Teekay

the marine midstream company
Teekay is more than a conventional tanker company.

Our unparalleled network of people, technology, and ships make us an essential link between upstream oil production and downstream refining. With the breadth of our services, the quality of our operations and the strength of our balance sheet, we are an integral part of our customers’ logistics chain. We are the marine midstream company.

financial highlights

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31, 2003</th>
<th>Year Ended December 31, 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Statement Data</strong></td>
<td></td>
<td></td>
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<tr>
<td>Net voyage revenues</td>
<td>$1,181,439</td>
<td>$543,872</td>
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<tr>
<td>Net income</td>
<td>177,364</td>
<td>53,391</td>
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<td><strong>Balance Sheet Data</strong></td>
<td></td>
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<tr>
<td>Total assets</td>
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<tr>
<td>Total stockholders’ equity</td>
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<td>1,421,898</td>
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<tr>
<td><strong>Per Share Data</strong></td>
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<tr>
<td>Fully diluted earnings per share</td>
<td>$4.35</td>
<td>$1.33</td>
</tr>
<tr>
<td>Weighted average shares outstanding</td>
<td>40,733</td>
<td>40,252</td>
</tr>
<tr>
<td>– diluted (thousands)</td>
<td>40,733</td>
<td>40,252</td>
</tr>
<tr>
<td><strong>Other Financial Data</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from vessel operations*</td>
<td>$580,973</td>
<td>$269,042</td>
</tr>
<tr>
<td>Net debt to capitalization (%)</td>
<td>29.8</td>
<td>36.4</td>
</tr>
<tr>
<td>Vessel purchases, gross**</td>
<td>372,433</td>
<td>135,650</td>
</tr>
</tbody>
</table>

* Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expenses. See reconciliation on page 23.

** Includes vessels from the acquisition of Haven AS.
The upstream is where oil and natural gas are found, extracted and channeled to the earth’s surface – both on land and offshore. The upstream can be a harsh, unforgiving environment. At sea, twenty-meter waves slam into offshore platforms and ninety-knot winds whip across their decks. And through it all, oil and gas resources produced in this environment commence their journey to the world’s energy markets.
In every corner of the globe, people need energy to work and live. Oil and gas heat homes, power industry and fuel vehicles. Growing energy needs are an integral part of our lives. The world consumes about 80 million barrels of oil and 250 billion cubic feet of natural gas every day. The downstream is where oil is refined and processed, and where natural gas and finished petroleum products are distributed to end-users. It is where raw materials turn into the products that drive industry, enterprise and everyday life.
The midstream is the complex network of highly specialized services that link upstream oil and gas production with downstream refining and distribution. Both at sea and on land, the midstream encompasses a wide range of elements, including pipelines, storage, terminals and transportation. The majority of the world’s oil and gas – and practically all of today’s incremental oil and gas – is produced far from end-user markets. This creates the need for what is perhaps the most challenging aspect of the midstream: marine services and seaborne transportation.
Over the past five years, Teekay has steadily expanded the scope of its business to meet the growing needs of its customers.

We have leveraged our core competencies – by entering new areas of activity and adding to the services we offer. We have extended our reach – from being a regional operator to providing a global service. We have expanded our service offering – from operating mainly medium-sized crude oil carriers to offering a full range of cargo handling services, from floating storage and loading systems, through complex regional shuttle trades and high-volume, long-haul contracts, to ship-to-ship transfer logistics.

What sets us apart is our ability to customize the delivery of these services to suit each customer. Whether they need a standard two-day voyage or a specialized 20-year solution, we meet our customers’ marine midstream needs. That is the Teekay difference.
Innovative Solutions: The Ardmore Field

The Ardour oil field, which produced Britain’s first North Sea oil in 1975, was shut down in 1992 because it was no longer economically viable. In 2002, the U.K.’s Tuscan Energy developed an ambitious project to breathe new life into the once productive field, since renamed Ardmore. However, Tuscan expected the revived field would have a relatively short lifespan and a fairly low daily production rate, so the success of the project would depend on developing an innovative, fast-track, low cost solution capable of withstanding the harsh conditions in the North Sea. As it looked to assemble its team of service providers that would help meet these challenges, Tuscan turned to Teekay to provide the complete export and transportation system.

We successfully delivered an integrated solution to bring oil from the sub-sea flange of the production facility and transport it to shore. This included the design, procurement and installation of two Single Anchor Loading systems; two 1,500-meter eight-inch flow lines; two 120-meter rigid risers; and the provision of two dynamically positioned shuttle tankers.

