



TEEKAY TANKERS LTD.



Q4 2010 Earnings Presentation

February 24, 2011

NYSE : TNK

www.teekaytankers.com

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: tanker market fundamentals, including the balance of supply and demand in the tanker market, and spot tanker charter rates; the Company's financial position and potential vessel acquisition opportunities; estimated dividends per share for the quarter ending March 31, 2011 based on various spot tanker rates earned by the Company; the Company's mix of spot market and time-charter trading in first quarter and fiscal 2011; anticipated drydocking and vessel upgrade costs; the Company's ability to generate surplus cash flow and pay dividends; the impact of vessel drydock activities on the Company's future Cash Available for Distribution; and potential vessel acquisitions, including the acquisition of vessels from Teekay Corporation or third parties, and their affect on the Company's future Cash Available for Distribution. 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 the production of or demand for oil; changes in trading patterns significantly affecting overall vessel tonnage requirements; lower than expected level of tanker scrapping; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; the potential for early termination of short- or medium-term contracts and inability of the Company to renew or replace short- or medium-term contracts; changes in interest rates and the capital markets; the ability of the owner of the two VLCC newbuildings securing the two first-priority ship mortgage loans to continue to meet its payment obligations; increases in the Company's expenses, including any drydocking expenses and associated offhire days; the ability of Teekay Tankers' board of directors to establish cash reserves for the prudent conduct of Teekay Tankers' business or otherwise; the potential termination of interest rate swap agreements; failure of Teekay Tankers Board of Directors and its Conflicts Committee to accept future acquisitions of vessels that may be offered by Teekay Corporation or third parties; and other factors discussed in Teekay Tankers' filings from time to time with the United States Securities and Exchange Commission, including its Report on Form 20-F for the fiscal year ended December 31, 2009. 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.

Recent Highlights

- » Declared a dividend of \$0.22 per share for Q4
 - Payable on March 15th to all shareholders of record on March 8th
- » +60% of Q4 revenues days earned avg. of \$24,390 per day on fixed-rate time-charter, well above avg. spot TCE of \$14,779 per day
- » Earned adjusted net income of \$2.6 million, or \$0.05 per share⁽¹⁾
- » Completed acquisition of one Suezmax and one Aframax tanker in early November for a total cost of \$107.5 million
- » Secured a 23 month extension of the fixed-rate time-charter on the Narmada Spirit at an average floor rate of \$21,500 per day, plus profit share
 - ~62% fixed coverage for Q1 2011; ~57% fixed coverage for 2011
- » Completed 9.9 million share offering in Feb. 2011 raising net proceeds of \$107.6 million, increasing current liquidity to approximately \$295 million
 - Will look to acquire assets during coming months

