



ME-GI Scores Further Success; Forward-Looking Customers Acknowledge ME-GI Benefits

Copenhagen,
20/12/2012

Prominent shipping company orders four dual-fuel, ultra-long-stroke engines with option for further six.

MAN Diesel & Turbo SE
Teglholmsgade 41
DK-2450 Copenhagen SV
DENMARK
www.mandieselturbo.com

MAN Diesel & Turbo has announced another order for the MAN B&W ME-GI dual-fuel, two-stroke, gas-injection engine. Teekay LNG Partners L.P. (Teekay LNG), an offshoot of Teekay Corporation, the international shipping group, has placed an order for two LNG carriers powered by 2 x 2 5G70ME-GI engines, including an option for three further ships. The propulsion solution Teekay has chosen is the most fuel-efficient, low-emission method available on the market.

Group Marketing
Further information:
Peter Dan Petersen
Tel.: +45 33 85 14 70
peterd.petersen@man.eu

Graphics and images:
Mia Glarborg
Tel.: +45 33 85 15 90
mia.glarborg@man.eu

Peter Evensen, Chief Executive Officer of Teekay GP LLC said: "The newbuildings will be constructed with M-type, Electronically Controlled, Gas Injection (ME-GI) 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."

He continued: "MAN's ME-GI engine is highly suited to the LNG carrier market and is recognized as the most fuel-efficient gas-burning engine on the market. We are confident that the quality and fuel-efficiency of these engines will be very attractive to our customers."

Furthermore, the Teekay LNG engines are based on the new ultra-long-stroke G-type concept to deliver an even higher overall propulsion plant efficiency. The G-type engine has gained the fastest market acceptance of any engine in the MAN B&W portfolio.

The ships will be constructed by Daewoo Shipbuilding & Marine Engineering CO., LTD., (DSME) of South Korea. Teekay LNG intends to secure long-term contract employment for both of the two 173,400 cubic metre LNG carriers prior to their delivery in the first half of 2016.

The new order follows the early December announcement that TOTE, the American shipping company, has ordered two 3,100 TEU newbuilding container ships, each



powered by an 8L70ME-GI engine, with an option for three additional vessels. The announcement represents the first commercial order for the engine type, officially designated as ME-C-GI (M-type, Electronically Controlled, GI for Gas Injection) in the MAN Diesel & Turbo low-speed portfolio.

Ole Grøne, Senior Vice President Low-Speed Sales and Promotions, MAN Diesel & Turbo, said: "With the current flux in fuel prices, and the new Environmental Control Areas (ECAs), we felt the timing for the release of a commercial, low-speed, dual-fuel engine was right. The TOTE order – the very first commercial order for the ME-GI – was proof of this, and we view the continued momentum provided by the Teekay LNG order as confirmation that customers who understand the extremely positive commercial and environmental implications of the ME-GI are quickly embracing the concept."

The ME-GI uses high-pressure gas injection that allows it to maintain the numerous positive attributes of the low-speed engine that have made it the default choice of the maritime community. The ME-GI dispenses with the need for power derating and eliminates the significant problem of methane slip (and resulting CO₂ emissions).

ME-GI – tomorrow's engine, available today

Unveiled at a major event at MAN Diesel & Turbo's Copenhagen Diesel Research Centre in May 2011, the ME-GI engine represents the culmination of many years' work that began in the 1990s with the company's prototype MC-GI dual-fuel engine that entered service at a power plant in Chiba, near Tokyo, Japan in 1994.

Depending on relative price and availability, as well as environmental considerations, the ME-GI engine gives shipowners and operators the option of using either HFO or gas – predominantly natural gas but also LPG and methane.

MAN Diesel & Turbo sees significant opportunities arising for gas-fuelled tonnage as fuel prices rise and modern exhaust-emission limits tighten. Indeed, research indicates that the ME-GI engine delivers significant reductions in CO₂, NO_x and SO_x emissions. Furthermore, the ME-GI engine has no methane slip and is therefore the most environmentally friendly technology available.



