



TEEKAY SHIPPING CORPORATION

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EARNINGS RELEASE

TEEKAY SHIPPING CORPORATION REPORTS FIRST QUARTER PROFIT OF \$15.7 MILLION

1st Quarter Highlights

- Net income of \$15.7 million, or \$0.39 per share
- International Fleet TCE earnings of \$18,862 per day
- EBITDA of \$70.9 million
- EBITDA from long-term fixed-rate contracts increased to \$29.4 million from \$12.2 million one year ago
- Net debt to capitalization down to 33.2% at March 31, 2002, a record low for Teekay

Nassau, The Bahamas, April 24, 2002 - Teekay Shipping Corporation today reported net income of \$15.7 million, or \$0.39 per share, for the quarter ended March 31, 2002, compared to net income of \$144.7 million, or \$3.59 per share, for the quarter ended March 31, 2001. Net voyage revenues for the quarter were \$136.2 million, compared to \$245.2 million recorded in the same period last year, while income from vessel operations decreased to \$32.8 million, from \$155.7 million. The results for the current quarter reflect a continuation of the decline in tanker charter rates during the past year.

The following key indicators serve to highlight changes in operating performance:

	Three Months Ended March 31,		% Change
	2002	2001	
International Tanker Fleet:			
Revenue-generating ship-days	4,864	4,923	-1.2%
TCE per revenue-generating ship-day	\$18,862	\$43,720	-56.9%
TCE per calendar-ship-day	\$16,679	\$39,848	-58.1%
Vessel operating expense per calendar-ship-day	\$5,511	\$5,307	3.8%
Operating cash flow per calendar-ship-day	\$8,573	\$32,351	-73.5%
Oil/Bulk/Ore ("OBO") Fleet:			
Revenue-generating ship-days	633	611	3.6%
TCE per revenue-generating ship-day	\$11,406	\$20,270	-43.7%
TCE per calendar-ship-day	\$9,450	\$16,415	-42.4%
Vessel operating expense per calendar-ship-day	\$5,901	\$6,263	-5.8%
Operating cash flow per calendar-ship-day	\$684	\$8,435	-91.9%
UNS Fleet:			
Calendar-ship-days	1,080	176	513.6%
Operating cash flow per calendar-ship-day	\$14,984	\$17,994	-16.7%
Australian Fleet:			
Calendar-ship-days	450	360	25.0%
Operating cash flow per calendar-ship-day	\$15,780	\$14,260	10.7%

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Tanker Market

Tanker charter rates declined during the first quarter of 2002 and have continued to weaken into the second quarter as a result of declining world oil production. OPEC crude oil production decreased to 25.3 million barrels per day (“mb/d”) in the first quarter of 2002, the lowest level since 1995. Excluding Iraq, OPEC’s average production decreased to 22.9 mb/d, a level last seen in 1992. This decline in OPEC production was partially offset by higher non-OPEC output which rose to 47.9 mb/d in the first quarter of 2002 from 46.5 mb/d in the first quarter of 2001. The combination of reduced oil production and the shift away from long-haul OPEC production sources has significantly reduced tanker demand.

The International Energy Agency (“IEA”) reported that global oil demand, an underlying driver of tanker demand, averaged 76.3 mb/d during the first quarter of 2002, up 0.1% over the preceding quarter, but 0.9% lower than in the first quarter of last year. As of April 10, 2002, the IEA is forecasting that the rate of oil demand growth will increase during the remainder of the year, and is expected to be 1.8% higher in the fourth quarter of 2002 than in the same quarter one year ago.

The size of the world tanker fleet declined to 303.0 million deadweight tonnes (“mdwt”) as of March 31, 2002, down 0.4% from the end of 2001. A total of 6.9 mdwt was sold for demolition in the first quarter of 2002, compared to 7.6 mdwt in the previous quarter, while deliveries of tanker newbuildings during the first quarter totalled 5.7 mdwt, up from 2.1 mdwt in the previous quarter. The high rate of scrapping reflects the poor earnings, rising maintenance costs and near-term regulatory phase-out being faced by older tankers. The size of the world tanker fleet has declined in each of the last four consecutive quarters, resulting in a 3.2% reduction since March 31, 2001.

The world tanker orderbook decreased to 63.2 mdwt at March 31, 2002, representing 20.8% of the total world fleet, down from 65.2 mdwt at December 31, 2001. The Aframax tanker orderbook increased from 123 vessels at December 31, 2001 to 129 vessels as of March 31, 2002, or from 19.7% to 20.9% of the world Aframax fleet.

Teekay Fleet

As of March 31, 2002, the Teekay fleet (excluding vessels managed for third parties) consisted of 95 vessels, including five time-chartered-in Aframax tankers and eight newbuilding tankers on order.

The following is a summary of the Teekay fleet as of March 31, 2002:

Type	Number	Dwt
International Tanker Fleet:		
100%-owned Aframax	53	5,298,700
Time-chartered-in Aframax	5	515,800
Newbuilding Aframax on order	2	224,000
Newbuilding Suezmax on order	3	456,000
VLCC	1	280,700
OBO Fleet (1)	8	625,900
Australian Fleet	5	381,900
UNS Fleet:		
Shuttle Tankers (2)	15	1,495,400
Newbuilding Shuttle Tankers on order	3	331,500
Total:	95	9,609,900

(1) Includes one 67%-owned OBO carrier and one 52%-owned OBO carrier.

