Teekay LNG Partners L.P.
Form 6-K
August 18, 2015

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 6, 2015

Commission file number 1-32479

TEEKAY LNG PARTNERS L.P.

(Exact name of Registrant as specified in its charter)

4^{th} Floor, Belvedere Building

69 Pitts Bay Road

Hamilton, HM 08 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 1 is a copy of an announcement of Teekay LNG Partners L.P. dated August 6, 2015.

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.

Date: August 6, 2015

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

TEEKAY LNG PARTNERS REPORTS

SECOND QUARTER 2015 RESULTS

Highlights

- Generated distributable cash flow of $65.8 million in the second quarter of 2015, up 7 percent from the same period of the previous year.
- Declared second quarter 2015 cash distribution of $0.70 per unit.
- In June 2015, secured 13-year charter contract with BP Shipping Limited for up to two LNG carrier newbuildings, which increases Teekay LNG s forward fixed-rate revenues to $11.4 billion; ordered two MEGI LNG carrier newbuildings, with an option for one additional vessel.

Hamilton, Bermuda, August 6, 2015 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, 2015. During the second quarter of 2015, the Partnership generated distributable cash flow[(1)] of $65.8 million, compared to $61.5 million in the same period of the prior year. The increase in distributable cash flow was primarily due to lower interest expense resulting from the December 2014 termination of capital leases for, and the subsequent refinancing of, three 70 percent-owned liquefied natural gas (*LNG*) carriers and an increase in the charter rates for the Partnership s four 33 percent-owned LNG carriers servicing the Angola LNG project and two of the Partnership s Suezmax tankers. These increases were partially offset by the termination of the charter contract for the Partnership s 52 percent-owned *Magellan Spirit* LNG carrier in March 2015 (which termination the Partnership s Malt Joint Venture is currently disputing), the scheduled expiration of the charter contract for the Partnership s 52 percent-owned *Methane Spirit* LNG carrier in March 2015 and the sale of one 2001-built conventional tanker in August 2014.

On July 2, 2015, the Partnership declared a cash distribution of $0.70 per unit for the quarter ended June 30, 2015. The cash distribution will be paid on August 14, 2015 to all unitholders of record on July 14, 2015.

CEO Commentary

The Partnership generated stronger than expected cash flow coverage for the second quarter, primarily due to higher than expected revenues from our Exmar LPG and Angola joint ventures, commented Peter Evensen, Chief Executive Officer of Teekay GP LLC. We also successfully secured contracts with BP for its Freeport LNG volumes. This is our second U.S. LNG export project and will add to the Partnership s strong portfolio of long-term fee-based contracted cash flows with up to two vessels operating under fixed-rate contracts commencing in 2019. This transaction further supports our belief that fuel-efficient MEGI LNG carriers are becoming the new standard in global LNG shipping.

Mr. Evensen continued, The Partnership s cash flows are stable and growing, supported by a large and diversified portfolio of long-term fee-based contracts of $11.4 billion with an average remaining contract duration of approximately 13 years and no direct commodity price exposure. Despite the current volatility in the energy markets, the long-term fundamentals in the LNG market remain attractive. With a strong pipeline of contracted growth projects and access to competitive bank financing and multiple capital markets, we believe the Partnership is well-positioned for further distributable cash flow growth.

(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.

Teekay LNG Partners L.P. Investor Relations Tel: +1 604 844-6654 www.teekaylng.com

4th Floor, Belvedere Building, 69 Pitts Bay Road, Hamilton, HM 08, Bermuda

Recent Transactions

Charter Contacts with BP for up to Two LNG Carrier Newbuilds

In June 2015, Teekay LNG entered into a 13-year charter contract with BP Shipping Limited (*BP*) for one LNG carrier newbuilding, plus an option exercisable by BP by the end of the third quarter of 2015 for one additional LNG carrier charter under similar terms. The vessels, including the optional charter if exercised by BP, will primarily provide LNG transportation of BP s LNG volumes from the Freeport LNG project located on Quintana Island near Freeport, Texas, which is scheduled for start-up in 2018 and will consist of three LNG trains with a total capacity of 13.2 million metric tonnes per annum.

