

TEEKAY LNG PARTNERS

**Second Quarter
2007
Earnings
Presentation**

August 3, 2007



www.teekaylng.com



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 prospects; Teekay being awarded LNG vessels and associated long-term contracts to service the Angola LNG Project and offering its interest in these 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; 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 that the conditions for the Angola LNG Project are not met; 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, 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.



Highlights

- ▶ Generated distributable cash flow of \$22.2⁽¹⁾ million, compared to \$17.9 million in 1Q07.
- ▶ Increased cash distribution by 15% to \$0.53 for the second quarter of 2007 (\$2.12 annualized)
 - ▶ Record date: Aug 9th ▶ Payment date: Aug 14th
- ▶ Teekay Corporation signed letter of intent to charter four newbuilding LNG carriers for 20 years to the Angola LNG Project



(1) Please refer to the 2nd Quarter of 2007 Earnings Release for a description of Distributable Cash Flow and its most directly comparable GAAP measure

Distributable Cash Flow and Cash Distribution

Teekay LNG Partners L.P.
 Distributable Cash Flow & Coverage Ratio (Unaudited)
 In thousands of dollars

In thousands of U.S. dollars	Three months ended <u>Jun. 30, 2007</u> <u>(unaudited)</u>
Net income	\$ 2,461
Add:	
Foreign exchange loss	5,682
Depreciation and amortization	16,555
Non-cash interest expense	6,119
Income tax expense	209
Less:	
Estimated maintenance capital expenditures	6,647
Minority interest recovery	449
Minority owners' share of DCF before estimated maintenance capital expenditures	1,779
Distributable Cash Flow ⁽¹⁾	\$ 22,151 A

Quarterly Distribution	\$ 19,756
(37,275,119 units x \$0.53 / share)	
General Partner Distribution	796
Total Distribution	\$ 20,552 B
Coverage Ratio	1.08x =A/B

⁽¹⁾ Please refer to the 2nd Quarter of 2007 Earnings Release for a description of Distributable Cash Flow and a reconciliation to its most directly comparable GAAP financial measure.



Segment Results

Teekay LNG Partners L.P.
Operating Results (Unaudited)
In thousands of dollars

(in thousands of U.S. dollars)	<u>Three Months Ended</u> <u>30-Jun-07</u> <u>(unaudited)</u>			<u>Three Months Ended</u> <u>31-Mar-07</u> <u>(unaudited)</u>		
	<u>Liquefied Gas</u> <u>Segment</u>	<u>Suezmax</u> <u>Segment</u>	<u>Total</u>	<u>Liquefied Gas</u> <u>Segment</u>	<u>Suezmax</u> <u>Segment</u>	<u>Total</u>
Net voyage revenues	44,084	20,924	65,008	37,471	20,592	58,063
Vessel operating expenses	8,094	5,836	13,930	8,167	5,654	13,821
Depreciation & amortization	11,551	5,004	16,555	10,814	5,005	15,819
Cash flow from vessel operations*	34,119	13,200	47,319	27,516	13,208	40,724

*Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Partnership's Web site 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.



Q2 '07 vs. Q1 '07

Teekay LNG Partners L.P.
Summary Consolidated Income Statement (Unaudited)
 In thousands of dollars

	Three Months Ended		Variance
	June 30, 2007	March 31, 2007	
Net Voyage Revenues (1)	65,008	58,063	6,945
Operating Expenses			
Vessel operating expenses	13,930	13,821	109
Depreciation and amortization	16,555	15,819	736
General and administrative expenses	3,759	3,518	241
	34,244	33,158	1,086
Income from Vessel Operations	30,764	24,905	5,859
Other Items			
Interest expense	(35,819)	(30,347)	(5,472)
Interest income	13,020	11,097	1,923
Income tax recovery (expense)	(209)	(453)	244
Foreign exchange gain/(loss)	(5,682)	(4,800)	(882)
Other - net	387	1,000	(613)
	(28,303)	(23,503)	(4,800)
Net income	2,461	1,402	1,059

