



## TEEKAY SHIPPING CORPORATION

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P.O. Box AP-59213, Nassau, Bahamas

### EARNINGS RELEASE

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#### TEEKAY SHIPPING CORPORATION REPORTS FIRST QUARTER PROFIT OF \$144.7 MILLION

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Nassau, The Bahamas, April 25, 2001 - Teekay Shipping Corporation today reported net income of \$144.7 million, or \$3.59 per share on a fully diluted basis, for the quarter ended March 31, 2001, compared to net income of \$19.9 million, or \$0.52 per share on a fully diluted basis, for the quarter ended March 31, 2000. Net voyage revenues for the quarter were \$245.2 million, compared to \$120.1 million recorded in the same period last year, while income from vessel operations increased to \$155.7 million, from \$37.8 million. The results for the current quarter reflect a significant improvement in tanker charter rates and a small increase in average fleet size as a result of the acquisition of a controlling interest in Ugland Nordic Shipping ASA on March 6, 2001.

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

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	Three Months Ended March 31,		%
	2001	2000	Change
<b>International Tanker Fleet (excludes the UNS and Australian fleets):</b>			
Revenue-generating ship-days	4,923	5,253	-6.3%
TCE per revenue-generating ship-day	\$43,720	\$19,016	130.0%
TCE per calendar-ship-day	\$39,848	\$17,516	127.5%
Vessel operating expense per calendar-ship-day	\$5,307	\$5,218	1.7%
<b>Oil/Bulk/Ore ("OBO") Fleet:</b>			
Revenue-generating ship-days	611	687	-11.1%
TCE per revenue-generating ship-day	\$20,270	\$12,251	65.5%
TCE per calendar-ship-day	\$16,415	\$10,765	52.5%
Vessel operating expense per calendar-ship-day	\$6,263	\$5,952	5.2%

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Compared to the fiscal quarter ended December 31, 2000, the Company recorded an increase in charter rates in a continuation of strong Aframax tanker demand. Year-over-year, charter rates were significantly higher for all crude oil tanker market segments, as growth in the world supply of modern tankers did not keep pace with the growth in demand for such vessels. This year-over-year increase in demand for modern tankers was driven primarily by rising world oil demand and heightened environmental concerns among oil importing nations. During the quarter, OPEC cut back oil production in anticipation of the seasonal reduction in crude oil demand which typically occurs during the second quarter. This caused Aframax tanker charter rates to decline at the end of the quarter from the high levels experienced during the winter.

The International Energy Agency ("IEA") estimated that global oil demand, an indicator of tanker demand, averaged 77.3 million barrels per day during the most recent quarter, up 2.5% from the quarter ended March 31, 2000, and a 1.2% increase over the quarter ended December 31, 2000. The IEA's most recent forecast dated April 12, 2001, of oil demand for 2001 is 76.7 million barrels per day, a 1.7% increase over 2000.

The size of the world tanker and OBO fleet increased to 309.4 million deadweight tonnes ("mdwt"), at the end of the quarter, up 0.3% from the previous quarter and up 2.7% from March 31, 2000. Deliveries of tanker newbuildings during the quarter ended March 31, 2001 totaled 3.7 mdwt, down from 5.3 mdwt in the previous quarter, while scrapping totaled 1.8 mdwt, compared to 2.2 mdwt scrapped in the previous quarter.

The world tanker and OBO orderbook increased from 52.1 mdwt at December 31, 2000 to 55.6 mdwt at March 31, 2001, or from 16.9 % to 18.0% of the total world tanker and OBO fleet. The Aframax tanker orderbook increased from 68 vessels at December 31, 2000 to 86 vessels as of March 31, 2001, or from 10.7% to 13.5% of the world Aframax fleet (including OBOs).

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Tanker supply may be significantly affected by new legislation accelerating the phase-out of older tankers currently under consideration by the Marine Environment Protection Committee, a sub-committee of the United Nations' International Maritime Organization (IMO). If the legislation is passed as it is currently drafted, management believes that it will effectively phase out approximately 30% of the current world tanker fleet by the end of 2006.

During March 2001, Teekay acquired a controlling interest in Ugland Nordic Shipping ASA ("UNS"). UNS is the world's largest publicly traded shuttle tanker operator, controlling a modern fleet of 18 vessels (including a newbuilding program for four vessels), and operates primarily in the North Sea under fixed-rate long-term contracts. As required by Norwegian law, Teekay launched a mandatory bid for the remaining shares in UNS at Norwegian Kroner 140 per share. As of April 24, 2001, Teekay had accumulated a total of 64.6% of the total issued and outstanding shares of UNS for \$138 million cash. The mandatory bid will expire on April 30, 2001.

