



TEEKAY SHIPPING CORPORATION

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EARNINGS RELEASE

TEEKAY SHIPPING CORPORATION REPORTS DECEMBER 31, 1999 RESULTS

Nassau, Bahamas, February 28, 2000 - Teekay Shipping Corporation today reported a net loss of \$11.6 million, or 30 cents per share, for the quarter ended December 31, 1999, compared to net income of \$5.1 million, or 16 cents per share, for the quarter ended December 31, 1998, as OPEC oil production cutbacks continued to depress tanker demand. Net voyage revenues for the current quarter were \$89.6 million, compared to \$73.2 million in the same period last year, while income from vessel operations declined to \$4.8 million, from \$14.2 million.

As of December 31, 1999, the Company changed its accounting method for estimating net voyage revenues from a load port-to-load port basis to a discharge port-to-discharge port basis, which is consistent with most other shipping companies. This change in voyage accounting estimate resulted in a one-time increase in net voyage revenues of \$5.7 million, or 15 cents per share, in the quarter ended December 31, 1999.

Net loss for the nine months ended December 31, 1999 was \$19.6 million, or 54 cents per share, including 16 cents per share net income arising from the change in voyage accounting estimate, compared to net income of \$43.5 million, or \$1.41 per share, for the nine months ended December 31, 1998. The results for the nine months ended December 31, 1998 included an extraordinary loss of \$7.3 million, or 24 cents per share, on the redemption of the Company's 9 5/8% First Preferred Ship Mortgage Notes, and gains on asset sales of \$7.1 million, or 23 cents per share. There were no extraordinary items and no asset sales in the nine months ended December 31, 1999.

Net voyage revenues for the nine months ended December 31, 1999 were \$248.4 million, which is unchanged from the same period last year, while income from vessel operations declined to \$23.6 million from \$75.0 million.

Effective April 1, 1999, the Company revised its accounting estimate of the useful life of its vessels from 20 years to 25 years. This change resulted in a reduction of depreciation expense of \$8.6 million, or 23 cents per share, and \$22.5 million, or 62 cents per share, for the three and nine month periods ended December 31, 1999, respectively.

The Company's results include the results of Bona Shipholding Ltd. ("Bona") subsequent to Teekay's acquisition of Bona on June 11, 1999.

Teekay has changed its fiscal year end from March 31 to December 31, commencing December 31, 1999, to facilitate comparison of its operating results with those of other companies in the transportation industry.

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The following key indicators serve to highlight the changes in the Company's financial performance:

	Nine Months Ended			Three Months Ended		
	December 31, 1999	1998	% Change	December 31, 1999	1998	% Change
International fleet (non-Australian crewed):						
Revenue-generating ship-days:	15,807	11,054	43.0%	5,881	3,692	59.3%
TCE per revenue-generating ship-day:	\$13,410	\$20,365	-34.2%	\$12,364	\$17,539	-29.5%
Operating cash flow per calendar ship-day:	\$4,569	\$11,850	-61.4%	\$3,163	\$8,999	-64.9%
Australian crewed vessels:						
Operating cash flow per calendar ship-day:	\$14,643	\$14,650	-0.1%	\$15,047	\$16,046	-6.2%
Total fleet operating cash flow per calendar ship-day:	\$5,177	\$12,049	-57.0%	\$3,801	\$9,557	-60.2%

The International Energy Agency ("IEA") reported that global crude oil consumption, an indicator of tanker demand, averaged 76.9 million barrels per day during the quarter ended December 31, 1999, a 3.2% increase from 74.5 million barrels per day during the previous quarter, and an increase of 2.4% from the same quarter one year ago. OPEC oil production cutbacks have, however, to date prevented this oil consumption growth from benefiting tanker demand, as a high proportion of OPEC production is exported via oil tankers. For calendar 2000, the IEA is forecasting an additional 2.4% growth in global oil consumption over 1999.

Beginning in December 1999 and continuing through January and February 2000, freight rates for modern Aframax tankers have increased significantly due to seasonal factors, as well as the preference for modern vessels exhibited by charterers after the oil spill off the coast of France in January by the 1975-built tanker ERIKA.

The size of the world tanker and ore/bulk/oil ("OBO") fleet declined slightly to 301.9 million deadweight tonnes ("mdwt") at the end of the quarter, down 0.5% from last quarter, as the pace of scrapping exceeded newbuilding deliveries. Deliveries of tanker newbuildings during the quarter totalled 5.7 mdwt, up from 3.9 mdwt in the same period last year, while scrapping totalled 7.0 mdwt, up from 4.1 mdwt scrapped in the same period last year.

