TEEKAY

TEEKAY'S Q2-2017 EARNINGS PRESENTATION

August 4, 2017

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: the proposed Brookfield Transaction; the timing and completion of the Brookfield Transaction; the expected effects of the completion of the Brookfield Transaction on Teekay Parent and Teekay Offshore's operations and financial condition, including its ability to benefit from energy and tanker market recoveries, reduced financial leverage, enhanced liquidity, future access to capital, and ability to better service customers; completion of the reorganization of Teekay Offshore's shuttle tanker business; proposed refinancings or amendments of credit facilities and bonds; the expected release of Teekay Parent from financial guarantees relating to indebtedness and obligations of Teekay Offshore; required capital expenditures for newbuilding vessels and the expected full financing of existing growth projects; the expected employment of the newbuilding shuttle tankers under Teekay Offshore's agreement with Statoil and the expected required capacity in Teekay Offshore's CoA fleet in the North Sea; the timing of start-up and the vessel equivalent requirements of new CoAs; the timing of delivery and start-up of various newbuildings and conversion/upgrade projects and the commencement of related contracts; expected write-downs relating to sale-leaseback transactions; the timing and completion of Teekay Tankers' merger with TIL and related effects on Teekay Tankers, including earnings accretion; the charter contract start-up timing for the Arctic Spirit LNG carrier; and the outcome of claims and disputes. 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 satisfy the closing conditions of the Brookfield Transaction or of Teekay Tankers' merger with TIL, including, without limitation, obtaining the required approvals from relevant regulatory authorities and, for the merger, approval of TIL's shareholders of the merger and of Teekay Tankers' shareholders of an amendment to its charter required to permit Teekay Tankers to issue the stock merger consideration; failure to realize the expected benefits of the Brookfield Transaction or the TIL merger; changes in exploration, production and storage of offshore oil and gas, either generally or in particular regions that would impact expected future growth; changes in the demand for oil, refined products, LNG or LPG; changes in trading patterns significantly affecting overall vessel tonnage requirements; greater or less than anticipated levels of vessel newbuilding orders and deliveries and greater or less than anticipated rates of vessel scrapping; changes in global oil prices; issues with vessel operations; variations in expected levels of field maintenance; increased operating expenses; potential project delays or cancellations; shipyard delivery or vessel conversion and upgrade delays, newbuilding or conversion specification changes,cost overruns, or shipyard disputes; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; the potential for early termination of long-term contracts of existing vessels; the inability or unwillingness of charterers or other business partners to make payments or fulfill their obligations, including with respect to the Brookfield Transaction or the TIL merger; the inability to successfully defend against claims or disputes, or the significant cost of undertaking such defenses; delays in the commencement of charter or other contracts; the ability to fund remaining capital commitments and debt maturities; 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, 2016. Teekay 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 Teekay's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

Recent Highlights and Significant Transactions

- Generated Q2-17 consolidated total cash flow from vessel operations (*CFVO*)[1] of $254.5 million
- Reported Q2-17 consolidated adjusted net loss[1] of $38.1 million, or $0.44 per share
- Secured a new charter contract for the *Arctic Spirit* LNG carrier with a major energy company, which commences in Sept. 2017, increasing CFVO by ~$4 million per quarter
- Agreed to two strategic transactions across the Teekay Group
  - Teekay Offshore announced a strategic partnership with Brookfield, which will significantly strengthen its financial position and fully finance Teekay Offshore's existing growth projects
  - Teekay Tankers agreed to acquire Tanker Investments Ltd., which owns 18 mid-size tankers, in an accretive share-for-share merger

1) See the Q2-17 earnings release for explanations and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures under GAAP.