MAN Diesel & Turbo predicts a broad, potential market for its ME-GI engine. As such, the ME-GI engine represents a highly efficient, flexible, propulsion-plant solution.

Engines with the G-prefix

Following efficiency optimisation trends in the market, MAN Diesel & Turbo has thoroughly evaluated the possibility of using ever larger propellers and thereby engines with even lower speeds for the propulsion of ocean-going vessels.

Such vessels may be more compatible with propellers with larger diameters than current designs, and facilitate higher efficiencies following adaptation of the aft-hull design to accommodate a larger propeller. It is estimated that such new designs offer potential fuel-consumption savings of some 4-7%, and a similar reduction in CO₂ emissions.

About Teekay

Established in 1973, Teekay has developed from a regional shipping company into one of the world's largest marine energy transportation, storage and production companies.

Teekay LNG Partners L.P. is a publicly-traded master limited partnership 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 L.P. provides LNG, LPG and crude oil marine transportation services primarily under long-term, fixed-rate charter contracts with major energy and utility companies through its fleet of 27 LNG carriers, five LPG/Multigas carriers and 11 conventional tankers. Teekay LNG Partners L.P. is a publicly-traded master limited partnership formed by Teekay Corporation (NYSE:TK) as part of its strategy to expand its operations in the LNG and LPG shipping sectors.

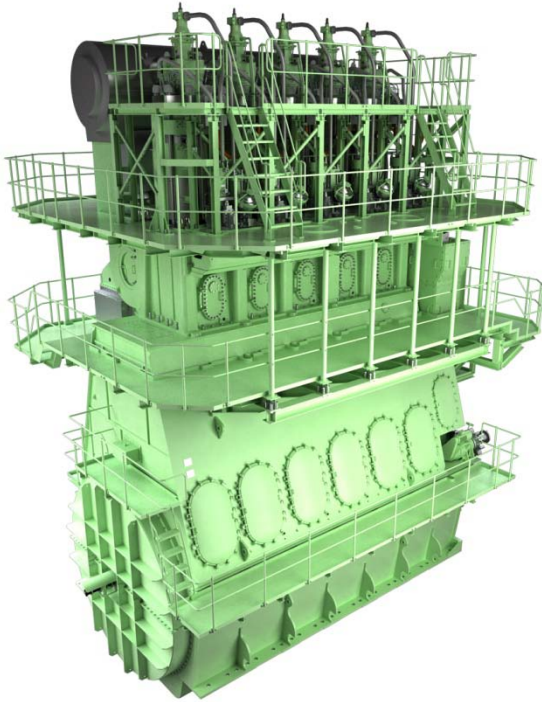


Illustration of the 5G70ME-GI engine

About MAN Diesel & Turbo

MAN Diesel & Turbo SE, based in Augsburg, Germany, is the world's leading provider of large-bore diesel engines and turbomachinery for marine and stationary applications. It designs two-stroke and four-stroke engines that are manufactured both by the company and by its licensees. The engines have power outputs ranging from 450 kW to 87 MW. MAN Diesel & Turbo also designs and manufactures gas turbines of up to 50 MW, steam turbines of up to 150 MW and compressors with volume flows of up to 1.5 million m³/h and pressures of up to 1,000 bar. The product range is rounded off by turbochargers, CP propellers, gas engines and chemical reactors. MAN Diesel & Turbo's range of goods includes complete marine propulsion systems, turbomachinery units for the oil & gas as well as the process industries and turnkey power plants. Customers receive worldwide after-sales services marketed under the MAN PrimeServ brand. The company employs around 15,000 staff at more than 100 international sites, primarily in Germany, Denmark, France, Switzerland, the Czech Republic, India and China. MAN Diesel & Turbo is a company in the Power Engineering business area of MAN SE.

Ref. No.: 6510-0304

All data provided in this press release is for information purposes only, explicitly non-binding and subject to changes without further notice.