

2010 Sustainability Report



TEEKAY – THE MARINE MIDSTREAM COMPANY®



TABLE OF CONTENTS

LEADERSHIP	3
2010 Performance Summary	4
SUMMARY	5
PEOPLE	7
Our People	7
Seafarers	7
Shore Staff	8
Health, Safety and Security	11
A Strong Response to Piracy	13
Quality Assurance and Training Officers	14
Community Involvement	15
Business Conduct	16
Amundsen Spirit Day in Stavanger	16
PLANET	15
The Marine Operations Management System	17
Environmental Management	18
Innovative Solutions to Reduce Emissions	18
Climate Change	19
Air Emissions	22
Discharges to Water	23
On Shore	24
PROFIT	23
The Marine Midstream Company	25
Significant Developments and Financial Highlights	28
Appendix 1: Organizational Structure, Subsidiaries and Joint-Ventures	32
Appendix 2: Report Boundary	33



LEADERSHIP

WELCOME TO SUSTAINABILITY AT TEEKAY

More than ten years ago, Teekay set out to become a world leader in marine services to the oil and gas industry. Today, we have created a world-class company that is a leader in each of its business segments. We are recognized as a leader in safety, quality and customer service; and we have the best people in the industry.

We are once again resetting our sights on a new Vision that will take us forward with the same level of ambition and commitment. At its heart is sustainability.

What does sustainability mean to us? Sustainability is the capacity to endure. It is a measure of our ability to continue to create enduring success. To reach our goals we need to be successful in all areas critical to our business. To us, therefore, sustainability is ensuring the long-term health and success of our people, our business and the environment we work in. In short, sustainability is a focus on our people, our planet, and our profits.

Sustainability includes a focus on, and response to, important challenges and opportunities facing our company and our industry. It involves a commitment to responsible safety and environmental practices, as well as an innovative approach to the use of technology and the development of projects.

To offer a snapshot of where we are today, we are glad to present to you our first Sustainability Report. We hope this offers you an understanding of the overall health of our business. This report is intended for all our stakeholders; both the people who influence our decisions and the people we impact through our operations.

To us, sustainability is also more than a report. To sustain our business we need to engage our stakeholders and ensure we are listening and responding to their concerns. Therefore, I invite you to share with me your ideas about how we can work together to be more sustainable. I look forward to having this conversation with you.

Peter Evensen



SUSTAINABILITY IS A
FOCUS ON OUR PEOPLE,
OUR PLANET, AND OUR
PROFITS.



2010 PERFORMANCE SUMMARY

	Unit	2008	2009	2010
PEOPLE				
Total staff	Persons	6,600	6,300	6,400
Sea staff	Persons	5,700	5,400	5,500
Shore staff		900	900	900
Health and Safety				
Lost Time Injury Frequency (LTIF) ¹	Per million person-hours	0.66	0.50	0.61
Total Recordable Case Frequency (TRCF) ²	Per million person-hours	3.73	3.01	2.40
Lost Time Injuries ³	Number	15	12	15
Fatalities	Number	1	1	0
PLANET				
Total Greenhouse Gas Emissions ⁴	Metric tonnes CO ₂ -eq.	4,280,098	4,323,576	4,743,327
Fleet EEOI		13.97	13.72	13.10
Sulphur Oxide (SOx) emissions	Metric tonnes	60,000	56,000	56,700
Nitrogen Oxide (NOx) emissions	Metric tonnes	92,000	94,000	98,700
Purchases of Ozone Depleting Substances	Kilograms			5814
CFC-11 equivalent	Kilograms			290
Spill volume	Litres	345	68	233
Spills above 1 barrel	Number	1	0	1
Spills below 1 barrel	Number	4	8	6
Water discharges to sea	Cubic metres			131,205
Bilge				42,400
Slop water	Cubic metres			87,295
Soot water				1,510
Solid waste disposal at sea per vessel ⁵	Cubic metres	5.7	3.4	3.4
Total vessel waste generated	Cubic metres			11,656
Disposed to shore facilities				4,750
Incinerated onboard				3,162
Recycled ashore	Cubic metres			2,271
Disposed at sea				1,473
PROFIT				
Financial Position⁶				
Total Assets	\$ 1000 USD	10,215,001	9,517,432	9,911,098
Revenues	\$ 1000 USD	3,229,443	2,172,049	2,068,878
Net income (loss)	\$ 1000 USD	(459,894)	209,777	(166,635)
Total Equity	\$ 1000 USD	2,652,405	3,095,670	3,332,008
Total Debt	\$ 1000 USD	5,770,133	5,203,441	5,170,198
Our Fleet				
	Number of vessels ⁷	186	158	151
Shuttle Tanker and Floating Storage and Offloading (FSO) Segment		42	42	41
Floating Production, Storage and Offloading (FPSO) Segment		9	8	9
Liquefied Natural Gas (LNG) Segment		25	25	26
Spot Tanker Sub-Segment		85	44	35
Fixed-Rate Tanker Sub-Segment		25	39	40

