



TEEKAY SHIPPING CORPORATION
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EARNINGS RELEASE

TEEKAY SHIPPING CORPORATION REPORTS FIRST QUARTER RESULTS

1st Quarter Highlights

- Net income of \$53.6 million, or \$1.32 per share (net of \$31.7 million or \$0.78 per share in non-cash write-downs)
- International Fleet TCE earnings of \$33,873 per day
- Income from vessel operations of \$103.5 million
- Completed acquisition of Navion ASA on April 7, 2003

Nassau, The Bahamas, April 23, 2003 - Teekay Shipping Corporation today reported net income of \$53.6 million, or \$1.32 per share, for the quarter ended March 31, 2003, compared to net income of \$15.7 million, or \$0.39 per share, for the quarter ended March 31, 2002. The results for the quarter ended March 31, 2003 included a \$26.8 million, or \$0.66 per share, write-down in the carrying value of certain older vessels, including three vessels sold in April 2003, and a \$4.9 million, or \$0.12 per share, write-down in the carrying value of certain marketable securities. Excluding these non-cash charges, the Company would have had net income of \$85.3 million, or \$2.10 per share, for the quarter ended March 31, 2003. Net voyage revenues for the quarter were \$212.9 million, compared to \$136.2 million recorded in the same period in 2002, while income from vessel operations increased to \$103.5 million from \$32.8 million.

The following key indicators serve to highlight changes in operating performance:

	Three Months Ended March 31, 2003	Three Months Ended December 31, 2002	Three Months Ended March 31, 2002
International Tanker Fleet:			
Revenue-generating ship-days	4,731	5,186	4,864
TCE per revenue-generating ship-day	\$33,873	\$20,562	\$18,862
TCE per calendar-ship-day	\$29,609	\$18,689	\$16,679
Vessel operating expense per calendar-ship-day	\$5,645	\$5,213	\$5,511
Operating cash flow per calendar-ship-day	\$21,010	\$10,659	\$8,573
Oil/Bulk/Ore ("OBO") Fleet:			
Revenue-generating ship-days	684	658	633
TCE per revenue-generating ship-day	\$19,620	\$14,704	\$11,406
TCE per calendar-ship-day	\$17,775	\$12,500	\$9,450
Vessel operating expense per calendar-ship-day	\$6,258	\$6,678	\$5,901
Operating cash flow per calendar-ship-day	\$8,116	\$2,196	\$684
UNS Fleet:			
Calendar-ship-days	1,249	1,148	1,080
Operating cash flow per calendar-ship-day	\$14,697	\$16,624	\$14,984
Australian Fleet:			
Calendar-ship-days	450	460	450
Operating cash flow per calendar-ship-day	\$14,446	\$14,821	\$15,780

- more -

Tanker Market

Tanker rates continued to strengthen during the first quarter of 2003, primarily driven by increased oil production, shifts in oil production sources, and heightened charterer discrimination against older tonnage. Global oil supply rose to 79.0 million barrels per day (“mb/d”) in the first quarter of 2003 compared to 77.9 mb/d in the previous quarter and 76.1 mb/d in the first quarter of 2002. In addition, tanker ton-mile demand increased as long-haul oil transportation from the Middle East replaced disrupted oil supplies from Venezuela, Nigeria and Iraq.

Global oil demand, an underlying driver of tanker demand, was estimated by the International Energy Agency (“IEA”) to be 78.4 mb/d in the first quarter of 2003, a decline of 0.3 mb/d compared to the previous quarter but 1.8 mb/d higher than in the first quarter of 2002. As of April 10, 2003, the IEA was forecasting oil demand of 78.0 mb/d for 2003, a 1.5% increase over 2002.

The size of the world tanker fleet increased to 313.3 million deadweight tons (“mdwt”) as of March 31, 2003, up 1.9% from the end of the previous quarter. A total of 3.0 mdwt was sold for demolition or otherwise removed from the fleet in the first quarter, compared to 3.9 mdwt in the previous quarter, while deliveries of tanker newbuildings during the first quarter totalled 8.4 mdwt, up from 7.3 mdwt in the previous quarter.

As of March 31, 2003, the world tanker orderbook was 64.9 mdwt, representing 20.7% of the of the total world tanker fleet, compared to 59.1 mdwt, or 19.2%, at the end of the previous quarter. The Aframax tanker orderbook as of March 31, 2003 was at 125 ships or 18.9% of the existing fleet, down from 130 ships or 20.3% as of December 31, 2002.

On March 27, 2003, the EU Transport Council approved proposed regulations that would immediately ban the carriage of “heavy oil” on single hull vessels in European waters and accelerate the phase out of single hull tonnage. The proposed regulations are scheduled for review in early June 2003 by the EU Parliament, and if approved as proposed, it is expected that the regulations would come into effect on July 1, 2003. In addition, the EU has put forward these regulations to the International Maritime Organization for review at the Marine Environment Protection Committee meeting in July 2003.

