Teekay LNG Partners L.P.
Form 6-K
May 17, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

Date of Report: May 9, 2013

Commission file number 1- 32479

TEEKAY LNG PARTNERS L.P.

(Exact name of Registrant as specified in its charter)

4th Floor

Belvedere Building

69 Pitts Bay Road

Hamilton, HM08 Bermuda

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F x Form 40- F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).

Yes ¨ No x

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).

Yes ¨ No x

Item 1 Information contained in this Form 6-K Report.

Attached as Exhibit I is a copy of an announcement of Teekay LNG Partners L.P. dated May 9, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEEKAY LNG PARTNERS L.P.

By: /s/ Peter Evensen
Peter Evensen
Chief Executive Officer and Chief Financial Officer (Principal Financial and Accounting Officer)

Date: May 9, 2013

TEEKAY LNG PARTNERS L.P.

4th Floor, Belvedere Building, 69 Pitts Bay Road

Hamilton, HM 08, Bermuda

EARNINGS RELEASE

TEEKAY LNG PARTNERS

REPORTS FIRST QUARTER RESULTS

Highlights

- Generated distributable cash flow of $53.7 million in the first quarter of 2013, an increase of 6 percent from the first quarter of 2012.
- Declared first quarter 2013 cash distribution of $0.675 per unit.
- On February 12, 2013, completed the previously-announced 50/50 joint venture with Exmar NV which owns and charters-in 25 vessels in the LPG carrier segment.
- Total liquidity of $301.2 million as at March 31, 2013.

Hamilton, Bermuda, May 9, 2013 Teekay GP L.L.C., the general partner of Teekay LNG Partners L.P. (*Teekay LNG* or *the Partnership*) (NYSE: TGP), today reported the Partnership s results for the quarter ended March 31, 2013. During the first quarter of 2013, the Partnership generated distributable cash flow[(1)] of $53.7 million, compared to $50.8 million in the same quarter of the previous year. The increase primarily reflects the incremental distributable cash flow resulting from the following acquisitions: a 50 percent interest in Exmar LPG BVBA, a joint venture with Exmar NV that owns and charters-in 25 liquefied petroleum gas (*LPG*) carriers, including eight newbuilding carriers, in February 2013; and a 52 percent interest in six liquefied natural gas (*LNG*) carriers in February 2012.

On April 18, 2013, the Partnership declared a cash distribution of $0.675 per unit for the quarter ended March 31, 2013. The cash distribution is payable on May 14, 2013 to all unitholders of record on April 30, 2013.

Exmar LPG Joint Venture

On February 12, 2013, Teekay LNG entered into a joint venture with Belgium-based Exmar NV to own and charter-in LPG carriers with a primary focus on the mid-size gas carrier segment. The joint venture entity, called Exmar LPG BVBA includes 20 owned LPG carriers (including eight newbuildings scheduled for delivery between 2014 and 2016) and five chartered-in LPG carriers. In exchange for its 50 percent ownership in Exmar LPG BVBA, including newbuilding payments made prior to the establishment of the joint venture, Teekay LNG invested approximately $134 million of equity and assumed approximately $108 million of pro rata debt and lease obligations secured by certain vessels in the Exmar LPG BVBA fleet.

With 100 percent of the Partnership s LNG fleet operating under fixed-rate contracts, Teekay LNG is insulated from the recent decline in short-term LNG shipping rates, commented Peter Evensen, Chief Executive Officer of Teekay GP L.L.C. While demand for new LNG carrier capacity is expected to be volatile in the short-term, following the scheduled start-up of several new liquefaction projects beginning in late-2015, demand for new LNG carriers is expected to increase. Mr. Evensen continued. As a result, the Partnership is currently bidding on several LNG and floating regasification projects with start-up dates in late-2015 through 2017, including potential employment opportunities that we believe are well-suited to the Partnership s two fuel-efficient LNG carrier newbuildings scheduled for delivery during the first-half of 2016.

(1) Distributable cash flow 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*).