¹ LTIF = LTIs x 1,000,000 / Exposure Hours, where Exposure Hours = Number of people on the ship x 24 hours x Number of days in the month.

² This is the number of total Lost Time Injuries (LTI), Restricted Work Cases (RWC), and Medical Treatment Cases (MTC) per unit exposure hours. TRCF = (LTIs + RWCs + MTCs) x 1,000,000 / Exposure Hours.

³ Lost Time Injuries are the sum of Fatalities, Permanent Total Disabilities, Permanent Partial disabilities and Lost Workday Cases.

⁴ Includes Scope 1 and 2. Emissions in 2008, 2009 are not directly comparable to 2010 due to an expanded scope of reporting in 2010.

⁵ Category 2, 3 and 4 wastes only and excluding bulk carrier cargo residues.

⁶ Includes Teekay Petrojarl.

⁷ As of year end, including chartered-in vessels and newbuildings on order, but excluding vessels managed for third parties.

SUMMARY

We are glad to present our first sustainability report, which documents our efforts to sustain our people, the planet, and our profits.

Our success is due to the professional dedication of 6400 staff in our offices and on our vessels. In 2010, we maintained a voluntary staff retention rate of over 90% at sea and on shore. We also value the communities we serve and in which we operate. In 2010, our offices participated and contributed to a variety of local charities and community organizations.

The health and safety of our people is our top priority. This year, we expanded our Operational Leadership Program (OLP) to strengthen our safety culture and clarify leadership expectations. To ensure the safety of our sea staff we remain vigilant in our response to piracy. Our program of dedicated internal Quality Assurance and Training Officers (QATO) has amassed over 270 ship visits since 2008.

This past year we closed our 2010 BHAG (Big Hairy Audacious Goal), and set our sights on the future. Over 500 employees in all offices contributed to Vision 2020, a project to envision where Teekay will be ten years from now.

We have invested significantly into innovative solutions that minimize the impact of our operations on the environment. We focus on low-emission vessel designs, optimizing existing vessel performance, and researching and implementing sustainable new technologies and practices.

Marine shipping is the most energy efficient means of transport. Yet, we recognize the need to still do more. Reducing our contribution to global climate change is the most important environmental task we face. We remain engaged through the International Maritime Organization (IMO) in promoting global regulations to reduce greenhouse gas emissions from marine shipping. More detail is available in our annual Carbon Disclosure Project response.





PEOPLE
SOCIAL RESPONSIBILITY

- Worker health and safety
- Piracy
- Community involvement & charitable donations
- Training and development
- Anti-corruption

PLANET
ENVIRONMENTAL STEWARDSHIP

- Mitigating climate change
- Reducing air emissions
- Energy conservation
- waste reduction
- Minimizing discharges to sea

PROFIT
ECONOMIC DEVELOPMENT

- Revenues / profit
- New contracts, renewals and agreements
- Stock and bond offerings
- 2010 BHAG and new vision

In 2010, we took delivery of our newest and most environmentally efficient Shuttle Tankers, which come equipped with award winning and industry-leading systems to reduce volatile organic compounds (VOC) from cargo gasses. In the last three years Teekay vessels carried over four billion barrels of cargo, and spilled only three barrels of oil to sea. The environmental commitment we demonstrate at sea is matched in our offices through our Green 15 office sustainability program.

