



TEEKAY CORPORATION
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EARNINGS RELEASE

TEEKAY CORPORATION REPORTS THIRD QUARTER RESULTS

Highlights

- Generated cash flow from vessel operations of \$278.6 million, up from \$227.0 million in the prior quarter
- Reported third quarter net income of \$103.1 million, or \$1.41 per share (including specific items which increased net income by \$8.9 million, or \$0.12 per share)⁽¹⁾
- Completed financial restatement
- Renewed FPSO Petrojarl Varg contract for four years (plus charterer's options for up to an additional nine years) which is expected to increase cash flow from vessel operations expected to increase by over \$20 million annually commencing July 1, 2009

Hamilton, Bermuda, February 12, 2009 - Teekay Corporation (*Teekay* or *the Company*) (NYSE: TK) today reported net income of \$103.1 million, or \$1.41 per share, for the quarter ended September 30, 2008, compared to a net loss of \$74.2 million, or \$0.99 per share, for the same period of the prior year. The results for the quarters ended September 30, 2008 and 2007 include a number of specific items which had the net effect of increasing net income by \$8.9 million (or \$0.12 per share) and decreasing net income by \$97.1 million (or \$1.30 per share), respectively, as detailed in *Appendix A* to this release. Net revenues⁽²⁾ for the third quarter of 2008 increased to \$672.5 million from \$462.7 million for the same period of the prior year, and income from vessel operations increased to \$217.5 million from \$98.2 million.

Net income for the nine months ended September 30, 2008 was \$181.4 million, or \$2.48 per share, compared to \$178.4 million, or \$2.38 per share, for the same period of the prior year. The results for the nine months ended September 30, 2008 and 2007 include a number of specific items which had the net effect of decreasing net income by \$50.7 million (or \$0.69 per share) and increasing net income by \$4.1 million (or \$0.06 per share), respectively, as detailed in *Appendix A* to this release. Net revenues for the nine months ended September 30, 2008 increased to \$1.8 billion from \$1.4 billion for the same period of the prior year, and income from vessel operations increased to \$439.0 million from \$352.8 million.

Financial Restatement

The Company has now resolved the remaining accounting item identified for restatement relating to its accounting for the costs associated with its long-term incentive plan, as described in the Company's press release dated November 25, 2008. As a result, the Company has revised the amounts accrued in respect of its long-term incentive plan, resulting in a net reduction to its general and administrative expenses of approximately \$7 million for the period January 1, 2005 to June 30, 2008, which have been reflected in the appropriate periods in this release. These accounting adjustments associated with the long-term incentive program do not impact amounts paid out under the plan.

A component of the long-term incentive plan is linked to the Company's share price. Consistent with the decline in the Company's share price during the third quarter, the accrual for the amounts payable under the plan decreased by approximately \$20 million as at September 30, 2008. This resulted in a reduction in general and administrative expenses of that amount in the third quarter of 2008, which has been included in *Appendix A* of this release.

(1) Please refer to *Appendix A* to this release for information about specific items affecting net income.

(2) Net revenues represents revenues less voyage expenses. Net revenues 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 in this release to the most directly comparable financial measure under United States generally accepted accounting principles (GAAP).

More detailed financial information relating to the restatements will be included in the amended Form 20-F/A for the year ended December 31, 2007 (certain financial information will be included for annual fiscal periods from 2003 through 2007), in the amended Form 6-K/A for the quarter ended March 31, 2008 and in the Form 6-K for the quarter ended June 30, 2008, which the Company will file with or furnish to, as applicable, the SEC and make available on its website at www.teekay.com.

Operating Results

During the third quarter of 2008, approximately 43 percent of the Company's cash flow from vessel operations was generated from its fixed-rate businesses, compared to 83 percent in the third quarter of the prior year. This change is primarily due to the significant increase in spot tanker rates in the third quarter of 2008, partially offset by the continued growth of the Company's fixed-rate businesses.

The following table highlights certain financial information for Teekay's four main operating segments: the offshore segment, the fixed-rate tanker segment, the liquefied gas segment, and the spot tanker segment (please refer to the "Teekay Fleet" section of this release below and *Appendix B* for further details):

(in thousands of U.S. dollars)	<u>Three Months Ended September 30, 2008</u>				
	(unaudited)				
	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Net revenues	235,862	63,557	57,480	315,636	672,535
Vessel operating expenses	113,606	16,869	10,476	29,566	170,517
Time-charter hire expense	32,951	9,716	-	115,459	158,126
Depreciation & amortization	55,949	12,067	14,606	25,871	108,493
Cash flow from vessel Operations ⁽¹⁾	48,817	31,059	41,126	157,596	278,598

(in thousands of U.S. dollars)	<u>Three Months Ended September 30, 2007</u>				
	(unaudited)				
	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Net revenues	219,613	50,457	42,921	149,716	462,707
Vessel operating expenses	64,733	13,285	8,056	21,734	107,808
Time-charter hire expense	39,865	7,773	-	73,368	121,006
Depreciation & amortization	45,359	9,236	11,491	20,972	87,058
Cash flow from vessel Operations ⁽¹⁾	60,828	24,419	29,228	23,855	138,330

(1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel write-downs/(gain) loss on sale of vessels and unrealized gains or losses relating to derivatives. 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 in this release to the most directly comparable GAAP financial measure.

Offshore Segment

The Company's offshore segment is comprised of shuttle tankers, floating storage and off-take (*FSO*) units, and floating production storage and offloading (*FPSO*) units.

