Teekay LNG Partners

Q2-2020
Earnings Presentation

August 13, 2020

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 impact of COVID-19 and related global events on the Partnership's operations and cash flows; the Partnership's ability to achieve previously disclosed financial guidance for 2020; fixed charter coverage for the Partnership's LNG fleet for the remainder of 2020 and 2021; the Partnership's ability to complete remaining crew changes and anticipated timing thereof; the timing of the new commercial management agreement for the Partnership's seven wholly-owned multi-gas vessels; the Partnership's operational performance and cost competitiveness, including the Partnership's ability to derive benefits from its economies of scale; expected reductions in the Partnership's interest costs as it continues to reduce its debt levels; and the continued performance of the Partnership's and its joint ventures' charter contracts. 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 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, including as a result of off-hire days or dry-docking requirements; general market conditions and trends, including spot, multi-month and multi-year charter rates; inability of customers of the Partnership or any of its joint ventures to make future payments under contracts; potential further delays to the formal commencement of commercial operations of the Bahrain Regasification Terminal; the inability of the Partnership to renew or replace long-term contracts on existing vessels; potential lack of cash flow to reduce balance sheet leverage or of excess capital available to allocate towards returning capital to unitholders; 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, 2019. 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

8th consecutive quarterly increase in Total Adjusted EBITDA(1)

Focus on fixed-rate contracts maximizes utilization and revenue

Reaffirm 2020 Financial Guidance (1)

All LNG carriers have now completed crew rotations – no reported cases of COVID-19 to-date

Key Takeaways:

Another Record Quarter for TGP	Record Total Adj. EBITDA(1) and Adj. Earnings Per Unit(1)
LNG Fleet ~100% Fixed for 2020 and 94% Fixed for 2021	Expected avg. F2020 LNG TCE rate of +$80,500/day
LNG Charter Contracts Operating as Expected	Diverse portfolio of fixed-rate charter contracts backed by strong counterparties
Strong Financial Foundation	Leverage continues to decrease; no remaining debt maturities in 2020; no committed growth CAPEX
Strong Distribution Coverage	Q2-20 distribution = 37% of Q2-20 Adj. EPU(1) Q2-20 coverage ratio = 4.12x Distributable Cash Flow(1)

1) These are non-GAAP financial measures. Please see Teekay LNG's Q2-20 earnings release for definitions and reconciliations to the comparable GAAP measures.

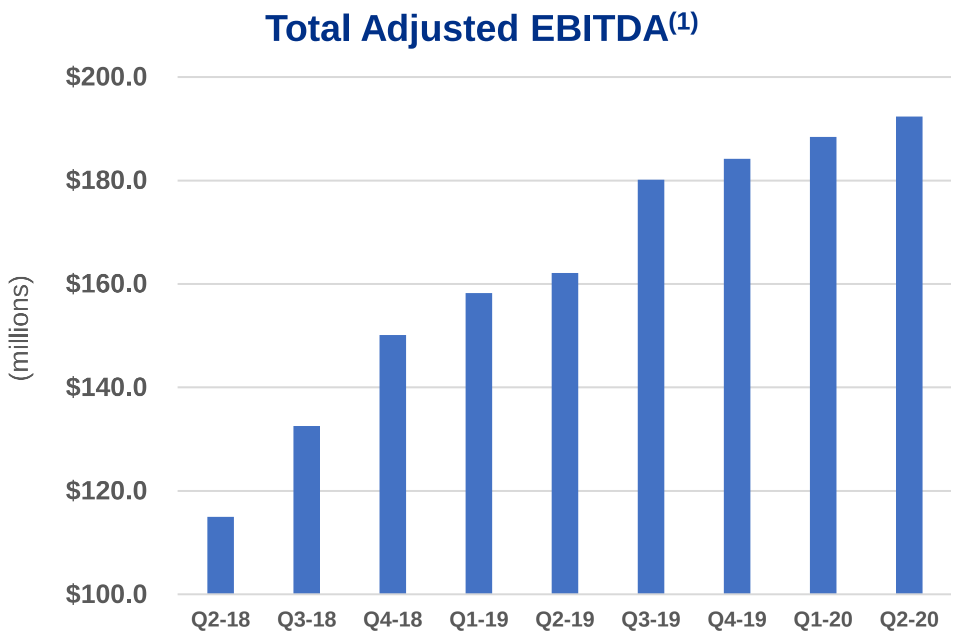
Financial Results Continue to Improve

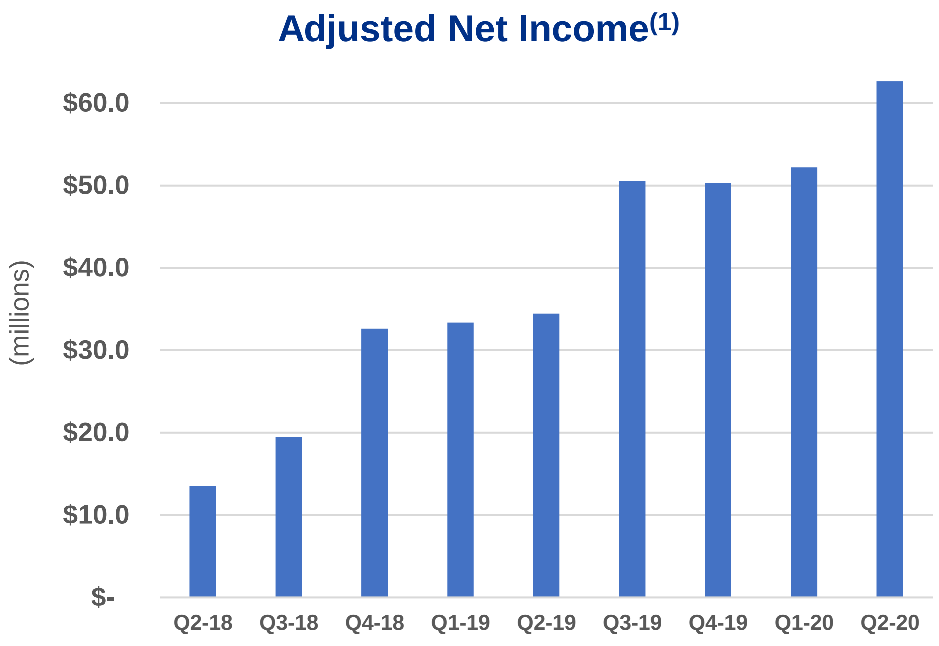
TGP's $3.5 billion growth program was completed in Dec. 2019

Total Adjusted EBITDA and Adjusted Net Income continue to increase as:

- 6 vessels delivered during 2019 onto fixed-rate contracts
- The Bahrain Regasification Terminal started receiving terminal use payments in Jan. 2020
- Higher mid-size LPG rates in Exmar JV

Partially offset by sales of two Awilco LNG carriers and last remaining conventional tanker





1) These are non-GAAP financial measures. Please see Teekay LNG's Q2-20 earnings release for definitions and reconciliations to the comparable GAAP measures.

