TEEKAY

TEEKAY LNG PARTNERS Q3-2015 EARNINGS PRESENTATION

November 5, 2015

Forward Looking Statement

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 timing and certainty of completing the new $150 million unsecured revolving credit facility and the new, approximately $360 million long-term lease facility for the first two MEGI LNG carrier newbuildings; the stability and growth of the Partnership's future distributable cash flows; the Partnership's expected fixed future revenues; the delivery timing of newbuilding vessels and the commencement of related time charter contracts; the outcome of the Partnership's dispute over the *Magellan Spirit* charter contract termination; and the timing of the commencement of operations of the Sabine Pass LNG project. 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 construction delays, newbuilding specification changes or cost overruns; changes in production of LNG or LPG, either generally or in particular regions; changes in trading patterns or timing of start-up of new LNG liquefaction and regasification projects 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; the inability of charterers to make future charter payments; the inability of the Partnership to renew or replace long-term contracts on existing vessels; failure by the Partnership to complete the new $150 million unsecured revolving credit facility or the approximately $360 million long-term lease facility for the two MEGI LNG carrier newbuildings; factors affecting the outcome of the Partnership's dispute over the *Magellan Spirit*; the Partnership's ability to raise financing for its existing newbuildings or to purchase additional vessels or to pursue other projects; 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, 2014 and its Report on Form 6-K for the quarterly period ended June 30, 2015. 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

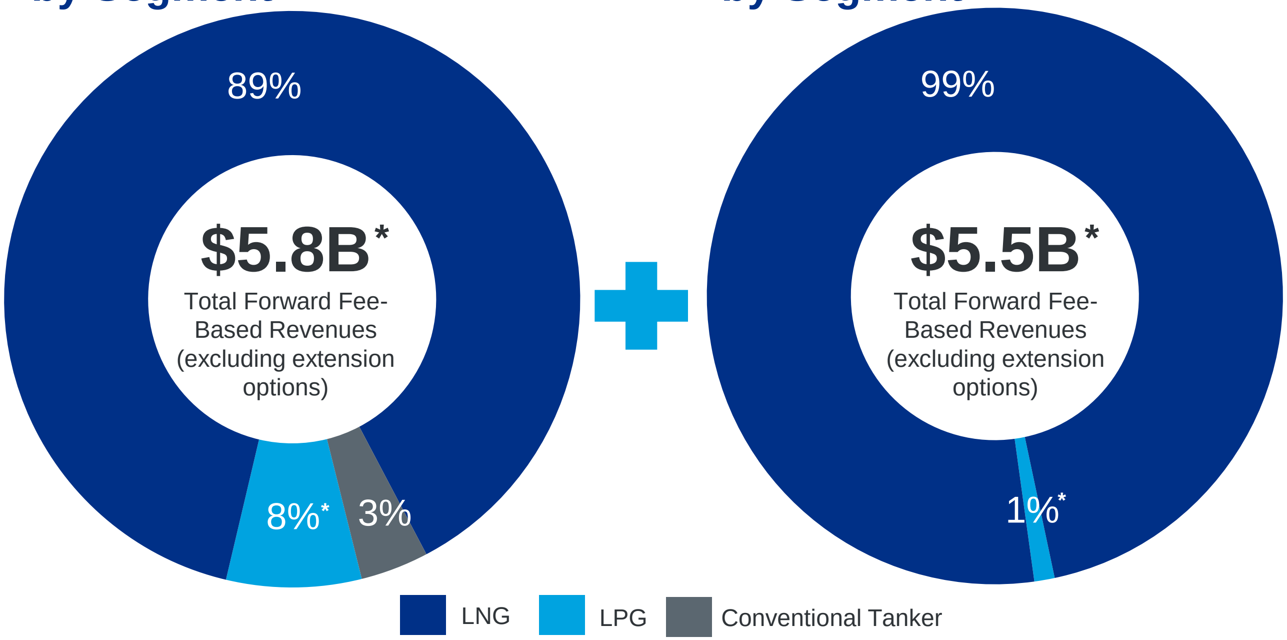
- Generated Q3-15 distributable cash flow* of $61.1 million
- Declared a Q3-15 cash distribution of $0.70 per unit
- Continue to generate stable cash flows supported by portfolio of long-term fee-based contracts totaling $11.3 billion of forward revenues
- Exmar LPG JV took delivery of fifth of 12 mid-size LPG carrier newbuildings
  - Commenced 10-yr charter contract with Potash Corp.

