TEEKAY

TEEKAY CORPORATION Q2-2016 EARNINGS PRESENTATION

August 5, 2016

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 results and benefits of the Teekay Offshore's financing initiatives, including Teekay Offshore's ability to meet its medium-term liquidity requirements and finance its committed growth projects; the sale of the *Shoshone Spirit* VLCC, including the continuation of the charter until completion of the sale and the financial impact of the sale on Teekay Parent's financial leverage; the impact of Teekay Offshore's and Teekay LNG's growth projects on cash flow from vessel operations; the amount, the timing and certainty of securing financing for Teekay LNG's committed growth projects; the financial impact of the *Oak Spirit* MEGI LNG carrier; and the expected timing for commencement of Teekay Tankers' charter contract. 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: failure to achieve or the delay in achieving expected benefits of such financing initiatives; changes in production of, or demand for oil, petroleum products, LNG and LPG, either generally or in particular regions; greater or less than anticipated levels of newbuilding orders or greater or less than anticipated rates of vessel scrapping; changes in trading patterns significantly affecting overall vessel tonnage requirements; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; changes in the typical seasonal variations in tanker charter rates; changes in the offshore production of oil or demand for shuttle tankers, FSOs, FPSOs, UMS, and towage vessels; changes in oil production and the impact on the Company's tankers and offshore units; fluctuations in global oil prices; trends in prevailing charter rates for the Company's vessels and offshore unit contract renewals; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts; the inability of charterers to make future charter payments; potential shipyard and project construction delays, newbuilding specification changes or cost overruns; costs relating to projects; delays in commencement of operations of FPSO and FSO units at designated fields; Teekay LNG's and Teekay LNG's joint ventures' ability to secure financing for its existing newbuildings and projects; changes in the Company's expenses; 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, 2015. 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.

