TEEKAY

TEEKAY LNG PARTNERS Q4-2016 EARNINGS PRESENTATION

February 23, 2017

Forward Looking Statement

This presentation contains forward-looking statements (as defined in Section 21E of the U.S. 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 forward, contracted revenues and weighted average remaining contract length; the timing of newbuilding vessel deliveries and the commencement of related contracts; the Partnership's access to capital markets and the timing and certainty of securing financing for the Partnership's remaining committed growth projects; the expected timing and completion of the Yamal LNG Plant; the global oil and LNG Market, including its underlying fundamentals, expected trade volumes, and future global newbuild orders; and our estimates relating to committed growth and anticipated increases in our CFVO. 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; 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; factors affecting the resumption of the LNG plant in Yemen; the inability of the Partnership to collect the deferred charter payments from the Yemen LNG project and from Skaugen; 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, 2015 and Form 6-K for the quarters ended March 31, 2016, June 30, 2016 and September 30, 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 $50.2 million and cash flow from vessel operations[1] of $114.5 million in Q4-16
  - DCF per LP unit of $0.63 per unit
  - Distribution coverage ratio of 4.4 times
- Completed approximately $1.7 billion in debt and equity financings in Q4-2016
- Expect to take delivery of third MEGI LNG carrier, the *Torben Spirit,* at end of February
- Total pro forma liquidity as at December 31, 2016 of $446 million[2]

Naming ceremony for the Torben Spirit – DSME South Korea

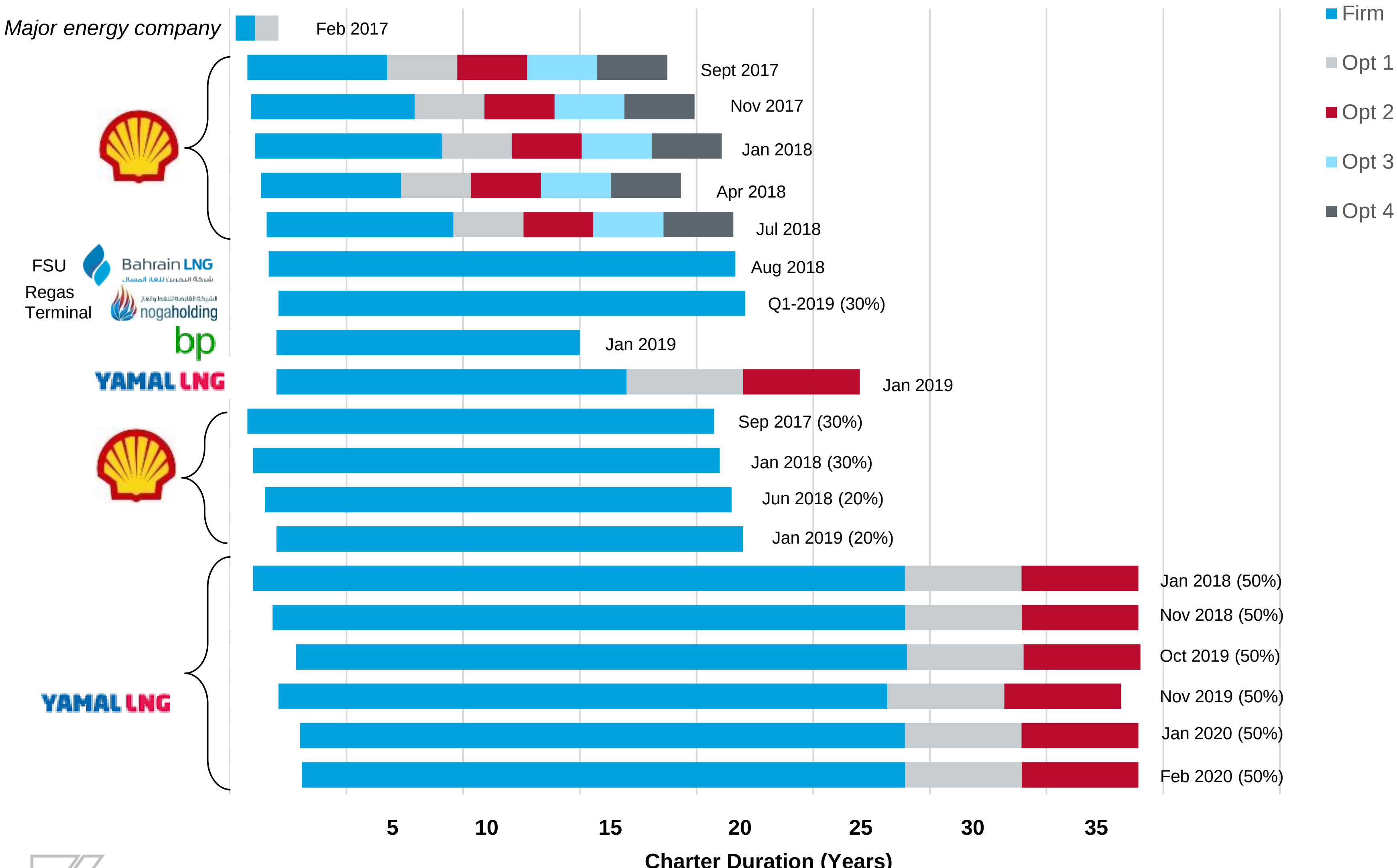
Teekay LNG's First Arc7 LNG Carrier Newbuild "Eduard Toll"

