



# Teekay Corporation

September 2013

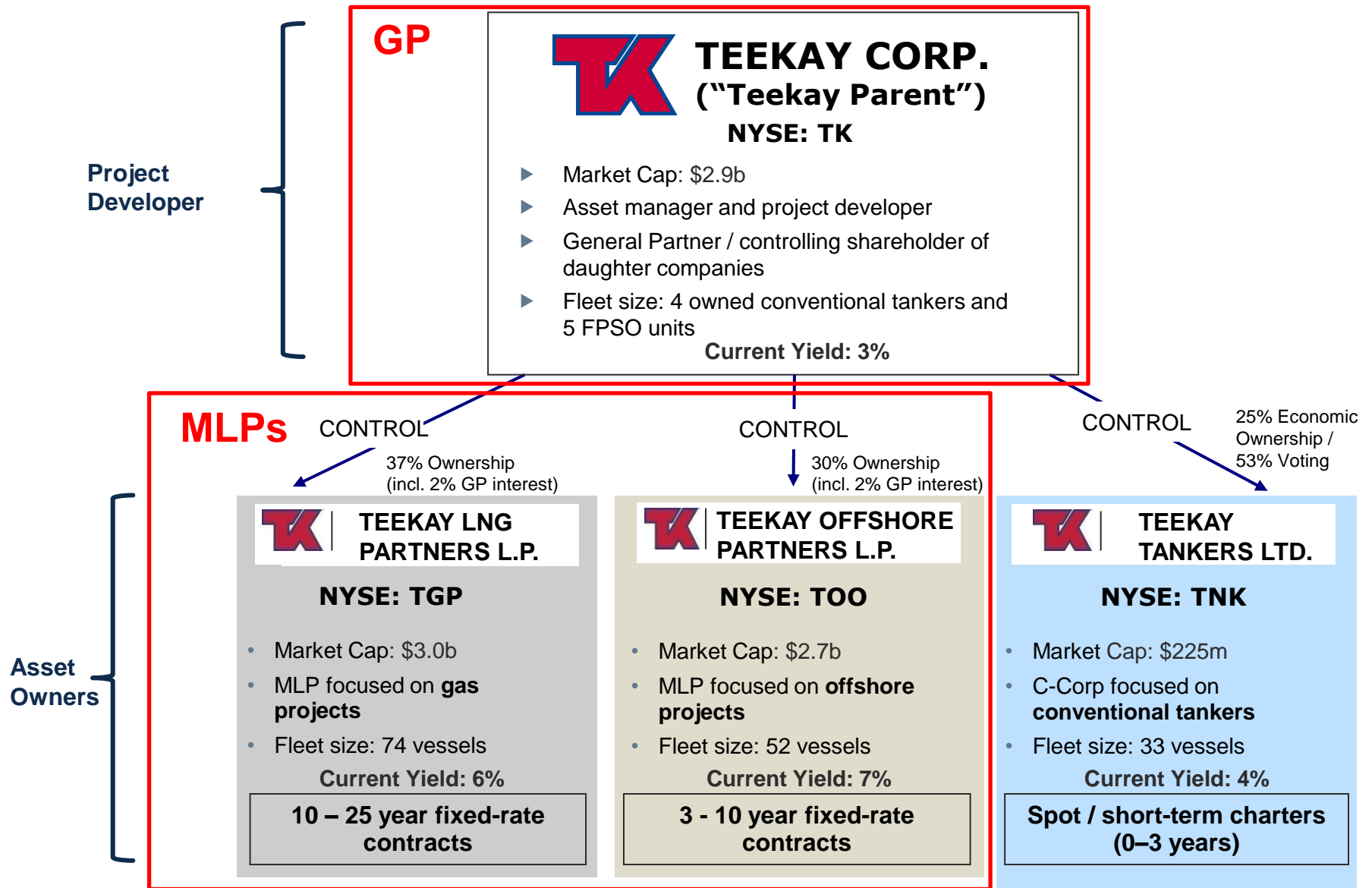


TEEKAY CORPORATION

# 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.

# Teekay Group Corporate Structure



Note: Market capitalization and current yields based on September 11, 2013 closing prices.

# Diversified Business Model

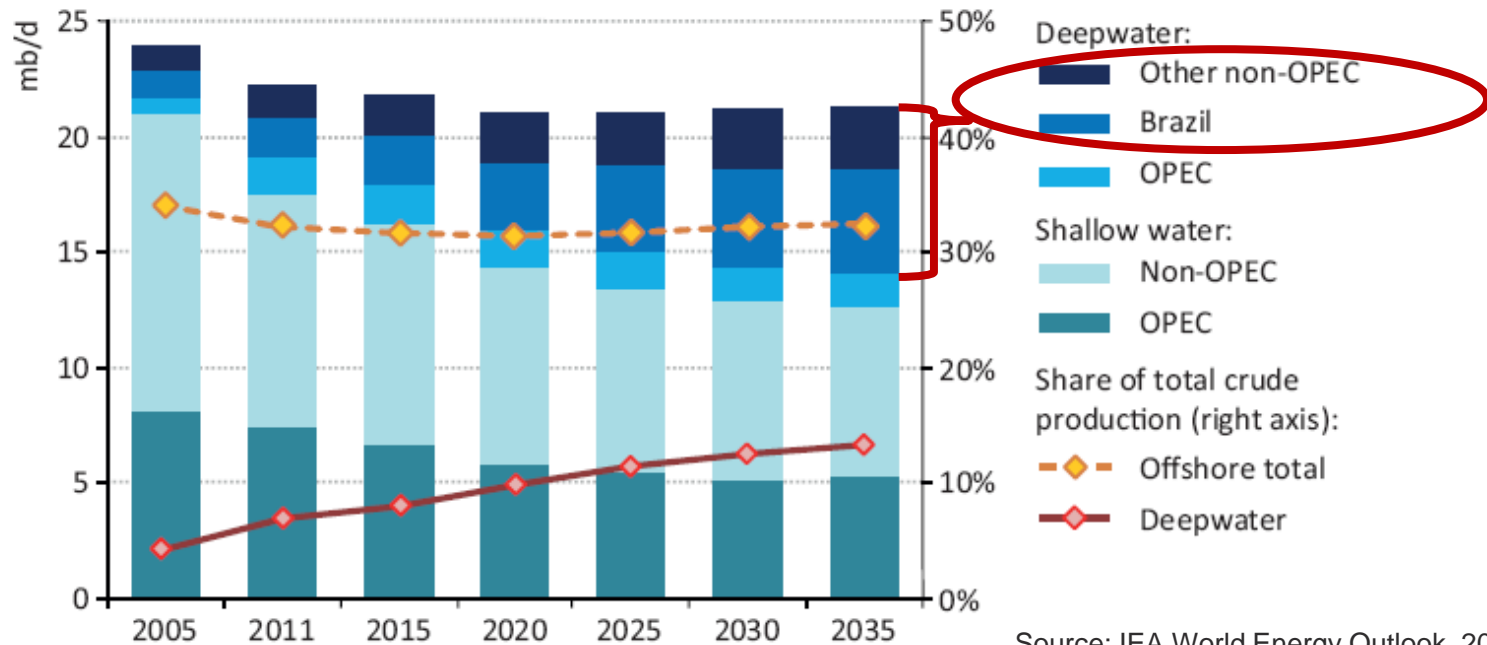
- A world leader in marine logistical solutions to the global oil and gas industry
- Celebrating our 40th Anniversary this year
- \$11 billion of consolidated assets, over 170 vessels
- Over \$15 billion of consolidated forward fee-based revenues
- 'One-stop shop' for customers' marine energy solutions



# World Becoming More Reliant On Offshore Oil

- Decrease in total global and North Sea offshore oil production
- Continued increase in deepwater well supply
- Historic high rates of deepwater drilling will lead to FPSO and shuttle demand in future years
- Trend towards deeper water suits FPSO and shuttle solutions

World Offshore Crude Oil Production by Type and Region



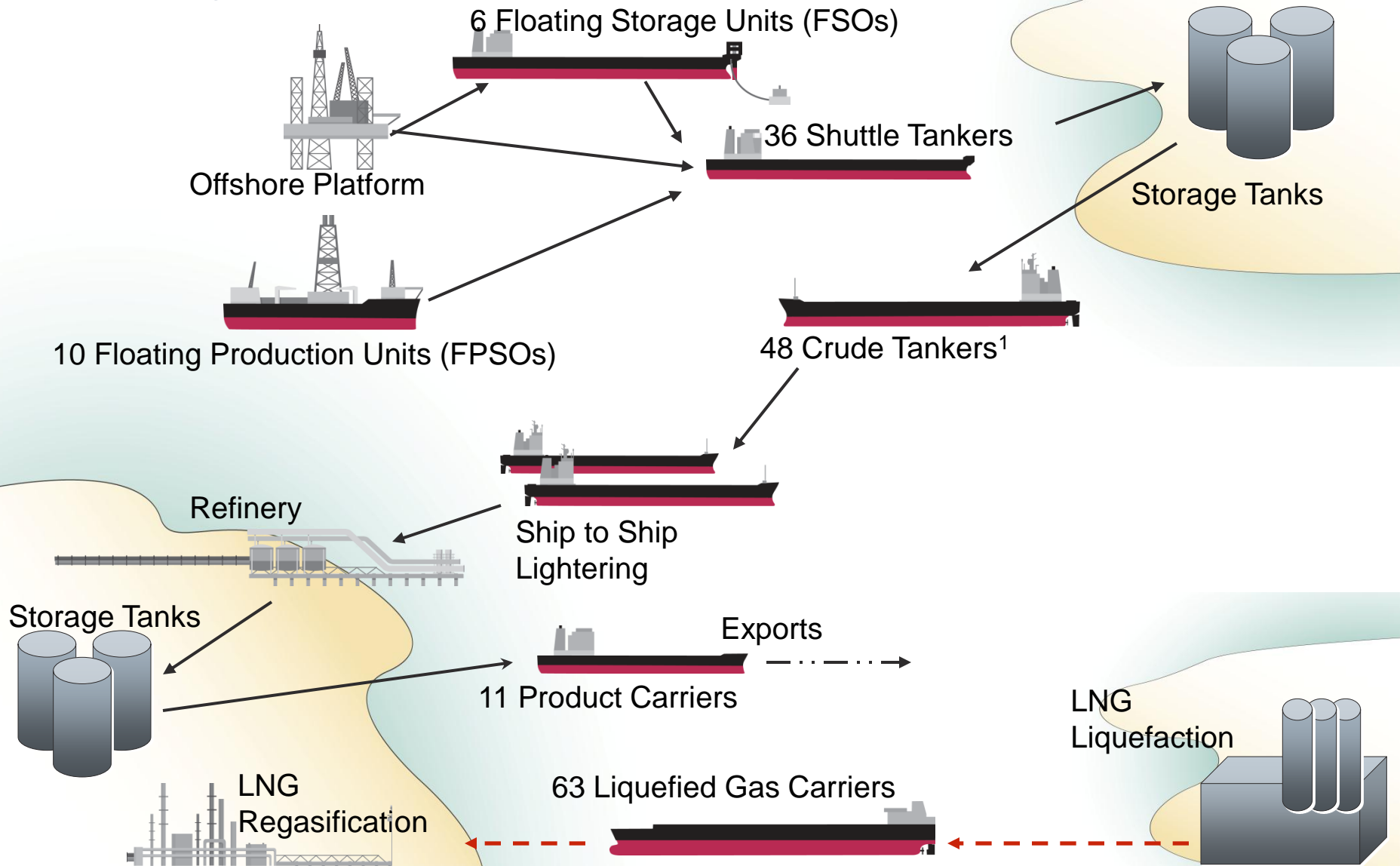
Source: IEA World Energy Outlook, 2012

# LNG Shipping In The “Golden Age of Gas”

- LNG supply expected to grow by 4.5% p.a. to 2030, more than twice as fast as underlying global gas production (2.1% p.a.)
- Demand growth driven by the power generation sector with gas displacing coal
- Non-OECD, led by China, accounts for the majority of demand growth
- Worldwide build-out of a global LNG market requires significant investment in infrastructure and logistics chain



# Teekay is in Every Part of its Customers' Value Chain

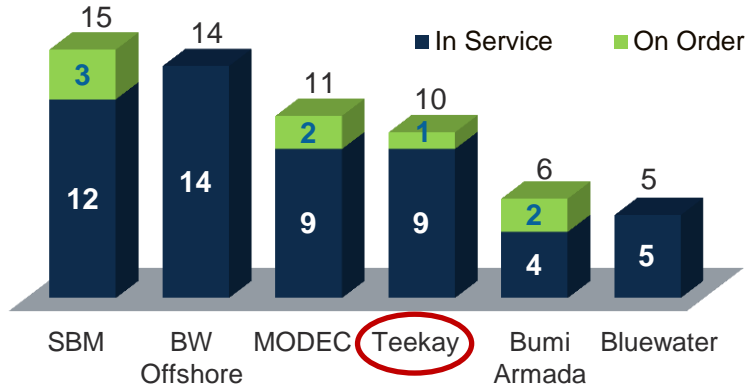


<sup>1</sup> Excludes commercially managed vessels.

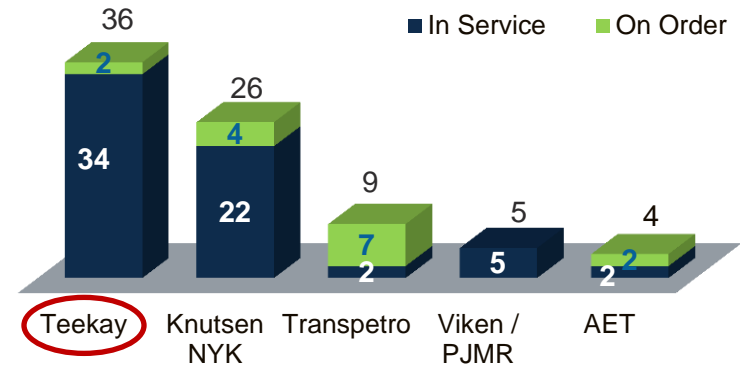
<sup>2</sup> Based on owned shipping vessels (excluding FPSOs and FSOs which are not subject to age restrictions), includes newbuildings.

