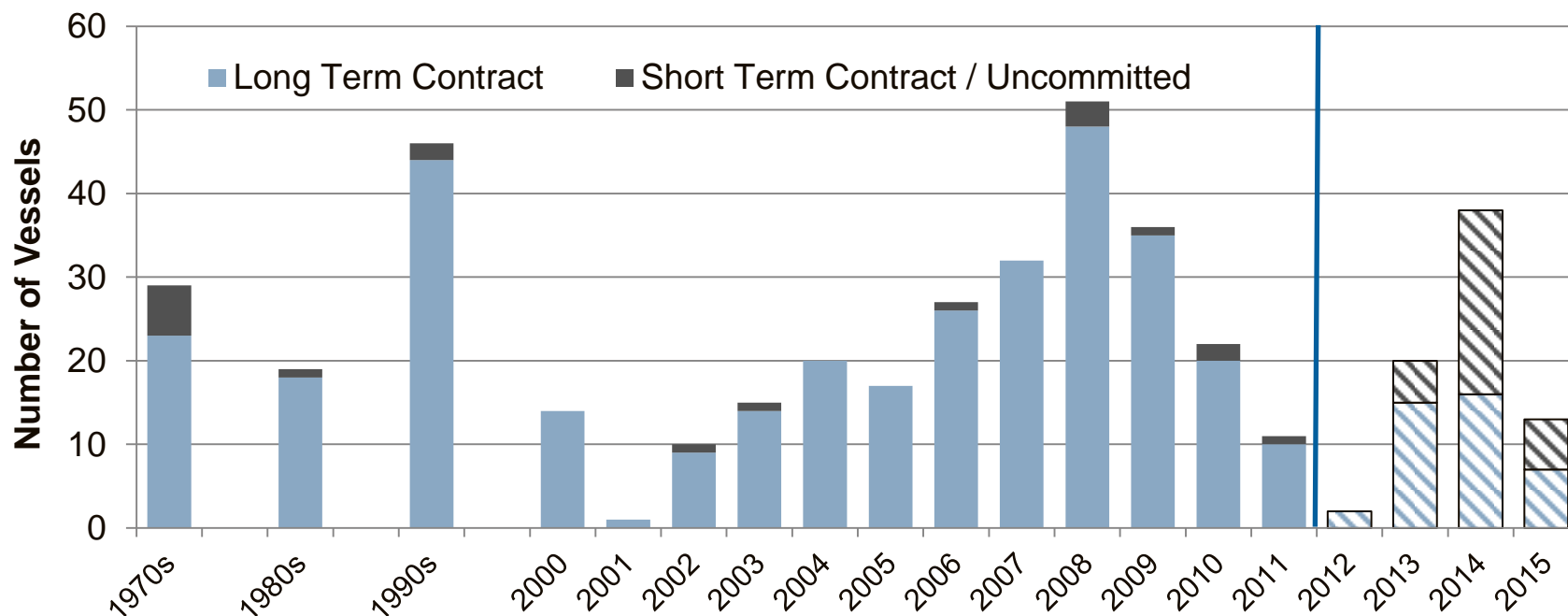


Source: GIIGNL

Orderbook Reflective of Strong Spot Market

- Orderbook of 73 vessels represents 20% of the fleet size
- Of the 73 on order, 33 (or 45%) are currently uncommitted on long-term charters
- Move towards standardized size of 160-170 kcbm, DFDE propulsion

LNG Carrier Fleet and Orderbook



Source: Clarksons

LNG Carrier Supply / Demand Balance

2012-2015

- Market likely to remain tight through 2013 on elevated Japanese demand
- Risk of a softening in spot / short-term charter rates once the orderbook starts to deliver in 2013 / 14
- Bulk of new LNG liquefaction capacity comes online post-2015