Thanks in part to the export system provided by Teekay, Tuscan received its first oil from the Ardmore field on schedule in September 2003.

World Leadership: North Sea Offshore Loading Logistics

North Sea offshore oil activities are unlike any other. Faced with some of the toughest logistical challenges in the world, oil production in this region is supported by a series of highly specialized services. A critical component of this logistics chain is the operation of dynamically positioned shuttle tankers, which are capable of loading oil in extreme weather conditions. However, the offshore loading business is not only about shuttle tankers. It is also about sophisticated scheduling systems, dedicated professionals and close partnerships with customers.

As the world leader in offshore loading, Teekay has the size and infrastructure to manage the complex logistics of this business. We have contracts with more than 20 companies that produce oil from a large number of fields in the North Sea, many of which do not require fully dedicated ships. With our fleet of more than 40 shuttle tankers performing over 1,000 liftings annually from these oil fields, we tailor our service to the differing production volumes and loading schedules of each customer.

Our customers rely on us to ensure that oil is lifted on time from their fields, which have limited storage capacity to absorb delays. It is one thing to operate a shuttle tanker, it is quite another to provide the trusted “floating pipeline” to customers.

Global Coverage: Teekay’s Flexible Transportation Network

Teekay offers its customers an unparalleled, flexible service through its global network of tankers, ranging from Very Large Crude Carriers (VLCCs) to small petroleum product tankers. In doing so, we have established our position as the leader in large-scale contracts in the conventional tanker market.

We are capable of providing regular service anywhere in the world. In some locations only Teekay has the scale and presence to provide such a service on an economical basis. We recently shipped our 100th cargo for a customer, from a loading port located far from shipping lanes, representing the movement of approximately 70 million barrels of crude oil over the past 10 years.

We are capable of helping customers optimize their complex cargo lifting programs and the movements of their ships, globally or within specific regions. We routinely coordinate our fleet scheduling with key customers, providing them with access to our fleet as a virtual extension of their own fleets. In return, these customers offer Teekay preferred access to moving additional cargoes for them, thereby increasing our fleet utilization.

We are capable of carrying customers’ cargoes from distant oil platforms in the North Sea all the way to refineries on the Mississippi River through the coordinated use of Teekay’s shuttle tankers, VLCCs and Aframax lightering ships. We rely on our scheduling flexibility, our marine expertise and our technology to ensure a seamless process.

Customers can depend on Teekay to deliver high quality, global transportation services.

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Customized Storage Services: The FSO Pattani Spirit

The Patleng oil fields beneath the Gulf of Thailand contain valuable oil and gas reserves. In 2002, the U.S. company Unocal sought a marine partner, with the expertise in offshore projects and operations necessary to deliver safe and reliable storage services.

Unocal chose Teekay for its offshore project management experience and cost effective solution of converting a single-hull tanker into a Floating Storage and Offtake (FSO) unit, to be in service for up to 15 years. We adopted an innovative approach, increasing the vessel’s storage capacity without significant cost, by converting its ballast tanks into additional storage space. Also included in this contract was the construction and integration of a single point turret mooring system on the vessel. In addition, we will be responsible for operating and crewing the FSO throughout the contract.

Scheduled to commence operations in April 2004, the FSO Pattani Spirit will be capable of storing up to 850,000 barrels of crude oil.

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Our customers rely on us to ensure that oil is lifted on time from their fields, which have limited storage capacity to absorb delays. It is one thing to operate a shuttle tanker, it is quite another to provide the trusted “floating pipeline” to customers.
Teekay had another outstanding year in 2003. Our gain in net worth was $235 million, an increase of 16 percent. It was a year in which we extended our leading position in our industry on many fronts. We achieved an excellent return on our capital, we completed a large acquisition, we entered into important new partnerships, we embarked on an aggressive program of fleet renewal and we expanded our spot fleet.

Our goals at Teekay are straightforward:

• to consistently deliver higher quality customer service than any other company in our industry, safely and efficiently, using our unmatched global capabilities and systems;
• to invest in our people and systems to differentiate ourselves from our competitors, and to assure enduring performance;
• to use our balance sheet strength to take advantage of investment opportunities and achieve the lowest cost of capital in our industry; and
• to achieve favorable short-term returns on capital while pursuing sustainable long-term growth.