# Teekay is a Leader in Each of its Business Segments

## Leading Position in Leased FPSOs



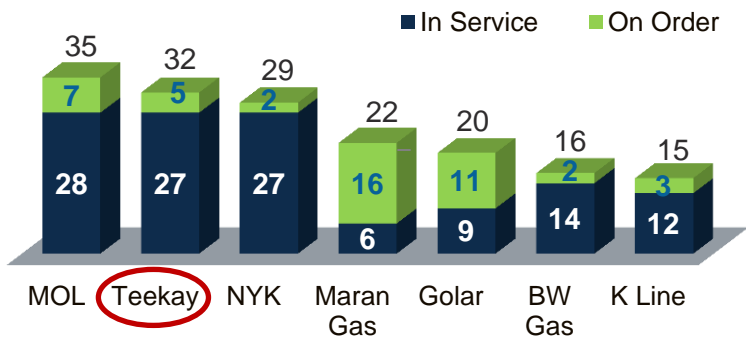
## Largest Operator of Shuttle Tankers



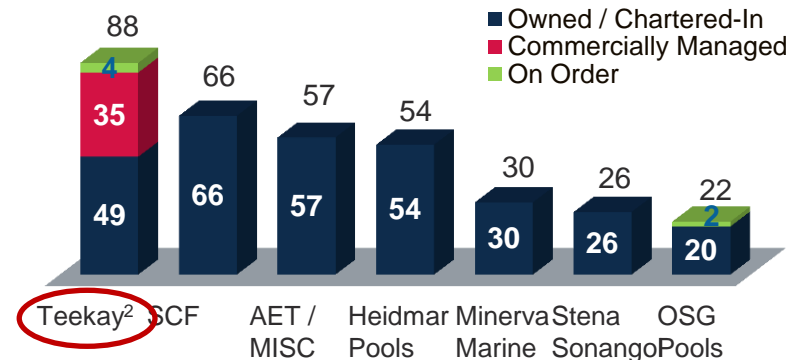
Leader in Harsh Weather Operations in the North Sea

Controls More Than 45% of the World's Fleet

## Leading Position in LNG Carriers



## Largest Operator of Mid-Size<sup>1</sup> Conventional Tankers



Note: Excludes state & oil company fleets.

Operates Second Largest Independent Fleet in the World

Transports Approximately 10% of the World's Seaborne Oil<sup>3</sup>

Source: Clarkson Research Services, Platou, Company Websites, Industry Sources.

<sup>1</sup> Aframax, Suezmax and LR2 tankers. Includes vessels under commercial management.

<sup>2</sup> Excludes one VLCC newbuilding and five MR product tankers.

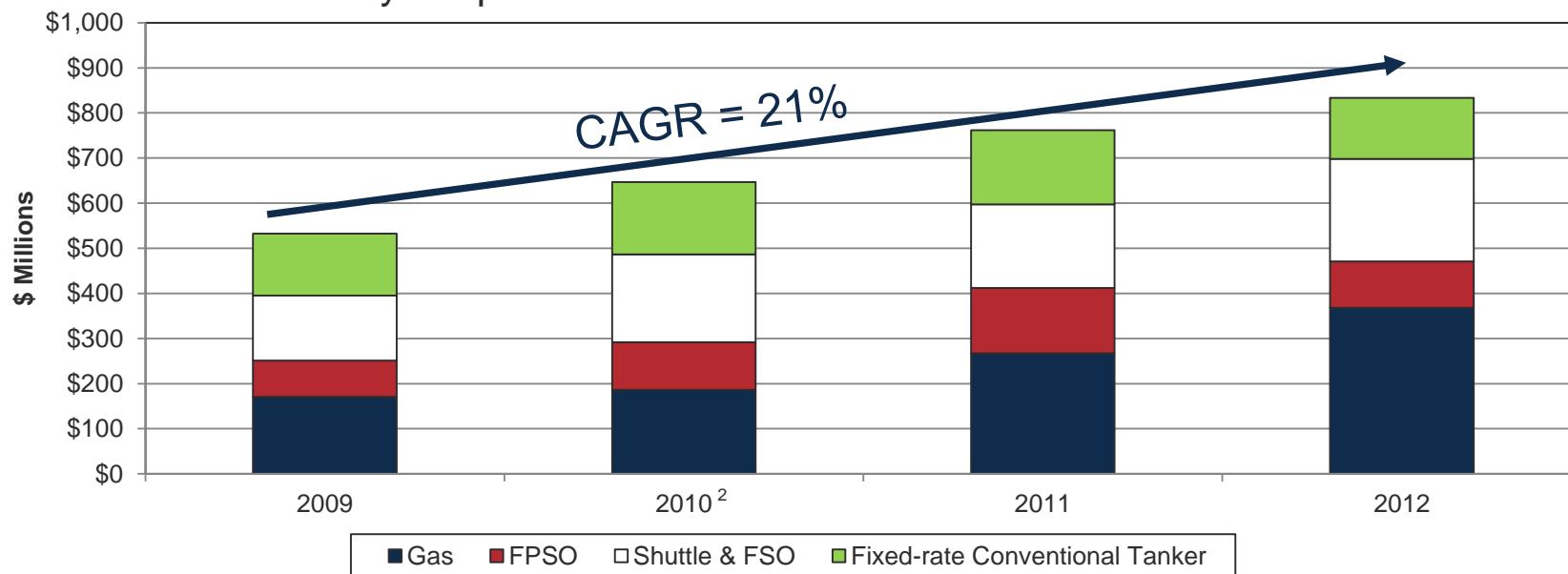
<sup>3</sup> Includes shuttle tankers.



# Growing Consolidated Fixed-Rate Cash Flows in Offshore and Gas Businesses

- Investment in offshore and gas assets over the past few years has contributed to stronger fixed-rate cash flows (2009 – 2012 CAGR: 21%)
- Increased cash flows in 2012 from the Sevan FPSO and Maersk LNG JV acquisitions and our shuttle tanker, LNG and LPG newbuilding programs

Teekay Corporation Consolidated Annual Fixed-Rate CFVO<sup>1</sup>



Further growth to come from current offshore and gas projects through to 2016

- 1) Cash flow from vessel operations (CFVO) represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write downs, gains and losses on the sale of vessels, adjustments for direct financing leases to a cash basis, and unrealized gains and losses relating to derivatives, but includes realized gains and losses on the settlement of foreign currency forward contracts. Teekay Corporation Consolidated Annual CFVO represents earnings from vessels that are consolidated on the Company's financial statements and earnings on a pro rata basis from its equity-accounted vessels and other investments.
- 2) Excludes \$59 million of catch-up payments related to prior periods under the amended Foinaven FPSO contract.

# Significant Forward Coverage

- Teekay Corporation has total forward fixed-rate revenues of \$15.7 billion, with a weighted average fixed-term contract life of over 7.9 years

## Total Forward Fixed-Rate Revenues of \$15.7 Billion\*

Segment	# of Vessels in Fleet <sup>1</sup>	Average Contract Duration (yrs)*	Forward Fixed-Rate Revenues (\$b)*
FPSO	10	5.6	\$ 5.7
LNG Carriers	32	12.2	5.8
Shuttle Tankers	37	5.6 <sup>2</sup>	2.6
Conventional Tankers (incl. MRs)	62	2.9	0.8
LPG Carriers	28	7.1 <sup>3</sup>	0.4
FSO	7	4.9	0.4
<b>Weighted Average</b>		<b>7.9 years</b>	<b>15.7</b>

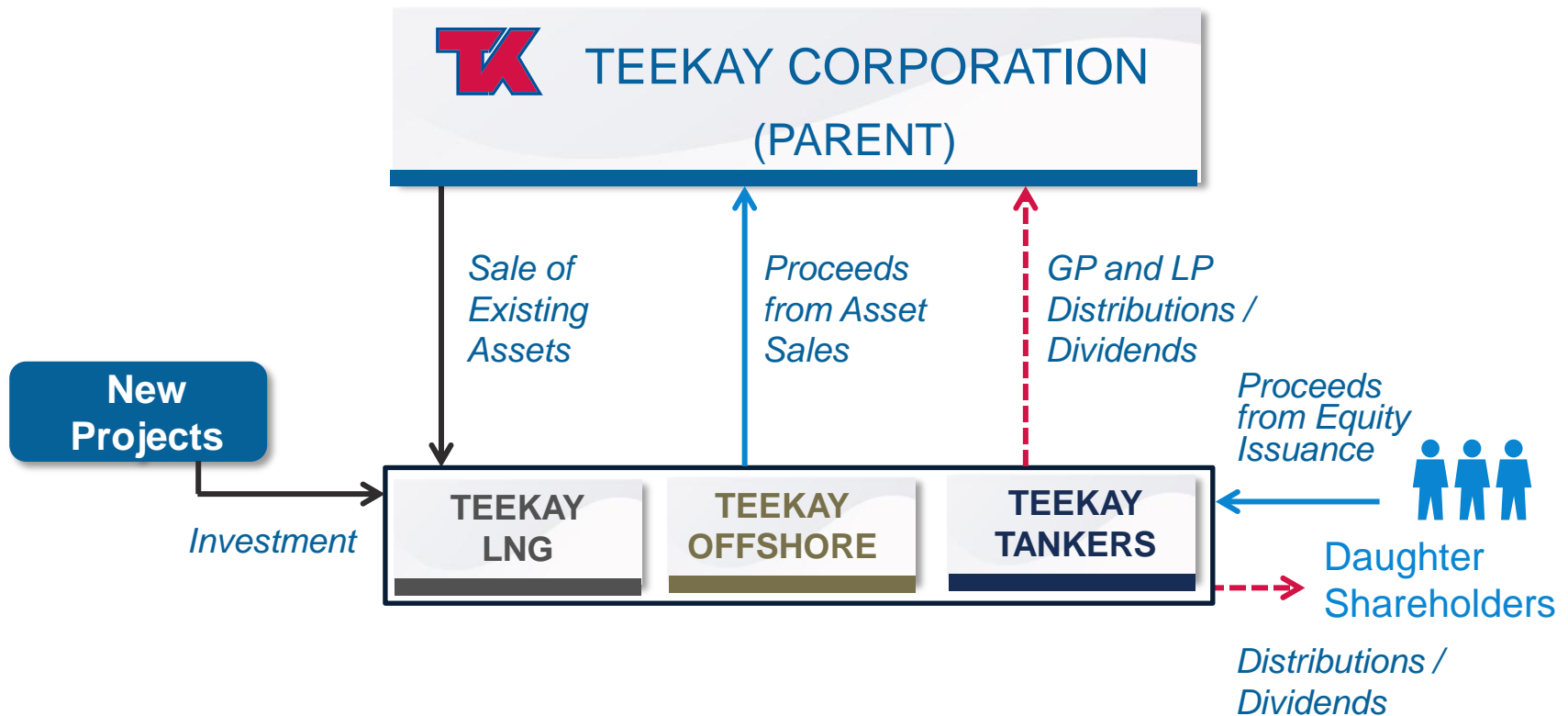
\* Excludes option periods.

<sup>1</sup> Includes newbuilds.

<sup>2</sup> Includes eight shuttle tankers operating under Contract of Affreightment.

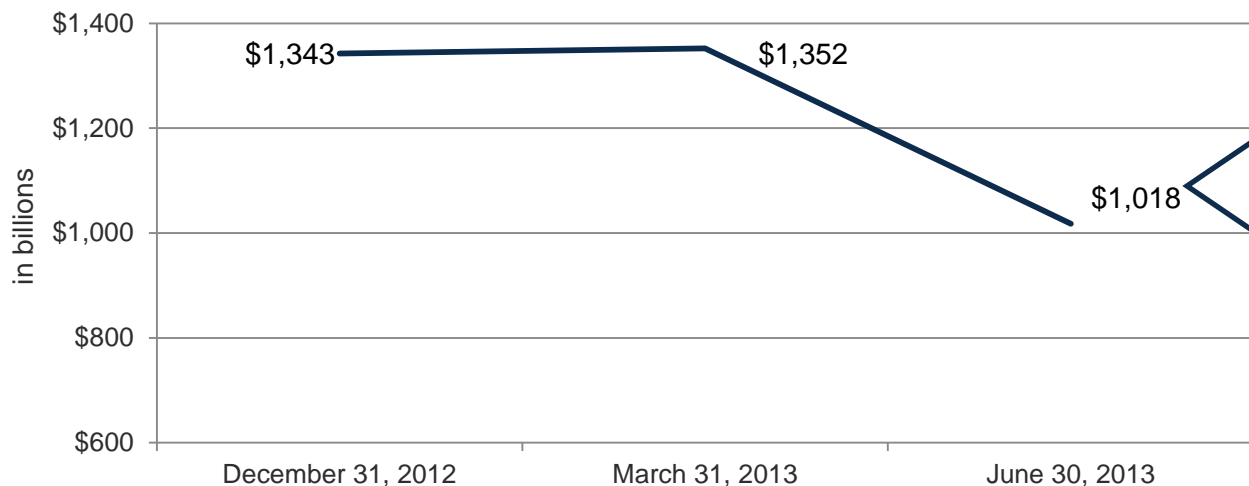
<sup>3</sup> Includes five vessels under Contract of Affreightment.

