



TEEKAY SHIPPING CORPORATION

Fourth Floor, Euro Canadian Center, Marlborough Street & Navy Lion Road
P.O. Box SS-6293, Nassau, Bahamas

EARNINGS RELEASE

TEEKAY SHIPPING CORPORATION REPORTS FISCAL YEAR RESULTS

Nassau, The Bahamas, May 27, 1999 - Teekay Shipping Corporation today reported net income before extraordinary items of \$52.7 million, or \$1.70 per share, for the fiscal year ended March 31, 1999, compared to net income of \$70.5 million, or \$2.46 per share, for the previous fiscal year. Net income after extraordinary items was \$45.4 million, or \$1.46 per share. This included an extraordinary charge of \$7.3 million, or 24 cents per share, arising from the redemption of the Company's 9⁵/₈% First Preferred Ship Mortgage Notes in August 1998. The current fiscal year's results include \$7.1 million, or 23 cents per share, in gains on asset sales, compared to \$14.4 million, or 50 cents per share, in gains on asset sales in the prior year. Net voyage revenue increased to \$318.4 million, from \$305.3 million in the previous year, reflecting an increase in the Company's fleet, partially offset by lower spot tanker charter rates. Income from vessel operations decreased to \$85.6 million from \$107.6 million, as a result of declining tanker charter rates.

Net income for the fourth quarter of fiscal 1999 was \$1.9 million, or 6 cents per share, on net voyage revenue of \$70.0 million, compared to net income of \$15.6 million, or 54 cents per share, on net voyage revenue of \$78.6 million for the same period a year ago. Income from vessel operations decreased to \$10.6 million from \$28.6 million a year ago. There were no asset sales in the fourth quarters of fiscal 1999 and fiscal 1998.

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

	Year Ended March 31,		% Change	Three Months Ended March 31,		% Change
	1999	1998		1999	1998	
International fleet (non-Australian crewed):						
Revenue-generating ship-days:	14,647	14,229	2.9%	3,593	3,328	8.0%
TCE per revenue-generating ship-day:	\$19,576	\$21,373	(8.4)%	\$17,150	\$21,936	(21.8)%
Operating cash flow per calendar ship-day:	\$10,903	\$12,664	(13.9)%	\$8,034	\$13,436	(40.2)%
Australian crewed vessels:						
Operating cash flow per calendar ship-day:	\$14,509	\$13,482	7.6%	\$14,088	\$12,924	9.0%
Total fleet operating cash flow per calendar ship-day:	\$11,171	\$12,682	(11.9)%	\$8,502	\$13,374	(36.4)%

- more -

Global crude oil consumption, as reported by the International Energy Agency (“IEA”), an indicator of tanker demand, averaged 75.6 million barrels per day during the quarter ended March 31, 1999 which is a slight increase from 74.9 million barrels per day during the previous quarter, and up 1.2 percent from the same quarter one year ago. For calendar 1999, the IEA is forecasting 1.2 percent growth in global oil consumption over 1998, a slight decrease from their previous forecast. Despite the small increase in global crude oil consumption in the quarter, tanker tonne-mile demand was negatively affected by OPEC production cutbacks, which have reduced the amount of oil being exported via tankers by the OPEC producers.

The world tanker and ore/bulk/oil (“OBO”) fleet increased in size to 302.3 million deadweight tonnes (“mdwt”) at the end of the quarter, up 1.3% from March 31, 1998, and up 0.9% from last quarter, as newbuilding deliveries exceeded the pace of scrapping. Deliveries of tanker newbuildings during the quarter totalled 5.9 mdwt, up from 2.1 mdwt in the same period last year, while scrapping totalled 3.4 mdwt, up from 1.2 mdwt scrapped in the same period last year.

The world tanker and OBO orderbook measured 43.2 mdwt at March 31, 1999, representing 14.3 percent of the total world tanker and OBO fleet. The Aframax tanker orderbook declined from 80 vessels last quarter to 70 vessels as of March 31, 1999, or from 13.2 percent to 11.4 percent of the world Aframax fleet (including OBOs). Of the Aframax vessels currently on order, 53, or 8.7% of the world Aframax fleet, are scheduled for delivery prior to March 31, 2000.