(2) Includes six shuttle tankers of which Teekay’s ownership interest ranges from 50% to 89%.

Teekay Shipping Corporation is a leading provider of international crude oil and petroleum product transportation services through the world's largest fleet of medium-sized oil tankers. Headquartered in Nassau, Bahamas, with offices in 11 other countries, Teekay employs more than 4,100 seagoing and shore-based staff around the world. The Company's fleet has earned a reputation for safety and excellence in providing transportation services to major oil companies, oil traders and government agencies worldwide.

Teekay's common stock is listed on the New York Stock Exchange where it trades under the symbol "TK".

The Company plans to host a conference call at 11:00 a.m. EDT (8:00 a.m. PDT) on Thursday April 25, 2002, to discuss the results for the quarter. All shareholders and interested parties are invited to listen to the live conference call through www.teekay.com. A recording of the call will be available until May 2, 2002 by dialing (719) 457-0820, access code 699899, or via the Company's Web site until May 25, 2002.

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SUMMARY CONSOLIDATED STATEMENTS OF INCOME

(in thousands of U.S. dollars, except share and per share data)

	<u>Three Months Ended</u>	
	<u>2002</u>	<u>2001</u>
	<u>March 31,</u>	
	<u>(unaudited)</u>	
NET VOYAGE REVENUES		
Voyage revenues	188,630	307,886
Voyage expenses	52,471	62,730
Net voyage revenues	136,159	245,156
OPERATING EXPENSES		
Vessel operating expenses	40,387	33,879
Time-charter hire expense	12,714	17,183
Depreciation and amortization	36,078	27,521
General and administrative	14,167	10,838
	103,346	89,421
Income from vessel operations	32,813	155,735
OTHER ITEMS		
Interest expense	(14,701)	(14,786)
Interest income	792	2,803
Other income (loss)	(3,213)	936
	(17,122)	(11,047)
Net income	15,691	144,688
Earnings per common share		
- Basic	\$0.40	\$3.69
- Diluted	\$0.39	\$3.59
Weighted-average number of common shares outstanding		
- Basic	39,554,461	39,229,776
- Diluted	40,254,683	40,339,978

SUMMARY CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	<u>As at March 31,</u>	<u>As at December 31,</u>
	<u>2002</u>	<u>2001</u>
	<u>(unaudited)</u>	
ASSETS		
Cash and short-term marketable securities	211,785	179,978
Other current assets	90,597	87,491
Marketable securities – long-term	15,288	16,026
Vessels and equipment	2,023,920	2,043,098
Other assets	55,123	54,109
Goodwill	89,189	87,079
Total Assets	2,485,902	2,467,781
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	78,416	75,495
Current portion of long-term debt	52,328	51,830
Long-term debt	884,184	883,872
Other long-term liabilities	43,500	39,407
Minority interest	19,335	18,977
Stockholders' equity	1,408,139	1,398,200
Total Liabilities and Stockholders' Equity	2,485,902	2,467,781

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TEEKAY SHIPPING CORPORATION
SUPPLEMENTAL INFORMATION

(in thousands of U.S. dollars)

<u>Three Months Ended March 31, 2002</u> <u>(unaudited)</u>					
	<u>International</u> <u>Tanker Fleet</u> <u>\$</u>	<u>OBO</u> <u>Fleet*</u> <u>\$</u>	<u>UNS</u> <u>Fleet</u> <u>\$</u>	<u>Australian</u> <u>Fleet</u> <u>\$</u>	<u>Total</u> <u>Fleet</u> <u>\$</u>
Net voyage revenues	88,918	11,353	24,105	11,783	136,159
Vessel operating expenses	26,784	4,249	5,717	3,637	40,387
Time-charter hire expense	8,165	4,549	-	-	12,714
Depreciation and amortization	23,569	1,614	8,354	2,541	36,078

<u>Three Months Ended March 31, 2001</u> <u>(unaudited)</u>					
	<u>International</u> <u>Tanker Fleet</u> <u>\$</u>	<u>OBO</u> <u>Fleet*</u> <u>\$</u>	<u>UNS</u> <u>Fleet**</u> <u>\$</u>	<u>Australian</u> <u>Fleet</u> <u>\$</u>	<u>Total</u> <u>Fleet</u> <u>\$</u>
Net voyage revenues	210,400	21,215	5,261	8,280	245,156
Vessel operating expenses	25,478	4,509	1,503	2,389	33,879
Time-charter hire expense	7,787	9,396	-	-	17,183
Depreciation and amortization	23,223	1,002	1,531	1,765	27,521

* Time-charter hire expense for the OBO Fleet represents the minority pool participants' share of the OBO pool's net voyage revenues.

** Represents results for the period from March 6, 2001 to March 31, 2001.

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FORWARD LOOKING STATEMENTS

This release 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 charter rates, and the balance of supply and demand in the crude tanker market. 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 and petroleum products, either generally or in particular regions; greater than anticipated levels of tanker newbuilding orders or less than anticipated rates of tanker scrapping; changes in trading patterns significantly impacting overall tanker tonnage requirements; changes in applicable industry regulations; and changes in the typical seasonal variations in tanker charter rates.