Teekay LNG Partners

Q2-2019 Earnings Presentation

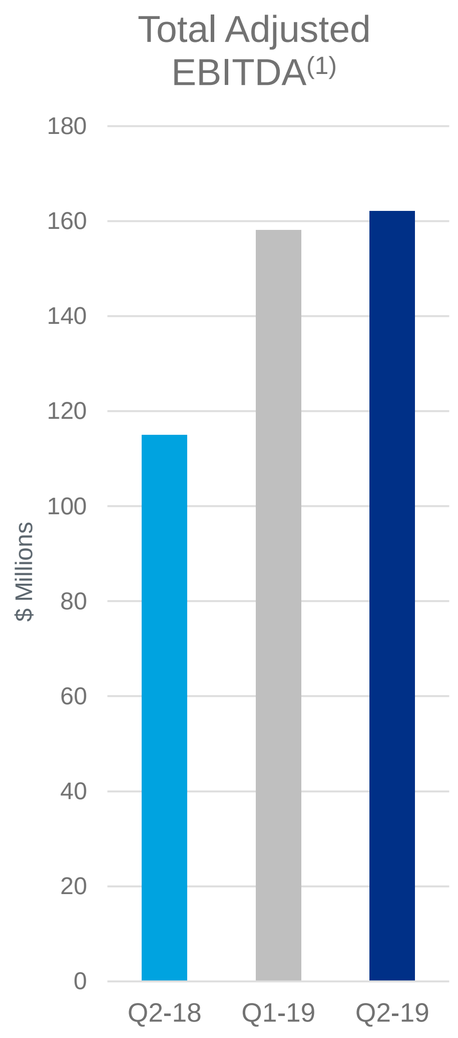
August 1, 2019

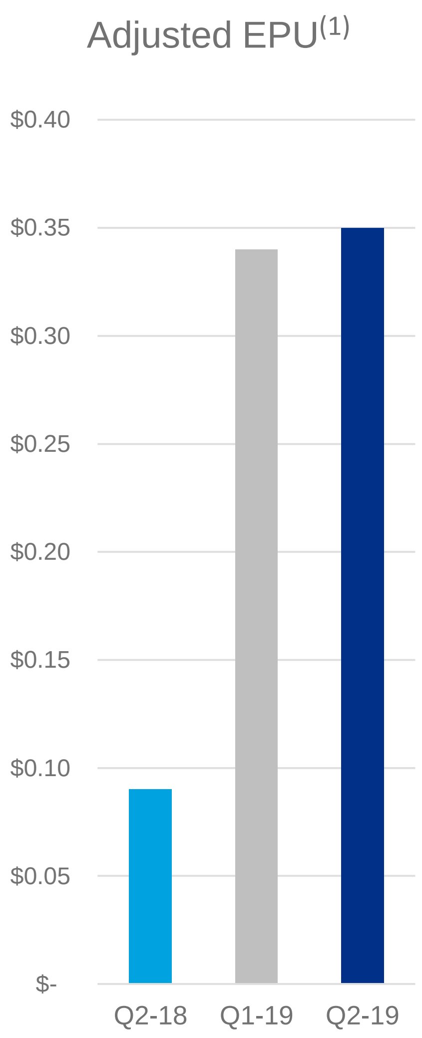
Forward Looking Statement

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, among other things, regarding: the timing of newbuilding vessel deliveries and completion of the Bahrain regasification facility; the effects of future newbuilding deliveries and the completion of the Bahrain facility on the Partnership's Total Adjusted EBITDA, earnings and financial leverage; expectations on the Partnership's 2019 financial results; the strength of the LNG and LPG carrier market; the Partnership's capital allocation plan and its ability to create equity value; and Teekay LNG's ability to benefit from future LNG and LPG market fundamentals. The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: potential shipyard and project construction delays, newbuilding specification changes or cost overruns; deliveries of vessels under charter contracts and the commencement thereof; 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 Partnership's fleet; higher than expected costs and expenses; general market conditions and trends, including spot, multi-month and multi-year charter rates; inability of charterers to make future charter payments; the inability of the Partnership to renew or replace long-term contracts on existing vessels; the Partnership's or the Partnership's joint ventures' ability to secure or draw on financings for its vessels; potential lack of cash flow to reduce balance sheet leverage or of excess capital available to allocate; 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, 2018. 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

