Teekay Group

Citi MLP Conference - Aug 21/22, 2013
## Teekay Group Corporate Structure

### TEEKAY CORP. ("Teekay Parent")
**NYSE: TK**
- **Market Cap:** $2.7b
- **Asset manager and project developer**
- **General Partner / controlling shareholder of daughter companies**
- **Fleet size:** 4 owned conventional tankers and 5 FPSO units
  - **Current Yield:** 3%

### MLPs
- **37% Ownership (incl. 2% GP interest)**
  - **TEEKAY LNG PARTNERS L.P.**
    - **NYSE: TGP**
    - **Market Cap:** $3.0b
    - MLP focused on gas projects
    - Fleet size: 74 vessels
    - **Current Yield:** 6%
    - 10 – 25 year fixed-rate contracts

- **30% Ownership (incl. 2% GP interest)**
  - **TEEKAY OFFSHORE PARTNERS L.P.**
    - **NYSE: TOO**
    - **Market Cap:** $2.7b
    - MLP focused on offshore projects
    - Fleet size: 52 vessels
    - **Current Yield:** 7%
    - 3 - 10 year fixed-rate contracts

### Asset Owners
- **25% Economic Ownership / 53% Voting**
  - **TEEKAY TANKERS LTD.**
    - **NYSE: TNK**
    - **Market Cap:** $227m
    - C-Corp focused on conventional tankers
    - Fleet size: 33 vessels
    - **Current Yield:** 4%
    - Spot / short-term charters (0–3 years)

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*Note: Market capitalization and current yields based on August 14, 2013 closing prices.*
Teekay Offshore Partners
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 expected contribution of recent acquisitions, vessel deliveries and new contracts to cash flow growth; the timing of the Voyageur Spirit achieving final acceptance and commencing full operations under the E.ON contract; the timing of the Lambada Spirit shuttle tanker commencing its contract with BG; the timing of the HiLoad DP unit commencing its 10-year time-charter contract with Petroleo Brasileiro SA; the potential for the Partnership to acquire future HiLoad projects developed by Remora, including development of the next generation HiLoad DP units with BG Brasil; the timing of and cost of converting the Navion Clipper into an FSO unit and the timing of the commencement of its 10-year charter contract with Salamander; the timing of and cost of converting the Randgrid into an FSO unit and the timing of the commencement of the commencement of its 3-year charter contract with Statoil; the potential for Teekay Corporation to offer additional vessels to the Partnership and the Partnership’s acquisition of any such vessels, including the Petrojarl Foinaven, the Hummingbird Spirit and the newbuilding FPSO unit that will service the Knarr field under contract with BG Norge Limited; the timing of delivery of vessels under construction or conversion; and the potential for the Partnership to acquire other vessels or offshore projects from Teekay Corporation or directly from third parties. 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: vessel operations and oil production volumes; the inability of the Voyageur Spirit FPSO to complete the repair of its compressors, achieve full production and receive final acceptance by E.ON during August 2013; the potential for the loss of revenue under the charter with E.ON from the date of acquisition until final acceptance exceeds Teekay Corporation’s maximum indemnification of $54 million; significant changes in oil prices; variations in expected levels of field maintenance; increased operating expenses; different-than-expected levels of oil production in the North Sea and Brazil offshore fields; potential early termination of contracts; potential delays to the commencement of the BG shuttle tanker time-charters; failure of Teekay Corporation to offer to the Partnership additional vessels; the inability of the joint venture between Teekay Corporation and Odebrecht to secure new Brazil FPSO projects that may be offered for sale to the Partnership; the inability of Remora to develop future HiLoad DP units; failure to obtain required approvals by the Conflicts Committee of Teekay Offshore’s general partner to approve the acquisition of vessels offered from Teekay Corporation, or third parties; the Partnership’s ability to raise adequate financing to purchase additional assets; delays in vessel deliveries or conversions; and other factors discussed in Teekay Offshore’s filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2012. 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

### Stable Operating Model
- Diversified portfolio of fee-based contracts with major oil companies
- $5.1 billion of forward fee-based revenues (weighted avg. contract duration of over 5 years, excluding extension options)

### Leading Market Positions
- A market leader in harsh weather FPSO operations
- World’s largest owner and operator of dynamically positioned shuttle tanker tonnage

### Strong Industry Fundamentals
- High E&P spending driving record number of planned Offshore Oil projects

### Visible Growth Opportunities
- **Organic Growth:**
  - Four advanced shuttle tanker newbuildings (2013), Remora HiLoad DP unit (2013), Salamander FSO unit (2014), Gina Krog FSO unit (2017) and presently bidding on or engaged in 3 new FPSO FEED (Front-end Engineering and Design) studies
- **Growth Provided through Sponsor, Teekay Corp. (NYSE: TK):**
  - Up to five FPSO units potentially available for purchase in the future
Teekay Offshore at a Glance

- Provider of offshore oil solutions, including floating production, storage and transportation services under long-term, fee-based contracts to primarily investment grade customers
- Contracts not linked to, or exposed to commodity prices
- Common units listed on the NYSE (TOO) with a market cap. of $2.7bn*
- Structured as a Master Limited Partnership
  - But, treated as a C-corp for U.S. federal income tax purposes (LP investors receive Form 1099s vs. K-1s)

