

TEEKAY SHIPPING CORPORATION

Teekay's Fourth Quarter and Fiscal 2006 Earnings Presentation

February 22, 2007



TEEKAY – THE MARINE MIDSTREAM COMPANY®

Forward Looking Statements

This presentation 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: the Company's future growth prospects; tanker market fundamentals, including the balance of supply and demand in the tanker market, and spot tanker charter rates; expected demand in the offshore oil production sector and the demand for vessels; the Company's future capital expenditure commitments and the financing requirements for such commitments; the timing of newbuilding deliveries; the commencement of charter contracts; and the level of OPEC oil production. 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 and LNG, 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; conditions in the United States capital markets, particularly those affecting valuations of master limited partnerships; shipyard production delays; the Company's future capital expenditure requirements; the Company's, Teekay LNG's and Teekay Offshore's potential inability to raise financing to purchase additional vessels; 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, 2005. 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.

Fourth Quarter Highlights

- ▶ 4q06 net income of \$60.3m, or \$0.81 per share
(including specific items which decreased net income by \$18.9m, or \$0.25 per share)
 - ▶ Generated cash flow from vessel operations of \$161.0m, of which \$107m, or 66% from fixed-rate businesses
- ▶ Another successful Teekay growth vehicle
 - ▶ IPO of Teekay Offshore Partners L.P. (TOO) completed in mid-December
 - ▶ Priced at \$21/unit, units currently up 41%
- ▶ Life-of-field extension of largest North Sea shuttle tanker contract
 - ▶ Ordered two Aframax shuttle tanker newbuildings
- ▶ Acquisition by Teekay LNG Partners of 3 LPG carriers from IM Skaugen ASA
- ▶ Formed Intermediate Product Tanker Pool with A.P. Moller-Maersk A/S
- ▶ Repurchased 490,700 shares at an avg. price of \$42.74 per share
(since last reported on Nov. 2, 2006)

2006 Highlights

- ▶ Generated over \$2.0b of revenues
- ▶ Generated net income of \$262m or \$3.49 per share (including specific items which decreased net income by \$63.7m or \$0.85 per share)
- ▶ Generated \$622m of CFVO, 58% or \$364m from fixed-rate businesses
- ▶ Balance sheet exceeds \$7.7b of assets, from \$2.0b in 2000, a CAGR of 25%
- ▶ Year end orderbook stood at 29 newbuildings/conversions worth over \$3.6b across all segments
- ▶ Entered high growth FPSO sector through JV and subsequent acquisition of 64.5% of Petrojarl ASA, subsequently awarded Siri FPSO project commencing 1q 2008
- ▶ Awarded three 13-year shuttle contracts by Petrobras
- ▶ Teekay spot Aframax rates averaged \$36k per day
- ▶ Ordered 10 Suezmax newbuildings, expected delivery between 2q08 and 3q09
 - ▶ Largest Suezmax orderbook in the world
- ▶ Repurchased 5.8m shares during 2006 for a total cost of \$233m, or \$39.97 per share
 - ▶ Since beginning of share repurchase program in Nov. 2004, have repurchased ~20m shares or 24% of outstanding stock at an average cost of \$41.81 per share
- ▶ Increased dividend by 14%, fourth consecutive annual increase

Petrojarl Value Potential – Part I

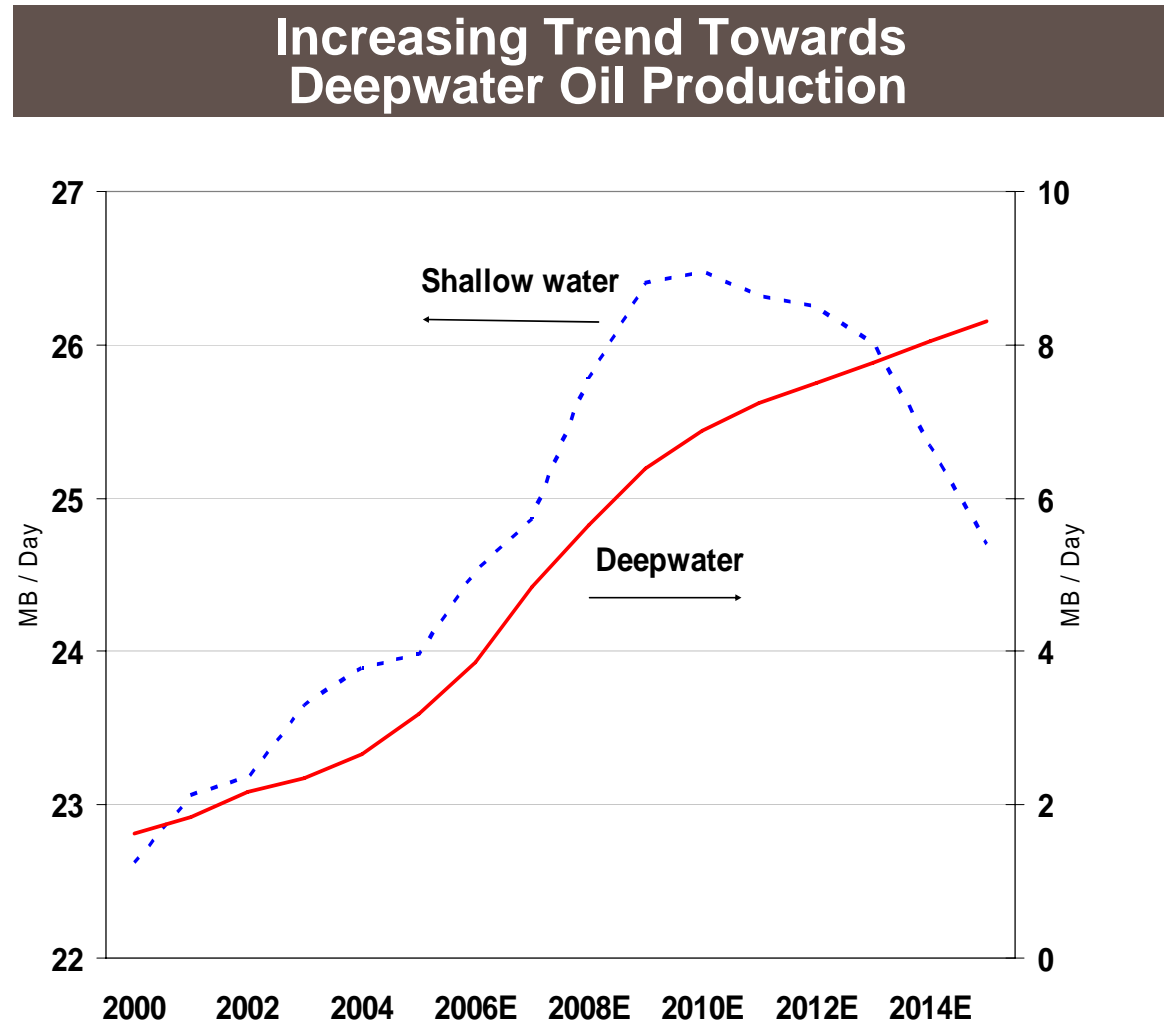
Winning New Projects

- ▶ A leader in sophisticated harsh weather FPSOs
- ▶ In-house engineering capability
- ▶ Strong reputation for project execution and reliable operations
- ▶ Competitive cost of capital through Teekay Offshore
- ▶ New projects are very valuable
 - ▶ E.g. Siri project: \$160m investment => \$30m annual CFVO