We have a dual strategy in pursuing these goals – to maintain and grow our large fleet of conventional spot market vessels, leveraging off our size and market concentration in both the crude oil and petroleum products sectors, while simultaneously building up our portfolio of more specialized fixed-rate, long-term business. Most of our new product offerings in recent years have been in the more technically challenging end of the marine midstream sector – shuttle tankers, floating storage and offtake vessels, and lightering services.

Significant milestones in 2003 included the completion of our acquisition of Navion AS; our new partnership with Skaguen PetroTrans, which marked our entrance into the strategically important lightering business; our fleet renewal program, which reduced the average age of our spot fleet to only seven years; and our continued growth in all conventional tanker sectors through an active in-chartering program of shorter-term operating leases to supplement our owned fleet. We also announced our intention to enter the gas shipping business as part of our strategy to cater to all aspects of our customers’ logistics chain and we followed up on this plan in March of 2004 with our agreement to acquire Naviera F. Tapias S.A., whose fleet includes four liquefied natural gas carriers.

We have assiduously pursued our goals over the past five years and I believe that today we have size, scale and sustainable profitability unparalleled in the bulk shipping industry. In a highly fragmented industry, Teekay now carries more than 10 percent of the world’s seaborne oil. This is the platform from which we expect to continue our ambitious growth and innovation as the world’s leading marine midstream company. I believe that our best years lie ahead.

I want to take this opportunity to thank Morris Feder, who retired from the Board of Directors in late 2003, for his 10 years of exemplary service to Teekay, and welcome his successor, Tore Sandvold. I commend our employees around the world, at sea and ashore, for an outstanding job in 2003, and thank our customers, partners and shareholders for their continuing support.

Chairman’s message to shareholders

C. Sean Day, Chairman of the Board

I am pleased to report that 2003 was a very successful year for Teekay Shipping. The company produced excellent financial results as our growth strategy of recent years continued to pay off during one of the strongest tanker markets on record. We strengthened our company’s financial future through profitable investments in existing business areas, as well as through expansion into a number of new areas. And we continued to differentiate our company through the broad range of integrated services we offer our customers as part of our marine midstream concept.

Our 2003 net income was $177.4 million, or $4.35 per share, compared with $53.4 million, or $1.33 per share, in 2002. The 2003 results were net of $118.3 million, or $2.91 per share, of vessel write-downs and other charges. 2003 produced record cash flow from vessel operations of $581.0 million, compared to $266.8 million in 2002.

Teekay’s business is divided into two main segments: our Spot Tanker Segment, in which our premier fleet of approximately 85 tankers trade at market-related rates within our large network of repeat contracts and business relationships with major customers; and our Fixed-Rate Segment, which consists of a large portfolio of long-term contracts that provide stable cash flows through the shipping cycle.

In 2003 our Spot Tanker Segment produced strong results with cash flow from vessel operations increasing to $391.1 million, up from $172.8 million in 2002. Through the acquisition of Navion AS, which closed at the end of the first quarter of 2003, and a number of well-timed vessel in-charters during the first half of 2003, the number of tankers in our spot trading fleet increased from an average of 70 vessels in 2002 to an average fleet size of 85 vessels in 2003. The timing of this increase could hardly have been better as spot tanker rates increased to near-record levels in 2003, with Teekay’s Aframax fleet averaging $24,900 per calendar ship day.

We expect the tanker market to remain finely balanced for several more years, so we are investing in new ships for our spot fleet and have 12 newbuilding Aframaxes due to deliver over the next three years. These ships were ordered at prices substantially below today’s levels, providing us with a relative cost advantage. During 2003, we acquired a 50 percent stake in Skaguen PetroTrans, the world’s leading ship-to-ship transfer company. This acquisition allows us to further extend our reach into our customers’ logistics chain.

Our Fixed-Rate Segment continued its growth in 2003 with cash flow from vessel operations increasing to $189.9 million, compared to $95.6 million in 2002. The largest single factor in this increase was the addition of Navion’s large shuttle tanker operations during the second quarter of the year. In addition, a number of previously concluded projects came on-stream during the year: the delivery of four Suezmax tankers destined for our North Sea and Brazilian shuttle lightering business; our 50 percent stake in Skaugen; and a midstream concept.

Our Fixed-Rate Segment continues its growth in 2003 with cash flow from vessel operations increasing to $189.9 million, compared to $95.6 million in 2002. The largest single factor in this increase was the addition of Navion’s large shuttle tanker operations during the second quarter of the year. In addition, a number of previously concluded projects came on-stream during the year: the delivery of four Suezmax tankers destined for our North Sea and Brazilian shuttle lightering business; our 50 percent stake in Skaugen; and a midstream concept.

