



# Second Quarter 2014 Earnings Presentation

August 7, 2014



TEEKAY TANKERS LTD.



# 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 crude oil and refined product tanker market fundamentals, including the balance of supply and demand in the tanker market, estimated growth in the world tanker fleet in 2014 and 2015, estimated growth in global oil demand and crude oil tanker demand in 2014, and tanker fleet utilization and spot tanker rates in 2014 and 2015; the Company's financial position and ability to take advantage of growth opportunities in an expected future tanker market recovery; the Company's plans regarding increased spot market exposure; the Company's fixed-rate coverage for the next 12 months; and the expected effects of the Company's acquisition of a 50 percent interest in Teekay Operations. 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; greater or less than anticipated levels of tanker newbuilding orders and deliveries or greater or less than anticipated rates 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 financial markets; increases in the Company's expenses, including any dry docking expenses and associated off-hire days; failure to realize expected benefits of the acquisition of an interest in Teekay Operations; 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, 2013. 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

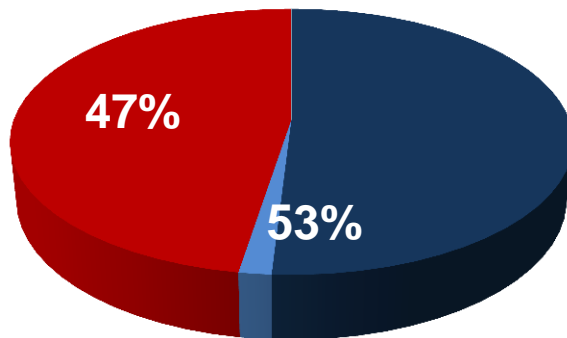
- Q2-14 Results
  - Reported adjusted net loss of \$0.05 per share
  - Generated Cash Available for Distribution (CAD)<sup>(1)</sup> of \$0.11 per share
  - Declared quarterly fixed dividend of \$0.03 per share
- In Q2-14, TNK realized a \$10 million gain on the sale of two 2010-built VLCCs
- In Q2-14, TNK secured time charter-in contracts for two Aframax tankers and four LR2 product tankers at an average rate of approximately \$15,850 per day
  - These new in-charters bring TNK's total in-charter fleet to eight vessels
- In July 2014, experienced the highest Suezmax and Aframax spot tanker rates for the month of July since 2008
- On August 1, 2014, TNK completed the acquisition of a 50% ownership interest in Teekay Corporation's commercial and technical management operations for ~\$15 million in shares

(1) Cash Available for Distribution represents net income (loss), plus depreciation and amortization, unrealized losses from derivatives, non-cash items and any write-downs or other non-recurring items, less unrealized gains from derivatives. Please refer to the Teekay Tankers Q2-14 Earnings Release for reconciliation to most directly comparable GAAP financial measure.



# Increasing Spot Market Exposure

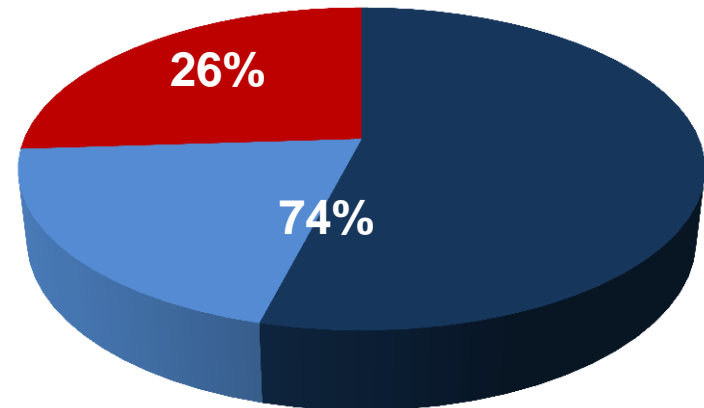
**Fixed-Rate Coverage**  
12 months ended Q2-13



- Spot Coverage (Owned Vessels)
- Spot Coverage (In-chartered Vessels)
- Fixed-Rate Coverage