- Q2-19 Financial Results:
  - Total Adjusted EBITDA[1] of $162.1 million
  - Adjusted net income[1] of $34.4 million
  - Adjusted earnings per unit[1] of $0.35
- All LNG carriers now serving under fixed-rate charters
  - Fixed coverage of 100%, 97% and 92% for remainder of 2019, 2020 and 2021, respectively
- 2019 guidance ranges maintained:
  - Adjusted net income[1] of approx. $1.85 to $2.20 per unit[2]
  - Total Adjusted EBITDA[1] of $665 to $690 million[2]
  - Adjusted EBITDA from consolidated vessels[1] of $420 to $440 million[2]
- Opportunistically repurchasing common units at attractive prices:
  - Since May 2019 – 283,815 units repurchased at an avg. price of $13.78 per unit
  - Since starting repurchases in Dec. 2018 - repurchased 1.43m units at an avg. price of $11.86 per unit
- Improving LPG segment and membership in Lauritzen-Kosan LPG Pool yielding results:
  - Adj. EBITDA for multi-gas vessels up $2.8 million over prior quarter and up $8.3 million over same quarter of last year





1) These are non-GAAP financial measures. Please see Teekay LNG's Q2-19 earnings release for definitions and reconciliations to the comparable GAAP measures. Total Adjusted EBITDA Guidance range has been updated to reflect calculation included in Earnings Releases. EBITDA metrics normalized to exclude impact of Awilco transaction.

2) All estimates are as of the date hereof, are approximations and based on current information (including the number of outstanding common units). Actual results may differ materially from these estimates, and the Partnership expressly disclaims any obligation to release publicly any updates or revisions to any such estimates, including to reflect any change in the Partnership's expectations with respect thereto or any change in events, conditions or circumstances on which any such estimates are based.

Q2 Spot LNG rates remained seasonally weak; LPG rates showing strength

LNG

Spot LNG rates for Q2-19 remained subdued due to:

- Seasonal weakness
- Fleet growth of 2.5% outpacing trade growth of 1.1%
- Limited LNG arbitrage

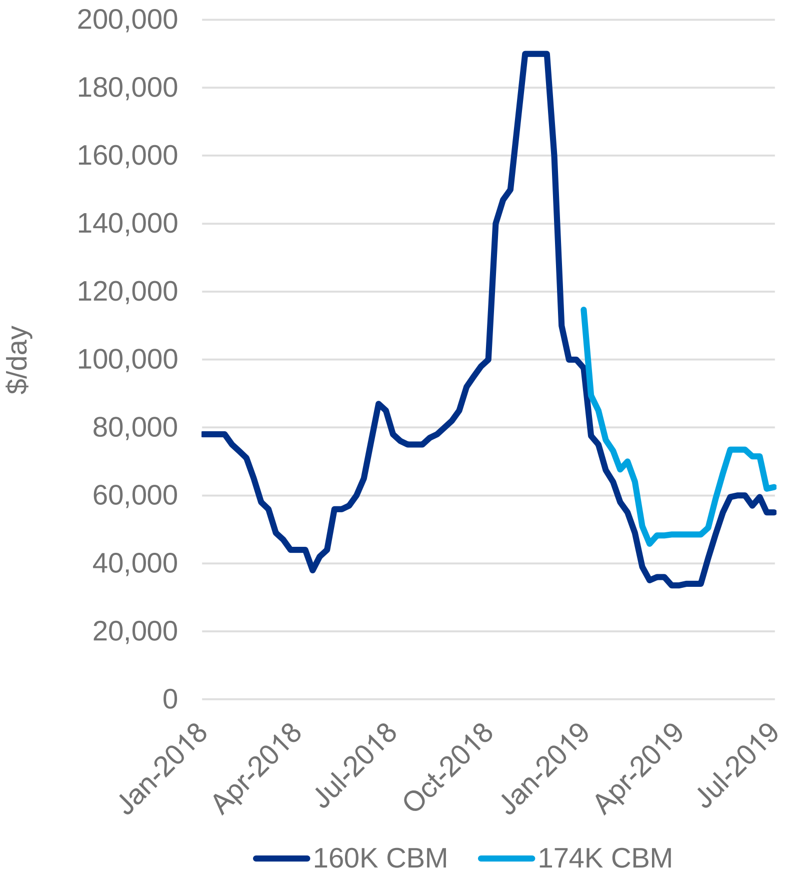
Q2-19 spot LNG rates avg. $48,580/day for 160k CBM vessels

LPG

Strong demand from India and China resulting in rates reaching a 2-year high for mid-sized MGC

