

TEEKAY SHIPPING CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands of U.S. dollars)

Three Months Ended June 30, 2006
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Income from vessel operations	34,634	6,162	28,126	68,922
Depreciation and amortization	29,294	7,755	13,108	50,157
Writedown / (gain) on sale of vessels and equipment	1,950	-	(300)	1,650
Cash flow from vessel operations ⁽¹⁾	65,878	13,917	40,934	120,729

Three Months Ended June 30, 2005
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Income from vessel operations	34,270	10,171	87,017	131,458
Depreciation and amortization	30,099	7,523	12,684	50,306
Writedown / (gain) on sale of vessels and equipment	10,253	-	(26,147)	(15,894)
Cash flow from vessel operations ⁽¹⁾	74,622	17,694	73,554	165,870

- (1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and writedown / (gain) on sale of vessels and equipment. Cash flow from vessel operations is included because certain investors use this data to measure a company's financial performance. Cash flow from vessel operations is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to net income or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.

TEEKAY SHIPPING CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

Three Months Ended June 30, 2006
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Voyage revenues	178,852	22,519	221,216	422,587
Voyage expenses	(19,622)	(400)	(91,395)	(111,417)
Net voyage revenues ⁽²⁾	159,230	22,119	129,821	311,170

Three Months Ended March 31, 2006
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Voyage revenues	195,669	23,700	306,627	525,996
Voyage expenses	(23,132)	-	(110,479)	(133,611)
Net voyage revenues ⁽²⁾	172,537	23,700	196,148	392,385

Three Months Ended June 30, 2005
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Voyage revenues	188,796	24,778	266,566	480,140
Voyage expenses	(16,940)	(2)	(81,354)	(98,296)
Net voyage revenues ⁽²⁾	171,856	24,776	185,212	381,844

Six Months Ended June 30, 2006
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Voyage revenues	374,521	46,219	527,843	948,583
Voyage expenses	(42,754)	(400)	(201,874)	(245,028)
Net voyage revenues ⁽²⁾	331,767	45,819	325,969	703,555

Six Months Ended June 30, 2005
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Voyage revenues	360,958	49,043	587,550	997,551
Voyage expenses	(31,225)	(50)	(165,550)	(196,825)
Net voyage revenues ⁽²⁾	329,733	48,993	422,000	800,726

- (2) Net voyage revenues represents voyage revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net voyage revenues is included because certain investors use this data to measure the financial performance of shipping companies. Net voyage revenues is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to voyage revenues or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.