* Market capitalization based on August 14, 2013 closing prices.
Market Leader in Core Segments

Control Approximately 45% of the World’s Shuttle Tanker Fleet*

Leading Position in Leased FPSOs Globally

Source: Clarkson Research Services, Platou, Fearnley, Company Websites, Industry Sources.
* Based on total tonnage.
** including one unit currently on-order
Teekay Offshore – Linking Rig to Refinery

Leading indicators for Teekay Offshore’s business

Teekay Offshore’s role in the offshore oil value chain

Seismic | Exploration / Drilling | Subsea Development | Production | Storage | Transportation | Terminal

- Oil Production
  - FPSOs
    - 5 FPSOs capable of producing 222,000 bbls/day

- Oil Storage
  - FSOs
    - 6 FSOs with oil storage capacity of over 5.0 million bbls

- Floating Pipelines
  - Shuttle Tankers
    - 36 shuttle tankers\(^1\) transporting over 3.3 million bbls/day

Ability to bundle services for customers

\(^1\) Includes 2 shuttle tankers scheduled for delivery in September 2013 and November 2013
Expertise in Deepwater and Harsh Environments

North Sea
• 17 shuttle tankers owned, 4 in-chartered
• 2 FPSOs + 5 owned by Sponsor

Brazil
• 15 shuttle tankers owned
• 2 FPSOs + 50% interest in 1 FPSO unit
Substantial portfolio of long-term, fee-based contracts with high quality oil and gas companies

- Total forward fee-based revenues of $5.1 billion
- Weighted average remaining contract life of over 5.0 years

<table>
<thead>
<tr>
<th></th>
<th>Shuttle Tankers</th>
<th>FPSO Units</th>
<th>FSO Units</th>
<th>Conventional Tankers</th>
</tr>
</thead>
<tbody>
<tr>
<td># of units</td>
<td>36</td>
<td>5</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Average Contract Life</td>
<td>5.6 years</td>
<td>5.5 years</td>
<td>4.9 years</td>
<td>4.0 years</td>
</tr>
<tr>
<td>Forward Revenues</td>
<td>$2.6 bn</td>
<td>$1.9 bn</td>
<td>$0.4 bn</td>
<td>$0.2 bn</td>
</tr>
</tbody>
</table>

High Quality Customers:

- ExxonMobil
- TALISMAN
- ConocoPhillips
- bp
- HESS
- Shell
- Statoil
- Marathon Oil
- Chevron
- BR
- PETROBRAS
- TOTAL
- Apache Corporation
- BG GROUP
## Recent Developments

### FPSOs
- Completed the *Voyageur Spirit* FPSO acquisition for $540m
- Completed acquisition of a 50% interest in the *Cidade de Itajai* FPSO for $204m

### Shuttle Tankers
- Took delivery of the *Samba Spirit* and *Lambada Spirit* shuttle tankers in May and Jun 2013, respectively
- Remaining 2 BG shuttle tankers delivering between Sep and Nov 2013

### FSOs
- Signed 3-year contract (plus extension options) with Statoil to convert an existing shuttle tanker (*Randgrid*) to an FSO unit in May 2013
- Signed 10-year contract with Salamander Energy to convert an existing shuttle tanker (*Navion Clipper*) to an FSO unit in May 2013

### FEED Studies
- Currently involved in three front end engineering and design (*FEED*) studies for potential new FPSO projects
- Signed agreement to complete a FEED study to develop the next generation of Remora DP HiLoad offtake units
Gina Krog FSO Project with Statoil

- TOO will supply an FSO unit to Statoil ASA Gina Krog Field in the Norwegian sector of the North Sea on a 3 year fee-based contract, plus 12 x one-year extension options
  - Est. conversion $220m using 1995-built Randgrid shuttle tanker
  - Expect annual avg. CFVO*: ~$45m
- Provision, installation, operation and maintenance of the FSO, including turret/mooring system and flexible oil riser delivery
- Expected completion and commencement of the contract in Q1-2017

* Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and amortization of deferred gains and in-process revenue contract, loss on sale of vessel and write-down of vessels, includes the realized gains (losses) on the settlement of foreign exchange forward contracts and adjusting for direct financing leases to a cash basis. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies.
Salamander FSO Project

• TOO will supply an FSO to Salamander Energy (LSE: SMDR) for their Bualuang Field in the Gulf of Thailand on a 10 year fee-based contract, plus options to extend an additional 5 years
  o Estimated fully-built-up cost of $50 million (1993-built Navion Clipper shuttle tanker)
  o Expect annual CFVO*: ~$6.5m
  o Contract start-up mid-2014
• Bualuang Field initially brought on-stream in 2008
• FSO is integral to field redevelopment plans that will enable lower cost production

* Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and amortization of deferred gains and in-process revenue contract, loss on sale of vessel and write-down of vessels, includes the realized gains (losses) on the settlement of foreign exchange forward contracts and adjusting for direct financing leases to a cash basis. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies.
Remora HiLoad DP unit

