

Teekay LNG Partners L.P.  
Form 6-K  
December 21, 2006

**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

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For the quarterly period ended September 30, 2006

Commission file number 1- 32479

**TEEKAY LNG PARTNERS L.P.**  
(Exact name of Registrant as specified in its charter)

Bayside House  
Bayside Executive Park  
West Bay Street & Blake Road  
P.O. Box AP-59212, Nassau, Bahamas  
(Address of principal executive office)

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

Form    X  
20-F        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                    X  
                  No

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Yes                    X

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No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes                      X  
No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82-\_\_\_\_\_

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**TEEKAY LNG PARTNERS L.P. AND SUBSIDIARIES**

**REPORT ON FORM 6-K FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2006**

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**ITEM 1 - FINANCIAL STATEMENTS**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Unitholders of  
**Teekay LNG Partners L.P.**

We have reviewed the consolidated balance sheet of Teekay LNG Partners L.P. (successor to Teekay Luxembourg S.a.r.l) and subsidiaries (or the *Partnership*) as at September 30, 2006 and the related consolidated statements of income (loss) for the three and nine months ended September 30, 2006 and 2005 aggregated as follows:

Three months ended September 30, 2006

- July 1 to September 30, 2006

Three months ended September 30, 2005

- July 1 to September 30, 2005

Nine months ended September 30, 2006

- January 1 to September 30, 2006

Nine months ended September 30, 2005

- January 1 to May 9, 2005
- May 10 to September 30, 2005

We have also reviewed the consolidated statements of partners' equity/stockholder deficit for the nine months ended September 30, 2006 and cash flows for the nine months ended September 30, 2006 and 2005. These financial statements are the responsibility of the Partnership's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Partnership as at December 31, 2005, the related consolidated statements of income, partners' equity/stockholder deficit and cash flows for the year then ended and in our report dated February 21, 2006, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2005, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Vancouver, Canada  
December 13, 2006

/s/ ERNST & YOUNG LLP  
Chartered Accountants



**TEEKAY LNG PARTNERS L.P. AND SUBSIDIARIES (Note 1)**  
**(Successor to Teekay Luxembourg S.a.r.l.)**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
**(in thousands of U.S. dollars, except unit and per unit data)**

	Three Months Ended September 30,			Nine Months Ended September 30,	
	2006	2005	2006	2005	
	July 1 to September 30, 2006 \$	July 1 to September 30, 2005 \$	January 1 to September 30, 2006 \$	January 1 to May 9, 2005 \$	May 10 to September 30, 2005 \$
<b>VOYAGE REVENUES</b>	46,696	34,760	133,371	50,129	55,124
<b>OPERATING EXPENSES</b>					
Voyage expenses	663	135	1,590	251	208
Vessel operating expenses (note 10c)	9,532	6,571	28,260	10,771	10,503
Depreciation and amortization	12,972	10,607	38,374	14,751	16,459
General and administrative (notes 10b and 10d)	2,864	2,733	8,957	2,928	4,008
<b>Total operating expenses</b>	26,031	20,046	77,181	28,701	31,178
<b>Income from vessel operations</b>	20,665	14,714	56,190	21,428	23,946
<b>OTHER ITEMS</b>					
Interest expense (notes 4 and 7)	(22,282)	(14,382)	(62,287)	(35,679)	(22,578)
Interest income	9,881	5,638	26,761	9,098	8,641
Foreign currency exchange gain (loss) (note 7)	3,752	1,347	(24,401)	52,295	24,340
Other income (loss) - net (note 8)	569	1,587	1,564	(17,927)	3,259
<b>Total other items</b>	(8,080)	(5,810)	(58,363)	7,787	13,662
<b>Net income (loss)</b>	12,585	8,904	(2,173)	29,215	37,608
General partner's interest in net income (loss)	252	178	(44)	-	9,411
Limited partners' interest:					
Net income (loss)	12,333	8,726	(2,129)	29,215	28,197
Net income (loss) per: (note 13)	0.41	0.41	0.01	1.24	1.05

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- Common unit (basic and diluted)					
- Subordinated unit (basic and diluted)	0.27	0.15	(0.17)	1.24	0.79
- Total unit (basic and diluted)	0.35	0.29	(0.07)	1.24	0.93
Weighted-average number of units outstanding:					
- Common units (basic and diluted)	20,238,072	15,638,072	20,238,072	8,734,572	15,638,072
- Subordinated units (basic and diluted)	14,734,572	14,734,572	14,734,572	14,734,572	14,734,572
- Total units (basic and diluted)	34,972,644	30,372,644	34,972,644	23,469,144	30,372,644
Cash distributions declared per unit	0.4625	0.2357	1.3375	-	0.2357