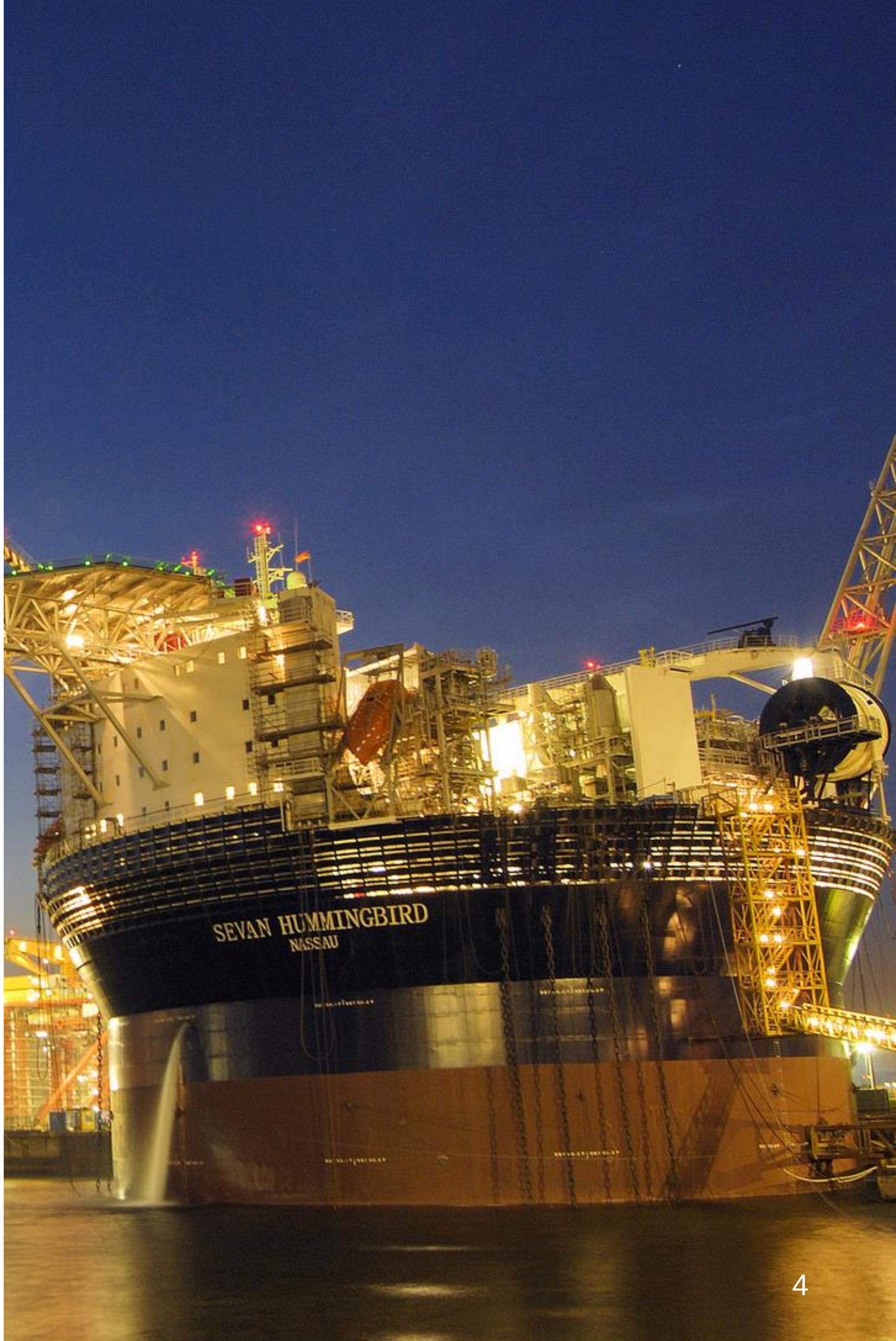
Recent Financial Highlights

- Generated Q2-16 consolidated CFVO[1] of $350.5 million
- Reported Q2-16 adjusted net income[1] of $0.7 million, or $0.01 per share
- Declared a Q2-16 cash dividend of $0.055 per share
- In June, Teekay Parent and Teekay Offshore completed all its previously announced financing initiatives totaling over $1 billion
  - Teekay consolidated total liquidity of $1.1 billion as of June 30th

1) See the Q2-16 earnings release for explanations and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures under GAAP.

Recent Business Highlights

- Agreed to sell the *Shoshone Spirit* VLCC for gross proceeds of $63 million
  - Expected to deliver to buyers Sept./Oct. 2016
- Secured a short-term charter for the *Polar Spirit* LNG carrier (chartered-in from Teekay LNG):
  - expected to commence in August 2016
- Extended the firm period of the *Hummingbird Spirit* FPSO contract to end-Q3-17[1] in exchange for lower charter-rate
  - Teekay Parent retains upside through oil price tariff component



1) Charterer has right to terminate new contract no earlier than March 1, 2017

Recent Daughter Highlights

Teekay Offshore Partners

- Generated Q2-16 distributable cash flow[1] of $45.9 million, or $0.42 per common unit
- Declared Q2-16 cash distribution of $0.11 per unit – distribution coverage ratio of 3.0x
- In June 2016, completed $600 million of financing and other initiatives - total liquidity of $421 million as of June 30th
- Logitel subsidiary cancelled shipyard contract for 2 remaining UMS newbuildings
- Arendal Spirit UMS back on-hire in early July 2016

Teekay LNG Partners

- Generated Q2-16 distributable cash flow[1] of $76.1 million, or $0.95 per common unit
- Declared Q2-16 cash distribution of $0.14 per unit – distribution coverage ratio of 6.7x
- Both Cheniere MEGI LNG newbuildings now delivered and have commenced 5-year charters to Cheniere Energy
- Exmar LPG joint venture took delivery of seventh of its 12 mid-size LPG carrier newbuildings – vessel will commence a 5-year charter to Statoil in August
- Making significant progress on debt financings for committed growth projects – since May 2016, secured credit approvals on over $900[2] million of new debt financings