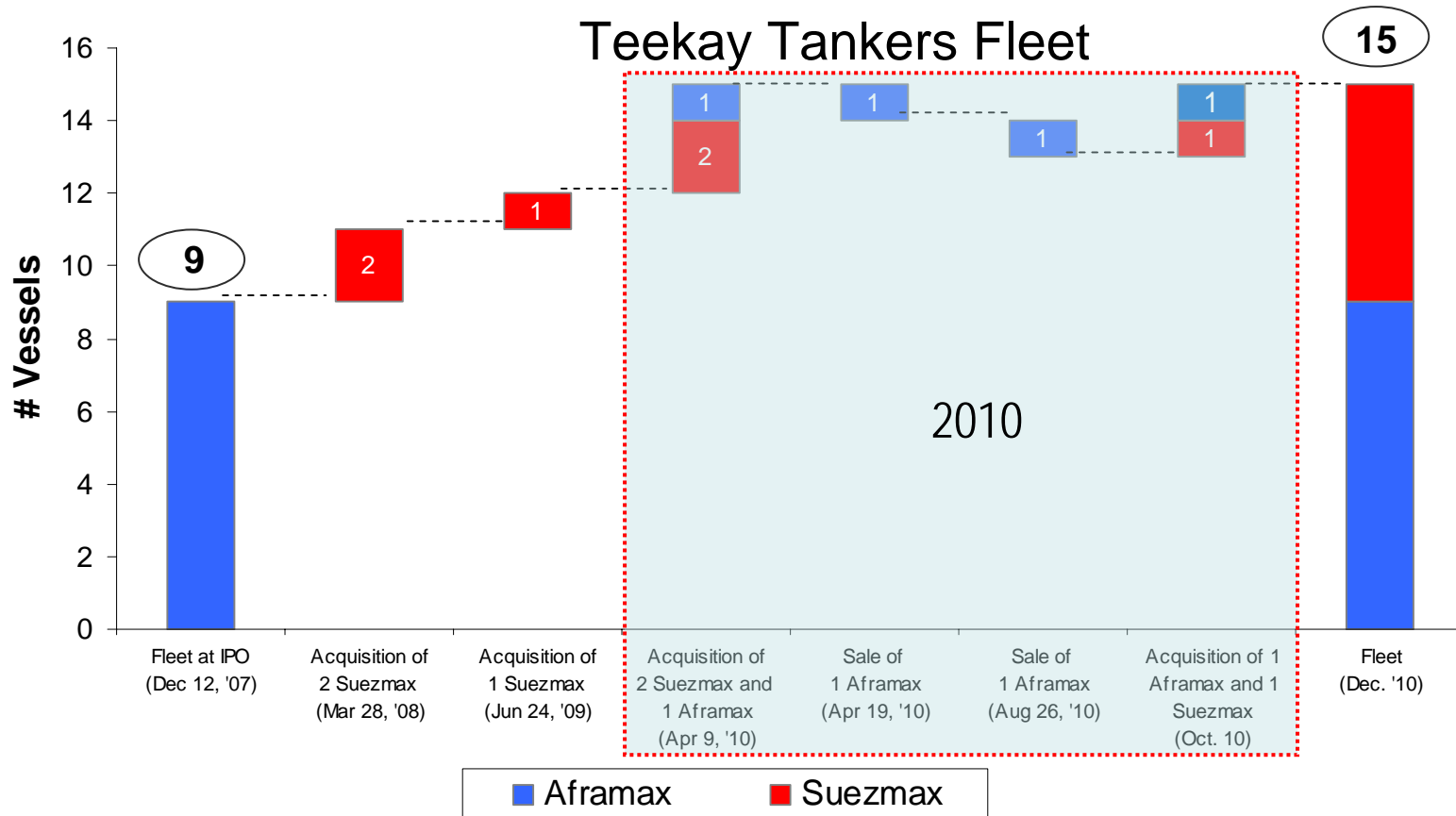
(1) Excluding net gain of \$5.2 million, or \$0.10 per share related to change in fair value of interest rate swaps and Dropdown Predecessor as detailed in Appendix A of the Q4-10 earnings release.

