Teekay LNG Partners L.P.
Form 6-K
August 28, 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: August 8, 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 August 8, 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: August 8, 2013

TEEKAY LNG PARTNERS L.P.

4th Floor, Belvedere Building, 69 Pitts Bay Road

Hamilton, HM 08, Bermuda

EARNINGS RELEASE

TEEKAY LNG PARTNERS

REPORTS SECOND QUARTER RESULTS

Highlights

- Generated distributable cash flow[1] of $55.4 million in the second quarter of 2013.
- Declared second quarter 2013 cash distribution of $0.675 per unit.
- In June 2013, secured five-year time-charter contracts with Cheniere for the two LNG carrier newbuildings ordered in December 2012.
- In July 2013, exercised options with DSME for two additional MEGI LNG carrier newbuildings and secured five additional newbuilding options.
- In August 2013, agreed to acquire and bareboat charter-back up to two newbuilding LNG carriers, with Awilco LNG ASA.
- Total liquidity of $300 million as at June 30, 2013, giving pro forma effect to proceeds from the $40 million common unit private placement completed on July 30, 2013.

Hamilton, Bermuda, August 8, 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 June 30, 2013. During the second quarter of 2013, the Partnership generated distributable cash flow[1] of $55.4 million, compared to $56.8 million in the same quarter of the previous year. The decrease in distributable cash flow was primarily the result of a higher number of off-hire days in the second quarter of 2013, compared to the same period in 2012, due to scheduled dry dockings, and lower charter rates on two of the Partnership s conventional tankers as a result of renegotiated rates effective October 2012 for a period of two years. The decreases were partially offset by increased distributable cash flow as a result of the Partnership s acquisition of a 50 percent interest in Exmar LPG BVBA, a liquefied petroleum gas (*LPG*) carrier joint venture with Exmar, in February 2013 and higher rates on charter contracts entered into during 2012 for certain of the MALT LNG Carriers.

On July 12, 2013, the Partnership declared a cash distribution of $0.675 per unit for the quarter ended June 30, 2013. The cash distribution is payable on August 9, 2013 to all unitholders of record on July 23, 2013.

(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*).

- more -

<u>Recent Transactions</u>

Secured Fixed-Rate Employment for the Two LNG Carrier Newbuildings Ordered in December 2012

In June 2013, Teekay LNG was awarded five-year time-charter contracts with Cheniere Marketing LLC (*Cheniere*) for the two 173,400 cubic meter (*cbm*) liquefied natural gas (*LNG*) carrier newbuildings the Partnership ordered in December 2012. The newbuilding LNG carriers are currently under construction by Daewoo Shipbuilding & Marine Engineering Co., Ltd., (*DSME*) of South Korea and are scheduled to deliver in the first half of 2016. Upon delivery, the vessels will commence their five-year charters with Cheniere, which will be exporting LNG from their Sabine Pass LNG export facility in Louisiana. These newbuilding vessels will be equipped with the M-type, Electronically Controlled, Gas Injection (*MEGI*) twin engines, which are expected to be significantly more fuel-efficient and have lower emission levels than other engines currently being utilized in LNG shipping.

Exercised Options for Additional Newbuilding LNG/LPG Carriers

In July 2013, Teekay LNG exercised a portion of its existing options with DSME for two additional 173,400 cbm LNG carrier newbuildings, which will also be constructed with the MEGI twin engines. The Partnership intends to secure long-term contract employment for both vessels prior to their deliveries in 2016. In connection with the exercise of these two newbuilding options, the Partnership secured additional options with DSME for up to five additional LNG carrier newbuildings.

In addition, Exmar LPG BVBA, the Partnership s 50/50 LPG joint venture with Belgium-based Exmar NV, exercised its options to order two additional Midsize Gas Carrier (*MGC*) newbuildings, which will be constructed by Hanjin Heavy Industries and Construction Co., Ltd. (*Hanjin*) and scheduled for delivery in 2017.

Acquisition and Bareboat Charter Back of up to Two LNG Carrier Newbuildings

In August 2013, Teekay LNG agreed to acquire a 155,900 cbm LNG carrier newbuilding from Norway-based Awilco LNG ASA (*Awilco*), which is currently under construction by DSME in South Korea. The vessel is expected to deliver in September 2013, at which time Awilco will sell the vessel to Teekay LNG and bareboat charter the vessel back on a five-year fixed-rate charter contract (plus a one-year extension option) with a fixed-price purchase obligation at the end of the initial term (and option period). The net vessel purchase price of $155 million reflects a $50 million prepayment by Awilco for future charter hire installments. As part of the transaction, Teekay LNG may also have the opportunity to acquire and bareboat charter back a second 155,900 cbm LNG carrier newbuilding from Awilco, currently under construction by DSME, under similar terms. The second LNG carrier newbuilding is expected to deliver in late-2013 or early-2014.