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Financial Summary

The Partnership reported adjusted net income attributable to the partners[1] (as detailed in *Appendix A* to this release) of $39.1 million for the quarter ended March 31, 2013, compared to $35.6 million for the same period of the prior year. Adjusted net income attributable to the partners excludes a number of specific items that had the net effect of increasing net income by $15.4 million and decreasing net income by $10.9 million for the three months ended March 31, 2013 and 2012, respectively, as detailed in *Appendix A.* Including these items, the Partnership reported net income attributable to the partners, on a GAAP basis, of $54.4 million and $24.7 million for the three months ended March 31, 2013 and 2012, respectively.

For accounting purposes, the Partnership is required to recognize the changes in the fair value of its derivative instruments on its consolidated statements of income. This method of accounting does not affect the Partnership s cash flows or the calculation of distributable cash flow, but results in the recognition of unrealized gains or losses on the consolidated statements of income as detailed in footnotes 3, 4 and 5 to the Summary Consolidated Statements of Income included in this release.

(1) Adjusted net income attributable to the partners is a non-GAAP financial measure. Please refer to *Appendix A* to this release for a reconciliation of this non-GAAP measure to the most directly comparable financial measure under GAAP and information about specific items affecting net income which are typically excluded by securities analysts in their published estimates of the Partnership s financial results.

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Operating Results

The following table highlights certain financial information for Teekay LNG s two segments: the Liquefied Gas segment and the Conventional Tanker segment (please refer to the Teekay LNG s Fleet section of this release above and *Appendices C to F* for further details).

(in thousands of U.S. Dollars)	Three Months Ended March 31, 2013 (unaudited) Liquefied Gas Segment	Conventional Tanker Segment	Total	Three Months Ended March 31, 2012 (unaudited) Liquefied Gas Segment	Conventional Tanker Segment	Total
Net voyage revenues(i)	68,030	28,686	96,716	70,697	28,300	98,997
Vessel operating expenses	13,993	11,323	25,316	11,779	10,608	22,387
Depreciation and amortization	17,290	6,853	24,143	17,238	7,519	24,757
CFVO from consolidated vessels(ii)	51,937	13,633	65,570	56,832	15,835	72,667
CFVO from equity accounted vessels(iii)	41,999		41,999	26,186		26,186
Total CFVO(ii)	93,936	13,633	107,569	83,018	15,835	98,853

(i) Net voyage revenues represents voyage 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 *Appendix C* for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(ii) Cash flow from vessel operations (*CFVO*) from consolidated vessels represents income from vessel operations before (a) depreciation and amortization expense, (b) amortization of in-process revenue contracts and includes (c) adjustments for direct financing leases and two Suezmax tankers to a cash basis. CFVO is included because certain investors use this data to measure a company s financial performance. CFVO is not required by GAAP and should not be considered as an alternative to net income, equity income or any other indicator of the Partnership s performance required by GAAP. Please see *Appendix E* for a reconciliation of CFVO from consolidated vessels (a non-GAAP measure) as used in this release to the most directly comparable GAAP financial measure.

(iii) The Partnership s equity accounted investments for the three months ended March 31, 2013 and 2012 include the Partnership s 40 percent interest in Teekay Nakilat (III) Corporation, which owns four LNG carriers; the Partnership s 50 percent interest in the Excalibur and Excelsior joint ventures, which owns one LNG carrier and one regasification unit, respectively; the Partnership s 33 percent interest in four LNG carriers servicing the Angola LNG Project; and the Partnership s 52 percent interest in MALT LNG Holdings ApS, the joint venture between the Partnership and Maurbeni Corporation, which owns six LNG carriers. The Partnership s equity accounted investments for the three months ended March 31, 2013 also includes the Partnership s acquisition of a 50 percent interest in Exmar LPG BVBA, the joint venture between the Partnership and Exmar NV, completed in February 2013, which owns and charters-in 25 vessels in the LPG carrier segment, including eight newbuildings. Please see *Appendix F* for a description and reconciliation of CFVO from equity accounted vessels (a non-GAAP measure) as used in this release to the most directly comparable GAAP financial measure.