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C. Sean Day, Chairman of the Board

Bryan Miller, President and CEO

Chairman’s message to shareholders

CEO’s report to shareholders

C. Sean Day, Chairman of the Board

Teekay Shipping Corporation 2003 Annual Report

Teekay Shipping Corporation 2003 Annual Report
activities; the delivery of five new tankers on 12-year charters to ConocoPhillips; and the completion of an export solution for the Ardmore oil field, involving two shuttle tankers and related mooring systems. And new projects signed during the course of the year will further enhance our Fixed-Rate Segment upon their delivery in 2004. These include two additional 13-year Suezmax shuttle tanker contracts in Brazil and a 10-year contract with Unocal for a converted Teekay tanker to provide floating storage on a new oil field in Thailand.

From modest beginnings in 1998, our Fixed-Rate Segment, based on contracts secured through 2003, is expected to reach annualized cash flow from vessel operations of approximately $285 million by the fourth quarter of 2004. With an average remaining contract length of over seven years, we expect these stable cash flows to extend through the shipping cycles. In 2003, we reduced the average age of our fleet from 10 years at the end of 2002 to seven years at the end of 2003 (including newbuildings). We continued to make large investments in future organic fleet growth, with new ships worth more than $1 billion expected to join our fleet over the next four years. During the year, we further consolidated our position as a quality leader with some of the most advanced management systems in our industry. We became the first shipping company to achieve certification for a fully integrated management system, covering quality (ISO 9001), environment (ISO 14001), occupational health and safety (OSHAS 18000) and the ISM code. We also maintained our focus on operational performance and on our trend of steadily improving safety statistics, consistently earning top ratings from customers and regulatory bodies alike.

To maintain our focus on customer service as our business continues to grow, we reorganized our company in 2003 into four business units: Teekay Tanker Services, focusing on our conventional tanker business; Teekay Navion Shuttle Tankers, focusing on our shuttle tanker business in the North Sea and elsewhere; Teekay Gas and Offshore, focusing on liquefied natural gas (LNG) transportation and floating storage solutions; and Teekay Marine Services, focusing on the marine and technical operations of our fleet.

In March 2004, we commenced an exciting new chapter in our business. We agreed to acquire Naviera P. Tapias S.A., Spain’s largest provider of seaborne energy transportation, for $810 million in cash and assumed debt plus $540 million in newbuilding commitments. The transaction is scheduled to close during the second quarter of 2004. With its fleet of two recently delivered LNG carriers, plus two due for delivery later this year, Tapias will provide us with a growth platform in LNG, the fastest growing sector of seaborne energy transportation. In addition, ‘Tapias’ fleet of nine modern conventional Suezmax tankers, including three newbuildings on order, will extend our leading position in the oil shipping market. With the majority of ‘Tapias’ ships on long-term, fixed-rate charters, we anticipate the acquisition will further increase our annualized cash flow from vessel operations in our Fixed-Rate Segment from $285 million to approximately $400 million by the end of 2004. Because these long-term, stable cash flows are more than sufficient to cover the debt financing in Tapias, the acquisition is expected to have only limited impact on Teekay’s liquidity. Furthermore, we are entering into a new joint venture with the shareholders of Tapias, which is expected to provide us with further opportunities in the fast growing Spanish energy import market.

We believe that Teekay’s future is bright. Today, we are positioned as the preferred provider of marine services to the oil industry. Our large fixed-rate contract portfolio will provide us with a solid base of stable cash flows, while the considerable operating leverage of our spot fleet will allow us to capitalize on the continued strength of the tanker market. And our strong balance sheet will allow us to pursue our disciplined growth strategy wherever attractive opportunities arise.

Looking back, 2003 was an exciting year for Teekay. We grew our business by almost 50 percent and delivered strong operational results. We successfully integrated new businesses, developed innovative services and restructured our organization, all while maintaining the highest standards of fleet operation in the industry. These achievements were the result of the outstanding effort and dedication of our staff, on board our ships and in our offices around the world. It is the entrepreneurial spirit of this talented team and their capacity to successfully manage change that lies at the heart of what makes Teekay truly different.

I thank our customers for trusting us with their business and I thank our shareholders for their continued support of Teekay.