* Distributable Cash Flow is a non-GAAP measure used by certain investors to measure the financial performance of Teekay LNG and other master limited partnerships.

TGP Forward Revenues Continue to Grow

Forward Revenues for **<u>Existing Operations</u>** **by Segment**

Forward Revenues for **<u>Growth Projects</u>** **by Segment**



New Approach to Future Growth Reflecting Current Market Environment

- Increased focus on maximizing cash flows from existing assets
  - Cost management and fleet efficiencies
  - Seek longer-term contracts for *Magellan Spirit* and *Methane Spirit* LNG carriers

- Execute on committed growth projects
  - Ensure projects are delivered on time and on budget
  - Seek long-term contracts for three unchartered MEGI LNG newbuilds

- New approach includes
  - Higher hurdle rates
  - Prioritizing capital allocation
    - Our existing assets
    - Accretive on-the-water acquisitions
    - Organic growth projects

* The remaining forward fee-based revenues relate to 18 of our 30 LPG carriers currently on fixed-rate charters.

Focused on Project Execution

First ever MEGI LNG newbuild vessels on track for delivery to Cheniere Energy on 5-yr contracts

- Creole Spirit
  - Commenced sea trials in October 2015
  - Expected to commence charter in late Q1-16
- Oak Spirit
  - Completed vessel launch in August 2015
  - Expected to commence charter in late Q2-16
- Both vessels will lift volumes from Cheniere's Sabine Pass LNG export facility
- Secured a new ~$360 million long-term lease facility upon delivery

Distributable Cash Flow and Coverage

Q3-15 vs. Q2-15

(Thousands of U.S. Dollars except coverage ratio information)	Three Months Ended September 30 2015 (unaudited)	Three Months Ended June 30 2015 (unaudited)	Explanation
Net voyage revenues[1]	94,991	98,235	Decrease in revenues due to scheduled drydockings for the *Polar Spirit* and *Toledo Spirit* and charter rate adjustments for the *Arctic Spirit* and *Polar Spirit* in Q2; partially offset by one additional calendar day in the third quarter
Vessel operating expenses	(24,319)	(24,102)	
Estimated maintenance capital expenditures	(11,907)	(11,778)	
General and administrative expenses	(5,676)	(7,068)	Decrease due to timing of expenditures
Partnership's share of equity accounted joint ventures' DCF net of estimated maintenance capital expenditures	24,390	26,394	Lower equity income from the MALT and Angola joint ventures
Interest expense[1]	(20,047)	(19,296)	Full-quarter impact of the issuance of one billion NOK bond in May
Interest income	617	611	
Income tax expense	(258)	(258)	
Distributions relating to equity financing of newbuildings	4,515	4,097	
Other adjustments - net	4,112	4,152	
Distributable Cash Flow before Non-Controlling Interests	**66,418**	**70,987**	
Non-controlling interests' share of DCF	(5,320)	(5,219)	
Distributable Cash Flow[2]	**61,098**	**65,768**	**A**
Total Distributions	**64,424**	**63,856**	**B**
Coverage ratio	**0.95x**	**1.03x**	**A/B**

1) See Adjusted Operating Results in the Appendix to this presentation for a reconciliation to the amount reported in the Consolidated Statements of Income and Comprehensive Income in the Q3-15 and Q2-15 Earnings Releases.
2) For a reconciliation of Distributable Cash Flow, a non-GAAP measure, to the most directly comparable GAAP figures, see Appendix B in the Q3-15 and Q2-15 Earnings Releases.

