

TEEKAY SHIPPING CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands of U.S. dollars)

Three Months Ended September 30, 2006
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Income from vessel operations	47,951	9,231	47,853	105,035
Depreciation and amortization	28,867	7,959	13,023	49,849
Gain on sale of vessels and equipment	(6,509)	-	(629)	(7,138)
Cash flow from vessel operations ⁽¹⁾	70,309	17,190	60,247	147,746

Three Months Ended September 30, 2005
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Income from vessel operations	28,010	10,183	23,977	62,170
Depreciation and amortization	29,512	7,522	13,377	50,411
Writedown / (gain) on sale of vessels and equipment	2,111	-	(8,687)	(6,576)
Cash flow from vessel operations ⁽¹⁾	59,633	17,705	28,667	106,005

- (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 September 30, 2006
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Voyage revenues	191,916	25,218	260,599	477,733
Voyage expenses	(26,579)	(394)	(106,457)	(133,430)
Net voyage revenues ⁽²⁾	165,337	24,824	154,142	344,303

Three Months Ended June 30, 2006
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Voyage revenues	178,852	22,519	221,216	422,587
Voyage expenses	(19,622)	(400)	(91,395)	(111,417)
Net voyage revenues ⁽²⁾	159,230	22,119	129,821	311,170

Three Months Ended September 30, 2005
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Voyage revenues	178,669	24,503	222,422	425,594
Voyage expenses	(19,497)	-	(88,338)	(107,835)
Net voyage revenues ⁽²⁾	159,172	24,503	134,084	317,759

Nine Months Ended September 30, 2006
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Voyage revenues	566,437	71,437	788,442	1,426,316
Voyage expenses	(69,333)	(794)	(308,331)	(378,458)
Net voyage revenues ⁽²⁾	497,104	70,643	480,111	1,047,858

Nine Months Ended September 30, 2005
(unaudited)

	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Spot Tanker Segment	Total
Voyage revenues	539,627	73,546	809,972	1,423,145
Voyage expenses	(50,722)	(50)	(253,888)	(304,660)
Net voyage revenues ⁽²⁾	488,905	73,496	556,084	1,118,485

- (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.