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Liquefied Gas Segment

Cash flow from vessel operations from the Partnership s Liquefied Gas segment, excluding equity-accounted vessels, decreased to $51.9 million in the first quarter of 2013 from $56.8 million in the same quarter of the prior year. The decrease is primarily due to the scheduled drydocking of the *Arctic Spirit* during the first quarter of 2013, which resulted in 41 days of off-hire, and higher vessel operating expenditures due to preparations for the scheduled drydocking of the two Tangguh project LNG carriers during the second and fourth quarters in 2013.

Cash flow from vessel operations from the Partnership s equity-accounted vessels in the Liquefied Gas segment increased to $42.0 million in the first quarter of 2013 from $26.2 million in the same quarter of the prior year. This increase was primarily due to the Teekay LNG-Marubeni joint venture s acquisition of six LNG carriers from A.P. Moller Maersk A/P (the *MALT LNG Carriers*) in February 2012 and the acquisition of a 50 percent interest in the Exmar LPG BVBA joint venture in February 2013.

Conventional Tanker Segment

Cash flow from vessel operations from the Partnership s Conventional Tanker segment decreased to $13.6 million in the first quarter of 2013 from $15.8 million in the same quarter of the prior year, primarily as a result of amendments to two of the Partnership s Suezmax tanker charter contracts that temporarily reduces the daily hire rate for each vessel by $12,000 from October 2012 until September 2014. During this period, however, if Suezmax spot tanker rates exceed the amended rates, the charterer will pay the Partnership the excess amount up to a maximum of the original daily charter rate.

Teekay LNG s Fleet

The following table summarizes the Partnership s fleet as of May 1, 2013:

	Number of Vessels			
	Owned Vessels	**In-Chartered Vessels**	**Newbuilds**	**Total**
LNG Carrier Fleet	27(i)		2	29
LPG/Multigas Carrier Fleet	16(ii)(iii)	5(iv)	8(ii)	29
Conventional Tanker Fleet	11			11
Total	**54**	**5**	**10**	**69**

(i) The Partnership s ownership interests in these vessels ranges from 33 percent to 100 percent.
(ii) The Partnership s ownership interests in these vessels ranges from 50 percent to 99 percent.
(iii) Excludes one LPG carrier, the *Donau*, owned by the Exmar LPG BVBA that was sold in April 2013.
(iv) The Partnership s interest in these vessels is 50 percent.

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Liquidity

As of March 31, 2013, the Partnership had total liquidity of $301.2 million (comprised of $91.0 million in cash and cash equivalents and $210.2 million in undrawn credit facilities), compared to total liquidity of $495.0 million as of December 31, 2012. The decrease in liquidity during the first quarter of 2013 is primarily due to the acquisition of the Partnership s 50 percent interest in Exmar LPG BVBA, advances to Exmar LPG BVBA of $13.8 million to fund newbuilding installments and drydocking expenditures incurred during the quarter.

Availability of 2012 Annual Report

The Partnership filed its 2012 Annual Report on Form 20-F with the U.S. Securities and Exchange Commission (*SEC*) on April 16, 2013. Copies of this report are available on Teekay LNG s website, under SEC Filings , at www.teekaylng.com. Unitholders may request a printed copy of this Annual Report, including the complete audited financial statements, free of charge by contacting Teekay LNG Partners Investor Relations.

Conference Call

The Partnership plans to host a conference call on Friday, May 10, 2013 at 11:00 a.m. (ET) to discuss the results for the first quarter of 2013. All unitholders and interested parties are invited to listen to the live conference call by choosing from the following options:

By dialing (866) 322-2356 or (416) 640-3405, if outside North America, and quoting conference ID code 2188375.

By accessing the webcast, which will be available on Teekay LNG s website at www.teekaylng.com (the archive will remain on the web site for a period of 30 days).

A supporting First Quarter 2013 Earnings Presentation will also be available at www.teekaylng.com in advance of the conference call start time.

The conference call will be recorded and made available until Friday, May 17, 2013. This recording can be accessed following the live call by dialing (888) 203-1112 or (647) 436-0148, if outside North America, and entering access code 2188375.

About Teekay LNG Partners L.P.

