TEEKAY

Teekay Shipping
Fourth Quarter and Year End Earnings Conference Call
February 22, 2007

Operator: Good morning. My name is Frederica (sp?) and I will be your conference operator today. At this time, I would like to welcome everyone to the Teekay Shipping Fourth Quarter Year End Earnings conference call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks there will be a question and answer session. If you would like to ask a question during this time, simply press star, then the number one on your telephone keypad. If you would like to withdraw your question, press star, then the number two on your telephone keypad. Thank you.

Mr. Moller, you may now begin your conference.

Scott Gayton: Before Mr. Moller begins, and before I read the forward looking statements, I would like to direct all participants to our website at www.teekay.com where you will find a copy of the fourth quarter of 2006 earnings presentation. Mr. Moller and Mr. Lok will review this presentation during today's conference call. I will now read the forward-looking statement.

Please allow me to remind you that various remarks we may make about future expectations, plans and prospects for the company in the shipping industry constitute forward-looking statements for purposes of the Safe Harbor provision and our private securities litigation reform act of 1995. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including those discussed in our most recent annual report on Form 20-F dated December 31st, 2005 on file with the SEC.

I will now turn it over to Mr. Moller to begin.

Bjorn Moller: Thank you, Scott. Good morning ladies and gentlemen and thanks for joining us on this morning's call. Let me begin by thanking the many analysts who joined us for analyst's day in New York last month to discuss the exciting developments of Teekay. We appreciate the follow-up work many of you have done, including the publication of a number of very thoughtful reports, and we plan to follow-up with an investor day later this spring.

On this morning's call I'll review the key developments in our business in Q4, and our highlights for 2006 and our CFO, Vince Lok, will discuss our financials. We are also joined for the Q&A session by our Chief Strategy Officer, Peter Evensen.

Beginning with the highlights for the fourth quarter, on slide three, I'm pleased to report to you on a quarter with strong operating performance and a number of important new strategic developments. Our net income for the quarter, on an operating basis, was 79.2 million or $1.06 per share. We generated cash flow from vessel operations of CFVO of 161 million, of which 107 million, or two thirds, came from our fixed rate businesses.

In December, we successfully launched another Teekay growth vehicle with the IPO of Teekay Offshore Partners, or TOO. TOO has been well received by investors with a unit price up over 40% since the IPO. We concluded a life of field extension on our largest shuttle tanker contract with Statoil and have followed this deal up with an order for two Aframax shuttle tanker newbuilding for deliver in 2010.

Teekay LNG opened a new growth avenue for its business agreeing to apply three LPG carriers from IM Skaugen. We formed the tonnage pool with AP Moller-Maersk in the intermediate product tanker sector, and we continued our share repurchase program, adding another 491,000 shares since our last report on November 2nd, 2006.

On slide number four, we highlight some of the key events that took place in 2006. With the consolidation of Teekay Petrojarl results, our revenue for the year exceeded $2 billion. For the year net income, again on an operating basis, was $326 million or $4.44 per share, and we generated 620 million of CFVO. At the end of the year our asset base had reached $7.7 billion reflecting an average annual growth rate of more than 25% over the past six years and we are continuing to expand significantly with the investment commitments across all our business segments totally 29 new buildings and vessel conversions, valued at some $3.6 billion.

We made a strategic entry into the high growth FPSO sector through a joint venture and a subsequent acquisition of 64.5% of shares in Petrojarl and the company was awarded the contract to supply an FPSO for the Siri project in Brazil. Earlier in the year, we secured a major new contract with Petrobras involving 13-year contracts, charters for three shuttle tankers.

Teekay spot Aframax fleet averaged $36,000 per day for the year, which somewhat surprisingly, was only $1,000 a day below the figure for 2005 despite a combination of less loads in the world tanker fleet and low oil demand growth. We took advantage of a temporary dip in newbuilding prices in early 2006 by placing orders for 10 Suezmax newbuildings, including a number of vessels with shuttle features. These orders are currently in the money by more than $110 million.

In 2006, we bought back a total of 5.8 million of our shares at a total cost of $233 million, bringing our total repurchases over the past two years to approximately 20 million shares or 24% of our outstanding shares, at an average price of just under $42 and this has clearly proven to be an excellent investment. And finally, we increased our regular dividend payment for the fourth year in a row, this time by 14%. As you can see, on many fronts, 2006 was a great year for Teekay.

