TEEKAY LNG PARTNERS L.P.
4th Floor, Belvedere Building, 69 Pitts Bay Road
Hamilton, HM 08, Bermuda

EARNINGS RELEASE

TEEKAY LNG PARTNERS
REPORTS FOURTH QUARTER AND ANNUAL RESULTS

Highlights

- Generated distributable cash flow[1] of $44.1 million in the fourth quarter of 2011, an increase of 12 percent from the fourth quarter of 2010.
- Declared fourth quarter 2011 cash distribution of $0.63 per unit.
- In January 2012, took delivery of the last of four LNG carriers servicing the Angola LNG project, all four of which are operating under long-term fixed-rate charters.
- Expects to complete in February 2012 the previously-announced acquisition of A.P. Moller-Maersk A/S' LNG fleet through joint venture with Marubeni Corporation.
- Management intends to recommend a 7 percent increase to quarterly distributions to $0.675 per unit commencing with the first quarter 2012 distribution payable in May 2012.

Hamilton, Bermuda, February 23, 2012 – Teekay GP LLC, the general partner of Teekay LNG Partners L.P. (*Teekay LNG* or *the Partnership*) (NYSE: TGP) today reported the Partnership's results for the quarter ended December 31, 2011. During the fourth quarter of 2011, the Partnership generated distributable cash flow of $44.1 million, compared to $39.3 million in the same quarter of the previous year. The increase primarily reflects the incremental distributable cash flow resulting from the November 2010 acquisition of a 50 percent interest in two liquefied natural gas (*LNG*) carriers; the June and October 2011 acquisitions of two Multigas carriers; the August, September and October 2011 acquisitions of a 33 percent interest in three LNG carriers; and the September 2011 acquisition of one liquefied petroleum gas (*LPG*) carrier; partially offset by the sale of the *Dania Spirit* LPG carrier in November 2010.

On January 19, 2012, the Partnership declared a cash distribution of $0.63 per unit for the quarter ended December 31, 2011. The cash distribution was paid on February 14, 2012 to all unitholders of record on February 1, 2012.

In October 2011, the Partnership announced that its joint venture with Marubeni Corporation (*Teekay LNG-Marubeni Joint Venture*) agreed to acquire ownership interests in eight LNG carriers from Denmark-based global conglomerate, A.P. Moller-Maersk A/S (*Maersk*). Since that time, there have been a number of developments related to the acquisition which is scheduled to be completed by the end of February 2012:

- The majority owners of the two LNG carriers that were 26 percent owned by Maersk exercised their rights to acquire the remaining interests in the vessels, thereby reducing the number of LNG carriers to be acquired by the joint venture from eight to six and the total purchase price from approximately $1.4 billion to approximately $1.3 billion.
- Teekay LNG and Marubeni Corporation have secured debt financing for approximately 80 percent of the purchase price, with the remaining 20 percent to be funded by each joint venture partner. Teekay LNG's equity portion amounts to $138 million which will be sourced from the $179.5 million in proceeds from the Partnership's November 2011 follow-on equity offering.
- The charter extension option on the *Maersk Meridian* was exercised by the customer, extending the current contract by an additional 18 years.
- A new, three-year charter contract at a fixed-rate of approximately $130,000 per day was entered into for the Maersk Methane, commencing in April 2012.

(1) Distributable cash flow is a non-GAAP financial measure used by certain investors to measure the financial performance of the Partnership and other master limited partnerships. Please see *Appendix B* for a reconciliation of this non-GAAP measure to the most directly comparable financial measure under United States generally accepted accounting principles (*GAAP*).

"I am pleased to announce that we expect the Teekay LNG-Marubeni Joint Venture to complete its acquisition of the Maersk LNG fleet next week," commented Peter Evensen, Chief Executive Officer of Teekay GP LLC. "This acquisition is expected to generate approximately $40 million of incremental distributable cash flows to the Partnership in 2012, and builds on the stable, fixed-rate cash flows from the three LPG/Multigas carriers and interests in the four LNG carriers that we have recently added to our fleet."