Bjorn Moller
President and CEO

“A critical factor in the success of our business is the continued trust of our customers in the quality of our fleet, our operations and our service. We devote great efforts to ensuring that we continue to earn this trust.”
Tanker Freight Market

Crude Tanker Freight Market
- The spot tanker market strengthened significantly in 2003 rising to the highest level since 2000.
- The strength in the tanker market during 2003 was attributable to strong tanker demand and restrained fleet growth.
- During the first half of 2003, short-term factors such as the Prestige incident, cautionary stockbuilding ahead of the war in Iraq, and production disruptions in Venezuela provided a boost to tanker freight rates.
- Strong global economic growth drove up world oil demand in the second half of the year, leading to a significant increase in tanker demand.

Product Tanker Freight Market
- Product tanker freight rates rose above 2002 levels but were not as high as the last peak experienced during 2001.
- Product tanker demand rose by 3.5 percent while the world fleet size remained relatively unchanged.
- A decline in product imports into Japan and South Korea had a negative effect on Large Range (LR) tanker rates in the Far East. Demand for petrochemical feedstock in both countries remained stagnant.
- Medium Range (MR) tanker Time-Charter Equivalent rates rose to within $1,000 per day of the 2001 peak. Demand within this sector was boosted by rising product imports into China and the United States.

World Oil Demand and Supply
- According to the International Energy Agency (IEA), global oil demand grew by 2.1 percent in 2003, the fastest growth rate in the past six years. China and the United States accounted for most of the growth in global oil demand.
- Global oil production rose by 3.7 percent over the previous year to 79.3 million barrels per day (mb/d). Tonne-mile intensive OPEC production rose by 1.9 mb/d while non-OPEC production gains accounted for the remaining 0.9 mb/d.
- According to industry analysts, overall tanker demand grew at an annual rate of over 7.5 percent during 2003.

Oil Demand Growth in China
- China's oil demand grew by 0.6 mb/d (or 12.2 percent) in 2003 over 2002. China accounted for almost 40 percent of global oil demand growth in 2003 and is expected again to be a major factor in 2004.
- The rise in oil consumption was attributable to growth in automobile sales coupled with rising demand from the industrial, construction and agricultural sectors.
- During 2003, China's crude oil and product imports rose by 0.4 mb/d and 0.2 mb/d, respectively, over 2002 as domestic production remained stagnant. Constraints in refining infrastructure led to an increase in petroleum product imports.
- The IEA forecasts that China's oil demand will rise by 10.9 percent to 6.1 mb/d during 2004, making China the second largest oil consumer in the world, after the United States.

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Newly Adopted IMO Regulations

On December 9, 2003 the International Maritime Organization (IMO), the global maritime regulatory body, announced regulations accelerating the phase-out of single-hull tankers. These regulations have been adopted in response to the Prestige incident at the end of 2002, which led to an increase in focus on older, single-hull tankers. The new regulations are scheduled to come into effect on April 5, 2005 imposing a more rigorous inspection regime for older tankers and banning the carriage of heavy oils on single-hull tankers. A majority of the non double-hull tanker fleet will be phased-out by 2010 as a result of the regulations.

The immediate effect is that approximately 32 million deadweight tonnes (mdwt), or 10 percent, of the existing world tanker fleet is expected to be banned from worldwide trading when the regulations come into force on April 5, 2005. This could lead to an increase in scrapping activity in 2004 if affected tonnage is sold for demolition ahead of the mandated phase-out date. A further 87 mdwt, or 27 percent, of the world tanker fleet is expected to be excluded from the majority of oil tanker trades by 2010.

The accelerated phase-out schedule could lead to increased commercial discrimination against older non double-hull tonnage, thus maintaining the tight balance between supply and demand.
Teekay’s fleet

<table>
<thead>
<tr>
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<th>Spot Tanker Segment</th>
<th>Fixed-Rate Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owned</td>
<td>Chartered-in Vessels</td>
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<tr>
<td>Very Large Crude Carriers</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Suezmax Tankers</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Aframax Tankers</td>
<td>43</td>
<td>15</td>
</tr>
<tr>
<td>Large Product Tankers</td>
<td>5</td>
<td>5</td>
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<tr>
<td>Small Product Tankers</td>
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<td>10</td>
</tr>
<tr>
<td>Total Spot Tanker Segment Fleet</td>
<td>45</td>
<td>37</td>
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<tr>
<td>Shuttle Tankers</td>
<td>29</td>
<td>13</td>
</tr>
<tr>
<td>Conventional Tankers</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Floating Storage &amp; Offtake Units</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>LPG/Methanol Carriers</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total Fixed-Rate Segment Fleet</td>
<td>41</td>
<td>14</td>
</tr>
<tr>
<td>TOTAL FLEET</td>
<td>86</td>
<td>51</td>
</tr>
</tbody>
</table>

