Company: Teekay Shipping (Canada) Ltd.

Conference Title: Teekay Corporation's Third Quarter 2016 Earnings Results

Moderator: Peter Evensen

Date: Friday 4th November 2016

Operator: Please stand by. Welcome to Teekay Corporation's third quarter 2016 earnings result conference call. During the call, all participants will be in a listen-only mode. Afterwards, you will be invited to participate and a question and answer session. At that time, if you have a question, all participants will be asked to press *1 to register for a question.

For assistance during the call, please press *0 on your touchtone phone. As a reminder, this call is being recorded. Now for opening remarks and introductions, I would like to turn the call over to Mr Peter Evensen, Teekay's President and Chief Executive Officer. Please go ahead.

Ryan Hamilton: Before Mr Evensen begins, I'd like to direct all participants to our website at www.teekay.com where you'll find a copy of the third quarter of 2016 earnings presentation. Mr Evensen will review this presentation during today's conference call.

Please allow me to remind you that our discussion today contains forward-looking statements. Actual results may differ materially from results projected by those forward-looking statements. Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements, is contained in our third quarter 2016 earnings release and earnings presentation available on our website. I'll now turn the call over to Mr Evensen to begin.

Peter Evensen: Thank you, Ryan. Hello, everyone and thank you for joining us today for Teekay Corporation's, third quarter of 2016 investor conference call. I'm joined this morning, on what will be my final Teekay quarterly conference call, by Kenneth Hvid, the new President and CEO-elect of Teekay Corporation, our CFO Vince Lok, and our Group Controller, Brian Fortier.

During our call today, we will be taking you through the earnings presentation, which can be found on our website. Turning to slide three of the presentation, I will briefly review some recent highlights for Teekay Corporation. During the third quarter, we generated consolidated cash flow from vessel operations or CFEO of approximately $286 million. Our results during the quarter were partially affected by seasonal factors in our conventional tanker and shuttle tanker segments, as well as the scheduled redelivery of the Varg FPSO at the end of July 2016.

Looking ahead, we expect a stronger fourth quarter, primarily as a result of the reversal of some of the previous quarter seasonal factors, lower operating costs and higher revenues from our FPSO business. For more details on our fourth quarter expectations, please refer to our fourth quarter outlook slide in the appendix of this presentation. Teekay Corporation reported a consolidated adjusted net loss of approximately $20 million, or $0.23 per share, in the third quarter.

For the third quarter, Teekay Corporation declared a cash dividend of $0.055 per share, consistent with the previous quarter's dividend. In October of 2016, Teekay parent completed the sale of its last remaining directly-owned conventional tanker, the Shoshone Spirit VLCC, which will reduce our financial leverage by $63 million in the fourth quarter.

Turning to slide four, I will - I will review some recent highlights from our three publicly traded daughter entities. For the third quarter, Teekay LNG Partners generated distributable cash flow, or DCF, of $54 million, resulting in a distributable cash flow per limited partner unit of $0.68. The partnership continued to generate strong cash flows during the quarter with the delivery of second MEGI LNG carrier new building, the Oak Spirit, which commenced its five-year charter contract with Cheniere Energy in early August.

For the third quarter, Teekay LNG declared a cash distribution of $0.14 per unit, resulting in a strong distribution coverage ratio of 4.8 times. Since reporting earnings in August, the partnership has secured charter contracts for all of its previously uncommitted LNG carrier new buildings by agreeing a short-term charter contract with a major energy company and a new 15-year charter contract with the Yamal LNG project. These vessels will deliver onto their contracts in early 2017 and early 2019.

With the addition of these two charter contracts to the portfolio, Teekay LNG's forward fee-based revenues now stand at $12.2 billion with a weighted average remaining contract duration of 13 years. Teekay LNG continued to make significant progress on securing long-term financing for its growth projects that deliver through early 2020, which I will discuss more in detail later in the presentation.