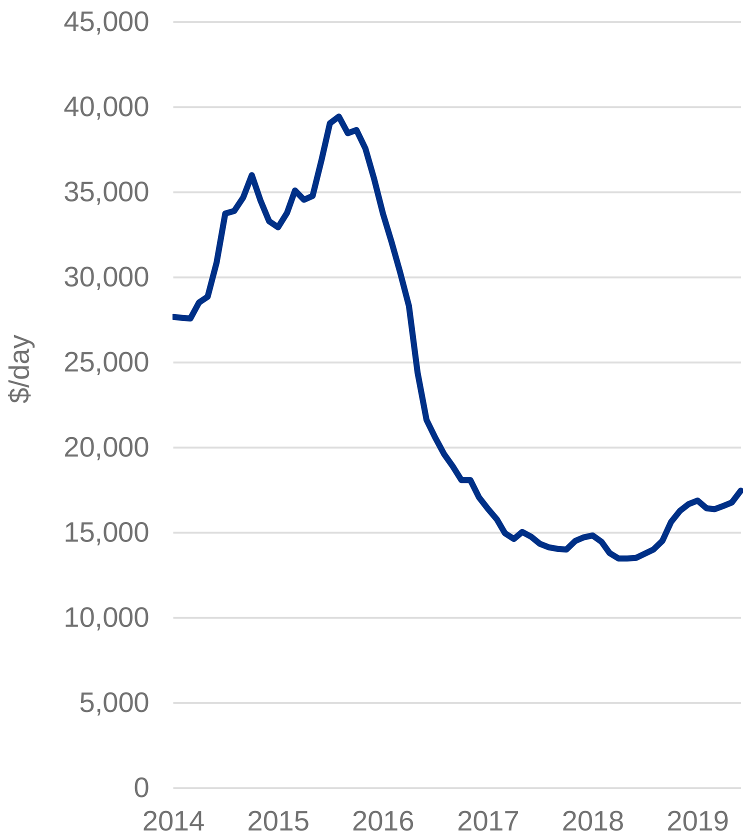
- 35k CBM MGC 1-year TC rates reached $17,500/day

LNG Vessel Spot Rates



Scource: Clarksons

35K CBM MGC 1-year TC rates



Source: Clarksons

Delevering Translates into Equity Value

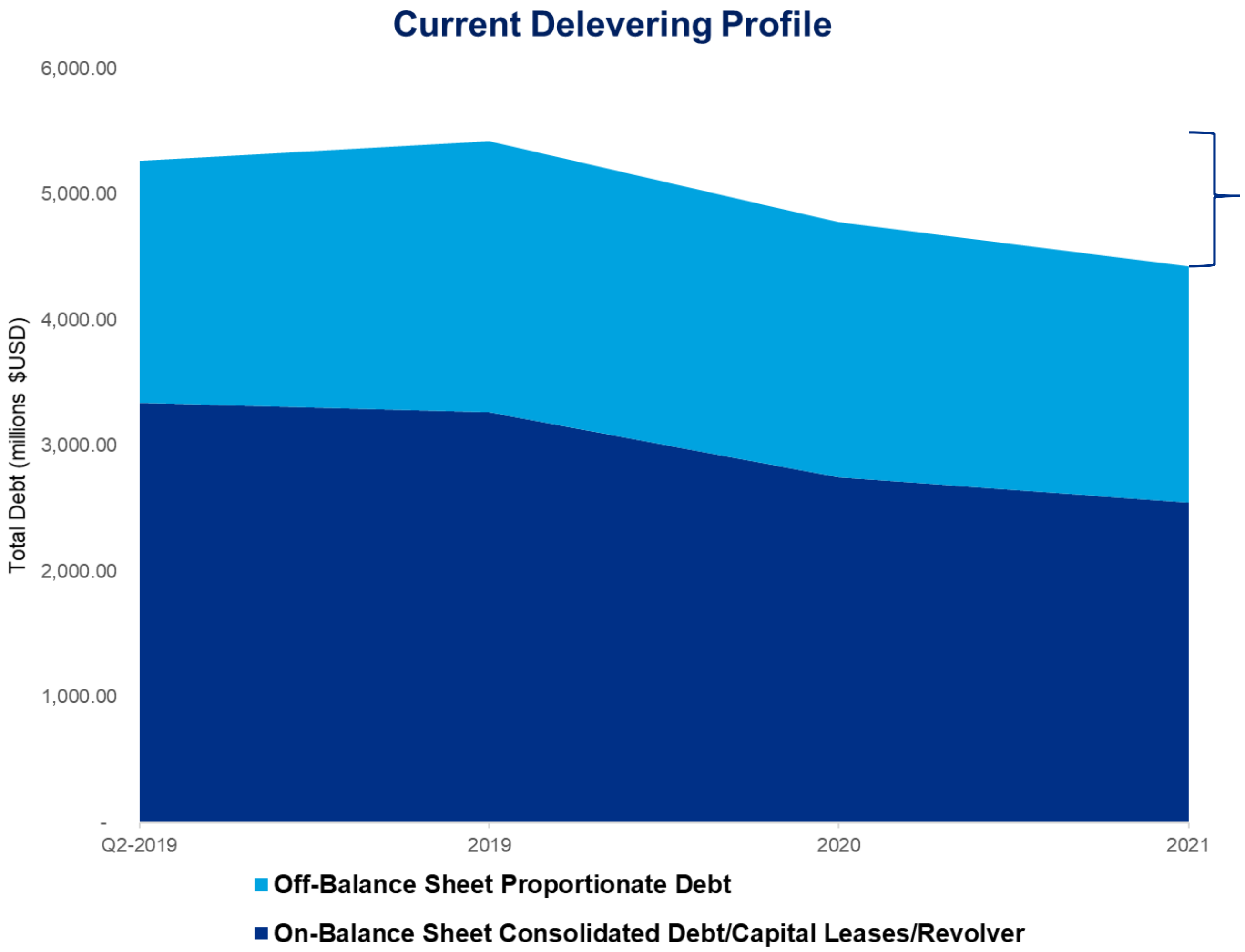
Consol. leverage has decreased from 9.0x* to 6.7x* over the past year.