FY2010 Highlights

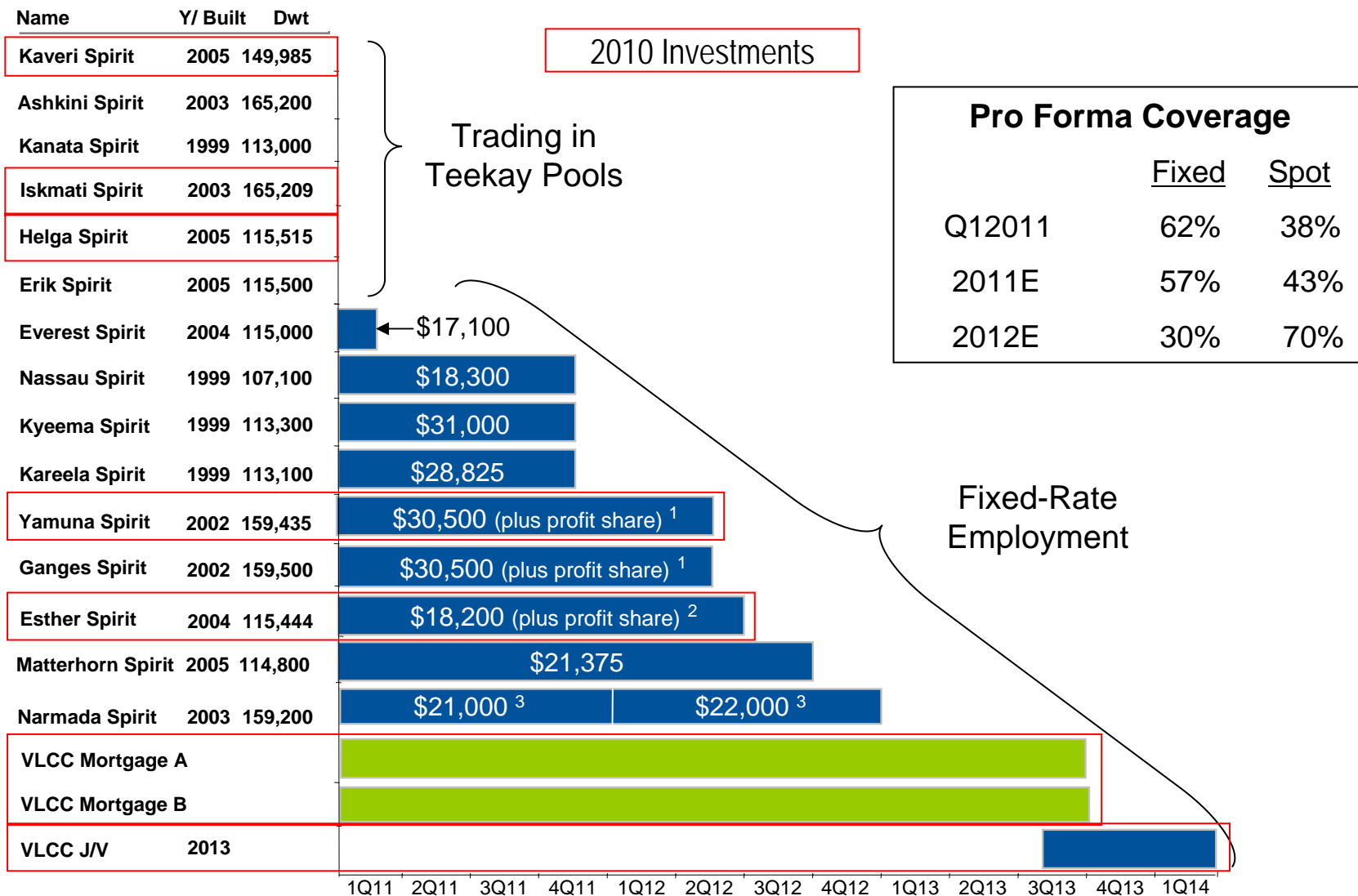
- » Declared total dividends of \$1.24 per share for FY2010
- » Earned adjusted net income of \$22.4 million, or \$0.53 per share⁽¹⁾
- » In July 2010, invested \$115 million in two, first-priority ship mortgages earning interest of 9 percent, secured by two newbuilding VLCCs
- » Strategically grew fleet by (net) 4 vessels, average age of fleet improved from 9 to 8 years
 - Acquired five modern vessels from Teekay Corp.
 - Liquidity increased by net \$178 million due to inclusion of attractive financing
 - 2 ships trading on fixed-rate time-charters adding to dividend stability
 - Sold two older vessels for total proceeds of \$34 million
 - Entered into 50% J/V that owns a VLCC newbuilding, scheduled to deliver in 2013 onto a 5-year time-charter

(1) Excluding net loss of \$6.1 million, or \$0.14 per share related to change in fair value of interest rate swaps, loss on sale of vessels and Dropdown Predecessor as detailed in Appendix A of the Q4-10 earnings release.

2010 – A Year of Fleet Growth and Renewal



Profile of TNK's Tactical Fleet Management



1 Profit share above \$30,500 per day entitles Teekay Tankers to the first \$3,000 per day plus 50% thereafter of vessel's incremental Gemini Pool earnings, settled in the second quarter of each year.

2 Includes profit share paying 49% of earnings in excess of \$18,700 generated December 1 through March 20.

3 Profit share above the applicable minimum time-charter rate entitles Teekay Tankers to 50% of the difference between the average TD5 BITR rate and the minimum rate.

2011 Priorities

- » Maintaining fleet availability through focus on superior operations
- » Acquire existing modern ships with proceeds from recent equity offering
 - Ship prices falling with weakness in spot tanker market
 - Newbuild prices remaining firm due to weakness in US dollar vs. Korean won and high steel prices
- » Tactically manage fleet to maintain dividend coverage
 - Time-charters rolling off at the end of 2011, may look to renew/extend some of existing charters
- » May look at in-chartering ships if spot market weakens further
 - Provide operating leverage when rates increase
 - Minimal investment required

Q1 2011 Dividend Matrix

- » Tanker rates currently very volatile
 - Avg. Aframax rates week ended Feb. 11, 2011 - \$9,002 per day
 - Avg. Aframax rates week ended Feb. 18, 2011 - \$14,112 per day
- » TNK largely insulated with ~62% fixed coverage for Q1