# Corporate Structure Provides Financial Flexibility



# Dropdown of Assets Deleveraging Teekay Parent

## Teekay Parent Net Debt



### Includes:

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

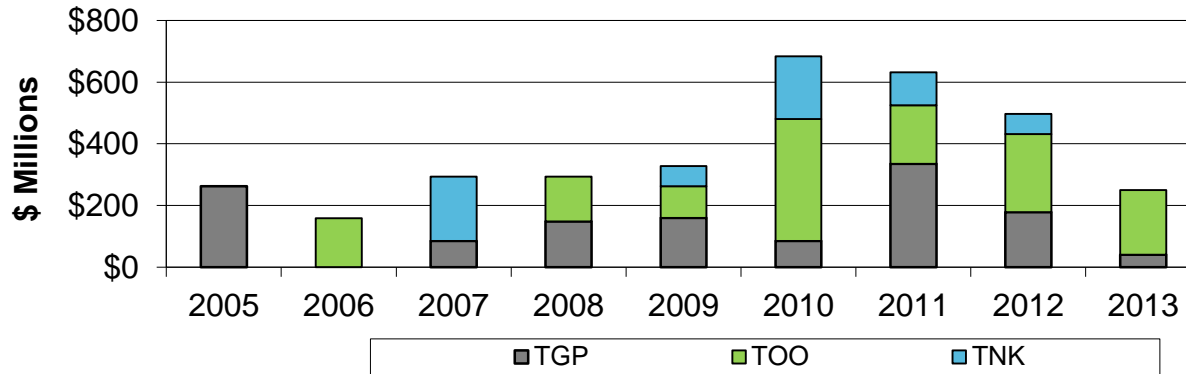
- Teekay Offshore's acquisition of the *Voyageur Spirit* FPSO and 50% interest in *Cidade de Itajai* FPSO deleverages Teekay Parent's balance sheet and builds liquidity
- With the dropdown of further FPSO assets, Teekay Parent remains on-track to be net debt free



# Capital Markets Are Consistently Open to Teekay

## Third Party Equity

- \$3.4 billion of daughter company third party equity raised since 2005



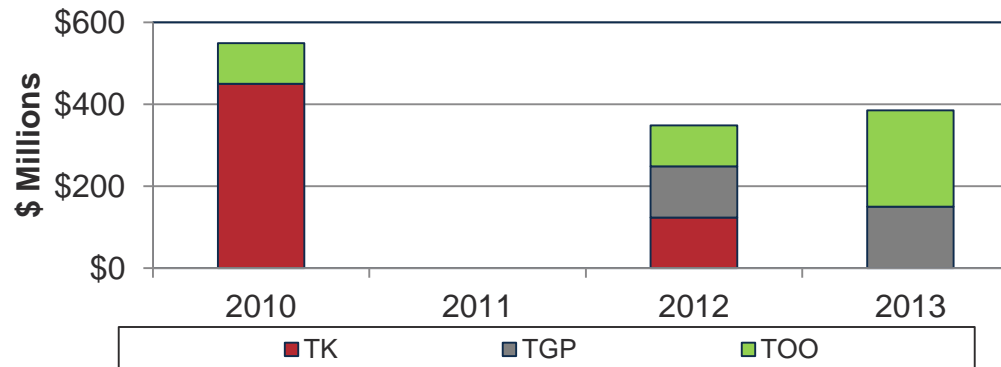
### Recent Transactions:

TGP: ~\$180m	Sep 2012
TOO: ~\$210m	Sep 2012
TOO: ~\$60m	Apr 2013
TOO: ~\$150m	Apr 2013
TGP: ~\$40m	July 2013

Cumulative Total by entity: TGP \$1,295m    TOO \$1,453m    TNK \$652m

## Unsecured Bonds

- ~\$1.3 billion of US and Norwegian bonds raised by Teekay and its daughter companies



### Recent Transactions:

TOO: ~\$235m	Jan 2013
TGP: ~\$150m	Sep 2013

Cumulative Total by entity: TK \$573m    TGP \$275m    TOO \$434m

# Teekay Corporation's Strategy Is Based on Three Core Pillars

## 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

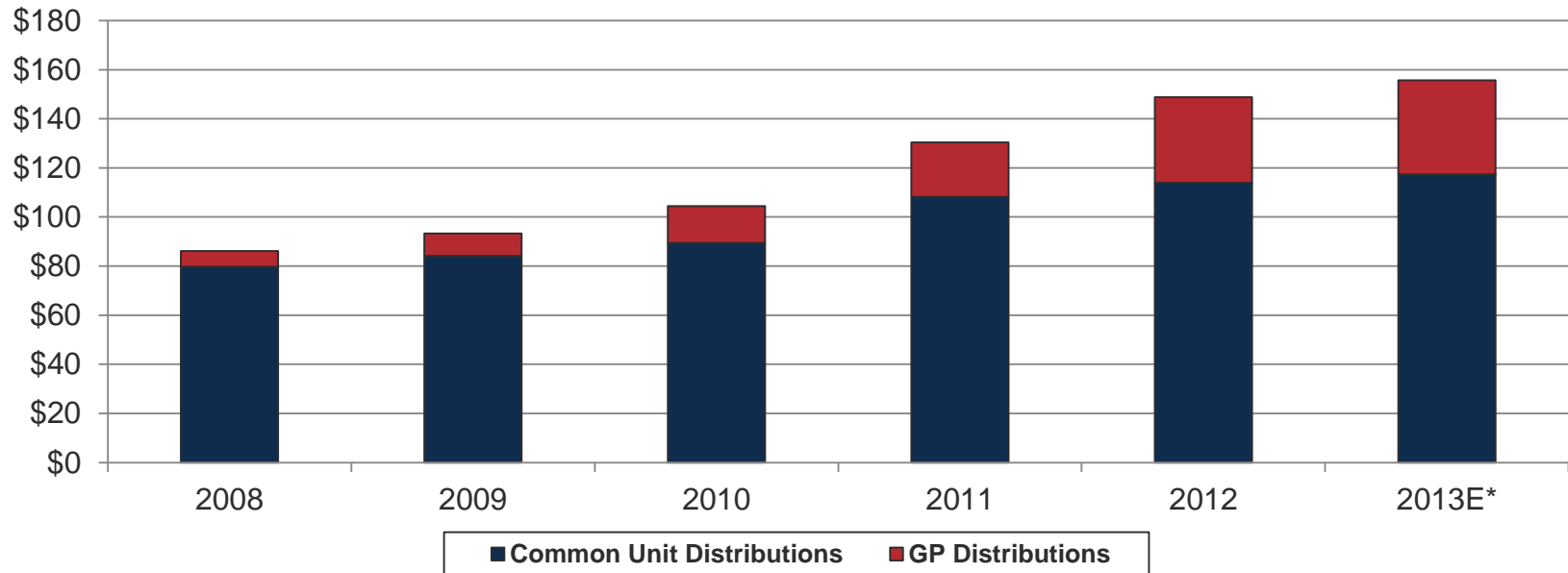
- Organically develop new projects and commercialize new business areas
- Accretive acquisitions of existing third party assets

## OPERATIONAL LEADER

- Operate with high HSEQ standards
- Greater focus on costs and profitability

# Daughter Organic Growth and Acquisitions Benefiting Teekay Parent

## TOO & TGP Cash Distributions to Teekay Parent



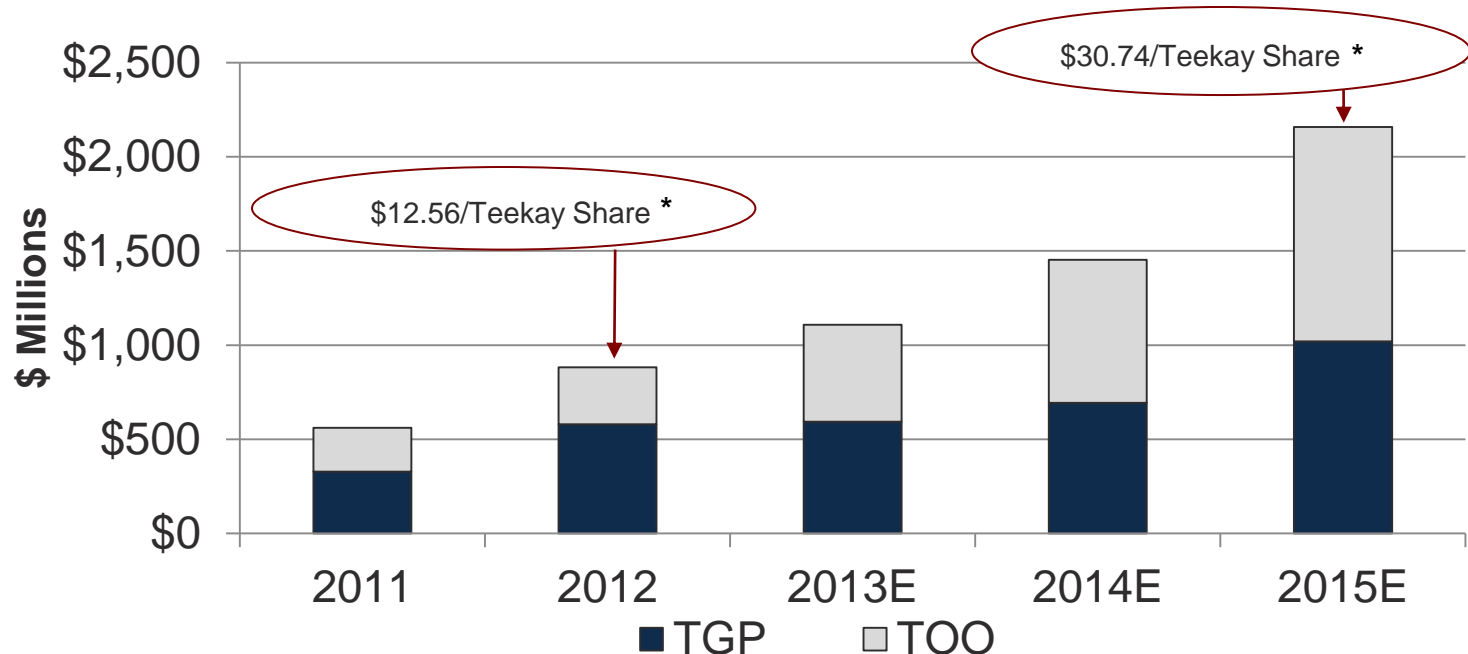
- More growth to come in both the offshore and gas businesses through current projects and new growth opportunities
- Both TOO and TGP GP Incentive distribution rights (IDRs) recently entered into the 50% high-splits

\* 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:	TGP			TOO
	2013	2014	2015	2013 - 2015
Annual Distribution Growth Rate per LP Unit	0%	2%	4%	5% p.a.
LP Unit Growth per Annum	0%	5%	10%	12% p.a.

## Illustrative GP Valuation (Assuming 25.3x Publicly Traded GP Cash Flow Multiple)

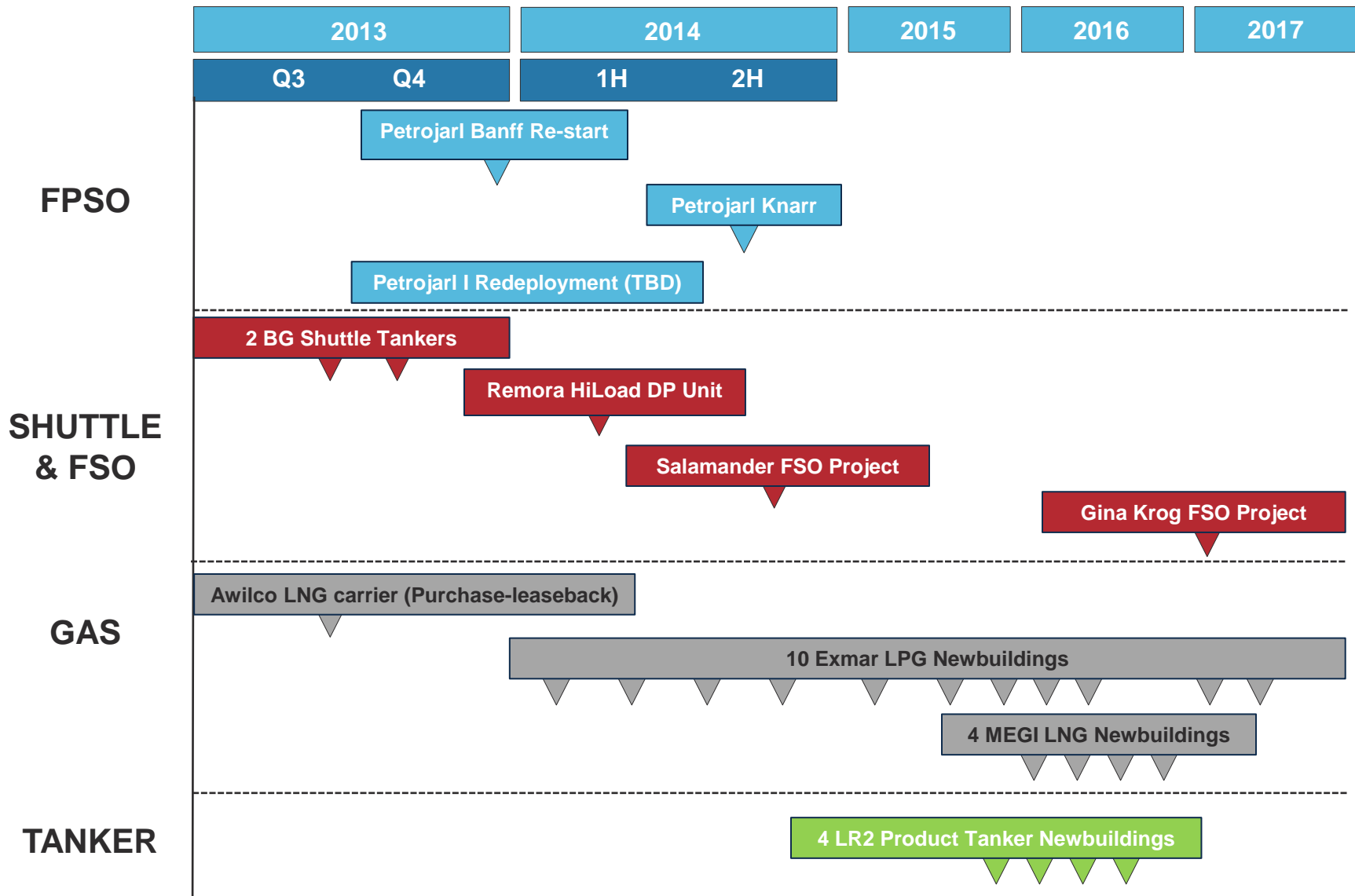


FOR ILLUSTRATION PURPOSES ONLY - Based on assumptions detailed above and does not represent management's forecast.