Recent Highlights Cont’d

Teekay Offshore Partners

- Generated Q2-17 distributable cash flow[1] of $27.2 million, or $0.18 per common unit
- Declared Q2-17 cash distribution of $0.01 per unit
- *Libra* FPSO and *Randgrid* FSO units scheduled to commence operations in Sep / Oct 2017
- Signed amendment to the *Petrojarl I* FPSO charter contract extending field start-up to the first quarter of 2018
- Entered into shipbuilding contract to construct two Suezmax DP2 shuttle tanker newbuildings for Statoil Master Agreement

Teekay Tankers

- Generated Q2-17 adjusted net loss[1] of $7.1 million, or $0.04 per share, and free cash flow[1] of $18.7 million
- Declared Q2-17 cash dividend of $0.03 per share, consistent with dividend policy

Teekay LNG Partners

- Generated Q2-17 distributable cash flow[1] of $40.6 million, or $0.51 per common unit
- Declared Q2-17 cash distribution of $0.14 per unit
- Completed charter contract extensions with Awilco LNG for two LNG carriers and extended associated loan facilities
- Growth projects and related financing plan remains on track

1) See Teekay Offshore’s, Teekay LNG’s and Teekay Tankers’ Q2-17 earnings releases for explanations and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures under GAAP.

Recent Transactions Have Significantly Enhanced Teekay Group's Financial Strength…

Teekay Corporation

Strengthened Liquidity Position

- ~$140M in cash + 15.5M TOO Warrants to be received
- Liquidity risks at TOO and TNK removed

Simplified Structure

- +$700M in debt/swap Guarantees to TOO removed
- Tanker Ops. now owned 100% by Teekay Tankers
- No requirement to offset dividends with equity

Teekay LNG

Near-term financings on-track

- Remaining newbuild financings now in advanced stages
- Commenced 2018 re-financings

Teekay Offshore

New co-Sponsor, Brookfield, to inject $610M in common equity

- Fully finances all existing growth projects
- Extends debt/swap maturities
- Rebuilds liquidity

Teekay Tankers

Accretive merger with Tanker Investments

- Significantly strengthens financial foundation and competitive position

…And Financially Strong Daughters will Drive Long-term Shareholder Value Across the Teekay Group

Teekay Corporation

- Each Daughter positioned to take advantage of upside opportunities as markets recover
- 3 directly-owned FPSOs to be optimized through extensions and re-contracting
- In-chartered LNG carriers and conventional tankers to be re-delivered in 2018

Teekay LNG

- Existing growth projects expected to provide +$250M of incremental CFVO
- As a top 3 owner of LNGs, well-positioned to benefit from future LNG demand growth

Teekay Offshore

- Near-term growth projects to provide +$200M of incremental CFVO
- Leading market position in niche businesses poised for rebound in offshore production

Teekay Tankers

- 62-vessel fleet provides significant operating leverage
- TNK positioned to benefit from rebound of tanker market fundamentals

Appendix

Q3 2017 Outlook – Teekay Consolidated

Income Statement Item	Q3 2017 Outlook (expected changes from Q2-17)
Net Revenues (1)	<u>Teekay Parent:</u> • $2m net increase from FPSOs from the *Banff* FPSO maintenance shutdown in Q2-17, partially offset by the scheduled maintenance shutdown for the *Foinaven* FPSO in Q3-17 • $1m increase from the commencement of the time-charter out contract for the *Arctic Spirit* in September 2017 <u>Teekay Offshore</u> • $4m net increase from higher project revenues and higher CoA days in the shuttle tanker fleet, partially offset by drydocks and redeliveries in Q3-17 • $4m increase from higher rates and utilization in the towage fleet in Q3-17 <u>Teekay LNG</u> • $2m increase from unscheduled off-hire related to repairs required for an LNG carrier in Q2-17 <u>Teekay Tankers</u> • Decrease by approximately 220 net revenue days, mainly due to the redeliveries of four in-charters to their owners at various times in Q2-17 and Q3-17 • Approximately 42% and 47%, or 440 and 650 spot revenue days for Aframaxes and Suezmaxes have been fixed at $12,300/day and $12,500/day, respectively, so far in Q3-17 compared to actual rates of $14,500/day and $16,600/day, respectively, in Q2-17
Vessel Operating Expenses (OPEX) (1)	• Teekay Parent - $10m increase primarily from the timing of maintenance costs on the *Foinaven* FPSO and an insurance recovery recognized on the *Banff* FPSO in Q2-17 • Teekay Offshore - $6m increase from the seasonal maintenance costs in the FPSO and shuttle tanker fleets • Teekay Offshore - $1m increase from the costs associated with the delivery and transit of one shuttle tanker newbuilding in Q3-17 servicing the East Coast of Canada contract
Time-Charter Hire Expense	• Teekay Tankers - $2m lower from the redeliveries of four in-chartered vessels in late Q2-17 and Q3-17 • Teekay Offshore - $2m higher primarily due to higher shuttle spot-in days to meet CoA demand and drydocks in Q3-17
Depreciation and Amortization	• Expected to be consistent with Q2-17
Net Interest Expense (1)	• Expected to be consistent with Q2-17
General & Administrative (1)	• Expected to be consistent with Q2-17
Equity Income (1)	• Expected to be consistent with Q2-17
Non-controlling Interest Expense (1)	• Expected to range from $12m to $14m primarily due to lower expected adjusted net income in Teekay Tankers