Significant Deepwater Offshore Growth

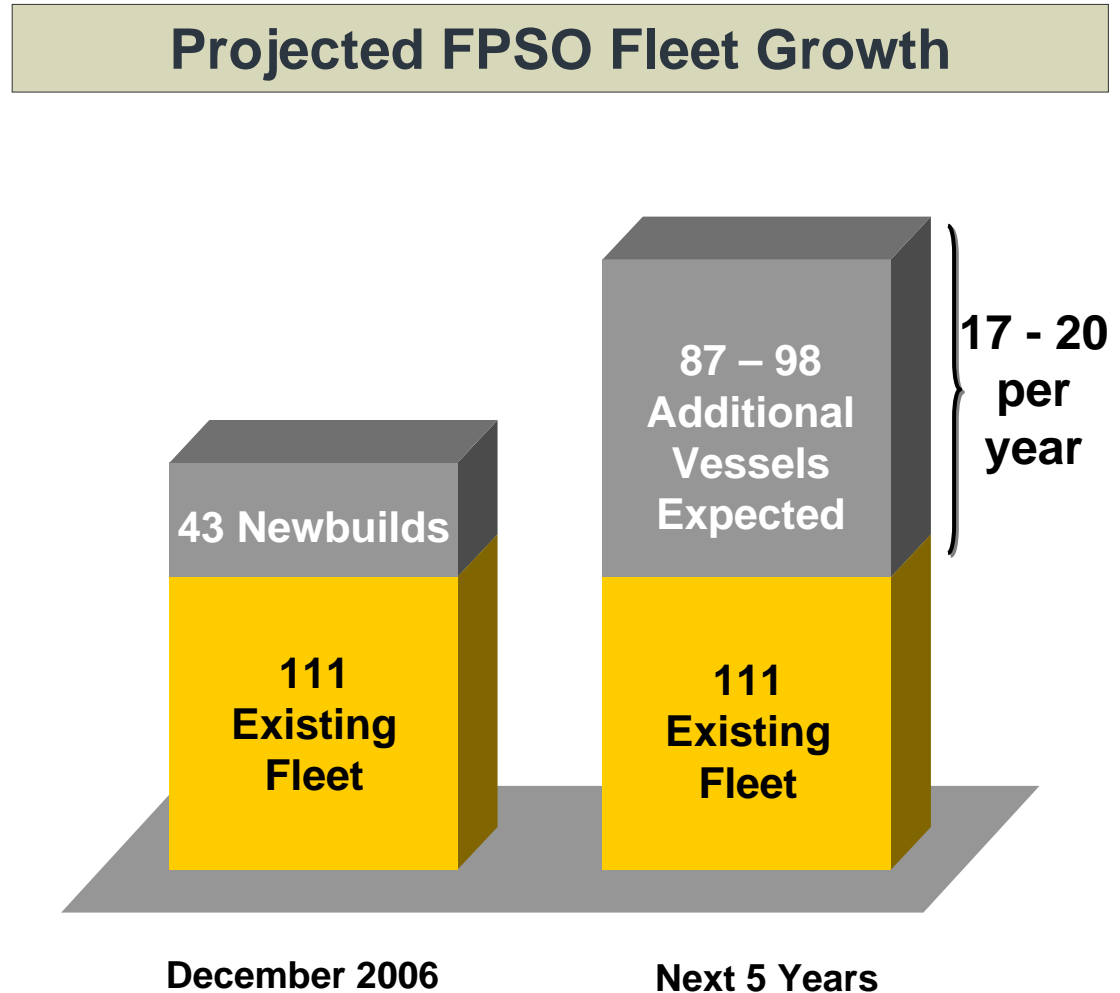
- ▶ Deepwater offshore oil production is one of the fastest growing areas in the energy industry
- ▶ Only significant opportunity to add reserves outside of Russia and Middle East
- ▶ High oil prices have stimulated offshore oil production
- ▶ Oil exploration being done at up to 3,000 m, compared to 1,000 m ten years ago



Deepwater Crude Oil Production is Expected to Almost Triple from 2005 – 2015

Increasing Demand for FPSOs

- ▶ **Current operating fleet expected to nearly double over next 5 years**
- ▶ **FPSO usage increasingly popular in offshore sector**
- ▶ **Growing trend to use independent FPSO contractors**



Source: International Maritime Associates (IMA).

Petrojarl Value Potential – Part II

Renegotiation/Redeployment of Existing FPSO Units

- ▶ Petrojarl FPSO contracts entered into during lower rate environment => today, significantly out-of-the-money
- ▶ Next 2-3 years: assets available for redeployment => window for contract renegotiation approaching
- ▶ In 2006, renegotiated Petrojarl Varg contract leading day rate increase from \$155,000/day to a minimum of \$220,000/day => CFVO doubled
- ▶ We currently estimate the existing contracts to be out-of-the-money by \$600m