\* Based on an average 25.3x P/DCF multiple of publicly-traded general partnerships, assuming 70.2 million Teekay Corporation shares outstanding.

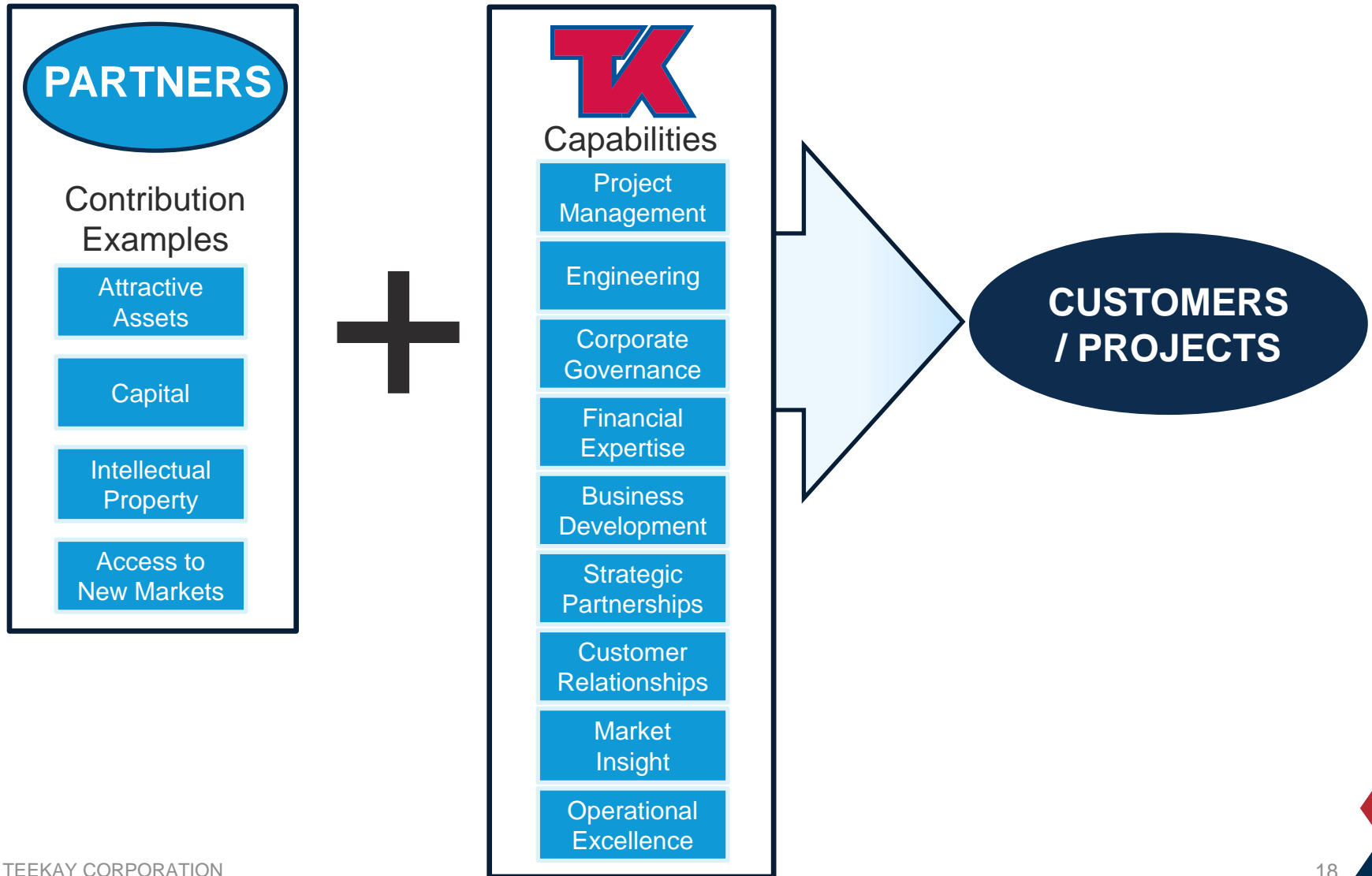


# Continued Focus on Project Execution



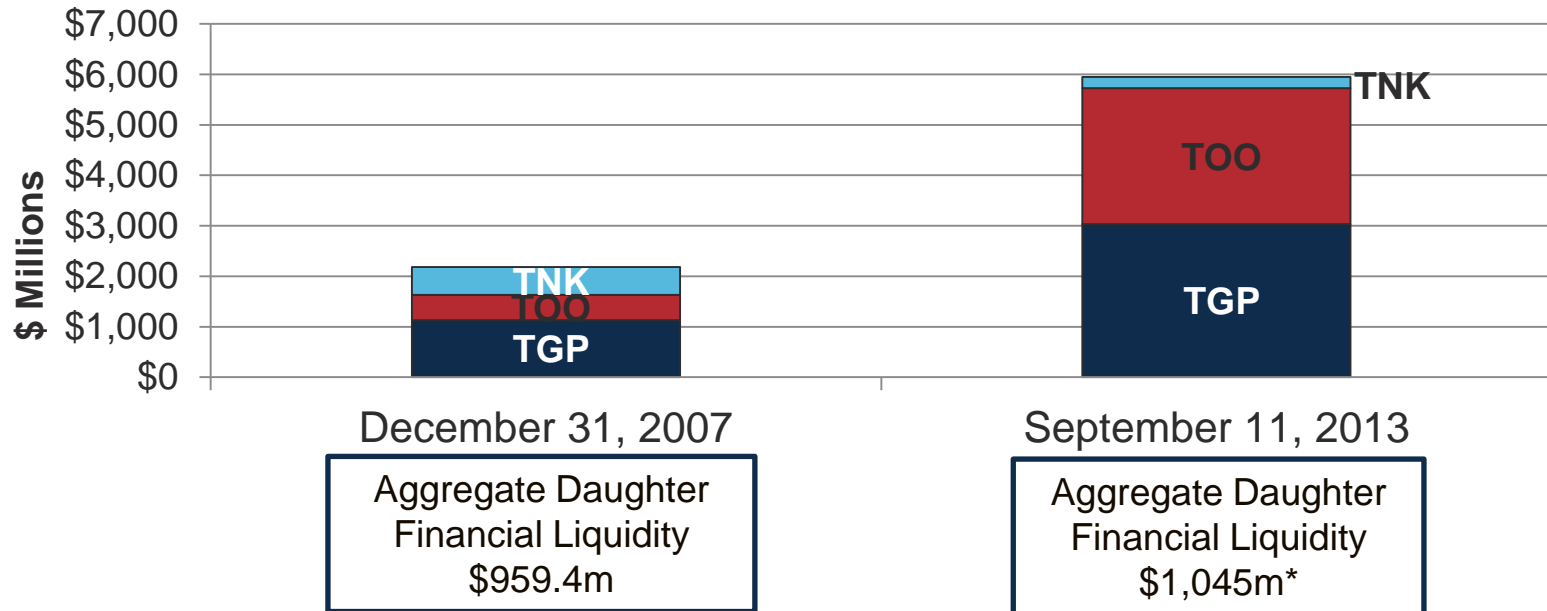
# Teekay's Partnering Model

- Partners contribute but are also in need of one or more of Teekay's capabilities



# Daughter Companies Now Undertaking Projects and Acquisitions Directly

Aggregate Teekay Daughter Market Capitalization



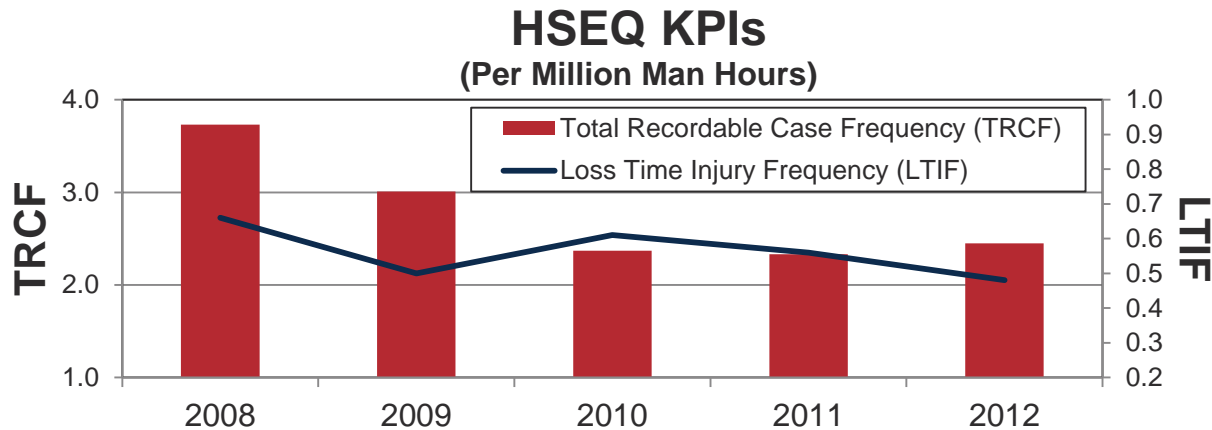
## Recent Examples:

- TGP: \$700m acquisition of Maersk LNG fleet (52% interest) and investment in Exmar LPG joint venture mid-February 2013. 4 MEGI newbuildings and Awilco purchase-leaseback.
- TOO: Directly ordered four newbuilding shuttle tankers, acquisition of *Piranema Spirit* FPSO unit and acquisition of Remora HiLoad DP unit
- TNK: Invested \$50m for 50% interest in VLCC newbuilding and \$115m fixed-rate VLCC mortgage loans

\* Liquidity as at June 30, 2013 pro forma for Teekay Offshore's \$200m revolving credit facility relating to the *Varg* FPSO completed in July 2013 and Teekay LNG's \$40m PIPE completed in July 2013.

# Operational Leadership

- Teekay's high operating and HSEQ standards remain key to winning and maintaining business with our customers – essence of the Teekay Brand



- In 2013, and beyond, Teekay will continue to focus on enhancing its operational efficiency and cost effectiveness
  - Teekay Safety Roadmap 2013-2017
  - Execute cost savings initiatives - drive further cost savings from recent business unit P&L realignment
  - Streamlined procurement to gain further economies of scale through purchasing across business units
  - Continue to drive profitability improvement on existing assets through in-charter redeliveries, re-contracting FPSOs and focus on fleet utilization

# Teekay Parent Sum-of-Parts

(\$ millions, except per share amounts)

## Teekay Parent Assets

Conventional Tankers <sup>1</sup>	\$152
FPSOs <sup>1</sup>	540
Newbuilding <sup>2</sup>	585
JVs and Other Investments	71

## 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 <sup>3,4</sup>

TGP	\$1,081
TOO	766
TNK	56
Sevan Marine	90
Implied value of GP equity <sup>5</sup>	975

## Total Equity Investment in Daughters

**\$2,968**

## Teekay Parent Net Asset Value

**\$3,298**

Teekay Corporation Shares Outstanding (millions)

70.4

## Teekay Parent Net Asset Value per Share

**\$46.85**

## Teekay Corporation Current Share Price (Sept 11' 13)

**\$40.99**

~13% discount

GP Ticker	P/DCF multiple	% DCF to GP
KMI	23.5x	45.6%
AHGP	19.9x	44.0%
WMB	16.1x	33.8%
NSH	12.0x	30.4%
TRGP	26.7x	27.8%
OKE	19.1x	22.5%
XTX	35.2x	19.8%
ATLS	27.6x	9.1%
ETE	24.7x	8.5%
WGP	48.6x	5.0%
<b>Average</b>	<b>25.3x</b>	<b>24.7%</b>

TOO	TGP
7.7%	11.2%

- 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 September 11, 2013.
- 5) Implied value calculated by annualizing Q2-13 GP cash flows of \$9.6m and multiplying by the current 25.3x average P/DCF multiple for publicly traded GPs.

# Teekay Offshore Partners



TEEKAY OFFSHORE PARTNERS L.P.