Next, turning to slide five; I'm going to briefly review the significance of the Teekay Petrojarl opportunity. We're excited about our acquisition of Petrojarl because it has two avenues for major value growth. Winning new business and re-pricing its existing out-of-the-money contracts and I'm first going to talk about the growth opportunity.

As a platform, Petrojarl is well positioned to win new projects. It has a position as an industry pioneer with over 20 years of experience in sophisticated harsh weather FPSOs. It has in-house engineering capability. It has a proven track record in project execution and reliable operations which is critical, plus it has a cost of capital advantage through Teekay Offshore. In today's offshore markets, new FPSO projects are very profitable. The Siri FPSO project for example, is expected to generate annual CFVO of $30 million on an investment of around 160 million.

Slide six shows what's driving the FPSO growth opportunity, namely the increase in the global deep water oil production. Deep water production shown by the red line and measured against the right hand axis, is expected to almost triple between 2005 and 2015. Offshore oil reservoirs are strategically important to publicly listed oil companies because they're the only real opportunity to add to reserves outside of Russia and the Middle East. High oil prices and technological advances are stimulating energy companies to push further offshore. Ten years ago, the industry was just learning to go after oil in water beds of up to 1000 meters. Today companies are pursuing oil in ultra-deep water of 3,000 meters.

As shown on slide number seven, this growth is expected to translate into a near doubling of the world FPSO fleet over the next five years, from 111 units to approximately 200 units, after accounting for the redeployment of certain existing units. FPSOs are also increasingly becoming the popular choice in regions where exploration is going towards deeper waters including Brazil, West Africa and the Gulf of Mexico. Our growth prospects are further enhanced by the trend towards energy companies outsourcing to independent FPSO contractors.

On slide number eight, we highlight the second avenue for major value growth for Petrojarl, namely the re-pricing opportunity on existing FPSO units. Petrojarl's contracts were entered into during a much lower rate environment and today they're significantly out of the money. In the next few years, Petrojarl has contractual opportunity to re-price some of its biggest contracts, either by renegotiating their existing terms or by pulling out of the contracts and seeking redeployment elsewhere at higher rates. Since these types of negotiations typically commence one to two years ahead of time, we should soon be entering the window for such discussions. The recent re-pricing of the Petrojarl's Varg FPSO contracts is a good illustration of the magnitude of the opportunity. In 2006, Petrojarl renegotiated an increase in the rate on this unit from approximately $155,000 per day to a new minimum rate of $220,000 per day, plus upside if the production rate improves above today's level. This increase resulted in a doubling of annual CFVO on this vessel and we are currently estimating Petrojarl's existing contract value to be out of the money by $600 million.

Turning to slide nine; the acquisition of Petrojarl has made Teekay a one-stop provider of customized services across the floating productions, floating storage and transportation value chain. Let me give you some examples of how we add value by bundling these services in combinations that suit our customers' specific needs. On the banned (sp?) field, for example, we have an FPSO which, due to its limited storage capacity, is being supported by one of our floating storage vessels. On the foreign haven (sp?) field we provide an integrated service that involves the customer paying us a fixed price per barrel of oil for the combined service of producing the oil on board our FPSO, then transporting it to shore aboard our shuttle tankers. And later this year, we will be commencing a long-term storage contract on the Volva (sp?) field in the North Sea using a recently converted Teekay hull and we will also transport the oil on board our shuttle vessels.

As shown on slide 10, our entry into the FPSO sector provides the final element in our marine mid-stream strategy of serving our customers from reservoir to refinery. In adding to floating production, floating storage and shuttling, we provide conventional crude oil transportation, ship-to-ship lightering, refined product shipping and liquefied gas transportation.

Turning to slide 11, after the TOO IPO, we now have in place the corporate structure to facilitate our continued growth and meet our funding needs in each of our businesses. The access to low-cost capital provided by TGP and COO supports the ambitious growth plans for our gas and offshore businesses while our conventional type of business resides within the parent company whose financial strength will allow us to make contra cyclical investments. This corporate structure represents a major competitive advantage for Teekay going forward.

Slide number 12, shows that our new corporate structure has also served to illuminate the value of Teekay. Today, the sum of Teekay's parts is more than $72 per share and with conventional tanker values expected to stay high, our sum of the part is only going to continue to go up, driven by increasing GP and LP distributions, FPSO contract renewals and the continued strong cash flow generation in our conventional tanker business. In fact, the $72 figure is already $5 higher than just four weeks ago when we held our analysts day, mainly as a result of the rising unit prices in TGP and COO.