And finally in October, the partnership increased its liquidity position through the recent issuance of $125 million in a preferred equity offering and a $110 million five-year Norwegian kroner bond issuance. The preferred unit issuance was the partnership's first such offering and contributes to further increasing its financial flexibility, while delevering the partnership's balance sheet. As part of the oversubscribed Norwegian kroner bond offering, the partnership agreed to repurchase 292 million Norwegian kroner of bonds, which were due in May of 2017.

For the third quarter, Teekay Offshore Partners generated DCF of approximately $32 million, resulting in distributable cash flow per limited partner unit of $0.23. For the third quarter, Teekay Offshore declared a cash distribution of $0.11 per share, resulting in a distribution coverage of two times. Teekay Offshore's third quarter results were negatively impacted by a number of seasonal and temporary factors and thus we expect a stronger fourth quarter for Teekay Offshore.

In September of 2016, the partnership's commercial team secured a new three-year shuttle tanker contract of affreightment, or CoA, the largest shuttle contract awarded in five years in the CoA segment. The new contract is with a consortium known as the Schiehallion co-ventures, consisting of BP, Shell and OMV Group, which will operate the Glen Lyon FPSO that has a capacity to produce up to 130,000 barrels per day with storage of up to 800,000 barrels.

The three-year shuttle tanker contract, not including extension options, is expected to commence in the first quarter of 2017, and is estimated to fully utilise approximately two vessels from Teekay Offshore's north shore shuttle tanker fleet.

At the end of September, the partnership took delivery of the first of four state-of-the-art ultra-long-distance towing and offshore installation new buildings that are being constructed in Japan.

Teekay Tankers reported an adjusted net loss of approximately $1.5 million, or $0.01 per share, and free cash flow of approximately $27 million. Our results during the quarter were impacted by the lowest quarterly crude tanker spot rates in three years. Various factors affected rates, including normal seasonality, reduced oil supply due to temporary outages in key export regions in the Atlantic Basin and lower refinery throughput.

Many of these seasonal factors and temporary outages have now diminished or passed, resulting in higher tanker rates so far in the fourth quarter compared with this past August, and we expect the tanker market to further improve over the coming winter months, due to normal winter seasonality, coupled with the return of Atlantic Basin oil production.

Yesterday, Teekay Tankers declared a cash dividend of $0.03 per share, representing the minimum quarterly dividend according to the company's policy. In October, Teekay Tankers agreed to sell its last remaining MR product tanker along with two 2002 built Suezmax tankers for aggregate proceeds of $47 million, which along with the cash flow generated during the quarter, is expected to further delever its balance sheet to below 49% on a net book to capitalisation basis.

Since reporting earnings in August, Teekay Tankers has continued to grow its ship-to-ship lightering business having secured two significant lightering contracts with major oil companies for periods up to 24 months. These contracts helped strengthen TNK's position in the lightering business, by providing us with cargo volume to employ up to three Aframax vessel equivalents per year. These contracts are expected to commence in the fourth quarter and will bring Teekay Tanker's total ship-to-ship lightering cargo volume up to five Aframax vessel equivalents per year. TNK's lightering business supports its growing U.S. Gulf presence and enhances its ability to earn above-market returns for our fleet in the region.

Turning to slide five, as mentioned on the Teekay LNG conference call yesterday, the partnership has received strong interest from financing institutions, particularly in Asia, to fund all of its new buildings. We are currently on track to complete $1.3 billion of new long-term financings on Teekay LNG's various growth projects in the next few months, included four MEGI LNG carrier new buildings delivering in 2017 and 2018, the Bahrain regasification in which Teekay LNG own a 30% interest, our first two Arc7 LNG carrier new buildings delivering in 2018 and all of our LPG carrier new building vessels, which will deliver through the first quarter of 2018.

As you can see at the bottom of the slide, we now expect all of the remaining CAPEX payments will be funded through a combination of new, committed, or anticipated debt facilities, as well as the proceeds from the partnership's recent $125 million preferred equity issuance in October.