As at March 1, 2004

Visit the Investor Centre at [www.teekay.com](http://www.teekay.com) for updates to Teekay’s fleet.
board of directors

Front row (left to right)  
Thomas Kuo-Yuen Hsu  
Leif O. Hoegh  
Bjorn Moller  
Chairman of the Board  
Compensation Committee  
Chairman Emeritus  
Tore I. Sandvold  
Dr. Ian D. Blackburne  
Eileen A. Mercier  
Bruce C. Bell  
Axel Karlshoej

board committees

Audit Committee  
Eileen A. Mercier (Chair)  
Leif O. Hoegh  
Tore I. Sandvold  
Compensation Committee  
Axel Karlshoej (Chair)  
Dr. Ian D. Blackburne  
Thomas Kuo-Yuen Hsu  
Nominating and Governance Committee  
C. Sean Day (Chair)  
Bruce C. Bell  
Eileen A. Mercier

reconciliations

Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense. Cash flow from vessel operations is included because such data is used by certain investors to measure a company’s financial performance. Cash flow from vessel operations is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to net income or any other indicator of the Company’s performance required by accounting principles generally accepted in the United States.

The following tables reconcile the Company’s income from vessel operations with cash flow from vessel operations:

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Actual</td>
<td>23,572</td>
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</tr>
<tr>
<td>Depreciation and amortization</td>
<td>68,289</td>
<td>100,153</td>
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<tr>
<td>Cash flow from vessel operations</td>
<td>91,671</td>
<td>427,828</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>266,000</td>
<td>195,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>120,000</td>
<td>90,000</td>
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<tr>
<td>Cash flow from vessel operations</td>
<td>446,000</td>
<td>295,000</td>
</tr>
</tbody>
</table>

forward-looking statements

This Annual Report 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 growth prospects and strategic decisions; tanker market fundamentals, including the balance of supply and demand in the tanker market, and spot tanker charter rates; non-OPEC and OPEC production; anticipated annualized cash flow from vessel operations from the Company’s fixed-rate segment by the end of 2004; the impact of the Tapias acquisition on Teekay’s liquidity and future cash flow from vessel operations and strategic position; the financing requirements for the Tapias acquisition; the closing of the Tapias acquisition; the growth prospects of the LNG shipping sector and the joint venture with Tapias’ shareholders; growth of Teekay’s fleet; newbuilding delivery dates and the commencement of service under long-term contracts; and applicable industry regulations and their effect on the size of the world tanker fleet. 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 and movements; changes in pricing, freight rates and other economic factors; greater or less than anticipated levels of tanker newbuilding orders or greater or less than anticipated rates of tanker scrapping; changes in trading patterns and movements; changes in the typical seasonal variations in tanker charter rates; changes in the offshores production of oil; the potential failure to close the Tapias transaction; potential inability of Teekay to integrate Tapias successfully; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts; potential breach of the newbuilding contracts by any of the parties, or potential delay or non-delivery of the newbuildings; the Company’s future capital expenditure requirements; 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, 2003. 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.
Share Price Information
The following table sets forth on a per share basis the high and low sales prices for consolidated trading in the Company’s common shares on the New York Stock Exchange for each quarter during the 12 months ended December 31, 2003:

<table>
<thead>
<tr>
<th>Quarter Ended</th>
<th>High</th>
<th>Low</th>
<th>Dividends Declared (Per Share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar. 31, 2003</td>
<td>$43.16</td>
<td>$35.71</td>
<td>$0.215</td>
</tr>
<tr>
<td>Jun. 30, 2003</td>
<td>$43.67</td>
<td>$36.25</td>
<td>$0.215</td>
</tr>
<tr>
<td>Sept. 30, 2003</td>
<td>$47.25</td>
<td>$41.95</td>
<td>$0.215</td>
</tr>
<tr>
<td>Dec. 31, 2003</td>
<td>$57.35</td>
<td>$41.91</td>
<td>$0.25</td>
</tr>
</tbody>
</table>

Stock Exchange Listing
New York Stock Exchange
Symbol: TK
There were 40,611,975 million shares outstanding at December 31, 2003.

Investor Relations
Additional copies of the Company’s Annual Report are available by writing or calling to:

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