Petrojarl Varg



Petrojarl Foinaven

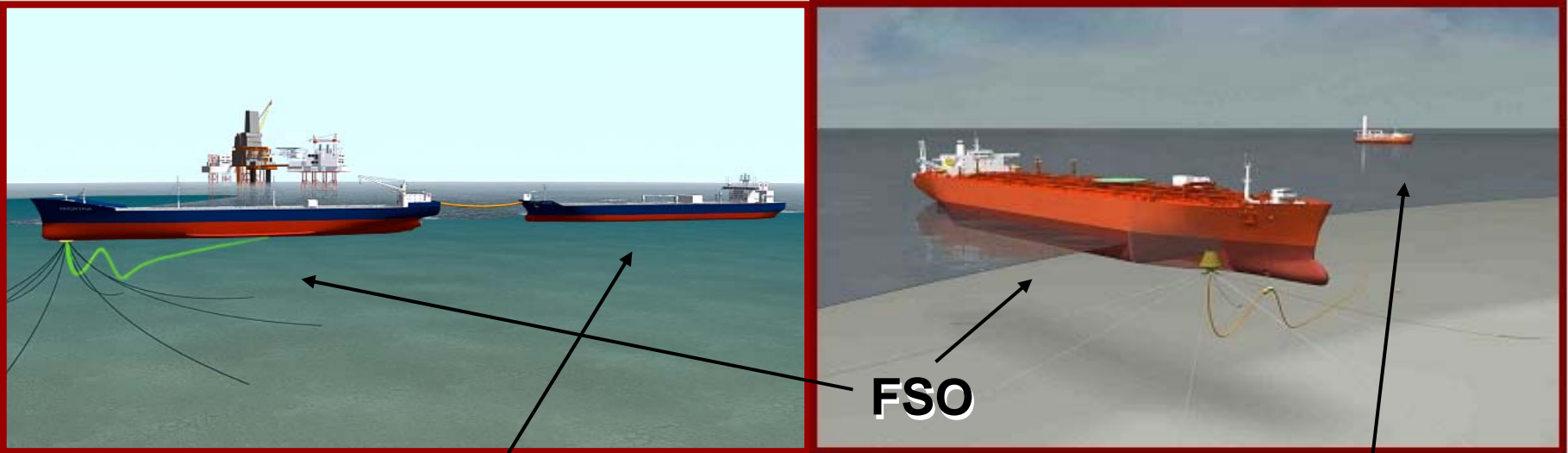


Petrojarl 1



Ramform Banff

Teekay Offshore Offers One-Stop Service



Shuttle Tanker

FSO

FPSO

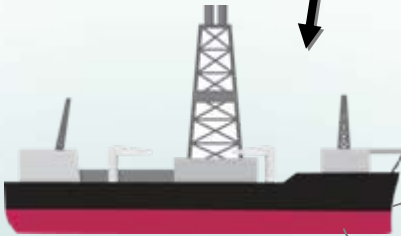


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Bundling of Offshore Services Adds Value

Serving Customers from Reservoir to Refinery

A leader in harsh weather FPSOs



A leader in high-end FSO market



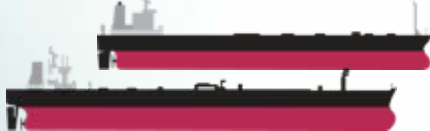
World's largest Shuttle tanker operator



Growing force in product tanker market



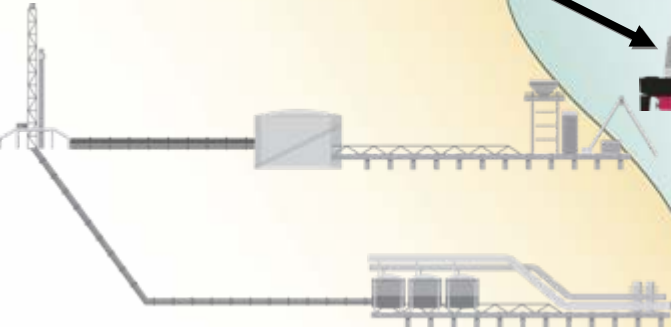
World's largest operator of mid-size crude oil tankers



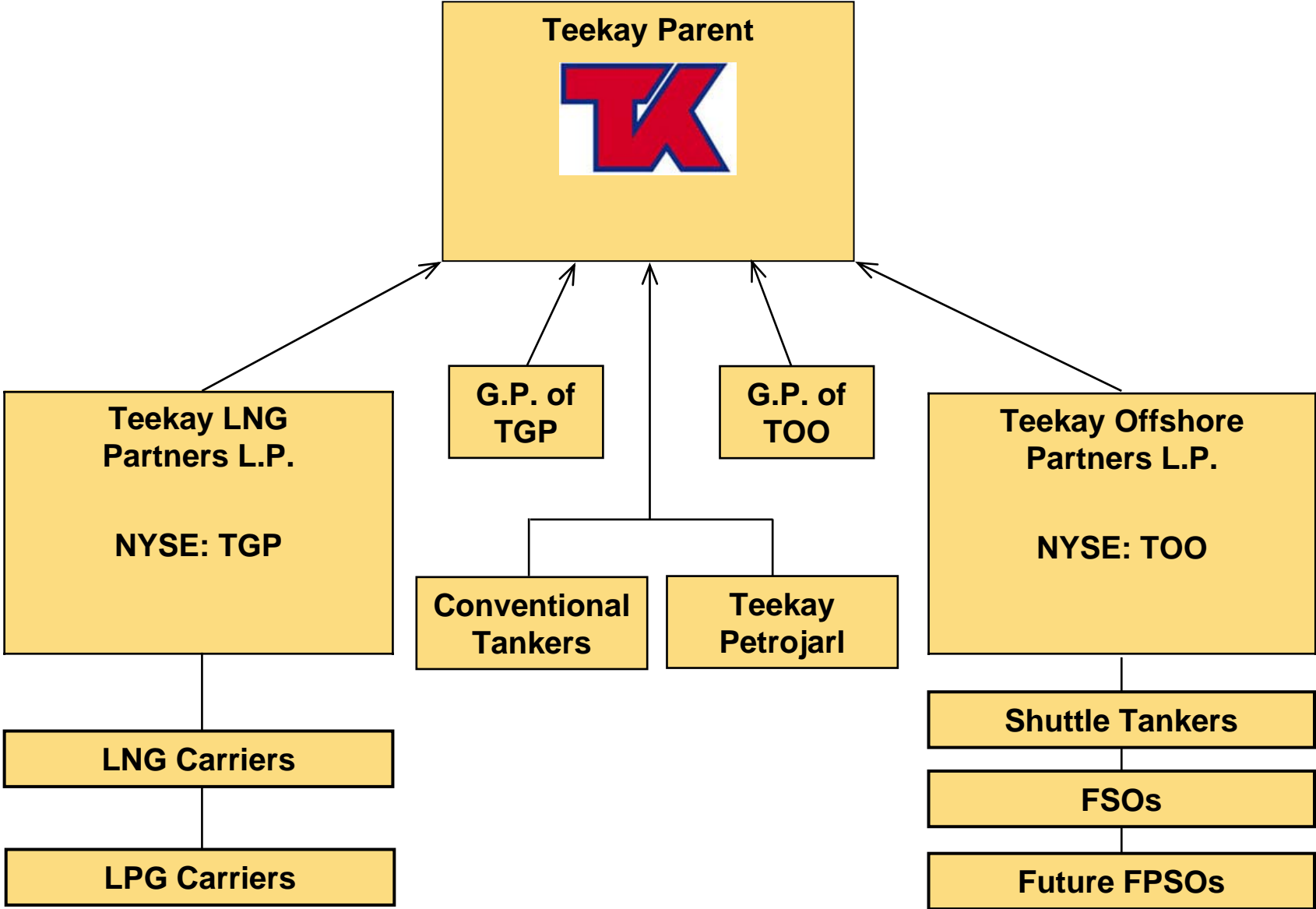
50% owner of world's leading lightering business