On my remaining few slides, I will briefly review the main developments in each of our segments. You will have noticed from our press release that following the TOO IPO and the Petrojarl acquisition, we have reformatted our reporting into four segments: offshore, liquefied gas, fixed rate tankers and spot tankers.

Turning to slide 13, I will first look at the offshore segment which now includes Petrojarl's results. CFVO was $68.8 million in the quarter, up from one year ago, and mainly due to the addition of Petrojarl FPSOs and increases in certain shuttle tanker contract renewals. During the quarter, we signed a life of field extension on our shuttle, on our biggest shuttle frame contract with Statoil covering the Norwegian continental shelf. As I said, this is our biggest single shuttle contract of affreightment, whose original term was due to expire at the end of 2007 but with this extension, we expect to be serving some oil fields under this contract beyond the year 2030.

We followed up this contract renewal with orders for two Aframax shuttle tanker newbuildings from Korea, probably the most sophisticated shuttle tankers ever ordered. Scheduled for delivery in Q3 for 2010, the ships will either be used to service new long-term contracts that we may be awarded in the next couple years, or on our existing CoAs in the North Sea. This actually marks the first time since entering the shuttle business six years ago, that Teekay has ordered fully purpose-built shuttle tanker newbuildings signaling our belief that the global shuttle business is set to grow as the result of the increases in offshore oil production.

The conversion of two remaining tankers in our current three ship Brazil shuttle project is ongoing and the ships are scheduled to deliver, on charter, during the first and second quarter of 2007 respectively. These ships will be offered to TOO within a year of delivery. And finally, we agreed to sell an older shuttle tanker that was surplus to our requirements for a firm price of $33 million.

Turning to slide 14, our liquefied segment, this segment saw CFVO rise to $19.9 million. As reported on our last call, we took deliver in Q4 of the first LNG newbuilding for RasGas II. I'm proud to mention that during its first loading operation, this ship achieved the best performance recorded for any LNG carrier that has ever loaded at the Ras Laffan terminal in Qatar. The second vessel delivered in January this year, and the third vessel is due to deliver at the end of this month.

During the quarter, Teekay LNG agreed to acquire from IM Skaugen three LPG carriers. These ships, expected to deliver from a shipyard in China between early 2008 and the middle of 2009, will serve under 15-year, fixed rate charters to Skaugen and this transaction opens up a new platform for Teekay LNG to pursue another growth market.

Turning to the developments in our conventional tanker segments on slide 15, there were no new developments in our fixed rate tanker segment. We have performed well during the quarter generating CFVO of 26 million. Our spot tanker produced CFVO of 54.3 million. Aframax rate continues to add strength from the previous quarter, with our Aframax fleet averaging TC of $34,800 per day. Rates for medium-sized tankers continued their strength from the previous quarter outperforming larger ship sizes on a relative basis due to the beneficial effect of growing non-OPEC production and limited exposure to reduced Middle East OPEC volumes. On a pure spot basis, that is excluding the effects of hedges mention in the footnotes to this table on page four of our earnings release; our Suezmax fleet earned a healthy $44,900 a day.

The current quarter is shaping up nicely with two-thirds of our spot tanker days locked in at an average Aframax rate of $37,000. Changes in our in-charter fleet resulted in a net reduction of one Aframax crude oil tanker and the addition of one MR product tanker. Our LR2 product tanker newbuilding program saw the delivering in Q4 of the first of four vessels under construction. Since the beginning of the year, we've taken delivery of two further vessels in this series and the fourth vessel is due to deliver in Q2.

We formed the pool with AP Moller-Maersk to combine our respective fleets of 15 to 20,000 ton of so-called intermediate product tankers. Swift Tankers, as the pool is know, is initially operating a fleet of some 20 ice-class ships, thereby offering a more flexible service to our customers in North West Europe. The fleet size is expected to increase to 35 ships over the next two years and the pool may also expand its activities to other regions. It is noteworthy that Teekay's contribution to Swift Tankers consists purely of in-chartered vessels, illustrating the growing footprint of our freight trading strategy.

