

TEEKAY PARTNERS

**Teekay Offshore  
Partners and  
Teekay LNG  
Partners**

MLP Conference 2008



# TEEKAY LNG PARTNERS L.P.

**NYSE: TGP**

**IPO Date: May 5, 2005**

**IPO Price: \$22/unit**

**Current Price/unit: \$29.95**

**Current Dist'n/unit: \$2.12**



\*As of May 14, 2008



## 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; possible increases in distributions; Teekay offering its interest in the Angola LNG Project vessels to the Partnership; the timing of the commencement of the RasGas 3 and Tangguh LNG projects; the timing of LNG and LPG newbuilding deliveries; and the Partnership's exposure to foreign currency fluctuations, particularly in Euros. 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, 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; 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; changes to the amount or proportion of revenues, expenses, or debt service costs denominated in foreign currencies; and other factors discussed in Teekay LNG's filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2007. 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.



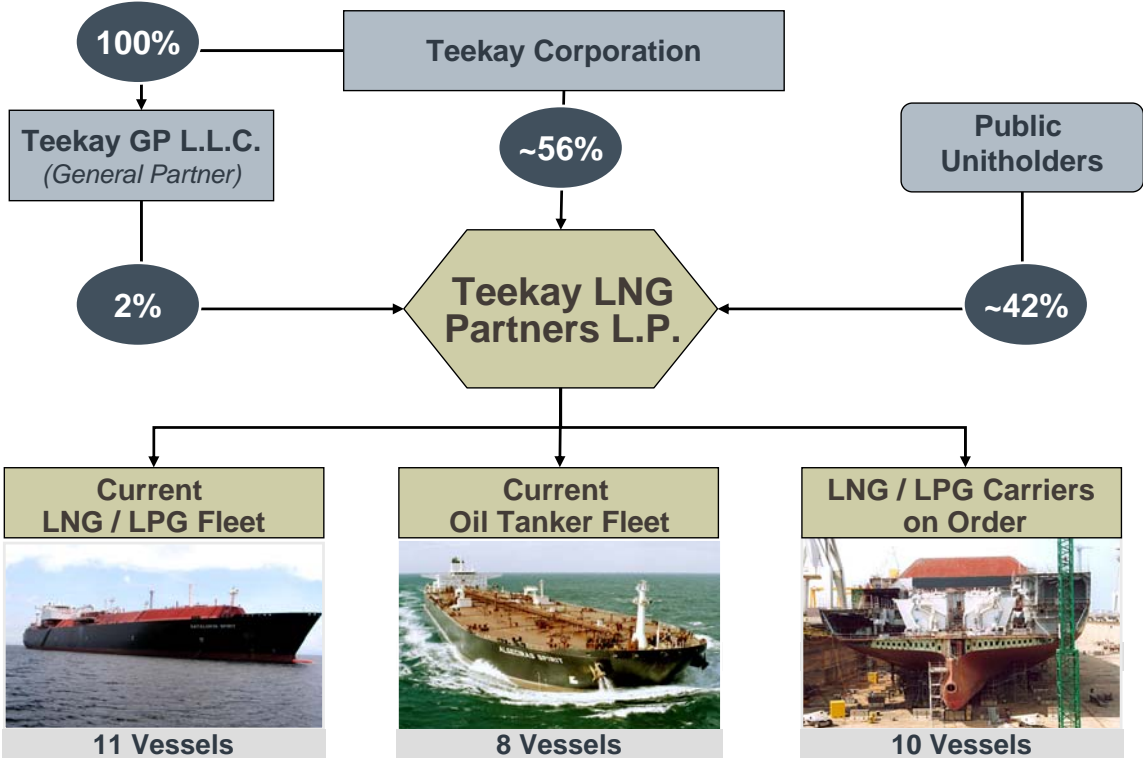
## Investment Highlights

### *A compelling investment opportunity:*

- ▶ **Stable Cash Flows** — 10-25 year fixed-rate contracts
- ▶ **High Growth Potential** — LNG is one of the fastest growing energy sectors
- ▶ **Strong Sponsorship** — Growth through newbuilding projects and acquisitions utilizing Teekay's position as the largest transporter of seaborne oil and gas
- ▶ **Attractive Yield** — Current yield of ~7% with track record of increasing distributions by minimum 10% p.a. since IPO