Cash flow from vessel operations from the Company's offshore segment decreased to \$48.8 million in the third quarter of 2008, compared to \$60.8 million in the third quarter of the prior year, primarily due to increases in crewing costs, repair and maintenance expenditures, and business development costs, partially offset by the delivery of the Siri FPSO in February 2008.

Vessel operating expenses of the Company's offshore segment increased to \$113.6 million in the third quarter of 2008 from \$64.7 million in the third quarter of prior year, including a \$24.6 million increase due to the change in fair value of foreign exchange forward contracts not designated as cash flow hedges pursuant to US GAAP. Also contributing to the increase was an additional \$8.4 million from an increase in fleet size, including the Siri FPSO. The remainder of the increase was the result of increases in crewing costs and repair and maintenance expenditures.

In December 2008, the Company entered into a contract extension with Talisman Energy for the FPSO *Petrojarl Varg*. The new terms under the contract extension commence on July 1, 2009, and provide that the *Petrojarl Varg* will continue to be chartered to Talisman for an additional four years, with its option to extend the contract for up to an additional nine years thereafter. The contract extension provides an increased base daily time-charter rate plus an incentive component based on the operational performance of the unit and a tariff component based on the volume of oil produced. The new contract terms are expected to increase the annual cash flow from vessel operations from the *Petrojarl Varg* by approximately 50 percent, or \$20 million per annum, with opportunities for additional upside from the tariff component if nearby oil fields that would be covered by the contract become operational, as is expected. In accordance with an existing agreement, Teekay's publicly-traded subsidiary Teekay Offshore Partners, L.P. has the right to purchase the *Petrojarl Varg* at any time prior to December 4, 2009 at its fair market value when such right is exercised.

Fixed-Rate Tanker Segment

The Company's fixed-rate tanker segment includes its conventional tankers that operate under fixed-rate charter contracts with an initial term of three or more years.

Cash flow from vessel operations from the Company's fixed-rate tanker segment increased to \$31.1 million in the third quarter of 2008, compared to \$24.4 million in the third quarter of the prior year. This increase was primarily due to an increase in the size of the Company's fixed-rate tanker fleet (including vessels chartered-in), partially offset by an increase in vessel crewing and service costs. The increase in the fixed-rate tanker fleet included the acquisition of two Suezmax and two product tankers from OMI Corporation on August 1, 2007, the addition of two new chartered-in Aframax tankers in January 2008 as part of the previously-announced multi-vessel transaction with ConocoPhillips and the delivery of two new Aframax tankers during January and March 2008.

Liquefied Gas Segment

The liquefied gas segment includes liquefied natural gas (*LNG*) and liquefied petroleum gas (*LPG*) carriers.

The Company's cash flow from vessel operations from its LNG and LPG carriers during the third quarter of 2008 was \$41.1 million, compared to \$29.2 million in the third quarter of the prior year. This increase was primarily due to the contribution from the two Kenai LNG carriers which were acquired in December 2007 and the effect on the Company's Euro-denominated revenues resulting from the depreciation of the U.S. Dollar against the Euro over the same periods of the prior year.

Spot Tanker Segment

The Company's spot tanker segment includes its conventional tankers that operate on voyage and time-charters with an initial term of less than three years.

Cash flow from vessel operations from the Company's spot tanker segment increased to \$157.6 million for the third quarter of 2008, from \$23.9 million for the third quarter of the prior year, primarily due to a significant increase in spot tanker rates and an increase in the size of the Company's spot tanker fleet, partially offset by an increase in time-charter hire expenses and an increase in vessel crewing costs.

On a net basis, fleet changes increased the total number of revenue days in the Company's spot tanker segment to 7,761 for the third quarter of 2008, compared to 6,417 for the third quarter of the prior year. Revenue days increased in 2008 as a result of the inclusion of vessels acquired from OMI Corporation for the full quarter, two vessel purchases, one newbuilding delivery and seven additional in-charters. Revenue days represent the total number of vessel calendar days less off-hire associated with major repairs, drydockings, or mandated surveys.

Average spot tanker freight rates during the third quarter of 2008 were the highest ever for a third quarter. This counter-seasonal strength in tanker freight rates was primarily due to higher oil production volumes from ton-mile intensive OPEC producers, as well as other factors, including port delays in the United States and Japan and stockpiling of oil ahead of the Olympics in China.

During the fourth quarter of 2008, rates for very large crude carriers (VLCCs) declined as OPEC producers implemented production cutbacks in response to declining oil prices. In comparison, rates for medium-sized crude oil tankers remained relatively firm primarily due to seasonal factors, rising volumes of non-OPEC production corresponding with the completion of summer maintenance in the North Sea and weather-related delays, particularly in the Bosphorus Straits and United States Gulf ports.

The global tanker fleet grew by approximately 5.7 percent (approximately 22 million deadweight tonnes) in 2008 which is slightly lower than average annual fleet growth of 6.1 percent from 2003 to 2007.

