

TEEKAY CORPORATION

Teekay's Third Quarter 2007 Earnings Presentation

November 1, 2007



TEEKAY - THE MARINE MIDSTREAM COMPANY®

www.teekay.com



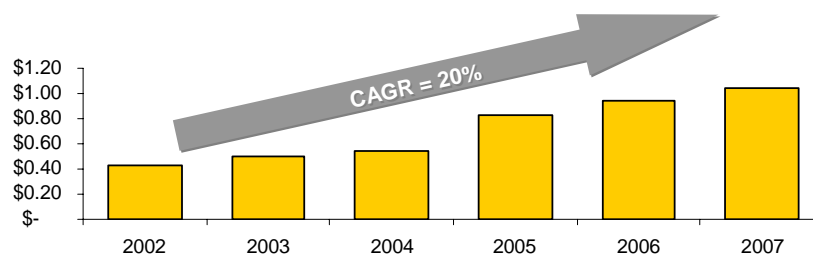
Forward Looking Statements

This presentation 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 market fundamentals, including the balance of supply and demand in the tanker market, and spot tanker charter rates; expected demand in the offshore oil production sector and the demand for vessels; the Company's future capital expenditure commitments and the financing requirements for such commitments; the timing of newbuilding deliveries; the commencement of charter contracts; the Company being awarded LNG vessels and associated long-term contracts to service the Angola LNG Project; and the level of future OPEC oil production. 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 affecting the conventional tanker market; changes in production of or demand for oil, petroleum products and LNG, 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 affecting overall vessel tonnage requirements; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; changes in the typical seasonal variations in tanker charter rates; changes in the offshore production of oil or demand for shuttle tankers, FSOs and FPSOs; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts; the potential that the conditions for the Angola LNG Project are not met; changes affecting the offshore tanker market; shipyard production delays; the Company's future capital expenditure requirements; the Company's, Teekay LNG's and Teekay Offshore's potential inability to raise financing to purchase additional vessels; and other factors discussed in Teekay's filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2006. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.



Third Quarter Highlights

- ▶ 3q07 normalized net income* of \$22.9m, or \$0.31 per share
 - ▶ (excluding specific items which decreased net income by \$5.9m, or \$0.08 per share)
- ▶ Generated cash flow from vessel operations of \$135.5m, of which \$111.9m, or 83%, from fixed-rate businesses
- ▶ Repurchased 978,400 shares at an average price of \$54.80 per share (since last reported on August 1, 2007)
- ▶ Increased dividend by 16% to \$1.05 per share (annualized), the fifth consecutive annual increase



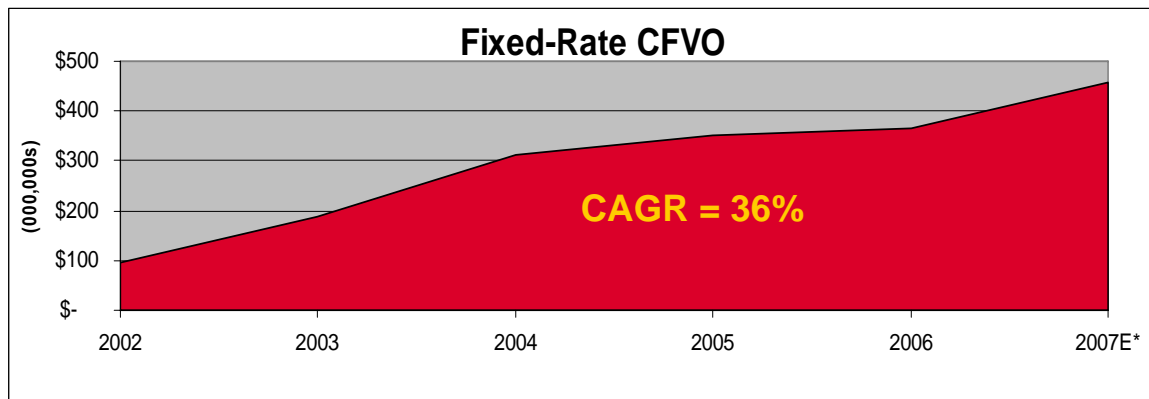
Teekay's dividend has more than doubled since 2002

*Please see Appendix for the reconciliation of this non-GAAP financial measure



Record Level of Fixed-Rate CFVO

- ▶ Fixed-rate CFVO increased from \$364m in 2006 to approximately \$450m* in 2007



Teekay's fixed-rate CFVO has more than quadrupled since 2002

*9 months annualized



Over \$10 Billion in Forward Fixed-Rate Revenues

Segment	# of Vessels	Avg. remaining firm contract	Forward Fixed-rate Revenues
Shuttle tankers	39	6.7 years	\$2.3 billion
LNG carriers	13	21.3 years	\$4.4 billion
FPSO units	5	5.4 years	\$1.8 billion
FSO units	5	3.9 years	\$0.2 billion
Conventional tankers	22	11.4 years	\$1.4 billion
		13.6 years (weighted average)	Total \$10.1 billion