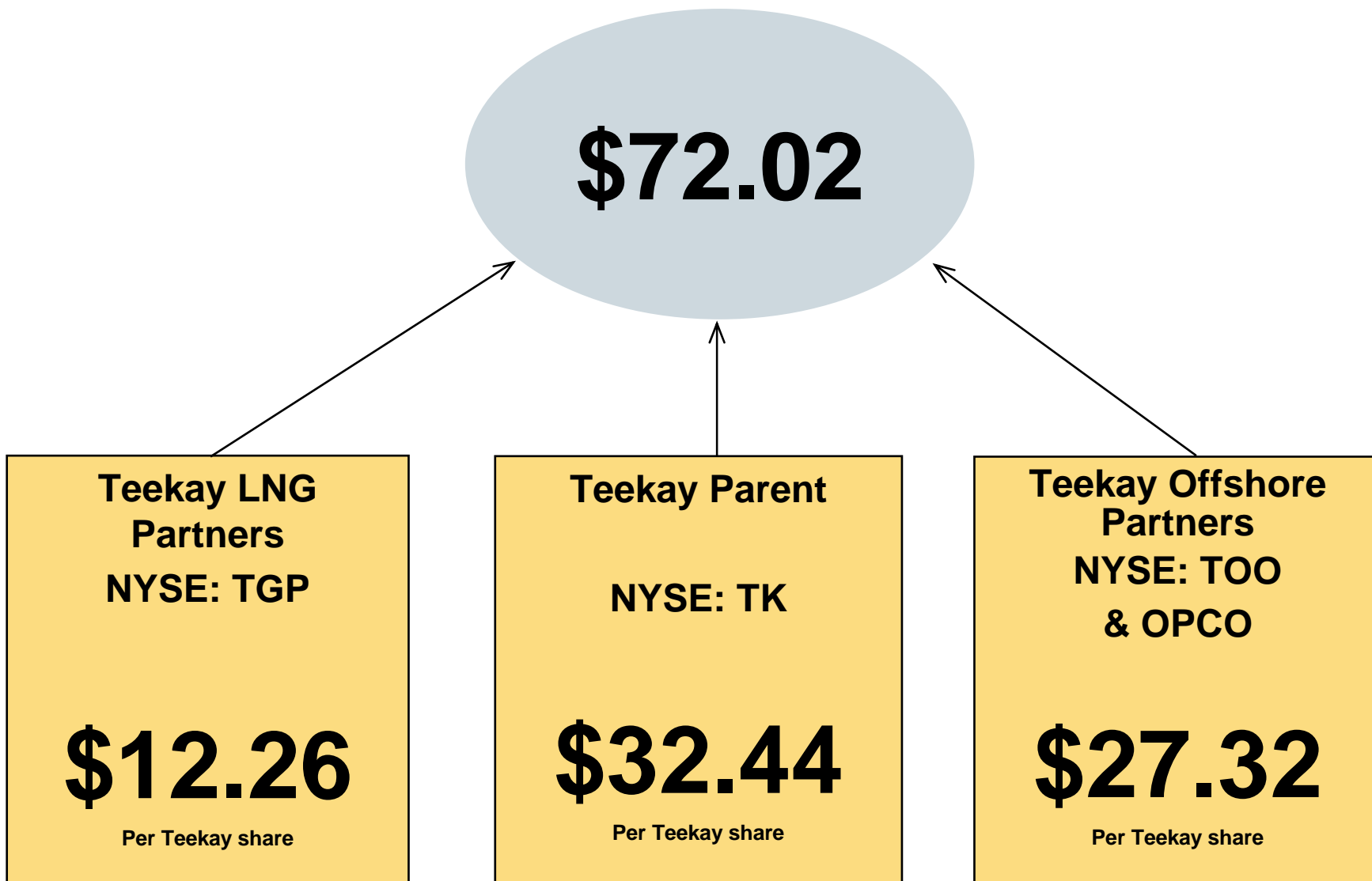
World's fifth largest independent LNG shipping company



Corporate Structure Facilitates Growth



Teekay's Updated Sum of Parts Value



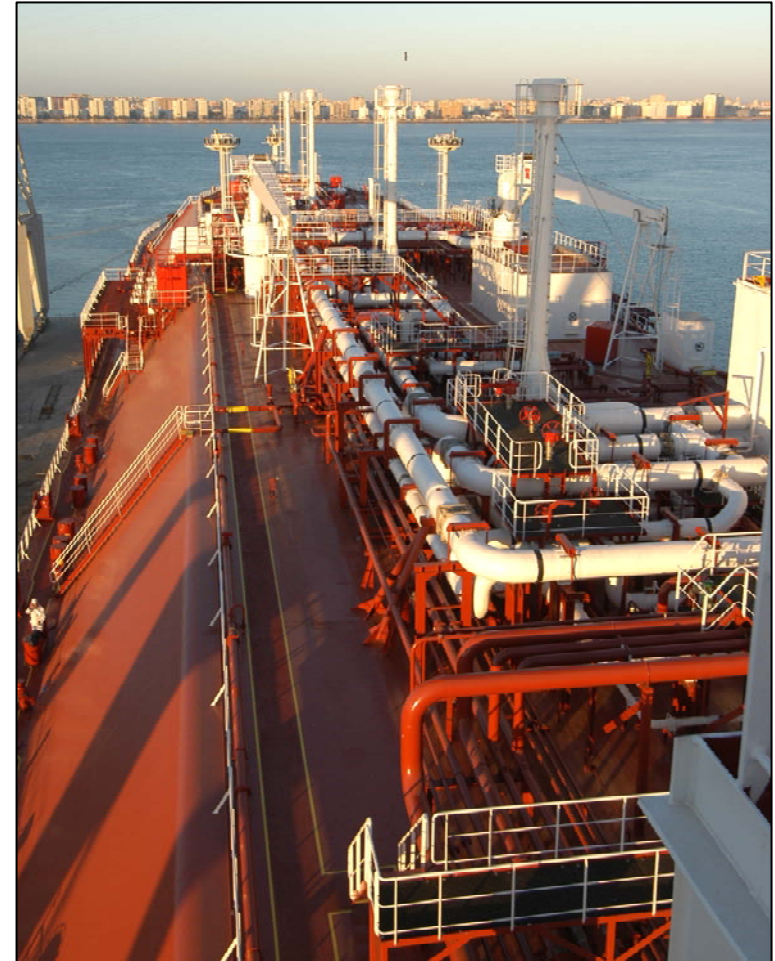
Assumptions and reconciliations provided in appendix

Developments in Teekay's Offshore Segment

- ▶ 4q06 CFVO of \$60.8 million, up from 3q06 due to the inclusion of Teekay Petrojarl's results from Oct. 1, 2006
- ▶ Signed life-of-field shuttle tanker contract of affreightment with Statoil covering Norwegian Continental Shelf
 - ▶ Some fields expected to run beyond 2030
- ▶ Ordered two high specification Aframax size DP2 shuttle tanker newbuildings from Korea
 - ▶ Vessels will be offered to OPCO and will be used to service either new long-term, fixed-rate contracts Teekay may be awarded prior to delivery or OPCO's contracts-of-affreightment in the North Sea.
 - ▶ Expected to deliver in q3/2010
- ▶ Two tankers currently undergoing conversion to shuttle tankers
 - ▶ Expected delivery 1st and 2nd quarter 2007
 - ▶ To be offered to Teekay Offshore Partners within one year of delivery
- ▶ Sold a 1987-built shuttle tanker for total proceeds of approx. \$33m
 - ▶ Expect to record a \$10m gain upon delivery in q2 2007