*The accompanying notes are an integral part of the unaudited interim consolidated financial statements.*

**TEEKAY LNG PARTNERS L.P. AND SUBSIDIARIES (Note 1)**  
**(Successor to Teekay Luxembourg S.a.r.l.)**  
**UNAUDITED CONSOLIDATED BALANCE SHEETS**  
**(in thousands of U.S. dollars)**

	As at September 30, 2006 \$	As at December 31, 2005 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	20,592	34,469
Restricted cash - current ( <i>note 4</i> )	151,919	139,525
Accounts receivable	13,287	2,977
Prepaid expenses	7,792	1,149
Other assets	1,198	2,823
<b>Total current assets</b>	<b>194,788</b>	<b>180,943</b>
Restricted cash - long-term ( <i>notes 4 and 12</i> )	618,449	158,798
<b>Vessels and equipment (<i>note 7</i>)</b>		
At cost, less accumulated depreciation of \$29,667 (December 31, 2005 - \$16,235)	495,035	507,825
Vessels under capital leases, at cost, less accumulated depreciation of \$49,845 (December 31, 2005 - \$32,266) ( <i>note 4</i> )	662,875	677,686
Advances on newbuilding contracts ( <i>note 12</i> )	-	316,875
<b>Total vessels and equipment</b>	<b>1,157,910</b>	<b>1,502,386</b>
Other assets ( <i>note 11</i> )	57,300	20,215
Intangible assets - net ( <i>note 5</i> )	162,347	169,194
Goodwill ( <i>note 5</i> )	39,279	39,279
<b>Total assets</b>	<b>2,230,073</b>	<b>2,070,815</b>
<b>LIABILITIES AND PARTNERS' EQUITY</b>		
<b>Current</b>		
Accounts payable	7,126	5,885
Accrued liabilities	14,348	7,789
Unearned revenue	7,307	6,163
Current portion of long-term debt ( <i>note 7</i> )	9,190	8,103
Current obligation under capital leases ( <i>note 4</i> )	160,284	137,646
Current portion of long-term debt related to newbuilding vessels to be leased ( <i>note 12</i> )	14,559	-
Advances from affiliate ( <i>notes 10e and 10f</i> )	7,553	2,222
<b>Total current liabilities</b>	<b>220,367</b>	<b>167,808</b>
Long-term debt ( <i>note 7</i> )	405,992	398,249
Long-term obligation under capital leases ( <i>note 4</i> )	386,895	382,343
Long-term debt related to newbuilding vessels to be leased ( <i>note 12</i> )	436,873	319,573
Other long-term liabilities ( <i>note 11</i> )	44,287	33,703
<b>Total liabilities</b>	<b>1,494,414</b>	<b>1,301,676</b>



Commitments and contingencies (*notes 4 and 12*)

<b>Partners' equity</b>		
Partners' equity	791,595	841,642
Accumulated other comprehensive loss ( <i>note 9</i> )	(55,936)	(72,503)
<b>Total partners' equity</b>	<b>735,659</b>	<b>769,139</b>
<b>Total liabilities and partners' equity</b>	<b>2,230,073</b>	<b>2,070,815</b>

*The accompanying notes are an integral part of the unaudited interim consolidated financial statements.*

**TEEKAY LNG PARTNERS L.P. AND SUBSIDIARIES (Note 1)**  
**(Successor to Teekay Luxembourg S.a.r.l.)**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(in thousands of U.S. dollars)**

	<b>Nine Months Ended September 30,</b>	
	<b>2006</b>	<b>2005</b>
	\$	\$
Cash and cash equivalents provided by (used for)		
<b>OPERATING ACTIVITIES</b>		
Net (loss) income	(2,173)	66,823
Non-cash items:		
Depreciation and amortization	38,374	31,210
Gain on sale of assets	-	(186)
Deferred income tax (recovery) expense	(705)	1,418
Foreign currency exchange loss (gain)	26,559	(81,567)
Loss from settlement of interest rate swaps	-	7,820
Write-off of capitalized loan costs	-	7,462
Accrued interest and other - net	3,527	9,337
Change in non-cash working capital items related to operating activities	(3,160)	(396)
Expenditures for drydocking	(3,006)	(1,353)
<b>Net operating cash flow</b>		