Mr. Evensen continued, "Given the strong fundamentals that are driving up spot LNG shipping rates and the compelling outlook for the supply and demand of LNG, we expect to remain active in our assessment of near-term acquisition opportunities while continuing to bid on new long-term gas projects. After completion of the acquisition of the Maersk LNG fleet, we expect the Partnership will have approximately $400 million of available liquidity and thus, remain well-positioned to take advantage of future growth opportunities."

Teekay LNG's Fleet

The following table summarizes the Partnership's fleet as of February 1, 2012:

	Number of Vessels		
	Delivered Vessels	**Pending Acquisitions**	**Total**
LNG Carrier Fleet	21 (i)	6 (iii)	27
LPG/Multigas Carrier Fleet	5 (ii)	-	5
Conventional Tanker Fleet	11	-	11
Total	**37**	**6**	**43**

(i) The Partnership's ownership percentages in these vessels range from 33 percent to 100 percent.
(ii) The Partnership has a 99 percent ownership in these vessels.
(iii) Represents the Partnerships 52 percent interest in six Maersk LNG Carriers to be acquired.

In January 2012, Teekay LNG acquired from Teekay Corporation (*Teekay*), its 33 percent interest in the last newbuilding LNG carrier for the Angola LNG Project. Teekay LNG expects to acquire interests in the six Maersk LNG carriers through its 52 percent interest in the Teekay LNG-Marubeni Joint Venture by the end of February 2012.

Financial Summary

The Partnership reported adjusted net income attributable to the partners[2] (as detailed in *Appendix A* to this release) of $29.8 million for the quarter ended December 31, 2011, compared to $26.2 million for the same period of the prior year. Adjusted net income attributable to the partners excludes a number of specific items which had the net effect of increasing net income by $10.6 million and $50.2 million for the three months ended December 31, 2011 and 2010, respectively, as detailed in *Appendix A*. Including these items, the Partnership reported net income attributable to the partners, on a GAAP basis, of $40.3 million and $76.4 million for the three months ended December 31, 2011 and 2010, respectively.

For the year ended December 31, 2011, the Partnership reported adjusted net income attributable to the partners[1] (as detailed in *Appendix A* to this release) of $108.9 million, compared to $95.8 million for the same period of the prior year. Adjusted net income attributable to the partners excludes a number of specific items which had the net effect of decreasing net income by $19.0 million and $8.1 million for the year ended December 31, 2011 and 2010, respectively, as detailed in *Appendix A.* Including these items, the Partnership reported net income attributable to the partners, on a GAAP basis, of $89.8 million and $87.6 million for the year ended December 31, 2011 and 2010, respectively.

For accounting purposes, the Partnership is required to recognize the changes in the fair value of its derivative instruments on its consolidated statements of income. This method of accounting does not affect the Partnership's cash flows or the calculation of distributable cash flow, but results in the recognition of unrealized gains or losses on the consolidated statements of income as detailed in footnote 2 of the Summary Consolidated Statements of Income included in this release.

The Partnership's consolidated financial statements for prior periods include historical results of vessels acquired by the Partnership from Teekay, referred to herein as the *Dropdown Predecessor*, for the period when these vessels were owned and operated by Teekay.

(2) Adjusted net income attributable to the partners is a non-GAAP financial measure. Please refer to Appendix A to this release for a reconciliation of this non-GAAP measure to the most directly comparable financial measure under GAAP and information about specific items affecting net income which are typically excluded by securities analysts in their published estimates of the Partnership's financial results.

Operating Results

The following table highlights certain financial information for Teekay LNG's two segments: the Liquefied Gas segment and the Conventional Tanker segment (please refer to the "Teekay LNG's Fleet" section of this release above and *Appendix C* for further details).