(1) Changes described are after adjusting Q2-17 for items included in Appendix A to our Second Quarter 2017 Results Earnings Release and realized gains and losses on derivatives (see slide 9 to this presentation for the Consolidated Adjusted Line Items for Q2-17)

Consolidated Adjusted Line Items

Q2-17

Income Statement Item	As Reported	Appendix A Items (1)	Reclassification for Realized Gains/ Loss on Derivatives (2)	As Adjusted
Revenues	513,923	796	441	515,160
Vessel Operating Expenses (OPEX)	(207,784)	12,672	(101)	(195,213)
General & Administrative Expenses	(29,541)	700	(517)	(29,358)
Loss on Sale of Vessels, Equipment and Other Operating Assets	(12,742)	12,742	-	-
Asset Impairments	(1,500)	1,500	-	-
Interest Expense	(74,383)	1,413	(21,307)	(94,277)
Realized and Unrealized Losses on Derivative Instruments	(30,570)	14,480	16,090	-
Equity (Loss) Income	(47,984)	53,847	-	5,863
Income Tax Expense	(3,527)	(730)	-	(4,257)
Foreign Exchange Loss	(17,342)	11,948	5,394	-
Other	(759)	1,167	-	408
Net Loss (Income) Attributable to Non-Controlling Interests	44,591	(68,528)	-	(23,937)

1 Please refer to Appendix A in the Q2-17 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 Q2-17 earnings release.

Brookfield Strategic Partnership will Transform TOO's Capital Structure

Stabilizing equity base

- $610m (Brookfield) + $30m (TK) of new TOO common equity at $2.50 per unit plus warrants
- Common unit distributions reduced to $0.01/quarter

Reducing high cost capital on preferred equity

- Pref. C-1s – to be retired with cash, at a discount to par (cash savings of $18m p.a.)
- Pref. Ds – to be retired with cash, at a discount to par (cash savings of $10m p.a.), plus a reduction in the exercise price of the existing Series B warrants

Extending maturities on debt and swaps

- TK to sell existing $200m parent loan to Brookfield at a discount to par and Brookfield to extend loan maturity to 2022
- Refinanced a significant portion of existing TOO NOK bonds due in late-2018 with proceeds from a new, 5-year, up to $250m unsecured bond at 'carve out' Teekay Shuttle Tankers
- New, 5-year, $600m facility at Teekay Shuttle Tankers to refinance a majority of the shuttle tanker fleet and extend term
- Agreement in principle to extend the mandatory prepayment on the *Arendal Spirit* UMS out to September 30, 2018
- Extending termination options on interest rate swaps by 2-years (2021), releasing TK guarantee and resetting rate

Enhancing capacity for growth

- Fully finances existing growth projects delivering through Q1-18*
- Ordered two shuttle tanker newbuilds + options for two additional vessels

*See appendix for summary of remaining capital expenditures and undrawn financing for existing growth projects as of June 30, 2017.