• TOO acquired a 2010-built HiLoad Dynamic Positioning (DP) unit from Remora AS for approximately $55m (incl. $17m of capital upgrades)

• Expected to commence 10-year contract with Petrobras in Brazil in early-2014

• Strategic Benefits of the HiLoad unit:
  o Broadens TOO’s offshore loading service offering
  o Alternative Offloading solution, especially in long-haul export markets with benign sea conditions (Brazil and West Africa)

• Recently Remora signed agreement to complete a FEED study to develop the next generation of Remora DP HiLoad DP units
North Sea Market - Resurgent Activity

• Resurgence in North Sea drilling activity yielding results
  – 1.7 - 3.3 billion barrel Johan Sverdrup find was biggest of 2011

• New finds in deep water and located far from shore and pipeline infrastructure tend to suit an FPSO and shuttle tanker solution

• Enhanced Oil Recovery leading to renewed production in mature areas

• Move into Barents Sea requires high-specification shuttle tankers and FPSOs

Norwegian Exploration Wells Drilled*

Barents Sea (emerging shuttle region)

Norwegian Sea (existing shuttle region)

North Sea (existing shuttle area)

*Source: Norwegian Petroleum Directorate

Resurgence in North Sea drilling activity yielding results
– 1.7 - 3.3 billion barrel Johan Sverdrup find was biggest of 2011

New finds in deep water and located far from shore and pipeline infrastructure tend to suit an FPSO and shuttle tanker solution

Enhanced Oil Recovery leading to renewed production in mature areas

Move into Barents Sea requires high-specification shuttle tankers and FPSOs

Record high level of exploration

North Sea Market - Resurgent Activity Resurgence in North Sea drilling activity yielding results – 1.7 - 3.3 billion barrel Johan Sverdrup find was biggest of 2011 New finds in deep water and located far from shore and pipeline infrastructure tend to suit an FPSO and shuttle tanker solution Enhanced Oil Recovery leading to renewed production in mature areas Move into Barents Sea requires high-specification shuttle tankers and FPSOs Record high level of exploration North Sea Market - Resurgent Activity Resurgence in North Sea drilling activity yielding results – 1.7 - 3.3 billion barrel Johan Sverdrup find was biggest of 2011 New finds in deep water and located far from shore and pipeline infrastructure tend to suit an FPSO and shuttle tanker solution Enhanced Oil Recovery leading to renewed production in mature areas Move into Barents Sea requires high-specification shuttle tankers and FPSOs Record high level of exploration
• Brazilian offshore production fleet predicted to double between 2011-18
  – Growth in offshore production drives demand for shuttle tankers and FPSOs
• Petrobras is aggressively increasing its production capability
• Other oil companies also have shuttle tanker requirements in offshore Brazil
The number of projects which could require an FPSO has doubled in the past five years.

Estimate of 20-28 FPSO orders per year over the next five years depending on the global economy, oil demand and energy prices.

Operational and engineering expertise required to be successful in the leased FPSO business creates a high barrier to entry.
Increased Demand for FSO Solutions

- The offshore market has seen a recent resurgence in FSO activity:
  - Re-emergence of FSO demand in the North Sea
  - New development in S.E. Asia
- 22 projects currently considering the use of an FSO
  - 11 in Asia; 4 in North Sea

**Planned FSO Projects**

<table>
<thead>
<tr>
<th>Region</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.E. Asia</td>
<td>11</td>
</tr>
<tr>
<td>North Sea</td>
<td>4</td>
</tr>
<tr>
<td>MED</td>
<td>3</td>
</tr>
<tr>
<td>GoM</td>
<td>2</td>
</tr>
<tr>
<td>Brazil</td>
<td>1</td>
</tr>
<tr>
<td>Africa</td>
<td>1</td>
</tr>
</tbody>
</table>

**Top Leased FSO Operators**

<table>
<thead>
<tr>
<th>Operator</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanker Pacific</td>
<td>7</td>
</tr>
<tr>
<td>Teekay</td>
<td>5</td>
</tr>
<tr>
<td>Modec</td>
<td>4</td>
</tr>
<tr>
<td>Trada Maritime</td>
<td>4</td>
</tr>
<tr>
<td>MISC</td>
<td>3</td>
</tr>
</tbody>
</table>

4 Owners with 2 units
19 Owners with 1 unit
## Visible Existing and Potential Growth Opportunities for TOO

### NEAR-TERM

- **Directly Ordered by TOO**
  - 2 NB Shuttle Tankers (BG)

- **Directly acquired by TOO**
  - HiLoad DP Unit (Petrobras)

- **Teekay Corporation**
  - Petrojarl Knarr FPSO (BG)

- **Teekay Corporation**
  - Hummingbird Spirit (Centrica)

### MEDIUM-TERM

- **Direct by TOO**
  - FSO (Salamander Energy)

- **Teekay Corporation**
  - Petrojarl Foinaven (BP)

- **Teekay Corporation**
  - Petrojarl I FPSO

### LONGER-TERM

- **Direct by TOO**
  - FSO (Gina Krog - Statoil)

- **Teekay Corporation**
  - Petrojarl Banff (CNR)