Delevering trend will continue with:

- Consolidated mandatory debt amortization: ~ $195 million per annum
- Proportionate Consolidated mandatory debt amortization: ~ $300 million per annum

As of Q2-19, $402 million of current debt comprised of:

- $150 million Awilco Debt (Dec. 2019 Awilco Purchase Obligation)
- $115 million ($134 million notional) NOK Bond (May 2020)
- $137 million scheduled amortization

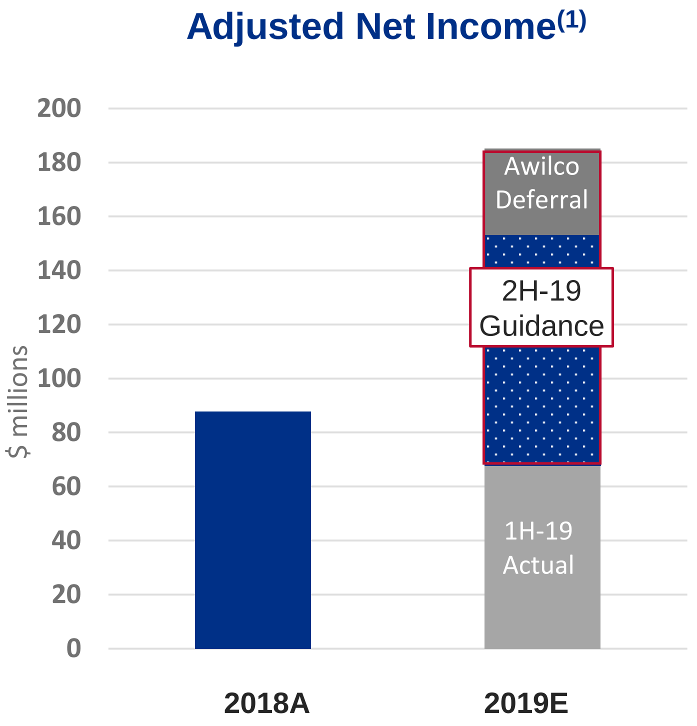


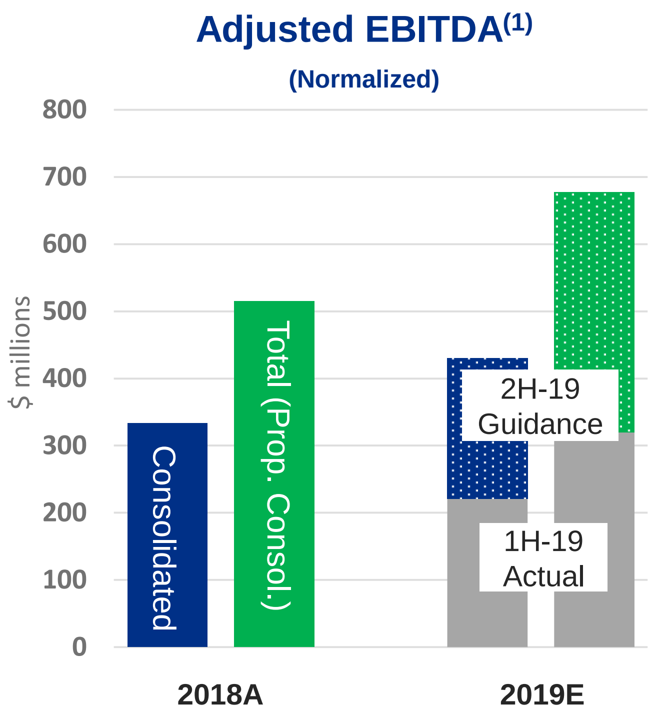
~$900 million of total debt amortization builds equity value

* net debt to annualized quarterly adjusted EBITDA as at Q2-19 compared with Q2-18

2019 Results On Track to Increase Substantially

- Vessel and project deliveries throughout 2018 and 2019
- Contracts rolling at higher levels
- Early delivery of vessels
- Adjusted net income guidance for 2019 includes recognition of Awilco deferred revenue in Dec. 2019 ~$30 million
- Expect 2019 results to be within guidance ranges