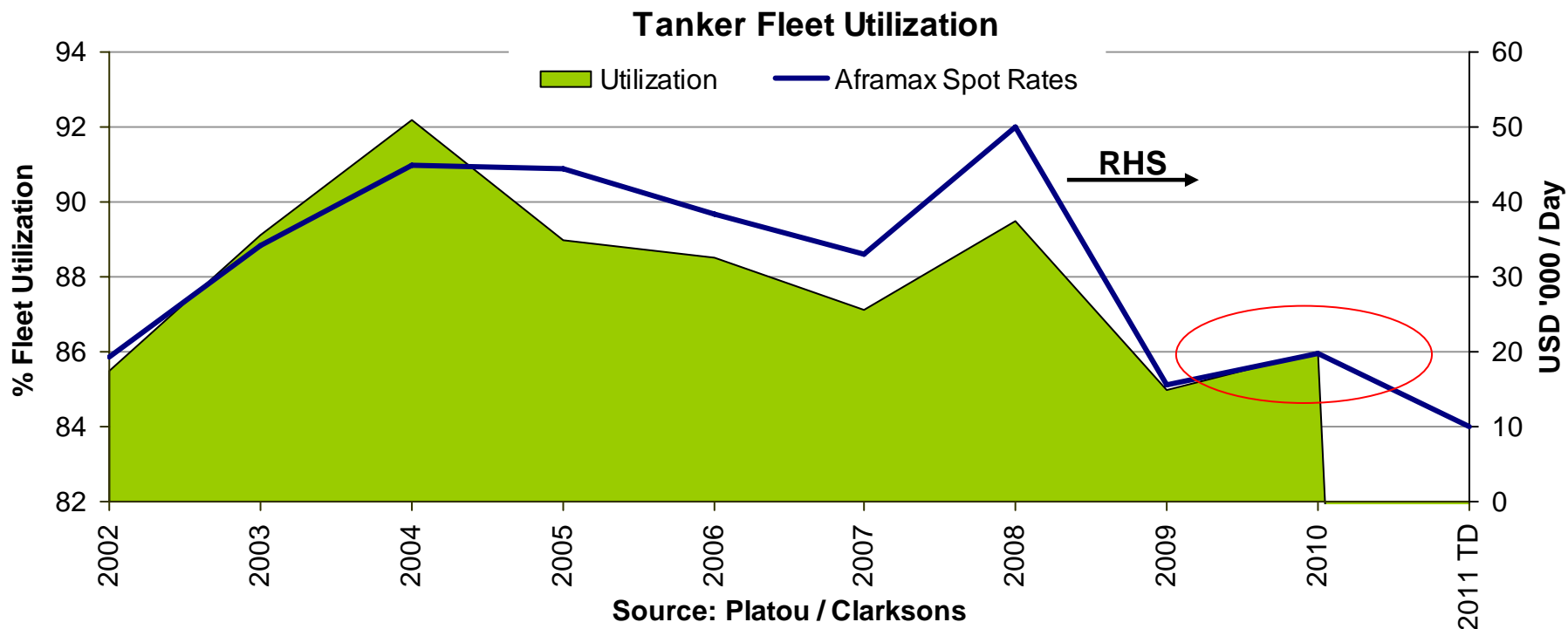
Q1 2011 Dividend Estimate Dividend Per Share*		Suezmax Spot Rate Assumption (TCE per day)						
		\$10,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000
Aframax Spot Rate Assumption (TCE per day)	\$10,000	0.15	0.17	0.19	0.22	0.25	0.28	0.32
	\$15,000	0.17	0.20	0.22	0.25	0.27	0.31	0.35
	\$20,000	0.20	0.22	0.25	0.27	0.30	0.34	0.37
	\$25,000	0.23	0.25	0.27	0.30	0.33	0.36	0.40
	\$30,000	0.25	0.28	0.30	0.33	0.35	0.39	0.43
	\$35,000	0.28	0.30	0.33	0.35	0.38	0.42	0.45

* Estimated dividend per share is based on estimated Cash Available for Distribution, less \$0.45 million for scheduled principal payments related to one of the Company's debt facilities and less a \$1.2 million reserve for estimated drydocking costs and other vessel capital expenditures. Based on the estimated weighted average number of shares outstanding for the first quarter of 57.4 million shares.