Agreements with Sevan and Remora expected to provide additional growth opportunities.
Track Record of Distribution Growth

INCREASING DISTRIBUTIONS (CAGR = 5.2%)

INITIAL FLEET
26% OPCO (36 Shuttle Tankers) (4 FSOs) (9 Aframax Vessels)

2006 $1.40
2007 $1.60 Shuttle Tankers (2 vessels)
2008 $1.80 Additional 25% of OPCO
2009 $1.80 Petrojarl Varg FPSO
2010 $1.90
2011 $2.00 Shuttle Tanker Newbuildings (3 Vessels)
2012 $2.05 Sevan Piranema FPSO Additional 49% of OPCO
2013 $2.10 Remora HiLoad DP Unit Cidade de Itajai FPSO (Acquired 50%)

Voyageur Spirit FPSO Shuttle Tanker Newbuildings (1 Vessel)
Cidade de Rio das Ostras FPSO
Shuttle Tanker Newbuildings (3 Vessels)
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: future growth opportunities, including the Partnership’s ability to successfully bid for new LNG shipping and regasification projects and/or acquire additional on-the-water assets with contracts; potential growth in distributable cash flow as a result of such opportunities and recent vessel transactions; the Partnership’s ability to secure charter contract employment and long-term financing for the two currently unchartered LNG carrier newbuilding vessels ordered in July 2013; expected delivery dates for the Partnership’s newbuildings; the expected impact on the Partnership’s cash flows arising from the transaction with Awilco LNG; the Partnership’s potential opportunity to acquire and bareboat charter a second LNG newbuilding vessel from Awilco; and LNG and LPG shipping market fundamentals, including the short-term demand for LNG carrier capacity, future growth in global LNG supply, and the balance of supply and demand of shipping capacity and shipping charter rates in these sectors. 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: shipyard construction delays; availability of LNG shipping, LPG shipping, floating storage and regasification and other growth project opportunities; 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; the Partnership’s ability to secure new contracts through bidding on project tenders; 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 financial ability of our charterers to pay their charter payments; the inability of the Partnership to renew or replace long-term contracts on existing vessels or attain fixed-rate long-term contracts for newbuilding vessels; the Partnership’s ability to raise financing for its existing newbuildings or to purchase additional vessels or to pursue other projects; competitive dynamics in bidding for potential LNG or LPG 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, 2012. 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.
## Teekay LNG Partners Highlights

<table>
<thead>
<tr>
<th>One of the World’s Largest LNG Carrier Owners</th>
<th>• Top 2 independent owner and operator of LNG carriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable Operating Cash Flow</td>
<td>• 100% of existing LNG fleet operating under fixed-rate contracts (weighted avg. contract duration of ~13 years) primarily to major oil and gas companies</td>
</tr>
<tr>
<td></td>
<td>• $6.9 billion of forward fee-based revenues</td>
</tr>
<tr>
<td>Solid LNG Industry Fundamentals</td>
<td>• Combination of surging LNG demand in Asia and abundant supply of gas in the U.S. and Australia underlies strength in LNG shipping market</td>
</tr>
<tr>
<td>Strong Financial Position and Access to Growth Capital</td>
<td>• ~$260 million of liquidity</td>
</tr>
<tr>
<td></td>
<td>• Market cap. of $3.0 billion</td>
</tr>
<tr>
<td></td>
<td>• Raised approx $1.3 billion of equity since IPO in 2005</td>
</tr>
</tbody>
</table>
Teekay LNG at a Glance

• Provider of LNG, LPG and crude oil marine transportation primarily under long-term, fee-based contracts

• Contracts not linked to, or exposed to commodity prices

• Common units listed on the NYSE (TGP) with a market cap. of $3.0bn*

• Structured as a Master Limited Partnership (K-1 Filer)

* Market capitalization based on August 14, 2013 closing prices.
**Major Independent LNG Operator**

- Teekay LNG has grown to become the second largest independent operator of LNG carriers

<table>
<thead>
<tr>
<th></th>
<th>In Service</th>
<th>On Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOL</td>
<td>28</td>
<td>7</td>
</tr>
<tr>
<td>Teekay LNG</td>
<td>35</td>
<td>5</td>
</tr>
<tr>
<td>NYK</td>
<td>27</td>
<td>2</td>
</tr>
<tr>
<td>Maran Gas</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td>Golar</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>BW Gas</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>K Line</td>
<td>12</td>
<td>3</td>
</tr>
</tbody>
</table>

Note: Excludes state & oil company fleets.
Stable Long-Term Cash Flows

- Attractive fee-based contracts, “locking-in” cash flows:
  - 10 - 25 years initial length for LNG carriers
  - High credit quality customers
  - Cost escalation provisions

- Long average remaining contract life:
  - LNGs: 13 years
  - LPGs: 7 years*
  - Tankers: 6 years

- Liabilities are matched to contracts:
  - Repayment profile of principal matches revenue stream
  - Interest rates hedged for duration of contract

* The average remaining contract life relates to 16 LPG carriers that are currently on fixed-rate charters.
Long-Term Contract Portfolio With Blue-Chip Customer Base