Long-Term Contract Coverage With High Quality Customers

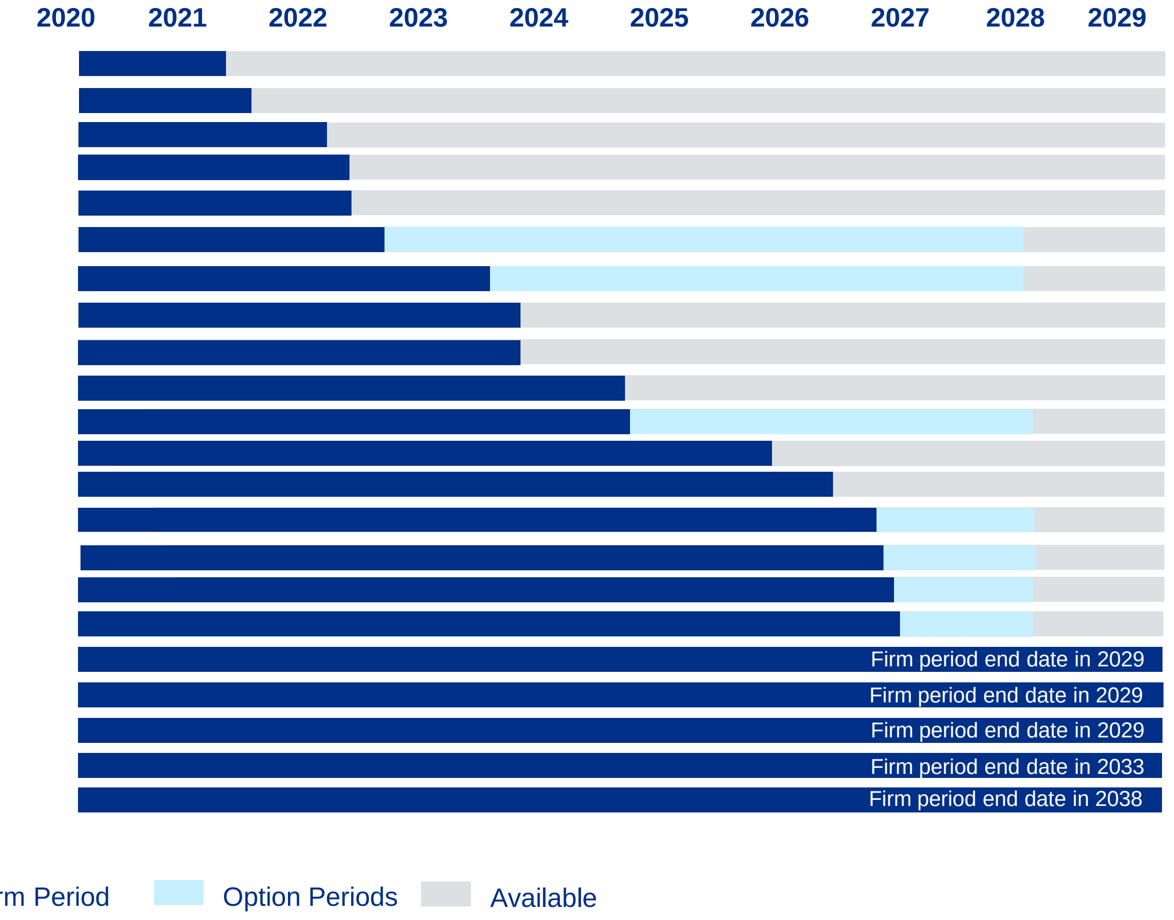
Teekay LNG's fixed-rate contracts fleet-wide:

- 'Take-or-pay' (i.e. customer pays full hire to Teekay LNG irrespective of their usage of the vessel)
- Not impacted by LNG prices or cargo cancellations
- Not impacted by structural or global imbalances of LNG

Current Charter Terms - Consolidated LNG Fleet

Average Total Fleet Age: 9.5 years[1]

	Ownership	Propulsion	Charterer
Creole Spirit	100%	MEGI	CHENIERE
Oak Spirit	100%	MEGI	CHENIERE
Torben Spirit	100%	MEGI	
Polar Spirit	100%	Steam	PETRONAS
Arctic Spirit	100%	Steam	PETRONAS
Hispania Spirit	100%	Steam	
Catalunya Spirit	100%	Steam	
Macoma	100%	MEGI	
Murex	100%	MEGI	
Myrina	100%	MEGI	
Madrid Spirit	100%	Steam	
Magdala	100%	MEGI	
Megara	100%	MEGI	
Sean Spirit	100%	MEGI	bp
Al Marrouna	70%	Steam	
Al Areesh	70%	Steam	
Al Daayen	70%	Steam	
Tangguh Hiri	70%	DFDE	
Tangguh Sago	70%	DFDE	
Galicia Spirit	100%	Steam	UNION FENOSA
Yamal Spirit	100%	MEGI	YAMAL LNG
Bahrain Spirit	100%	MEGI	Bahrain LNG



