TEEKAY CORPORATION
4th Floor, BelvedereBuilding, 69 Pitts Bay Road
Hamilton, HM 08, Bermuda

TEEKAY CORPORATION
2011 ANNUAL GENERAL MEETING
PETER EVENSEN, PRESIDENT AND CEO
JUNE 10, 2011

Good morning, ladies and gentlemen. Thank you for attending our Annual General Meeting. It is my pleasure to address you for the first time at an Annual General Meeting as Teekay Corporation's President and CEO. For further information I would refer you to our website at www.teekay.com where you will be able to download our 20F filing with the United States Securities and Exchange Commission.

Before I begin, I must include the usual disclaimers about forward looking statements that are mandated by US Securities laws.[1]

Our shuttle tanker and FPSO offshore franchise had a strong year with many significant amendments to existing contracts, each of which had a positive impact on our cash flow. In addition, we were awarded new, fixed-rate contracts that will allow us to expand our offshore franchise while servicing existing customers.

Our LNG business continued to generate stable cash flows based on our diversified portfolio of long-term contracts and, while growth was constrained for most of 2010, the LNG market has gained momentum in early 2011 and we are optimistic about new growth opportunities that are expected to arise over the coming months.

With spot tanker freight rates weakening due to tanker supply increasing faster than demand, combined with the broad unwinding of floating storage contracts in the second half of the year, 2010 was another challenging year for Teekay's conventional tanker business.

In light of the weak spot tanker market, however, we achieved strong operating results for the year. Cash flow from vessel operations, or CFVO[2], from our fixed-rate businesses rose to $662 million, an increase of 18 percent over 2009. By contrast, our spot tanker business generated negative CFVO of $30 million for the year due to the weak spot tanker market and several out-of-the-money in-charters.

Net revenues decreased slightly to $1.8 billion for 2010, down slightly from $1.9 billion in 2009. Our adjusted net loss[3] in 2010 was $121 million, or $1.67 per share, compared to an adjusted net loss of $87 million, or 1.20 per share in 2009. On a US GAAP basis, we recorded a net loss of $166 million for the year, the difference mainly due to the unrealized mark-to-market loss on interest rate swaps. It should be noted that mark-to-market accounting has no impact on our cash flows or our liquidity.

Teekay's stock price performed well in 2010 rising over 42 percent with much of this increase coming after Teekay's Investor Day in October. While we are pleased that our shares were able to outperform the broader tanker space[4] which was down 25 percent, and the broader S&P 500 index, which was up 13 percent, we still believe Teekay's shares are trading at a significant discount to fair value and therefore we reinstated a $200 million buyback program in 2010 to help us narrow the gap.

Before summarizing how Teekay benefitted from its unique corporate structure in 2010, I will briefly touch on the recent key developments in each of our business segments.

A key highlight for 2010 was the significant momentum we saw in our offshore business. In mid-2010 we were able to successfully restructure certain major North Sea shuttle tanker contracts, which included long-term time-charters to Statoil for three of our high-specification newbuilding shuttle takers, two of which delivered in 2010. The fact that these ships are considered to be some of the most sophisticated and environmentally-friendly shuttle tankers ever built positively influenced the contract amendment negotiations with Statoil. The addition of these three ships also provided us with the opportunity to relocate two of our existing shuttle tankers from the North Sea onto attractive contracts in the benign waters offshore Brazil servicing Petrobras.

Our FPSO franchise was also very active throughout 2010 and this pace of business activity has continued in the first half of 2011. In April 2010, we announced the completion of negotiations to amend the contract for the *Foinaven FPSO* with BP. In addition to us receiving a one-time catch-up payment totaling $59 million, the new contract is expected to provide approximately $30 to $40 million of incremental annual cash flows annually through at least 2021.