Developments in Teekay's Offshore Segment

- ▶ High oil prices are continuing to stimulate offshore oil activity
 - ▶ High level of oil field development
 - ▶ 2008E ~ 20 FPSO project awards expected*
- ▶ One Brazilian shuttle tanker delivered
- ▶ Siri FPSO project on schedule to deliver in 1q08
- ▶ In early 4q07, awarded 2-year time-charters for two existing shuttle tankers



*Source: IMA Associates

Developments in Teekay's Liquefied Gas Segment

- ▶ Gas segment reported record revenues and CFVO in 3q07
- ▶ Angola LNG: expect final investment decision by end of December 2007
- ▶ 6 vessels expected to deliver in 2008
 - ▶ 4 Ras Gas 3 LNG vessels
 - ▶ 1 Tangguh LNG vessels
 - ▶ 1 Skaugen LPG vessel



Developments in Teekay's Spot Tanker Segment

- ▶ **Crude**
 - ▶ Aframax fleet earned \$21,500 per day
 - ▶ Suezmax fleet earned \$27,100 per day
 - ▶ 4 in-chartered Aframaxes joined the fleet
- ▶ **Product**
 - ▶ Coated Aframax fleet (LR2s) earned \$30,100 per day
 - ▶ Medium-range product tanker fleet earned \$23,300 per day
 - ▶ 1 in-chartered MR product tanker joined the fleet
- ▶ Owned / in-chartered conventional fleet increased to 116 vessels from 90 vessels at the end of 2q07 (including newbuildings)
- ▶ OMI integration almost complete



Developments in Teekay's Fixed-Rate Tanker Segment

- ▶ Two former OMI Suezmaxes which are chartered-out till 2012 joined the fixed-rate segment
- ▶ One in-chartered Aframax transferred from spot to fixed-rate tanker segment
- ▶ Two owned Aframaxes chartered-out to oil major for three years each (charters start in 4q07)



*9 months annualized

Aframax Tanker Rates



Tanker Market Fundamentals

DEMAND

- ▶ IMF estimates 4.8% global GDP growth for 2008
 - ▶ Robust outlook for developing countries / downward revision to US growth estimates
- ▶ IEA estimates global oil demand growth of 2.1 mb/d (or 2.4%) in 2008
 - ▶ 4q07 / 1q08 average demand estimate is 2.5 mb/d higher than 3q07
- ▶ 2008 non-OPEC supply estimated to grow by 1.0 mb/d yr on yr
- ▶ 3q07 counter seasonal OECD stock draw of ~ 33 mb
 - ▶ Increases pressure on OPEC to “open up taps”
- ▶ Global refinery crude throughput expected to rise from Oct'07 seasonal low
- ▶ Seasonal factors – Bosphorus / weather related delays

SUPPLY

- ▶ 2007 ytd tanker newbuild ordering down significantly vs. 2006
- ▶ ~50% of the existing tanker orderbook in China is at new, unproven yards
- ▶ Existing tanker newbuilding orders starting to be converted to drybulk
- ▶ Tanker conversions to drybulk rising rapidly
 - ▶ Across VLCC / Suezmax / Aframax segments



Tanker Supply – DryBulk Conversion Becoming a Major Factor

	Scrap Sales	Conversion Sales	Total	Remarks
2007 ytd	2.7	2.1	4.8	Already left the fleet
Sold but yet to leave fleet		11.5	11.5	Trading tankers expected to leave the fleet between now and end 2008
Total	2.7	13.6	16.3	

Source : CRS / Industry Sources (MdwT)

- ▶ 2007 ytd substantial increase in tanker conversion sales for drybulk
- ▶ Record newbuilding lead times (~4 years) makes the conversion from tanker to drybulk (~6 months) an attractive alternative
- ▶ Continued conversion demand from offshore / heavy lift sectors
- ▶ ~15 existing tanker / Very Large Gas Carrier newbuilding berths switched over to drybulk and further discussions underway

Financial Discussion



TEEKAY – THE MARINE MIDSTREAM COMPANY®

www.teekay.com



Segment Operating Results

(in thousands of U.S. dollars)	Three Months Ended September 30, 2007				
	<i>(unaudited)</i>				
	Offshore Segment	Fixed-Rate Tanker	Liquefied Gas Segment	Spot Segment	Total
Net revenues	219,613	50,457	42,921	149,291	462,282
Vessel operating expenses	76,625	13,285	8,056	22,042	120,008
Time-charter hire expense	40,615	7,773	-	73,368	121,756
Depreciation & amortization	45,359	9,236	11,491	20,972	87,058
Cash flow from vessel operations	58,334	24,376	29,188	23,639	135,537

Avg. Aframax TCE: \$21,508

(in thousands of U.S. dollars)	Three Months Ended September 30, 2006				
	<i>(unaudited)</i>				
	Offshore Segment	Fixed-Rate Tanker	Liquefied Gas Segment	Spot Segment	Total
Net revenues	118,026	46,062	26,073	154,142	344,303
Vessel operating expenses	22,405	10,945	4,706	14,883	52,939
Time-charter hire expense	41,426	4,243	-	55,179	100,848
Depreciation & amortization	20,297	8,294	8,235	13,023	49,849
Cash flow from vessel operations	42,891	26,977	17,631	60,247	147,746

Avg. Aframax TCE: \$34,788

* Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and vessel write-downs/(gain) loss on sale of vessels. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. See the Company's web site at www.teekay.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.