- Substantial portfolio of long-term fee-based contracts with high quality oil and gas companies

<table>
<thead>
<tr>
<th></th>
<th>LNG Carriers</th>
<th>LPG Carriers</th>
<th>Conventional Tankers</th>
</tr>
</thead>
<tbody>
<tr>
<td># of units</td>
<td>32</td>
<td>31*</td>
<td>11</td>
</tr>
<tr>
<td>Average remaining Contract Life</td>
<td>13 years</td>
<td>7 years**</td>
<td>6 years</td>
</tr>
<tr>
<td>Forward Revenues</td>
<td>$5.9 billion</td>
<td>$0.4 billion**</td>
<td>$0.6 billion</td>
</tr>
</tbody>
</table>

* Includes ten newbuilding LPG carriers currently under construction and five in-chartered LPG carriers.

** The average remaining contract life and forward revenues relate to 16 LPG carriers that are currently on fixed-rate charters.
Summary of Recent Developments

• Entered into an accretive purchase-leaseback transaction with Awilco LNG for up to two 155,900 cubic meter LNG carrier newbuildings

• Announced several new LNG and LPG projects that will contribute to TGP’s near and long-term growth

• In June, TGP signed 5-year fixed-rate time charters with Cheniere Marketing LLC for the two 174,300 cubic meter MEGI LNG carrier newbuildings ordered from DSME in December 2012
  • Charters commence upon delivery of the vessels in 1H-2016

• Significant increase in tendering activity for both LNG and FSRU projects with additional liquefaction capacity expected to come online from 2016 onwards
LNG Carrier Purchase – Leaseback

- Recently, TGP agreed to acquire an LNG carrier newbuilding, with a fixed-rate bareboat charter back to Awilco LNG (Awilco);
  - Awilco has an option to sell and bareboat charter back an identical second LNG carrier newbuilding, under similar terms, exercisable later this year.

<table>
<thead>
<tr>
<th>Vessel Size</th>
<th>155,900 cbm</th>
<th>Gross Purchase Price</th>
<th>$205m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipyard</td>
<td>Daewoo Shipbuilding and Marine Engineering (DSME)</td>
<td>Prepaid Charterhire</td>
<td>$50m</td>
</tr>
</tbody>
</table>
| Delivery Dates    | Q3 2013 (1st Vessel)  
                  | Q4 2013 (2nd Vessel) | Net Purchase Price | $155m |
| Bareboat Term     | 5-years  
                  | (plus 1-year option) | Expected Annual DCF(1) | ~$7.5m |
| Purchase Obligation | Fixed-price at end of year-5  
                       | (or year-6) | |

- TGP will initially finance the purchase with existing liquidity but expects to secure long-term debt financing prior to acquisition

1) Distributable cash flow (DCF) 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).
More LNG/LPG Newbuilding Orders Placed

• In July 2013, TGP exercised two of its existing three options from DSME and ordered two additional 173,400 cbm MEGI LNG carrier newbuildings
  – Tail-heavy payment profile
  – Expect to secure long-term employment and financing prior to delivery

• Secured options from DSME for up to 5 additional vessels

• In July 2013, Exmar LPG JV exercised options for two additional medium-size carrier (MGC) newbuildings scheduled for delivery in 2017
  – Exmar LPG JV now has 10 LPG carrier newbuildings under construction
TGP’s Visible Growth Pipeline

2013
Awilco LNG carrier (Acquisition / Charter back)

2014
4 Exmar LPG JV Newbuildings

2015
4 Exmar LPG JV Newbuildings

2016/2017
6 Options for MEGI LNG Carrier Newbuildings

Note: Diagram not to scale.
Strong LNG Supply Growth Post-2015

• Australia expected to add ~80 MTPA of LNG supply by 2020
• Requirement for additional newbuildings to move new LNG volumes

LNG Capacity Additions By Region vs. LNG Carrier Orderbook

- 170 MTPA by 2020 = 170 incremental LNG carriers

Source: Internal Estimates / Clarksons
Large Growth of North American Exports after 2016

• ~63 MTPA of North American LNG exports have secured sales agreements
  – Cheniere’s 18 MTPA Sabine Pass is under construction with start-up as early as late 2015
  – Another 45 MTPA from six US and four Canadian projects have secured sales agreements while awaiting FID and government approvals.

• Almost 200 MTPA of export projects are in the proposal stage

![North American LNG Exports Graph](image.png)

Vessels needed to ship 10 MTPA of LNG

<table>
<thead>
<tr>
<th>Route</th>
<th>Vessels</th>
</tr>
</thead>
<tbody>
<tr>
<td>USG to Japan</td>
<td>17–19</td>
</tr>
<tr>
<td>USG to Europe</td>
<td>9–11</td>
</tr>
<tr>
<td>Canada WC to Japan</td>
<td>7–8</td>
</tr>
<tr>
<td>Canada EC to Europe</td>
<td>5–6</td>
</tr>
</tbody>
</table>

Source: Company Estimates

In Construction (Sabine Pass) | Secured Sales Agreements, Waiting FID | Proposed
LNG Demand Growth Primarily Driven By China and India