We also extended the contract with Petrobras for the *Cidade de Rio das Ostras* FPSO unit (formerly referred to as the "Siri" FPSO) for an additional seven years on the Aruana field in offshore Brazil's Santos Basin, and were awarded a nine-year FPSO contract by Petrobras to service the Tiro and Sidon offshore fields in Brazil, commencing in mid-2012. We have subsequently entered into a joint venture with Brazil-based Odebrecht for them to participate 50 percent of this unit. We anticipate our alliance with Odebrecht will benefit us in the future as we look to grow our FPSO franchise in Brazil, which is one of the fastest growing offshore oil production regions in the world.

In addition, in early May 2011, we signed a conditional contact with Samsung to construct a newbuilding FPSO, subject to finalizing an operating contract with a major oil and gas company for a new North Sea FPSO project. Looking ahead, based on the recent high pace of offshore project tendering and asset acquisition opportunities, we remain optimistic about the prospects of our offshore business and are actively pursuing several opportunities in the North Sea and Brazil offshore markets.

In late 2010 and 2011 to date, we have seen a healthy return of activity in the global LNG shipping trade with several new projects scheduled to come on-line in the next few years after a quiet period following the global financial crisis. The devastating earthquake and tsunami in Japan in March 2011 has resulted in a renewed global focus on LNG and an increase in LNG carrier spot rates, which has helped us to secure new short-term charter contracts on our two smaller LNG carriers, the *Arctic Spirit* and *Polar Spirit*, at attractive rates. While all our other gas carriers are chartered-out on long-term fixed-rate contracts, we believe that a tighter LNG spot vessel supply-demand balance will lead to an increase in LNG contract opportunities.

While overall, 2010 was relatively slow in the LNG shipping space, we were able to complete a strategically important acquisition of 50 percent of two vessels owned by Belgium-based Exmar NV. Importantly, one of these vessels is classified as a floating storage regasification unit, or FSRU, which we expect will be an exciting growth area for Teekay in the future.

Fiscal 2010 was a story of two halves for the spot tanker market with relatively strong rates in the first half of the year, and significantly weaker and more volatile rates in the second half of the year. As a result, our conventional tanker business saw headwinds primarily from the depressed freight rates in the second half of the year. Despite high oil demand in 2010, excess tanker supply growth due to the strong pace of newbuild vessel deliveries weighed on tanker freight rates and this has continued into 2011. We believe that a period of weak spot tanker rates in the near-term will be a positive for the longer-term balance of tanker supply and demand as newbuild tanker ordering in 2011 year-to-date is at its lowest levels since the 1980s. In anticipation of the near-term weakness we're currently experiencing, we have been steadily reducing our spot tanker exposure over the past 24 months primarily through the redelivery of in-chartered vessels as their contracts expire and chartering-out of spot vessels as favorable contract opportunities arise. We expect to further reduce our spot tanker market exposure in 2011 as additional in-chartered vessels are scheduled to redeliver throughout the year.

Teekay Corporation's unique corporate structure continues to support the Company's growth and access to capital. The structure consists of our publicly-listed parent company and our three publicly-listed yield vehicles, or daughter companies, that cater to specific investor audiences: Teekay LNG Partners focuses on assets with fixed rate contracts of 10-25 year duration, primarily in the gas sector; Teekay Offshore Partners targets assets with employment ranging from three to 10 years in the offshore space; and Teekay Tankers Limited is a full payout dividend vehicle focused in the more volatile conventional tanker market with employment from zero to three years.

In 2010, we raised over $680 million of public equity across all three of our daughter companies with the majority of these proceeds used to acquire assets from the parent company. Including the dropdown of 49 percent of Teekay Offshore Operating LP, or OPCO, which was completed early in 2011, we completed approximately $1.3 billion of accretive asset sales to our daughter companies. The sale of assets from the parent company to our daughter companies must be approved by the independent directors of the respective daughter company and must be at fair market value, in the case of existing assets, or the fully built-up cost in the case of newbuildings or conversions. Dropdowns transactions have enabled us to reduce debt at the Teekay Parent level while also increasing our financial flexibility and providing funds to invest in new high return projects. At the close of 2010, Teekay Parent's net debt to total capitalization was reduced to only 15 percent, and liquidity at the parent company level, that can be used to invest in new projects or to repurchase shares, stood at $1.2 billion at the end of the year (or $2.4 billion on a total consolidated basis).