Developments in Teekay's Liquefied Gas Segment

- ▶ 4q06 CFVO of \$19.9 million
- ▶ Second RasGas II LNG Carrier, *Al Areesh*, commenced 20-year fixed-rate time charter on January 2, 2007
 - ▶ Final RasGas II vessel expected to deliver by the end of February 2007
- ▶ 3 LPG carriers acquired by Teekay LNG Partners from IM Skaugen ASA
 - ▶ Expected to deliver between early-2008 and mid-2009
 - ▶ Will serve under 15-year fixed-rate time-charters to Skaugen
 - ▶ Provides a platform to expand in this growing market



Developments in Teekay's Conventional Tanker Segments

▶ Fixed-rate Tanker Segment:

- ▶ 4q06 CFVO of \$26.0 million

▶ Spot crude oil and clean product tanker segment:

- ▶ 4q06 CFVO of \$54.3 million
- ▶ Aframaxes* had relatively stronger earnings than larger size ships due in part to growth in non-OPEC oil production and lesser impact of Middle East Gulf OPEC cutbacks
- ▶ Guidance: 67% of 1q07 spot Aframax days booked @\$37,000 per day
- ▶ Fleet changes during 4q06:
 - ▶ 1 in-chartered MR and 1 in-chartered Aframax joined the fleet
 - ▶ 2 in-chartered Aframaxes left the fleet
 - ▶ 1 newbuild LR 2 joined the fleet in 4q06. Remaining three units deliver over 1q07-2q07.
- ▶ Formed Intermediate Product Tanker Pool with A.P. Moller-Maersk A/S
 - ▶ Initial combined fleet of 20 vessels, projected to increase to 35 units in next two years

*Aframax TCE: \$34,789; Suezmax TCE (unhedged): \$44,871

Our 2007 Outlook: A Continued Market Balance

Platou tanker utilization estimate for 2006: 89%

| <u>2007 Tanker Supply</u> (Mdwt) | | <u>2007 Tanker Demand</u> | |
|---|----------------|--|-------------|
| 2007 Tanker deliveries* | 34 | IEA oil demand growth | 1.8% |
| 10% average slippage in deliveries | <u>(3.4)</u> | Conversion factor | <u>2.5x</u> |
| Expected deliveries | 30.6 | => Tanker demand growth | 4.5% |
| Mandatory scrapping* | ~8 | Plus: | |
| Sales for offshore / conversion | <u>~3</u> | - Continued subtle lengthening of voyage distances | |
| Est. net fleet growth | 19.6 | - Increased call-on-OPEC in 2H07 | |
| | or 5.2% | | |



Tanker supply / demand growth appear evenly balanced for 2007

*Source: Clarkson's and industry sources

Financial Discussion



TEEKAY – THE MARINE MIDSTREAM COMPANY®

Segment Operating Results

| (in thousands of U.S. dollars) | <u>Three Months Ended December 31, 2006</u> | | | | |
|----------------------------------|---|--------------------------------------|----------------------------------|---------------------|--------------|
| | <u>(unaudited)</u> | | | | |
| | Offshore Segment | Fixed-Rate Tanker Segment | Liquefied Gas Segment | Spot Segment | Total |
| Net voyage revenues | 218,280 | 46,187 | 29,111 | 149,753 | 443,331 |
| Vessel operating expenses | 67,019 | 11,783 | 4,587 | 16,095 | 99,484 |
| Time-charter hire expense | 43,170 | 4,309 | - | 55,068 | 102,547 |
| Depreciation & amortization | 43,524 | 8,136 | 8,938 | 12,877 | 73,475 |
| Cash flow from vessel operations | 60,768 | 26,047 | 19,867 | 54,322 | 161,004 |

Avg. Aframax TCE: \$34,789

| (in thousands of U.S. dollars) | <u>Three Months Ended December 31, 2005</u> | | | | |
|-----------------------------------|---|--------------------------------------|----------------------------------|---------------------|--------------|
| | <u>(unaudited)</u> | | | | |
| | Offshore Segment | Fixed-Rate Tanker Segment | Liquefied Gas Segment | Spot Segment | Total |
| Net voyage revenues | 124,818 | 47,087 | 25,341 | 219,718 | 416,964 |
| Vessel operating expenses | 21,693 | 10,855 | 4,267 | 13,410 | 50,225 |
| Time-charter hire expense | 41,537 | 5,716 | - | 67,145 | 114,398 |
| Depreciation & amortization | 21,332 | 8,146 | 8,073 | 13,178 | 50,729 |
| Cash flow from vessel operations* | 48,623 | 26,660 | 17,307 | 111,494 | 204,084 |

Avg. Aframax TCE: \$48,021

* Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and vessel write-downs/(gain) loss on sale of vessels. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. 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.

Summary Income Statement

| Three months ended '000s of USD (except per share data) | Dec 31, 2006 (unaudited) | Dec. 31, 2005 (unaudited) |
|--|---|--|
| VOYAGE REVENUES | 586,990 | 531,473 |
| OPERATING EXPENSES | | |
| General and administrative expenses | (56,377) | (45,375) |
| Gain on sale of vessels and equipment / (write-downs) | (4,754) | 14,861 |
| Restructuring charge | (1,515) | (2,882) |
| Other operating expenses | (419,165) | (329,861) |
| Income from vessel operations | 105,179 | 168,216 |
| OTHER ITEMS | | |
| Net interest expense | (41,308) | (22,780) |
| Income tax expense | (2,030) | (9,537) |
| Equity income from joint ventures | 3,681 | 4,576 |
| Foreign exchange gain (loss) | (12,391) | 9,208 |
| Minority interest | 4,241 | (4,199) |
| Other items - net | 2,928 | (874) |
| Subtotal of other items | (44,879) | (23,606) |
| Net income | 60,300 | 144,610 |
| Earnings per common share - diluted | \$0.81 | \$1.85 |
| Weighted-avg. # shares outstanding - diluted | 74,564,536 | 78,065,137 |


Summary Balance Sheet

| In 000s of USD | <u>As at Dec 31,</u> <u>2006</u> <u>(unaudited)</u> | <u>As at Sept 30,</u> <u>2006</u> <u>(unaudited)</u> |
|--|---|--|
| ASSETS | | |
| Cash and cash equivalents | 343,914 | 303,231 |
| Other current assets | 318,229 | 254,439 |
| Total restricted cash | 679,992 | 779,505 |
| Other assets | 535,996 | 467,648 |
| Vessels and equipment | 4,925,409 | 3,164,223 |
| Advances on newbuilding contracts | 382,659 | 365,257 |
| Investment in Petrojarl ASA* | 0 | 355,936 |
| Intangibles and Goodwill | 547,277 | 408,466 |
| Total Assets | 7,733,476 | 6,098,705 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Accounts payable and accrued liabilities | 311,088 | 185,384 |
| Current portion of long-term debt ** | 369,043 | 202,104 |
| Long-term debt ** | 3,350,640 | 2,821,040 |
| Other long-term liabilities / In process Revenue Contracts | 720,080 | 243,016 |
| Minority interest | 454,403 | 276,331 |
| Stockholders' equity | 2,528,222 | 2,370,830 |
| Total Liabilities and Stockholders' Equity | 7,733,476 | 6,098,705 |