In connection with the signing of the BP contracts, the Partnership ordered two fuel-efficient 174,000 cubic meter LNG carrier newbuildings to be constructed by Hyundai Samho Heavy Industries Co., Ltd. of South Korea for a fully built-up cost of approximately $425 million, scheduled for delivery in the first quarter of 2019. As part of the order, the Partnership received an option to order one additional vessel. These newbuildings will be constructed with M-type, Electronically Controlled, Gas Injection (*MEGI*) twin engines, which are designed to be significantly more fuel-efficient and have lower emission levels than engines currently used in LNG shipping.

Financial Summary

The Partnership reported adjusted net income attributable to the partners(1) of $39.5 million for the quarter ended June 30, 2015, compared to $42.6 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 $18.6 million and $1.1 million for the three months ended June 30, 2015 and 2014, respectively, primarily relating to unrealized gains and losses on derivative instruments and foreign currency exchange gains and losses, as detailed in *Appendix A* to this release. Including these items, the Partnership reported net income attributable to the partners, on a GAAP basis, of $58.1 million and $43.6 million for the three months ended June 30, 2015 and 2014, respectively.

Adjusted net income attributable to the partners for the three months ended June 30, 2015 decreased from the same period in the prior year, primarily due to the *Magellan Spirit* LNG carrier grounding incident and disputed off-hire and related charter contract termination during the first quarter of 2015, the scheduled expiration of the charter contract for the *Methane Spirit* LNG carrier in mid-March 2015 and the sale of one conventional tanker in August 2014, partially offset by the termination of capital leases for, and the subsequent refinancing at a lower interest rate of, three LNG carriers owned by the Partnership s RasGas II Joint Venture in December 2014, and the acquisition of one LPG carrier, the *Norgas Napa*, in November 2014.

For accounting purposes, the Partnership is required to recognize the changes in the fair value of its outstanding derivative instruments that are not designated as hedges for accounting purposes in net 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 1, 2 and 3 to the Consolidated Statements of Income and Comprehensive 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 below and *Appendices C* through *F* for further details).

	Three Months Ended June 30, 2015 (unaudited)			Three Months Ended June 30, 2014 (unaudited)		
(in thousands of U.S. Dollars)	**Liquefied Gas Segment**	**Conventional Tanker Segment**	**Total**	**Liquefied Gas Segment**	**Conventional Tanker Segment**	**Total**
Net voyage revenues(i)	77,466	20,769	98,235	76,897	23,259	100,156
Vessel operating expenses	(16,127)	(7,975)	(24,102)	(14,746)	(9,574)	(24,320)
Depreciation and amortization	(18,004)	(5,205)	(23,209)	(17,888)	(5,642)	(23,530)
CFVO from consolidated vessels(ii)	60,290	11,466	71,756	61,947	9,703	71,650
CFVO from equity accounted vessels(iii)	47,942		47,942	50,894		50,894
Total CFVO(ii)(iii)	108,232	11,466	119,698	112,841	9,703	122,544

(i) Net voyage revenues represents voyage revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and 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 included in voyage revenues, (c) adjustments for direct financing leases to a cash basis, realized gains or losses on the Toledo Spirit derivative contract and the revenue for two Suezmax tankers recognized on a cash basis. CFVO is included because certain investors use this measure to assess 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, 2015 and 2014 includes the Partnership s proportionate share of its equity accounted vessels CFVO. 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, was $60.3 million in the second quarter of 2015 compared to $61.9 million in the same quarter of the prior year. The decrease was primarily due to the depreciation of the Euro against the U.S. Dollar compared to the same quarter of the prior year and increased project-related costs. These decreases were partially offset by the acquisition of the *Norgas Napa* in November 2014 and charter rate adjustments associated with the *Arctic Spirit* and *Polar Spirit*.

Cash flow from vessel operations from the Partnership s equity accounted vessels in the Liquefied Gas segment was $47.9 million in the second quarter of 2015 compared to $50.9 million in the same quarter of the prior year. The decrease was primarily due to the disputed termination of the charter contract for the *Magellan Spirit* in March 2015 and the scheduled expiration of the charter contract for the *Methane Spirit* in mid-March 2015. Both the *Magellan Spirit* and *Methane Spirit* are owned through the Partnership s 52 percent interest in the Malt Joint Venture with Marubeni Corporation. The decreases were partially offset by increased charter rates for the Partnership s four 33 percent-owned LNG carriers servicing the Angola LNG project and increased cash flows from the Partnership s 50 percent-owned LPG joint venture, Exmar LPG BVBA, as a result from the addition of four LPG newbuildings delivered during 2014 and early 2015, net of the sale of four older LPG carriers during 2014.