Turning briefly to our outlook for the tanker market in 2007, on slide 16, as a starting point there are no signs of any slack capacity in the world tanker fleet. This is also supported by data from Flatu (sp?) showing that the average utilization of the world tanker fleet in 2006 was 89%, just one point below what is normally considered full utilization. On the slide, we summarized the key dynamics in the supply/demand equation. Running through the supply figures on the left, Clarkson (sp?) shows a 2007 auto book (sp?) of 34 million tons. Typically each year there tends to be a10% attrition from Clarkson's first estimate of deliveries, due to construction delays and other factors, so we're modeling 30.6 tons of expected deliveries and the first scrapping as estimated at 8 million tons this year. This is actually the highest figure since the new IMO rules came into affect and we've already seen a significant pick-up in the pace of scrapping in the first two months of the year.

Ships are leaving the fleet at a high rate to be converted to other uses, mostly offshore. Conversions reported by Clarkson, plus additional tonnage which our intelligence indicates, has been committed for other uses, already stand at 2.5 million tons just seven weeks into the year. Because some of these conversions are likely to come from vessels also counted in the mandatory scrapping pool, we have conservatively assumed that only 3 million tons of non-mandatory tonnage will leave for conversion this year. This gets us to our net estimated fleet growth this year of 19.6 million tons, or 5.2% of the world fleet.

On the demand side, the IEA recently increased its forecast for 2007 oil demand growth to 1.8%; translating this figure into tanker demand growth using the rule of thumb multiplier of two and a half times, points to an increase in tanker demand of 4.5%, practically offsetting net fleet growth. The two and half times multiplier may prove to be conservative. On past calls we've talked about how changes in fretting patterns are increasing the average length of haul and that this is substantially underpinning the tanker market. In addition, we may see more long haul OPEC oil in the second half of the year. Current reduced OPEC production will not allow the normal Q2 oil in the tar buildup, so OPEC will likely have to raise production to meet seasonal demand increases later this year.

Our conclusion is that tanker supply and demand, both at growth again, will be finely balanced in 2007. With no spare capacity available in the world fleet to absorb shocks to the system, we believe that any major directional change in the tanker rate in 2007 is most likely to be to the upside.

I'll now hand it over to Vince to discuss our financial results in more detail.

Vincent Lok: Thanks Bjorn. Overall, our fourth quarter results were consistent with our third quarter results. Net income for the fourth quarter was 60.3 million or $0.81 per share. This included a number of items that, on a net basis, had the effect of decreasing net income by 18.9 million or $0.25 per share. Without these items which we largely relate to unrealized foreign exchange related items and a write-down of equipment, net income would have been 79.2 million or $1.06 per share.

Our consolidated financial statements now include the accounts of Petrojarl from October 1st, 2006 as a result of our 64.5% interest in

Petrojarl. We are in the process of finalizing certain elements of the purchase price allocation and therefore, the allocation is subject to further refinement. However, should there be any adjustment sale allocation in the future quarters, any resulting changes may impact depreciation or amortization, but would not affect cash flow.

As I review the financial results, I will specifically highlight changes resulting from the consolidation of Petrojarl. I should point out that Petrojarl has been included in our financial statements in accordance with US GAAP, including purchase price adjustments in Teekay's interest payments and balance sheet format. Consequently, these amounts are not directly comparable to Petrojarl's recently released international GAAP-based fourth quarter results.

Looking at the operating results of each of our segments on slide 18 of the presentation, overall cash flow from vessel operations or CFVO, amounted to 161 million compared to 204 million in the fourth quarter of 2005. As Bjorn mentioned and as shown on the slide, we expanded our segment reporting into four segments to include Petrojarl four FPSOs. We have also re-classified comparative periods to reflect these new segments.

Our offshore site mix includes our shuttle tankers, FSOs and Petrojarl's fleet of FPSOs. This segment generated CFVO of 60.8 million up from 48.6 million in the same period last year. This increase primarily reflects the addition of 17 million of CFVO from Petrojarl, partially offset by increase in the operating expenses in our shuttle tanker fleet due to higher repairs and maintenance costs. We expect our offshore segment CFVO to be in the range of 60 to 65 million in the first quarter of 2007.

Our fixed rate tanker segment, which includes Teekay LNG's fixed rate Suezmax fleet and other conventional tankers directly operated by Teekay on long-term contracts, generated 26 million in CFVO during the fourth quarter; virtually unchanged from the 26.7 million in the fourth quarter of 2005.