(in thousands of U.S. dollars)	Three Months Ended December 31, 2011 (unaudited)			Three Months Ended December 31, 2010 (unaudited)		
	Liquefied Gas Segment	Conventional Tanker Segment	Total	Liquefied Gas Segment	Conventional Tanker Segment	Total
Net voyage revenues(i)	68,966	28,262	97,228	66,661	30,170	96,831
Vessel operating expenses	11,748	10,737	22,485	10,914	9,631	20,545
Depreciation and amortization	16,995	7,372	24,367	15,173	7,485	22,658
Cash flow from vessel operations(ii)	55,468	15,428	70,896	53,343	15,002	68,345

(i) Net voyage revenues represents voyage revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net voyage revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Partnership's website at www.teekaylng.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(ii) Cash flow from vessel operations represents income from vessel operations before (a) depreciation and amortization expense and (b) adjusting for direct financing leases to a cash basis. However, the Partnership's cash flow from vessel operations does not include the Partnership's portion of cash flow from vessel operations for joint ventures accounted for by the Partnership on an equity basis. Cash flow from vessel operations is included because certain investors use this data to measure a company's financial performance. Cash flow from vessel operations is not required by GAAP and should not be considered as an alternative to net income or any other indicator of the Partnership's performance required by GAAP.

Liquefied Gas Segment

Cash flow from vessel operations from the Partnership's Liquefied Gas segment increased to $55.5 million in the fourth quarter of 2011 from $53.3 million in the same quarter of the prior year. This increase is primarily due the acquisition of two newbuilding Multigas carriers in June and October 2011, and a newbuilding LPG carrier in September 2011, partially offset by the sale of the *Dania Spirit* LPG carrier in November 2010.

Cash flow from vessel operations, as reported in the above table, does not include the Partnership's share of cash flow from vessel operations of $20.0 million and $11.9 million for the three months ended December 31, 2011 and 2010, respectively, from the Partnership's three equity-accounted joint ventures, RasGas 3, Exmar and Angola. This increase is primarily due to the acquisition of an interest in the Exmar Joint Venture in November 2010, and the acquisitions of three LNG carriers through the Angola joint venture during 2011. The RasGas 3 joint venture is the Partnership's 40 percent ownership interest in Teekay Nakilat (III) Corporation, which owns four LNG carriers. The Exmar joint venture is the Partnership's 50 percent ownership interest in joint ventures with Exmar NV which, collectively, own two LNG carriers, including one regasification unit. The Angola joint venture is the Partnership's 33 percent ownership interest in four LNG carriers that were delivered in August, September, October 2011 and January 2012 servicing the Angola LNG Project.

Conventional Tanker Segment

Cash flow from vessel operations from the Partnership's Conventional Tanker segment remained consistent with the same quarter of the prior year.

Liquidity

As of December 31, 2011, the Partnership had total liquidity of $538.7 million (comprised of $93.6 million in cash and cash equivalents and $445.1 million in undrawn credit facilities), compared to total liquidity of $459.7 million as of December 31, 2010.

Conference Call

The Partnership plans to host a conference call on Friday, February 24, 2012 at 11:00 a.m. (ET) to discuss the results for the fourth quarter and fiscal year 2011. All unitholders and interested parties are invited to listen to the live conference call by choosing from the following options:

- By dialing (866) 322-2356 or (416) 640-3405, if outside North America, and quoting conference ID code 5423528.
- By accessing the webcast, which will be available on Teekay LNG's website at www.teekaylng.com (the archive will remain on the web site for a period of 30 days).

A supporting Fourth Quarter and Fiscal Year 2011 Earnings Presentation will also be available at www.teekaylng.com in advance of the conference call start time.

The conference call will be recorded and made available until Friday, March 2, 2012. This recording can be accessed following the live call by dialing (888) 203-1112 or (647) 436-0148, if outside North America, and entering access code 5423528.

About Teekay LNG Partners L.P.

Teekay LNG Partners is the world's third largest independent owner and operator of LNG vessels, providing LNG, LPG and crude oil marine transportation services primarily under long-term, fixed-rate charter contracts with major energy and utility companies through its interests in 21 LNG carriers (including one LNG regasification unit), five LPG/Multigas carriers and 11 conventional tankers. The Partnership's interests in these vessels range from 33 to 100 percent. In addition, Teekay LNG Partners, through its joint venture with Marubeni Corporation, has agreed to acquire ownership interests in six LNG carriers and expects this transaction to close in February 2012. Teekay LNG Partners L.P. is a publicly-traded master limited partnership (MLP) formed by Teekay Corporation (NYSE: TK) as part of its strategy to expand its operations in the LNG and LPG shipping sectors.