**Total Spot Traded Vessels = 14**

**Fixed-Rate Coverage**  
Estimated Next 12 Months



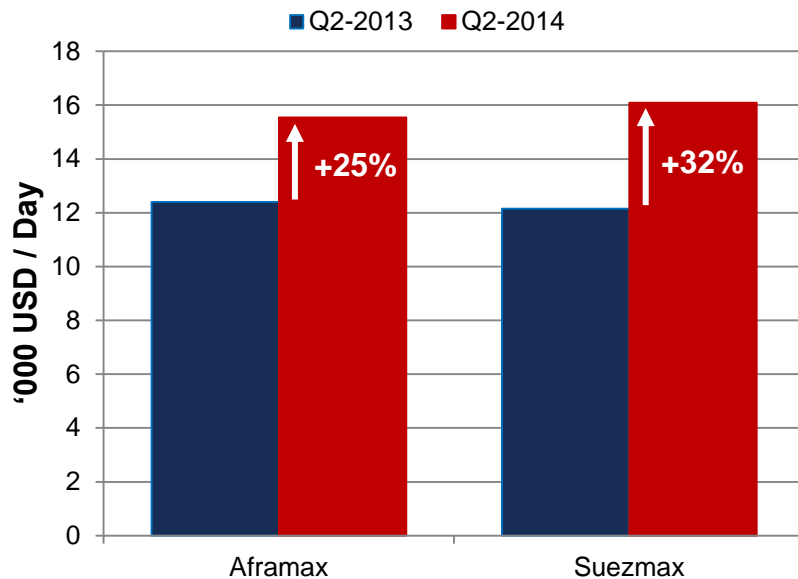
- Spot Coverage (Owned Vessels)
- Spot Coverage (In-chartered Vessels)
- Fixed-Rate Coverage

**Total Spot Traded Vessels = 24**

**Increase in spot exposure from 53% in 2012 to 74% better positions TNK to benefit from a tanker market recovery**

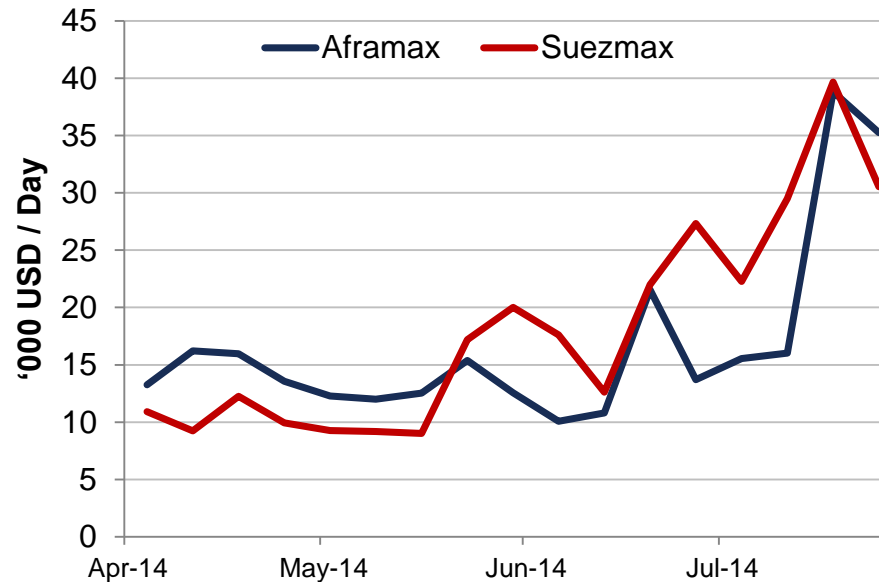
# Stronger Crude Tanker Rates Better Year-on-Year

## TNK Spot Rates Q2-2013 vs. Q2-2014



Source: Internal

## Global Spot Crude Tanker Rates



Source: Clarksons

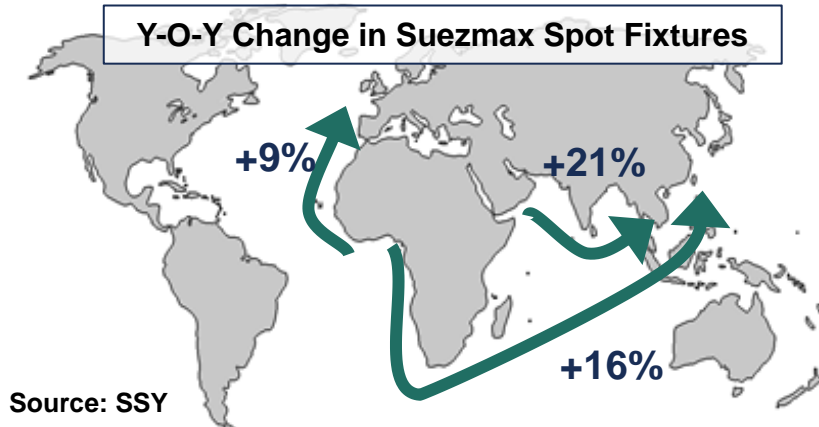
- Q2 rates averaged ~\$3,000-4,000 / day higher than in the same period of 2013
- Counter-seasonal spike in rates during Jul'14 (strongest July since 2008)