Turning to slide six, as I covered on Teekay Offshore's conference call yesterday, Teekay Offshore - in Teekay Offshore, the focus is on the execution of the partnership's existing growth projects which remain largely on track to meet scheduled deliveries in 2017 through early 2018, except for the partnership's Petrojarl 1 FPSO upgrade project. This project, which is over 70% complete, has experienced delays and an increased upgrade cost, primarily due to a larger scope of work relating to field-specific requirements, the age of the unit, as well as slower than expected work progress in the yard.

We've been actively engaged in discussions with the charterer, the shipyard and our lenders on that particular facility to complete the project and the charterers, QGEP and Vara Energy, have continued to affirm their commitment to the project. In combination, the projects listed on this slide are expected to add approximately $200 million of new CFVO to Teekay Offshore's annual run rate.

Before I conclude and pass this call over to Kenneth to say a few words, I'd like to say it's been an honour and a privilege to lead this company and I'm confident that Kenneth is the right person with the required experience to be my successor to lead Teekay into the next phase of his strategy.

Kenneth started his first 12 years of his career in various positions with Maersk and since starting with Teekay 16 years ago, he has held leadership positions in offshore, LNG, tankers, strategy and operations. Kenneth was instrumental in building our gas franchise in its infancy when we first moved into the sector in 2003, and he has led the shuttle tanker franchise out of Stavanger, Norway for several years, then took over from me as Chief Strategy Officer at Teekay when I was appointed CEO in 2011.

In 2015, Kenneth was promoted to his current position as President and CEO of Teekay Offshore Group. Teekay is well positioned with market-leading businesses, a pipeline of growth projects at Teekay LNG and Teekay Offshore, which are expected to provide significant cash flow growth.

At Teekay, we're all about teams and teamwork, as well as partnership. Kenneth will now lead this great team, including for investors and banks, Teekay's corporate finance team led by our CFO Vince Lok, which will continue to be responsible for all of Teekay's financings. I have full confidence in the entire leadership team that will take Teekay forward with Teekay spirit. I'll now pass the call over to Kenneth.

Kenneth Hvid: Thank you, Peter and hello everyone. First off, I'm excited and honoured to take on this new opportunity to build upon Teekay's past successes. With our market leading businesses, the company is well positioned and as Teekay's new leader, I will, together with Teekay's leadership teams, continue Peter's work where we hold safety as our number one priority and always strive for operational leadership in all our business segments.

We'll continue to build on our relationships with our customers and business partners. We will focus on maximising the profitability from our existing businesses through efficient operations and contract renewals. We'll deliver the group's conversion and new building projects which are expected to provide significant cash flow growth in the future. And we'll continue executing on Teekay Group's financial strategy, including financing Teekay LNG's committed growth projects and addressing the Teekay Group's upcoming debt maturities.

I look forward to leading our talented and dedicated team as we enter the next phase of Teekay's strategy. We will be responding effectively to the current industry challenges and opportunities, as well as building upon our past accomplishments. I look forward to working with the board of directors, the executive team and our 7,900 employees onshore and offshore as we'll build on our reputation of delivering high-quality marine services to the oil and gas industry while upholding the standards of safety and excellence.

Like Peter, I remain committed to creating value for our customers, shareholders, business partners and employees. Thank you for joining us on the call today. Operator, we're not ready to take questions.

Operator: Thank you, and as a reminder, it is *1 to ask a question. We'll take our first question from Michael Webber with Wells Fargo.

Michael Webber: Hey, good morning, guys. How are you?

Peter Evensen: Good, thanks.

Michael Webber: Peter, I wanted to start off on a couple of the assets at the parent level, the charter in LNG carriers. You brought one out of layup to put on some short-term employment and it looks like that's since rolled off and that the ability to employ those assets is a decent size near-term variable for Teekay Parent at least. Can you talk a bit to what the strategy is now? Rates seem to be firming up a little bit, at least since this summer. So just what the thought process is there for '17 and what you think we should model in from a from an employment standpoint?