(1) Average fleet age on June 30, 2020

Long-Term Contract Coverage With High Quality Customers

LNG fleet revenues ~100% and 94% fixed for 2020 and 2021, respectively

Current Charter Terms - Joint Venture LNG Fleet

Average Total Fleet Age: 9.5 years

	Ownership	Propulsion	Charterer	2020 – 2029
Marib Spirit[1]	52%	DFDE	TRAFIGURA	
Methane Spirit	52%	TFDE	OSAKA GAS	
Arwa Spirit[1]	52%	DFDE	TRAFIGURA	
Excalibur	50%	Steam		
Magellan Spirit (in-charter)	52%	TFDE	BR PETROBRAS	
Woodside Donaldson	52%	TFDE		
Meridian Spirit	52%	TFDE	TOTAL	Firm period end date in 2030
Soyo	33%	TFDE		Firm period end date in 2031
Malanje	33%	TFDE		Firm period end date in 2031
Lobito	33%	TFDE		Firm period end date in 2031
Cubal	33%	TFDE		Firm period end date in 2032
Al Huwaila	40%	SSD[2]		Firm period end date in 2033
Al Kharsaah	40%	SSD[2]		Firm period end date in 2033
Al Shamal	40%	SSD[2]		Firm period end date in 2033
Al Khuwair	40%	SSD[2]		Firm period end date in 2033
Pan Asia	30%	TFDE		Firm period end date in 2037
Pan Americas	30%	TFDE		Firm period end date in 2038
Pan Europe	20%	TFDE		Firm period end date in 2038
Pan Africa	20%	TFDE		Firm period end date in 2039
Eduard Toll	50%	ARC7	YAMAL LNG	Firm period end date in 2045
Rudolf Samoylovich	50%	ARC7	YAMAL LNG	Firm period end date in 2045
Nikolay Yevgenov	50%	ARC7	YAMAL LNG	Firm period end date in 2045
Vladimir Voronin	50%	ARC7	YAMAL LNG	Firm period end date in 2045
Georgiy Ushakov	50%	ARC7	YAMAL LNG	Firm period end date in 2045
Yakov Gakkel	50%	ARC7	YAMAL LNG	Firm period end date in 2045
Regas Terminal	30%	Terminal	nogaholding	Firm period end date in 2039

Firm Period   Option Periods   Available

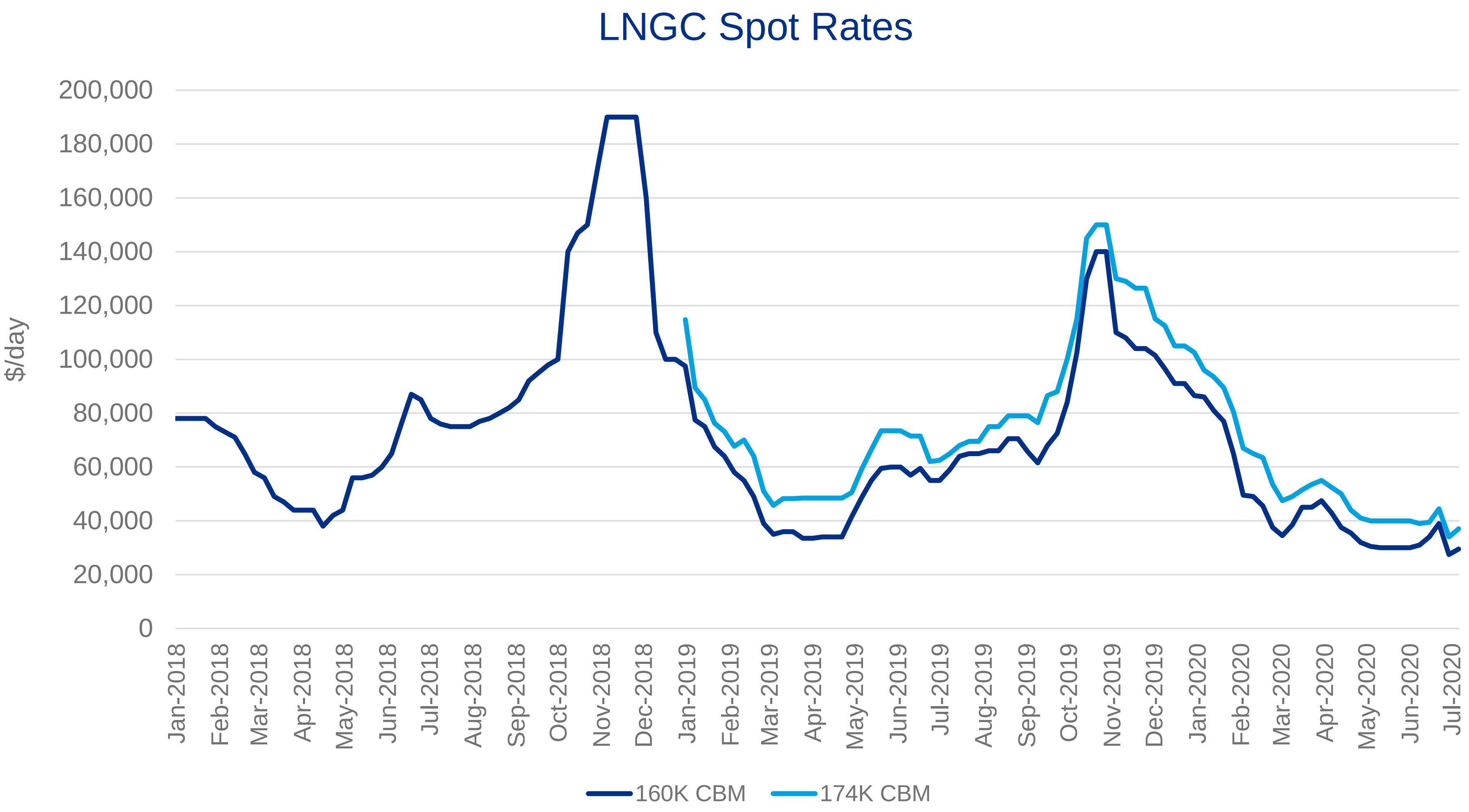
(1) Trading in the term market as a result of the temporary closing of YLNG's LNG plant in Yemen in 2015 due to the conflict situation. 3-year suspension agreement signed in May 2019.
(2) SSD = Slow Steam Diesel

TGP is Fully Fixed For the Remainder of 2020 At Nearly $80,000/day

Peak winter demand and lack of supply tightened the shipping market in Q4-19

- 2019 spot rates averaged $69,350/day

Milder winter and demand reduction coupled with uncertainty due to COVID-19 decreased broker headline rates to ~$35,000/day



