

TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands of U.S. dollars)

Three Months Ended June 30, 2012

(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Income (loss) from vessel operations	58,341	44,829	6,918	(41,839)	-	68,249
Depreciation and amortization	50,003	24,673	18,047	22,345	-	115,068
Amortization of in process revenue contracts and other	(3,159)	-	-	(14,236)	-	(17,395)
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	254	-	-	52	-	306
Realized gains (losses) from the settlements of non-designated foreign exchange forward contracts/bunkers/FFAs	437	(6)	-	(284)	-	147
Asset impairments / net loss on vessel sales	3,269	-	-	-	-	3,269
Cash flow from time-charter contracts, net of revenue accounted for as direct finance leases	667	1,503	-	-	-	2,170
Dropdown predecessor cash flow	-	-	(9,517)	9,517	-	-
Cash flow from vessel operations - Consolidated ⁽¹⁾⁽²⁾	109,812	70,999	15,448	(24,445)	-	171,814

Three Months Ended June 30, 2011

(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Income (loss) from vessel operations	35,680	39,468	12,618	(45,643)	-	42,123
Depreciation and amortization	46,163	22,171	18,782	18,120	-	105,236
Amortization of in process revenue contracts and other	3,369	-	-	(13,408)	-	(10,039)
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	14	-	-	36	-	50
Realized gains from the settlements of non-designated foreign exchange forward contracts/bunkers/FFAs	1,204	-	-	2,347	-	3,551
Asset impairments / net loss (gain) on vessel sales	8,194	-	-	(2,382)	-	5,812
Cash flow from time-charter contracts, net of revenue accounted for as direct finance leases	547	1,491	-	-	-	2,038
Dropdown predecessor cash flow	-	-	(13,505)	13,505	-	-

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Cash flow from vessel operations -						
Consolidated ⁽¹⁾⁽²⁾	95,171	63,130	17,895	(27,425)	-	148,771

- (1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write-downs, gains or losses on the sale of vessels and unrealized gains or losses relating to derivatives but includes realized gains or losses on the settlement of foreign exchange forward contracts. 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.
- (2) Excludes the cash flow from vessel operations relating to assets acquired from Teekay Parent for the periods prior to their acquisition by Teekay Offshore, Teekay LNG and Teekay Tankers, respectively, as those results are included in the historical results for Teekay Parent.

TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

	<u>Three Months Ended June 30, 2012</u>		<u>Three Months Ended June 30, 2011</u>	
	<u>(unaudited)</u>		<u>(unaudited)</u>	
	At 100%	Company's Portion⁽¹⁾	At 100%	Company's Portion⁽¹⁾
Revenues	169,666	76,630	73,645	34,116
Voyage expenses	12,980	6,494	10,713	5,357
Vessel operating expenses	57,016	26,178	26,402	12,744
Depreciation and amortization	25,558	11,897	5,705	2,680
General and administrative	5,977	2,927	2,382	1,144
Income from vessel operations of equity accounted vessels	68,136	29,131	28,443	12,192
Interest expense	(8,455)	(4,618)	(8,478)	(3,586)
Foreign exchange loss	(281)	(113)	(2,082)	(835)
Realized and unrealized loss on derivative instruments	(49,452)	(17,328)	(7,716)	(3,433)
Other income - net	195	(246)	155	70
Other items	(57,994)	(22,306)	(18,122)	(7,785)
Net income / equity income of equity accounted vessels	10,143	6,826	10,321	4,408
Income from vessel operations of equity accounted vessels	68,136	29,131	28,443	12,192
Depreciation and amortization	25,558	11,897	5,705	2,680
Revenue accounted for as direct financing lease	(49,591)	(18,109)	(25,726)	(10,290)
Cash flow from time-charter contracts	56,357	20,574	28,936	11,574
Amortization of in-process revenue contracts and other	(15,813)	(6,900)	(102)	(51)
Cash flow from vessel operations of equity accounted vessels⁽²⁾	84,646	36,594	37,255	16,105

(1) The Company's proportionate share of its equity accounted vessels and other investments ranging from 33 percent to 50 percent.

(2) Cash flow from vessel operations (CFVO) from equity accounted vessels represents the Company's proportionate share of CFVO from its equity accounted vessels and other investments.