**Opportunity to co-invest in gas transportation  
with Teekay Corporation**

# Teekay LNG Partners - Ownership Structure



## Our Business Strategy

- ▶ Expand our fleet on a build-to-suit basis for “blue chip” customers
- ▶ Focus on fixed-rate contracts in excess of 10 years
- ▶ Pursue industry consolidation through accretive acquisitions
- ▶ Leverage Teekay’s customer and supplier relationships
- ▶ Provide superior vessel operations
- ▶ Pursue specialized project business



*Al Areesh and Al Marrouna*

**Objective: to maximize distributable cash flow per unit**

## 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: 21 years
  - ▶ LPGs: 14 years
  - ▶ Tankers: 12 years
- ▶ Liabilities are matched to contracts:
  - ▶ Repayment profile of principal matches revenue stream
  - ▶ Interest rates hedged for duration of contract

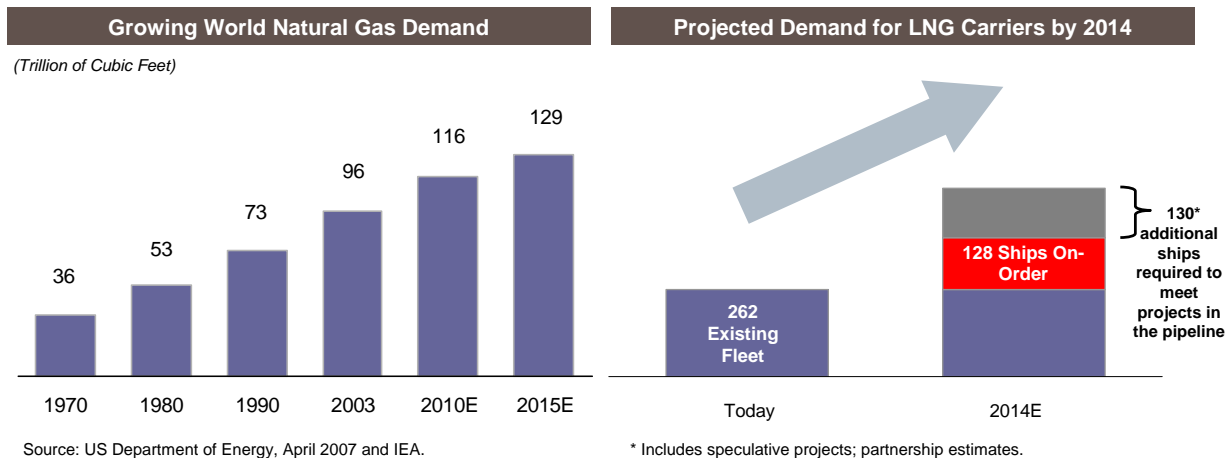


*Al Daayen*

Note: Weighted average remaining contract life calculations include newbuildings.

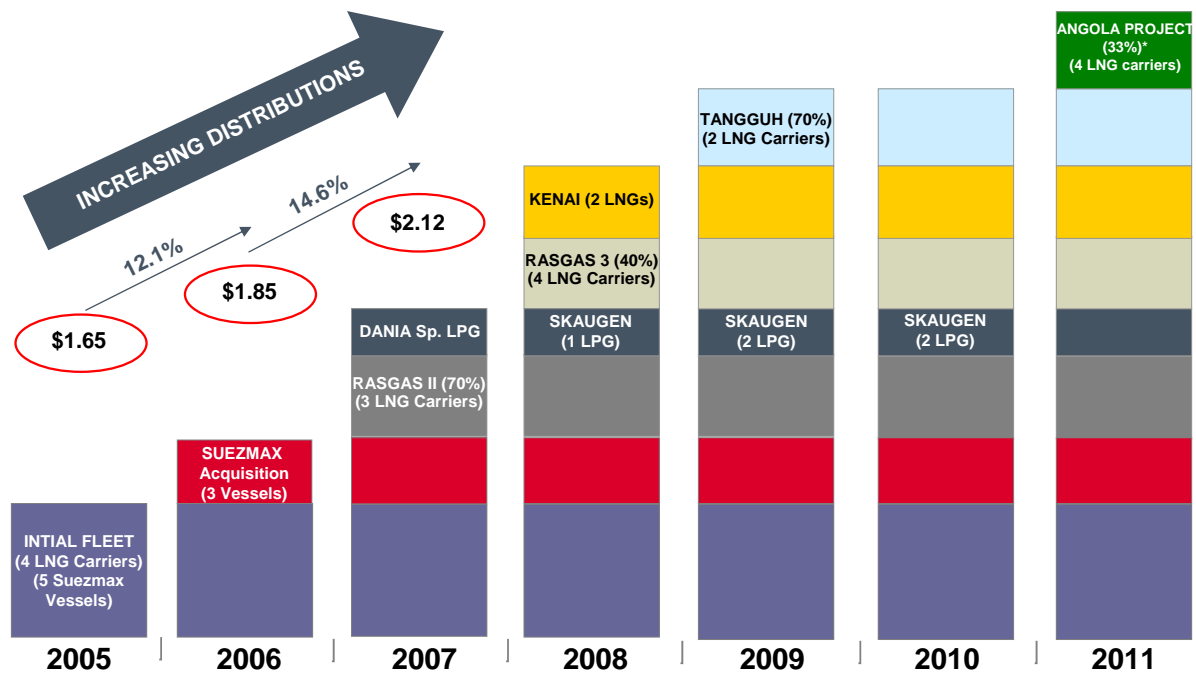
## LNG Shipments: 8% Expected Annual Growth