The dropdowns also benefit us by providing our daughter companies with steadily increasing distribution growth, which in turn drives equity value appreciation. In 2010, Teekay LNG Partners units, Teekay Offshore Partners units and Teekay Tankers shares each experienced increases of approximately 40 percent or more. This also had a beneficial impact for Teekay which saw the value of its daughter company holdings increase by over $400 million resulting in an additional $5.50 to Teekay's sum-of-the-parts value per share. A significant component of Teekay's sum-of-the-parts value comes from our general partnership interest in Teekay Offshore and Teekay LNG. Both of these MLPs are close to achieving the 50 percent distribution split thresholds after which the GPs will be entitled to 50 percent of any incremental increase in distribution cash flows. Given strong long-term industry fundamentals in our offshore and LNG businesses, our GP interests in Teekay Offshore Partners and Teekay LNG Partners are expected to represent increasingly important component of Teekay's underlying value going forward.

During 2010 and 2011 to date, we have made significant progress towards our goal of reducing Teekay's trading discount to its sum-of-the-parts value. Since we reactivated our current $200 million share repurchase authorization in November 2010, we bought back more than 2.5 million shares at a total cost of just over $82 million as of the end of February 2011, and we continue to make good headway. With our sum-of-the-parts value at approximately $45 per share compared to our current trading price of just below $33, we have been able to narrow our sum-of-the-parts discount from approximately 50 percent in September 2010 to less than 30 percent today. Going forward, we recognize there is still value to be recognized and will continue to focus on further narrowing this discount and growing our sum-of-the-parts value per share on an absolute basis, through a combination of organic growth and accretive acquisitions in our core business areas, as well as further share repurchases, while maintaining our strong balance sheet and financial flexibility.

Before I conclude, I would like to highlight that operational excellence has always been among Teekay's key strengths. Our global teams onboard ships and ashore, devote enormous effort towards upholding the Teekay name as a respected symbol of quality and as a protector of the environment. We set ourselves tough goals for personnel safety, fleet availability and customer service. However, we recognize that there will always be room to do better and we live by our core value of continuous improvement.

In closing, I would like to thank our customers for the opportunity to serve them; our colleagues for their dedicated efforts; our Board of Directors for their valued guidance; and our fellow shareholders for their continued support.

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[1] Before I proceed with my report to the shareholders, please allow me to remind you that various remarks that we may make in the course of this presentation about future expectations, plans and prospects for the company and the shipping industry constitute forward-looking statements for the purposes of the Safe Harbor provisions under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements, as a result of various important factors, including those discussed in our annual report on Form 20-F for the year ended December 31, 2010 and dated April 13,, 2011, which is on file with the U.S. Securities and Exchange Commission.

[2] Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel write-downs, gains and losses on the sale of vessels and unrealized gains and losses relating to derivatives, but includes realized gains and losses on the settlement of foreign currency forward contracts. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's Web site at www.teekay.com for a reconciliation of this non-GAAP measure as used above to the most directly comparable GAAP financial measure.

[3] Adjusted net income (loss) attributable to stockholders of Teekay is a non-GAAP financial measure which adjusts for a number of specific items that are typically excluded by securities analysts in their published estimates of the Company's financial results. Adjusted net (loss) income attributable to the stockholders of Teekay is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP. Please refer to Appendix A of the Teekay Corporation Fourth Quarter and Fiscal 2010 Earnings Release, which can be found on the Company's website www.teekay.com, for a reconciliation of this non-GAAP measure, as referenced above, to the most directly comparable financial measure under United States generally accepted accounting principles (GAAP).

[4] Comparable peer group includes the following publicly-listed tanker companies: Frontline Ltd., Overseas Shipholding Group, General Maritime Corp., Tsakos Energy Navigation Ltd., and Nordic American Tanker Shipping.

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