

TEEKAY SHIPPING CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands of U.S. dollars)

Three Months Ended March 31, 2006
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Income from vessel operations	43,688	8,948	90,077	142,713
Depreciation and amortization	29,611	7,678	13,195	50,484
Gain on sale of vessels	(105)	-	(502)	(607)
Cash flow from vessel operations ⁽¹⁾	73,194	16,626	102,770	192,590

Three Months Ended March 31, 2005
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Income from vessel operations	44,977	9,412	215,543	269,932
Depreciation and amortization	30,695	7,522	15,866	54,083
Gain on sale of vessels	(4,884)	-	(96,969)	(101,853)
Cash flow from vessel operations ⁽¹⁾	70,788	16,934	134,440	222,162

- (1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and vessel write-down/(gain)loss on sale of vessels. 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 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 March 31, 2005
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Voyage revenues	172,162	24,265	320,984	517,411
Voyage expenses	(14,285)	(48)	(84,196)	(98,529)
Net voyage revenues ⁽²⁾	157,877	24,217	236,788	418,882

- (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.