Peter Evensen: Sure. So these are two LNG vessels for everyone's understanding called the Polar Spirit and the Arctic Spirit and we had them laid up. We took one of them out for a short voyage in Q3. It also has a voyage in Q4 and we're actually tendering both vessels onto multi-year contracts to start sometime in Q1 or Q2 of 2017.

Teekay Parent has chartered these in from Teekay LNG, and those charters will terminate sometime in March 2018 or April 2018. And so then that will become the responsibility of Teekay LNG. But we don't care who has the financial responsibility. We're looking at employing it onto multi-year contracts, probably bringing LNG into China on shallow draft terminals.

Michael Webber: Okay, that's helpful. Just to stick with the parent asset. The Foyn Haven, I think when you laid out the guidance for Q4, the tariffs there looks a bit north of what we were expecting. I'm just curious, maybe if you can revisit the timing on the pricing action associated with the tariff there. Does that capture the end of the end of Q3, or is that actually still running through the end of Q4 and that $10 million is an estimate for including kind of the runoff of crude to the back end of the year?

Vince Lok: Hi Mike. I think - I guess you're referring to slide eight of our presentation?

Michael Webber: Yes.

Vince Lok: Yes, the additional revenue for Q4 is $10 million as you referred to. That's in addition to the normal run rate that we recognise in the first three quarters. I wasn't sure if I really captured the rest of the question.

Michael Webber: Great. The pricing movement that $10 million represents to that, is it basically the year ended Q3 or does it actually run through the calendar year? So, you understand, is there still any kind of estimate within that $10 million figure that basically booked already?

Vince Lok: Oh no, it's not booked. It's our estimate or year-end catch up. So I think based on where we sit right now, which is early November, it's a pretty good estimate, because we kind of know what stock price is going to be, and the production

Michael Webber: Yeah, I know it got paid in Q4. I didn't know if it ended at the end of Q3. That's helpful, though. Just one more for me and I'll turn it over, and this is kind of bigger picture. Peter, Yamal is becoming a bigger piece of the the overall Teekay cash flow profile and there's been a lot of progress there in terms of project financing and vessel financing.

There still seems to be a fair amount of conventional business kind of hanging out there, there's been in terms of new bookings and new tenders and new assets assigned. There's a bit of speculation around the idea that the North Sea route could need some dredging, which could push back maybe modestly some of that Arc7 volumes. There are obviously two different directions those volumes can go and there's a conventional side of that tender for a reason.

So I guess my question is, is that something - is there anything to that to your knowledge? And if so, do you think that pulls forward more tenders for the conventional side of that business and is that something you guys could participate in?

Peter Evensen: No, I don't know anything about this dredging that you refer to, but for everyone's benefit, the LNG volumes that leave from Yamal in the summer months when there's not ice will go directly to China. That's a route that takes about 19 days. But during the winter, in order to be able to supply China with LNG 365 days a year, those same Arc7 vessels will go west and then they'll trans-ship in Belgium or in France and then conventional vessels will take it through the Suez Canal and around the Indian subcontinent. So there's never been an idea that the conventional vessels will book at Yamal. That will always go out on Arc7 vessels.

Michael Webber: Right. It's six to one, half a dozen to another which route they take and if there's dredging. It could just expedite the need for those additional carriers. It would be a positive. I'm just not sure if there's anything to it. I think that's it for me. I appreciate the time, guys.

Peter Evensen: Thank you.

Vince Lok: Thanks.

Operator: The next question is from Fotis Giannakoulis with Morgan Stanley.

Fotis Giannakoulis: Yes. Good morning, guys, and thank you. Peter, I want to thank you once again for leading Teekay all these 17 years and leading the entire industry in the financial markets. I want to ask you between now and 31 January, what would be your main priorities, the key topics that you would like to resolve? And if you can give us a little bit more detail about your role as an advisor what this role will entail and how long is this going to last?

Peter Evensen: Sure. Well, thank you very much for the compliment, Fotis, first of all. I would say that in the next three months we've already laid out a transition plan and that transition plan isn't just Kenneth taking over for me. We have a huge group of people who are assuming new leadership positions.