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TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

	<u>Three Months Ended March 31, 2012</u>				Teekay Parent Total
	<u>(unaudited)</u>				
	Owned Conventional Tankers	In-chartered Conventional Tankers	FPSOs	Other	
Teekay Parent income (loss) from vessel operations	4,926	(17,734)	(8,752)	136	(21,424)
Depreciation and amortization	10,757	-	18,875	-	29,632
Net gain on vessel sales	(197)	-	-	-	(197)
Amortization of in process revenue contracts and other	(69)	-	(14,615)	-	(14,684)
Unrealized (gains) losses from the change in fair value of designated foreign exchange forward contracts	(36)	-	74	-	38
Realized (losses) gains from the settlements of non-designated foreign exchange forward contracts	(34)	-	105	-	71
Cash flow from vessel operations - Teekay Parent ⁽¹⁾	15,347	(17,734)	(4,313)	136	(6,564)

	<u>Three Months Ended December 31, 2011</u>				Teekay Parent Total
	<u>(unaudited)</u>				
	Owned Conventional Tankers	In-chartered Conventional Tankers	FPSOs	Other	
Teekay Parent income (loss) from vessel operations	23,182	(34,957)	89,832	(20,382)	57,675
Depreciation and amortization	10,492	-	15,735	991	27,218
Net (gain) loss on vessel sales / asset impairments	(15,067)	-	712	6,318	(8,037)
Bargain purchase gain	-	-	(58,235)	-	(58,235)
Amortization of in process revenue contracts and other	-	-	(13,502)	-	(13,502)
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	105	-	142	-	247
Realized (losses) gains from the settlements of non-designated foreign exchange forward contracts	(622)	-	360	-	(262)
Cash flow from vessel operations - Teekay Parent ⁽¹⁾	18,090	(34,957)	35,044	(13,073)	5,104

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TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

	<u>Three Months Ended September 30, 2011</u>				Teekay Parent Total
	<u>(unaudited)</u>				
	Owned Conventional Tankers	In-chartered Conventional Tankers	FPSOs	Other	
Teekay Parent (loss) income from vessel operations	(95,299)	(30,966)	(5,245)	(11,056)	(142,566)
Depreciation and amortization	11,353	-	14,562	1,097	27,012
Asset impairments / net (gain) loss on vessel sales	73,448	-	(5,600)	-	67,848
Goodwill impairment	23,342	-	-	-	23,342
Amortization of in process revenue contracts and other	-	-	(10,798)	-	(10,798)
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	68	-	103	-	171
Realized gains from the settlements of non-designated foreign exchange forward contracts	778	-	1,477	-	2,255
Cash flow from vessel operations - Teekay Parent ⁽¹⁾	13,690	(30,966)	(5,501)	(9,959)	(32,736)

	<u>Three Months Ended June 30, 2011</u>				Teekay Parent Total
	<u>(unaudited)</u>				
	Owned Conventional Tankers	In-chartered Conventional Tankers	FPSOs	Other	
Teekay Parent income (loss) from vessel operations	8,527	(25,684)	(10,532)	(12,439)	(40,127)
Depreciation and amortization	11,045	-	14,562	502	26,109
Net (gain) loss on vessel sales / asset impairments	(2,963)	-	-	581	(2,382)
Amortization of in process revenue contracts and other	-	-	(10,798)	(2,610)	(13,408)
Unrealized (gains) losses from the change in fair value of designated foreign exchange forward contracts	(32)	-	68	-	36
Realized gains from the settlements of non-designated foreign exchange forward contracts	911	-	1,436	-	2,347
Cash flow from vessel operations - Teekay Parent ⁽¹⁾	17,488	(25,684)	(5,264)	(13,966)	(27,425)

(1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write-downs, gains or losses on the sale of vessels and unrealized gains or losses relating to derivatives but includes realized gains or losses on the settlement of foreign exchange forward contracts. 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

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TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

Three Months Ended June 30, 2012
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	251,151	96,354	51,040	132,870	(49,504)	481,911
Voyage expense	(37,800)	(242)	(107)	(1,567)	540	(39,176)
Net revenues ⁽¹⁾	213,351	96,112	50,933	131,303	(48,964)	442,735

Three Months Ended March 31, 2012
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	244,598	99,216	54,862	134,370	(37,482)	495,564
Voyage expense	(36,481)	(343)	(1,322)	(491)	-	(38,637)
Net revenues ⁽¹⁾	208,117	98,873	53,540	133,879	(37,482)	456,927

Three Months Ended June 30, 2011
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	234,145	92,247	57,316	156,651	(55,437)	484,922
Voyage expense	(32,572)	(685)	(670)	(17,962)	-	(51,889)
Net revenues ⁽¹⁾	201,573	91,562	56,646	138,689	(55,437)	433,033

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TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

Six Months Ended June 30, 2012
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	495,749	195,570	105,902	267,245	(86,991)	977,475
Voyage expense	(74,281)	(585)	(1,429)	(2,098)	580	(77,813)
Net revenues ⁽¹⁾	421,468	194,985	104,473	265,147	(86,411)	899,662

Six Months Ended June 30, 2011
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	467,916	185,466	114,171	312,686	(107,293)	972,946
Voyage expense	(58,037)	(1,055)	(1,492)	(36,431)	-	(97,015)
Net revenues ⁽¹⁾	409,879	184,411	112,679	276,255	(107,293)	875,931

- (1) 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.

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