Teekay LNG Partners' common units trade on the New York Stock Exchange under the symbol "TGP".

For Investor Relations enquiries contact:
Kent Alekson
Tel: +1 (604) 609-6442

Website: www.teekaylng.com

TEEKAY LNG PARTNERS L.P.
SUMMARY CONSOLIDATED STATEMENTS OF INCOME
(in thousands of U.S. dollars, except unit data)

	Three Months Ended			Year Ended	
	December 31, 2011 (unaudited)	September 30, 2011 (unaudited)	December 31, 2010 (unaudited)	December 31, 2011 (unaudited)	December 31, 2010 (1) (unaudited)
VOYAGE REVENUES	97,253	97,256	97,516	379,975	374,008
OPERATING EXPENSES					
Voyage expenses	25	307	685	1,387	2,042
Vessel operating expenses	22,485	22,366	20,545	89,046	84,577
Depreciation and amortization	24,367	23,032	22,658	91,919	89,347
General and administrative	5,455	5,804	7,566	24,120	23,247
Gain on sale of vessel	-	-	(4,340)	-	(4,340)
Restructuring charge	-	-	-	-	175
	52,332	51,509	47,114	206,472	195,048
Income from vessel operations	44,921	45,747	50,402	173,503	178,960
OTHER ITEMS					
Interest expense	(13,861)	(12,129)	(12,217)	(49,880)	(49,019)
Interest income	1,835	1,576	1,805	6,687	7,190
Realized and unrealized (loss) gain on derivative instruments(2)	(8,780)	(37,690)	27,064	(63,030)	(78,720)
Foreign exchange gain(3)	10,722	29,480	7,528	10,310	27,545
Equity income(4)	8,189	891	10,526	20,584	8,043
Other income (expense) – net	98	309	(1,435)	(818)	(1,055)
Net income	43,124	28,184	83,673	97,356	92,944
Net income attributable to:					
Non-controlling interest	2,777	535	7,301	7,508	3,062
Dropdown Predecessor(1)	-	-	-	-	2,258
Partners	40,347	27,649	76,372	89,848	87,624
Limited partners' units outstanding:					
Weighted-average number of common units outstanding - Basic and diluted	62,885,074	59,357,900	54,705,598	59,147,422	51,481,035
Weighted-average number of subordinated units outstanding - Basic and diluted	-	-	-	-	1,816,591
Weighted-average number of total units outstanding - Basic and diluted	62,885,074	59,357,900	54,705,598	59,147,422	53,297,626
Total number of units outstanding at end of period	64,857,900	59,357,900	55,106,100	64,857,900	55,106,100

(1) Results for the *Alexander Spirit*, *Hamilton Spirit* and *Bermuda Spirit* for the periods prior to their acquisition in March 2010 by the Partnership when they were owned and operated by Teekay Corporation are referred to as the *Dropdown Predecessor*.

(2) The realized losses relate to the amounts the Partnership actually paid to settle derivative instruments and the unrealized (losses) gains relate to the change in fair value of such derivative instruments as detailed in the table below.

	Three Months Ended			Year Ended	
	December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Realized losses relating to:					
Interest rate swaps	(9,795)	(10,022)	(10,394)	(40,100)	(42,495)
Interest rate swap terminations	(22,560)	-	-	(22,560)	-
Toledo Spirit time-charter derivative contract	(40)	-	(1,919)	(93)	(1,919)
	(32,395)	(10,022)	(12,313)	(62,753)	(44,414)
Unrealized gains (losses) relating to:					
Interest rate swaps	(6,345)	(29,268)	37,277	(32,237)	(34,906)
Interest rate swap terminations	22,560	-	-	22,560	-
Toledo Spirit time-charter derivative contract	7,400	1,600	2,100	9,400	600
	23,615	(27,668)	39,377	(277)	(34,306)
Total realized and unrealized (losses) gains on derivative instruments	(8,780)	(37,690)	27,064	(63,030)	(78,720)

(3) For accounting purposes, the Partnership is required to revalue all foreign currency-denominated monetary assets and liabilities based on the prevailing exchange rate at the end of each reporting period. This revaluation does not affect the Partnership's cash flows or the calculation of distributable cash flow, but results in the recognition of unrealized foreign currency translation gains or losses in the consolidated statements of income.