- LNG is a cornerstone of China’s energy mix
- Chinese LNG imports expected to double to ~25-30 million tonnes (MT) by 2015
- Domestic gas shortfall prompting India to turn to LNG imports
- India planning to double regasification capacity by end-2015

Chinese LNG Purchase Agreements

![Chart showing LNG purchase agreements](chart.png)

Source: Thomson Reuters

Indian Regasification Capacity

![Chart showing regasification capacity](chart.png)

Source: Ambit Capital
LPG Market

MGC Term Rates Remain Steady

- Medium Gas Carrier (MGC) rates have remained steady at ~$810k / month in Q1-2013
- Very Large Gas Carrier (VLGC) spot rates down on lower Middle-East Gulf (MEG) export volumes

Expected US Exports Provide Upside to LPG Carrier Demand Outlook

- Rising US shale gas production is leading to a surplus of ethane and propane available for export
- Increasing US LPG exports could add significantly to LPG carrier tonne-mile demand

TGP’s LPG Fleet Well Positioned to Take Advantage of Positive Fundamentals

Source: Clarksons

Source: U.S. Energy Information Administration (EIA)
Current TGP Growth Initiatives

• Actively bidding on point-to-point LNG and FSRU projects
  – Experiencing increased number of new LNG and FSRU tenders

• Pursuing long-term contracts for two recently ordered LNG carrier newbuildings delivering in 2016

• Pursuing growth in the LPG sector through our 50/50 joint venture with Exmar

• Continuing to pursue accretive consolidation opportunities utilizing our financial strength

• Not presently focusing on FLNG
Track Record of Distribution Growth

**INCREASING DISTRIBUTIONS**
(CAGR = 5.6%)

- **2005**: INITIAL FLEET (4 LNG Carriers) (5 Suezmax Vessels)
  - $1.65
- **2006**: SUEZMAX (3 Vessels)
  - $1.85
- **2007**: RASGAS II (70%) (3 LNG Carriers)
  - $2.12
- **2008**: KENAI (2 LNGs)
  - $2.28
- **2009**: TANGGUH (70%) (2 LNG Carriers)
  - $2.40
- **2010**: SKAUGEN (3 LPGs)
  - $2.52
- **2011**: ANGOLA PROJECT (33%) (4 LNG carriers)
  - $2.52
- **2012**: MAERSK LNG (52% JV) (6 LNG Carriers)
  - $2.70
- **2013**: Exmar LPG (50% JV) (23 LPG carriers*)
  - $2.70

Note: Diagram not to scale.

* Includes eight LPG newbuildings and five in-chartered LPG carriers.
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 estimated cost and timing of delivery of FPSO unit, shuttle tanker, FSO unit, LNG carrier, LPG carrier and LR2 product tanker newbuildings/conversions and the commencement of associated time-charter contracts and their effect on the Company's future operating results; the timing and certainty of securing long-term employment for the two LNG carrier newbuildings ordered in July 2013; the timing of the Voyageur Spirit achieving final acceptance and commencing full operations under the E.ON contract; the amount of the indemnification by Teekay Corporation for Teekay Offshore’s lost revenues related to the Voyageur Spirit FPSO off-hire from the May 2, 2013 acquisition date; the timing of the Foinaven FPSO reaching full production under its charter contract; the timing and certainty of Teekay LNG’s acquisition of a newbuilding LNG carrier and bareboat charter back to Awilco, and the potential for Teekay LNG to acquire a second newbuilding LNG carrier from Awilco under similar terms; the relative fuel efficiency and emissions performance of the newbuilding LNG carriers ordered from DSME equipped with MEGI engines; the timing and certainty of Teekay Tankers receiving a refund guarantee for the four LR2 newbuildings ordered from STX in April 2013 and the potential for these orders to be substantially changed or cancelled; the timing, amount and certainty of potential future increases in the daughter entities’ cash distributions; and the timing of amount of future capital expenditure commitments for Teekay Parent, Teekay LNG, Teekay Offshore and Teekay Tankers. 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 or demand for oil, petroleum products, LNG and LPG, either generally or in particular regions; greater or less than anticipated levels of tanker newbuilding orders or greater or less than anticipated rates of tanker scrapping; 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; changes in the typical seasonal variations in tanker charter rates; changes in the offshore production of oil or demand for shuttle tankers, FSOs and FPSOs; decreases in oil production by or increased operating expenses for FPSO units; trends in prevailing charter rates for shuttle tanker and FPSO contract renewals; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts or complete existing contract negotiations; the inability to negotiate new contracts on the two LNG carrier newbuildings ordered in July 2013; changes affecting the offshore tanker market; shipyard production or vessel conversion delays and cost overruns; delays in commencement of operations of FPSO and FSO units at designated fields; changes in the Company's expenses; the Company's future capital expenditure requirements and the inability to secure financing for such requirements; the inability of the Voyageur Spirit FPSO to achieve final acceptance and commence full operations under the E.ON contract; the inability of the Company to repair the gas compression system on the Foinaven FPSO, recommence operations and achieve full production by November 2013; the inability of Teekay Tankers to realize on the security of its VLCC term loan investments; failure of STX creditors to provide a refund guarantee to Teekay Tankers for its LR2 newbuilding orders; the inability of the Company to complete vessel sale transactions to its public-traded subsidiaries or to third parties; conditions in the United States capital markets; and other factors discussed in Teekay's filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2012. The Company 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 Company's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.
Diversified Business Model