# Forward Looking Statements

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# Investment Highlights

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## 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)
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## Leading Market Positions

- A market leader in harsh weather FPSO operations
  - World's largest owner and operator of dynamically positioned shuttle tanker tonnage
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## Strong Industry Fundamentals

- High E&P spending driving record number of planned Offshore Oil projects
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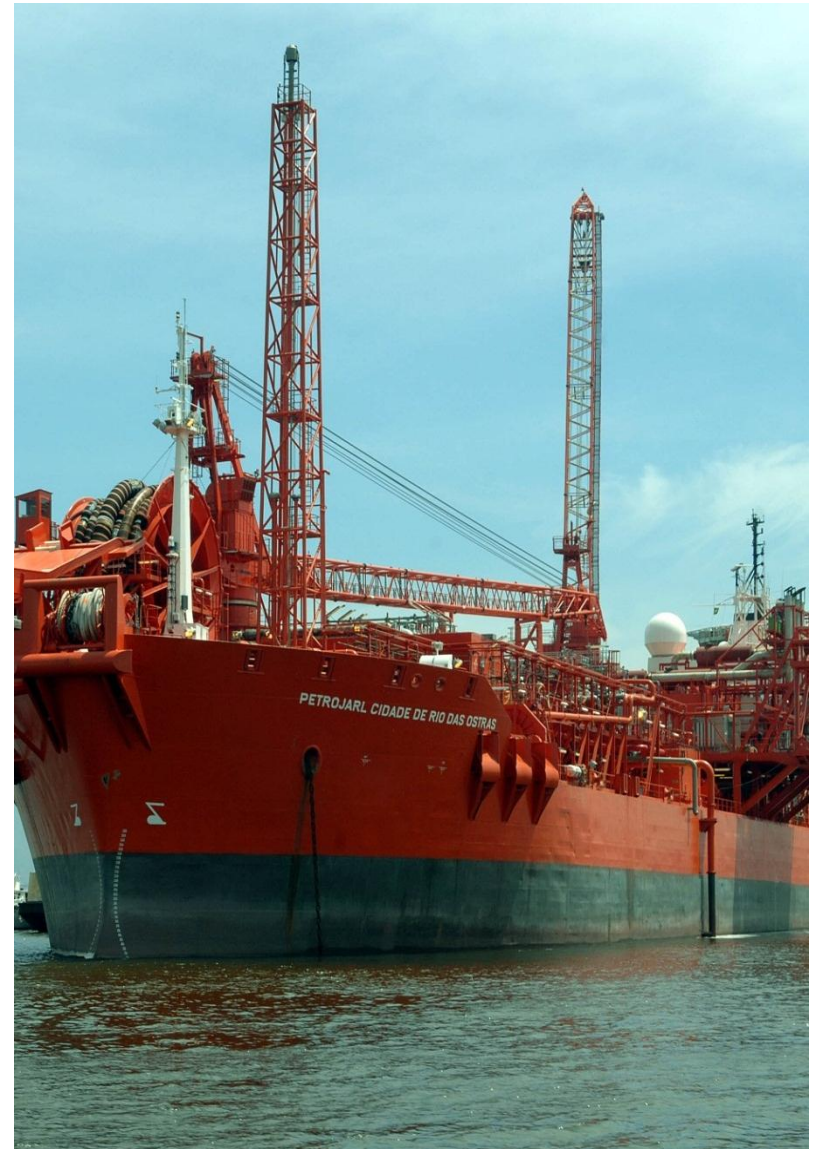
## Visible Growth Opportunities

- Organic Growth:
  - Two 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

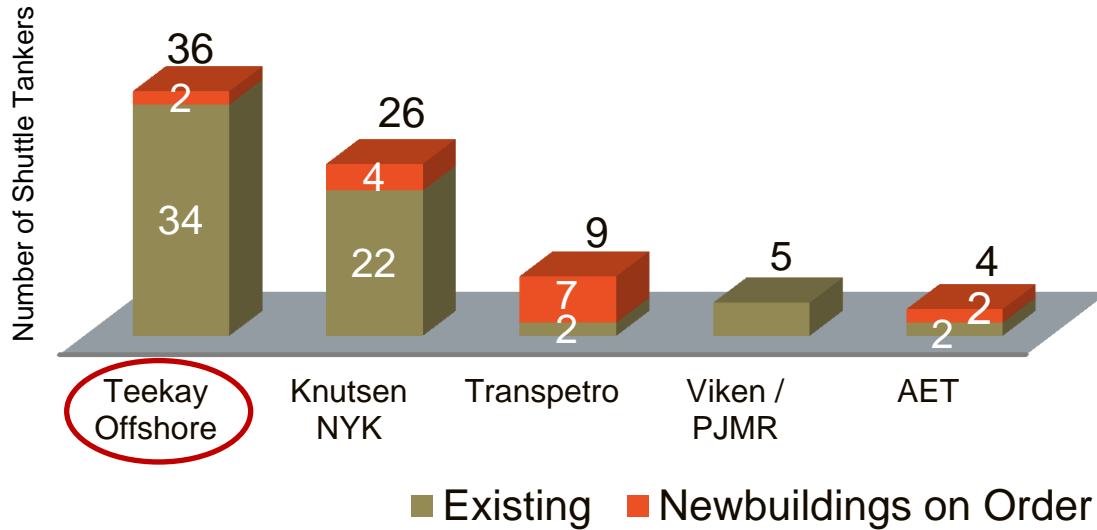
- Provider of offshore oil solutions, including floating production, storage and transportation services under long-term, fee-based contracts to primarily investment grade customers
- Contracts not linked to, or exposed to commodity prices
- Common units listed on the NYSE (TOO) with a market cap. of \$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)



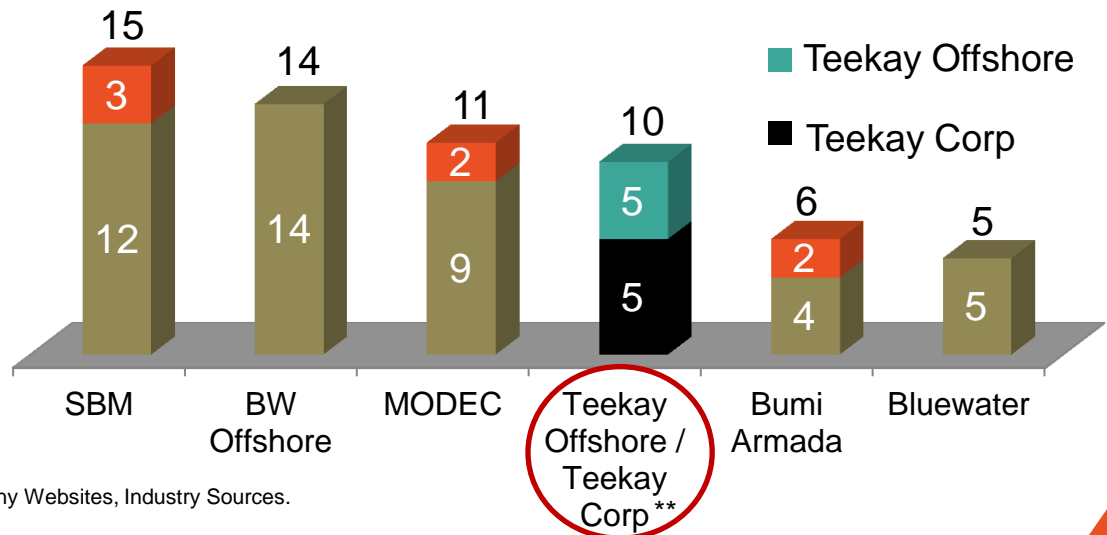
\* Market capitalization based on September 11, 2013 closing prices.

# 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.

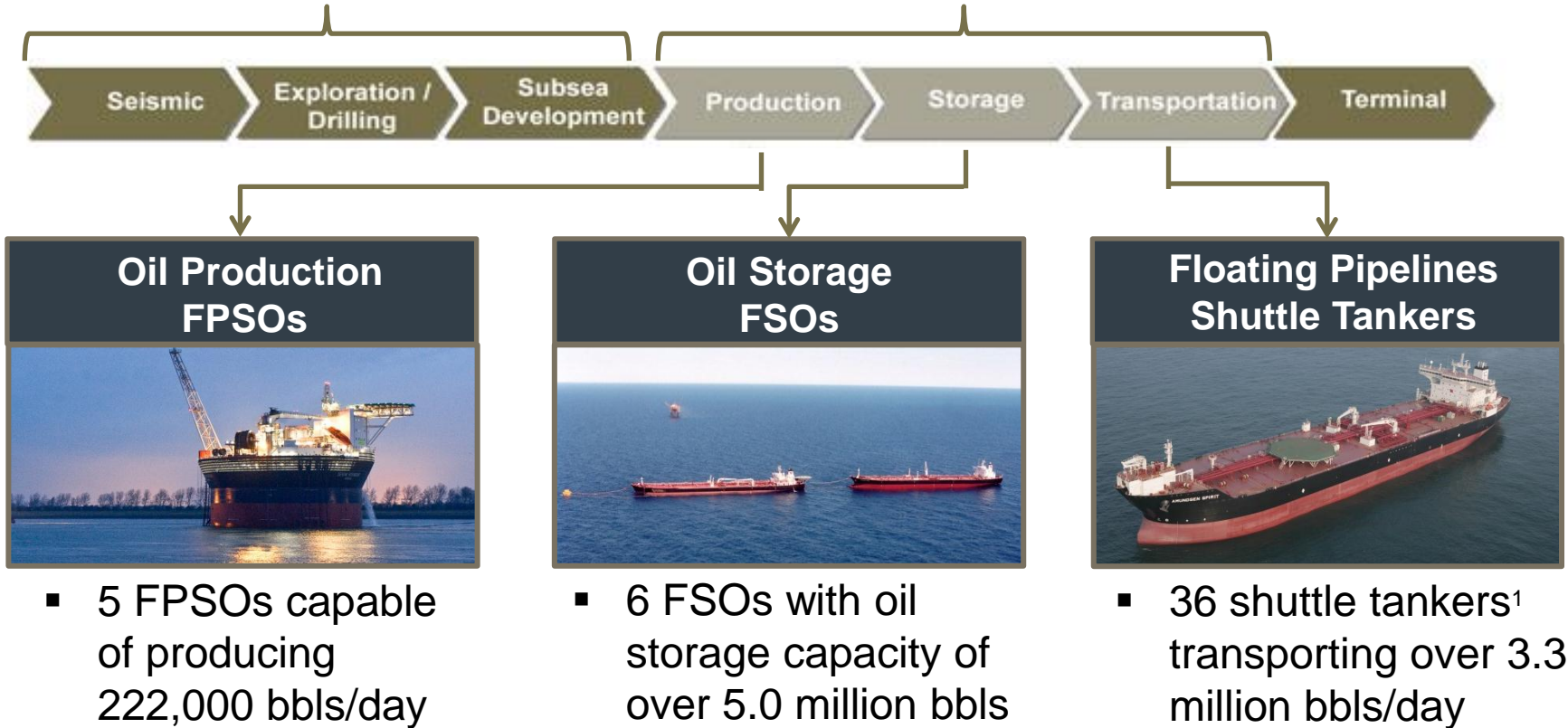
\* Based on total tonnage.

\*\* 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



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

# Attractive Portfolio of Fee-based Contracts

- **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

	<u>Shuttle Tankers</u>	<u>FPSO Units</u>	<u>FSO Units</u>	<u>Conventional Tankers</u>
# of units	36	5	6	5
Average Contract Life	5.6 years	5.5 years	4.9 years	4.0 years
Forward Revenues	\$2.6 bn	\$1.9 bn	\$0.4 bn	\$0.2 bn

High Quality Customers



# 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

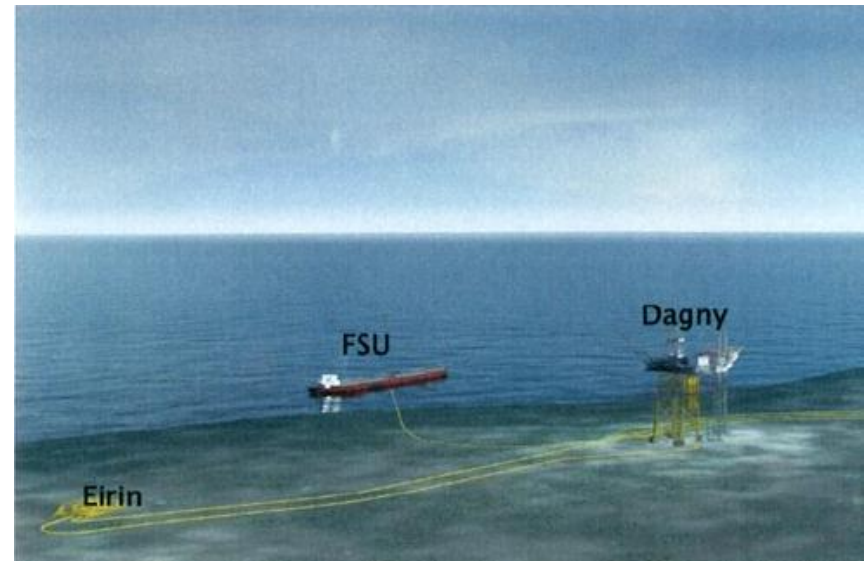
## FEED Studies

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
  - Estimated fully-built-up cost of \$50 million (1993-built Navion Clipper shuttle tanker)
  - Expect annual CFVO\*: ~\$6.5m
  - 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:
  - Broadens TOO's offshore loading service offering
  - 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



## HiLoad® DP

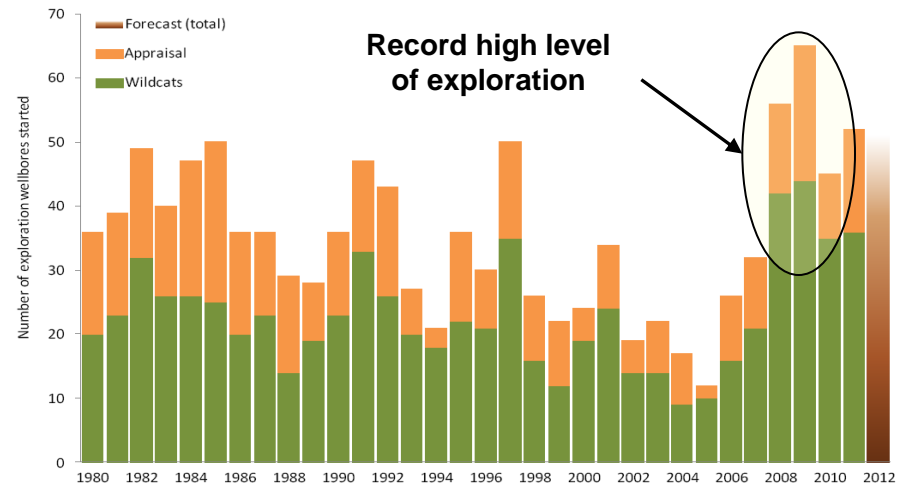
DP-Based Offshore Loading  
System for Tankers of Opportunity