Current Trading Multiple

7.1x 2019 EPU[(1)(2)]

Current Trading Multiple

8.7x 2019 Total Adj. EBITDA[(1)(2)]

(1) Assumes mid-point of guidance range. These are non-GAAP financial measures. Please see Teekay LNG's Q2-19 earnings release for definitions and reconciliations to the comparable GAAP measures. Total (Proportionate Consolidated) Adjusted EBITDA guidance range for 2019 has been increased by approximately $30 million, to $665-690 million, to be consistent with the calculation method as described in the Earnings Release. Consolidated Adjusted EBITDA and Total Adjusted EBITDA guidance have been normalized to exclude any Awilco deferred revenue.

(2) Based on unit price of $14.46 per unit as of July 31, 2019 and midpoint of 2019 guidance

Save The Date

October 2, 2019 **Grand Hyatt Hotel, New York**

8:00 - 8:30 am	Registration
8:30 - 11:30 am	Presentations (1x1s to follow)
To RSVP:	Register Online
For more information, and to request a 1x1 investor meeting:	+1 604 609 6437 emily.yee@teekay.com

Appendix

TGP's J/Vs Represent Significant Value

Teekay LNG's J/V Investments = $13.70 per TGP unit of book equity value

								TGP's Proportionate Share			
J/V Name	**Primary Customer**	**TGP Ownership %**	**TGP Equity Investment $ millions (Jun 30-19)**	**# of vessels / on-order**	**Avg. Age of Vessels**	**Remaining Contract Length**	**Forward Revenues $ millions**	**Jun 30-19 o/s Debt**	**To be Drawn $ millions**	**Normal-ized Amort. $ millions**	**Next Debt Maturity**
MALT	OSAKA GAS GROUP, 1 x spot, TOTAL	52%	$344	6 / 0	10 years	7 years	$355	$277	-	$25	2H-2023
Yamal	YAMAL LNG	50%	$204	3 / 3	<1 year	27 years	$2,766	$519	$273	$34	2030 / 32
Exmar LNG / LPG	Various	50%	$180	23 / 0	9 years	3 years	$201	$288	-	$35	Q2-2021
RG3		40%	$124	4 / 0	11 years	14 years	$660	$267	-	$10	2026
MINT	Angola	33%	$83	4 / 0	7 years	13 years	$499	$197	-	$11	2H-2023
Bahrain Terminal	nogaholding	30%	$64	0 / 1	2H-19 start-up	21 years	$868	$195	$28	$9	2036
Pan Union		25% (avg.)	$75	4 / 0	<1 year	19 years	$587	$181	-	$6	2029 / 31
Total			**$1,074**	**43 / 5**		**~15 years**	**$5,936**	**$1,924**	**$301**	**$130**	