- Patient, deliberate evolution across three segments
- Eliminating cyclicality by generating value at every point in the cycle
- $11 billion of consolidated assets, over 170 vessels
- Over $15 billion of consolidated forward fee-based revenues
- ‘One-stop shop’ for customers’ marine energy solutions

SERVING OUR CUSTOMERS’ MARINE ENERGY NEEDS
Main Drivers for Growing NAV per Share

**ASSET MANAGER**
- Increase the value of daughter companies and the value of two GP interests
- Allocate capital to maximize Teekay Parent’s return on investment

**PROJECT DEVELOPER**
- Organically develop new projects and commercialize new business areas
- Accretive acquisitions of existing third party assets

**OPERATIONAL LEADER**
- Operate with high HSEQ standards
- Greater focus on costs and profitability
Continued Focus on Project Execution

**2013**
- **Q3**: Petrojarl Banff Re-start
- **Q4**: Petrojarl Knarr

**2014**
- **1H**: Petrojarl I Redeployment (TBD)
- **2H**: Remora HiLoad DP Unit

**2015**
- **1H**

**2016**
- **2H**
- **2H**
- **2017**

**FPSO**
- Petrojarl Banff Re-start
- Petrojarl Knarr
- Petrojarl I Redeployment (TBD)

**SHUTTLE & FSO**
- Remora HiLoad DP Unit
- Salamander FSO Project
- Gina Krog FSO Project

**GAS**
- 10 Exmar LPG Newbuildings
- 4 MEGI LNG Newbuildings

**TANKER**
- 4 LR2 Product Tanker Newbuildings

**Continued Focus on Project Execution**

**2013**
- **Q3**: Petrojarl Banff Re-start
- **Q4**: Petrojarl Knarr

**2014**
- **1H**: Petrojarl I Redeployment (TBD)
- **2H**: Remora HiLoad DP Unit

**2015**
- **1H**

**2016**
- **2H**
- **2H**
- **2017**

**FPSO**
- Petrojarl Banff Re-start
- Petrojarl Knarr
- Petrojarl I Redeployment (TBD)

**SHUTTLE & FSO**
- Remora HiLoad DP Unit
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**GAS**
- 10 Exmar LPG Newbuildings
- 4 MEGI LNG Newbuildings

**TANKER**
- 4 LR2 Product Tanker Newbuildings
# Teekay Parent Sum-of-Parts

($ millions, except per share amounts)

## Teekay Parent Assets

<table>
<thead>
<tr>
<th>Component</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional Tankers ¹</td>
<td>$152</td>
</tr>
<tr>
<td>FPSOs ¹</td>
<td>540</td>
</tr>
<tr>
<td>Newbuilding ²</td>
<td>585</td>
</tr>
<tr>
<td>JVs and Other Investments</td>
<td>71</td>
</tr>
</tbody>
</table>

**Total FMV of Teekay Parent Assets**: $1,348

**Teekay Parent Pro Forma Net Debt**: $(1,018)

**Equity Value of Teekay Parent Assets**: $330

## Teekay Parent Equity Investment in Daughters ³, ⁴

<table>
<thead>
<tr>
<th>Daughter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>TGP</td>
<td>$1,076</td>
</tr>
<tr>
<td>TOO</td>
<td>765</td>
</tr>
<tr>
<td>TNK</td>
<td>57</td>
</tr>
<tr>
<td>Sevan Marine</td>
<td>91</td>
</tr>
<tr>
<td>Implied value of GP equity ⁵</td>
<td>823</td>
</tr>
</tbody>
</table>

**Total Equity Investment in Daughters**: $2,812

**Teekay Parent Net Asset Value**: $3,142

**Teekay Corporation Shares Outstanding (millions)**: 70.4

**Teekay Parent Net Asset Value per Share**: $44.63

**Teekay Corporation Current Share Price (Aug 14/13)**: $38.50

~16% discount

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¹ Management estimates.

² Progress payments on existing newbuilding as of June 30, 2013.

³ Based on Teekay Parent’s current percentage of TGP, TOO, TNK and Sevan Marine ownership.

⁴ Closing share prices as of Aug. 14, 2013.