At the end of the most recent quarter, the Company time-chartered-in a newbuilding Aframax tanker for a period of three years. As of March 31, 2001, the Teekay fleet consisted of 94 vessels, including six time-chartered-in Aframax tankers and 18 vessels controlled by UNS. Revenue-generating ship-days for the International Tanker Fleet decreased to 4,923 days in the quarter ended March 31, 2001 from 5,253 days in the same period last year, primarily as a result of the sale of two older tankers in March 2000. The reduction in revenue-generating ship-days for the OBO Fleet was due to an increase in the number of drydockings in the current quarter, compared to the same period last year.

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, oil traders and government agencies worldwide.

Teekay's common stock trades on the New York Stock Exchange 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)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2001</b>	<b>2000</b>
	<b>\$</b>	<b>\$</b>
	<b>(unaudited)</b>	
<b>NET VOYAGE REVENUES</b>		
Voyage revenues	307,886	182,262
Voyage expenses	62,730	62,195
Net voyage revenues	245,156	120,067
<b>OPERATING EXPENSES</b>		
Vessel operating expenses	33,879	34,769
Time-charter hire expense	17,183	12,966
Depreciation and amortization	27,521	25,042
General and administrative	10,838	9,522
	89,421	82,299
Income from vessel operations	155,735	37,768
<b>OTHER ITEMS</b>		
Interest expense	(14,786)	(19,989)
Interest income	2,803	3,253
Other income (loss)	936	(1,092)
	(11,047)	(17,828)
Net income	144,688	19,940
Earnings per common share		
- Basic	3.69	0.52
- Diluted	3.59	0.52
Weighted-average number of common shares outstanding	39,229,776	38,069,614

## SUMMARY CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	<b>As at March 31,</b>	<b>As at December 31,</b>
	<b>2001</b>	<b>2000</b>
	<b>\$</b>	<b>\$</b>
	<b>(unaudited)</b>	
<b>ASSETS</b>		
Cash and short-term marketable securities	304,210	189,381
Other current assets	103,368	106,114
Marketable securities – long-term	43,844	33,742
Vessels and equipment	1,944,208	1,607,716
Goodwill	58,818	-
Other assets	63,884	37,146
<b>Total Assets</b>	<b>2,518,332</b>	<b>1,974,099</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable and accrued liabilities	69,332	66,165
Current portion of long-term debt	123,058	72,170
Long-term debt	985,636	725,314
Other long-term liabilities	38,558	4,570
Minority interest	66,968	7,368
Stockholders' equity	1,234,780	1,098,512
<b>Total Liabilities and Stockholders' Equity</b>	<b>2,518,332</b>	<b>1,974,099</b>

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**TEEKAY SHIPPING CORPORATION**  
**SUPPLEMENTAL INFORMATION**

(in thousands of U.S. dollars)

	<b>Three Months Ended March 31, 2001</b>				
	<b>(unaudited)</b>				
	<b><u>International</u></b> <b><u>Tanker Fleet</u></b> \$	<b><u>OBO</u></b> <b><u>Fleet*</u></b> \$	<b><u>UNS</u></b> <b><u>Fleet**</u></b> \$	<b><u>Australian</u></b> <b><u>Fleet</u></b> \$	<b><u>Total</u></b> <b><u>Fleet</u></b> \$
Net voyage revenues	210,400	21,215	5,261	8,280	245,156
Vessel operating expenses	25,478	4,509	1,503	2,389	33,879
Time-charter hire expense	7,787	9,396	-	-	17,183
Depreciation and amortization	23,223	1,002	1,531	1,765	27,521

  

	<b>Three Months Ended March 31, 2000</b>				
	<b>(unaudited)</b>				
	<b><u>International</u></b> <b><u>Tanker Fleet</u></b> \$	<b><u>OBO</u></b> <b><u>Fleet*</u></b> \$	<b><u>UNS</u></b> <b><u>Fleet</u></b> \$	<b><u>Australian</u></b> <b><u>Fleet</u></b> \$	<b><u>Total</u></b> <b><u>Fleet</u></b> \$
Net voyage revenues	96,890	13,384	-	9,793	120,067
Vessel operating expenses	26,488	4,333	-	3,948	34,769
Time-charter hire expense	7,419	5,547	-	-	12,966
Depreciation and amortization	22,363	939	-	1,740	25,042

\* Time-charter hire expense for the OBO Fleet represents the minority pool participants' share of the OBO pool's net voyage revenues.

\*\* Represents results for the period from March 6, 2001 to March 31, 2001.

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## FORWARD LOOKING STATEMENTS

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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 and the balance of supply and demand in the crude tanker market, and the potential effect of the proposed amendments to the IMO legislation on the world tanker fleet. 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; changes in applicable industry regulations, including legislation adopted by the IMO, or imposed by individual countries; changes in the typical seasonal variations in tanker charter rates; and changes in the offshore production of oil.