(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 not required by accounting principles generally accepted in the United States and should not be considered as an alternative to voyage revenues or any other indicator of the Partnership's performance required by accounting principles generally accepted in the United States. Please refer to the Partnership's web site at www.teekaying.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure



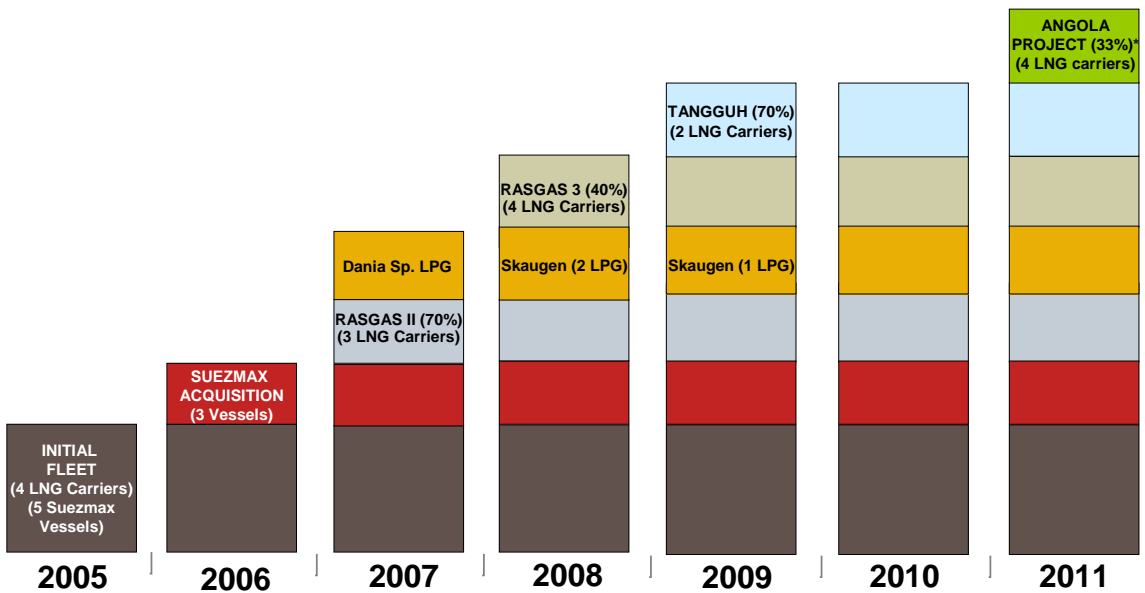
Balance Sheet

Teekay LNG Partners L.P. In thousands of U.S. dollars (unaudited)	As at June 30, 2007				As at March 31, 2007
	TK LNG (excl RG 3 and Tangguh)	RasGas 3	Tangguh	Consolidated	Consolidated
ASSETS					
Cash and cash equivalents	29,867	-	27	29,894	35,407
Other current assets	12,017	-	-	12,017	11,501
Vessels and equipment	1,620,361	-	-	1,620,361	1,633,186
Other assets	309,752	294,487	168,635	772,874	567,432
Total Assets	1,971,997	294,487	168,662	2,435,146	2,247,526
LIABILITIES AND PARTNERS' EQUITY					
Accounts payable and accrued liabilities	25,746	1,817	382	27,945	22,352
Unearned revenue	4,900	-	-	4,900	6,594
Advances from affiliate	8,425	6,891	4,906	20,222	23,714
Long-term debt*, net of restricted cash	1,050,800	-	-	1,050,800	1,141,218
Long-term debt related to newbuilding vessels to be delivered *	-	200,505	73,809	274,314	120,373
Other long-term liabilities	90,274	-	615	90,889	60,986
Minority interest	-	80,133	82,132	162,265	165,675
Partners' equity	791,852	5,141	6,818	803,811	706,614
Total Liabilities and Partners' Equity	1,971,997	294,487	168,662	2,435,146	2,247,526
Total Liquidity				451,800	376,700

*including current portion of long-term debt



Multi-Year, Built-in Growth



This portfolio of projects puts us in a position to grow in 2007, 2008, 2009 and 2011

* Teekay Corporation is obligated to offer Teekay LNG Partners the opportunity to purchase these vessels.



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