⁵ Implied value calculated by annualizing Q2-13 GP cash flows of $9.5m and multiplying by the current 22.4x average P/DCF multiple for publicly traded GPs.
Dropdown of Assets Deleveraging Teekay Parent

Teekay Offshore’s acquisition of the *Voyageur Spirit* FPSO and 50% interest in *Cidade de Itajai* FPSO deleverages Teekay Parent’s balance sheet and builds liquidity

- With the dropdown of further FPSO assets, Teekay Parent remains on-track to be net debt free

Dropdown of Assets Deleveraging Teekay Parent

Includes:
- $585m newbuilding advances for *Petrojarl Knarr* FPSO project
- Remaining debt relates to warehoused FPSOs and four conventional tankers

Teekay Parent Net Debt

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Teekay Parent Net Debt</td>
<td>$1,343</td>
<td>$1,352</td>
<td>$1,018</td>
</tr>
</tbody>
</table>

Dropdown of Assets

- $585m newbuilding advances for *Petrojarl Knarr* FPSO project
- Remaining debt relates to warehoused FPSOs and four conventional tankers
Daughter Organic Growth and Acquisitions Benefiting Teekay Parent

• More growth to come in both the offshore and gas businesses through current projects and new growth opportunities
• Both TOO and TGP GP Incentive distribution rights (IDRs) into the 50% high-splits

* 2013 based on Q1-2013 common unit distributions and GP distributions and Q2-2013 common unit distributions and GP distributions annualized for the remainder of 2013.
Illustrative Growth in GP Value

Illustrative Assumptions:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Distribution Growth Rate per LP Unit</td>
<td>0%</td>
<td>2%</td>
<td>4%</td>
<td>5% p.a.</td>
</tr>
<tr>
<td>LP Unit Growth per Annum</td>
<td>0%</td>
<td>5%</td>
<td>10%</td>
<td>12% p.a.</td>
</tr>
</tbody>
</table>

Illustrative GP Valuation
(Assuming 22.4x Publicly Traded GP Cash Flow Multiple)

FOR ILLUSTRATION PURPOSES ONLY - Based on assumptions detailed on previous slide and does not represent management’s forecast.

* Based on an average 22.4x P/DCF multiple of publicly-traded general partnerships, assuming 70.2 million Teekay Corporation shares outstanding.
Appendix
Reorganization of Norway onshore operations is expected to result in future run-rate G&A cost savings; also targeting further vessel OPEX cost savings

(1) Net revenues represents 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.teekayoffshore.com for a reconciliation of this non-GAAP measure as used in this presentation to the most directly comparable GAAP financial measure.

(2) Exclude the results from the Voyageur Spirit FPSO which was acquired from Teekay Corporation on May 2, 2013. The results are excluded because Teekay Corporation’s indemnification for Teekay Offshore’s lost revenues under the contract with E.ON, while the unit is off-hire, is effectively treated as a reduction to the $540 million purchase price Teekay Offshore paid Teekay Corporation to acquire the FPSO unit. If the Voyageur Spirit FPSO results were included, both net revenues and CFVO would be higher by approximately $12.5 million in Q2-2013.

(3) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, write-down of vessels and amortization of deferred gains and in-process revenue contract, includes the realized gains (losses) on the settlement of foreign exchange forward contracts and adjusting for direct financing leases to a cash basis. 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. Please see the Partnership’s website at www.teekayoffshore.com for a reconciliation of this non-GAAP measure as used in this presentation to the most directly comparable GAAP financial measure.

(4) Net interest expense includes realized losses/gains relating to interest rate swaps.
TGP Key Financial Information

<table>
<thead>
<tr>
<th>(in $ millions)</th>
<th>Q2-13</th>
<th>Q2-12</th>
<th>F2012</th>
<th>F2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenues</strong>¹</td>
<td>$95.4</td>
<td>$96.2</td>
<td>$390.5</td>
<td>$378.6</td>
</tr>
<tr>
<td><strong>CFVO</strong>²</td>
<td>$65.5</td>
<td>$71.0</td>
<td>$282.2</td>
<td>$271.5</td>
</tr>
<tr>
<td><strong>Net Interest Expense</strong>³</td>
<td>$21.8</td>
<td>$22.1</td>
<td>$88.1</td>
<td>$83.3</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td>$97.6</td>
<td>$114.9</td>
<td>$113.6</td>
<td>$93.6</td>
</tr>
<tr>
<td><strong>Liquidity (Cash and undrawn lines)</strong></td>
<td>$262.3</td>
<td>$402.9</td>
<td>$495.0</td>
<td>$538.7</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$3,893.5</td>
<td>$3,790.3</td>
<td>$3,785.4</td>
<td>$3,582.2</td>
</tr>
<tr>
<td><strong>Net Debt (net of restricted cash)</strong></td>
<td>$1,571.9</td>
<td>$1,534.4</td>
<td>$1,408.8</td>
<td>$1,373.0</td>
</tr>
</tbody>
</table>

(1) Net revenues represents 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 presentation to the most directly comparable GAAP financial measure.

(2) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, write-down of vessels and amortization of deferred gains and in-process revenue contract, includes the realized gains (losses) on the settlement of foreign exchange forward contracts and adjusting for direct financing leases to a cash basis. Excludes CFVO from equity-accounted vessels. 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. Please see the Partnership’s website at www.teekaylng.com for a reconciliation of this non-GAAP measure as used in this presentation to the most directly comparable GAAP financial measure. Excludes CFVO from Teekay LNG’s equity accounted vessels. Teekay LNG’s proportionate share of CFVO from equity accounted vessels was $47.2 million, $38.0 million, $143.3 million and $62.6 million in Q2-13, Q2-12, F2012 and F2011, respectively.

(3) Net interest expense includes realized losses/gains relating to interest rate swaps. Excludes Q4 2011 interest rate swap termination payment of $22.56 million.