

TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands of U.S. dollars)

Three Months Ended June 30, 2007
(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Income from vessel operations	47,552	16,610	13,547	39,926	117,635
Depreciation and amortization	35,627	8,260	11,571	12,637	68,095
Amortization of in process revenue contracts	(7,063)	-	-	-	(7,063)
Amortization of deferred gain	(105)	-	-	(1,786)	(1,891)
Gain on sale of vessels and equipment	(11,613)	-	-	-	(11,613)
Cash flow from vessel operations ⁽¹⁾	64,398	24,870	25,118	50,777	165,163

Three Months Ended June 30, 2006
(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Income from vessel operations	18,167	16,327	6,302	28,126	68,922
Depreciation and amortization	20,856	8,162	8,031	13,108	50,157
Writedown / (gain) on sale of vessels and equipment	1,950	-	-	(300)	1,650
Cash flow from vessel operations ⁽¹⁾	40,973	24,489	14,333	40,934	120,729

- (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, 2007

(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Revenues	236,233	45,787	38,496	257,366	577,882
Voyage expenses	(26,064)	(592)	(8)	(108,645)	(135,309)
Net revenues ⁽²⁾	210,169	45,195	38,488	148,721	442,573

Three Months Ended March 31, 2007

(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Revenues	248,875	44,589	37,477	252,075	583,016
Voyage expenses	(28,726)	(560)	(5)	(94,269)	(123,560)
Net revenues ⁽²⁾	220,149	44,029	37,472	157,806	459,456

Three Months Ended June 30, 2006

(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Revenues	133,742	43,852	23,777	221,216	422,587
Voyage expenses	(19,113)	(508)	(401)	(91,395)	(111,417)
Net revenues ⁽²⁾	114,629	43,344	23,376	129,821	311,170

Six Months Ended June 30, 2007

(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Revenues	485,108	90,376	75,973	509,441	1,160,898
Voyage expenses	(54,790)	(1,152)	(13)	(202,914)	(258,869)
Net revenues ⁽²⁾	430,318	89,224	75,960	306,527	902,029

Six Months Ended June 30, 2006

(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Revenues	283,715	88,290	48,735	527,843	948,583
Voyage expenses	(41,816)	(933)	(405)	(201,874)	(245,028)
Net revenues ⁽²⁾	241,899	87,357	48,330	325,969	703,555

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