The following table highlights the operating performance of the Company's spot tanker segment measured in net revenues per revenue day (before deducting commissions), or time-charter equivalent (*TCE*) rates, and includes the realized gains and losses from forward freight agreements (*FFAs*) and synthetic time-charters, which are entered into as hedges against a portion of the Company's exposure to spot market rates or for speculative purposes:

Spot Tanker Segment	Three Months Ended			Nine Months Ended	
	September 30, 2008	June 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
Suezmax Tanker Fleet					
Spot revenue days	497	432	533	1,483	972
Average spot rate ⁽¹⁾	\$67,696	\$73,356	\$25,723	\$61,229	\$34,998
Time-charter revenue days	652	740	506	2,059	828
Average Time-charter rate ⁽²⁾⁽³⁾	\$36,527	\$30,609	\$29,177	\$31,680	\$26,899
Aframax Tanker Fleet					
Spot revenue days	3,844	3,635	2,867	11,187	8,274
Average spot rate ⁽¹⁾	\$48,162	\$43,606	\$22,247	\$42,735	\$31,017
Time-charter revenue days	391	180	92	714	182
Average Time-charter rate ⁽²⁾	\$33,514	\$31,803	\$34,138	\$32,733	\$31,334
Large/Medium-Size Product Tanker Fleet					
Spot revenue days	1,101	1,156	1,062	3,320	2,797
Average spot rate ⁽¹⁾	\$42,082	\$30,870	\$27,534	\$33,532	\$27,724
Time-charter revenue days	361	431	459	1,605	810
Average Time-charter rate ⁽²⁾	\$32,479	\$28,156	\$26,065	\$25,548	\$29,179
Small Product Tanker Fleet					
Spot revenue days	915	887	898	2,705	2,695
Average spot rate	\$13,846	\$13,750	\$13,880	\$13,781	\$15,121

- (1) Average spot rates include realized results of *FFAs*, short-term time-charters and fixed-rate contracts of affreightment that are under a year in duration.
- (2) Average time-charter rates include realized results of synthetic time-charters and *FFAs*, short-term time-charters, and fixed-rate contracts of affreightment that are over a year but under three years in duration.
- (3) Average Suezmax time-charter rates exclude the cost of spot in-chartering vessels for contract of affreightment cargoes.

Teekay Fleet

As at December 31, 2008, Teekay's fleet consisted of 186 vessels, including chartered-in vessels and newbuildings on-order, but excluding vessels managed for third parties.

The following table summarizes the Teekay fleet as at December 31, 2008:

	Number of Vessels ⁽¹⁾			Total
	Owned Vessels	Chartered-in Vessels	Newbuildings	
Offshore Segment				
Shuttle Tankers ⁽²⁾	28	9	4	41
Floating Storage & Offtake (FSO) Units ⁽³⁾	5	-	-	5
Floating Production Storage & Offloading (FPSO) Units	5	-	-	5
Total Offshore Segment	38	9	4	51
Fixed-Rate Tanker Segment				
Conventional Tankers ⁽⁴⁾	17	6	-	23
Total Fixed-Rate Tanker Segment	17	6	-	23
Liquefied Gas Segment				
LNG Carriers ⁽⁵⁾	14	-	5	19
LPG Carriers	1	-	5	6
Total Liquefied Gas Segment	15	-	10	25
Spot Tanker Segment				
Suezmaxes ⁽⁶⁾	8	6	7	21
Aframaxes ⁽⁷⁾	21	26	-	47
Panamaxes	-	1	-	1
Large/Medium Product Tankers	9	8	1	18
Total Spot Tanker Segment	38	41	8	87
Total	108	56	22	186

(1) Excludes vessels managed on behalf of third parties.

(2) Includes six shuttle tankers in which the Company's ownership interest is 50 percent.

(3) Includes one unit in which the Company's ownership interest is 89 percent.

(4) Includes eight Suezmax tankers owned by Teekay LNG.

(5) Includes fourteen LNG vessels owned by Teekay LNG. Teekay LNG has agreed to acquire Teekay's 70 percent interest in two of the LNG vessels upon delivery of the second vessel.

(6) Includes two Suezmax tankers owned by Teekay Tankers.

(7) Includes nine Aframax tankers owned by Teekay Offshore and chartered to Teekay and nine Aframaxes owned by Teekay Tankers.

During the third quarter of 2008, the Company sold and delivered two vessels for net proceeds of \$105.1 million, resulting in a total gain of approximately \$35.7 million. During the fourth quarter of 2008, the Company sold and delivered two vessels for net proceeds of \$147.3 million, resulting in a total gain of approximately \$16.7 million.

In November 2008, the Company completed the previously-announced sale of its 50 percent interest in the Swift Product Tanker Pool, which included 10 of the Company's in-chartered intermediate product tankers, for a total gain of approximately \$46.4 million.

Liquidity and Capital Expenditures

As of September 30, 2008 the Company had current liquidity of more than \$1.7 billion, consisting of \$875.6 million cash and \$872.8 million of undrawn revolving credit facilities. In addition, the Company has pre-arranged newbuilding financing commitments of approximately \$1.1 billion, bringing total liquidity to over \$2.8 billion.

The Company's remaining capital commitments relating to its portion of newbuildings were as follows as at September 30, 2008:

(in millions)	Q4 2008	2009	2010	2011	2012	Total
Offshore Segment	-	\$34	\$219	\$163	-	\$416
Fixed-Rate Tanker Segment	-	-	-	-	-	-
Liquefied Gas Segment	\$35	129	106	157	45	472
Spot Tanker Segment	63	246	-	-	-	309
Total	\$98	\$409	\$325	\$320	\$45	\$1,197

As indicated above, the Company had capital expenditure commitments of approximately \$1.2 billion remaining as at September 30, 2008, of which \$1.05 billion has pre-arranged financing, leaving only \$176 million to be funded from operating cash flow or other sources.

Supplemental Financial Information

Appendix B to this release includes supplemental financial information for each of the Company's publicly-listed subsidiaries (Teekay LNG, Teekay Offshore, and Teekay Tankers), its wholly-owned subsidiary, Teekay Petrojarl, and the remaining business (referred to as Teekay Corp. Standalone). *Appendix B* also includes consolidation adjustments required to reconcile to Teekay's consolidated balance sheet and statement of income as at and for the three and nine months ended September 30, 2008.

