



TEEKAY LNG PARTNERS L.P.
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NEWS RELEASE

TEEKAY LNG PARTNERS ANNOUNCES ACQUISITION AND CHARTER BACK OF SECOND LNG CARRIER NEWBUILDING

Hamilton, Bermuda, September 24, 2013 – Teekay LNG Partners L.P. (*Teekay LNG* or *the Partnership*) (NYSE:TGP) today announced that it has agreed to acquire a second 155,900 cubic meter liquefied natural gas (LNG) carrier newbuilding from Awilco LNG ASA (*Awilco*) (ALNG:NO), a Norway-based owner and operator of LNG carriers. The vessel, the second of two vessels to be acquired by the Partnership from Awilco, is currently under construction by Daewoo Shipbuilding & Marine Engineering Co., Ltd. (*DSME*) of South Korea and is expected to deliver in the fourth quarter of 2013. Subsequent to delivery from DSME to Awilco, Teekay LNG will purchase the vessel and bareboat charter it back to Awilco at a fixed-rate for a firm period of four years, plus a one-year extension option.

As with the first vessel, Teekay LNG will purchase the second vessel for a price of \$205 million less a \$50 million upfront prepayment of charter hire by Awilco which is in addition to the daily bareboat charter rate. Awilco has fixed-price purchase obligations for both vessels at the end of both the firm charter period and option period. The Awilco vessels, the first of which was delivered on September 16, 2013, are each expected to generate annual Distributable Cash Flow⁽¹⁾ of approximately \$7.5 million.

The Partnership intends to initially finance the second vessel with a portion of its existing liquidity and expects to secure long-term debt financing prior to delivery.

“Further to our August 2013 announcement on the first Awilco LNG carrier newbuilding, the acquisition-leaseback of a second vessel from Awilco will provide Teekay LNG with additional near-term accretive cash flows,” commented Peter Evensen, Chief Executive Officer of Teekay GP LLC. “These vessels will complement the Partnership’s strong portfolio of longer-term visible growth projects, including, the four LNG carrier newbuildings delivering in 2016 and the ten LPG newbuildings in our joint venture with Exmar, delivering between 2014 and 2017.”

The acquisition of the second Awilco vessel, which is expected to close during the fourth quarter of 2013, has been approved by Board of Directors of both Teekay LNG and Awilco, and remains subject to customary closing conditions, including satisfactory documentation.

(1) Distributable cash flow represents net income adjusted for depreciation and amortization expense, non-controlling interest, non-cash items, distributions relating to equity financing of newbuilding installments, vessel acquisition costs, estimated maintenance capital expenditures, unrealized gains and losses from derivatives, non-cash income taxes and unrealized foreign exchange related items. Maintenance capital expenditures represent those capital expenditures required to maintain over the long-term the operating capacity of, or the revenue generated by, the Partnership's capital assets. Distributable cash flow is a quantitative standard used in the publicly-traded partnership investment community to assist in evaluating a partnership's ability to make quarterly cash distributions. Distributable cash flow is not defined by United States generally accepted accounting principles (GAAP) and should not be considered as an alternative to net income or any other indicator of the Partnership's performance required by GAAP.

About Teekay LNG Partners L.P.

Teekay LNG Partners L.P. is the world's second largest independent owner and operator of LNG carriers, providing LNG, liquefied petroleum gas (*LPG*) and crude oil marine transportation services primarily under long-term, fixed-rate charter contracts through its interests in 32 LNG carriers (including one LNG regasification unit and four newbuildings), 31 LPG/Multigas carriers (including five chartered-in LPG carriers and 10 newbuildings) and 11 conventional tankers. The Partnership has also agreed to acquire one additional LNG carrier newbuilding, subject to closing conditions. The Partnership's interests in all of these vessels range from 33 to 100 percent. Teekay LNG Partners L.P. is a publicly-traded master limited partnership (*MLP*) formed by Teekay Corporation (NYSE: TK) as part of its strategy to expand its operations in the LNG and LPG shipping sectors.

Teekay LNG Partners' common units trade on the New York Stock Exchange under the symbol "TGP".

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FORWARD LOOKING STATEMENTS

This release contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including statements regarding: the timing and certainty of completion of the acquisition of a second newbuilding LNG carrier from Awilco, including the completion of customary closing conditions; the Partnership's intention to initially finance the second Awilco vessel with a portion of its existing liquidity and the timing and certainty of the Partnership securing long-term debt financing for this vessel; and the timing and certainty of delivery of the Partnership's remaining committed LNG and LPG newbuildings. 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; failure by the Partnership to secure long-term financing for the Awilco vessels; the potential early termination of the bareboat charter contract with Awilco; failure to satisfy closing conditions of the transaction; changes in production of LNG, either generally or in particular regions that would impact the expected future growth in the global LNG transportation and regasification markets, and spot LNG shipping rates; changes in trading patterns or timing of the start-up of new LNG liquefaction projects significantly impacting global LNG shipping requirements; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; 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.