* Petrojarl consolidated as of October 1, 2006

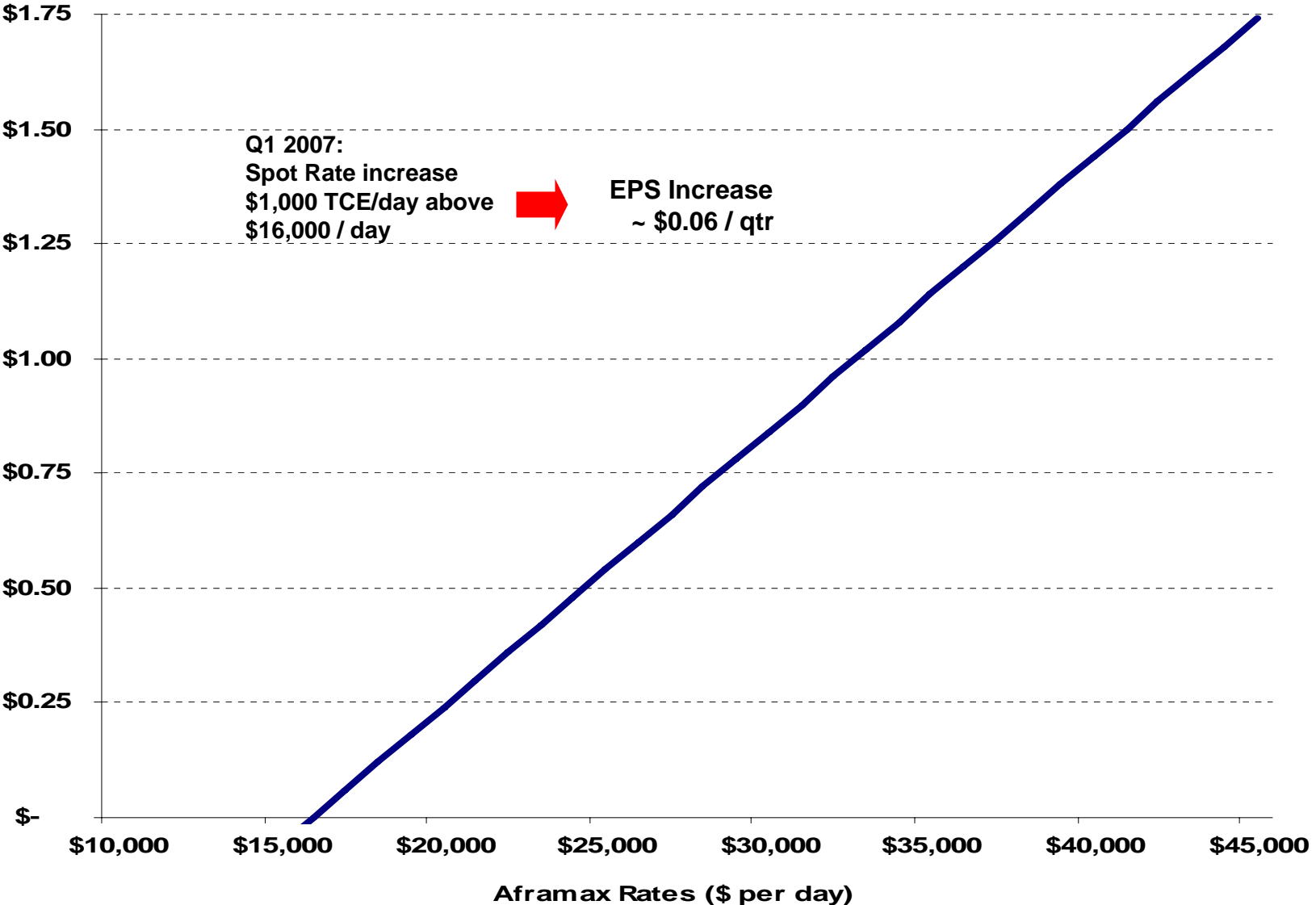
**Includes capital lease obligations

Summary of Share Repurchase Transactions

| Time period | Repurchased during period | | Then Remaining \$ value |
|---------------------------------------|---------------------------|---------------------|---|
| | \$ value | # of shares | |
| Nov. 2004 to Dec. 6, 2005 | \$555 million | 13 million | \$229 million |
| Dec. 6, 2005 to Feb. 21, 2006 | \$165 million | 4.2 million | \$64 million |
| Feb. 21, 2006 to June 12, 2006 | \$27.5 million | 0.7 million | \$36 million |
| June 12, 2006 to Aug. 1, 2006 | \$54.3 million | 1.3 million | \$132.1 million |
| Aug. 1, 2006 to Nov. 1, 2006 | \$10.2 million | 0.2 million | \$121.9 million |
| Nov. 1, 2006 to Feb. 21, 2007 | \$21.0 million | 0.5 million | \$100.9 million |
| Feb. 21, 2007 onwards | \$100.9 million | 2.0 million * | |
| Total of all share repurchases | \$934 million | 21.9 million |  ~26% in ~26 months |

*Assuming remaining share repurchase authorization is completed at an average price of \$50.53 per share (Teekay's closing share price on Feb.16, 2007)

EPS Rule of Thumb



Teekay – Much More than a Tanker Company



A global asset management company focused on the marine midstream space

- ▶ Our four components to shareholder value creation:
 - ▶ **Disciplined traders** in a cyclical commodity industry
 - ▶ Applying our **operational franchise** to deliver a safe, high quality service to our customers
 - ▶ Leveraging our expertise to successfully **manage value added projects**
 - ▶ Maintaining an **innovative corporate structure** to facilitate profitable growth

Appendix



TEEKAY – THE MARINE MIDSTREAM COMPANY®

Teekay “Sum-of-Parts” Valuation *

Teekay Offshore Partners L.P. and OPCO

| | |
|--|----------------|
| TOO market capitalization @ \$29.55/unit | \$591m |
| Teekay’s L.P. Ownership | 57.75% |
| Equity value of L.P. units | \$341m |
| Est. current value of G.P. units | \$13.8m |
| Equity Value of TOO | \$354.8m |
| Implied equity value of OPCO | \$2,273m |
| Teekay’s Ownership of OPCO | 74% |
| Equity Value of OPCO | \$1,682m |
| Equity Value per Share | \$27.32 |

Teekay LNG Partners L.P.

| | |
|---|----------------|
| TGP market capitalization @ \$36.80 /unit | \$1,287m |
| Teekay’s L.P. Ownership | 65.8% |
| Equity value of L.P. units | \$846.8m |
| Est. current value of G.P. units | \$66.9m |
| Equity Value of TGP | \$913.7m |
| Equity Value per share | \$12.26 |