[1] These are non-GAAP financial measures. Please refer to "Definitions and Non-GAAP Financial Measures" and the Appendices in the Partnership's Q3-2016 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).

[2] Pro Forma liquidity gives effect to the distribution from the RasGas 3 Joint Venture in February 2017 as a result of its refinancing in December 2016 and the NOK 300 million bond issuance completed in January 2017

19 LNG Carrier Newbuildings all Contracted

Newbuilding Fleet Adds an Average 17 Years of Contract Duration



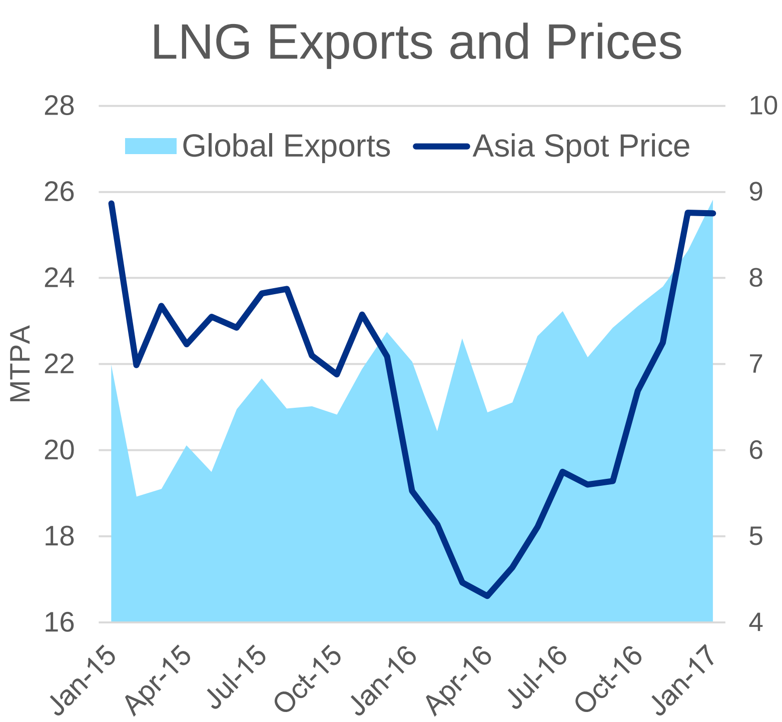
Yamal LNG Project

Project on schedule and continues to de-risk

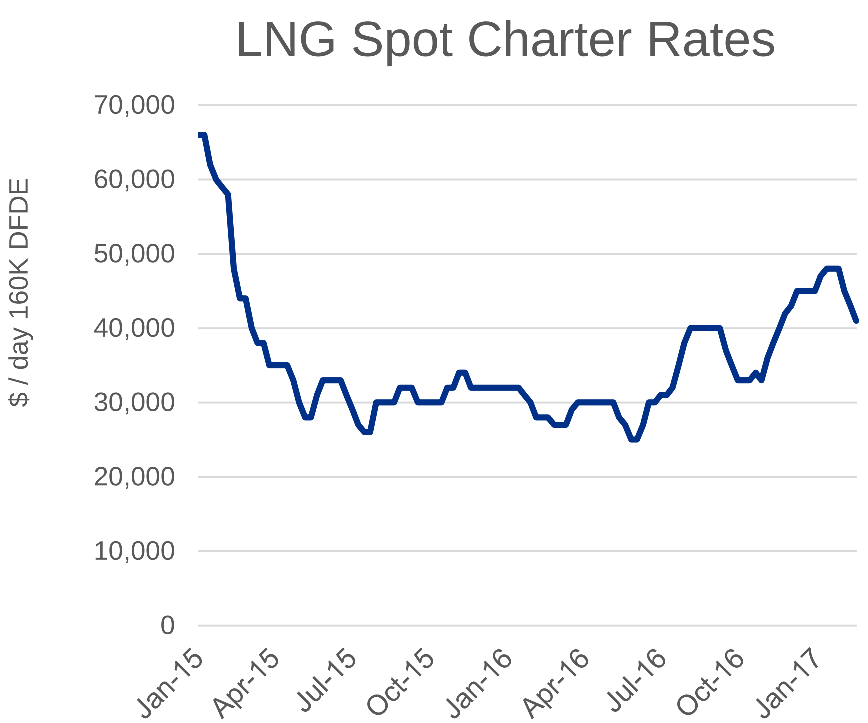
	Project Execution ✓	Financing ✓	Gas Sales ✓	Ship Construction ✓
Yamal LNG Plant	Project ~75% complete (Train 1 88% complete) as at Dec 31, 2016 Train 1 start-up planned for Q3-2017	Project is fully funded: $13 billion in equity contributed by Yamal Sponsors $19 billion in external debt financing secured	3 trains total 16.5 MTPA of LNG 96% of LNG capacity contractually secured	First ARC7 (Sovcomflot) sailed away from DSME in Nov 2016 and ice trials are now underway
Arc7 Vessels	Shipowners' group forum (Joint Task Force) collaborating on pre-delivery construction and plans for operation	TGP vessel financing on track: - 2 vessels in documentation - 4 vessels signed term sheet	Vessel requirement contracted on basis of committed gas sales Conventional vessel to service transshipment volumes	First TGP ARC7 vessel scheduled sail away in Korea October 2017; planned delivery in Sabetta in January 2018

Market Recovery Has Begun

- Next wave of LNG supply has started; global LNG exports increased 8% in 2016 and are expected to grow by a further 13% in 2017
- Arbitrage returning; Asian spot price ~$8.75 / mmbtu in January 2017
- LNG spot charter rate averaging ~$45,000 per day in Q1-2017 to-date