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Conventional Tanker Segment

Cash flow from vessel operations from the Partnership s Conventional Tanker segment increased to $11.5 million in the second quarter of 2015 compared to $9.7 million in the same quarter of the prior year. The increase is due to higher charter rates earned by the Partnership s two Suezmax tankers, the *Bermuda Spirit* and *Hamilton Spirit*, which reverted back to their original higher rates in October 2014 after a two-year reduction, partially offset by the sale of one 2001-built Suezmax tanker in August 2014.

Teekay LNG s Fleet

The following table summarizes the Partnership s fleet as of August 1, 2015:

	Number of Vessels			
	Owned Vessels	**In-Chartered Vessels**	**Newbuildings**	**Total**
LNG Carrier Fleet	29(i)		21(i)	50
LPG/Multigas Carrier Fleet	19(ii)	3(iii)	8(iii)	30
Conventional Tanker Fleet	8			8
Total	**56**	**3**	**29**	**88**

(i) The Partnership s ownership interests in these vessels range from 20 percent to 100 percent.
(ii) The Partnership s ownership interests in these vessels range from 50 percent to 99 percent.
(iii) The Partnership s interest in these vessels is 50 percent.

Liquidity and Continuous Offering Program Update

In 2013, the Partnership implemented a continuous offering program (*COP*) under which the Partnership may issue new common units at market prices up to a maximum aggregate amount of $100 million. During the second quarter of 2015, the Partnership sold an aggregate of 279,792 common units under the COP, generating net proceeds of approximately $9.6 million. Since initiation of the program, the Partnership has sold an aggregate of 1,614,326 common units under the COP, generating net proceeds of approximately $63.0 million (including the general partner s 2 percent contribution and net of offering costs).

As of June 30, 2015, the Partnership had total liquidity of $244.1 million (comprised of $107.0 million in cash and cash equivalents and $137.1 million in undrawn credit facilities).

Conference Call

The Partnership plans to host a conference call on Thursday, August 6, at 11:00 a.m. (ET) to discuss the results for the second quarter of 2015. All unitholders and interested parties are invited to listen to the live conference call by choosing from the following options:

By dialing (800) 505-9573 or (416) 204-9498, if outside North America, and quoting conference ID code 9263289.

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

A supporting Second Quarter 2015 Earnings Presentation will also be available at www.teekay.com in advance of the conference call start time.

The conference call will be recorded and made available until Thursday, August 20, 2015. 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 9263289.

About Teekay LNG Partners L.P.

Teekay LNG Partners is one of the world s largest independent owners and operators of LNG carriers, providing LNG, LPG and crude oil marine transportation services primarily under long-term, fixed-rate charter contracts through its interests in 50 LNG carriers (including one LNG regasification unit and 21 newbuildings), 30 LPG/Multigas carriers (including three in-chartered LPG carriers and eight newbuildings) and eight conventional tankers. The Partnership s interests in these vessels range from 20 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

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Teekay LNG Partners L.P.