Source: Clarksons

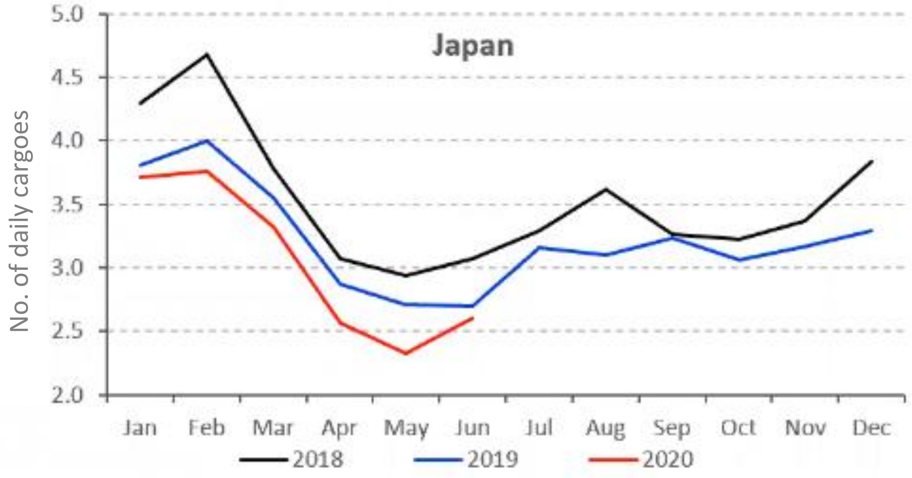
Impact of COVID-19 on LNG Trade Flows

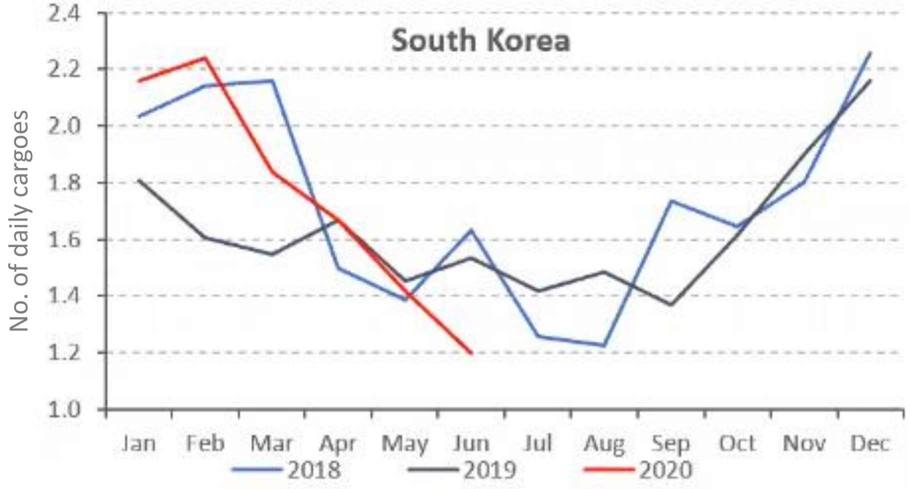
Major LNG markets have been impacted by COVID-19 and short-term demand recoveries have been volatile and unpredictable

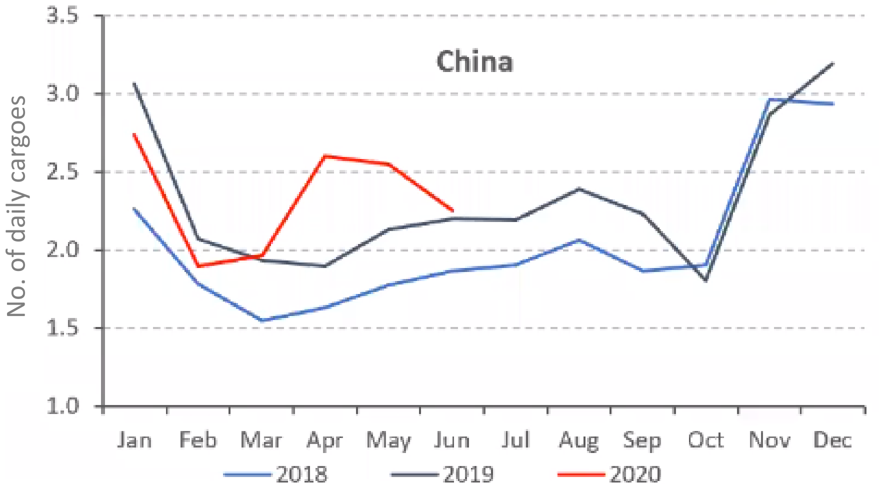
Europe continues to be a balancing point for LNG cargoes but natural gas consumption down 7% y-o-y in first five months of 2020 (IEA)

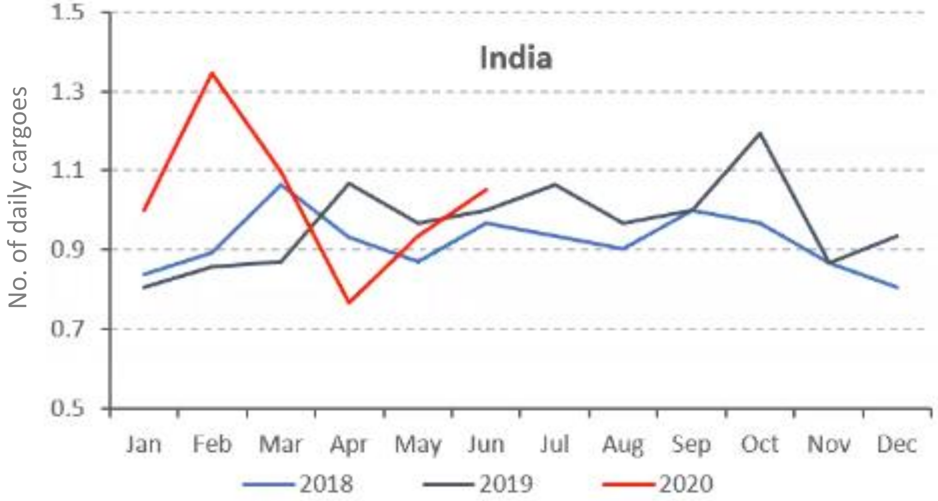
Bulk of consumption decline in mature markets due to:

1) Lower heating demand in early months because of mild winter
2) Lockdowns weighing on consumption from commercial users