(4) Equity income includes unrealized gains (losses) on derivative instruments of $0.3 million, ($5.5) million and $6.4 million for the three months ended December 31, 2011, September 30, 2011 and December 31, 2010, respectively, and ($5.8) million and ($6.5) million for the years ended December 31, 2011 and 2010, respectively.

TEEKAY LNG PARTNERS L.P.

SUMMARY CONSOLIDATED BALANCE SHEETS [(1)]

(in thousands of U.S. dollars)

	As at December 31, 2011 (unaudited)	As at September 30, 2011 (unaudited)	As at December 31, 2010 (unaudited)
ASSETS			
Cash and cash equivalents	93,627	101,499	81,055
Restricted cash – current	-	85,726	82,576
Other current assets	18,837	17,586	25,273
Advances to affiliates	11,922	3,510	6,133
Restricted cash – long-term	495,634	492,837	489,562
Vessels and equipment	2,021,125	1,980,613	1,940,041
Advances on newbuilding contracts	-	41,338	79,535
Net investments in direct financing leases	409,541	411,158	415,695
Derivative assets	155,259	152,536	62,283
Investments in and advances to joint ventures	191,448	190,040	172,898
Other assets	34,760	31,724	33,167
Intangible assets	114,416	116,698	123,546
Goodwill	35,631	35,631	35,631
Total Assets	3,582,200	3,660,896	3,547,395
LIABILITIES AND EQUITY			
Accounts payable, accrued liabilities and unearned revenue	60,030	56,244	56,971
Current portion of long-term debt and capital leases	131,925	258,878	343,790
Advances from affiliates and joint venture partners	17,400	78,452	133,410
Long-term debt and capital leases	1,830,353	1,867,631	1,793,459
Derivative liabilities	293,218	314,110	199,965
Other long-term liabilities	109,565	108,484	106,477
Equity			
Non-controlling interest[(2)]	26,242	22,873	17,123
Partners' equity	1,113,467	954,224	896,200
Total Liabilities and Total Equity	3,582,200	3,660,896	3,547,395

(1) Due to the Partnership's agreement to acquire Teekay Corporation's 100 percent interest in two Multigas carriers, under GAAP it was required to consolidate these vessels prior to the actual acquisition date. Acquisitions of the Multigas carriers were in June and October 2011.

(2) Non-controlling interest includes the 30 percent equity interest of the RasGas II project (which owns three LNG carriers), the 31 percent equity interest in the Tangguh Project (which owns two LNG carriers), the 1 percent equity interest in the two Kenai LNG carriers, the 1 percent equity interest in the Excalibur joint venture (which owns one LNG carrier), and the 1 percent equity interest in the five LPG/Multigas carriers, which in each case the Partnership does not own.

TEEKAY LNG PARTNERS L.P.
SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of U.S. dollars)

	Year Ended December 31,	
	2011	2010[1]
	(unaudited)	(unaudited)
Cash and cash equivalents provided by (used for)		
OPERATING ACTIVITIES		
Net operating cash flow	**122,046**	**174,970**
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	600,862	100,945
Debt issuance costs	(2,578)	(137)
Scheduled repayments of long-term debt	(290,940)	(76,018)
Prepayments of long-term debt	(383,000)	(72,000)
Scheduled repayments of capital lease obligations and other long-term liabilities	(89,350)	(39,147)
Proceeds from equity offerings net of offering costs	341,178	50,921
Advances to and from affiliates	27,048	16,545
Advances to and from joint venture partners	-	(10,200)
Repayment of joint venture partners' advances	-	(1,235)
Decrease in restricted cash	76,249	30,741
Cash distributions paid	(159,380)	(135,514)
Equity contribution from Teekay Corporation to Dropdown Predecessor	-	466
Purchase of Skaugen Multigas Subsidiaries	(114,466)	-
Proceeds on sale of 1% interest in Skaugen LPG Carriers and Skaugen Multigas Subsidiaries	1,812	-
Distribution to Teekay Corporation for the acquisition of Alexander Spirit LLC, Bermuda Spirit LLC and Hamilton Spirit LLC	-	(33,997)
Other	(261)	884
Net financing cash flow	**7,174**	**(167,746)**
INVESTING ACTIVITIES		
Purchase of Excelsior and Excalibur Joint Ventures	-	(35,169)
Purchase of equity investments in three Angola LNG Carriers	(57,287)	-
Proceeds received from the sale of Dania Spirit	-	21,556
Advances to joint venture	(830)	-
Receipts from direct financing leases	6,154	5,746
Expenditures for vessels and equipment	(64,685)	(26,652)
Net investing cash flow	**(116,648)**	**(34,519)**
Increase (decrease) in cash and cash equivalents	**12,572**	**(27,295)**
Cash and cash equivalents, beginning of the year	81,055	108,350
Cash and cash equivalents, end of the year	**93,627**	**81,055**