Consolidated Statements Of Income And Comprehensive Income

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

	Three Months Ended			Six Months Ended	
	June 30, 2015 (unaudited)	**March 31, 2015 (unaudited)**	**June 30, 2014 (unaudited)**	**June 30, 2015 (unaudited)**	**June 30, 2014 (unaudited)**
Voyage revenues	98,608	97,326	101,323	195,934	202,813
Voyage expenses	(373)	(318)	(1,167)	(691)	(2,500)
Vessel operating expenses	(24,102)	(21,634)	(24,320)	(45,736)	(48,576)
Depreciation and amortization	(23,209)	(23,569)	(23,530)	(46,778)	(47,640)
General and administrative	(7,068)	(6,708)	(6,254)	(13,776)	(12,662)
Income from vessel operations	43,856	45,097	46,052	88,953	91,435
Equity income(1)	29,002	18,058	32,924	47,060	53,297
Interest expense	(11,153)	(10,104)	(15,068)	(21,257)	(29,899)
Interest income	611	734	572	1,345	1,220
Realized and unrealized gain (loss) on derivative instruments(2)	10,888	(14,032)	(16,335)	(3,144)	(23,856)
Foreign exchange (loss) gain (3)	(9,546)	25,930	(66)	16,384	(845)
Other income	335	443	208	778	426
Net income before tax (expense) recovery	63,993	66,126	48,287	130,119	91,778
Income tax (expense) recovery	(258)	225	(375)	(33)	(770)
Net income	63,735	66,351	47,912	130,086	91,008
Other comprehensive income (loss):					
Unrealized gain (loss) on qualifying cash flow hedging instrument in equity accounted joint ventures net of amounts reclassified to equity income, net of tax	919	(611)	(730)	308	(1,282)
Comprehensive income	64,654	65,740	47,182	130,394	89,726
Non-controlling interest in net income	5,642	3,283	4,263	8,925	9,113
General Partner s interest in net income	8,568	8,642	7,528	17,210	14,683
Limited partners interest in net income	49,525	54,426	36,121	103,951	67,212
Weighted-average number of common units outstanding:					
Basic	78,590,812	78,514,335	74,212,834	78,552,784	74,206,221
Diluted	78,659,264	78,553,194	74,255,543	78,609,057	74,252,842
Total number of common units outstanding at end of period	78,813,676	78,537,584	74,212,891	78,813,676	74,212,891

(1) Equity income includes unrealized gains/losses on non-designated derivative instruments, any ineffectiveness for derivative instruments designated as hedges for accounting purposes and gains on sale of vessels as detailed in the table below:

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	Three Months Ended			Six Months Ended	
	June 30, 2015	March 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Equity income	29,002	18,058	32,924	47,060	53,297
Proportionate share of unrealized (gain) loss on non-designated derivative instruments	(8,082)	1,126	979	(6,956)	2,032
Proportionate share of ineffective portion of hedge accounted interest rate swap	(394)	394			
Proportionate share of gains on sale of vessels			(9,772)		(8,806)
Equity income excluding unrealized gains/losses on designated and non-designated derivative instruments and gains on sale of vessels	20,526	19,578	24,131	40,104	46,523

(2) The realized losses 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			Six Months Ended	
	June 30, 2015	March 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Realized losses relating to:					
Interest rate swaps	(7,319)	(7,305)	(10,020)	(14,624)	(19,264)
Toledo Spirit time-charter derivative contract		(570)	(224)	(570)	(224)
	(7,319)	(7,875)	(10,244)	(15,194)	(19,488)
Unrealized gains (losses) relating to:					
Interest rate swap agreements	17,424	(4,357)	(5,391)	13,067	(1,368)
Interest rate swaption	593			593	
Toledo Spirit time-charter derivative contract	190	(1,800)	(700)	(1,610)	(3,000)
	18,207	(6,157)	(6,091)	12,050	(4,368)
Total realized and unrealized gains (losses) on derivative instruments	10,888	(14,032)	(16,335)	(3,144)	(23,856)

(3) For accounting purposes, the Partnership is required to revalue all foreign currency-denominated monetary assets and liabilities based on the prevailing exchange rate at the end of each reporting period. This revaluation does not affect the Partnership s cash flows or the calculation of distributable cash flow, but results in the recognition of unrealized foreign currency translation gains or losses in the Consolidated Statements of Income and Comprehensive Income.

Foreign exchange (loss) gain includes realized (losses) gains relating to the amounts the Partnership (paid) received to settle the Partnership s non-designated cross-currency swaps that were entered into as economic hedges in relation to the Partnership s Norwegian Kroner (*NOK*) denominated unsecured bonds. The Partnership issued NOK 700 million, NOK 900 million, and NOK 1,000 million of unsecured bonds between May 2012 and May 2015. Foreign exchange (loss) gain also includes unrealized gains (losses) relating to the change in fair value of such derivative instruments, partially offset by unrealized gains (losses) on the revaluation of the NOK bonds as detailed in the table below:

	Three Months Ended			Six Months Ended	
	June 30, 2015	March 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Realized losses on cross-currency swaps	(1,488)	(1,401)	(275)	(2,889)	