



## TEEKAY SHIPPING CORPORATION

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P.O. Box AP-59213, Nassau, Bahamas

### EARNINGS RELEASE

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#### TEEKAY SHIPPING CORPORATION REPORTS FOURTH QUARTER PROFIT OF \$122.5 MILLION

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Nassau, The Bahamas, February 19, 2001 - Teekay Shipping Corporation today reported net income of \$122.5 million, or \$3.14 per share, for the quarter ended December 31, 2000, compared to a net loss of \$11.6 million, or \$0.30 per share, for the quarter ended December 31, 1999. Net voyage revenues for the quarter were \$206.7 million, compared to \$89.6 million recorded in the same period last year, while income from vessel operations increased to \$133.5 million, from \$4.8 million. The results for the current quarter reflect further increases in tanker charter rates.

Net income for the year ended December 31, 2000 was \$270.0 million, or \$7.02 per share, compared to a net loss of \$17.7 million, or \$0.50 per share, for the same period last year. Net voyage revenues for the year ended December 31, 2000 were \$644.3 million, compared to \$318.3 million in the same period last year, while income from vessel operations increased to \$327.7 million from \$34.2 million. The results for the current period reflect a significant improvement in tanker charter rates over the past year 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		%	Years Ended		%
	December 31,			December 31,		
	2000	1999	Change	2000	1999	Change
<b>International Tanker Fleet (excludes ex-Bona OBOs and Australian crewed vessels):</b>						
Revenue-generating ship-days:	4,930	5,195	-5.1%	20,513	17,894	14.6%
TCE per revenue-generating ship-day:	\$37,218	\$12,284	203.0%	\$27,138	\$14,203	91.1%
<b>Operating Cash Flow per Calendar Ship-day:</b>						
International fleet:	\$27,329	\$3,224	747.7%	\$18,145	\$5,404	235.8%
Australian crewed vessels:	\$14,507	\$15,047	-3.6%	\$14,347	\$14,618	-1.9%
Ex-Bona OBO vessels:	\$10,766	\$2,746	292.1%	\$7,159	\$3,172	125.7%
Total fleet:	\$24,707	\$3,801	550.0%	\$16,687	\$5,814	187.0%

Charter rates in all crude oil tanker segments increased from the previous quarter's levels as oil production increases by the OPEC producers caused tanker demand to grow faster than tanker supply. Aframax charter rates in the Arabian Gulf-East routes, where two-thirds of Teekay's Aframax tanker fleet is currently trading, continued to rise further into the first quarter of 2001.

The International Energy Agency ("IEA") estimated that global oil demand, an indicator of tanker demand, averaged 76.8 million barrels per day during the most recent quarter, up 0.4% from the quarter ended December 31, 1999. The IEA's most recent forecast of oil demand for 2001 is 77.0 million barrels per day, a 2.0% increase over 2000.

The size of the world tanker and ore/bulk/oil ("OBO") fleet increased to 308.6 million deadweight tonnes ("mdwt") at the end of the most recent quarter, up 0.9% from the previous quarter and up 2.2% from one year ago. Deliveries of tanker newbuildings during the quarter ended December 31, 2000 totaled 5.3 mdwt, up from 4.4 mdwt in the previous quarter, while scrapping totaled 2.2 mdwt, compared to 2.7 mdwt scrapped in the previous quarter.

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The world tanker and OBO orderbook increased from 48.1 mdwt at September 30, 2000 to 52.1 mdwt at December 31, 2000, or from 15.7 % to 16.9% of the total world tanker and OBO fleet. The Aframax tanker orderbook increased from 58 vessels at September 30, 2000 to 68 vessels as of December 31, 2000, or from 9.2% to 10.7% of the world Aframax fleet (including OBOs).

During the most recent quarter, the Company time-chartered-in a 1998-built Aframax tanker for a period of twelve months. As of December 31, 2000, the Teekay fleet consisted of 75 vessels, including five time-chartered-in Aframax 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>December 31,</u>		<u>Years Ended December 31,</u>	
	<u>2000</u> \$	<u>1999</u> \$	<u>2000</u> \$	<u>1999</u> \$
	<u>(unaudited)</u>		<u>(unaudited)</u>	
<b>NET VOYAGE REVENUES</b>				
Voyage revenues	271,078	142,324	893,226	470,894
Voyage expenses	64,391	52,687	248,957	152,546
Net voyage revenues	206,687	89,637	644,269	318,348
<b>OPERATING EXPENSES</b>				
Vessel operating expenses	24,762	39,198	125,415	121,038
Time-charter hire expense	13,249	11,018	53,547	38,451
Depreciation and amortization	25,238	24,367	100,153	90,325
General and administrative	9,968	10,265	37,479	34,345
	73,217	84,848	316,594	284,159
Income from vessel operations	133,470	4,789	327,675	34,189
<b>OTHER ITEMS</b>				
Interest expense	(17,253)	(18,286)	(74,540)	(54,763)
Interest income	3,354	2,155	13,021	7,203
Other income (loss)	2,911	(260)	3,864	(4,352)
	(10,988)	(16,391)	(57,655)	(51,912)
Net income (loss)	122,482	(11,602)	270,020	(17,723)
Earnings (loss) per common share				
- Basic	3.14	(0.30)	7.02	(0.50)
- Diluted	3.04	(0.30)	6.86	(0.50)
Weighted-average number of common shares outstanding	39,042,772	38,064,110	38,468,158	35,216,410

## SUMMARY CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	<u>As at December 31,</u> <u>2000</u> \$	<u>As at December 31,</u> <u>1999</u> \$
<b>ASSETS</b>		
Cash and marketable securities	221,078	226,381
Other current assets	106,114	60,332
Vessels and equipment	1,607,716	1,666,755
Other assets	37,146	29,216
<b>Total Assets</b>	1,972,054	1,982,684
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable and accrued liabilities	66,165	59,946
Current portion of long-term debt	72,170	66,557
Long-term debt	725,314	1,018,610
Other long-term liabilities and minority interest	11,938	5,504
Stockholders' equity	1,096,467	832,067
<b>Total Liabilities and Stockholders' Equity</b>	1,972,054	1,982,684

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## FORWARD LOOKING STATEMENTS

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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 and the balance of supply and demand in the crude tanker market. 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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