- more -

Since reporting first quarter results in May, the Partnership s business development activities have resulted in several positive outcomes, commented Peter Evensen, Chief Executive Officer of Teekay GP LLC. This includes securing new time-charter contracts and newbuilding vessel orders, and acquiring on-the-water vessels with existing contracts, all of which are expected to result in near and long-term distributable cash flow growth. To begin with, in June, we were awarded five-year time-charters with Cheniere for the two LNG carrier newbuildings we ordered in December 2012. These vessels attractive 173,400 cubic meter cargo size and fuel-efficient MEGI engines were key factors in being awarded these important new contracts. These vessels will be among the first to export LNG from the Sabine Pass facility in the U.S. Gulf Coast.

Mr. Evensen continued, Based on our successful chartering efforts for the first two MEGI newbuildings, in late-July, the Partnership exercised a portion of its options with DSME to order an additional two 173,400 cubic meter MEGI LNG carrier newbuildings. As with the two carriers we ordered in December, we believe the 2016 delivery dates for these vessels will be well-timed for the next major wave of LNG carrier demand which is expected to follow the large number of LNG export projects that are scheduled to come on-stream starting in late-2015. While we expect to secure long-term financing for these vessels upon securing time-charter employment, we will fund the initial shipyard installments with a portion of the proceeds from the Partnership s recent $40 million common unit private placement transaction. As part of this vessel order, the Partnership also secured five additional options from DSME for future LNG carrier orders.

Our position in the attractive liquefied petroleum gas sector also continues to grow, Mr. Evensen added. Last week, our LPG joint venture with Exmar exercised in-the-money options with Hanjin to construct two additional medium-size gas carrier, or MGC, newbuildings, bringing the joint venture s MGC newbuilding program to a total of 10 vessels.

Looking more near-term, Mr. Evensen continued, last week, the Partnership announced an agreement to acquire up to two 155,900 cubic meter LNG carrier newbuildings from Awilco LNG, with a five-year fixed-rate bareboat charter back to Awilco at a net price of $155 million per vessel. Assuming the option for the second vessel is exercised, these two vessels, which are scheduled to deliver from DSME in September and November 2013, are expected to provide the Partnership with near-term cash flow accretion and bridge the gap between now and when our other newbuilding vessels begin delivering in 2016.

Mr. Evensen added, In addition to our recent announcements, the Partnership is currently involved in several LNG shipping and floating regasification project tenders with start-up dates in the late-2015 through 2017 that would generate further accretive distributable cash flows for the Partnership.

- more -

Financial Summary

The Partnership reported adjusted net income attributable to the partners[1] (as detailed in *Appendix A* to this release) of $41.5 million for the quarter ended June 30, 2013, compared to $40.5 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 $28.1 million and decreasing net income by $2.8 million for the three months ended June 30, 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 $69.7 million and $37.7 million for the three months ended June 30, 2013 and 2012, respectively.

For the six months ended June 30, 2013, the Partnership reported adjusted net income attributable to the partners[1] (as detailed in *Appendix A* to this release) of $80.6 million, compared to $76.1 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 $43.5 million and decreasing net income by $13.7 million for the six months ended June 30, 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 $124.1 million and $62.4 million for the six months ended June 30, 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 notes 2, 3 and 4 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.

- more -

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 below and *Appendices C to F* for further details).

(in thousands of U.S. Dollars)	Three Months Ended June 30, 2013 (unaudited) Liquefied Gas Segment	Conventional Tanker Segment	Total	Three Months Ended June 30, 2012 (unaudited) Liquefied Gas Segment	Conventional Tanker Segment	Total
Net voyage revenues(i)	67,863	27,532	95,395	67,573	28,662	96,235
Vessel operating expenses	13,683	11,131	24,814	11,774	10,403	22,177
Depreciation and amortization	18,329	6,827	25,156	17,309	7,487	24,796
CFVO from consolidated vessels(ii)	52,581	12,892	65,473	54,259	16,740	70,999
CFVO from equity accounted vessels(iii)	47,162		47,162	38,035		38,035
Total CFVO(ii)	99,743	12,892	112,635	92,294	16,740	109,034

(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 June 30, 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 (*Malt LNG Carriers*). The Partnership s equity accounted investments for the three months ended June 30, 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 currently owns and charters-in 26 vessels in the LPG carrier segment, including ten 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.

Liquefied Gas Segment

Cash flow from vessel operations from the Partnership s Liquefied Gas segment, excluding equity accounted vessels, decreased to $52.6 million in the second quarter of 2013 from $54.3 million in the same quarter of the prior year. The decrease is primarily due to higher vessel operating expenditures due to the scheduled dry dockings of the first Tangguh project LNG carrier and the *Catalunya Spirit* during the second quarter of 2013 and preparations for the dry docking of the second Tangguh project LNG carrier scheduled for the fourth quarter of 2013, partially offset by the scheduled dry docking of the *Hispania Spirit* in the second quarter of the prior year.