Summary Income Statement

Three months ended '000s of USD (except per share data)	<u>Sept. 30, 2007</u> <u>(unaudited)</u>	<u>Sept. 30, 2006</u> <u>(unaudited)</u>
VOYAGE REVENUES	606,836	477,733
OPERATING EXPENSES		
General and administrative expenses	(60,912)	(39,822)
Gain on sale of vessels and equipment	8,072	7,138
Restructuring charge	-	(2,948)
Other operating expenses	(473,376)	(337,066)
Income from vessel operations	80,620	105,035
OTHER ITEMS		
Net interest expense	(57,937)	(26,310)
Income tax (expense) recovery	(9,995)	4,985
Equity (loss) income from joint ventures	(1,654)	1,965
Foreign exchange (loss) gain	(10,025)	277
Minority interest income (expense)	3,602	(7,289)
Other items - net	12,378	1,184
Subtotal of other items	(63,631)	(25,188)
Net income	16,989	79,847



Summary Balance Sheet

In 000s of USD	<u>As at Sept. 30,</u> <u>2007</u> <u>(unaudited)</u>	<u>As at Jun. 30,</u> <u>2007</u> <u>(unaudited)</u>
ASSETS		
Cash and cash equivalents	296,637	292,332
Other current assets	415,061	348,157
Total restricted cash	716,487	769,793
Other assets	859,138	904,672
Vessels and equipment	6,085,605	5,201,179
Advances on newbuilding contracts	552,488	429,171
Investment in and advance to OMI Corporation		899,894
Intangibles and Goodwill	700,287	565,529
Total Assets	9,625,703	9,410,727
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	315,289	277,368
Current portion of long-term debt *	234,235	806,931
Long-term debt *	5,193,724	4,313,339
Other long-term liabilities / In process Revenue Contracts	686,866	625,248
Minority interest	513,571	576,604
Stockholders' equity	2,682,018	2,811,237
Total Liabilities and Stockholders' Equity	9,625,703	9,410,727

*Includes capital lease obligations



Continued Access to Capital

- ▶ Recently arranged \$800m 10-year facility for OMI vessels and certain Aframax tankers at attractive terms
- ▶ Pre-arranged financings in place for all of our newbuildings in addition to existing \$1.9 billion in total liquidity
- ▶ Corporate structure provides access to lower cost equity



Appendix



TEEKAY – THE MARINE MIDSTREAM COMPANY®

www.teekay.com



Non-GAAP Financial Measure

For the 3 months ended September 30, 2007

	\$(000s)	\$ per share
Net Income as reported	16,989	0.23
Items listed in Appendix A in the Company's Earning's Release	5,910	0.08
Normalized Net Income	22,899	0.31



Newbuilding/Conversion Deliveries

	1Q08	2Q08	3Q08	4Q08	2008
Offshore Segment	1				1
Fixed-Rate Tanker Segment	1	1			2
Liquefied Gas Segment	1	3		2	6
Spot Segment			2	2	4
Total	3	4	2	4	13

	1Q09	2Q09	3Q09	4Q09	2009
Offshore Segment					
Fixed-Rate Tanker Segment					
Liquefied Gas Segment	2	2			4
Spot Segment	2	1	3		6
Total	4	3	3		10

	1Q10	2Q10	3Q10	4Q10	2010
Offshore Segment			2		2
Fixed-Rate Tanker Segment					
Liquefied Gas Segment					
Spot Segment					
Total			2		2

	1Q11	2Q11	3Q11	4Q11	2011
Offshore Segment		2			2
Fixed-Rate Tanker Segment					
Liquefied Gas Segment					
Spot Segment					
Total		2			2

Capex

Capex by Segment

(in millions)	2007	2008	2009	2010	2011	Total
Offshore Segment	\$21	-	\$23	\$231	\$163	\$438
Fixed-Rate Tanker Segment	8	59	-	-	-	67
Liquefied Gas Segment	-	216	54	-	-	270
Spot Tanker Segment	18	365	132	-	-	515
Total	\$47	\$640	\$209	\$231	\$163	\$1,290

Company's remaining capital commitments relating to its portion of newbuildings and conversions



Teekay Fleet Growth (Excludes Commercially Managed Vessels)

	End 2006			End Sept'07		
	Existing	NB	Total	Existing	NB	Total
Conventional Crude Tankers	53	12	65	70	12	82
Product Tankers	23	3	26	33	1	34
Shuttle Tankers	38	4	42	40	4	44
FPSO / FSO's	9	1	10	9	1	10
LPG / LNG Carriers	6	11	17	8	9	17
TOTAL			160			187