Source: Poten & Partners

LNG Trade Rebounding with Firming Gas Prices

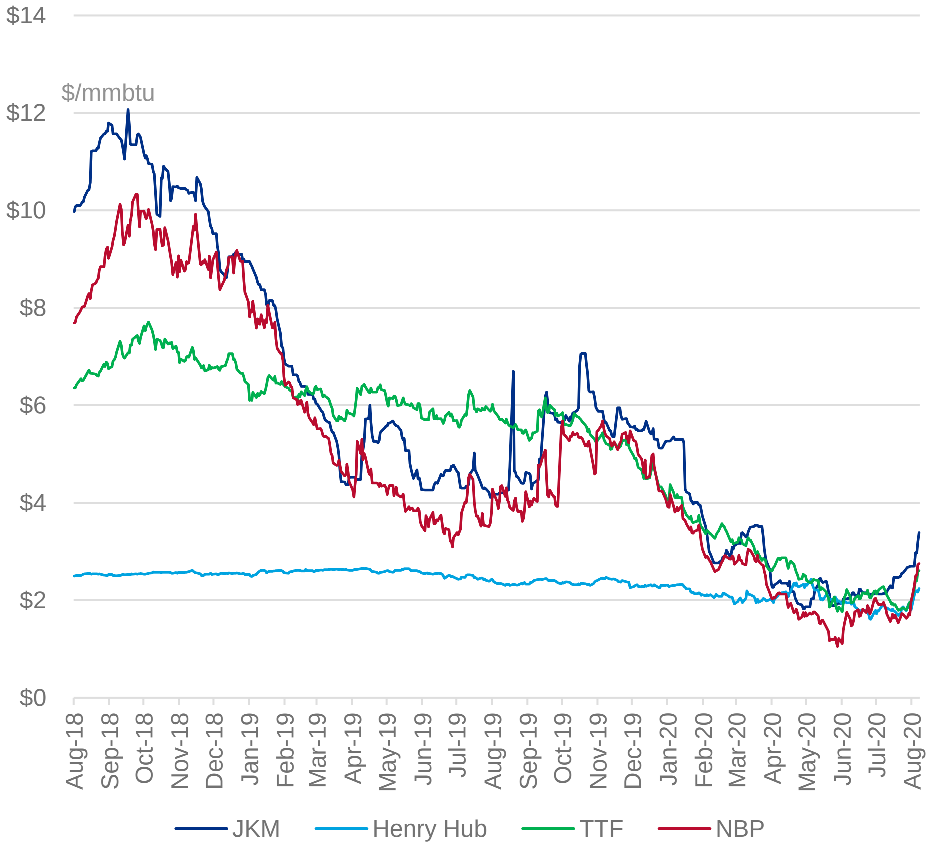
After high levels of US cargo cancellations in June, July and August, ~40% fewer cancellations registered for September

- Cargo cancellations have no impact on TGP's revenues

Supported by firming gas price, contango in key markets heading into the winter months; Asian buyers continue buying relatively cheap LNG

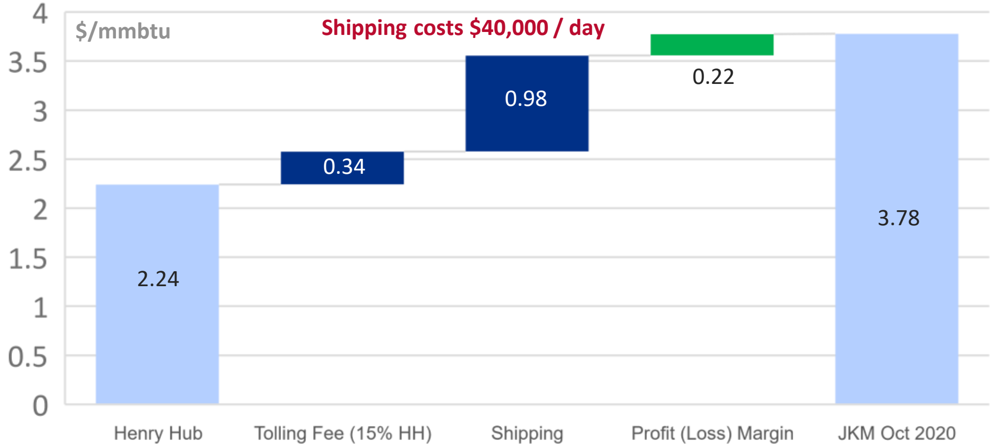
Increasing chartering activity as the winter months approach resulting in ships being removed from the market, supporting a marginal increase in freight levels

Natural Gas Prices by region

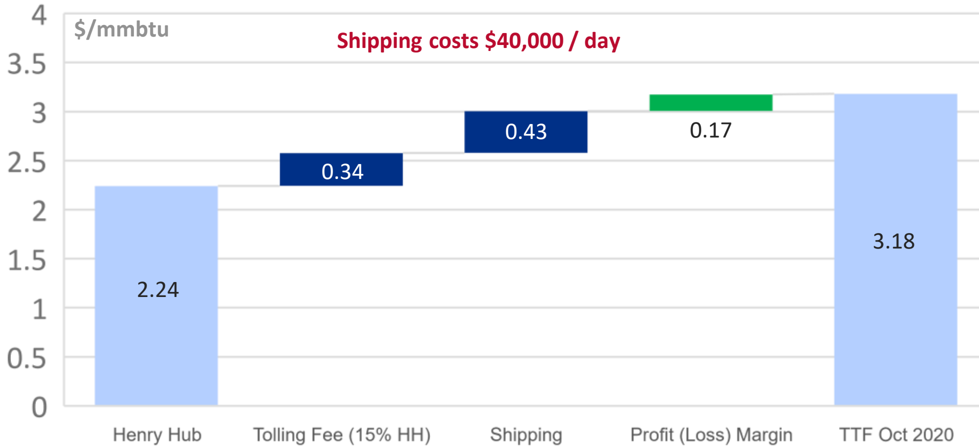


Source: Bloomberg & Platts

Load September 2020 and deliver to Japan in October 2020



Load September 2020 and deliver to Europe in Oct 2020

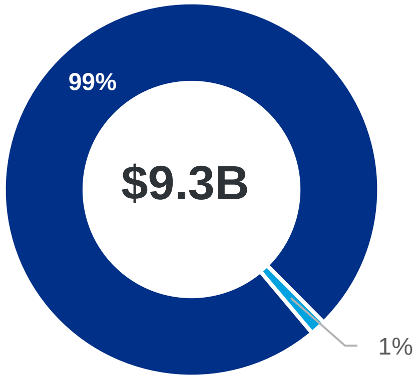


Source: Platts

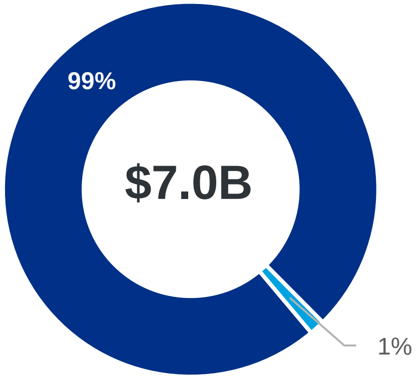
Largest and Most Diversified Portfolio of Long-term LNG Contracts

