



TEEKAY SHIPPING CORPORATION

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EARNINGS RELEASE

TEEKAY SHIPPING CORPORATION REPORTS THIRD QUARTER PROFIT OF \$80.9 MILLION

Nassau, The Bahamas, October 25, 2000 - Teekay Shipping Corporation today reported net income of \$80.9 million, or \$2.10 per share, for the quarter ended September 30, 2000, compared to a net loss of \$8.7 million, or \$0.23 per share, for the quarter ended September 30, 1999. Net voyage revenues for the quarter were \$174.9 million, compared to \$87.8 million recorded in the same period last year, while income from vessel operations increased to \$95.3 million, from \$6.9 million. The results for the current quarter reflect a significant improvement in tanker charter rates.

Net income for the nine months ended September 30, 2000 was \$147.5 million, or \$3.85 per share, compared to a net loss of \$6.1 million, or \$0.18 per share, for the same period last year. Net voyage revenues for the nine months ended September 30, 2000 were \$437.6 million, compared to \$228.7 million in the same period last year, while income from vessel operations increased to \$194.2 million from \$29.4 million. The results for the current period reflect a significant improvement in tanker charter rates and an increase in fleet size as a result of the acquisition of Bona Shipholding Ltd. on June 11, 1999.

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

	Three Months Ended		%	Nine Months Ended		%
	September 30,			September 30,		
	2000	1999	Change	2000	1999	Change
International Fleet (excluding ex-Bona OBOs and Australian crewed vessels):						
Revenue-generating ship-days:	5,205	5,092	2.2%	15,583	12,699	22.7%
TCE per revenue-generating ship-day:	\$29,313	\$13,264	121.0%	\$23,949	\$14,988	59.8%
Operating cash flow per calendar ship-day:	\$20,447	\$4,707	334.4%	\$15,130	\$6,308	139.9%
Australian Crewed Vessels:						
Operating cash flow per calendar ship-day:	\$14,976	\$14,297	4.7%	\$14,293	\$14,326	-0.2%
Total Fleet operating cash flow per calendar ship-day:						
	\$18,690	\$5,130	264.3%	\$14,042	\$6,678	110.3%

Tanker charter rates rose during the quarter and have continued to strengthen into the month of October. Tanker demand increased at a faster rate than tanker supply during the quarter as a result of oil production increases by the OPEC producers.

Bjorn Moller, Chief Executive Officer, said: "We are delighted with the high level of earnings in this quarter, and the further strengthening of rates into October. In addition, strong oil demand growth, heightened environmental awareness in Europe, and new draft IMO regulations which would accelerate the mandatory scrapping of older tonnage, are developments which are very positive for high quality operators of modern tonnage, such as Teekay".

The International Energy Agency estimated that global crude oil consumption, an indicator of tanker demand, averaged 75.5 million barrels per day during the most recent quarter, up 2.0% from the quarter ended September 30, 1999 and is forecasting that oil consumption during the remainder of 2000 will be 2.6% higher than in the corresponding period in 1999. Forecast demand for 2001 is 77.6 million barrels per day, or a 2.5% increase over 2000.

The size of the world tanker and ore/bulk/oil ("OBO") fleet increased slightly to 305.7 million deadweight tonnes ("mdwt") at the end of the most recent quarter, up 0.6% from last quarter. Deliveries of tanker newbuildings during

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the quarter totaled 4.4 mdwt, down from 5.9 mdwt in the previous quarter, while scrapping totaled 2.7 mdwt, compared to 3.3 mdwt scrapped in the previous quarter.

The world tanker and OBO orderbook increased from 44.2 mdwt last quarter to 48.1 mdwt at September 30, 2000, or from 14.5 % to 15.7% of the total world tanker and OBO fleet. The Aframax tanker orderbook increased from 49 vessels last quarter to 58 vessels as of September 30, 2000, or from 7.8% to 9.2% of the world Aframax fleet (including OBO's).

During the quarter, Teekay was awarded a contract to convert one of its 1988-built Aframax tankers into a floating storage and offtake tanker for the Legendre Project on the North West Shelf of Australia. The contract term is a minimum of three years up to a maximum of ten years.

The following is a summary of the Teekay fleet as of this date:

Type	Number	Dwt
Double-hull or double-sided Aframax (1):	39	3,872,600
Single-hull Aframax:	18	1,828,300
Ore/Bulk/Oil Carriers (2):	8	625,900
Time-chartered-in Aframax:	4	408,800
Other size tankers (3):	5	670,200
Total:	74	7,405,800

(1) Includes one 50%-owned Aframax tanker.

(2) Includes one 67%-owned OBO carrier & one 52%-owned OBO carrier.

(3) Includes two 50%-owned Suezmax tankers.

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)

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2000</u> \$	<u>1999</u> \$	<u>2000</u> \$	<u>1999</u> \$
	<u>(unaudited)</u>		<u>(unaudited)</u>	
NET VOYAGE REVENUES				
Voyage revenues	238,686	136,932	622,148	328,570
Voyage expenses	63,791	49,138	184,566	99,859
Net voyage revenues	174,895	87,794	437,582	228,711
OPERATING EXPENSES				
Vessel operating expenses	31,161	36,256	100,653	81,840
Time-charter hire expense	14,218	10,783	40,298	27,433
Depreciation and amortization	25,249	24,287	74,915	65,958
General and administrative	8,930	9,616	27,511	24,080
	79,558	80,942	243,377	199,311
Income from vessel operations	95,337	6,852	194,205	29,400
OTHER ITEMS				
Interest expense	(18,022)	(15,972)	(57,287)	(36,477)
Interest income	2,277	2,058	9,667	5,048
Other income (loss)	1,260	(1,663)	953	(4,092)
	(14,485)	(15,577)	(46,667)	(35,521)
Net income (loss)	80,852	(8,725)	147,538	(6,121)
Earnings (loss) per common share				
- Basic	2.10	(0.23)	3.85	(0.18)
- Diluted	2.02	(0.23)	3.77	(0.18)
Weighted-average number of common shares outstanding	38,549,937	38,063,639	38,276,111	34,256,746

SUMMARY CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	<u>As at September 30,</u>	<u>As at December 31,</u>
	<u>2000</u> \$	<u>1999</u> \$
	<u>(unaudited)</u>	
ASSETS		
Cash and marketable securities	236,790	226,381
Other current assets	82,683	60,332
Vessels and equipment	1,621,569	1,666,755
Other assets	37,123	29,216
Total Assets	1,978,165	1,982,684
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	67,388	59,946
Current portion of long-term debt	83,861	66,557
Long-term debt	839,096	1,018,610
Other long-term liabilities and minority interest	12,095	5,504
Stockholders' equity	975,725	832,067
Total Liabilities and Stockholders' Equity	1,978,165	1,982,684

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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, and the outlook for high quality operators of modern tonnage such as Teekay. 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; and changes in the typical seasonal variations in tanker charter rates.

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