Teekay LNG Partners is the world s third largest independent owner and operator of LNG carriers, providing LNG, LPG and crude oil marine transportation services generally under long-term, fixed-rate charter contracts through its interests in 29 LNG carriers (including one LNG regasification unit and two newbuildings), 29 LPG/Multigas carriers (including five chartered-in LPG carriers and eight newbuildings) and 11 conventional tankers. The Partnership s interests in 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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TEEKAY LNG PARTNERS L.P.

SUMMARY CONSOLIDATED STATEMENTS OF INCOME

(in thousands of U.S. Dollars, except units outstanding)

	Three Months Ended		
	March 31, 2013 (unaudited)	**December 31, 2012 (unaudited)**	**March 31, 2012 (unaudited)**
VOYAGE REVENUES	97,107	98,236	99,340
OPERATING EXPENSES			
Voyage expenses	391	327	343
Vessel operating expenses(1)	25,316	25,735	22,387
Depreciation and amortization	24,143	26,227	24,757
General and administrative(1)	5,469	5,258	5,260
Write down of vessels(2)		29,367	
	55,319	86,914	52,747
Income from vessel operations	41,788	11,322	46,593
OTHER ITEMS			
Equity income(3)	26,424	29,634	17,048
Interest expense	(13,248)	(13,265)	(12,798)
Interest income	515	771	932
Realized and unrealized (loss) gain on derivative instruments(4)	(8,285)	14,373	(15,903)
Foreign exchange gain (loss)(5)	8,211	(6,255)	(9,668)
Other (expense) income net	(374)	540	475
Net income	55,031	37,120	26,679
Net income attributable to:			
Non-controlling interest	586	8,895	1,948
Partners	54,445	28,225	24,731
Limited partners units outstanding:			
Weighted-average number of common units outstanding			
- basic	69,683,763	69,683,763	64,857,900
- diluted	69,686,503	69,683,763	64,857,900
Total number of units outstanding at end of period	69,683,763	69,683,763	64,857,900

(1) In order to more closely align the Partnership s presentation to many of its peers, the cost of ship management services of $1.9 million for the three months ended March 31, 2013 have been presented as vessel operating expenses. Prior to 2013, the Partnership included these amounts in general and administrative expenses. All such costs incurred in comparative periods have been reclassified from general and administrative expenses to vessel operating expenses to conform to the presentation adopted in the current period. The amounts reclassified were $2.0 million and $1.9 million for the three months ended December 31, 2012 and March 31, 2012, respectively.

(2) The carrying values of three of the Partnership s conventional Suezmax tankers (the *Tenerife Spirit*, *Algeciras Spirit* and *Huelva Spirit*) were written down during the three months ended December 31, 2012 due to the expected termination of their time-charter contracts between August 2013 and April 2014. The estimated fair value was based on a discounted cash flow approach and such estimates of cash flows were based on existing time-charter contracts, lease obligations and budgeted operating costs.

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(3) Equity income includes unrealized gains on derivative instruments as detailed in the table below:

		Three Months Ended	
	March 31, 2013	December 31, 2012	March 31, 2012
Equity income	26,424	29,634	17,048
Proportionate share of unrealized gains on derivative instruments	4,599	9,599	5,061
Equity income excluding unrealized gains on derivative instruments	21,825	20,035	11,987

Equity income also includes the Partnership s share of Exmar LPG BVBA which is based on preliminary purchase price adjustments.

(4) The realized (losses) gains relate to the amounts the Partnership actually paid to settle derivative instruments and the unrealized gains (losses) relate to the change in fair value of such derivative instruments as detailed in the table below:

		Three Months Ended	
	March 31, 2013	December 31, 2012	March 31, 2012
Realized (losses) gains relating to:			
Interest rate swaps	(9,526)	(9,614)	(9,079)
Toledo Spirit time-charter derivative contract		945	(32)
	(9,526)	(8,669)	(9,111)
Unrealized (losses) gains relating to:			
Interest rate swaps	(1,259)	21,442	(7,092)
Toledo Spirit time-charter derivative contract	2,500	1,600	300
	1,241	23,042	(6,792)
Total realized and unrealized (losses) gains on derivative instruments	(8,285)		