About Teekay

Teekay Corporation transports more than 10 percent of the world's seaborne oil, has built a significant presence in the liquefied natural gas shipping sector through its publicly-listed subsidiary, Teekay LNG Partners L.P. (NYSE: TGP), is further growing its operations in the offshore oil production, storage and transportation sector through its publicly-listed subsidiary, Teekay Offshore Partners L.P. (NYSE: TOO), and continues to expand its conventional tanker business through its publicly-listed subsidiary, Teekay Tankers Ltd. (NYSE: TNK). With a fleet of over 180 vessels, offices in 17 countries and 6,600 seagoing and shore-based employees, Teekay provides a comprehensive set of marine services to the world's leading oil and gas companies, helping them seamlessly link their upstream energy production to their downstream processing operations. Teekay's reputation for safety, quality and innovation has earned it a position with its customers as The Marine Midstream Company.

Teekay's common stock is listed on the New York Stock Exchange where it trades under the symbol "TK".

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TEEKAY CORPORATION
SUMMARY CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(in thousands of U.S. dollars, except share and per share data)

	<u>Three Months Ended</u>			<u>Nine Months Ended</u>	
	<u>September 30,</u> <u>2008</u> (unaudited)	<u>June 30,</u> <u>2008</u> (unaudited)	<u>September 30,</u> <u>2007</u> (unaudited)	<u>September 30,</u> <u>2008</u> (unaudited)	<u>September 30,</u> <u>2007</u> (unaudited)
REVENUES	879,244	769,399	590,160	2,392,015	1,734,144
OPERATING EXPENSES					
Voyage expenses	206,709	189,515	127,453	565,685	367,440
Vessel operating expenses ⁽¹⁾	170,517	159,470	107,808	473,036	306,901
Time-charter hire expense	158,126	142,682	121,006	445,292	320,321
Depreciation and amortization	108,493	106,700	87,058	312,900	234,416
General and administrative ⁽¹⁾⁽²⁾	49,157	70,882	54,635	184,678	169,880
Gain on sale of vessels and equipment	(36,292)	(2,925)	(5,973)	(39,713)	(17,586)
Restructuring charge	5,063	4,617	-	11,180	-
	661,773	670,941	491,987	1,953,058	1,381,372
Income from vessel operations	217,471	98,458	98,173	438,957	352,772
OTHER ITEMS					
Interest (expense) gain ⁽¹⁾	(156,402)	113,962	(223,587)	(324,688)	(210,536)
Interest income (loss) ⁽¹⁾	40,655	(2,149)	54,636	99,115	70,012
Income tax recovery (expense)	19,304	11,201	(9,892)	28,022	(6,851)
Equity loss from joint ventures	(5,108)	(2,063)	(1,654)	(10,780)	(5,341)
Foreign exchange gain (loss)	43,857	(1,807)	(19,052)	10,058	(29,363)
Minority interest (expense) income	(39,325)	(38,822)	15,308	(51,587)	(16,523)
Other – net	(17,324)	4,639	11,841	(7,679)	24,203
	(114,343)	84,961	(172,400)	(257,539)	(174,399)
Net income (loss)	103,128	183,419	(74,227)	181,418	178,373
Earnings per common share					
- Basic	\$1.42	\$2.53	(\$1.01)	\$2.50	\$2.43
- Diluted	\$1.41	\$2.50	(\$0.99)	\$2.48	\$2.38
Weighted-average number of common shares outstanding					
- Basic	72,467,924	72,377,684	73,592,554	72,496,564	73,523,627
- Diluted	73,033,603	73,279,213	74,917,614	73,248,540	74,925,820

(1) The Company has entered into foreign exchange forward contracts, which are economic hedges of vessel operating expenses and general and administrative expenses, and interest rate swaps, which are economic hedges of interest bearing debt and restricted cash deposits; however, certain of these forward contracts and all of the interest rate swaps are not designated as cash flow hedges pursuant to US GAAP. Unrealized gains and losses from these undesignated forward contracts and designated forward contracts with sources of ineffectiveness are reflected in vessel operating expenses and general and administrative expenses in the above Statements of Income (Loss). Unrealized gains and losses from these undesignated swap contracts are reflected in interest expense and interest income in the above Statements of Income (Loss). The Company recorded the following unrealized gains (losses), relating to these undesignated foreign currency forward contracts and interest rate swaps:

	<u>Three Months Ended</u>			<u>Nine Months Ended</u>	
	<u>September 30,</u> <u>2008</u>	<u>June 30,</u> <u>2008</u>	<u>September 30,</u> <u>2007</u>	<u>September 30,</u> <u>2008</u>	<u>September 30,</u> <u>2007</u>
Vessel operating expenses	(10,514)	(3,602)	9,885	(14,327)	16,045
General and administrative	(5,788)	(2,775)	5,800	(8,412)	10,326
Interest (expense) gain	(75,484)	190,845	(144,644)	(86,405)	(325)
Interest income (loss)	17,452	(23,183)	26,973	31,888	(4,135)

(2) General and administrative expense for the three and nine months ended September 30, 2008 included a reduction of \$20.2 million and \$22.6 million, respectively, of amounts accrued in respect of the Company's long-term incentive plan.