Summary

- Stable and growing cash flows supported by:
  - Strong operating track record
  - Contract portfolio of $11.3 billion of fee-based revenues with no direct exposure to commodity prices
  - Strong LNG trade growth through 2020 and growing requirement for floating regasification projects
  - New approach to future growth
- Financial flexibility
  - Continued access to diverse sources of capital

Appendix

Adjusted Operating Results

Q3-15

(in thousands of U.S. Dollars)

	Three Months Ended September 30, 2015			
	As Reported	Appendix A Items (1)	Reclass for Realized Gains/Losses on Derivatives (2)	TGP Adjusted Income Statement
Voyage revenues	98,415	(3,510)	326	95,231
Voyage expenses	(240)	-	-	(240)
Net voyage revenues	98,175	(3,510)	326	94,991
Vessel operating expense	(24,319)	-	-	(24,319)
Depreciation and amortization	(22,473)	-	-	(22,473)
General and administrative expenses	(5,676)	-	-	(5,676)
Restructuring charge	(3,510)	3,510	-	-
Income from vessel operations	42,197	-	326	42,523
Equity income[3]	13,523	3,931	-	17,454
Interest expense	(11,175)	-	(8,872)	(20,047)
Interest income	617	-	-	617
Realized and unrealized (loss) gain on derivative	(26,835)	19,929	6,906	-
Foreign exchange (loss) gain	(8,153)	6,513	1,640	-
Other income – net	393	-	-	393
Income tax expense	(258)	-	-	(258)
Net income	10,309	30,373	-	40,682
Less: Net income attributable to Non-controlling interests	(2,811)	(750)	-	(3,561)
NET INCOME ATTRIBUTABLE TO THE PARTNERS	7,498	29,623	-	37,121

1) See Appendix A to the Partnership's Q3-15 earnings release for description of Appendix A items.
2) Reallocating the realized gains/losses to their respective line as if hedge accounting had applied. Please refer to footnotes (3) and (4) to the Consolidated Statements of Income and Comprehensive Income in the Q3-15 Earnings Release.
3) Please refer to footnote (2) to the Consolidated Statements of Income and Comprehensive Income in the Q3-15 Earnings Release.

Adjusted Operating Results

Q2-15

(in thousands of U.S. Dollars)

	Three Months Ended June 30, 2015			
	As Reported	Appendix A Items (1)	Reclass for Realized Gains/Losses on Derivatives (2)	TGP Adjusted Income Statement
Voyage revenues	98,608	-	-	98,608
Voyage expenses	(373)	-	-	(373)
Net voyage revenues	98,235	-	-	98,235
Vessel operating expense	(24,102)	-	-	(24,102)
Depreciation and amortization	(23,209)	-	-	(23,209)
General and administrative expenses	(7,068)	-	-	(7,068)
Income from vessel operations	43,856	-	-	43,856
Equity income (3)	29,002	(11,102)	-	17,900
Interest expense	(11,153)	-	(8,143)	(19,296)
Interest income	611	-	-	611
Realized and unrealized (loss) gain on derivative	10,888	(18,207)	7,319	-
Foreign exchange (loss) gain	(9,546)	8,722	824	-
Other income – net	335	-	-	335
Income tax expense	(258)	-	-	(258)
Net income	63,735	(20,587)	-	43,148
Less: Net income attributable to Non-controlling interests	(5,642)	1,958	-	(3,684)
NET INCOME ATTRIBUTABLE TO THE PARTNERS	58,093	(18,629)	-	39,464

1) See Appendix A to the Partnership's Q2-15 earnings release for description of Appendix A items.
2) Reallocating the realized gains/losses to their respective line as if hedge accounting had applied. Please refer to footnotes (2) and (3) to the Consolidated Statements of Income and Comprehensive Income in the Q2-15 Earnings Release.
3) Please refer to footnote (1) to the Consolidated Statements of Income and Comprehensive Income in the Q2-15 Earnings Release.

2015 and 2016 Drydock Schedule

Segment	March 31, 2015 (A)		June 30, 2015 (A)		September 30, 2015 (A)		December 31, 2015 (E)		Total 2015		Total 2016 (E)	
	Vessels Drydocked	Total Offhire Days	Vessels Drydocked	Total Offhire Days	Vessels Drydocked	Total Offhire Days	Vessels Drydocked	Total Offhire Days	Vessels Drydocked	Total Offhire Days	Vessels Drydocked	Total Offhire Days
Fixed-Rate Tanker	-	-	-	-	1	22	-	-	1	22	-	-
Liquefied Gas	-	-	-	-	-	25	1	31	1	56	-	-
LPG Carrier - equity accounted	1	37	1	27	2	54	3	79	7	197	2	62
LNG Carrier - equity accounted	-	-	-	-	3	11	1	6	4	17	-	-
	1	37	1	27	6	112	5	116	13	292	2	62

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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