Teekay Tankers

- Generated Q2-16 adjusted net income[1] of $31.6 million, or $0.20 per share, and free cash flow[1] of $59.6 million
- Declared Q2-16 cash dividend of $0.06 per share (based on 30% of adjusted net income)
- Completed sale of non-core MR product tanker for proceeds of approximately $14 million with expected delivery in mid-August
- Secured four term charters bringing total fixed-rate charter cover to ~30% over the next 12 months, reducing overall cash flow break-even

1) See Teekay Offshore's, Teekay LNG's and Teekay Tankers' Q2-16 earnings releases for explanations and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures under GAAP.
2) Based on Teekay LNG's proportionate ownership interests in the projects.

TKC's Financing Initiatives Completed in June

Further de-levers Teekay Parent's balance sheet and increases liquidity

Initiatives

Banks

- $150 million Equity Margin Loan Revolver (increased from $34 million previously available)
- $150 million facility secured by three FPSOs (Petrojarl Banff, Petrojarl Foinaven, and Hummingbird Spirit)
- $50 million facility secured by the Shoshone Spirit VLCC

Equity Holders

- $100 million issuance of common equity

Capex

- Sale of Teekay Parent's 50% interest in Shell Prelude Infield Support Vessel Tugs JV with KOTUG ($8 million equity value)

	March 31, 2016	June 30, 2016 (1)
Teekay Parent Net debt ($ million)	$694	$535
Teekay Parent Net debt / Capitalization	45%	38%
Teekay Parent Liquidity ($ million)	$148	$355

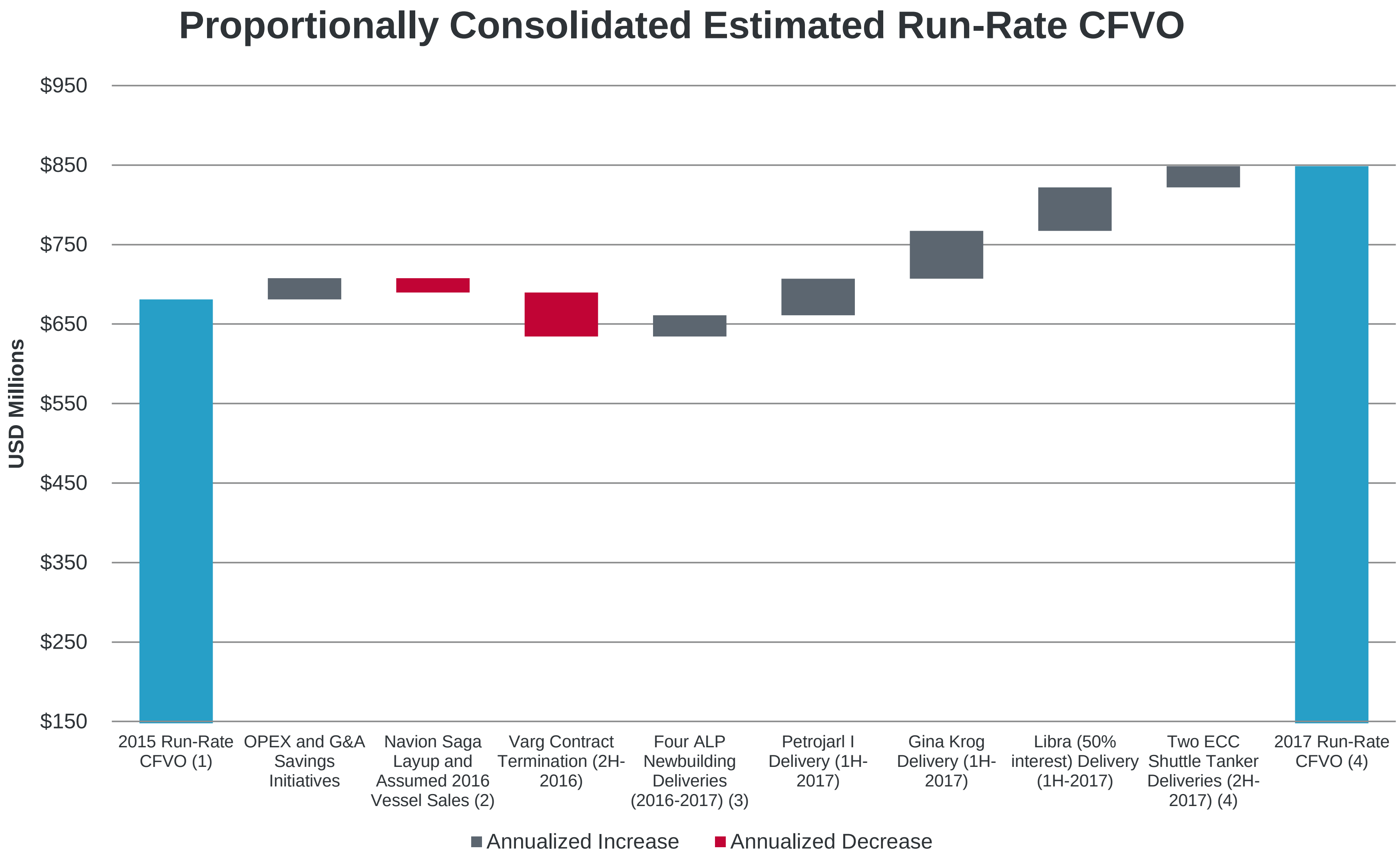
(1) Pro forma for the sale of the Shoshone Spirit VLCC for gross proceeds of $63 million, which is expected to be completed between September and October 2016.