**Market is firming; positive outlook for the seasonally strong winter market**



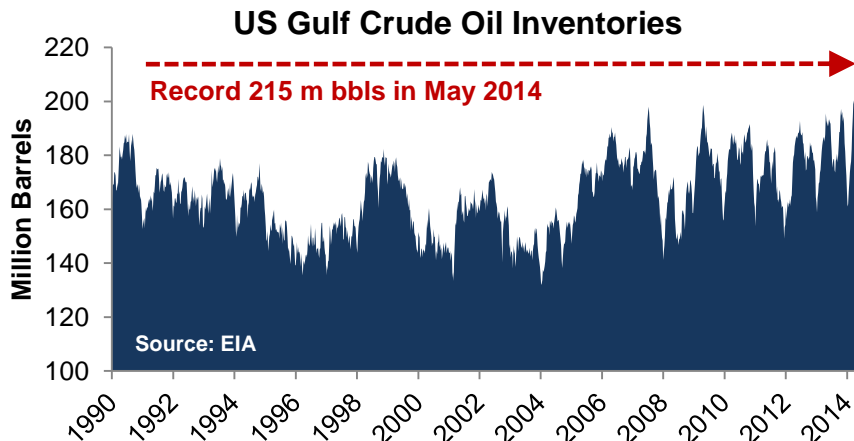
# Strength in Mid-Size Tanker Demand

## Suezmaxes Trading Longer Haul



- Increase in WAF-Asia crude oil movements on Suezmaxes
- European refiners replacing lost Libyan volumes with WAF crude
- More Suezmaxes on MEG-East trade, limiting Atlantic fleet supply

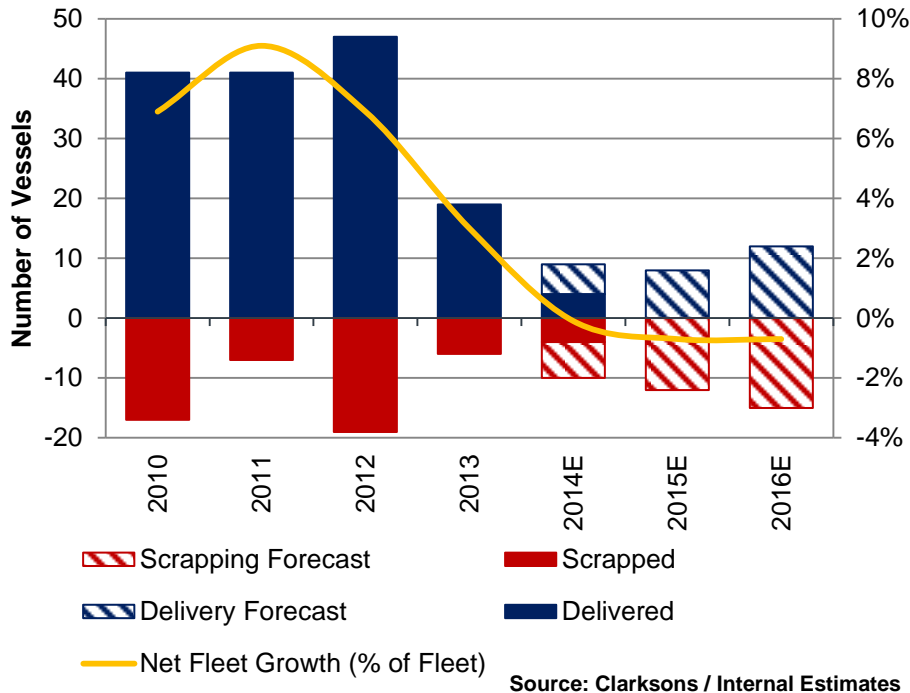
## Aframaxes Benefiting From Regional Trade Disruptions