TEEKAY CORPORATION
SUMMARY CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	<u>As at September 30,</u> <u>2008</u> <u>(unaudited)</u>	<u>As at December 31,</u> <u>2007</u> <u>(unaudited)</u>
ASSETS		
Cash and cash equivalents	875,613	442,673
Other current assets	559,097	469,058
Restricted cash – current	91,928	33,479
Vessels held for sale	98,726	79,689
Restricted cash – long-term	642,776	652,717
Vessels and equipment	6,644,137	6,229,809
Advances on newbuilding contracts	727,227	617,066
Other assets (1)	1,330,272	1,203,156
Intangible assets	245,840	259,952
Goodwill	484,643	434,590
Total Assets	11,700,259	10,422,189
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	497,441	364,635
Current portion of long-term debt	281,568	482,385
Long-term debt (1)	6,682,710	5,638,479
Other long-term liabilities / In process revenue contracts (1)	784,199	736,397
Minority interest	668,563	544,339
Stockholders' equity	2,785,778	2,655,954
Total Liabilities and Stockholders' Equity	11,700,259	10,422,189

- (1) Through a wholly-owned subsidiary, the Company owns a 40 percent interest in a joint venture that owns the four RasGas 3 LNG carriers. The joint venture partner, a wholly-owned subsidiary of Qatar Gas Transport Company, owns the remaining 60 percent interest. Both wholly-owned subsidiaries are joint and several co-borrowers with respect to the joint venture's term loan and related interest rate swap agreements. As a result, the Company's balance sheet reflects 100 percent of the joint ventures's term loan and interest rate swap agreements, as well as offsetting increases in assets. As at September 30, 2008, the effect of the 60 percent gross-up were increases to total debt of \$525.5 million, other long-term liabilities of \$11.6 million and other assets of \$537.1 million. In December 2008, the term loan and related interest rate swap agreements were novated to the joint venture company that owns the four RasGas 3 LNG carriers. Since the Company's 40% interest in the joint venture company is equity accounted for, this will result in a reduction in total debt of approximately \$875 million as at December 31, 2008, compared to September 30, 2008.

TEEKAY CORPORATION
SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)

	<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2008</u> <u>(unaudited)</u>	<u>2007</u> <u>(unaudited)</u>
Cash and cash equivalents provided by (used for)		
OPERATING ACTIVITIES		
Net operating cash flow	255,699	236,853
FINANCING ACTIVITIES		
Net proceeds from long-term debt	1,976,961	2,680,898
Scheduled repayments of long-term debt	(243,421)	(232,105)
Prepayments of long-term debt	(881,993)	(851,178)
Increase in restricted cash	(56,924)	(13,333)
Repurchase of common stock	(20,512)	(50,257)
Net proceeds from the public offering of Teekay LNG	148,331	84,182
Net proceeds from the public offering of Teekay Offshore	142,160	-
Other	(57,188)	(21,079)
Net financing cash flow	1,007,414	1,597,128
INVESTING ACTIVITIES		
Expenditures for vessels and equipment	(546,334)	(550,531)
Proceeds from sale of vessels and equipment	184,338	199,475
Purchase of marketable securities	(542)	(39,265)
Proceeds from sale of marketable securities	11,058	53,941
Purchase of Teekay Petrojarl ASA	(258,555)	(1,210)
Purchase of 50% of OMI Corporation	-	(1,108,136)
Loan to joint ventures	(255,971)	(457,525)
Other	35,833	21,993
Net investing cash flow	(830,173)	(1,881,258)
Increase (decrease) in cash and cash equivalents	432,940	(47,277)
Cash and cash equivalents, beginning of the period	442,673	343,914
Cash and cash equivalents, end of the period	875,613	296,637

TEEKAY CORPORATION

APPENDIX A – SPECIFIC ITEMS AFFECTING NET INCOME

(in thousands of U.S. dollars, except per share data)

Set forth below are some of the significant items of income and expense that affected the Company's net income for the three and nine months ended September 30, 2008, all of which items are typically excluded by securities analysts in their published estimates of the Company's financial results:

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30, 2008</u>		<u>September 30, 2008</u>	
	(unaudited)		(unaudited)	
	\$	\$ Per Share	\$	\$ Per Share
Gain on sale of vessels and equipment	36,292	0.50	39,713	0.54
Foreign currency exchange gains ⁽¹⁾	43,857	0.60	8,518	0.12
Deferred income tax recovery on unrealized foreign exchange losses ⁽²⁾	16,842	0.23	8,162	0.11
Unrealized losses from derivative instruments ⁽³⁾	(70,161)	(0.97)	(85,719)	(1.17)
Net effect from non-cash changes in purchase price allocation for the acquisition of Teekay Petrojarl ASA ⁽⁴⁾	-	-	(6,398)	(0.09)
Net effect from non-cash changes in purchase price allocation for the acquisition of 50 percent of OMI Corporation ⁽⁵⁾	(1,364)	(0.02)	(8,392)	(0.11)
Restructuring charge ⁽⁶⁾	(5,063)	(0.07)	(9,680)	(0.13)
Change in long-term incentive plan accruals ⁽⁷⁾	20,231	0.28	22,606	0.31
Write-down of marketable securities	(13,885)	(0.19)	(13,885)	(0.19)
Other ⁽⁸⁾	(4,774)	(0.06)	(7,984)	(0.11)
Minority owners' share of items above ⁽⁹⁾	(13,109)	(0.18)	2,393	0.03
Total	8,866	0.12	(50,666)	(0.69)