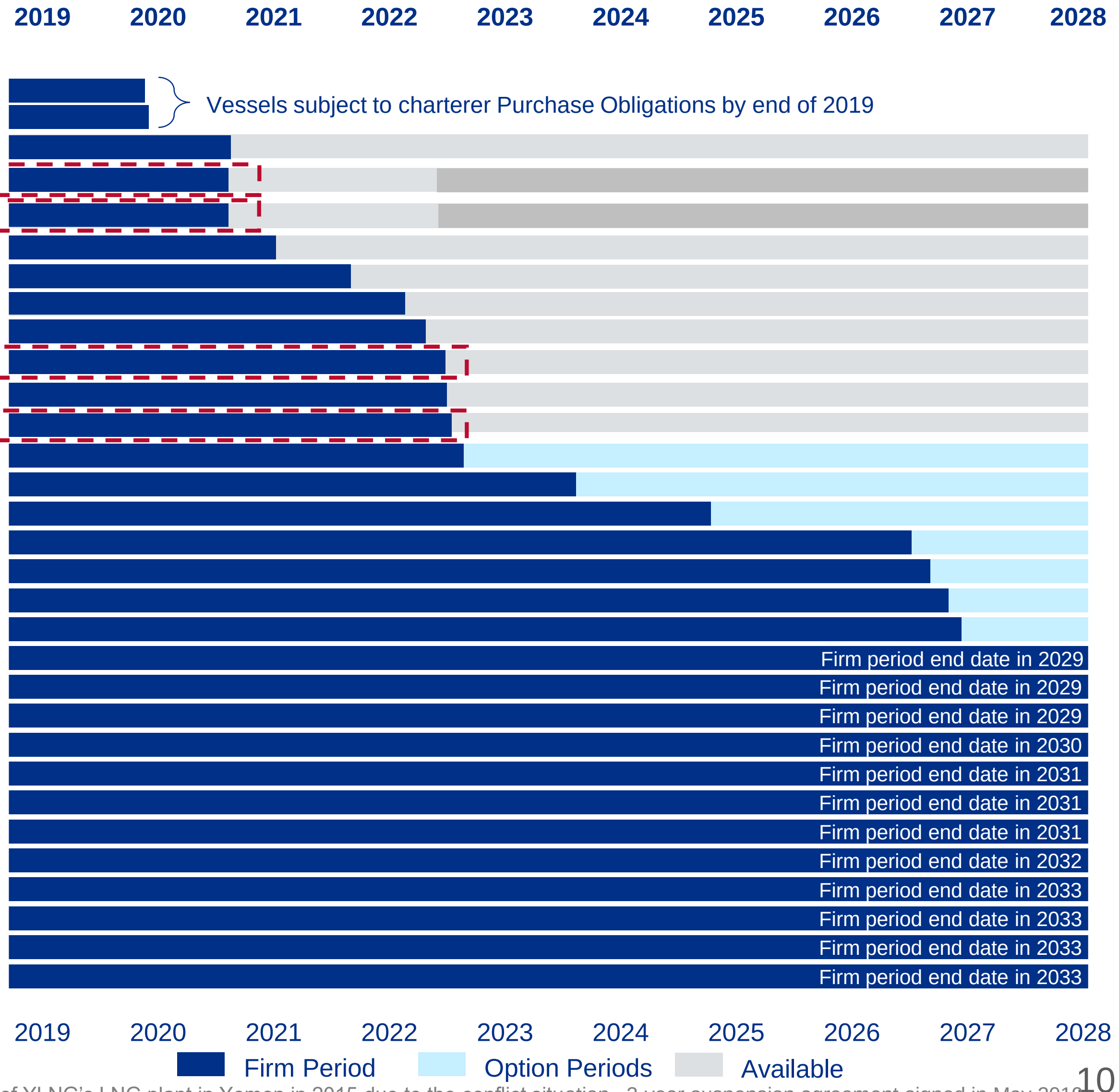
Long-Term Contract Coverage With High Quality Customers

12 year average remaining contract duration across the LNG fleet*

With recent LNG fixed-rate charters, LNG fleet revenues are now 100%, 96% and 92% fixed for remainder of 2019, for 2020 and 2021, respectively

Current Charter Terms

	Ownership	Charterer
Existing LNG Fleet		
Wilforce	99%	AWILCO LNG
Wilpride	99%	AWILCO LNG
Methane Spirit	52%	OSAKA GAS
Marib Spirit[1]	52%	CHENIERE
Arwa Spirit[1]	52%	CHENIERE
Creole Spirit	100%	CHENIERE
Oak Spirit	100%	CHENIERE
Torben Spirit	100%	gasNatural
Excalibur	49%	excelerate
Polar Spirit	99%	PETRONAS
Arctic Spirit	99%	PETRONAS
Magellan Spirit (in-charter)	52%	Petrobras
Hispania Spirit	100%	
Catalunya Spirit	100%	gasNatural
Madrid Spirit	100%	
Woodside Donaldson	52%	
Al Marrouna	70%	
Al Areesh	70%	
Al Daayen	70%	
Tangguh Hiri	69%	bp
Tangguh Sago	69%	bp
Galicia Spirit	100%	UNION FENOSA
Meridian Spirit	52%	TOTAL
Soyo	33%	
Malanje	33%	
Lobito	33%	
Cubal	33%	
Al Huwaila	40%	
Al Kharsaah	40%	
Al Shamal	40%	
Al Khuwair	40%	



Recently commenced charters

[1] Trading in short-term market as a result of the temporary closing of YLNG's LNG plant in Yemen in 2015 due to the conflict situation. 3-year suspension agreement signed in May 2019

* As of April 1 2019, excludes extension options; includes existing vessels and growth projects

Stable and Growing Fixed-Rate Cash Flows

Financing completed for all deliveries

4th Yamal ARC7 expected to deliver mid-August

Recent and Existing Growth Projects

Average Total Fleet Age in 2020: 8.5 years[1]

	Ownership	Charterer	Financing completed	2018 – 2028E
Delivered				
Macoma	99%		✓	
Pan Asia	30%		✓	Firm period end date in 2037
Murex	99%		✓	
Eduard Toll	50%	YAMAL LNG	✓	Firm period end date in 2045
Pan Americas	30%		✓	Firm period end date in 2038
Magdala	99%		✓	
Myrina	99%		✓	
Pan Europe	20%		✓	Firm period end date in 2038
Megara	99%		✓	
Bahrain Spirit	100%	Bahrain LNG	✓	Firm period end date in 2038
Rudolf Samoylovich	50%	YAMAL LNG	✓	Firm period end date in 2045
Sean Spirit	100%	bp	✓	
Yamal Spirit	100%	YAMAL LNG	✓	Firm period end date in 2033
Pan Africa	20%		✓	Firm period end date in 2039
Nikolay Yevgenov	50%	YAMAL LNG	✓	Firm period end date in 2045
Vladimir Voronin	50%	YAMAL LNG	✓	Firm period end date in 2045
Regas Terminal	30%	nogaholding	✓	Firm period end date in 2039
Georgiy Ushakov	50%	YAMAL LNG	✓	Firm period end date in 2045
Yakov Gakkel	50%	YAMAL LNG	✓	Firm period end date in 2045