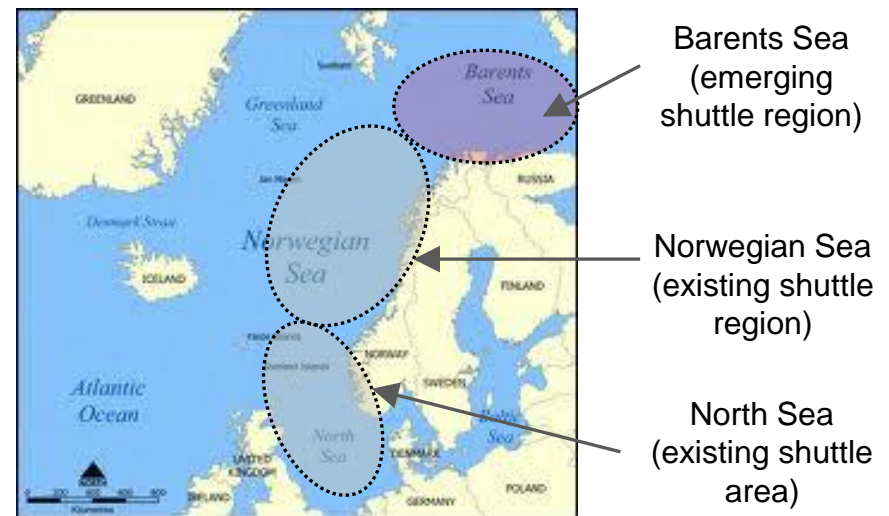
# North Sea Market - Resurgent Activity

- 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\*

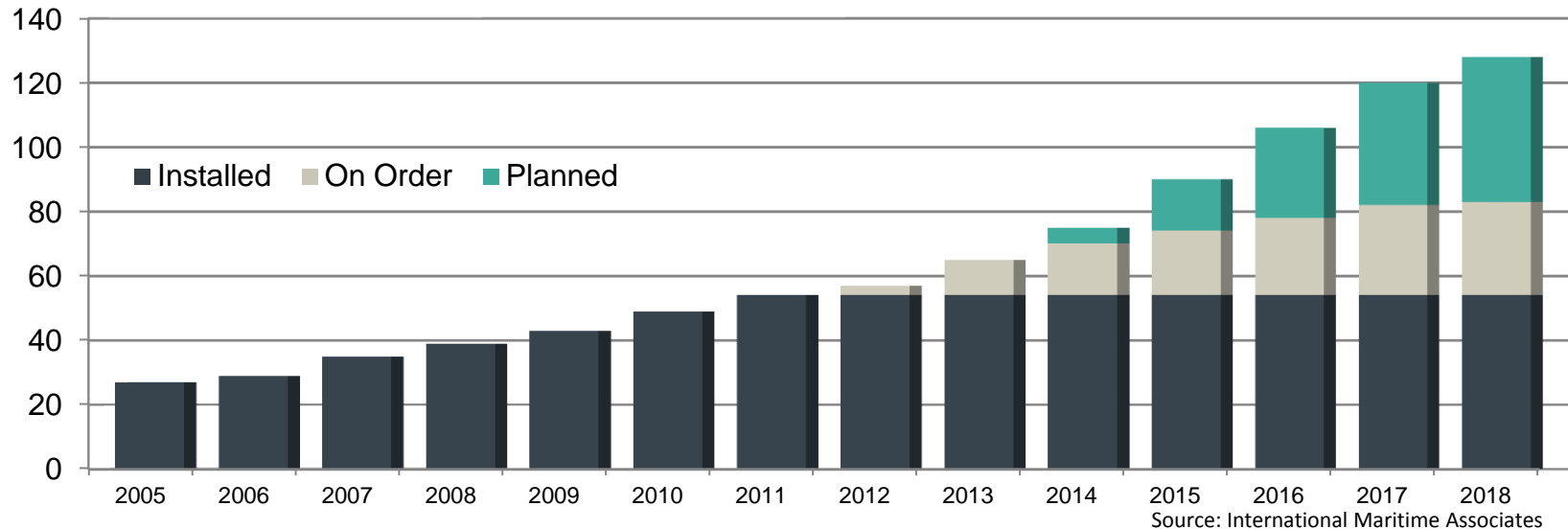


\*Source: Norwegian Petroleum Directorate



# Brazil Market – More Growth to Come

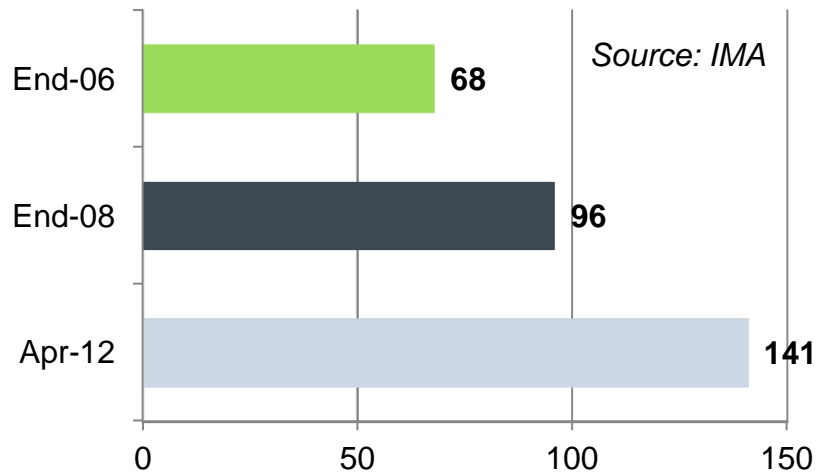
## Brazil Offshore Production Fleet Development



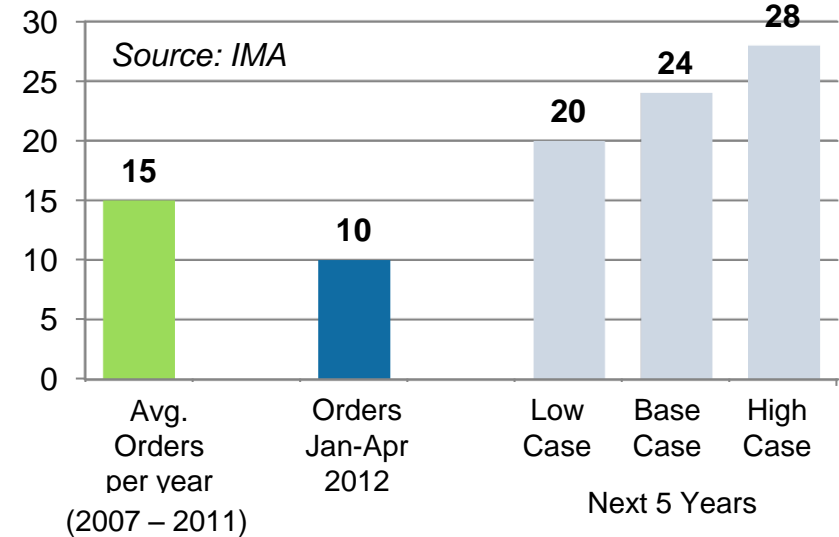
- Brazilian offshore production fleet predicted to double between 2011-18
  - Growth in offshore production drives demand for shuttle tankers and FPSOs
- Petrobras is aggressively increasing its production capability
- Other oil companies also have shuttle tanker requirements in offshore Brazil

# Strong Future Demand For FPSOs

## FPSOs in the Planning Stage



## FPSO Forecast (Next 5 Years)

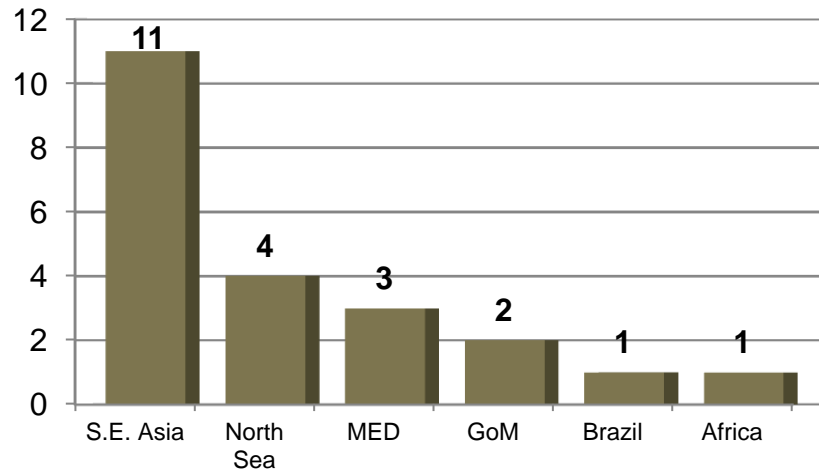


- The number of projects which could require an FPSO has doubled in the past five years
- Estimate of 20-28 FPSO orders per year over the next five years depending on the global economy, oil demand and energy prices
- Operational and engineering expertise required to be successful in the leased FPSO business creates a high barrier to entry

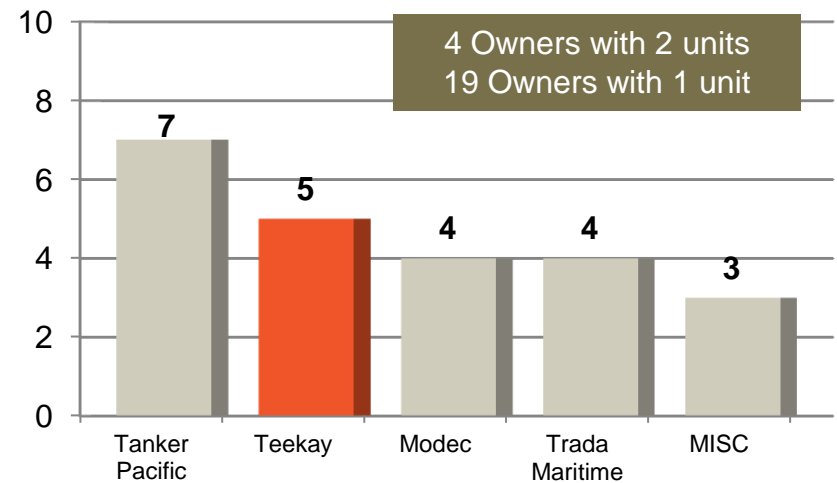
# Increased Demand for FSO Solutions

- 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



## Top Leased FSO Operators



# Visible Existing and Potential Growth Opportunities for TOO

## NEAR-TERM

Directly Ordered by TOO



**2 NB Shuttle Tankers  
(BG)**

## MEDIUM-TERM

Directly acquired by TOO



**HiLoad DP Unit  
(Petrobras)**

Direct by TOO



**FSO  
(Salamander Energy)**

## LONGER-TERM

Direct by TOO



**FSO  
(Gina Krog - Statoil)**

Teekay Corporation



**Petrojarl Knarr FPSO  
(BG)**

Teekay Corporation



**Petrojarl Foinaven  
(BP)**

Teekay Corporation



**Petrojarl Banff  
(CNR)**

Teekay Corporation



**Hummingbird Spirit  
(Centrica)**

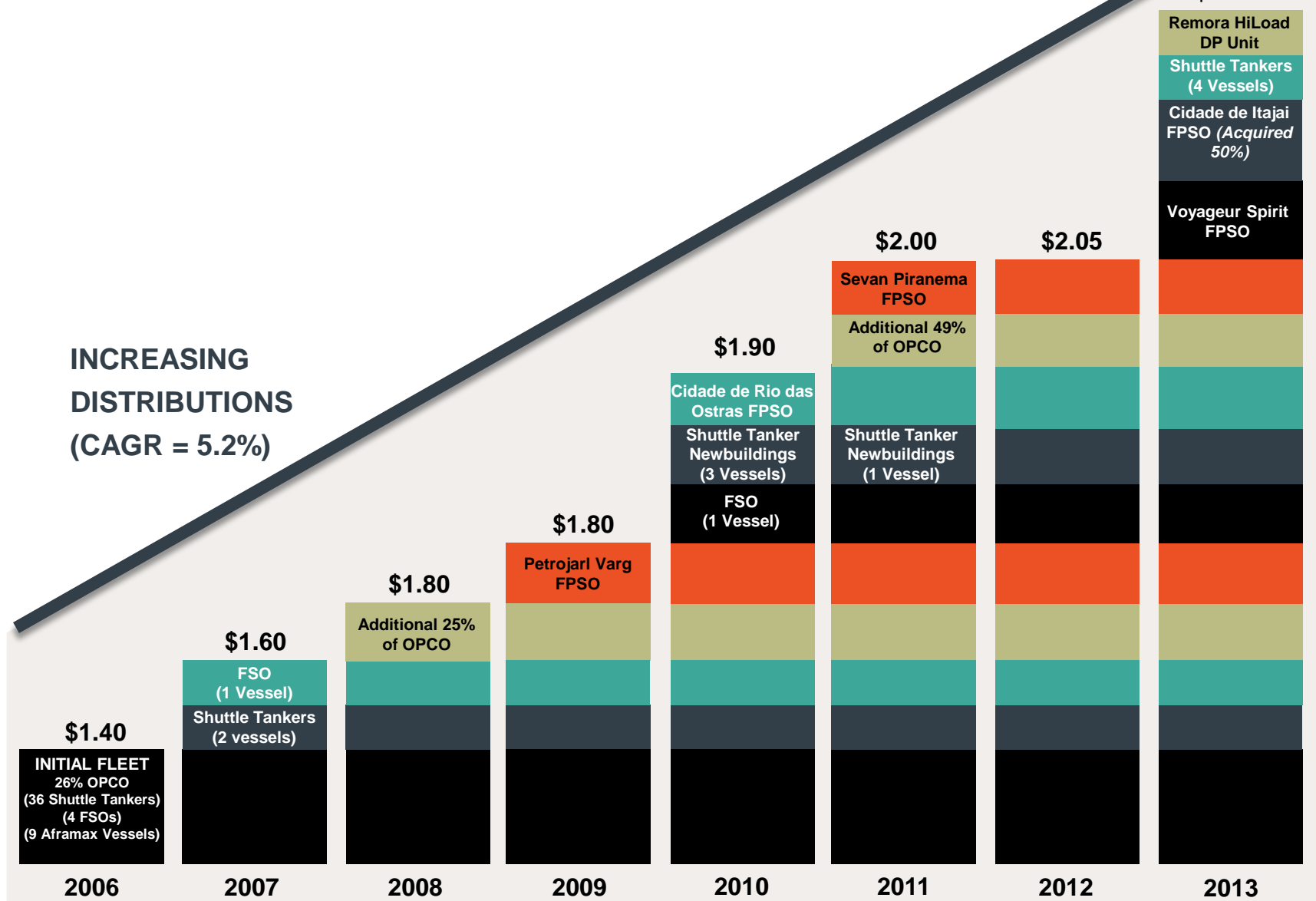
Teekay Corporation



**Petrojarl I FPSO**

Agreements with Sevan and Remora expected to provide additional growth opportunities

# Track Record of Distribution Growth





# Teekay LNG Partners



TEEKAY LNG PARTNERS L.P.