We have Mark Kremin stepping up on the gas side. We have Ingvild Sæther stepping up on the offshore side. And so I have been, in many cases, the face of Teekay to a lot of investors. And so going forward, you'll see a greater team. So we're going to hit the road with investors, but more important, we're going to hit the road and talk to our customers and our suppliers.

Kenneth and I have laid out an ambitious travel schedule that includes taking small breaks at Christmas and at Thanksgiving. We're going to be traveling the globe and showing the Teekay flag all around the world and that's the same thing that Bjorn and I did when I took over five years ago. That's the priority. But, we're building a lot of projects over 20 units all around the world, and that's what we've been working on for a couple months. Tom -

Fotis Giannakoulis: [crosstalk] you advisory role?

Peter Evensen: Yeah, then you ask the advisor. So I'm basically available to help out beyond 31 January. We haven't defined it, but I would expect that you'll see me popping up in various places. But Kenneth is going to be the person steering the ship and my job will be to support him wherever I'm needed. Would you add anything?

Kenneth Hvid: No. I have your number.

Fotis Giannakoulis: So, thank you. I just wanted to clarify it's not some specific project that you are working on and I was wondering if there was one. Kenneth, congratulations for your new role and all the best to you in your new position, to you and your team. I would like to ask you if the market is very different from the time that Peter took on the company? The company's much larger right now and it has a number of subsidiaries, publicly listed subsidiaries and offshore listed subsidiaries.

If there are any thoughts from the new management team and the board about changing certain parts of the strategy or the focus of the company? I was wondering also if the new team also signals the potential of bringing the daughter companies closer? For example, Teekay Investments is a company that we do not hear much about, but still exists as a different entity. Can you also describe your priorities and your vision for the company?

Kenneth Hvid: Yes, certainly, Fortis. Thanks a lot for your kind words. Well first of all, my number one priority is basically that all our stakeholders out there doesn't really see any difference and I don't think they will. We will ensure, as Peter said, that the team is intact and in place. The number one priority is really to ensure that we have great continuity of our business and that's something that I've worked with intimately, I have been a part of for many years. So that is number one.

For sure, we are facing a different industry outlook today. There are challenges, but there are also opportunities and I think that's one of the things that we've always been good at at Teekay. It's in our DNA. I would say that we've been good at assessing and responding to those. Maybe you've seen us that we've been responding a lot to opportunities, but for sure it's the same as - it's the same DNA you need as you are manoeuvring through some of the more narrow waters that we are facing right now.

But as I said in my prepared remarks, it really - the processes are quite clear. I think our path is set. It's about executing on our projects that we have right now, focusing on those that will give us significant cash flow.

I think we are very fortunate that we are sitting in a couple of the segments where our customers want our assets and they will be cash flowing. We don't have too many assets sitting out there going into markets which have collapsed. So Teekay, and they way we built the company over the past decade, has really been on focusing on as stable cash flows as possible and that's what we'll continue to do.

Fotis Giannakoulis: Can you also comment about Teekay Investments, is there any sort of potentially merging it with Teekay Tankers and having one less company floating? And also, which are the sectors that you - more attractive - you see more opportunities for this type of projects that you are looking at with long-term contracts?

My last question, just to ask them all together, Teekay LNG has done a series of refinancings and has strengthened significantly liquidity the last quarter. At what point do you envision that the company will be in position to reinstate a higher dividend?

Kenneth Hvid: Yes, so that was quite a few questions and that probably requires a small investor day here, which we will be having at some point. First of all, a number of us have been in this industry for quite some years and I think what we all understand is that you have sectors that fall in and out of favour. We have sectors that we predict are going to perform well and then we're surprised suddenly that they don't perform as we all thought that they would perform.

What we're very focused on at Teekay is to build a portfolio where there is some balancing here, where there is what we consider some good floors on the risks that we are taking on. It really - a lot of our segments are, of course, impacted by the macros that we're all facing. Therefore, I don't think it's really a time now to say here are the segments we like and here are the segments we don't like based on today's performance of those businesses.