Cash flow from vessel operations from the Partnership s equity accounted vessels in the Liquefied Gas segment increased to $47.2 million in the second quarter of 2013 from $38.0 million in the same quarter of the prior year. This increase was primarily due to the acquisition of a 50 percent interest in the Exmar LPG BVBA joint venture in February 2013 and higher rates on charter contracts entered into during 2012 for certain of the MALT LNG Carriers.

Conventional Tanker Segment

Cash flow from vessel operations from the Partnership s Conventional Tanker segment decreased to $12.9 million in the second quarter of 2013 from $16.7 million in the same quarter of the prior year, primarily as a result of the *European Spirit* being off-hire for 25 days during the second quarter of 2013 due to a scheduled dry docking and amendments to two of the Partnership s Suezmax tanker charter contracts which temporarily reduced the daily hire rate for each of these vessels by $12,000 between October 2012 and 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 amount equal to the original daily charter rate.

- more -

Teekay LNG s Fleet

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

	Number of Vessels			
	Owned Vessels	In-Chartered Vessels	Newbuildings	Total
LNG Carrier Fleet	27(i)		5	32
LPG/Multigas Carrier Fleet	16(ii)	5(iii)	10(iii)	31
Conventional Tanker Fleet	11			11
Total	**54**	**5**	**15**	**74**

(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) The Partnership s interest in these vessels is 50 percent.

Liquidity and Continuous Offering Program Update

In May 2013, the Partnership implemented a continuous offering program (*COP*) under which the Partnership may issue new common units, representing limited partner interests, at market prices up to maximum aggregate amount of $100 million. Through June 30, 2013, the Partnership sold an aggregate of 124,071 common units under the COP, generating proceeds of approximately $4.9 million (including the Teekay LNG general partner s 2 percent proportionate capital contribution and net of offering costs). The net proceeds from the issuance of these common units were used for general partnership purposes.

As of June 30, 2013, the Partnership had total liquidity of $262.3 million (comprised of $97.6 million in cash and cash equivalents and $164.7 million in undrawn credit facilities). Giving effect for the $40 million common unit private placement completed in July 2013, the Partnership s liquidity at June 30, 2013 would have been approximately $300 million.

- more -

Conference Call

The Partnership plans to host a conference call on Friday, August 9, 2013 at 11:00 a.m. (ET) to discuss the results for the second 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 9295387.

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 Second 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, August 16, 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 9295387.

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 primarily under long-term, fixed-rate charter contracts through its interests in 32 LNG carriers (including one LNG regasification unit and five newbuildings), 31 LPG/Multigas carriers (including five chartered-in LPG carriers and 10 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 .

For Investor Relations enquiries contact:

Kent Alekson

Tel: +1 (604) 609-6442

Website: www.teekaylng.com

- more -

TEEKAY LNG PARTNERS L.P.

SUMMARY CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended			Six Months Ended	
	June 30, 2013 (unaudited)	**March 31, 2013 (unaudited)**	**June 30, 2012 (unaudited)**	**June 30, 2013 (unaudited)**	**June 30, 2012 (unaudited)**
VOYAGE REVENUES	96,619	97,107	96,477	193,726	195,817
OPERATING EXPENSES					
Voyage expenses	1,224	391	242	1,615	585
Vessel operating expenses(1)	24,814	25,316	22,177	50,130	44,564
Depreciation and amortization	25,156	24,143	24,796	49,299	49,553
General and administrative(1)	4,744	5,469	4,433	10,213	9,693
Total operating expenses	55,938	55,319	51,648	111,257	104,395
Income from vessel operations	40,681	41,788	44,829	82,469	91,422
OTHER ITEMS					
Equity income(2)	39,425	26,424	11,086	65,849	28,134
Interest expense	(13,132)	(13,248)	(13,734)	(26,380)	(26,532)
Interest income	782	515	949	1,297	1,881
Realized and unrealized gain (loss) on derivative instruments(3)	10,666	(8,285)	(18,145)	2,381	(34,048)
Foreign exchange (loss) gain(4)	(2,787)	8,211	13,927	5,424	4,259
Other income net	407	469	480	876	694
	35,361	14,086	(5,437)	49,447	(25,612)
Net income before tax (expense) recovery	76,042	55,874	39,392	131,916	65,810
Income tax (expense) recovery	(800)	(843)	(132)	(1,643)	129
Net income	75,242	55,031	39,260	130,273	65,939
Non-controlling interest in net income	5,581	586	1,572	6,167	3,520
General Partner s interest in net income	6,278	5,965	5,293	12,243	10,325