2016-2020

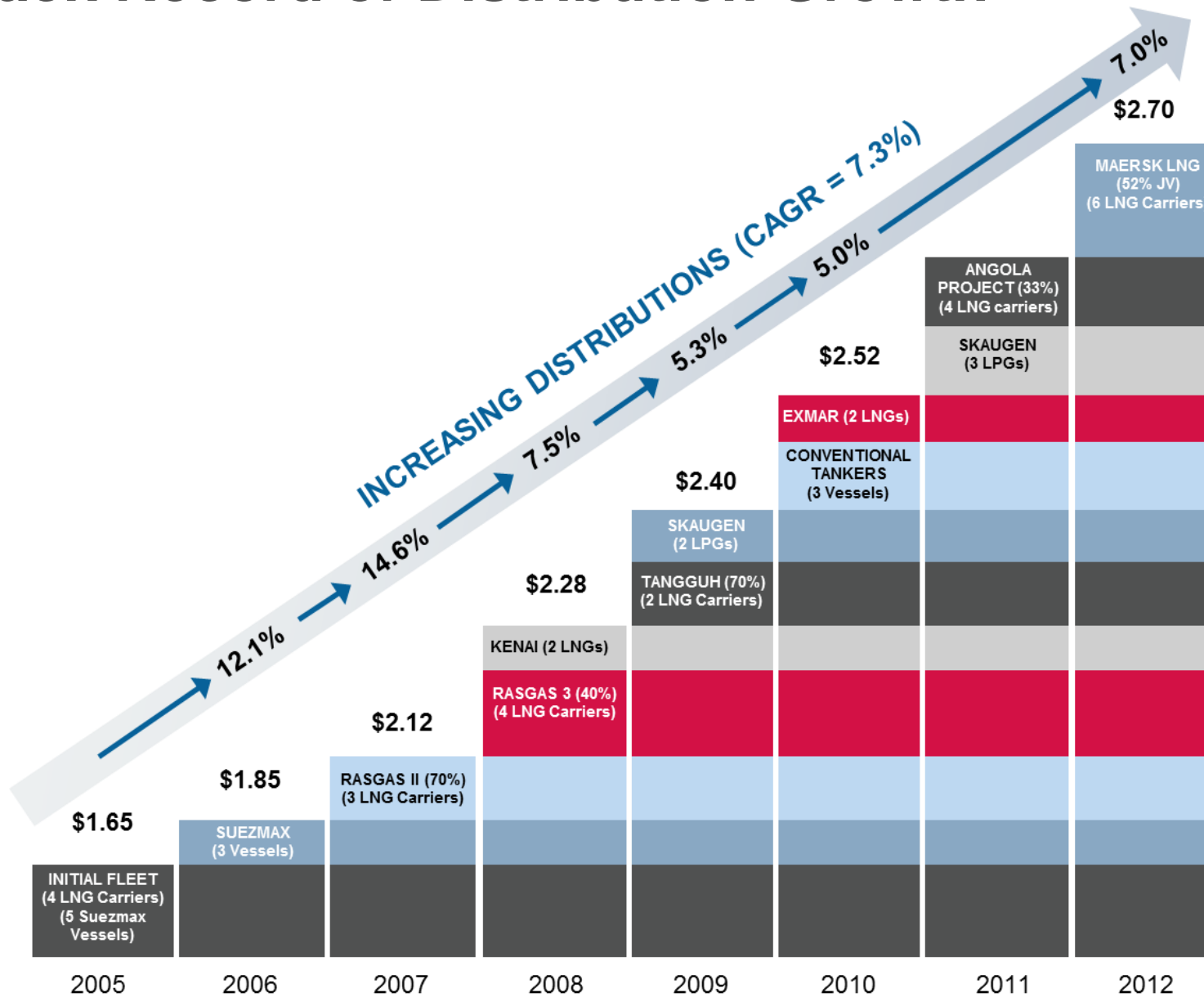
- Significant ramp-up in LNG export volumes and therefore transportation demand
- Estimated 100 LNGs over and above the current orderbook required to satisfy projected demand by 2020
- Demand for floating regasification set to grow in tandem with increased LNG export volumes and global infrastructure build-out

Current TGP Growth Initiatives

- Secure charter for *Magellan Spirit*
 - Existing charter expires September 2013
- Currently bidding on three point-to-point LNG projects
 - Expect increasing number of new LNG tenders over the next 18 months
- Actively working on two FSRU projects
- In order to qualify for certain tenders, we are considering to order a small number of LNG newbuildings prior to obtaining charter contracts
- Continuing to pursue accretive consolidation opportunities utilizing our financial strength
- Not presently focusing on FLNG

Objective: to increase distributable cash flow per unit

Track Record of Distribution Growth



Note: Distributions shown represent latest quarter dividends annualized. Diagram not to scale.

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