- » Q1 2011 spot rates booked to-date
 - ~60% of Aframax days booked at \$15,000 per day
 - ~50% of Suezmax days booked at \$14,400 per day

Excess Tanker Supply Driving Down Utilization and Rates

- » 2010 demand dynamics were positive:
 - Oil demand growth of 3.3% in 2010 was the second highest since the 1970s
 - Tanker ton-mile demand growth was the strongest since the 1980s
- » Growth in tanker supply outpaced demand growth:
 - » Net fleet growth of 4.5% compounded by the return of 3% of the fleet from floating storage
- » Vessel oversupply continues to weigh on spot tanker rates in Q1-11



Tanker Market Outlook

Demand

- » Record oil & tanker demand expected
 - 1.5 – 2% oil demand growth translates to **5 – 6% tanker demand growth**
 - Pressure on OPEC to increase crude oil production which is ton-mile intensive
- » Political unrest creates the possibility for increased ton-mile demand

2011

Supply

- » Higher fleet growth vs. 2010
 - **~7% nameplate supply growth**
- » Age discrimination reduces tanker fleet supply
- » High scrap price likely to incentivize owners to scrap younger vessels

2011 –
Challenging Year

Demand

- » Steady global economic growth
 - Energy intensive non-OECD regions lead the way
- » “Call on OPEC” continues to grow
- » Rising product exports from Asian refineries increase ton-mile leverage effect

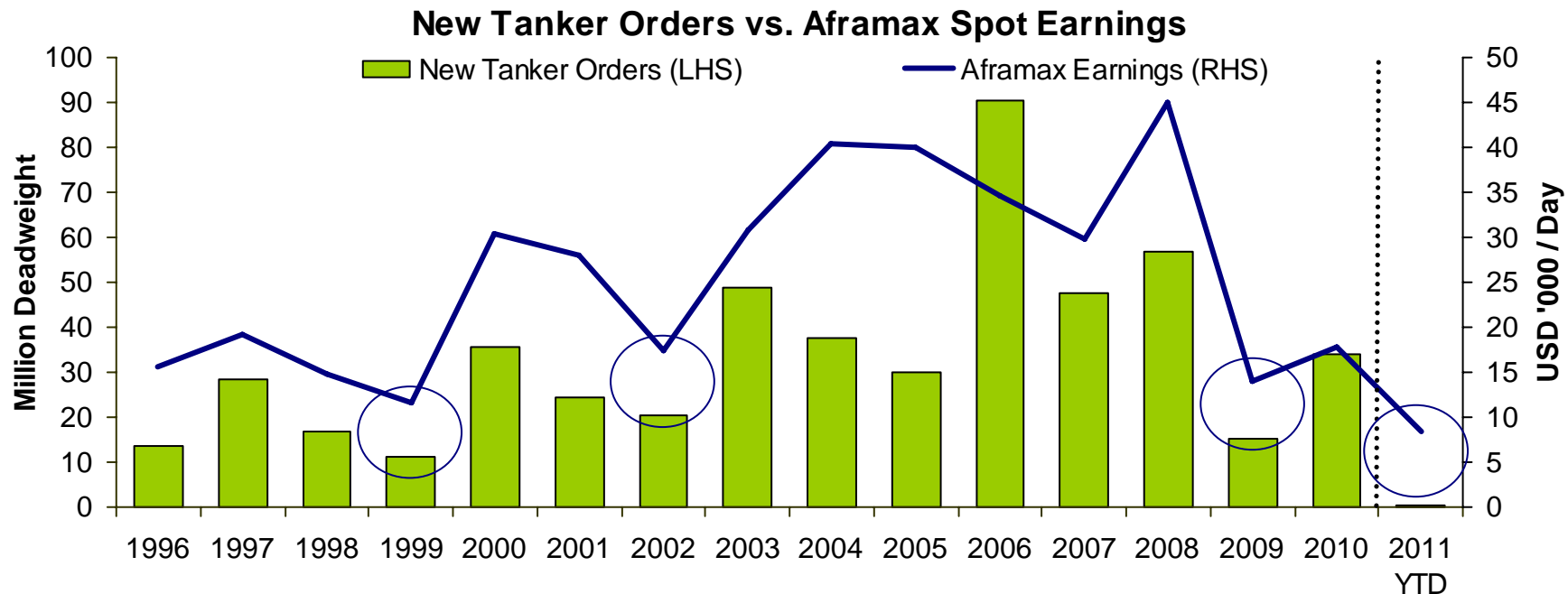
2012 &
BEYOND

Supply

- » Floor under newbuilding prices due to steel price, labor costs, exchange rates
 - Limited ability for yards to induce ordering through bargain prices
- » Rampant offshore and container market soaking up shipyard capacity
- » Discipline in tanker ordering is a key factor for a “self correcting” orderbook