Existing portfolio of long-term, fixed-rate LNG contracts provides cash flow stability

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

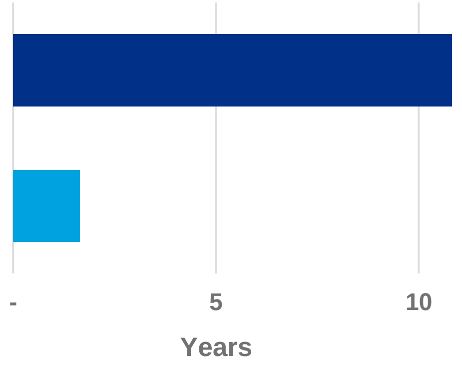


Total Forward Adj. EBITDA (excl. extension options) (1)

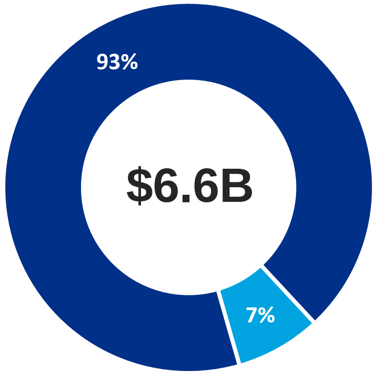


LNG
LPG

Average Remaining Contract Length by Segment (1)



Invested Capital Breakdown by Segment (2)



(1) As of June 30, 2020. Based on existing contracts but excludes extension options; includes proportionate share of equity-accounted joint ventures.
(2) Based on book values as of June 30, 2020 and includes proportionate share of equity-accounted joint ventures

Balanced Capital Allocation Plan Update

	Deliver Balance Sheet	Return Capital to Unitholders	Disciplined Growth
	Target Net Debt / Total Adj. EBITDA: 4.5x – 5.5x Leverage range reflects stability of cash flows Equity value increases with debt repayments	**Sustainable, Flexible and Value-Focused** Distribution capacity increases as balance sheet delevers Preserve flexibility to pursue opportunistic buybacks	**Focused on Core Assets and Returns** Delevering still main priority Will be selective and targeting higher hurdle rates
Progress since. Nov. 2019 Investor Day	Total Adj. Net Debt reduced by nearly 10% in last 6 months Expect to be within targeted leverage range in 2021	Distributions increased by +30% in each of last two years Distributions sustainable long-term • Many times covered by stable cash flows (+4x) and earnings (35-40% of 2020 Adj. NI)	Took delivery of final growth project in late-2019 Most LNG project tenders delayed at least 6 – 12 months

TGP's Financial Position Continues to Strengthen

Leverage continues to decline which benefits all stakeholders

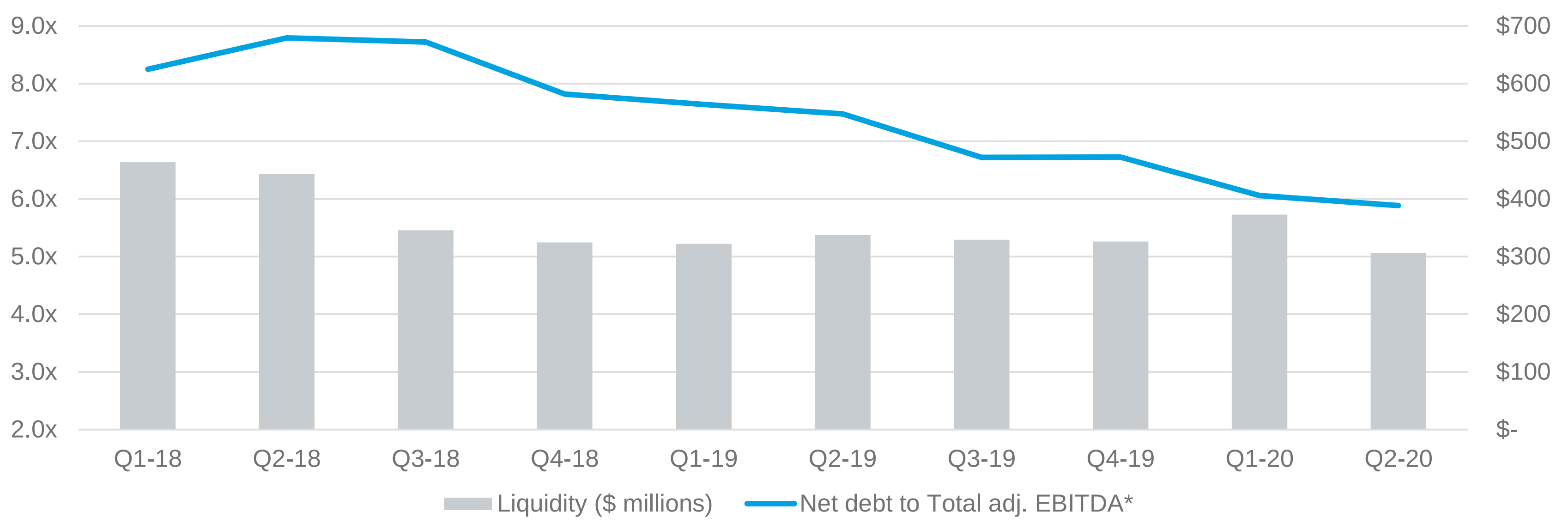
Strong liquidity balance provides additional strength and flexibility

No remaining debt maturities in 2020.