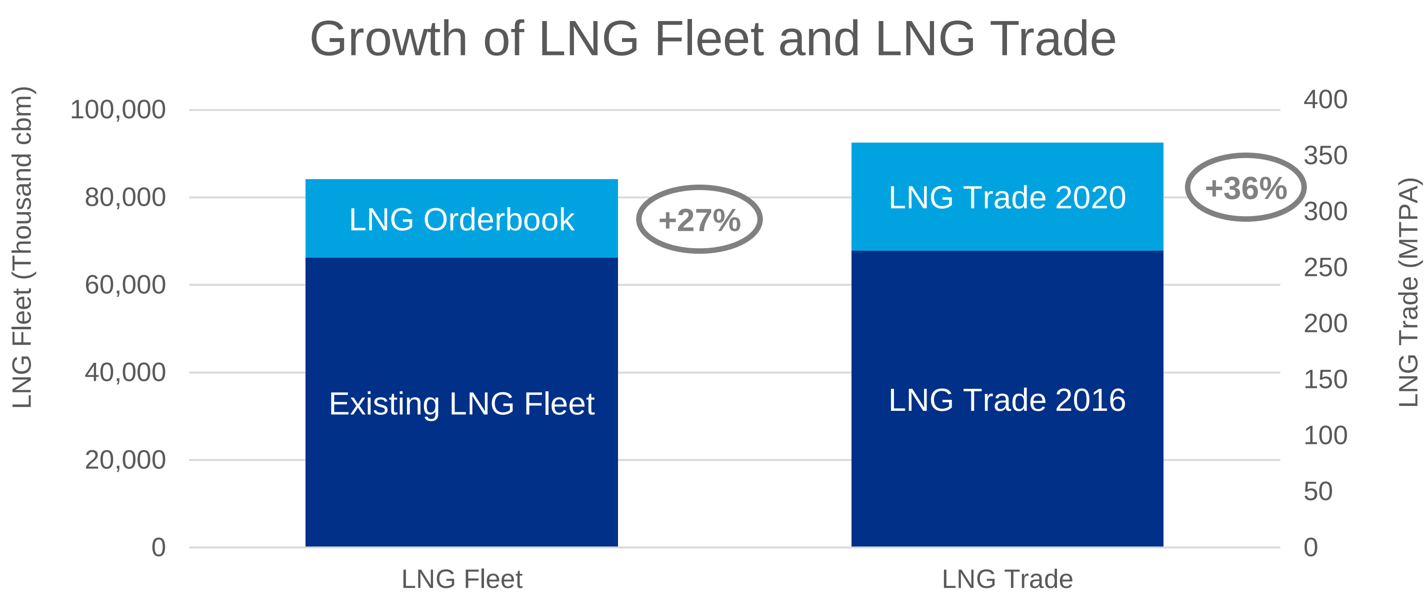
Source: Thomson Reuters



Source: Clarksons

Positive Long-Term Fundamentals

- LNG trade expected to increase 36% by 2020, whereas fleet capacity increases only 27% from the current orderbook before scrapping
- Current orderbook insufficient to meet shipping demand growth; estimate 20 – 30 additional newbuild vessels needed by 2020
- Recovering oil and LNG prices; new export FIDs creates further upside



Source: Clarksons, Thomson Reuters, Internal Estimates

Recent Financial Developments

Building liquidity and reducing financial risk

Financing	Amount	Tenor	Completion Date
Perpetual Preferred equity	$125 million	Perpetual	October 2016
NOK Bond	$110 million	5 Years	October 2016
Sale Leaseback on 2 Exmar LPG Newbuilds	$56 million	15 Years	October 2016
Unsecured Corporate Revolver	$170 million	1 Year	November 2016
Bahrain Regas Terminal (30%)	$220 million*	20 Years	November 2016
Sale Leaseback on 4 MEGI Newbuilds	$685 million	10 Years	December 2016
RasGas 3 Refinancing (40%)	$290 million*	10 Years	December 2016
NOK Bond Add-on	$36 million	5 Years	January 2017
Total	$1,692 million		

Since Q4-2016, Teekay LNG has Raised ~$1.7 billion in Debt and Equity Capital

* Amounts shown reflect Teekay LNG's percentage ownership

Financing of Growth Projects On Track

Secured charter contracts for all LNG carrier newbuilds

Project	Remaining CAPEX ($ millions as at December 31, 2016)(1)	Completed Debt Financings(1)	In-Process Debt Financings(1)	Status of In-Process Debt Financings	2017	2018	2019	2020
8 MEGI LNG Carriers (100%)	1,299	685	700	3 vessels credit approved 1 vessel term sheet negotiation Delivery 2017-19	5 vessels with 6 – 8 year contracts, plus extension options with Shell, 1 vessel with 13-year contract with BP, 1 vessel with 15-year contract with Yamal LNG and 1 vessel with 10-month contract plus extension option with major energy company			
Bahrain Regas Terminal (30%) and FSU (100%)	430	220	170	FSU term sheet in negotiation	20-year FSU and terminal contracts			
Shell (ex. BG) LNG Carriers (20-30%)	176(2)	139	-	-	20-year charter contracts, plus extension options			
Yamal LNG ARC 7 Carriers (50%)	881	-	855	2 vessels (delivery 2018) credit approved, finalizing documentation 4 vessels (delivery 2019/20) signed term sheet	Charter contracts through to 2045, plus extension options			
Exmar LPG Carriers (50%)	78	112	-	-	Expect to trade in short-term market upon delivery			
Total	**$2,864**	**$1,156**	**$1,725**					