- ▶ Global demand for natural gas is expected to continue to grow significantly
- ▶ Growing shortfall of natural gas in key consuming countries, especially Asia and Europe
- ▶ LNG shipments are the obvious solution to address this shortfall
- ▶ Creates increased demand for LNG carriers and a \$25 + billion market opportunity





## Multi-Year, Built-in Growth



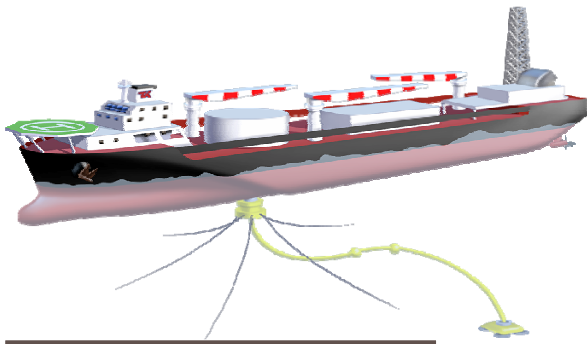
**Additional growth opportunities exist through 3<sup>rd</sup> party acquisitions**

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

\* Teekay Corporation is obligated to offer Teekay LNG Partners the opportunity to purchase its 33% interest in these vessels.

# Exploring New Horizons

## Floating Liquefaction / Regasification



Ship-to-ship Transfer



## Compressed Gas Solutions



Continued focus on long-term, fixed-rate contracts



# TEEKAY OFFSHORE PARTNERS L.P.

**NYSE: TOO**

**IPO Date: Dec. 13, 2006**

**IPO Price: \$21/unit**

**Current Price/unit: \$22.00**

**Current Dist'n/unit: \$1.60**

\*As of May 14, 2008



## 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; the offers of shuttle tankers, FSOs and FPSOs and associated contracts from Teekay to Teekay Offshore; 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; the failure of Teekay to offer additional interests in OPCO to Teekay Offshore; 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 the Registration Statement of Teekay Offshore Partners L.P. on Form F-1 dated December 13, 2006. 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.