Our liquefied gas segment, which includes our LNG and LPG carriers, generated 19.9 million in CFVOs during the quarter; up from 17.3 million from the previous year. This increase was primarily due to the delivery of our fifth LNG carrier on October 31st, which is on charter to RasGas II. As previously agreed, this vessel along with two other RasGas II vessels, which were then under construction, were sold to our 68% owned subsidiary Teekay LNG Partners. The second RasGas II vessel was delivered on January 2nd and a third vessel is scheduled to deliver later this month. We expect CFVO from the liquefied gas segments to be approximately 25 million in the first quarter and approximately 30 million in the second quarter, after the delivery of all three

RasGas II vessels. In addition to the RasGas II carriers, we have six other LNG and three LPG newbuildings on order which are scheduled to deliver during 2008 and 2009.

The contribution from our spot tanker segment was 54.3 million in the fourth quarter compared to 111.5 million in the fourth quarter in 2005. This decrease was primarily due to the very high spot tanker rates experienced in the fourth quarter of last year and a reduction in the size of our spot in-charter fleet during the past year.

Our spot Aframax fleet earned an average TC rate of $34,800 per day in the fourth quarter of 2006, which is down from the $48,000 per day earning in the same period last year. However, our spot tanker fleet earned an average TC rate of 35,800 per day for the year ended 2006, December 31st, 2006, which is comparable to the average earned in 2005 of 36,800.

Turning next to slide 19 and reviewing the remaining income stated figures in comparison to the fourth quarter of 2005, voyage revenues in the fourth quarter of 2006 included 95.5 million from Petrojarl; including non-cash revenue of 22.4 million from the amortization of in-process revenue contracts recorded as part of the purchase price allocation. The term in-process revenue contracts represents the negative value currently assigned to existing Petrojarl charter contracts as those contracts are presently below market levels. On acquisitions, this negative value is recorded as a liability on Teekay's consolidated balance sheet as part of the purchase price allocation and is being amortized to revenue over the weighted remain term of those contracts of approximately five years.

Excluding the impact of Petrojarl, G&A expenses were 44.3 million compared to 45.4 million in the fourth quarter of 2005. This 1.1 million decrease is not directly comparable because the 2006 quarter included a 2.5 million expense for stock options as per our adoption of FASB 123 in 2006. Excluding stock option expense G&A expenses declined by 3.6 million from the previous year due primarily to a reduction in accrued bonuses. Petrojarl G&A expenses in the fourth quarter of 12.1 million included 2.9 million of non-recurring items which are not expected to recur in 2007.

Including the impact of our acquisition of Petrojarl, we currently expect G&A expenses to run in the 53 to $57 million range for the first quarter. The $4.8 million loss on write-downs in equipment for the quarter included a 5.5 million write-down of a volatile organic compound for VOC plant on one of our shuttle tankers which was redeployed from the North Sea to Brazil. This VOC plant will be reinstalled on one of our other shuttle tankers operating in the North Sea.

During the fourth quarter of 2006 we incurred 1.5 million of restructuring costs which completes the relocation of certain operational functions which we discussed earlier this year. Excluding 6 million of net interest expense relating to Petrojarl and 8.7 million of additional interest expense incurred by Teekay as a result of the Petrojarl share acquisition, net interest expense increased to 26.6 million in the fourth quarter, up from 22.8 million the a year ago, primarily due to new billing deliveries and increase in interest rates on our floating rate debt, and the expiry of certain more favorable interest rate slots (sp?) earlier in the year. This is partially offset by the repurchase of 32million of our bonds and the conversion of our exchangeable preferred units to equity in February 2006.

We recognize an income tax expense of 2 million this quarter, which was primarily related to unrealized foreign exchange gains. Excluding the effect of the foreign exchange gains, we recognized an income tax recovery of 3 million in the fourth quarter. Excluding any foreign exchange impact, we estimate a similar tax recovery in the first quarter.

Minority interest expense, or sorry, minority interest recovery in the fourth quarter was 4.2 million which relates primarily to the minority interest expense in Teekay LNG's unrealized foreign exchange losses, and the minority interest in the results of Petrojarl. Excluding the foreign exchange impact, minority interest expense in the fourth quarter was $700,000. With the full quarter of Teekay Offshore, we expect that minority interest expense will be roughly 5 to 6 million next quarter. Other items net of 2.9 million, comprises mainly of income from our VOC assets partially offset by our write-down of capitalized loan costs.

Turning to slide 20, we have presented the December 31st balance sheet in comparison to the September 30th balance sheet. The majority of the changes to the balance sheet from last quarter are due to the consolidation of Petrojarl. As a result of the purchase price allocation, Petrojarl's assets are 60, or include 64.5% of the fair value adjustment.