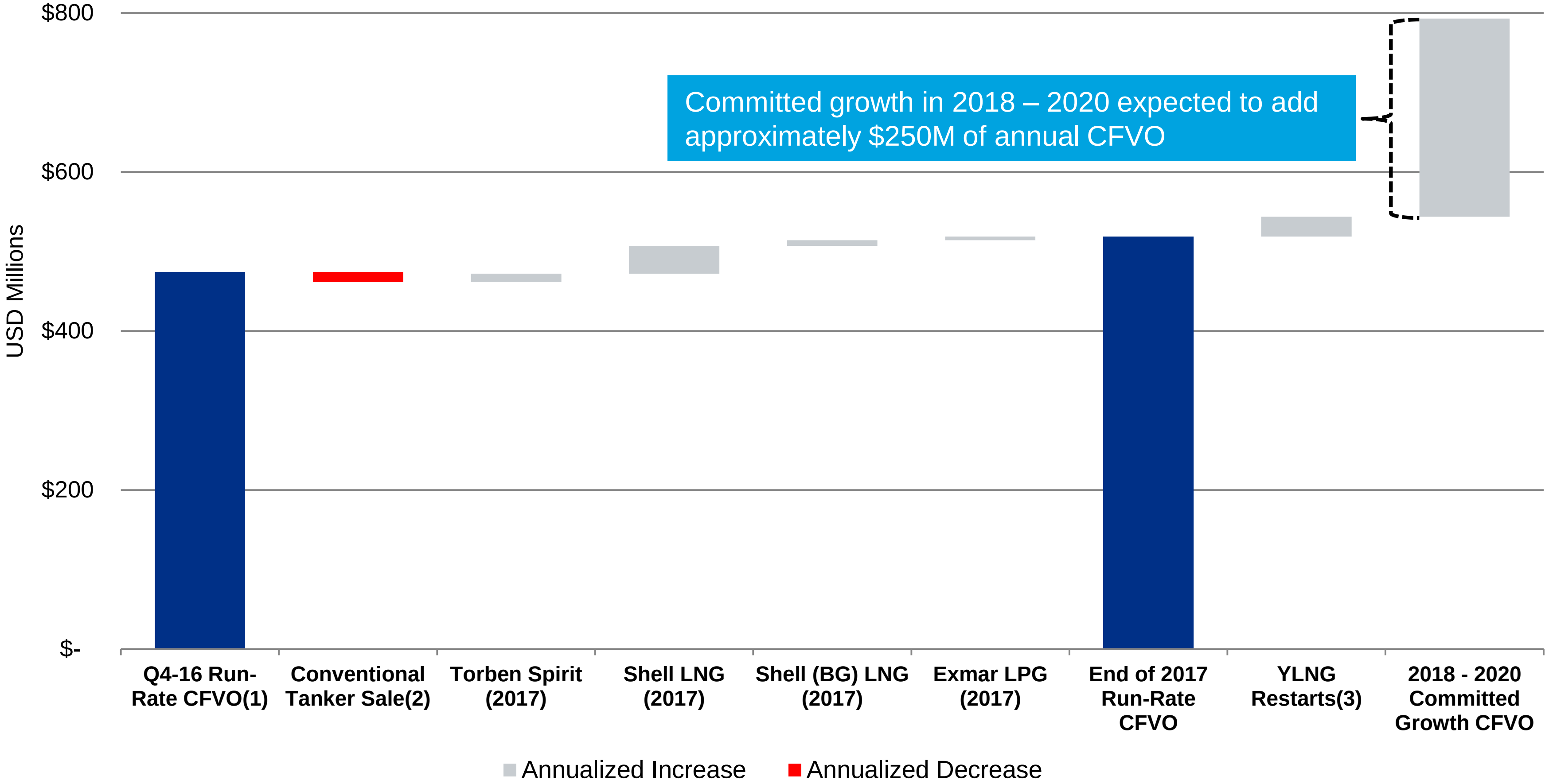
Vessel Financing Completed
Vessel Financing to be Completed

Remaining Capex Expected to be Funded through Committed or Anticipated Financings

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

Committed Growth Driving Increase in CFVO

Includes TGP's proportionate share of equity-accounted investment CFVO



CFVO expected to grow moderately through 2017, with majority of growth coming in 2018 - 2020

1) Q4-16 CFVO annualized and adjusted for Skaugen provision
2) Includes sale of Asian Spirit in Q1-2017 and assumed sale of the Teide Spirit in Q4-2017
3) If YLNG restarts, TGP's share of incremental CFVO is approximately $25 million

Appendix

Distributable Cash Flow

Q4-16 vs. Q3-16

(Thousands of U.S. Dollars except units outstanding or unless otherwise indicated)	Q4-2016 (unaudited)	Q3-2016 (unaudited)	Comments
Net voyage revenues[1]	99,198	100,293	Decreased due to a $4.5 million temporary deferral agreement for six LPG carriers chartered to Skaugen, partially offset by the full-quarter impact of charter commencement for the *Oak Spirit* in August 2016.
Vessel operating expenses	(22,270)	(22,055)	
Estimated maintenance capital expenditures	(12,212)	(12,065)	
General and administrative expenses	(3,634)	(3,573)	
Partnership's share of equity accounted joint ventures' DCF net of estimated maintenance capital expenditures	16,335	16,397	
Adjusted interest expense[1]	(25,477)	(24,209)	
Interest income	783	653	
Income tax expense	(251)	(209)	
Distributions relating to preferred units	(2,719)	-	Preferred units issued in October 2016.
Distributions relating to equity financing of newbuildings	1,685	-	Preferred units issued in October 2016.
Direct finance lease payments received in excess of revenue recognized	5,363	5,247	
Other adjustments - net	(1,215)	(725)	
Distributable Cash Flow before Non-Controlling Interests	**55,586**	59,754	
Non-controlling interests' share of DCF	(5,387)	(5,429)	
Distributable Cash Flow[2]	**50,199**	54,325	
Cash distributions to the General Partner	(229)	(227)	
Limited partners' Distributable Cash Flow	49,970	54,098	
Weighted-average number of common units outstanding	79,571,820	79,571,820	
Distributable Cash Flow per limited partner unit	**0.63**	0.68	