Teekay Parent Assets

| | |
|--|----------------|
| Owned Fleet | |
| FMV ‘on-the-water’ vessels | \$1,477m |
| Petrojarl EV | \$1,124m |
| Less: Petrojarl M.I. | \$(304)m |
| Less: net debt | \$(773)m |
| Equity value of owned fleet | \$1,524m |
| Other Assets: | |
| In-the-money N/Bs | \$221m |
| N/B installments | \$383m |
| RasGas III | \$141m |
| Total Other Assets | \$745m |
| Equity Value of Owned Assets | \$2,269m |
| In-charter Fleet Equity Value (Mark-to-market) | \$151m |
| Equity Value of Teekay Parent | \$2,420m |
| Equity Value per share | \$32.44 |

\$72.02

Teekay Equity Value / Share

Sum of the Parts Support

| Teekay Offshore Operating Partners (OPCO)* | |
|--|----------------|
| OPCO EBITDA = \$278.4 | |
| OPCO Net Debt = \$1,189.4 | |
| in (millions) | |
| OPCO | |
| TOO EBITDA Multiple | 12.4x |
| Implied OPCO EV | 3,462.5 |
| Less: Net Debt | 1,189.4 |
| OPCO Equity Value | 2,273.1 |
| Teekay L.P. ownership of TOO | 57.75% |
| TOO share of OPCO | 26.0% |
| Teekay Indirect OPCO ownership | 15.0% |
| Teekay Direct OPCO ownership | 74.0% |
| Total OPCO ownership | 89.02% |
| Equity value | 2,023.4 |
| G.P. Cash Flow (dist'n of \$1.40) | 0.56 |
| G.P. Comp Multiple of DCF** | 24.6 |
| Est. value of G.P. interest | 13.8 |
| Diluted Teekay shares o/s | 74.56 |
| Equity Value per Teekayshare | 27.32 |

| Teekay LNG Partners | |
|-------------------------------------|--------------|
| Units Outstanding | 34.97 |
| Price per unit Feb 16, 07 | 36.80 |
| Market Capitalization | 1,286.90 |
| Teekay L.P. ownership of TGP | 65.8% |
| Equity value | 846.8 |
| G.P. Cash Flow (dist'n of \$2.12) | 2.72 |
| G.P. Comp Multiple of DCF | 24.6 |
| Est. value of G.P. interest | 66.9 |
| Diluted Teekay shares o/s | 74.56 |
| Equity Value per Teekayshare | 12.26 |

| Teekay Parent | |
|--|-----------------|
| FMV of owned 'on-the-water' fleet (per Clarkson's) | 1,477.2 |
| Petrojarl Enterprise Value | 1,123.9 |
| Less: Petrojarl Minority Equity | (304.8) |
| less: Net Debt (as at Dec. 31, 06) | (772.5) |
| Equity Value of owned fleet | 1,523.8 |
| Equity Value of in-chartered fleet (Management est.) | 150.6 |
| Subtotal of Operating Fleet | 1,674.42 |
| <i>Other Items (as at Dec. 31, '06)</i> | |
| 'In-the-money' amount of N/Bs | 221.3 |
| N/B Installments to-date | 382.7 |
| Ras Gas 3 Installments to-date | 140.5 |
| Subtotal Other Items | 744.5 |
| Total Equity Value | 2,418.9 |
| Diluted shares o/s at Dec. 31/06 | 74.56 |
| Equity Value per Share | \$ 32.44 |

| | | |
|---------------------------|-----------|--------------|
| Sum of parts value | \$ | 72.02 |
|---------------------------|-----------|--------------|

Based on Feb.16, 2007 share prices (TGP = \$36.80, TOO=\$29.55)

Sum of the Parts Support con't

All figures from 4Q06 F/S

| OPCO Net Debt Calculation | |
|----------------------------------|----------------|
| Cash | 114.0 |
| Restricted Cash - current | |
| Restricted Cash - long-term | |
| Total cash (a) | <u>114.0</u> |
| Current portion of l/t debt | 17.7 |
| Long-term debt | 1,285.7 |
| Long-term debt for newbuilds | - |
| Total Debt + N/B Debt (b+c=d) | <u>1,303.4</u> |
| Net Debt (d-a) | 1,189.4 |

All figures from 4Q06 F/S

| Teekay LNG Net Debt Calculation | |
|--|----------------|
| Cash | 28.9 |
| Restricted Cash - current | 55.0 |
| Restricted Cash - long-term | 615.7 |
| Total cash | <u>699.6</u> |
| Current portion of l/t debt | 181.2 |
| Long-term debt | 986.0 |
| Long-term debt for newbuilds | 266.3 |
| Total Debt + N/B Debt | <u>1,433.5</u> |
| Net Debt | 733.9 |

All figures from 4Q06 F/S

| Adjustments (i.e. Core Teekay) | |
|---------------------------------------|--------------|
| Cash | 201.0 |
| Restricted Cash - current | 9.2 |
| Restricted Cash - long-term | - |
| Total cash | <u>210.2</u> |
| Current portion of l/t debt | 170.1 |
| Long-term debt | 812.6 |
| Long-term debt for newbuilds | |
| Total Debt + N/B Debt | <u>982.7</u> |
| Net Debt | 772.5 |

All figures from 4Q06 F/S

| Consolidated Teekay Net Debt Calculation | |
|---|----------------|
| Cash | 343.9 |
| Restricted Cash - current | 64.2 |
| Restricted Cash - long-term | 615.7 |
| Total cash | <u>1,023.8</u> |
| Current portion of l/t debt | 369.0 |
| Long-term debt | 3,350.6 |
| Long-term debt for newbuilds | |
| Total Debt | <u>3,719.6</u> |
| Net Debt | 2,695.8 |

Newbuilding/Conversion Deliveries

| | 1Q07 | 2Q07 | 3Q07 | 4Q07 | 2007 |
|---------------------------|----------|----------|------|------|----------|
| Offshore Segment | 1 | 1 | | | 2 |
| Fixed-Rate Tanker Segment | | | | | |
| Liquefied Gas Segment | 2 | | | | 2 |
| Spot Segment | 2 | 1 | | | 3 |
| Total | 5 | 2 | | | 7 |

| | 1Q08 | 2Q08 | 3Q08 | 4Q08 | 2008 |
|---------------------------|----------|----------|----------|----------|-----------|
| Offshore Segment | 1 | | | | 1 |
| Fixed-Rate Tanker Segment | 1 | 1 | | | 2 |
| Liquefied Gas Segment | 1 | 4 | | 2 | 7 |
| Spot Segment | | 1 | 1 | 2 | 4 |
| Total | 3 | 6 | 1 | 4 | 14 |

| | 1Q09 | 2Q09 | 3Q09 | 4Q09 | 2009 |
|---------------------------|----------|----------|----------|------|----------|
| Offshore Segment | | | | | |
| Fixed-Rate Tanker Segment | | | | | |
| Liquefied Gas Segment | 1 | 1 | | | 2 |
| Spot Segment | 2 | 1 | 3 | | 6 |
| Total | 3 | 2 | 3 | | 8 |

| | 1Q10 | 2Q10 | 3Q10 | 4Q10 | 2010 |
|---------------------------|------|------|----------|------|----------|
| Offshore Segment | | | 2 | | 2 |
| Fixed-Rate Tanker Segment | | | | | |
| Liquefied Gas Segment | | | | | |
| Spot Segment | | | | | |
| Total | | | 2 | | 2 |