We run our company for the very long term and during those - over the long term, we do know that these sectors fall in and out of favour. So as we had tankers for a number of years that performed extremely well and we had a period where they don't perform so well and then we had a short period where they performed well again. But the market was different. We're very committed to that segment, as we are committed to all the other segments, the offshore and the LNG segments that we have entered into over the past decade. We like our positions there.

We built market-leading positions, and we are ready to defend those, and continue to build them and respond to the challenges that the macros represent to us in each of those. So that's where are focus is going to be. But of course, right now, as we've laid out and communicated in our past quarters, we have some near-term priorities which we absolutely must deliver on. They will be on completing projects and they will be on completing our financings. I think that's what you're all expecting us to focus on.

Fotis Giannakoulis: Okay, thank you, Kenneth. Appreciate your answers.

Kenneth Hvid: Thanks, Fortis.

Operator: And the next question is from Wayne Cooperman with Cobalt Capital.

Wayne Cooperman: Hey Peter, just wanted to wish you good luck. I wasn't quite sure if you guys can hear me all right?

Peter Evensen: Yes, we can.

Wayne Cooperman: Okay, just so at the daughter companies, you kind of are continually doing these financings, whether it's preferred stock or common stock and it just seems like the IDRs or the potential IDRs kind of gets pushed further and further out of the money. I just wonder if you could comment on that and if you guys have just sort of reconsidered the whole daughter structure, entity structure, as a lot of other companies are doing?

Peter Evensen: Yes, thanks, Wayne. I look forward to coming to see you as we transition and introducing Kenneth to you, as well as -

Wayne Cooperman: That's great.

Peter Evensen: - as the other investors. No, we haven't changed our policy. In fact, if you look at the preferred equity issuance at Teekay LNG, we thought that was the best issuance, rather than issuing common equity, because that that will, on a DCF per share basis, be more accretive and so that just helped us complete the financings. But that was a much better equity issuance for limited partner holders of Teekay LNG than issuing new equity.

We're trying to limit the amount of equity that we're issuing at the daughter companies, so that as we benefit from the rebound, we'll have higher DCF per share. That was the whole essence of temporarily cutting the distributions last December, that if we hadn't cut the distributions, we would have been forced to issue a lot of equity at sub-par levels. And so we are -

Wayne Cooperman: Even when you issue like preferred equity at TOO at 8% coupon, it just seems like it pushes the - you need more cash, vessel cash flow to get to the tipping point, where you start kicking in the IDRs. I wonder if you guys have what the break-even - what the flip point is on cash flow where you do kick into the IDRs now?

Peter Evensen: Yeah, we have - well basically, if you look at Teekay LNG, we're waiting for in total $250 million of cash flow. But for us really, it's about completing the financings. Obviously, the financing environment became negative to offshore, and that impacted us. So yes, we issued $200 million of preferred in June. Thank you for your participation in preferred and common.

But that was the best financing at that time. But as our cash flows come on on our four big projects in Offshore as well as our multiple projects in LNG, on a consolidated basis we'll get $450 million of incremental cash flow. So, when the distributions are increased, it will be on a higher DCF per share.

Wayne Cooperman: Okay. I just want you guys to want to put specific number out there exactly.

Peter Evensen: Yeah, we're not prepared to do that yet. But right now our priority, as you heard us say on the prepared remarks, was to complete the financings. We did a lot of work first half on Teekay Offshore. Now we're completing that on Teekay LNG. And that's why I feel comfortable handing over the reins to Kenneth.

Wayne Cooperman: I got you. Thanks.

Peter Evensen: Thanks.

Operator: As a reminder, it's *1 to ask a question. And we'll go now to Gregory Lewis with Credit Suisse.

Gregory Lewis: Thank you and good morning.

Peter Evensen: Hi Greg.