(1) In accordance with GAAP, the Consolidated Statements of Cash Flows includes the cash flows relating to the Dropdown Predecessor for the *Alexander Spirit*, *Hamilton Spirit* and *Bermuda Spirit*, for the period from January 1, 2010 to March 17, 2010, when the vessels were under the common control of Teekay, but prior to their acquisition by the Partnership.

TEEKAY LNG PARTNERS L.P.
APPENDIX A – SPECIFIC ITEMS AFFECTING NET INCOME
(in thousands of U.S. dollars)

Set forth below is a reconciliation of the Partnership's unaudited adjusted net income attributable to the partners, a non-GAAP financial measure, to net income attributable to the partners as determined in accordance with GAAP. The Partnership believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Partnership's financial performance. The items below are also typically excluded by securities analysts in their published estimates of the Partnership's financial results. Adjusted net income attributable to the partners is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP.

	Three Months Ended		Year Ended	
	December 31, 2011 (unaudited)	December 31, 2010 (unaudited)	December 31, 2011 (unaudited)	December 31, 2010 (unaudited)
Net income – GAAP basis	43,124	83,673	97,356	92,944
Less:				
Net income attributable to Dropdown Predecessor	-	-	-	(2,258)
Net income attributable to non-controlling interest	(2,777)	(7,301)	(7,508)	(3,062)
Net income attributable to the partners	40,347	76,372	89,848	87,624
Add (subtract) specific items affecting net income:				
Foreign exchange gains(1)	(10,722)	(7,528)	(10,310)	(27,420)
Unrealized (gains) losses from derivative instruments(2)	(23,615)	(39,377)	277	34,306
Unrealized (gains) losses from derivative instruments and other items from equity accounted investees(3)	677	(6,384)	6,790	6,453
Gain on sale of vessel	-	(4,340)	-	(4,340)
Restructuring charge and other(4)(5)	-	-	949	2,136
Acquisition costs related to the purchase of Excelsior and Excalibur Joint Ventures	-	2,000	-	2,000
Interest rate swap cancellation costs	22,560	-	22,560	-
Non-controlling interests' share of items above	507	5,424	(1,256)	(4,990)
Total adjustments	(10,593)	(50,205)	19,010	8,145
Adjusted net income attributable to the partners	29,754	26,167	108,858	95,769

(1) Foreign exchange gains primarily relate to the revaluation of the Partnership's debt, capital leases and restricted cash denominated in Euros. For accounting purposes, the Partnership is required to revalue all foreign currency-denominated monetary assets and liabilities based on the prevailing exchange rate at the end of each reporting period. This revaluation does not affect the Partnership's cash flows or the calculation of distributable cash flow, but results in the recognition of unrealized foreign currency translation gains or losses in the consolidated statements of income.

(2) Reflects the unrealized gain or loss due to changes in the mark-to-market value of derivative instruments that are not designated as hedges for accounting purposes.

(3) Reflects the unrealized gain or loss due to changes in the mark-to-market value of derivative instruments that are not designated as hedges for accounting purposes within the Partnership's equity- accounted investments and acquisition-related costs, in the amount of $0.8 million, relating to the pending acquisition of six Maersk LNG carriers.