2018 2019E 2020E 2021E 2022E 2023E 2024E 2025E 2026E 2027E 2028E

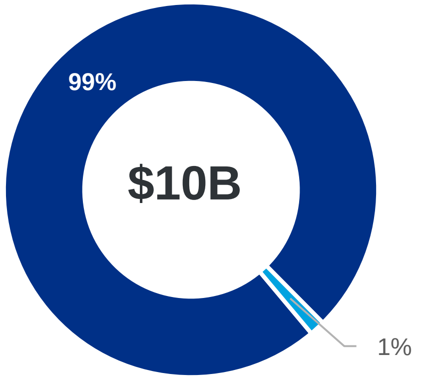
Firm Period Option Periods

[1] Average fleet age in 2020 on a fully delivered basis, including existing on-the-water LNG fleet as of January 1, 2019

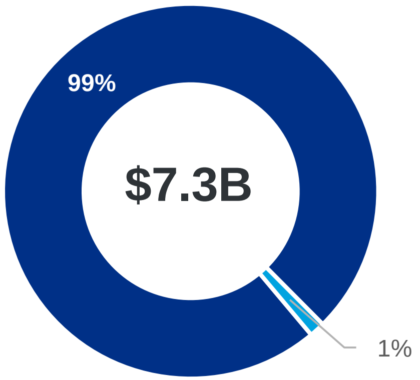
Largest and Most Diversified Portfolio of Long-term LNG Contracts

Existing Portfolio of Long-term LNG Contracts Provides Cash Flow Stability

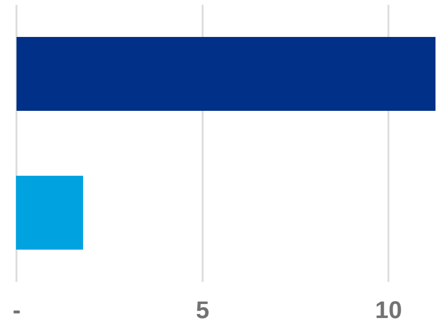
Total Forward Fee-Based Revenues (excl. extension options) (1)



Total Forward Adj. EBITDA (excl. extension options) (1)

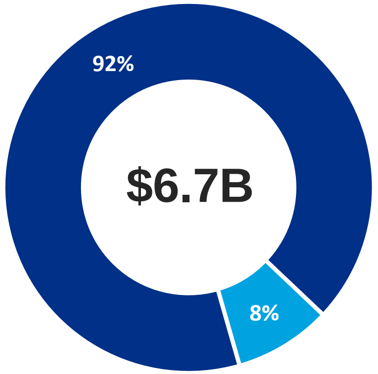


Avg. Remaining Contract Length by Segment (1)



LNG
LPG

Invested Capital Breakdown by Segment (2)



(1) As of July 1, 2019. Based on existing contracts, including recently secured LNG charter contracts, but excludes extension options; includes proportionate share of equity-accounted joint ventures
(2) Based on book values as of July 1, 2019 and includes proportionate share of equity-accounted joint ventures and upcoming CAPEX.

Adjusted Net Income

Q2-19 vs. Q1-19

(Thousands of U.S. Dollars except units outstanding or unless otherwise indicated)	Q2-2019	Q1-2019	Comments
Net voyage revenues(1)	147,037	143,969	Increase primarily due to the Spanish vessels being off-hire during Q1-19 for repairs and dry docking, the delivery of the Yamal Spirit in Jan-19 and higher spot rates earned on the multi-gas vessels. These increases were partially offset by the Magellan Spirit being off-hire for a scheduled dry docking during Q2-19.
Vessel operating expenses	(27,457)	(26,101)	Increase due to timing of repairs and maintenance for certain LNG vessels
Time-charter hire expense	(3,080)	(5,591)	Decrease due to the Magellan Spirit's scheduled dry docking during Q2-19
Depreciation and amortization	(35,338)	(34,126)	
General and administrative expenses	(5,667)	(6,632)	Decrease primarily due to reduction in professional fees incurred
Income from vessel operations	75,495	71,519	
Adjusted equity income(1)	7,964	10,283	Equity income decreased in the Teekay LNG-Marubeni Joint Venture primarily related to two vessels having scheduled dry dockings in Q2-19 and increases in waiting time prior to the commencement of recently secured charter contracts; partially offset by an increase in equity income from the Yamal Joint Venture due to delivery of the Nikolay Yevgenov during Q2-19
Adjusted interest expense(1)	(44,585)	(44,211)	
Interest income	960	1,078	
Other income – net	236	251	
Income tax expense	(2,472)	(2,578)	
Net income	37,598	36,342	
Less: Net income attributable to Non-controlling interests	(3,163)	(2,977)	
Net income attributable to the partners and preferred unitholders	34,435	33,365	
Weighted-average number of common units outstanding	78,603,636	78,598,678	
Limited partner's interest in adjusted net income per common unit	0.35	0.34	

