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TEEKAY CORPORATION
2009 ANNUAL GENERAL MEETING
BJORN MOLLER, PRESIDENT AND CEO
SEPTEMBER 9, 2009

Good morning, Ladies and Gentlemen. Thank you for attending our Annual General Meeting. As usual, I would like to spend a few minutes reviewing key developments of the past year. 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 warnings about future performance that are mandated by US Securities laws.[1]

2008 has gone down in the history books as the second-strongest year on record for tanker rates, significantly exceeding the expectations of most people. The financial crisis that hit the world in earnest in the fall of 2008 sowed the seed for the eventual downturn for the tanker market but its full effect did not catch up to tanker rates until the spring of 2009.

For Teekay Corporation, 2008 was a successful year in many respects but our share price performance – with a drop of 63% for the year – was poor in both absolute and relative terms and this can only be described as a disappointment. As I will discuss later, we believe that Teekay's shares are trading at a significant discount to fair value and we are implementing a plan to close the gap.

We achieved strong operating results for the year. Revenues increased by one-third to reach a record $3.2 billion. Adjusted net income was $285 million, or $3.94 per share, compared to $2.64 per share in 2007.

On a US GAAP basis, we recorded a net loss of $479 million for the year, mainly due to two large, non-cash items: a write-down of goodwill in Teekay Petrojarl; and an unrealized mark-to-market loss on interest derivatives. These items did not affect our cash flows or our liquidity.

Cash flow from vessel operations, or CFVO, rose to a strong $888 million, up from $627 million the prior year.

In August 2008, Teekay announced that it would be restating its financial results going back five years because certain derivative instruments used to hedge interest rates did not meet strict technical requirements for hedge accounting treatment under SFAS 133. As we anticipated at the outset of the process, the eventual restated results had no impact on Teekay's historical or future cash flows, liquidity, dividends or adjusted earnings. However, because the restatement took several months to complete, we were in the undesirable situation of not being able to report current financial results in the midst of a meltdown in global financial markets. The restatement process has been duly completed.

Teekay's mission is to be the premier provider of marine services to our customers in the oil and gas sector. Since 1998 we have built a unique business platform which today moves more than 10% of the world's seaborne oil. We produce, store, shuttle, transport and transship our customers' oil and gas on global basis through our fleet of some 165 vessels and our 20 offices. Our leading position in each of our businesses gives us scale benefits and flexibility with respect to where we can invest our incremental capital most profitably.

I will briefly touch on the recent key developments in each of our business segments.

We are excited about the prospects in our growing offshore franchise. Deepwater offshore oil production is expected to undergo significant growth, potentially reaching 35% of world oil production by 2015. To capitalize on this opportunity, Teekay has built up a major presence in marine services to the offshore sector. We entered the FSOs market in 1998, shuttle tankers in 2001 and in 2006 we acquired a majority shareholding in Norwegian FPSO leader

Petrojarl, buying the remaining shares in 2008. In 2008 we also secured a new contract for the Varg FPSO at a significantly increased rate through 2013, with the potential for additional employment up to 2022. In early 2009 we received an award from Petrobras for the successful first year of operation of our Siri FPSO in Brazil, the world's first FPSO to produce heavy oil offshore.

We are the world leader in dynamically positioned shuttle tankers that provide just-in-time offtake of oil from offshore production installations in some of the most challenging waters in the world. In 2008, and continuing into 2009, we have been able to secure increasing day rates on contract renewals due to attractive market fundamentals. We have placed orders for four sophisticated new shuttle tankers, scheduled for delivery in 2010 and 2011 to coincide with an expected rise in demand for shuttle tankers, not least in the fast-growing Brazilian market.

In our gas shipping unit our fleet grew with the on-time delivery of LNG projects under construction, consolidating Teekay's position as the third largest independent shipper of LNG. A slow spell in new gas field projects has resulted in few new contracting opportunities in our build-to-suit strategy but, in the long term, the growing demand for clean-burning LNG is expected to create future shipping projects. In the meantime, we are investigating opportunities in an exciting new growth area – floating LNG, or FLNG – which involves offshore gas liquefaction onboard LNG carriers. The combination of skills required for these complex projects already exists within our business platform and we are looking at selected projects that play to our strengths.

In our conventional tanker business we have been actively managing our asset portfolio. In 2008 we pursued a bifurcated strategy of in-chartering tonnage to increase our near-term exposure to what we expected would be a strong spot market in 2008, while seeking to lay off forward risk in anticipation of a gradual, tanker supply driven cyclical downturn from 2009. In the event, this strategy proved correct. However, after an exceptionally strong 2008, with average Aframax rates of $40,000 per day, the downturn in 2009 has been steeper than expected due to a 10% reduction in tanker demand. Today, Aframax tankers are earning close to their operating cost breakeven at below $10,000 per day.