(4) Amount for the year ended December 31, 2011 relates to a one-time management fee associated with the portion of stock-based compensation grants to Teekay's former President and Chief Executive Officer that had not yet vested prior to the date of his retirement on March 31, 2011.

(5) Additional crew training charges received, but relating to a prior period, of $2.0 million was recorded during the year ended December 31, 2010.

TEEKAY LNG PARTNERS L.P.
APPENDIX B – RECONCILIATION OF NON-GAAP FINANCIAL MEASURE
(in thousands of U.S. dollars)

Description of Non-GAAP Financial Measure – Distributable Cash Flow *(DCF)*

Distributable cash flow represents net income adjusted for depreciation and amortization expense, non-cash items, estimated maintenance capital expenditures, gains and losses on vessel sales, unrealized gains and losses from derivatives, swap cancellation costs, income from variable interest entity, deferred income taxes, and foreign exchange related items. Maintenance capital expenditures represent those capital expenditures required to maintain over the long-term the operating capacity of, or the revenue generated by, the Partnership's capital assets. Distributable cash flow is a quantitative standard used in the publicly-traded partnership investment community to assist in evaluating a partnership's ability to make quarterly cash distributions. Distributable cash flow is not required by GAAP and should not be considered as an alternative to net income or any other indicator of the Partnership's performance required by GAAP. The table below reconciles distributable cash flow to net income.

	Three Months Ended December 31, 2011 (unaudited)
Net income:	43,124
Add:	
Depreciation and amortization	24,367
Partnership's share of joint ventures' DCF before estimated maintenance capital expenditures	12,359
Unamortized amount relating to interest rate swap cancellation costs	21,782
Less:	
Unrealized gain from derivatives and other non-cash items	(23,130)
Unrealized foreign exchange gain	(10,722)
Estimated maintenance capital expenditures	(12,045)
Equity income from joint ventures	(8,189)
Distributable Cash Flow before Non-controlling interest	47,546
Non-controlling interests' share of DCF before estimated maintenance capital expenditures	(3,442)
Distributable Cash Flow	44,104

TEEKAY LNG PARTNERS L.P.
APPENDIX C – SUPPLEMENTAL SEGMENT INFORMATION
(in thousands of U.S. dollars)

	Three Months Ended December 31, 2011 (unaudited)		
	Liquefied Gas Segment	Conventional Tanker Segment	Total
Net voyage revenues[1]	68,966	28,262	97,228
Vessel operating expenses	11,748	10,737	22,485
Depreciation and amortization	16,995	7,372	24,367
General and administrative	3,398	2,057	5,455
Income from vessel operations	36,825	8,096	44,921

	Three Months Ended December 31, 2010 (unaudited)		
	Liquefied Gas Segment	Conventional Tanker Segment	Total
Net voyage revenues[1]	66,661	30,170	96,831
Vessel operating expenses	10,914	9,631	20,545
Depreciation and amortization	15,173	7,485	22,658
General and administrative	3,948	3,618	7,566
Gain on sale of vessel	(4,340)	-	(4,340)
Income from vessel operations	40,966	9,436	50,402

(1) Net voyage revenues represents voyage revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net voyage revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Partnership's website at www.teekaylng.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

FORWARD LOOKING STATEMENTS

This release 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; Teekay LNG-Marubeni Joint Venture's pending acquisition of six LNG carriers from A.P. Moller-Maersk A/S, including the timing and certainty of closing of the transaction, expected increase to the Partnership's distributable cash flow in 2012, the purchase price for such vessels, and the financing associated with the transaction; the Partnership's financial position, including available liquidity; the accretive nature of proposed and recent transactions; the potential increase to the Partnership's quarterly cash distribution per common unit commencing for the first quarter of 2012; 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; the inability of the Teekay LNG-Marubeni Joint Venture to renew or replace charter contracts; failure to satisfy the closing conditions for the acquisition of the Maersk LNG carriers, including obtaining approvals from the charters and relevant regulatory authorities; obtaining financing for the Maersk LNG carrier transaction; 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, 2010. 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.

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