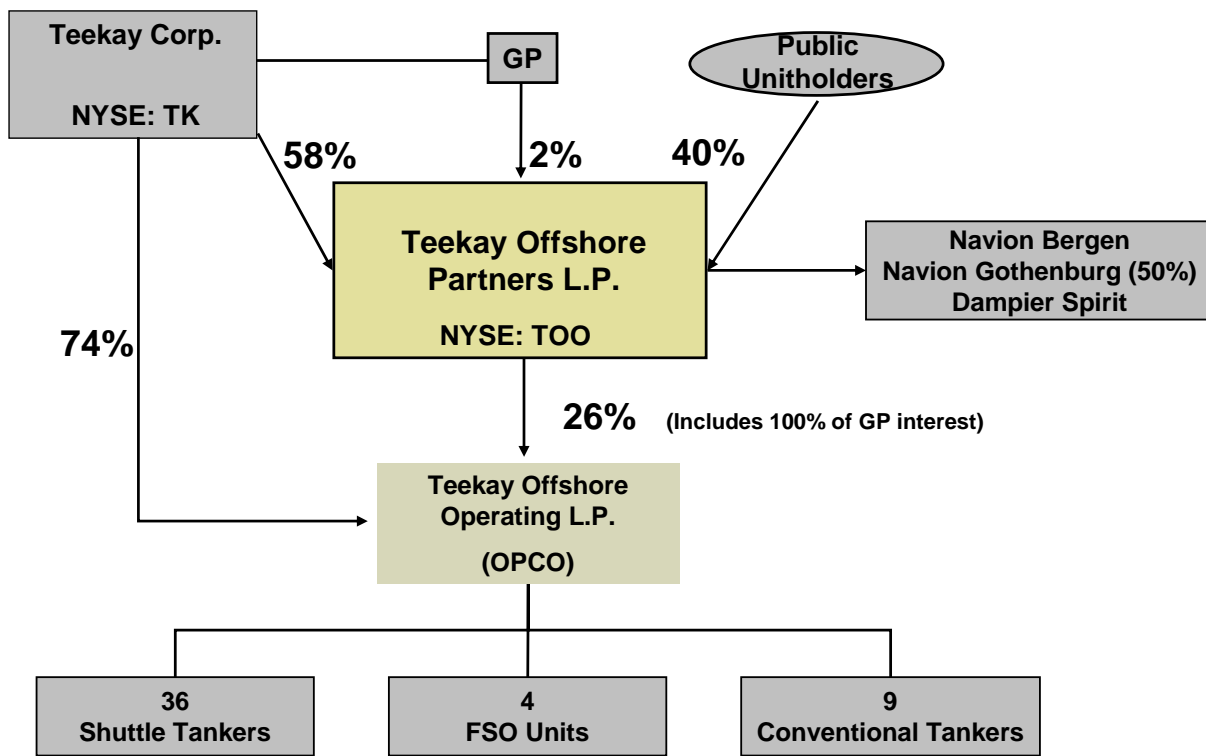


## Teekay Offshore's Investment Highlights

- ▶ ***Built-in acquisition growth*** – visible opportunities to make accretive acquisitions
- ▶ ***Substantial organic growth opportunities*** – rapidly expanding offshore oil sector
- ▶ ***Leading market position*** – integral part of offshore oil production chain
- ▶ ***Stable cash flows*** – diverse portfolio of long-term, fixed-rate contracts with major energy companies

**Opportunity to Co-Invest in  
Teekay's Offshore Oil Business**

## Teekay Offshore Partners – Ownership Structure



## Offshore Oil Transportation, Storage and Production



**FPSO**

**Oil production and storage vessel**

**Contracts are generally long-term**

**Cost: \$100m - \$1b**



**FSO**

**Provides on-site storage for oil fields**

**Contracts are generally long-term, fixed-rate**

**Cost: \$20m - \$50m**



**Shuttle Tanker**

**Specially designed to transport oil from offshore installations to refineries**

**Majority of contracts are 'life of field'**

**Cost: \$60m - \$100m**

## Shuttle Tankers: “Floating Pipelines” for Offshore Oil



North Sea Offshore Oil Network

### Advantages Over Pipelines

- ▶ Less costly – especially for remote areas
- ▶ Vessel interchangeability allows uninterrupted oil movement
- ▶ Destination flexibility for the customer
- ▶ Segregation of cargo