- (1) Foreign currency exchange gains (losses) primarily relate to the Company's debt denominated in Euros and deferred tax liability denominated in Norwegian Kroner. Nearly all of the Company's foreign currency exchange gains and losses are unrealized.
- (2) Portion of deferred income tax related to unrealized foreign exchange gains and losses.
- (3) Reflects the unrealized gains or losses relating to the change in the mark-to-market value of derivative instruments that are not designated as hedges for accounting purposes.
- (4) Primarily relates to changes in amortization of in-process revenue contracts as a result of adjustments to the purchase price allocation of Teekay Petrojarl ASA.
- (5) Primarily relates to changes in amortization of intangible assets as a result of adjustments to the purchase price allocation of OMI Corporation.
- (6) Restructuring charges relate to the reorganization of certain of the Company's operational functions.
- (7) Relates to changes in accruals relating to the Company's long-term incentive plan which is linked to the Company's share price. Amounts are included in general and administrative expenses.
- (8) Primarily relates to a change in a non-cash deferred tax balance for the 2006 fiscal year, the settlement of a previous claim against OMI Corporation, losses on bond repurchases (8.875% Notes due 2011) and goodwill impairment.
- (9) Primarily relates to minority owners' share of foreign currency exchange gains (losses) and unrealized gains (losses) from derivative instruments.

TEEKAY CORPORATION
APPENDIX A – SPECIFIC ITEMS AFFECTING NET INCOME

(in thousands of U.S. dollars, except per share data)

Set forth below are some of the significant items of income and expense that affected the Company's net income for the three and nine months ended September 30, 2007, all of which items are typically excluded by securities analysts in their published estimates of the Company's financial results:

	<u>Three Months Ended</u> <u>September 30, 2007</u>		<u>Nine Months Ended</u> <u>September 30, 2007</u>	
	(unaudited)		(unaudited)	
	\$	\$ Per Share	\$	\$ Per Share
Gain on sale of vessels	5,973	0.08	17,586	0.24
Gain on sale of marketable securities	-	-	4,836	0.06
Gain on sale of Seagull AS	6,997	0.09	6,997	0.09
Foreign currency exchange losses ⁽¹⁾	(19,052)	(0.25)	(29,363)	(0.39)
Deferred income tax expense on unrealized foreign exchange gains ⁽²⁾	(12,031)	(0.16)	(19,744)	(0.26)
Unrealized (losses) gains from derivative instruments ⁽³⁾	(98,146)	(1.31)	28,587	0.38
Net effect from non-cash changes in purchase price allocation for acquisition of Teekay Petrojarl ASA ⁽⁴⁾	-	-	(4,240)	(0.06)
Changes in long-term incentive plan accruals ⁽⁵⁾	52	-	(3,380)	(0.04)
Other ⁽⁶⁾	(842)	(0.01)	(842)	(0.01)
Minority owners' share of items above ⁽⁷⁾	19,923	0.26	3,634	0.05
Total	(97,126)	(1.30)	4,071	0.06

- (1) Foreign currency exchange gains (losses) primarily relate to the Company's debt denominated in Euros and deferred tax liability denominated in Norwegian Kroner. Nearly all of the Company's foreign currency exchange gains and losses are unrealized.
- (2) Portion of deferred income tax related to unrealized foreign exchange gains and losses.
- (3) Reflects the unrealized gains or losses relating to the change in the mark-to-market value of derivative instruments that are not designated as hedges for accounting purposes.
- (4) Primarily relates to changes in amortization of in-process revenue contracts as a result of adjustments to the purchase price allocation of Teekay Petrojarl ASA.
- (5) Relates to changes in accruals relating to the Company's long-term incentive plan which is linked to the Company's share price. Amounts are included in general and administrative expenses.
- (6) Primarily relates to losses on bond repurchases (8.875% Notes due 2011).
- (7) Primarily relates to minority owners' share of foreign currency exchange gains (losses) and unrealized gains (losses) from derivative instruments.

TEEKAY CORPORATION
APPENDIX B – SUPPLEMENTAL FINANCIAL INFORMATION
SUMMARY BALANCE SHEET AS AT SEPTEMBER 30, 2008

(in thousands of U.S. dollars)

(unaudited)

	Teekay Offshore	Teekay LNG	Teekay Tankers	Teekay Petrojarl	Teekay Corp. Standalone	Consoli- dation Adjust- ments	Total
ASSETS							
Cash and cash equivalents	159,204	59,731	16,873	41,676	598,129	-	875,613
Other current assets	106,906	49,070	24,966	87,869	389,012	-	657,823
Restricted cash (current & non-current)	-	674,821	-	(3,749)	63,632	-	734,704
Other assets ⁽¹⁾	35,735	958,475	5,416	(73,469)	404,115	-	1,330,272
Vessels and equipment	1,731,709	1,794,439	436,354	1,430,522	1,251,113	-	6,644,137
Advances on vessels	-	354,512	-	-	372,715	-	727,227
Equity investment in subsidiaries	-	-	-	-	1,691,221	(1,691,221)	-
Intangibles and goodwill	174,919	179,719	-	286,099	89,746	-	730,483
TOTAL ASSETS	2,208,473	4,070,767	483,609	1,768,948	4,859,683	(1,691,221)	11,700,259
LIABILITIES AND EQUITY							
Accounts payable and accrued liabilities	72,332	55,126	10,036	64,487	295,460	-	497,441
Current portion of debt and leases	74,766	166,954	3,600	12,100	24,148	-	281,568
Long-term debt and capital leases	1,535,308	2,862,566	316,128	384,628	1,584,080	-	6,682,710
Other long-term liabilities / in process							
revenue contracts	99,433	95,953	8,614	414,548	165,651	-	784,199
Minority interest ⁽²⁾	30,640	18,623	-	669	4,566	614,065	668,563
Equity	395,994	871,545	145,231	892,516	2,785,778	(2,305,286)	2,785,778
TOTAL LIABILITIES AND EQUITY	2,208,473	4,070,767	483,609	1,768,948	4,859,683	(1,691,221)	11,700,259

(1) Other assets includes equity investments in joint ventures.