2012 –
Potential Turning Point

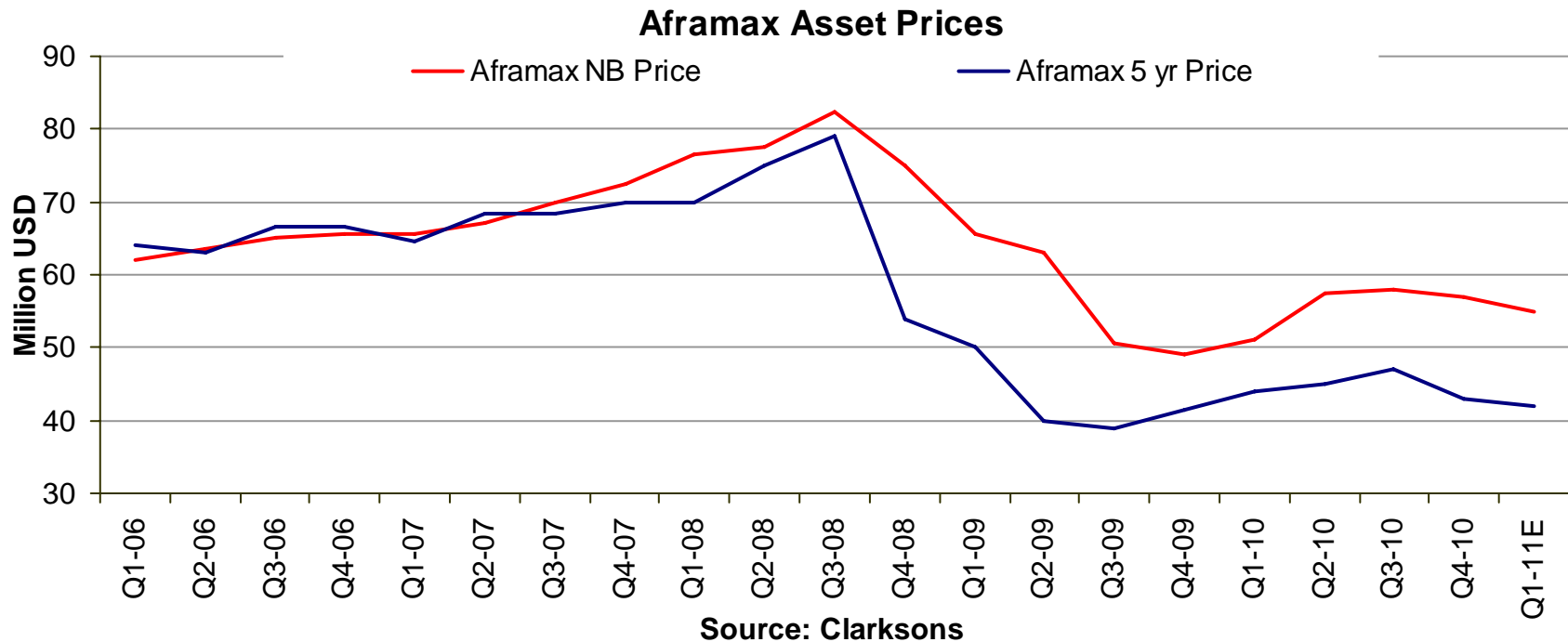
Factors For A Recovery – Self Correcting Behaviour



Source: Clarksons (earnings taken at 90% of Clarksons average)

- » Tanker market has a tendency to self-correct itself in periods of weak earnings
 - 70% correlation between tanker earnings and vessel ordering
- » Factors that may lead to lower newbuilding orders in 2011 include:
 - Weakness in spot earnings and ramp up in tanker deliveries in 2011
 - Capital / debt constraints, particularly for independent owners
 - Shipyards being unable to slash newbuilding prices to levels last seen in early 2000's

Secondhand Prices Expected To Decline in 2011



- » Secondhand tanker prices expected to decline in the coming months
 - Weak spot market earnings to weigh on secondhand vessel values.
 - Spread between secondhand values and newbuilding prices typically widens in a down cycle

- » Newbuilding prices expected to hold steady in the near term
 - High steel plate prices, weak US dollar mean yards are unlikely to drop prices much further
 - Demand for newbuildings from other sectors (e.g. Containers and Offshore)
 - Newbuildings becoming relatively less attractive compared to on-the-water assets

TNK Financial Snapshot

- » Low spot tanker cash flow breakeven below \$0 / day in 2011
- » December 31, 2010 total liquidity: \$187 million; \$295 million including proceeds from recent offering
- » Net Debt/Cap: 38% (incl. proceeds from recent offering)
- » Minimal principal payments until 2015