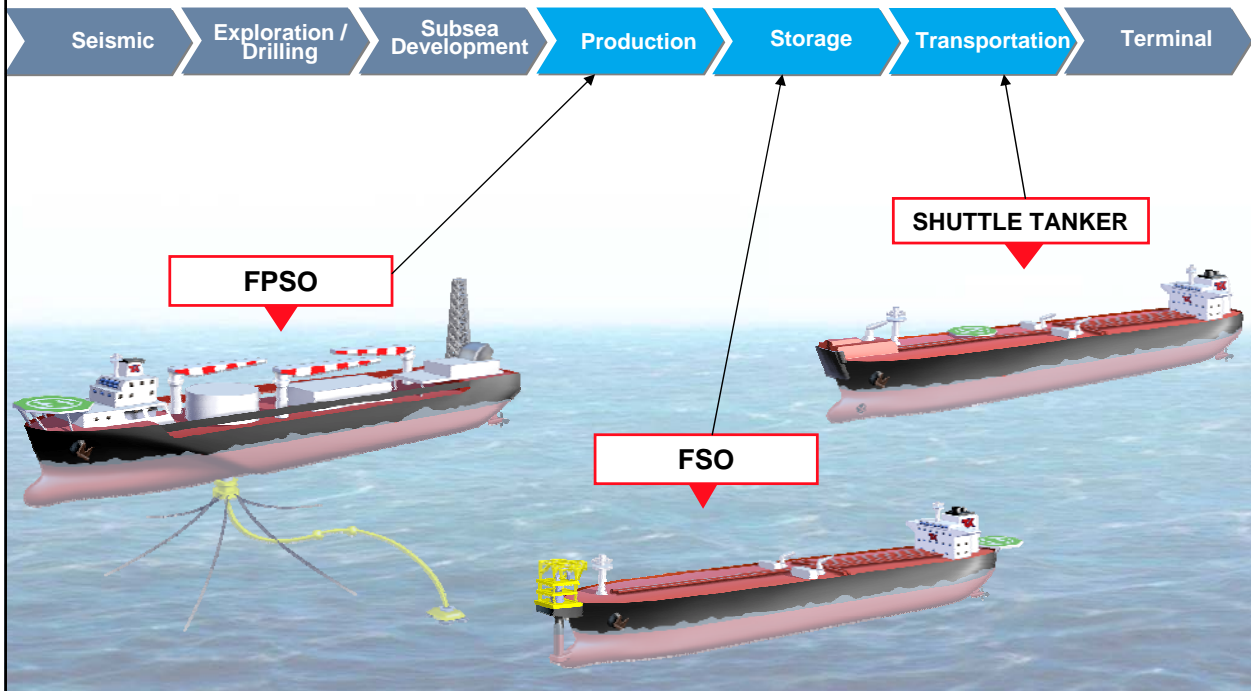




# Growing Investment in Offshore Oil and Gas Sector

Run-rate of \$247 billion annually by 2010

\$163 billion in 2005 expenditures



## Long-term, Diverse Contract Portfolio

### Average Contract Life

- Shuttle Tankers**
- ▶ Majority of CoA volumes are life of field (15 year average field life) – 21 vessels
  - ▶ Time / bareboat charter 5 years – 15 vessels

- FSO Units**
- ▶ 4 years

- Conventional Tankers**
- ▶ 7 years (plus 5 one-year options)

### High Quality Customers



## Significant Growth Opportunities

**INCREASING DISTRIBUTIONS**

### FPSO Opportunity (Petrojarl)

- ▶ Teekay Shipping's 50% JV with Teekay Petrojarl is actively bidding on new projects
- ▶ Teekay Petrojarl currently owns 5 FPSO units

### May Acquire Additional Interests in OPCO

- ▶ Teekay recently offered to sell 25% of OPCO to TOO
- ▶ May offer remaining 49% over time

### Expand The Fleet



- ▶ 4 newbuild shuttle tankers may be offered to Teekay Offshore
- ▶ Focus on long-term contracts

## Teekay Corp. Sponsorship Creates Competitive Advantage

### Global Reach And Scale

- ▶ Moves over 10% of the world's seaborne oil
- ▶ Operates over 200 vessels
- ▶ Offices in 17 countries with 6,400 seagoing and shore-based employees

### Proven Track Record

- ▶ Total assets grown from \$2.7 billion to \$10.4 billion <sup>(1)</sup>
- |   |                               |   |
|---|-------------------------------|---|
|   | TEEKAY OFFSHORE PARTNERS L.P. | ▶ Distributions up 14% since IPO in Dec. 2006 |
|  | TEEKAY LNG PARTNERS L.P.      | ▶ Distributions up 28% since IPO in May 2005  |

### Teekay Corp. is Aligned with Unitholders

- ▶ TOO and TGP are the primary vehicles for Teekay Corp. to grow its offshore and gas franchises, respectively
- ▶ Teekay Corp. is the largest L.P. unit holder
- ▶ As the General Partner, incentivized to grow distributions through incentive distribution rights

(1) Growth from 2002 through present.