The world tanker and OBO orderbook measured 40.9 mdwt at December 31, 1999, representing 13.5% of the total world tanker and OBO fleet. The Aframax tanker orderbook declined from 53 vessels last quarter to 39 vessels as of December 31, 1999, or from 8.5% to 6.2% of the world Aframax fleet (including OBOs).

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During the quarter, the Company time-chartered-in one additional Aframax tanker, the 1999-built AEGEAN PRIDE, for a period of one year with an option to extend for an additional year.

The following is a summary of the Teekay fleet as of this date:

Type	Number	Dwt
Double-hull or double-sided Aframax (1):	38	3,767,900
Modern single-hull Aframax:	19	1,914,100
Oil/Bulk/Ore Carriers (2):	8	625,900
Time-chartered-in Aframax:	5	514,000
Other size tankers (3):	6	711,000
Total:	76	7,532,900

(1) Includes one 50%-owned Aframax tanker.

(2) Includes one 67%-owned OBO carrier & one 52%-owned OBO carrier.

(3) Includes two 50%-owned Suezmax tankers.

The Company paid a quarterly dividend of 21.5 cents per share on January 31, 2000 to shareholders of record as at January 17, 2000.

Teekay Shipping Corporation is a leading provider of international crude oil and petroleum product transportation services through the world's largest fleet of medium-sized oil tankers. Headquartered in Nassau, Bahamas, with offices in eleven other countries, Teekay employs approximately 300 on-shore and more than 2,700 seagoing staff around the world. The Company's modern fleet has earned a reputation for safety and excellence in providing transportation services to major oil companies, major oil traders and government agencies worldwide.

Teekay's common stock is listed on the New York Stock Exchange where it trades under the symbol "TK".

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SUMMARY CONSOLIDATED STATEMENTS OF INCOME

(in thousands of U.S. dollars, except share and per share data)

	<u>Nine Months Ended December 31,</u>		<u>Three Months Ended December 31,</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	\$	\$ (unaudited)	\$	\$ (unaudited)
NET VOYAGE REVENUES				
Voyage revenues	377,882	318,910	142,324	97,268
Voyage expenses	129,532	70,497	52,687	24,051
Net voyage revenues	248,350	248,413	89,637	73,217
OPERATING EXPENSES				
Vessel operating expenses	98,780	62,139	39,198	20,362
Time charter hire expense	30,681	21,896	11,018	8,271
Depreciation and amortization	68,299	71,686	24,367	23,769
General and administrative	27,018	17,675	10,265	6,588
	224,778	173,396	84,848	58,990
Income from vessel operations	23,572	75,017	4,789	14,227
OTHER ITEMS				
Interest expense	(44,996)	(35,030)	(18,286)	(10,138)
Interest income	5,842	5,008	2,155	1,340
Other income (loss)	(4,013)	5,845	(260)	(328)
	(43,167)	(24,177)	(16,391)	(9,126)
Net income (loss) before extraordinary loss	(19,595)	50,840	(11,602)	5,101
Extraordinary loss on bond redemption	-	(7,306)	-	-
Net income (loss)	(19,595)	43,534	(11,602)	5,101
Basic earnings per common share				
-net income (loss) before extraordinary loss	(0.54)	1.65	(0.30)	0.16
-net income (loss)	(0.54)	1.41	(0.30)	0.16
Diluted earnings per common share				
-net income (loss) before extraordinary loss	(0.54)	1.65	(0.30)	0.16
-net income (loss)	(0.54)	1.41	(0.30)	0.16
Weighted-average number of shares outstanding	36,384,191	30,871,957	38,064,110	31,647,819

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SUMMARY CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	<u>As at December 31,</u> <u>1999</u>	<u>As at March 31,</u> <u>1999</u>
	\$	\$
ASSETS		
Cash and marketable securities	226,381	132,256
Other current assets	60,332	39,190
Vessels and equipment	1,666,755	1,274,539
Other assets	29,216	6,235
Total Assets	1,982,684	1,452,220
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	59,946	31,211
Current portion of long-term debt	66,557	39,058
Long-term debt	1,018,610	602,661
Other long-term liabilities and minority interest	5,504	1,900
Stockholders' equity	832,067	777,390
Total Liabilities and Stockholders' Equity	1,982,684	1,452,220

FORWARD LOOKING STATEMENTS

This release contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including statements regarding tanker charter rates, seasonal variations in the tanker market, and the balance of supply and demand in the crude tanker market. The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: changes in production of or demand for oil and petroleum products, either generally or in particular regions; greater than anticipated levels of tanker newbuilding orders or less than anticipated rates of tanker scrapping; changes in trading patterns significantly impacting overall tanker tonnage requirements; and changes in the typical seasonal variations in tanker charter rates.

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