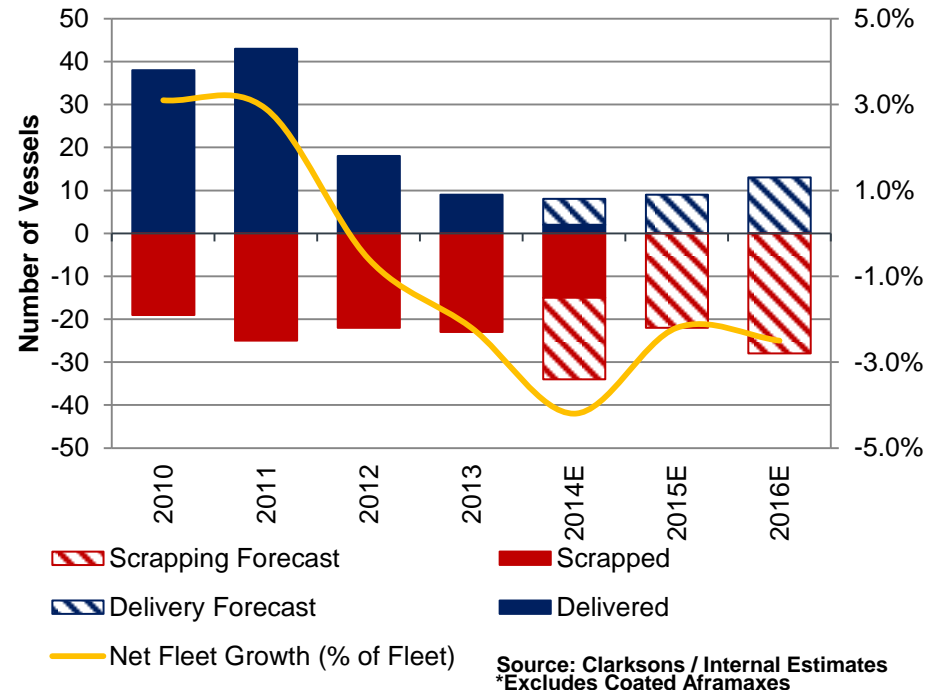
- Lack of onshore storage in U.S. Gulf leading to vessel delays
- Uncertainty over Libyan supply creating volatility in the MED
- Strong Suezmax market reduces competition for Aframax cargoes

# A Shrinking Mid-Size Crude Tanker Fleet

## Suezmax Fleet Growth



## Aframax\* Fleet Growth

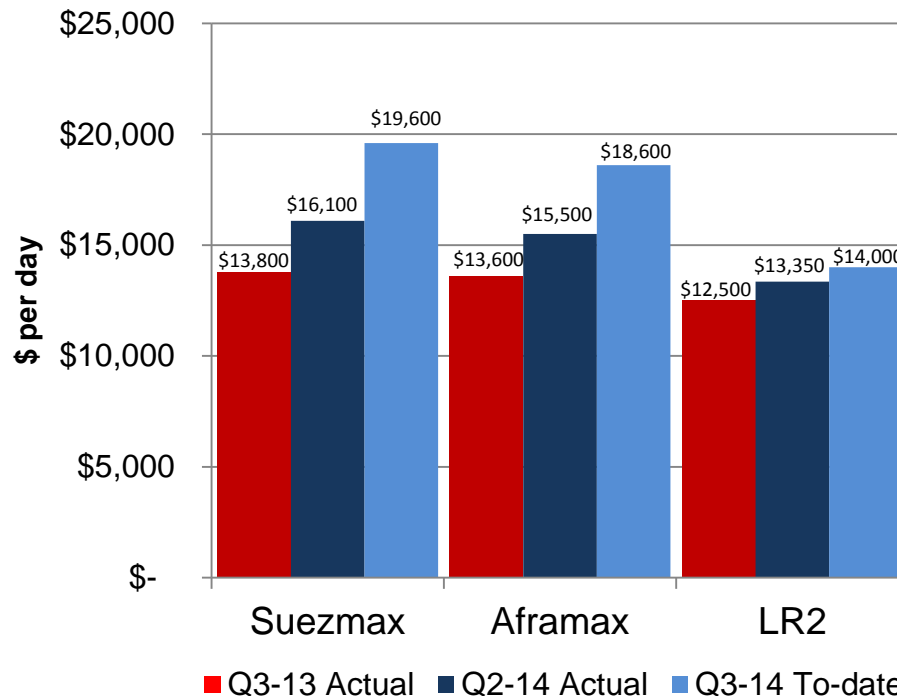


- Suezmax fleet size unchanged in 1H-14; expected to contract through 2015 / 16
- Aframax fleet shrank by 13 vessels in 1H-14 (2 deliveries vs. 15 scrapped)
  - Estimated 7% reduction in Aframax fleet size between now and end-2016

**Declining mid-size crude tanker fleet driving a sustained market recovery**

# Q3-14 Spot Earnings Update

- Overall, average spot bookings for Q3-14 to-date are higher than Q2-14 and Q3-13 (based on approximately 43% and 68% of days booked in the quarter for Suezmax/Aframax and LR2 segments, respectively)





# 2014 Investor Day



## SAVE THE DATE Teekay Group 2014 Investor Day New York



**WHEN** September 30, 2014

**WHERE** The St. Regis New York

### SCHEDULE OF EVENTS

**7:30 - 8:00 am** Breakfast

**8:00 - 11:30 am** Presentations  
(1x1s to follow)

*Live webcasting will be available on the respective websites.*

### CONTACT

For more information, or to schedule a one-on-one meeting, contact Emily Yee at + 1 604 609 6437  
emily.yee@teekay.com  
No RSVP required.