Capex by Segment

| (in millions) | 2007 | 2008 | 2009 | 2010 | Total |
|---------------------------|--------------|--------------|--------------|--------------|----------------|
| Offshore Segment | \$297 | - | \$23 | \$184 | \$504 |
| Fixed-Rate Tanker Segment | 17 | 59 | - | - | 76 |
| Liquefied Gas Segment | 357 | 191 | 54 | - | 602 |
| Spot Segment | 156 | 261 | 226 | - | 643 |
| Total | \$827 | \$511 | \$303 | \$184 | \$1,825 |

Highly Profitable In-charter Portfolio

| | # of ships | Avg. remaining (in years) | Ship Years | Avg. rate (\$/day) | Spot Rates as of Feb. 16, '07* |
|----------------------|------------|---------------------------|------------|--------------------|--------------------------------|
| Suezmax | 4 | 0.6 | 2.2 | \$ 24,100 | \$ 50,639 |
| Aframax | 12 | 2.0 | 24.3 | \$ 21,900 | \$ 47,144 |
| LRII | 1 | 5.5 | 5.5 | \$ 19,000 | \$ 21,000 |
| MR | 6 | 1.8 | 10.8 | \$ 21,900 | \$ 23,800 |
| Small Product | 10 | 1.3 | 12.8 | \$ 12,200 | \$ 16,000 |

*Source: CRS February 16, 2007. Small Product tanker rates are Company estimates

Sum of Parts Support - Petrojarl

| | |
|---|----------|
| Petrojarl Market Cap – 75m shares at 70 NOK/share @ 6.1 NOK/USD | \$858.6m |
| Net Debt (as of Dec. 31, 2006) | 265.3m |
| Enterprise Value | 1,123.9m |
| Minority Interest (34.5% of market cap) | 304.8m |

Sum of Parts Support – GP Values

GP Valuation Comp Table

| GP | Ticker | Price (12/4/06) | Current Distribution | DCF | | Yield | P/DCF | | 3-Year Dist. |
|-----------------------------------|--------|--------------------|-------------------------|--------|--------|-------------|--------------|--------------|--------------|
| | | | | 2006 | 2007 | | 2006 | 2007 | CAGR |
| Valero GP Holdings, LLC | VEH | \$21.14 | \$1.20 | \$1.25 | \$1.38 | 5.7% | 16.9x | 15.3x | 8.8% |
| Buckey GP Holdings, L.P. | BGH | \$15.65 | \$.82 | \$.87 | \$1.03 | 5.2% | 18.0x | 15.2x | 9.3% |
| Atlas Pipeline Holdings, L.P. | AHD | \$22.30 | \$.96 | \$.98 | \$1.30 | 4.3% | 22.8x | 17.2x | 26.6% |
| Alliance Holdings GP, L.P. | AHGP | \$18.94 | \$.86 | \$.90 | \$1.23 | 4.5% | 21.0x | 15.4x | 35.0% |
| Energy Transfer Equity, L.P. | ETE | \$29.74 | \$1.25 | \$1.08 | \$1.70 | 4.2% | 27.5x | 17.5x | 28.3% |
| Inergy Holdings, L.P. | NRGP | \$39.25 | \$1.40 | \$1.38 | \$1.91 | 3.6% | 28.4x | 20.5x | 21.7% |
| Magellan Midstream Holdings, L.P. | MGG | \$22.41 | \$.88 | \$.94 | \$1.19 | 3.9% | 23.8x | 18.8x | 19.4% |
| Enterprise GP Holdings, L.P. | EPE | \$34.94 | \$1.24 | \$1.34 | \$1.64 | 3.5% | 26.1x | 21.3x | 17.5% |
| Crosstex Energy Inc. | XTXI | \$97.44 | \$2.48 | \$2.68 | \$3.50 | 2.5% | 36.4x | 27.8x | 43.5% |
| GP Average | | | | | | 4.2% | 24.6x | 18.8x | 23.3% |
| GP Median | | | | | | 4.2% | 23.8x | 17.5x | 25.0% |

Teekay Parent Fleet Valuation

| Spot - owned | Year Built |
|------------------------------|------------|
| Aframax | |
| Everest Spirit | 2004 |
| Esther Spirit | 2004 |
| Axel Spirit | 2004 |
| Erik Spirit | 2005 |
| Matterhorn Spirit | 2005 |
| Kareela Spirit | 1999 |
| Nassau Spirit | 1998 |
| Orkney Spirit | 1993 |
| Sebarok Spirit | 1993 |
| Senang Spirit | 1994 |
| Falster Spirit | 1995 |
| Sotra Spirit | 1995 |
| Large Product Tankers | |
| Rainier Spirit | 2005 |
| Donegal Spirit | 2006 |
| Kanata Spirit | 1999 |
| Mayon Spirit | 1992 |
| Shetland Spirit | 1994 |

\$1,066.9

| Fixed-rate Conventional Tankers - owned | Year Built |
|---|------------|
| Barrington | 1989 |
| Palmerston | 1990 |
| Samar Spirit | 1992 |
| Australian Spirit | 2004 |
| Americas Spirit | 2003 |
| Kyeema Spirit | 1999 |
| Helga Spirit | 2005 |
| Nordic Trym | 1987 |
| Dampier Spirit | 1987 |

\$410.3

FMV of Owned Fleet = \$1,477*

| Spot - In-chartered | | | |
|---------------------|------|------------------------------|------|
| Year Built | | Year Built | |
| Suezmax | | Large Product Tankers | |
| Roviken | 2006 | Stavanger Prince | 2002 |
| SCF Khibiny | 2002 | Horizon | 2004 |
| Astra | 2002 | Stavanger Eagle | 2004 |
| Voyager | 2002 | Teatralny Bridge | 2006 |
| Aframax | | Platte | |
| Kiowa Spirit | 1999 | Alam Budi | 2001 |
| Bahamas Spirit | 1998 | Okhta Bridge | 2004 |
| Stavanger Viking | | Small Product Tankers | |
| Mare Salernum | 2003 | 1 x MCT Ship | 1999 |
| Black Sea | 1999 | Stenberg | 2003 |
| Forward Bridge | 1998 | Sten Idun | 2002 |
| Petrodvorets | 1999 | Stenheim | 2003 |
| Bergitta | 2000 | Stenstraum | 2001 |
| Mare Tirennum | 2004 | Bregen | 1994 |
| Umlma | 2006 | Falcon | 2004 |
| Aral Sea | 1999 | Sten Odin | 1998 |
| Asian Jade | 2005 | Sten Embla | 1999 |
| | | Sten Tor | 1999 |
| | | Sten Moster | 2006 |

| Fixed-rate Conventional Tankers - In-chartered | Year Built |
|--|------------|
| Borga | 1992 |
| Venture Spirit | 2003 |
| Koa Spirit | 1999 |

* Per Clarksons