Gregory Lewis: Peter, it's been a pleasure. Thank you. Definitely we'll be missing you, but - so don't be a stranger. I guess I just had - the first question was on you mentioned the financings and sort of the near-term goal here to get these financings done. I know it may still be too early to tell, but has the shift, or has Hanjin or some of the concerns across the global markets - has that sort of slowed down or had any sort of negative impact on the near medium-term mobility to sort of finish off these financings?

Peter Evensen: Sure, why don't I start and Vince will take over. Vince and I were actually just on two significant trips - one out to Asia with a focus on China and Korea, as well as to Europe and visiting all of banks, and export credit agencies and leasing companies.

There certainly was a concern about Hanjin. Hanjin, certainly, with 85 ships suddenly coming back out onto the market and there was a huge concern about counterparty risks, which I think hadn't been as much there. There was also a concern about Offshore. But what we heard was that people were narrowing the number of people that they wanted to do financing business with, but Teekay, given our fixed-rate contracts, was someone that they wanted to support. So we were gratified, in a weird way, that the problems in the industry - more particularly in dry bulk and offshore - meant that more people wanted to do business with us. We're taking advantage of that, and Vince, you're in the process of closing a lot of financings, right?

Vince Lok: That's right. I guess first of all as Peter said, when we talked to a lot of the Chinese banks and leasing companies, although they do have some challenges on the other sectors like dry bulk, they actually are looking to diversify their portfolio into LNG. They like that sector. They think it's about to turn, and it's a stable - a long-term stable business. They do want to focus on larger companies like Teekay so that's why we're doing the bulk of our LNG financings in Asia.

They have, I guess, a large portfolio of U.S. dollars they wanted to invest as well. Of course, LNG is very strategically important to China, given the projects they're involved in. In terms of the general bank market, even on the offshore sector, as you saw in the first half of the year, was a very supportive bank group. That's particularly because we are in the production side of the offshore chain, not the expiration side. We continue to get very strong support from our core group of banks.

Gregory Lewis: Okay great. Then just, Kenneth, congratulations on just kind of the inline with what Fortis was asking in terms of how you see - I mean, it's interesting, right? I mean, if we were to flash back when Peter took over the reins, he came in as from being CFO. You 're coming in from running operations, whether it was LNG or then offshore.

As you look out and knowing the inner workings of these companies, I guess two things - one is the infrastructure appropriately set for how you view the next couple years? And is there any areas where the companies have really grown like a weed for the last over the last five plus - 5-10 years? Is it possible we see the - is there potential for the company to shrink anywhere over the next couple of years?

Kenneth Hvid: Well, first of all, I think we put a structure in place that suits the businesses that we're running, and I don't think it's timely to comment on that. But obviously we will we will always review that and as when we put in the structure to meet our gas and offshore ambition, that was certainly the right structure then.

Our focus always has been to to basically figure out how can we be relevant to our customers, how do we continue to develop a product that delivers customer value. That really started with our origination in tankers. When we sat there and looked at what else could we get into on shuttle tankers, we clearly had the competences to do it. We didn't have everything, but we had a lot of the things that our customers liked in the tanker business, and we moved it into shuttle tankers.

The story goes, as all of you are familiar with, same thing on the gas business. But our number one focus has always been are we relevant to our customers and how can we deliver a product that they want. That's really through our operations at Teekay.

Gregory Lewis: Okay, thank you very much for your time. Good luck, Peter. Good luck, Kenneth.

Peter Evensen: Thanks.

Kenneth Hvid: Thanks.

Peter Evensen: I will be skiing.

Operator: With no questions remaining in the queue, I'll turn the call back to Mr Evensen for any additional or closing remarks.

Peter Evensen: Okay, thank you all very much. I just want to say it's been a pleasure working with all of you. As I said, I'm looking forward to my retirement from Teekay, but I want everyone to know I have full confidence in this team that is going to take Teekay forward. You're a great bunch of guys and I would go into battle with you every time. Thank you all very much.

Operator: This concludes today's call. Thank you for your participation. You may now disconnect.