NYSE: TK | NYSE: TOO | NYSE: TGP | NYSE: TNK

[www.teekaytankers.com](http://www.teekaytankers.com)

# Appendix

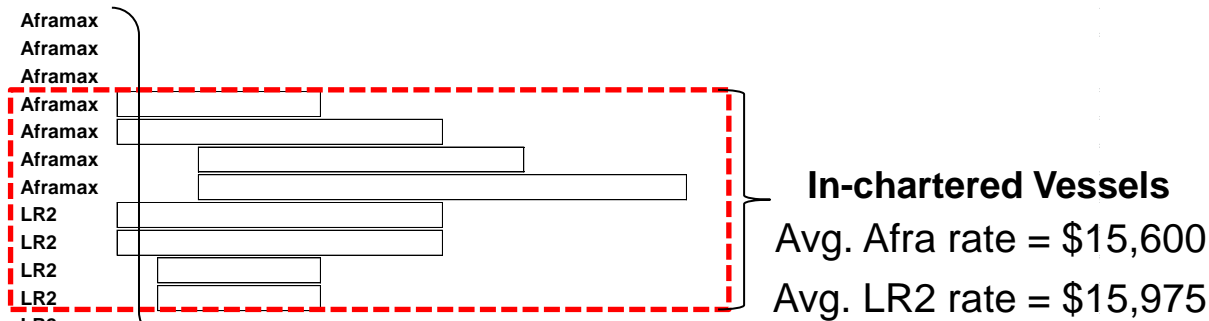
# TNK 2014 Drydock Schedule

Teekay Tankers  Segment	March 31, 2014 (A)		June 30, 2014 (A)		September 30, 2014 (E)		December 31, 2014 (E)		Total 2014	
	Vessels Off-hire	Total Off-hire Days	Vessels Off-hire	Total Off-hire Days	Vessels Off-hire	Total Off-hire Days	Vessels Off-hire	Total Off-hire Days	Vessels Off-hire	Total Off-hire Days
Spot Tanker	1	21	-	-	4	121	-	-	5	142
Fixed-Rate Tanker	-	-	2	56	1	24	1	23	4	103
	1	21	2	56	5	145	1	23	9	245

Note:

- (1) In the case that a vessel drydock straddles between quarters, the drydock has been allocated to the quarter in which majority of drydock days occur.
- (2) Only owned vessels were accounted for in this schedule.

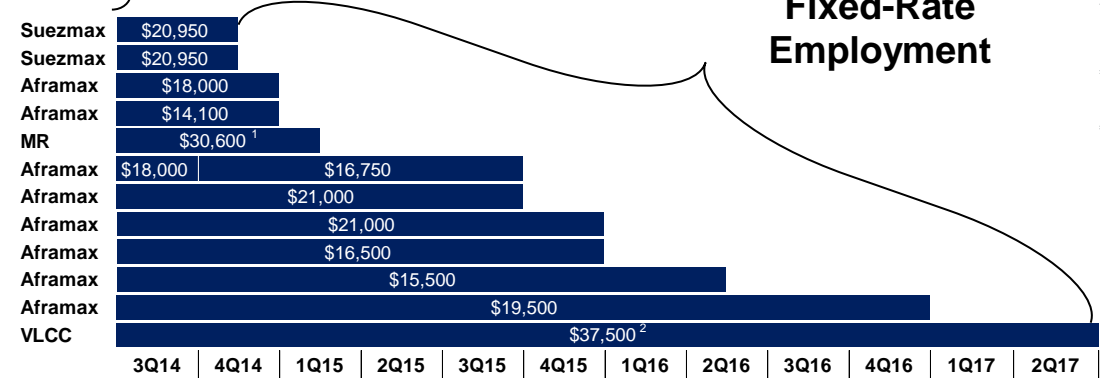
# Fleet Employment



## Trading in Teekay Pools

- LR2
- LR2
- LR2
- Suezmax
- Suezmax
- Suezmax
- Suezmax
- Suezmax
- Suezmax
- Suezmax
- MR
- MR

## Trading in External Pools



Fixed-Rate Coverage (estimated)	
12-month (Q3-14 to Q2-15)	26%
Fiscal 2013	42%
Fiscal 2012	47%

Notes:

- 1 Charter rate covers incremental Australian crewing expenses of approximately \$14,000 per day above international crewing costs.
- 2 50% profit share if market earnings above \$40,500 per day.



TEEKAY TANKERS