1) Refer to slide labelled Reconciliations of Non-GAAP Financial Measures for a reconciliation of Net Voyage Revenues, Adjusted Equity Income and Adjusted Interest Expense.

Reconciliations of Non-GAAP Financial Measures

Reconciliation of the Partnership’s Net Voyage Revenues:

(Thousands of U.S. Dollars)	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019
Voyage revenues as reported	153,060	149,744
Voyage expenses as reported	(6,023)	(5,775)
Net Voyage Revenues	**147,037**	**143,969**

Reconciliation of the Partnership’s Adjusted Equity Income:

(Thousands of U.S. Dollars)	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019
Equity income as reported	1,738	5,578
Proportionate share of unrealized loss on non-designated interest rate swaps	5,102	4,360
Proportionate share of other items	1,124	345
Adjusted Equity Income	**7,964**	**10,283**

Reconciliation of the Partnership’s Adjusted Interest Expense:

(Thousands of U.S. Dollars)	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019
Interest expense as reported	(41,018)	(42,217)
Realized losses on derivative instruments and other	(3,567)	(1,994)
Adjusted Interest Expense	**(44,585)**	**(44,211)**

Q3-2019 Outlook

Adjusted Net Income	Q3 2019 Outlook (compared to Q2 2019)
Net voyage revenues	• $7M increase due to the drydocking of the Magellan Spirit prior to the commencement of a new charter in Q2-19 • ($3M) decrease due to the drydocking of the Madrid Spirit in Q3-19
Vessel operating expenses	• $4M increase from multi-gas and certain LNG vessels primarily due to timing of repairs and maintenance
Time-charter hire expense	• $3M increase due to the drydocking of the Magellan Spirit in Q2-19
Depreciation and amortization	• Expected to be consistent with Q2-19
General and administrative expenses	• Expected to be consistent with Q2-19
Adjusted equity income	• $10M increase in Malt JV due to the commencement of one-year charters for two vessels, the drydocking of two vessels in Q2-19, and recognition of dry-dock cost recovery recorded as revenue in Q3-19 for the Meridian Spirit's drydocking • $4M increase in Yamal LNG JV due to the full quarter activity of the recently delivered Nikolay Yevgenov and the delivery of the Vladimir Voronin in Q3-19 • $2M increase in Bahrain LNG JV due to capitalization of pre-operational costs prior to expected completion of terminal • $2M increase in Exmar LPG JV due to less off-hire days for scheduled drydockings and increase in spot rates for certain vessels
Adjusted interest expense	• Expected to be consistent with Q2-19
Interest income	• Expected to be consistent with Q2-19
Other income - net	• Expected to be consistent with Q2-19
Income tax expense	• Expected to be consistent with Q2-19
Adjusted net income attributable to non-controlling interests	• Expected to be consistent with Q2-19

2019(E) Drydock Schedule

Entity	Segment	March 31, 2019 (A)		June 30, 2019 (A)		September 30, 2019 (E)		December 31, 2019 (E)		Total 2019 (E)	
		Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days
Teekay LNG	LNG - Consolidated	1	37	-	-	1	37	3	12	5	86
	LPG - Consolidated	1	38	-	-	-	-	1	38	2	76
	Conventional Tankers	-	-	-	-	-	-	-	-	-	-
	LNG Equity Accounted (1)	-	4	2	88	-	-	4	8	6	100
	LPG Equity Accounted	1	23	3	75	1	26	1	31	6	155
		3	102	5	163	2	63	9	89	19	417

* In the case that a vessel's off-hire days straddles between quarters, the quarter with the majority of off-hire days will have the vessel allocated to it.

- (A) – Actual
- (E) – Estimate

Note (1) - The Magellan Spirit drydock in Q2'19 is included in the LNG Equity Accounted line, however, as the vessel is chartered-in by the Partnership from the Teekay LNG-Marubeni Joint Venture, the drydock had an impact on the Partnership's consolidated voyage revenues and time-charter hire expense.