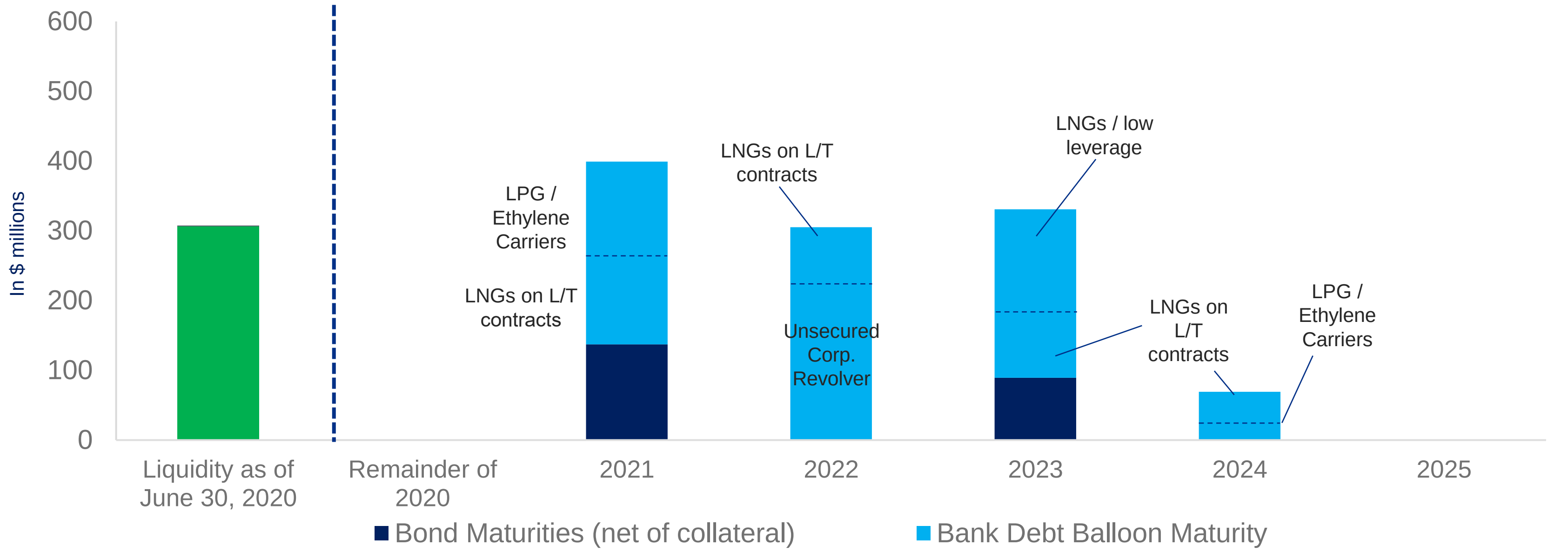
Two commercial debt facilities maturing in 2021 progressing well:

- Key terms agreed with lenders
- Expect facilities to be completed well ahead of maturities

Leverage and Liquidity



Debt Balloon Maturity and Refinancing Profile**



* EBITDA in each quarter has been annualized and includes our proportionate share of the EBITDA from our joint ventures. Net Debt also includes our proportionate share of our joint ventures These are non-GAAP financial measures. Please see Teekay LNG's Q2-20 earnings release for definitions and reconciliations to the comparable GAAP measures.
** Debt maturities are based on % ownership, contractual maturity dates and exclude possible early refinancings

Appendix

TGP Represents a Compelling Investment in Today's Uncertain Markets

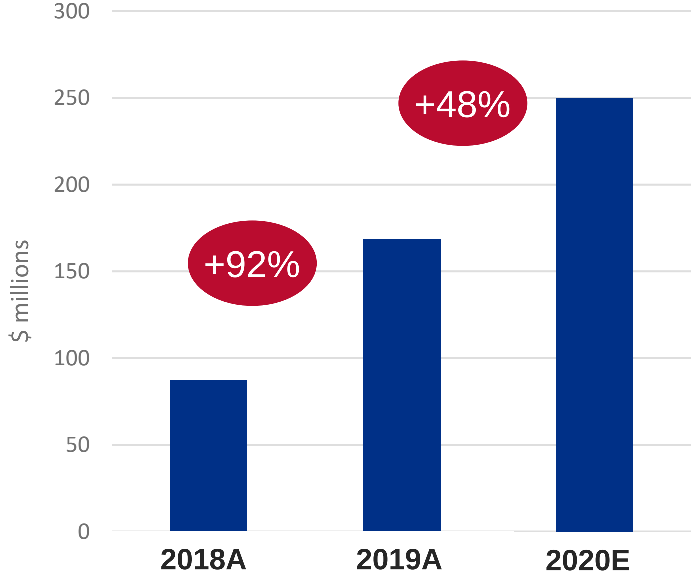
$9.3 billion of forward fee-based revenue with 11+ years remaining duration

Reaffirming 2020 Guidance – 2020 results expected to increase significantly over 2019

Continuing to return capital to unitholders

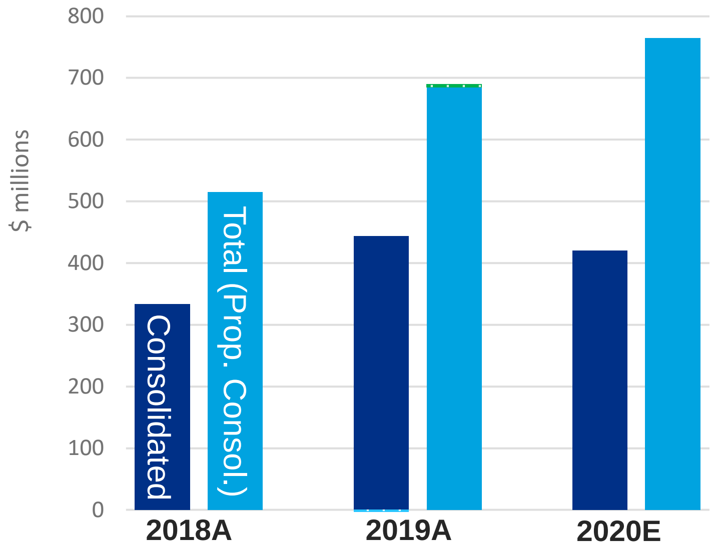
Financial position continuing to strengthen which benefits investors

Adjusted Net Income(1)



Current Trading Multiple 4.5x 2020 EPU(1)(2)(3)

Adjusted EBITDA(1)



Current Trading Multiple 7.7x 2020 Total Adj. EBITDA(1)(2)

Reaffirming 2020 Guidance Ranges

	Adjusted Net Income(1)	EPU(1)(3)	Consol. adj. EBITDA(1)	Total adj. EBITDA(1)
Range – high	$270m	$2.90/unit	$430m	$780m
Range – low	$230m	$2.40/unit	$410m	$750m
Midpoint	$250m	$2.65/unit	$420m	$765m
% change from 2019 Actual results(1)	48%	48%	(5%)	12%