Key Benefits of TNK/TIL Merger

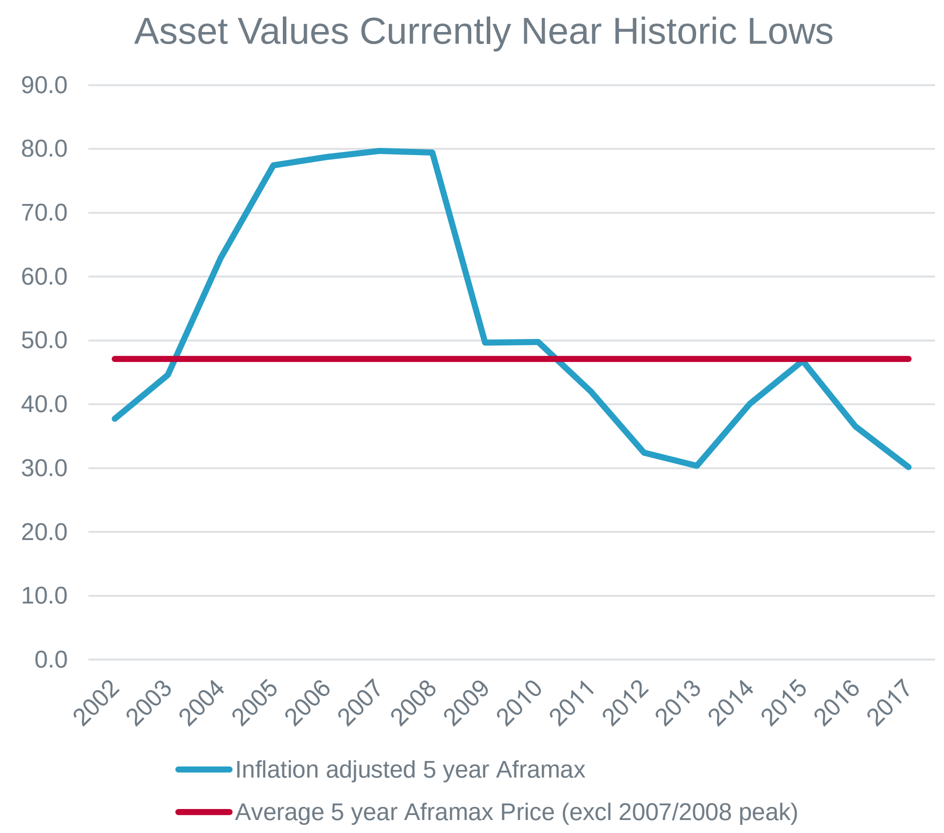
TEEKAY TANKERS LTD.

TANKER INVESTMENTS LTD.

- Consistent with TNK's strategy of increasing shareholder value by investing and operating throughout the tanker cycle
- Establishes TNK's market leading presence in key markets resulting in improved vessel utilization, triangulation opportunities and improved earnings
- Modernizes fleet through addition of 18 vessels with average age of 7 years
- Allows for a seamless integration of two known, quality and homogenous fleets.
- Provides opportunities to sell older vessels as the tanker market recovers

Financial Benefits of Proposed TNK/TIL Merger

- Immediately 10% accretive to earnings per share[1]
- Fixed exchange ratio represents a modest 3.1% premium on fair market value of TIL's fleet, at historically low values
- Strengthens balance sheet by decreasing financial leverage and increasing liquidity by ~$100 million
- Reduces cash breakeven[2] by ~$1,000 per day
- Estimated to generate ~$3 million of annual cost savings



(1) Preliminary pro-forma 12 months ended December 31, 2016
(2) Includes operating expense, G&A, interest, debt repayment and dry dock costs

BRINGING ENERGY TO THE WORLD