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 Q4-16 and Q3-16 Earnings Releases.

Reconciliations of Non-GAAP Financial Measures

Reconciliation of the Partnership's Net Voyage Revenues:

(Thousands of U.S. Dollars)	Three Months Ended December 31, 2016 (unaudited)	Three Months Ended September 30, 2016 (unaudited)
Voyage revenues	100,774	100,658
Voyage expenses	(302)	(355)
Realized losses on charter contract derivative instrument	(1,274)	(10)
Net voyage revenues	**99,198**	**100,293**

Reconciliation of the Partnership's Adjusted Interest Expense:

(Thousands of U.S. Dollars)	Three Months Ended December 31, 2016 (unaudited)	Three Months Ended September 30, 2016 (unaudited)
Interest expense as reported	(15,934)	(15,644)
Ineffectiveness of hedge-accounted interest rate swaps	(1,044)	130
Realized losses on derivative instruments and other	(8,499)	(8,695)
Adjusted Interest Expense	**(25,477)**	**(24,209)**

Q1 2017 Outlook

Distributable Cash Flow Item	Q1 2017 Outlook (compared to Q4 2016)
Net voyage revenues	• $3M increase relating to additional dry-dock flow-through revenue for vessels which will drydock during 2017 • $2M increase due to Q4-16 unscheduled off-hire for the *Creole Spirit*. • $1M increase due to delivery and charter contract commencement for the *Torben Spirit*. • $2M decrease due to two fewer calendar days in Q1-17. • $2M decrease due to the Q1-17 *Hispania Spirit*'s scheduled dry-docking.
Vessel operating expenses	• $2M increase due to timing of purchases and delivery of the *Torben Spirit* in Q1-17.
Estimated maintenance capital expenditures	• Expected to be consistent with Q4-16.
General and administrative expenses	• $1M increase primarily due to the annual recognition of certain equity stock compensation in Q1-17
Adjusted interest expense	• $1M increase due to delivery of the *Torben Spirit* and issuance of NOK 300 million bonds in January 2017.
Partnership's share of equity accounted joint ventures' DCF net of estimated maintenance capital expenditures	• $3M decrease in the Exmar LPG Joint Venture due to insurance recoveries recorded in Q4-16 for two of its vessels, the sale of the *Brugge Venture* in early Q1-17, partially offset by the delivery of the *Kortrijk* in Q4-16. • $2M decrease in the Teekay LNG-Marubeni Joint Venture due to higher operating expenses as a result of scheduled main engine maintenance in Q1-17.
Distributions relating to preferred units	• Expected to be consistent with Q4-16.
Distributions relating to equity financing of newbuildings	• Expected to be consistent with Q4-16.
Direct finance lease payments received in excess of revenue recognized	• Expected to be consistent with Q4-16.
Non-controlling interests' share of DCF	• $1M increase as a result of dry-dock flow-through revenue
Cash distributions to the General Partner	• Expected to be consistent with Q4-16.

2016(A) / 2017(E) Drydock Schedule

Segment	March 31, 2016 (A)		June 30, 2016 (A)		September 30, 2016 (A)		December 31, 2016 (A)		Total 2016 (A)	
	Vessels	Total Dry-dock Days	Vessels	Total Dry-dock Days	Vessels	Total Dry-dock Days	Vessels	Total Dry-dock Days	Vessels	Total Dry-dock Days
LPG Equity Accounted	-	18	1	20	-	-	1	33	2	71
	-	18 -	1	20 -	-	- -	1	33	2	71

Segment	March 31, 2017 (E)		June 30, 2017 (E)		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
LNG Consolidated	1	29	1	36	-	-	-	-	2	65
LPG Equity Accounted	1	21	3	41	1	5	2	61	7	128
LNG Equity Accounted	-	-	-	-	2	55	-	-	2	55

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.

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