(2) Minority interest in the Teekay Offshore, Teekay LNG, Teekay Tankers and Teekay Petrojarl columns represent the joint venture partners' share of the joint venture net assets. Minority interest in the Consolidation Adjustments column represents the public's share of the net assets of Teekay's publicly-traded subsidiaries.

TEEKAY CORPORATION
APPENDIX B – SUPPLEMENTAL FINANCIAL INFORMATION
SUMMARY STATEMENTS OF INCOME FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2008
(in thousands of U.S. dollars)

(unaudited)

	Teekay Offshore	Teekay LNG	Teekay Tankers	Teekay Petrojarl	Teekay Corp. Standalone	Consoli- dation Adjust- ments	Total
Voyage revenues	226,947	88,489	48,901	107,658	479,068	(71,819)	879,244
Voyage expenses	62,548	728	290	-	143,143	-	206,709
Vessel operating expense	47,449	20,507	8,860	64,357	29,344	-	170,517
Time-charter hire expense	31,474	-	-	5,974	192,497	(71,819)	158,126
Depreciation and amortization	34,042	21,823	8,108	27,191	17,329	-	108,493
General and administrative	14,087	4,662	3,974	13,230	13,204	-	49,157
Gain on disposal of vessels and equipment	-	-	-	-	(36,292)	-	(36,292)
Restructuring charge	-	-	-	-	5,063	-	5,063
Total operating expenses	189,600	47,720	21,232	110,752	364,288	(71,819)	661,773
Income from vessel operations	37,347	40,769	27,669	(3,094)	114,780	-	217,471
Net interest expense	(31,689)	(44,738)	(6,084)	(4,692)	(28,544)	-	(115,747)
Income tax recovery (expense)	29,485	336	-	(311)	(10,206)	-	19,304
Equity income (loss)	-	(1,722)	-	(3,849)	463	-	(5,108)
Equity in earnings of subsidiaries ⁽¹⁾	-	-	-	-	52,989	(52,989)	-
Foreign exchange gain (loss)	2,150	48,567	(3)	5,083	(11,940)	-	43,857
Minority interest income (expense) ⁽²⁾	931	1,665	-	(157)	(352)	(41,412)	(39,325)
Other (net)	1,252	(3,777)	-	(737)	(14,062)	-	(17,324)
Total other income	2,129	331	(6,087)	(4,663)	(11,652)	(94,401)	(114,343)
NET INCOME (LOSS)	39,476	41,100	21,582	(7,757)	103,128	(94,414)	103,128
CASH FLOW FROM VESSEL OPERATIONS ⁽³⁾	71,972	60,905	35,777	15,250	94,694	-	278,598

(1) Teekay Corporation's proportionate share of the net earnings of its publicly-traded subsidiaries.

(2) Minority interest income (expense) in the Teekay Offshore, Teekay LNG, Teekay Tankers and Teekay Petrojarl columns represent the joint venture partners' share of the net income (loss) of the respective joint ventures. Minority interest income (expense) in the Consolidation Adjustments column represents the public's share of the net income (loss) of Teekay's publicly-traded subsidiaries.

(3) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel write-downs/(gain) loss on sale of vessels and unrealized gains or losses relating to derivatives. 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 financial measure as used in this release to the most directly comparable GAAP financial measure.

TEEKAY CORPORATION
APPENDIX B – SUPPLEMENTAL FINANCIAL INFORMATION
SUMMARY STATEMENTS OF INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008
(in thousands of U.S. dollars)

(unaudited)

	Teekay Offshore	Teekay LNG	Teekay Tankers	Teekay Petrojarl	Teekay Corp. Standalone	Consoli- dation Adjust- ments	Total
Voyage revenues	653,015	214,133	111,317	293,611	1,313,359	(193,420)	2,392,015
Voyage expenses	173,736	1,672	1,004	-	389,273	-	565,685
Vessel operating expense	134,886	56,699	22,109	161,919	97,423	-	473,036
Time-charter hire expense	97,382	-	-	19,686	521,644	(193,420)	445,292
Depreciation and amortization	102,335	56,767	17,026	67,759	69,013	-	312,900
General and administrative	45,089	14,367	6,965	37,188	81,069	-	184,678
Gain on disposal of vessels and equipment	-	-	-	-	(39,713)	-	(39,713)
Restructuring charge	-	-	-	-	11,180	-	11,180
Total operating expenses	553,428	129,505	47,104	286,552	1,129,889	(193,420)	1,953,058
Income from vessel operations	99,587	84,628	64,213	7,059	183,470	-	438,957
Net interest expense	(72,478)	(68,279)	(11,514)	(15,225)	(58,077)	-	(225,573)
Income tax recovery (expense)	36,830	248	-	(311)	(8,745)	-	28,022
Equity income (loss)	-	(3,413)	-	(3,849)	(3,518)	-	(10,780)
Equity in earnings of subsidiaries ⁽¹⁾	-	-	-	-	75,787	(75,787)	-
Foreign exchange gain (loss)	(1,394)	14,647	(16)	(6,154)	2,975	-	10,058
Minority interest income (expense) ⁽²⁾	327	1,740	-	23	(1,056)	(52,621)	(51,587)
Other (net)	6,192	(2,685)	-	(1,768)	(9,418)	-	(7,679)
Total other income	(30,523)	(57,742)	(11,530)	(27,284)	(2,052)	(128,408)	(257,539)
NET INCOME (LOSS)	69,064	26,886	52,683	(20,225)	181,418	(128,408)	181,418
CASH FLOW FROM VESSEL OPERATIONS ⁽³⁾	202,025	151,678	81,239	37,381	223,928	-	696,251

(1) Teekay Corporation's proportionate share of the net earnings of its publicly-traded subsidiaries.