(1) These are non-GAAP financial measures. Please see Teekay LNG's Q2-20 earnings release for definitions and reconciliations to the comparable GAAP measures.
(2) Based on unit price of $11.92 per unit as of August 12, 2020 and mid-point of 2020 guidance range. See Appendix for calculation and references.
(3) Assumes 83.3 million avg. LP units outstanding for 2020 after TGP issued 10.75 million units to Teekay in May in exchange for eliminating its Incentive Distribution Rights

TGP Detailed EV/EBITDA Calculation

In $ millions except ratios and per unit data

Proporitionately Consolidated EV/EBITDA Calculation			
Consolidated Cash		292.5	June 30, 2020 Balance Sheet
Proportionate share of J/V cash		230.3	June 30, 2020 Appendix F of Earnings Release
Total Proportionate Consolidated Cash		522.7	
Consolidated Debt		2,934.5	June 30, 2020 Balance Sheet
Proportionate share of J/V Debt		2,116.5	June 30, 2020 Appendix F of Earnings Release
Total Proportionate Consolidated Net Debt	a	4,528.3	
Common Units outstanding		86.9	
Unit price		$ 11.64	as at Aug 4, 2020
Total Common Market Cap		$1,011.5	
Preferreds A & B		285.2	June 30, 2020 Balance Sheet
Total Equity value (common + Prefs)	b	1,296.7	
Tangguh and RG2 NCI	c	56.1	June 30, 2020 Balance Sheet
Enterprise Value	d=a+b+c	5,881.1	
2020 EBITDA Guidance (midpoint)	e	765	As provided
Total EV/Total EBITDA	=d/e	7.7 x	

Teekay LNG Adjusted Net Income

Q2-20 vs. Q1-20

(Thousands of U.S. Dollars except units outstanding or unless otherwise indicated)	Q2-2020	Q1-2020	Comments
Net voyage revenues	142,876	137,570	Increased due to reduction in operational performance claims in Q2-20
Vessel operating expenses	(28,407)	(26,104)	Increased due to timing of maintenance and repairs on certain LNG carriers, offsetting the favorable timing variance last quarter
Time-charter hire expenses	(5,368)	(5,922)	
Depreciation and amortization	(31,629)	(32,639)	Decreased due to write-down recorded in Q1-20
General and administrative expenses	(7,883)	(6,167)	Increased primarily due to additional professional fees incurred in Q2-20 related to IDR transaction
Adjusted income from vessel operations[1]	69,589	66,738	
Adjusted equity income[1]	35,900	31,018	Increased primarily due to higher LPG rates earned during Q2'20
Adjusted net interest expense[1]	(38,538)	(39,303)	
Adjusted other expense – net[1]	(419)	(461)	
Adjusted income tax expense[1]	(75)	(2,512)	Decreased due to change in timing of tax deductions
Adjusted net income	66,457	55,480	
Less: Adjusted net income attributable to non-controlling interests	(3,814)	(3,244)	
Adjusted net income attributable to the partners and preferred unitholders	62,643	52,236	
Weighted-average number of common units outstanding	82,197,665	77,071,647	
Limited partner's interest in adjusted net income per common unit	0.67	0.58	

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

Reconciliations of Non-GAAP Financial Measures

Q2-20 vs. Q1-20

Reconciliation of the Partnership's Adjusted Equity Income:

(Thousands of U.S. Dollars)	Three Months Ended 30-Jun-20	Three Months Ended 31-Mar-20
Equity income as reported	32,155	373
Proportionate share of unrealized loss on non-designated interest rate swaps	3,806	22,204
Proportionate share of unrealized credit loss provision adjustment due to adoption of ASC 326 on January 1, 2020	(423)	8,980
Proportionate share of other items	362	(539)
Adjusted Equity Income	**35,900**	**31,018**

Reconciliation of the Partnership's Adjusted Net Interest Expense:

(Thousands of U.S. Dollars)	Three Months Ended 30-Jun-20	Three Months Ended 31-Mar-20
Interest expense as reported	(35,143)	(36,704)
Interest income as reported	1,697	2,370
Realized losses on derivative instruments and other	(5,092)	(4,969)
Adjusted Net Interest Expense	**(38,538)**	**(39,303)**

Reconciliation of the Partnership's Adjusted Other Expense - Net:

(Thousands of U.S. Dollars)	Three Months Ended 30-Jun-20	Three Months Ended 31-Mar-20
Other expense as reported	(679)	(361)
Credit loss provision adjustment due to adoption of ASC 326 on January 1, 2020	260	(100)
Adjusted Other Expense - Net	**(419)**	**(461)**

Reconciliation of the Partnership's Adjusted Income Tax Expense:

(Thousands of U.S. Dollars)	Three Months Ended 30-Jun-20	Three Months Ended 31-Mar-20
Income tax recovery (expense) as reported	1,804	(2,512)
Adjustment related to prior years	(1,879)	-
Adjusted Income Tax Expense	**(75)**	**(2,512)**

Q3-2020 Outlook

Adjusted Net Income	Q3 2020 Outlook (compared to Q2 2020)
Net voyage revenues	• $2M decrease due to a scheduled drydocking of an LNG carrier in Q3-20
Vessel operating expenses	• $4M increase primarily due to timing of repairs, maintenance, spares and consumables
Time-charter hire expenses	• Expected to be consistent with Q2-20
Depreciation and amortization expense	• Expected to be consistent with Q2-20
General and administrative expenses	• $1M decrease due to additional professional fees incurred in Q2-20
Adjusted equity income	• $3M decrease due to the scheduled dry dockings of certain LPG and LNG vessels in Q3-20 • $2M decrease due to the redeployment of certain LNG vessels at lower rates than in Q2-20
Adjusted net interest expense	• $3M decrease due to lower forecasted LIBOR rate in Q3-20 vs Q2-20 and the forecasted reduction of debt
Adjusted other expense – net	• Expected to be consistent with Q2-20
Adjusted income tax expense	• Expected to be consistent with Q2-20
Adjusted net income attributable to non-controlling interests	• Expected to be consistent with Q2-20

2020(E) Drydock Schedule

Summary of Dry-dock and Off-hire Days

Entity	Segment	March 31, 2020 (A)		June 30, 2020 (A)		September 30, 2020 (E)		December 31, 2020 (E)		Total 2020 (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	34	-	5	1	39
	LPG - Consolidated	-	-	1	26	-	13	-	-	1	39
	LNG Equity Accounted	-	-	-	-	1	30	-	-	1	30
	LPG Equity Accounted	1	26	-	-	5	147	-	-	6	173
		1	26	1	26 -	7	224 -	-	5	9	281

*NOTE: 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