# 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

## One of the World's Largest LNG Carrier Owners

- Top 2 independent owner and operator of LNG carriers

## Stable Operating Cash Flow

- 100% of existing LNG fleet operating under fixed-rate contracts (weighted avg. contract duration of ~13 years) primarily to major oil and gas companies
- \$6.9 billion of forward fee-based revenues

## Solid LNG Industry Fundamentals

- Combination of surging LNG demand in Asia and abundant supply of gas in the U.S. and Australia underlies strength in LNG shipping market

## Strong Financial Position and Access to Growth Capital

- ~\$260 million of liquidity
- Market cap. of \$3.0 billion
- Raised approx \$1.3 billion of equity since IPO in 2005

# Teekay LNG at a Glance

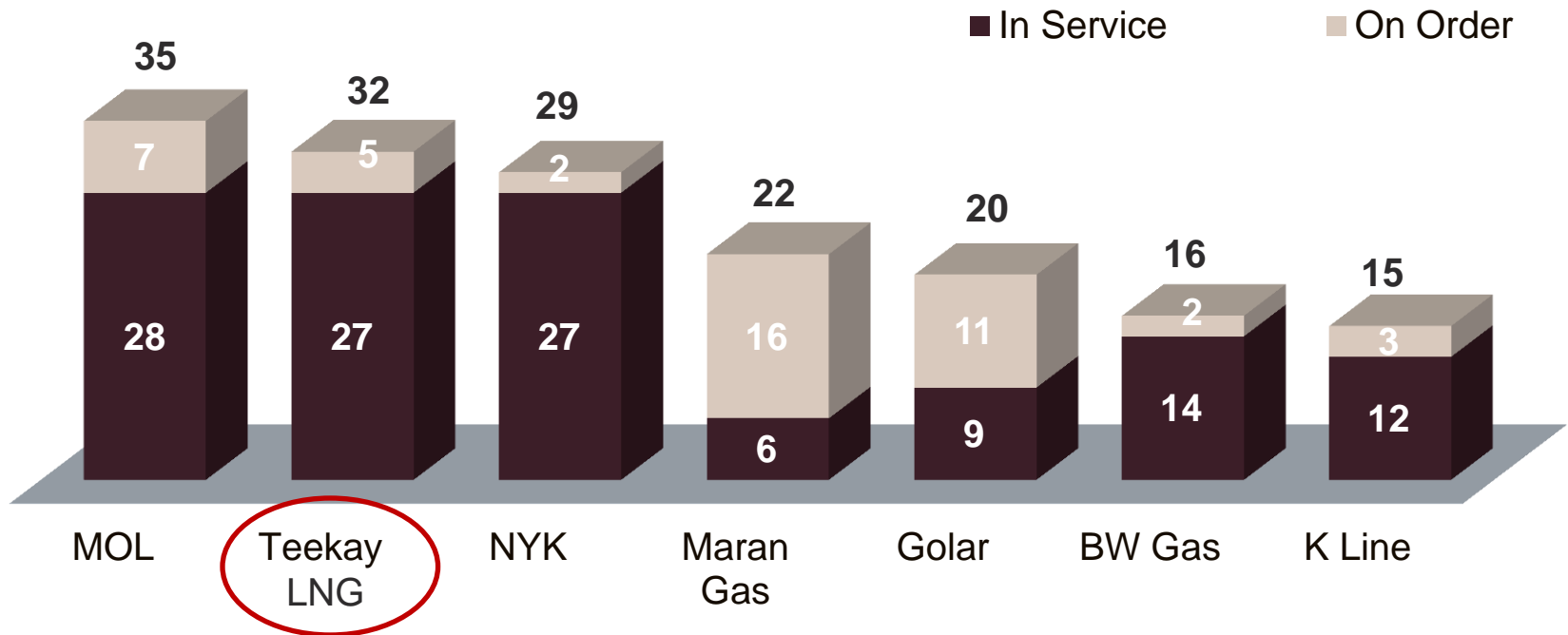
- Provider of LNG, LPG and crude oil marine transportation primarily under long-term, fee-based contracts
- Contracts not linked to, or exposed to commodity prices
- Common units listed on the NYSE (TGP) with a market cap. of \$3.0bn\*
- Structured as a Master Limited Partnership (K-1 Filer)



\* Market capitalization based on September 11, 2013 closing prices.

# Major Independent LNG Operator

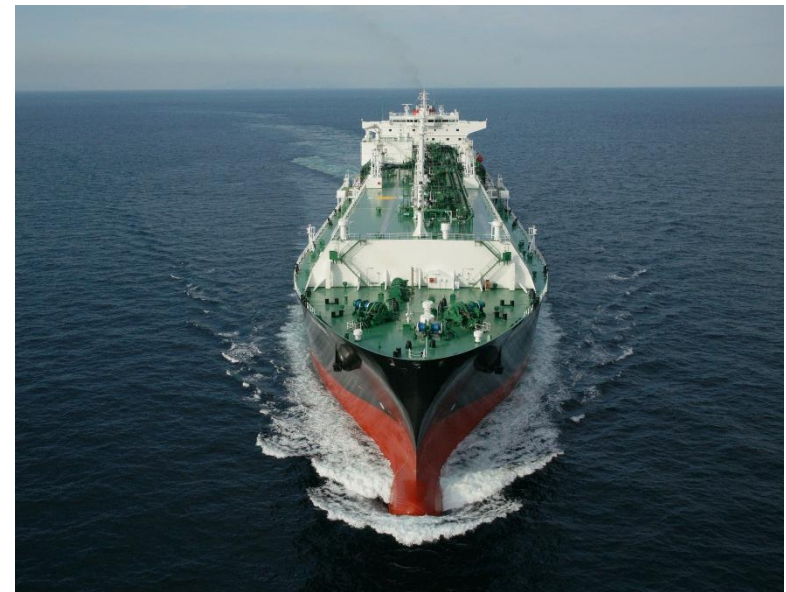
- Teekay LNG has grown to become the second largest independent operator of LNG carriers



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

	LNG Carriers	LPG Carriers	Conventional Tankers
# of units	32	31*	11
Average remaining Contract Life	13 years	7 years**	6 years
Forward Revenues	\$5.9 billion	\$0.4 billion**	\$0.6 billion
High Quality Customers			

\* 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 cbm 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 fee-based contract with Cheniere Marketing LLC for the two 174,300 cbm 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



- In August, 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.

<b>Vessel Size</b>	155,900 cbm	<b>Gross Purchase Price</b>	\$205m
<b>Shipyard</b>	Daewoo Shipbuilding and Marine Engineering ( <i>DSME</i> )	<b>Prepaid Charterhire</b>	\$50m
<b>Delivery Dates</b>	Q3 2013 (1 <sup>st</sup> Vessel) Q4 2013 (2 <sup>nd</sup> Vessel)	<b>Net Purchase Price</b>	\$155m
<b>Bareboat Term</b>	5-years (plus 1-year option)	<b>Expected Annual DCF<sup>(1)</sup> (per vessel)</b>	~\$7.5m
<b>Purchase Obligation</b>	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

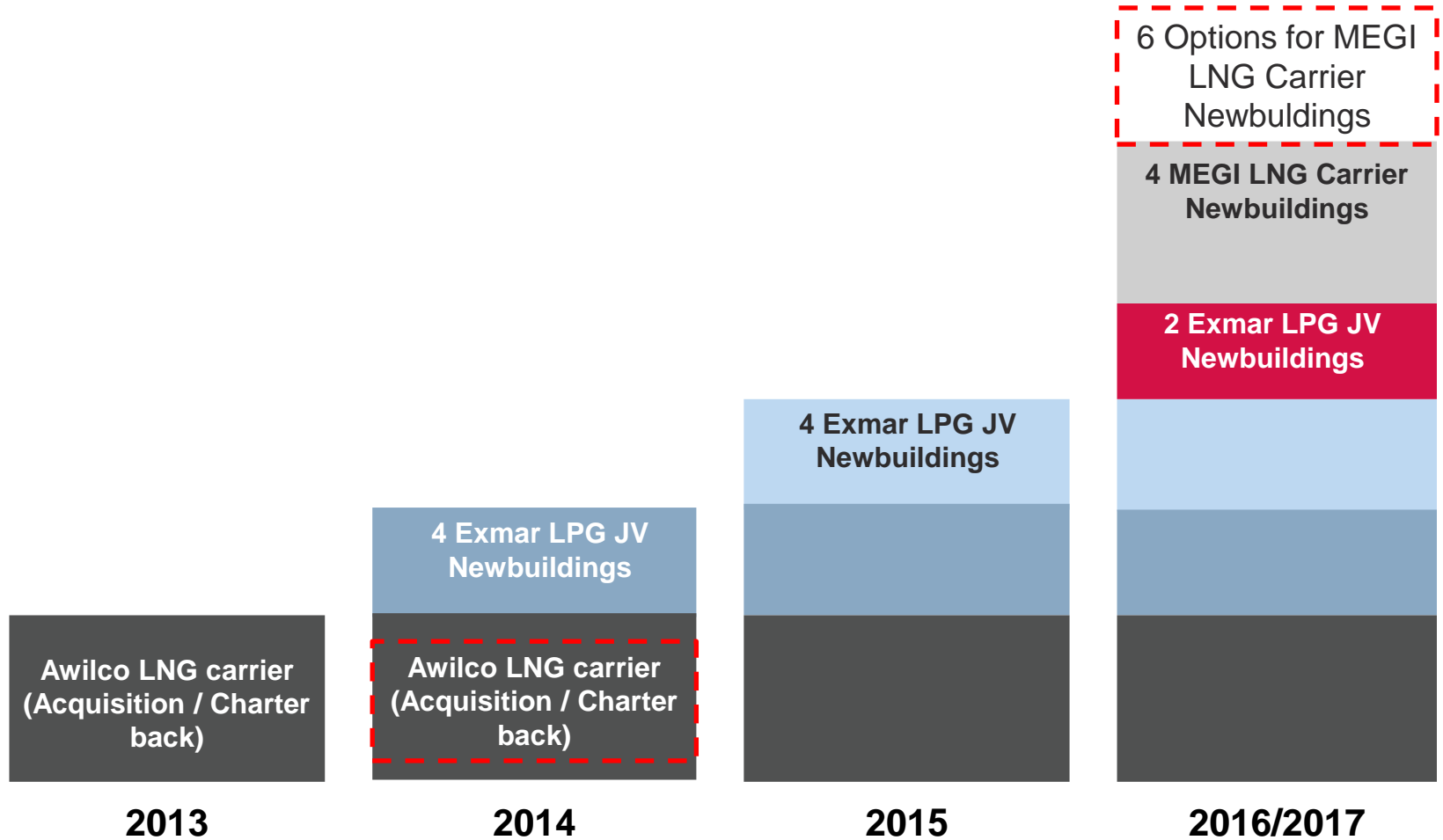
1) Distributable cash flow (*DCF*) is a non-GAAP financial measure used by certain investors to measure the financial performance of the Partnership and other master limited partnerships. Please see *Appendix B* for a reconciliation of this non-GAAP measure to the most directly comparable financial measure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