(2) Minority interest income (expense) in the Teekay Offshore, Teekay LNG, Teekay Tankers and Teekay Petrojarl columns represent the joint venture partners' share of the net income (loss) of the respective joint ventures. Minority interest income (expense) in the Consolidation Adjustments column represents the public's share of the net income (loss) of Teekay's publicly-traded subsidiaries.

(3) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel write-downs/(gain) loss on sale of vessels and unrealized gains or losses relating to derivatives. 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 financial measure as used in this release to the most directly comparable GAAP financial measure.

TEEKAY CORPORATION
APPENDIX C – SUPPLEMENTAL SEGMENT INFORMATION

(in thousands of U.S. dollars)

Three Months Ended September 30, 2008
(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Net revenues ⁽¹⁾	235,862	60,210	57,480	318,983	672,535
Vessel operating expenses	113,606	16,869	10,476	29,566	170,517
Time-charter hire expense	32,951	9,716	-	115,459	158,126
Depreciation and amortization	55,949	12,067	14,606	25,871	108,493
General and administrative	28,116	2,604	5,965	12,472	49,157
Gain on sale of vessels and equipment	(621)	-	-	(35,671)	(36,292)
Restructuring charge	3,173	335	393	1,162	5,063
Income from vessel operations	2,688	18,619	26,040	170,124	217,471

Three Months Ended June 30, 2008
(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Net revenues ⁽¹⁾	227,937	65,270	53,044	233,633	579,884
Vessel operating expenses	101,596	16,387	13,125	28,362	159,470
Time-charter hire expense	32,242	11,445	-	98,995	142,682
Depreciation and amortization	53,772	11,289	14,209	27,430	106,700
General and administrative	26,957	7,263	6,070	30,592	70,882
Gain on sale of vessels and equipment	(3,150)	-	-	225	(2,925)
Restructuring charge	3,327	58	221	1,011	4,617
Income from vessel operations	13,193	18,828	19,419	47,018	98,458

Three Months Ended September 30, 2007
(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Net revenues ⁽¹⁾	219,613	50,457	42,921	149,716	462,707
Vessel operating expenses	64,733	13,285	8,056	21,734	107,808
Time-charter hire expense	39,865	7,773	-	73,368	121,006
Depreciation and amortization	45,359	9,236	11,491	20,972	87,058
General and administrative	23,303	4,380	5,097	21,855	54,635
Gain on sale of vessels and equipment	(5,973)	-	-	-	(5,973)
Income from vessel operations	52,326	15,783	18,277	11,787	98,173

- (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 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 in this release to the most directly comparable GAAP financial measure.

TEEKAY CORPORATION
APPENDIX C – SUPPLEMENTAL SEGMENT INFORMATION

(in thousands of U.S. dollars)

Nine Months Ended September 30, 2008
(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Net revenues ⁽¹⁾	683,686	185,615	166,506	790,523	1,826,330
Vessel operating expenses	299,022	49,626	35,224	89,164	473,036
Time-charter hire expense	100,231	32,881	-	312,180	445,292
Depreciation and amortization	155,795	32,447	43,010	81,648	312,900
General and administrative	82,135	15,157	17,520	69,866	184,678
Gain on sale of vessels and equipment	(3,771)	-	-	(35,942)	(39,713)
Restructuring charge	6,500	1,893	614	2,173	11,180
Income from vessel operations	43,774	53,611	70,138	271,434	438,957

Nine Months Ended September 30, 2007
(unaudited)

	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Net revenues ⁽¹⁾	649,931	139,681	118,881	458,211	1,366,704
Vessel operating expenses	194,348	36,797	22,395	53,361	306,901
Time-charter hire expense	120,298	15,591	-	184,432	320,321
Depreciation and amortization	126,708	25,964	33,856	47,888	234,416
General and administrative	71,371	13,486	15,260	69,763	169,880
Gain on sale of vessels and equipment	(17,586)	-	-	-	(17,586)
Income from vessel operations	154,792	47,843	47,370	102,767	352,772

- (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 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 in this release to the most directly comparable GAAP financial measure.

FORWARD LOOKING STATEMENTS

This release contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including statements regarding: tanker market fundamentals, including the balance of supply and demand in the tanker market, and spot tanker charter rates; the expected impact on the Company's annual cash flow from vessels operations resulting from the contract extension for the FPSO *Petrojarl Varg*; the Company's future capital expenditure commitments and the financing requirements for such commitments; and the commencement of charter contracts. The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: changes in production of or demand for oil, petroleum products, LNG and LPG, either generally or in particular regions; greater or less than anticipated levels of tanker newbuilding orders or greater or less than anticipated rates of tanker scrapping; changes in trading patterns significantly affecting overall vessel tonnage requirements; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; changes in the typical seasonal variations in tanker charter rates; changes in the offshore production of oil or demand for shuttle tankers, FSOs and FPSOs; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts; changes affecting the offshore tanker market; shipyard production delays; the Company's future capital expenditure requirements; conditions in the United States capital markets; and other factors discussed in Teekay's filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2007. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.