TOO Financing Initiatives Completed in June

Debt financing now in place for all growth projects and addresses near and medium-term debt maturities

	Initiatives
Banks	• New $250 million debt facility to finance three East Coast Canada shuttle tanker newbuildings • New $40 million debt facility secured by six previously un-mortgaged vessels (shuttle tankers and FSO units) • $35 million add-on tranche to an existing debt facility secured by two shuttle tankers • $75 million extension to the existing financing for the Varg FPSO
Norwegian Bondholders	• Jan 2017 Bond (TOP02) – New maturity Nov 2018 with 30% amortization in Oct 2016 and Oct 2017 • Jan 2018 Bond (TOP04) – New maturity Dec 2018 with 20% amortization in Jan 2018; coupon increased by 1%
Equity Holders	• $100 million issuance of Series D preferred units (with warrant structure) • $100 million issuance of common units
Capex	• Logitel cancelled approximately $400 million of capex related to the remaining two UMS newbuildings under construction • Sale of two conventional tankers in Q4-15 and sale-leaseback of the two remaining conventional tankers in Q1-16, adding approximately $60 million in liquidity

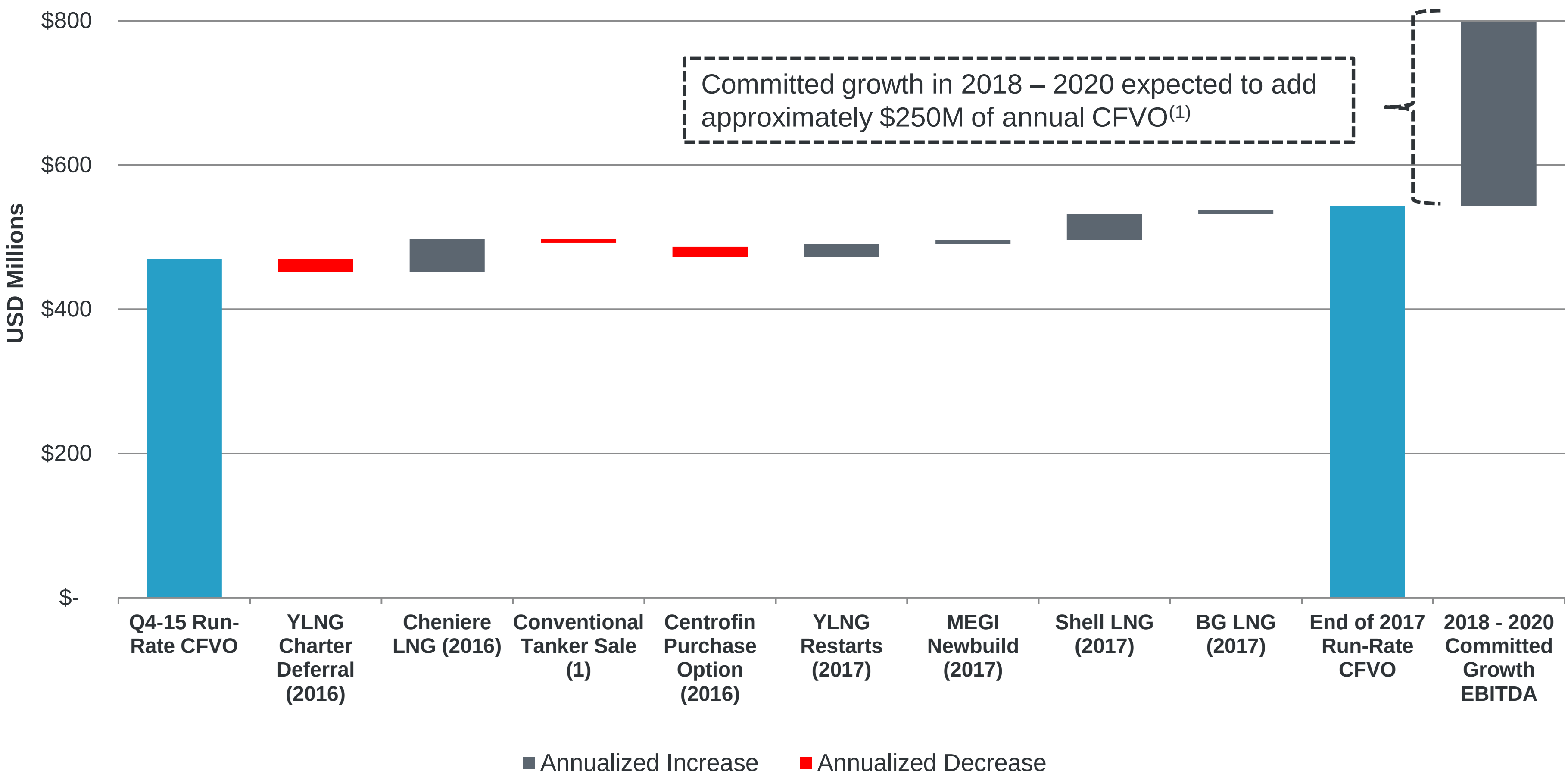
TOO's CFVO Continues to Grow



(1) Annualized for Knarr FPSO and Arendal Spirit deliveries, Navigator Spirit and SPT Explorer sales and shuttle tanker contract expirations during 2015.
(2) Assumes vessel sales: Fuji Spirit (completed), Kilimanjaro Spirit (completed) and Navion Europa.
(3) Assumes ALP vessels chartered at current market rates.
(4) Excludes one East Coast Canada (ECC) shuttle tanker newbuilding delivering in early 2018.

Committed Growth Driving Increase in CFVO

Includes TGP's proportionate share of equity-accounted investment CFVO



CFVO expected to grow moderately through 2017, with majority of growth coming in 2018 - 2020

1) Assumes sale of the Teide Spirit in Q4-2017.