Cash and cash equivalent down to 344 million, includes 62 million of Petrojarl's cash. Vessels and equipment increased by 1.8 billion from the previous quarter, of which 1.3 billion is related to Petrojarl and the remaining 500 million is mainly related the delivery of the RasGas II LNG vessel. A newbuilding product tanker and the consolidation of five 50% owned shuttle tankers which previously were equity accounted for. The majority of the 139 million increased due to intangible assets and good will is related to the Petrojarl acquisition.

Total debt, including current portion, increased by 700 million, primarily due to the consolidation of 325 million of Petrojarl's debt and 220 million of debt associated with five shuttle tankers and the purchase of additional 22% interest in Petrojarl during the fourth quarter. This is partially offset by the net proceeds from the Teekay Offshore IPO and cash flow generated from operations during the quarter.

Included in other long-term liabilities is approximately 400 million in in-process revenue contracts. As I indicated earlier, this represents our 64.5% share of the negative value we have currently assigned to Petrojarl's existing charter contract, which are presently out of the money.

Minority interest increased by 178 million, reflecting mainly the minority share of net assets of Petrojarl and Teekay Offshore, as well as the consolidation of the five shuttle tankers previously mentioned.

Our consolidated liquidity as of December 31st was 2.1 billion, up significantly from 938 million at December 30th. As a result of the numbers financing and refinancing completed during the fourth quarter, as well as the IPO of Teekay Offshore and the inclusion of Petrojarl's liquidity, approximately 1.1 billion of the total liquidity is at the Teekay parent level and the remainder is in the two MLPs and Petrojarl.

Net or restricted cash, net debt capitalization was 47.5% at the end of the year; an increase from 42% at September 30th reflecting the increase in our debt as explained earlier.

Turning to slide 21, over the past quarter, we have repurchased approximately half a million shares for a total cost of 21 million and at an average price of 42.74 per share. If remaining share repurchase authorization of approximately 100 million is completed at an average price of about $50 per share, we will have repurchased almost 22 million shares or 26% of outstanding shares since November 2004, when our initial share repurchase was announced.

Looking forward to the results for the first quarter of 2007, we have booked approximately two thirds of our stock voyage stays at an average Aframax CC rate of $37,000 per day.

On slide 22, our real semi PS guidance, is a quarterly EPS of $0.06 for every $1,000 Aframax CC above our net income breakeven of about $16,000 per day. This takes into account the consolidation of Petrojarl, which we currently expect to have a minimal effect on our net income. We have increased our estimated net income breakeven level by $500 per day to reflect a higher average in-charter rate for our spot fleet and higher operating expenses.

Overall, we are expecting a strong first quarter in each of our segments. In addition, with our large newbuilding program and projects to occur through 2010, we have a significant amount of built-in growth.

In 2007, we will be taking delivery of two newbuilding LNG carriers for RasGas II, two shuttle tankers which will go on charter to Petrobras, three newbuilding product tankers and one SSO unit; all of which will further augment our operating cash flows.

With the completion of Teekay Offshore IPO and our strong liquidity position, we believe that we are well positioned to take advantage of further value-enhancing growth opportunities.

I will now turn over to Bjorn to conclude.

Bjorn Moller: Thank you Vince and turning to slide 23, as we told analysts in New York last month, Teekay has a long history of being an excellent tanker company and this path will always be a proud part of our heritage. However, in recent years we have become so much more than just a tanker company. Today we are a rapidly growing global asset management company focused on the marine mid-stream space. You see on this slide, the four strategic components that form the basis for our shareholder value creation, namely being disciplined traders in a cyclical commodity industry, applying Teekay's operational franchise towards delivering a safe, high-quality service to our customers; leveraging our multi-disciplinary expertise to successfully securing, executing and managing value-added projects; and continuing to develop an innovative corporate structure, such as our MLPs to facility our profitable growth.

Thank you for listening this morning; Vince, Peter and I are now ready to take your questions.

Operator: At this time I would like to remind everyone, in order to ask a question press star, one, on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Once again, to ask a question, press star, one, on your telephone keypad.

Bjorn Moller: Okay, well it sounds, it seems like we've given you all the information that you needed this quarter which is great, and we really appreciate your listening in. Thanks very much and we're excited to go back to our desks and keep adding shareholder value.

Thanks have a great day.

Operator: This concludes today's conference call. You may now disconnect.