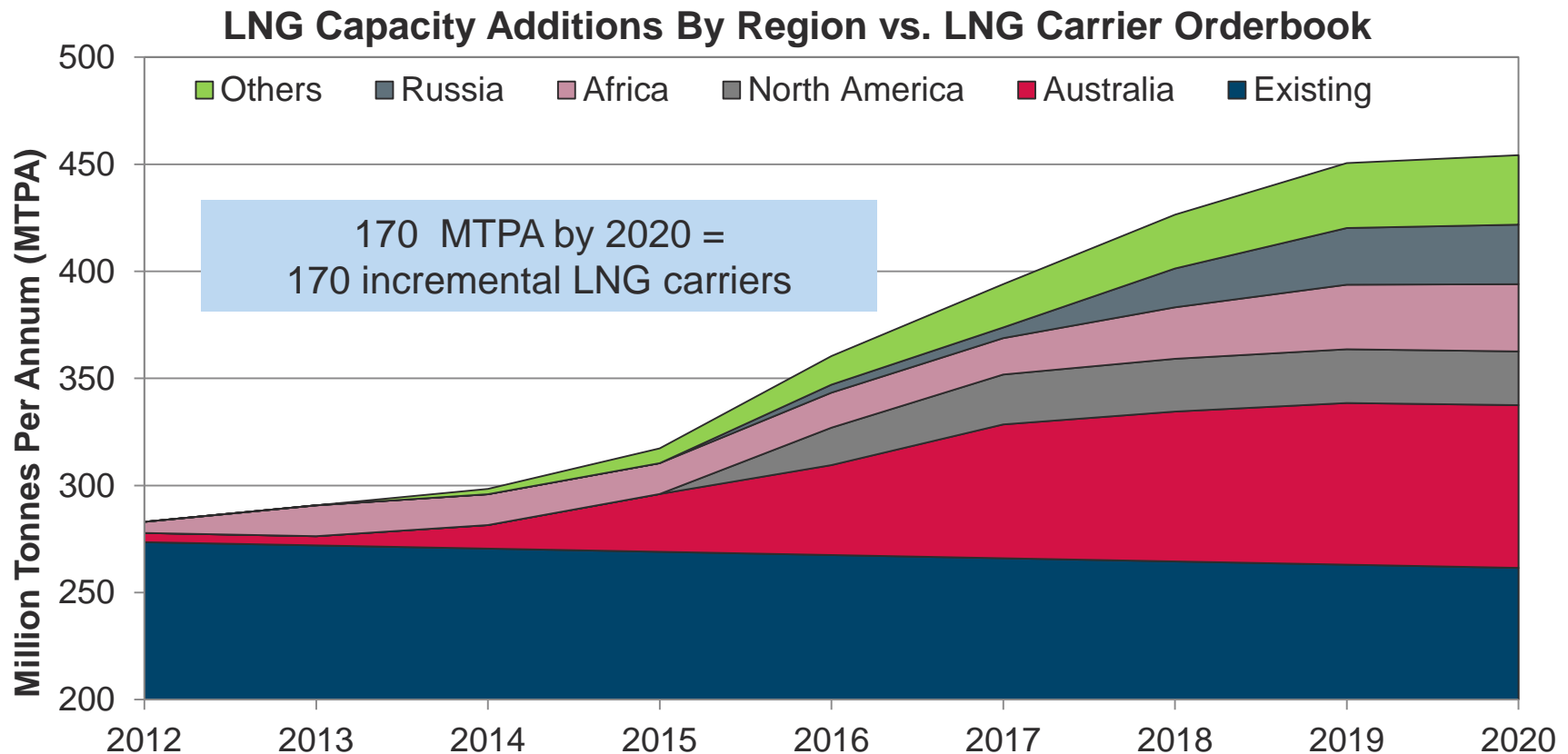
# TGP's Visible Growth Pipeline



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

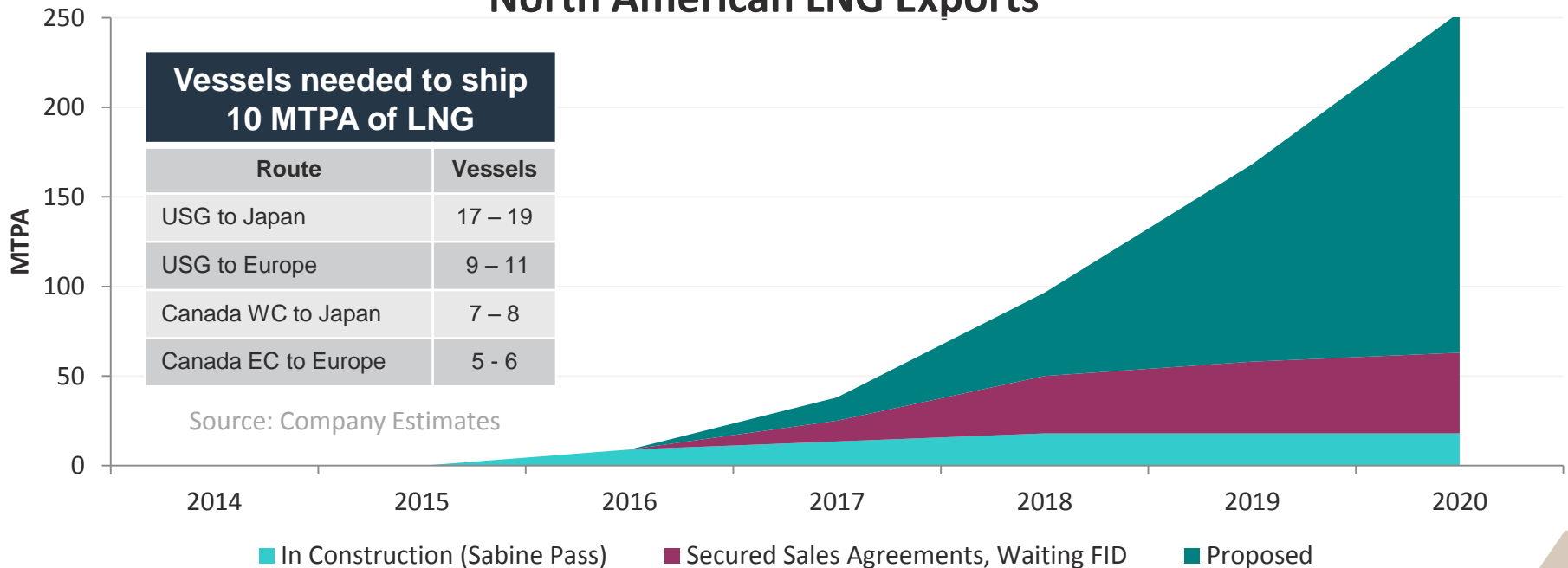


Source: Internal Estimates / Clarksons

# 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**



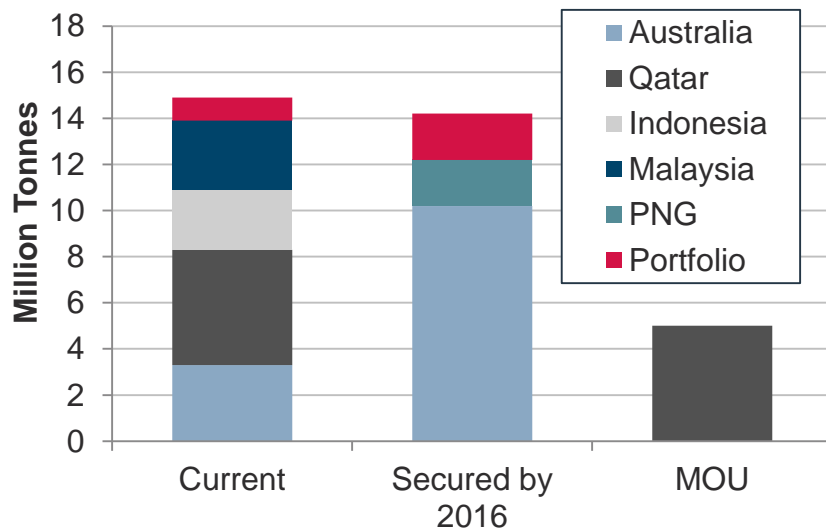
Vessels needed to ship 10 MTPA of LNG	
Route	Vessels
USG to Japan	17 – 19
USG to Europe	9 – 11
Canada WC to Japan	7 – 8
Canada EC to Europe	5 - 6

Source: Company Estimates

# LNG Demand Growth Primarily Driven By China and India

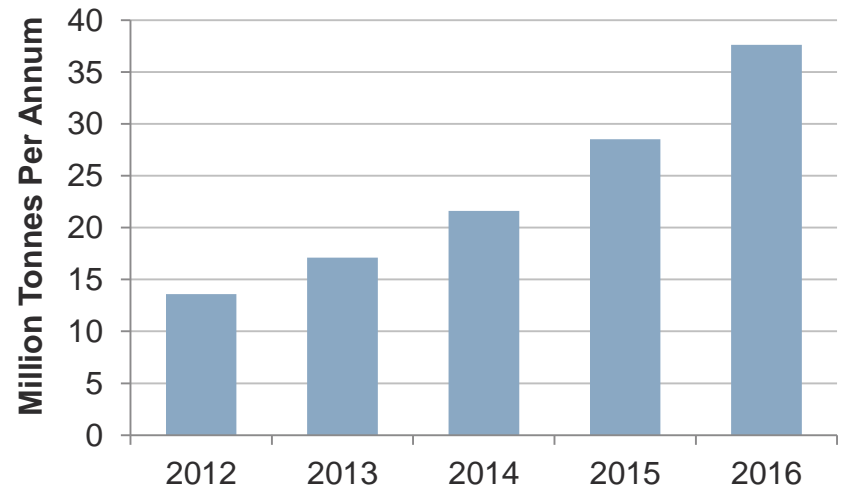
- LNG is a cornerstone of China's energy mix
- Chinese LNG imports expected to double to ~25-30 million tonnes (MT) by 2015
- Domestic gas shortfall prompting India to turn to LNG imports
- India planning to double regasification capacity by end-2015

### Chinese LNG Purchase Agreements



Source: Thomson Reuters

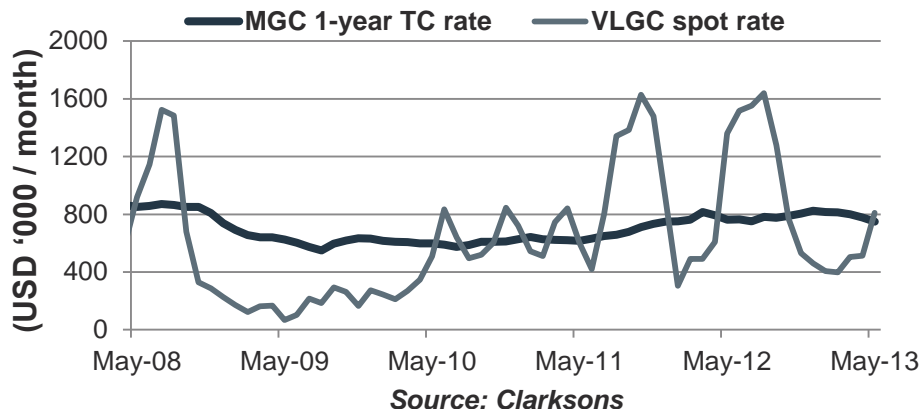
### Indian Regasification Capacity



Source: Ambit Capital

# LPG Market

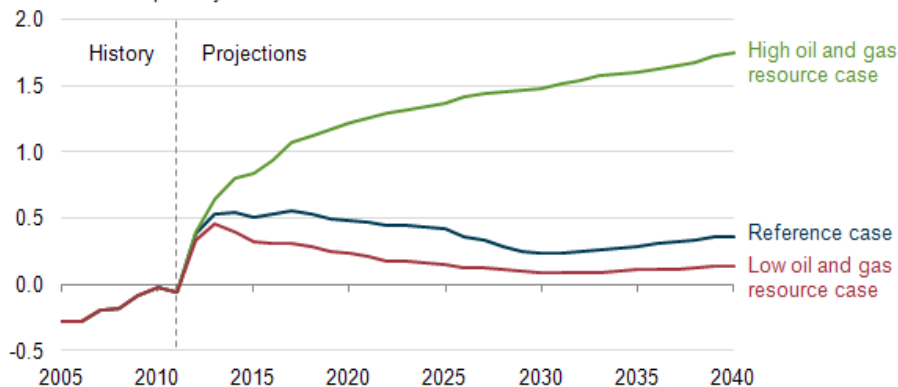
## MGC Term Rates Remain Steady



- 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

U.S. net exports of liquefied petroleum gas (2005-40)  
million barrels per day



Source: U.S. Energy Information Administration (EIA)

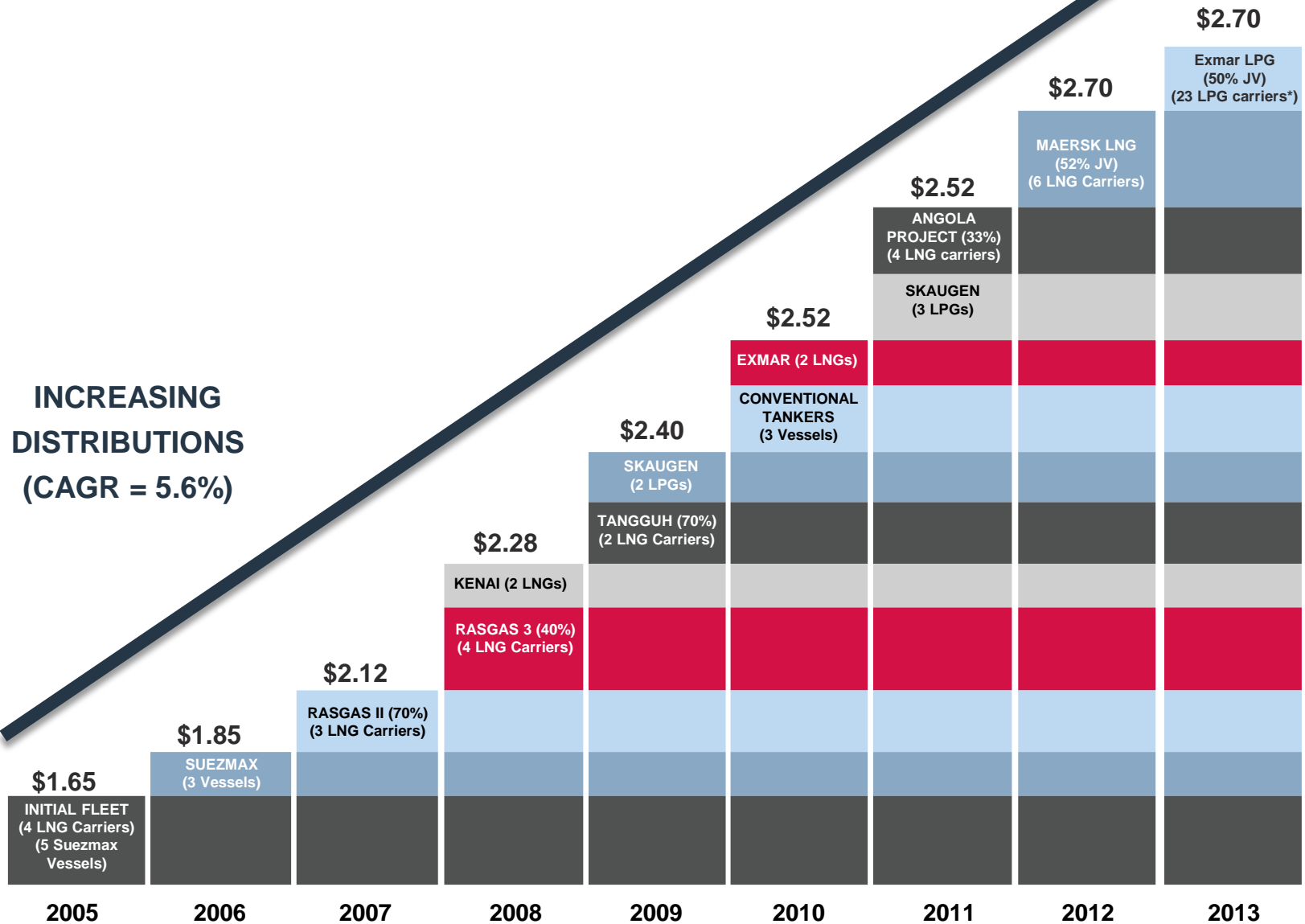
- Rising US shale gas production is leading to a surplus of ethane and propane available for export
- Increasing US LPG exports could add significantly to LPG carrier tonne-mile demand

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

# 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



Note: Diagram not to scale.

\* Includes eight LPG newbuildings and five in-chartered LPG carriers.





TEEKAY CORPORATION