In March 1999, the Company purchased a 1987-built Aframax tanker, the COOK SPIRIT. The following is a summary of the Teekay fleet as of this date:

Type	Number	Dwt
Double-hull or double-sided Aframax:	22	2,171,600
Modern single-hull Aframax:	17	1,715,500
Time-chartered-in Aframax:	5	501,500
Newbuilding Aframax on Order: *	2	226,000
Other size tankers:	4	391,500
Total:	50	5,006,100

* Scheduled for delivery in July and September 1999

On March 29, 1999, the Company announced that it had entered into an amalgamation agreement under which Teekay will acquire Bona Shipholding Ltd. (OSE:BSH) for a combination of cash, stock and assumed debt with an aggregate value of approximately \$450 million. The agreement combines Teekay's leadership position in the Indo-Pacific Basin with the market strengths of Bona's Atlantic franchise. Bona currently controls a fleet of 31 vessels (including one Aframax newbuilding to be delivered in June 1999). The combined company will operate 81 vessels and will be approximately three times larger than its nearest competitor in the Aframax tanker segment. The transaction is expected to be completed in mid-June 1999.

The Company paid a quarterly dividend of 21.5 cents per share on April 30, 1999 to shareholders of record as at April 16, 1999.

Teekay Shipping Corporation is a leading provider of international crude oil and petroleum product transportation services through the world's largest fleet of medium size oil tankers. The Company's modern fleet provides such transportation services to major oil companies, major oil traders and government agencies, principally in the Indo-Pacific Basin.

The Company's common stock is listed on the New York Stock Exchange and trades under the symbol "TK".

Contact: James Fraser
(604) 844-6654
Web Site: www.teekay.com

- more -

SUMMARY CONSOLIDATED STATEMENTS OF INCOME

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

	<u>Year Ended March 31,</u>		<u>Three Months Ended March 31,</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	\$	\$	\$	\$
			(Unaudited)	
NET VOYAGE REVENUES				
Voyage revenues	411,922	406,036	93,012	100,973
Voyage expenses	93,511	100,776	23,014	22,370
Net voyage revenues	318,411	305,260	69,998	78,603
OPERATING EXPENSES				
Vessel operating expenses	84,397	70,510	22,258	16,241
Time charter hire expense	29,666	10,627	7,770	3,255
Depreciation and amortization	93,712	94,941	22,026	23,887
General and administrative	25,002	21,542	7,327	6,577
	232,777	197,620	59,381	49,960
Income from vessel operations	85,634	107,640	10,617	28,643
OTHER ITEMS				
Interest expense	(44,797)	(56,269)	(9,767)	(14,026)
Interest income	6,369	7,897	1,361	2,135
Other income (loss)	5,506	11,236	(339)	(1,141)
	(32,922)	(37,136)	(8,745)	(13,032)
Net income before extraordinary loss	52,712	70,504	1,872	15,611
Extraordinary loss on bond redemption	(7,306)			
Net income	45,406	70,504	1,872	15,611
Basic earnings per common share				
-net income before extraordinary loss	1.70	2.46	0.06	0.54
-net income	1.46	2.46	0.06	0.54
Diluted earnings per common share				
-net income before extraordinary loss	1.70	2.44	0.06	0.54
-net income	1.46	2.44	0.06	0.54
Weighted-average number of shares outstanding	31,063,357	28,655,176	31,648,191	28,822,338

- more -

SUMMARY CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	<u>As at March 31, 1999</u>	<u>As at March 31, 1998</u>
	\$	\$
ASSETS		
Cash and marketable securities	132,256	115,254
Other current assets	39,190	38,113
Vessels and equipment	1,274,539	1,297,883
Other assets	6,235	8,933
Total Assets	1,452,220	1,460,183
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	33,111	45,359
Current portion of long-term debt	39,058	52,932
Long-term debt	602,661	672,437
Stockholders' equity	777,390	689,455
Total Liabilities and Stockholders' Equity	1,452,220	1,460,183

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, the balance of supply and demand in the crude tanker market, and the pending acquisition of Bona Shipholding Ltd. 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, including Asia; 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 the Company's ability to complete the acquisition of Bona Shipholding Ltd.

- end -