

Teekay LNG Partners L.P.  
Form 6-K  
August 22, 2007

**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

For the quarterly period ended June 30, 2007

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)

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

Form    X    Form  
20-F        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

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Yes    No    X

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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    No     X

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

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

**REPORT ON FORM 6-K FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2007**

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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. and subsidiaries (or the *Partnership*) as of June 30, 2007, the related consolidated statements of income (loss) for the three and six months ended June 30, 2007 and 2006, the cash flows for the six months ended June 30, 2007 and 2006 and changes in partners' equity for the six months ended June 30, 2007 and 2006. 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 review, we are not aware of any material modifications that should be made to the consolidated 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 of December 31, 2006, the related consolidated statements of income, changes in partners' equity and cash flows for the year then ended (not presented herein), and in our report dated March 12, 2007, 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, 2006, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Vancouver, Canada  
July 31, 2007

/s/ ERNST & YOUNG LLP  
Chartered Accountants

**TEEKAY LNG PARTNERS L.P. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
(in thousands of U.S. dollars, except unit and per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>VOYAGE REVENUES</b> (note 11)	65,282	42,534	123,611	86,675
<b>OPERATING EXPENSES</b> (note 11)				
Voyage expenses	274	650	540	927
Vessel operating expenses	13,930	9,767	27,751	18,728
Depreciation and amortization	16,555	12,743	32,374	25,402
General and administrative	3,759	2,998	7,277	6,093
<b>Total operating expenses</b>	34,518	26,158	67,942	51,150
<b>Income from vessel operations</b>	30,764	16,376	55,669	35,525
<b>OTHER ITEMS</b>				
Interest expense (notes 5 and 8)	(35,819)	(21,404)	(66,166)	(40,005)
Interest income	13,020	9,443	24,117	16,880
Foreign currency exchange loss (note 8)	(5,682)	(20,328)	(10,482)	(28,153)
Other income – net (note 9)	178	387	725	995
<b>Total other items</b>	(28,303)	(31,902)	(51,806)	(50,283)
<b>Net income (loss)</b>	2,461	(15,526)	3,863	(14,758)
General partner's interest in net income (loss)	49	(311)	77	(296)
Limited partners' interest: (note 15)				
Net income (loss)	2,412	(15,215)	3,786	(14,462)
Net income (loss) per:				
• Common unit (basic and diluted)	0.11	(0.44)	0.18	(0.40)
• Subordinated unit (basic and diluted)	0.00	(0.44)	0.00	(0.44)
• Total unit (basic and diluted)	0.07	(0.44)	0.11	(0.42)
Weighted-average number of units outstanding:				
• Common units (basic and diluted)	21,327,360	20,238,072	20,786,956	20,238,072
• Subordinated units (basic and diluted)	14,734,572	14,734,572	14,734,572	14,734,572
• Total units (basic and diluted)	36,061,932	34,972,644	35,521,528	34,972,644
Cash distributions declared per unit	0.4625	0.4625	0.9250	0.8750

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

**TEEKAY LNG PARTNERS L.P. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED BALANCE SHEETS**  
(in thousands of U.S. dollars)

	As at June 30, 2007 \$	As at December 31, 2006 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	29,894	28,871
Restricted cash - current (note 5)	113,271	55,009
Accounts receivable	7,308	8,167
Prepaid expenses	3,109	6,566
Other assets	1,600	1,204
<b>Total current assets</b>	<b>155,182</b>	<b>99,817</b>
Restricted cash – long-term (note 5)	650,738	615,749
<b>Vessels and equipment (note 8)</b>		
At cost, less accumulated depreciation of \$76,693 (2006 - \$60,849)	670,318	662,814
Vessels under capital leases, at cost, less accumulated depreciation of \$58,189 (2006 – \$42,604) (note 5)	950,043	654,022
Advances on newbuilding contracts (note 13a)	159,500	84,184
<b>Total vessels and equipment</b>	<b>1,779,861</b>	<b>1,401,020</b>
Investment in and advances to joint venture (notes 11e, 11f, and 13a)	285,633	141,427
Other assets (note 12)	132,963	74,057
Intangible assets – net (note 6)	155,499	160,064
Goodwill (note 6)	39,279	39,279
<b>Total assets</b>	<b>3,199,155</b>	<b>2,531,413</b>
<b>LIABILITIES AND PARTNERS' EQUITY</b>		
<b>Current</b>		
Accounts payable	5,279	5,069
Accrued liabilities	22,666	13,599
Unearned revenue	4,900	6,708
Current portion of long-term debt (note 8)	35,207	30,435
Current obligation under capital leases (note 5)	34,891	150,762
Advances from affiliate (note 7)	20,222	38,939
<b>Total current liabilities</b>	<b>123,165</b>	<b>245,512</b>
Long-term debt (note 8)	1,179,085	880,147
Long-term obligation under capital leases (note 5)	839,940	407,375
Advances from affiliate (note 7)	12,380	62,680
Other long-term liabilities (note 12)	78,509	51,473
<b>Total liabilities</b>	<b>2,233,079</b>	<b>1,647,187</b>

Commitments and contingencies (*notes 5, 8, 11, 12 and 13*)

<b>Minority interest</b>	162,265	165,729
<b>Partners' equity</b>		
Partners' equity	821,276	767,949
Accumulated other comprehensive loss ( <i>note 10</i> )	(17,465)	(49,452)
<b>Total partners' equity</b>	803,811	718,497
<b>Total liabilities and partners' equity</b>	3,199,155	2,531,413

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

**TEEKAY LNG PARTNERS L.P. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands of U.S. dollars)

	<b>Six Months Ended June 30,</b>	
	<b>2007</b>	<b>2006</b>
	\$	\$
Cash and cash equivalents provided by (used for)		
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	3,863	(14,758)
Non-cash items:		
Depreciation and amortization	32,374	25,402
Deferred income tax expense (recovery)	662	(524)
Foreign currency exchange loss	10,522	30,744
Equity based compensation	184	-
Accrued interest and other – net	2,554	524
Change in non-cash working capital items related to operating activities	(7,286)	(3,677)
Expenditures for drydocking	(172)	(2,655)
<b>Net operating cash flow</b>	<b>42,701</b>	<b>35,056</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	443,120	129,700
Capitalized loan costs	(931)	(2,512)
Scheduled repayments of long-term debt	(13,113)	(4,167)