

TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands of U.S. dollars)

Three Months Ended September 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	41,481	45,047	(1,644)	(36,486)	-	48,398
Depreciation and amortization	47,768	24,570	17,896	22,522	-	112,756
Amortization of in process revenue contracts and other	(3,910)	-	-	(14,208)	-	(18,118)
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	60	-	-	108	-	168
Realized gains (losses) from the settlements of non-designated foreign exchange forward contracts/bunkers/FFAs	230	-	-	(1,106)	-	(876)
Asset impairments / net loss on vessel sales	9,193	-	-	-	-	9,193
Cash flow from time-charter contracts, net of revenue accounted for as direct finance leases	706	1,561	-	-	-	2,267
Cash flow from vessel operations - Consolidated ^{(1) (2)}	95,528	71,178	16,252	(29,170)	-	153,788

Three Months Ended September 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	30,034	45,747	(9,586)	(142,566)	-	(76,371)
Depreciation and amortization	46,905	23,032	10,797	27,012	-	107,746
Amortization of in process revenue contracts and other	1,654	-	-	(10,798)	-	(9,144)
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	142	-	-	171	-	313
Realized gains from the settlements of non-designated foreign exchange forward contracts/bunkers/FFAs	1,950	-	-	2,255	-	4,205
Asset impairments / net loss (gain) on vessel sales	23,961	-	-	67,848	-	91,809
Goodwill impairments	-	-	13,310	23,342	-	36,652
Cash flow from time-charter contracts, net of revenue accounted for as direct finance leases	581	1,623	-	-	-	2,204
Cash flow from vessel operations - Consolidated ^{(1) (2)}	105,227	70,402	14,521	(32,736)	-	157,414

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- (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 September 30, 2012</u>		<u>Three Months Ended September 30, 2011</u>	
	<u>(unaudited)</u>		<u>(unaudited)</u>	
	At 100%	Company's Portion ⁽¹⁾	At 100%	Company's Portion ⁽¹⁾
Revenues	168,434	76,234	74,329	34,092
Voyage expenses	10,682	5,344	11,085	5,543
Vessel operating expenses	55,284	25,380	27,690	13,369
Depreciation and amortization	25,268	11,748	6,746	3,104
General and administrative	6,347	3,128	2,390	1,138
Income from vessel operations of equity accounted vessels	70,853	30,634	26,418	10,938
Interest expense	(16,376)	(7,187)	(9,097)	(3,827)
Foreign exchange loss	270	105	(741)	(297)
Realized and unrealized loss on derivative instruments	(17,964)	(4,162)	(81,345)	(27,942)
Other income - net	(231)	(41)	48	(85)
Other items	(34,301)	(11,285)	(91,135)	(32,151)
Net income / equity income of equity accounted vessels	36,552	19,349	(64,717)	(21,213)
Income from vessel operations of equity accounted vessels	70,853	30,634	26,418	10,938
Depreciation and amortization	25,268	11,748	6,746	3,104
Revenue accounted for as direct financing lease	(49,551)	(18,114)	(26,769)	(10,594)
Cash flow from time-charter contracts	56,893	20,798	30,592	12,102
Amortization of in-process revenue contracts and other	(16,516)	(7,266)	-	-
Cash flow from vessel operations of equity accounted vessels⁽²⁾	86,947	37,800	36,986	15,550

(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.

TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

Three Months Ended June 30, 2012

(unaudited)

	Owned Conventional Tankers	In-chartered Conventional Tankers	FPSOs	Other	Teekay Parent Total
Teekay Parent income (loss) from vessel operations	1,716	(28,138)	(8,976)	(6,441)	(41,839)
Depreciation and amortization	2,566	-	19,779	-	22,345
Amortization of in process revenue contracts and other	(69)	-	(14,167)	-	(14,236)
Unrealized (gains) losses from the change in fair value of designated foreign exchange forward contracts	(51)	-	103	-	52
Realized (losses) gains from the settlements of non-designated foreign exchange forward contracts	(340)	-	56	-	(284)
Dropdown predecessor cash flow	9,517	-	-	-	9,517
Cash flow from vessel operations - Teekay Parent ⁽¹⁾	13,339	(28,138)	(3,205)	(6,441)	(24,445)

Three Months Ended March 31, 2012

(unaudited)

	Owned Conventional Tankers	In-chartered Conventional Tankers	FPSOs	Other	Teekay Parent Total
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)

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TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

	Three Months Ended December 31, 2011				Teekay Parent Total
	(unaudited)				
	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

	Three Months Ended September 30, 2011				Teekay Parent Total
	(unaudited)				
	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)

(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.

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TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

Three Months Ended September 30, 2012
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	227,956	98,723	46,084	129,140	(38,366)	463,537
Voyage expense	(24,225)	(860)	(2,172)	(2,786)	369	(29,674)
Net revenues ⁽¹⁾	203,731	97,863	43,912	126,354	(37,997)	433,863

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 September 30, 2011
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	239,900	97,256	29,695	160,088	(58,833)	468,106
Voyage expense	(31,096)	(307)	(729)	(7,463)	-	(39,595)
Net revenues ⁽¹⁾	208,804	96,949	28,966	152,625	(58,833)	428,511

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TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

Nine Months Ended September 30, 2012
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	723,705	294,293	151,936	396,435	(125,357)	1,441,012
Voyage expense	(98,506)	(1,445)	(3,601)	(4,884)	949	(107,487)
Net revenues ⁽¹⁾	625,199	292,848	148,335	391,551	(124,408)	1,333,525

Nine Months Ended September 30, 2011
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	707,816	282,722	92,866	523,774	(166,126)	1,441,052
Voyage expense	(89,133)	(1,362)	(1,888)	(44,227)	-	(136,610)
Net revenues ⁽¹⁾	618,683	281,360	90,978	479,547	(166,126)	1,304,442

- (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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