In late 2008, we realized the unprecedented severity of the global downturn and accelerated our efforts to reduce spot exposure through asset sales and out-charters. In 2008 and 2009 to date we have disposed of $600 million of spot tanker assets to third parties and have chartered out 14 tankers at an average Aframax rate of some $25,000 per day for the next two years.

While asset sales and out-charters have reduced our financial exposure to the weak market we have maintained our role as the leading operator of medium-sized tankers through the growth of our tanker pools. In the Suezmax sector, our Gemini pool has grown from 20 to 45 vessels, and we are actively expanding our Aframax and large product carrier pools with third party tonnage.

The tanker market is likely to remain weak for the balance of 2009. In 2010, the IMF's forecast of global economic growth, led by China, India and other key developing economies, is expected to stimulate oil demand and increase the demand for tankers. However, in order to get a meaningful rate recovery in 2010 the market needs a pick up in scrapping of single-hull tankers under the IMO phase-out to offset a large number of new tankers scheduled for delivery next year.

Operational excellence has always been among Teekay's key strengths. Our global teams onboard ship 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.

A key differentiator for Teekay is our track record of combining our customer relationships, operational experience, technical knowhow and financial strength to generate successful new projects. Our consolidated fixed-rate CFVO from such projects is expected to reach over $550 million in 2009, a 33% compounded annual growth rate since 2002, and we have over $12 billion in forward contracted fixed-rate revenues, with an average remaining contract life of 10 years.

Our ability to fund this level of growth into what is today a $10 billion asset base comes from Teekay's unique financial structure. Teekay Corporation has created three publicly listed yield vehicles, or daughter companies, which 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.

Within this financial structure, the primary role of Teekay Parent is to be an acquirer and builder of valuable franchises and a developer of new projects inside these franchises. These assets are dropped down to the daughters for cash and shares over time, enabled by our daughters' capability to raise capital to pay the parent for the assets. Illustrating their access to capital, each of our three daughters has executed successful follow-on equity offerings in 2009.

The asset dropdowns benefit Teekay Parent in a number of ways. They help reduce debt on the parent's balance sheet, making room to invest in new projects. 80% of consolidated debt has already been moved down to the daughters and is now non-recourse to the parent. So, while the Teekay group's consolidated net debt to total capitalization stood at 57% at the end of the second quarter of 2009, Teekay Parent's standalone net debt to capitalization was only 32% and is expected to fall further.

The dropdowns also benefit us through steadily growing distributions on our ownership share in the daughters. And they provide us with growing asset management fees and incentive distributions that enhance Teekay Parent's return on invested capital.

With its financial strength Teekay is well positioned to withstand even an extended, severe cyclical downturn. We have more than $2 billion in consolidated liquidity, in addition to a fully-financed newbuilding program. We have a favourable debt to asset profile and no covenant concerns. Our first significant balloon payments are in 2011 and we are in the process of stretching part of these payments further into the future. We have access to multiple sources of capital. And, our spot market cash flow breakeven rate is declining to $10,000/day in 2010 and only $7,000 in 2011.

We believe the current tanker market downturn, combined with a contracting ship finance market, will create attractive opportunities for strong companies. We consider it prudent to continue to build Teekay's financial strength and patiently wait for the right time to consider new projects. During this period of reduced project activity we have turned our focus to improving the profitability of our existing businesses. This includes aggressive cost and efficiency measures which over the past year have generated savings in G&A expenses by 20% and in vessel operating costs by some 7%.

At its current level of below $20, Teekay Corporation shares represent deep value, trading at only half their fair value. We remain focused on narrowing this gap and are pursuing a clear plan to unlock value through the strategic steps I have described this morning, namely actively managing our asset portfolio, improving the profitability of our existing businesses and building further financial strength. We are also redoubling our efforts to assist the investment community fully recognize the strength of our financial structure.

In September 2008 Teekay Corporation raised its quarterly dividend to 31.625 cents per share. Despite the current weak tanker market, our Board has continued to approve this quarterly dividend, which is supported by the stable distributions from Teekay LNG and Teekay Offshore alone. At today's share price Teekay's dividend provides a very attractive yield of 7%.

All in all, 2008 was a year with a number of positive strategic developments for Teekay but also a year that had its challenges. We are certainly pleased to put the accounting restatement behind us! Above all, we are excited about the strength of our platform which was built to withstand and prosper from market volatility. We believe this platform will underpin Teekay's ability to emerge from this downturn in a relatively stronger position and to create significant shareholder value in the coming years.

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, 2008 and dated June 24, 2009, which is on file with the Securities and Exchange Commission.

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