- more -

Teekay Fleet

As of March 31, 2003, the Teekay fleet (excluding Navion's fleet and vessels managed for third parties) consisted of 105 vessels, including five time-chartered-in Aframax tankers and 15 newbuilding tankers on order. During the first quarter, Teekay exercised options to order four additional high-specification Aframax newbuildings for an aggregate cost of approximately \$155 million, including construction supervision costs and capitalized interest. The new vessels will be 115,000 dwt each and are scheduled to be delivered in 2005. On March 10, 2003, Teekay took delivery of an Aframax shuttle tanker newbuilding, which commenced a long-term charter for seven years.

The ALLIANCE SPIRIT, a 1989-built Aframax tanker, was declared a constructive total loss for insurance purposes following its grounding on February 1, 2003 off the coast of Algeria during severe weather conditions. There were no injuries to any crew members nor was there any pollution as the vessel was not carrying cargo at the time of the incident.

The following is a summary of the Teekay fleet as of March 31, 2003:

Type	Number	Dwt
International Tanker Fleet:		
100%-owned Aframax	52	5,201,600
Time-chartered-in Aframax	5	515,800
Newbuilding Aframax on order	11	1,249,000
Newbuilding Suezmax on order	3	456,000
VLCC	1	280,700
OBO Fleet (1)	8	625,900
Australian Fleet	5	381,900
UNS Fleet:		
Shuttle Tankers (2)	19	1,981,400
Newbuilding Shuttle Tankers on order	1	147,500
Total:	105	10,839,800

(1) Includes one 67%-owned OBO carrier and one 52%-owned OBO carrier.

(2) Includes seven shuttle tankers of which Teekay's ownership interest ranges from 50% to 89%.

In April 2003, Teekay sold the TEEKAY FULMAR, a 1983-built Aframax OBO carrier, the CLARE SPIRIT, a 1986-built Aframax tanker, and the SHANNON SPIRIT a 1987-built Aframax tanker. Of the total vessel write-down of \$26.8 million included in the results for the quarter ended March 31, 2003, \$13.9 million related to these three vessels.

Other Highlights

On April 7, 2003, Teekay successfully completed its acquisition of Navion ASA, the wholly-owned shipping subsidiary of Statoil ASA (NYSE: STO, OSE: STL), on a debt free basis, for approximately \$800 million in cash. In accordance with accounting principles generally accepted in the United States, Navion's results will be consolidated with Teekay's commencing from April 7, 2003 (the closing date); however, the effective date of the transaction (i.e. the date economic benefit was transferred) was January 1, 2003.

About Teekay

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. With offices in 12 countries, Teekay employs more than 4,200 seagoing and shore-based staff around the world. The Company's 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 is listed on the New York Stock Exchange where it trades under the symbol "TK".

The Company plans to host a conference call at 11:00 a.m. EDT (8:00 a.m. PDT) on April 24, 2003, to discuss the results for the quarter. All shareholders and interested parties are invited to listen to the live conference call through www.teekay.com. A recording of the call will be available until May 1, 2003 by dialing (719) 457-0820, access code 410005, or via the Company's Web site until May 24, 2003.

- more -

Use of Non-GAAP Financial Information

Teekay provides certain non-GAAP financial measures as additional information relating to its operating results. Teekay's management believes that the presentation of these measures provides useful information to investors regarding certain additional financial and business trends relating to its financial condition and results of operations. These measures are not in accordance with, or an alternative to, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. In addition to GAAP financial measures, Teekay has presented in this earnings release net income and diluted earnings per share on an adjusted basis, excluding write-downs in the carrying value of certain vessels and marketable securities (see attached reconciliation schedule).

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- more -

SUMMARY CONSOLIDATED STATEMENTS OF INCOME

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

	<u>Three Months</u> <u>Ended</u> <u>March 31,</u> <u>2003</u> <u>(unaudited)</u>	<u>Three Months</u> <u>Ended</u> <u>December 31,</u> <u>2002</u> <u>(unaudited)</u>	<u>Three Months</u> <u>Ended</u> <u>March 31,</u> <u>2002</u> <u>(unaudited)</u>
NET VOYAGE REVENUES			
Voyage revenues	282,232	222,835	188,630
Voyage expenses	69,334	67,691	52,471
Net voyage revenues	212,898	155,144	136,159
OPERATING EXPENSES			
Vessel operating expenses	42,646	40,620	40,387
Time-charter hire expense	12,911	12,309	12,714
Depreciation and amortization	39,130	39,160	36,078
General and administrative	14,727	14,422	14,167
	109,414	106,511	103,346
Income from vessel operations	103,484	48,633	32,813
OTHER ITEMS			
Interest expense	(14,386)	(14,120)	(14,701)
Interest income	846	803	792
Write-down of vessels	(26,792)	-	-
Other loss	(9,573)	(2,210)	(3,213)
	(49,905)	(15,527)	(17,122)
Net income	53,579	33,106	15,691
Earnings per common share			
- Basic	\$1.35	\$0.83	\$0.40
- Diluted	\$1.32	\$0.82	\$0.39
Weighted-average number of common shares outstanding			
- Basic	39,740,399	39,668,835	39,554,461
- Diluted	40,451,189	40,273,565	40,254,683