Appendix

Q3 2016 Outlook – Teekay Consolidated

Income Statement Item	Q3 2016 Outlook (expected changes from Q2-16)
Net Revenues [1]	<u>Teekay Parent:</u> • $8m decrease from the *Hummingbird Spirit* FPSO due to a new contract in place commencing July 2016 and a maintenance bonus recognized in Q2-16 • $1m increase from the short-term contract of the *Polar Spirit* in Q3-16 <u>Teekay Offshore:</u> • $10m increase from the recommencement of the charter contract for the *Arendal Spirit* UMS in July 2016 • $4m increase from a provision relating to retroactive claims associated with an agency agreement related to the *Piranema Spirit* FPSO in Q2-16 • $10m decrease from the redelivery of the *Petrojarl Varg* FPSO in late July 2016 <u>Teekay LNG</u> – $5m increase due to the commencement of the charter contract for the *Oak Spirit* which commenced in August 2016 <u>Teekay Tankers:</u> • Decrease of approximately 380 net spot revenue days in TNK mainly due to redeliveries of three net in-chartered vessels in Q3-16 • Approximately 42% of Q3-16 spot revenue days for Aframaxes and Suezmaxes fixed at $17,900/day and $23,600day, respectively, compared to $23,800/day and $31,000/day, respectively, in Q2-16
Vessel Operating Expenses (OPEX) [1]	• Teekay Offshore - $1m decrease, primarily from the redelivery and lay up of the *Petrojarl Varg* FPSO in Q3-16 partially offset by costs required for the *Navion Anglia* shuttle tanker to operate in the North Sea in Q3-16 • Teekay LNG – $3m increase primarily due to the delivery of the *Oak Spirit* in Q3-16 and from timing of maintenance activities
Time-Charter Hire Expense	• Teekay Tankers – $5m decrease due to redeliveries of in-chartered vessels in Q3-16 and Q2-16
Depreciation and Amortization	• Teekay LNG - $1m increase due to the delivery of the *Oak Spirit* in Q3-16
Net Interest Expense [1]	• Expected to be consistent with Q2-16
General & Administrative [1]	• Expected to be consistent with Q2-16
Equity Income [1]	• Teekay LNG – decrease of $23m primarily due to a favourable settlement of a disputed charter contract termination in Q2-16 • Teekay Tankers – decrease of $4m primarily due to profit sharing on the High-Q JV recognized in Q2-16 and lower forecasted average spot TCE rates • Teekay Parent – decrease of $2m due to lower forecasted average spot TCE rates
Non-controlling Interest Expense [1]	• Expected to range from $43m to $45m due to lower forecasted results in Teekay LNG and Teekay Tankers, partially offset by equity offering in Teekay Offshore in Q2-16

(1) Changes described are after adjusting Q2-16 for items included in Appendix A to our Second Quarter 2016 Earnings Release and realized gains and losses on derivatives (see slide 12 to this presentation for the Consolidated Adjusted Line Items for Q2-16)

Consolidated Adjusted Line Items

Q2-16

Income Statement Item	As Reported	Appendix A Items (1)	Reclassification for Realized Gains/ Loss on Derivatives (2)	As Adjusted
Revenues	587,619	(1,219)	127	586,527
Vessel Operating Expenses (OPEX)	(205,655)	-	(859)	(206,514)
General & Administrative Expenses	(29,871)	-	(1,595)	(31,466)
Asset Impairments	(62,605)	62,605	-	-
Restructuring charges	(5,818)	5,818	-	-
Interest Expense	(73,255)	6,115	(27,409)	(94,549)
Realized and Unrealized Losses on Derivative Instruments	(89,272)	64,536	24,736	-
Equity Income	37,219	1,687	-	38,906
Foreign Exchange Loss	(15,157)	10,157	5,000	-
Other - Net	(21,436)	21,282	-	(154)
Net Loss (Income) Attributable to Non-Controlling Interests	8,495	(92,471)	-	(83,976)

1 Please refer to Appendix A in the Q2-16 earnings release for a description of Appendix A items.
2 Please refer to footnote (3) to the Summary Consolidated Statements of (Loss) Income in the Q2-16 earnings release.

BRINGING ENERGY TO THE WORLD