SUMMARY CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	<u>As at March 31,</u> <u>2003</u> <u>(unaudited)</u>	<u>As at December 31,</u> <u>2002</u>
ASSETS		
Cash and cash equivalents	247,639	284,625
Other current assets	119,940	102,933
Marketable securities – long-term	14,141	13,630
Vessels and equipment	1,909,681	1,928,488
Advances on newbuilding contracts	139,915	138,169
Other assets	182,146	166,472
Goodwill	90,257	89,189
Total Assets	2,703,719	2,723,506
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	86,839	105,950
Current portion of long-term debt	92,695	83,605
Long-term debt	979,192	1,047,217
Other long-term liabilities	64,565	44,512
Minority interest	21,095	20,324
Stockholders' equity	1,459,333	1,421,898
Total Liabilities and Stockholders' Equity	2,703,719	2,723,506

- more -

SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)

	Three Months Ended	
	March 31,	
	2003	2002
	(unaudited)	(unaudited)
Cash and cash equivalents provided by (used for)		
OPERATING ACTIVITIES		
Net cash flow from operating activities	89,090	49,071
FINANCING ACTIVITIES		
Net proceeds from long-term debt	155,733	9,630
Scheduled repayments of long-term debt	(19,258)	(8,761)
Prepayments of long-term debt	(200,000)	-
Other	(6,796)	(11,387)
Net cash flow from financing activities	(70,321)	(10,518)
INVESTING ACTIVITIES		
Expenditures for vessels and equipment	(62,891)	(13,869)
Expenditures for drydocking	(5,019)	(3,858)
Proceeds from disposition of assets	18,000	
Other	(5,845)	4,886
Net cash flow from investing activities	(55,755)	(12,841)
(Decrease) increase in cash and cash equivalents	(36,986)	25,712
Cash and cash equivalents, beginning of the period	284,625	174,950
Cash and cash equivalents, end of the period	247,639	200,662

TEEKAY SHIPPING CORPORATION SUPPLEMENTAL INFORMATION

(in thousands of U.S. dollars)

	Three Months Ended March 31, 2003				
	(unaudited)				
	<u>International</u>	<u>OBO</u>	<u>UNS</u>	<u>Australian</u>	<u>Total</u>
	<u>Tanker Fleet</u>	<u>Fleet*</u>	<u>Fleet</u>	<u>Fleet</u>	<u>Fleet</u>
Net voyage revenues	155,445	18,023	27,334	12,096	212,898
Vessel operating expenses	27,107	4,506	6,560	4,473	42,646
Time-charter hire expense	7,686	5,225	-	-	12,911
Depreciation and amortization	24,931	1,936	9,704	2,559	39,130
Three Months Ended December 31, 2002					
(unaudited)					
	<u>International</u>	<u>OBO</u>	<u>UNS</u>	<u>Australian</u>	<u>Total</u>
	<u>Tanker Fleet</u>	<u>Fleet*</u>	<u>Fleet</u>	<u>Fleet</u>	<u>Fleet</u>
Net voyage revenues	103,087	13,642	26,366	12,049	155,144
Vessel operating expenses	26,367	4,915	5,229	4,109	40,620
Time-charter hire expense	7,867	4,442	-	-	12,309
Depreciation and amortization	25,664	2,187	8,694	2,615	39,160

- more -

TEEKAY SHIPPING CORPORATION
SUPPLEMENTAL INFORMATION - CONTINUED

(in thousands of U.S. dollars)

	Three Months Ended March 31, 2002				
	(unaudited)				
	<u>International</u> <u>Tanker Fleet</u> \$	<u>OBO</u> <u>Fleet*</u> \$	<u>UNS</u> <u>Fleet</u> \$	<u>Australian</u> <u>Fleet</u> \$	<u>Total</u> <u>Fleet</u> \$
Net voyage revenues	88,918	11,353	24,105	11,783	136,159
Vessel operating expenses	26,784	4,249	5,717	3,637	40,387
Time-charter hire expense	8,165	4,549	-	-	12,714
Depreciation and amortization	23,569	1,614	8,354	2,541	36,078

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

TEEKAY SHIPPING CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	<u>Three Months</u> <u>Ended March 31,</u> <u>2003</u> \$
GAAP Net income, as reported	53,579
Write-down in carrying value of vessels	26,792
Write-down in carrying value of marketable securities	4,910
Net income, as adjusted	85,281
GAAP diluted earnings per share, as reported	1.32
Write-down in carrying value of vessels	0.66
Write-down in carrying value of marketable securities	0.12
Diluted earnings per share, as adjusted	2.10

- more -

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, newbuilding deliveries; and applicable industry regulations. 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 or less than anticipated levels of tanker newbuilding orders or greater or less than anticipated rates of tanker scrapping; changes in trading patterns significantly impacting overall tanker tonnage requirements; changes in applicable industry regulations; changes in the typical seasonal variations in tanker charter rates; changes in the offshore production of oil; and other factors discussed in Teekay's Report on Form 20-F for the fiscal year ended December 31, 2002 and subsequent SEC filings, including the Rule 424(B) prospectus supplement filed with the SEC on February 14, 2003.

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