Over the past decade, we have undergone a major transformation from being primarily an owner of ships in the spot tanker business to being a growth-oriented asset manager in the “Marine Midstream” sector. This transformation has included our expansion into the liquefied gas shipping sectors, further growth of our operations in the offshore production, storage and transportation sector, and expansion of our conventional tanker business.

In 2010 we raised over \$1.2 billion through new stock and bond offerings, and made another \$185 million in loans to third-party ship owners. We signed a contract for a new FPSO, and extended the operating contract for two existing FPSOs. Teekay Offshore signed a life-of-field master agreement with Statoil that initially covers seven dedicated shuttle tankers.

This past year we opened our first office in China. The Teekay Shanghai office positions us to benefit from expected growth in China, and will help coordinate and implement our short-term and long-term strategy for the Chinese market.

PEOPLE

OUR PEOPLE

At Teekay, our strategic focus is to have world class people onboard and ashore. The wellbeing of all our staff is our highest priority.

This past year, we further strengthened our focus to ensure the health and safety of our people. This includes a strong response to the growing menace of piracy.

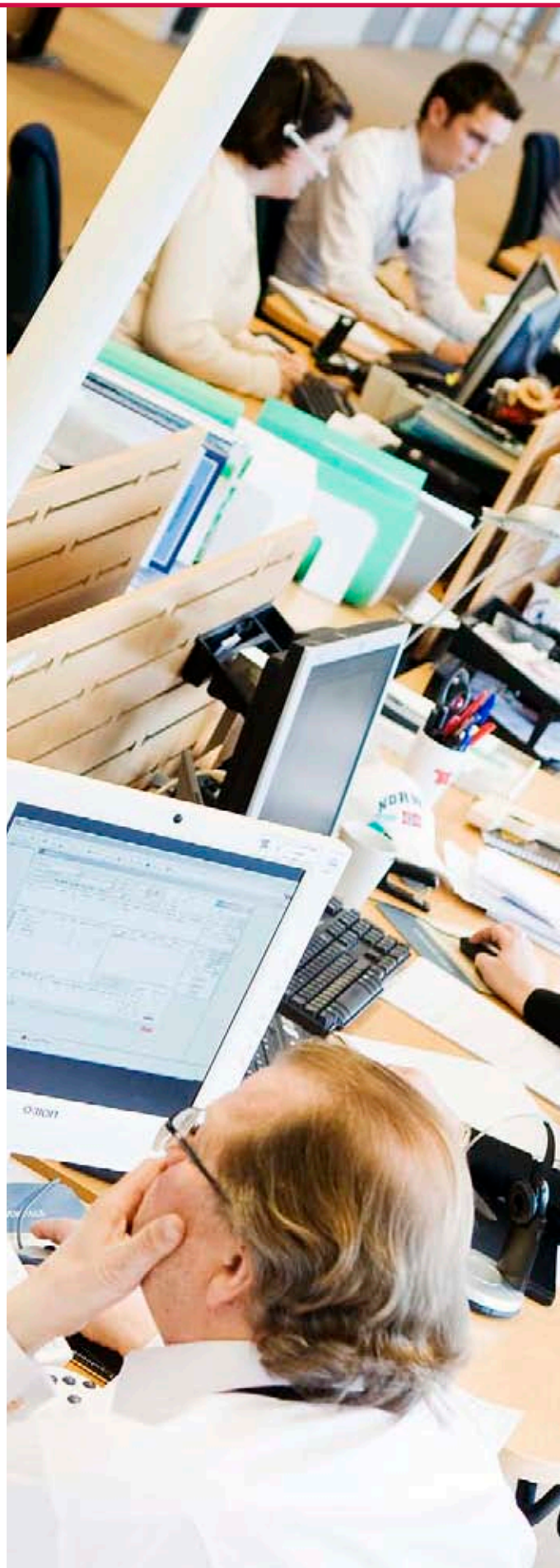
We also support the communities we work in, and value our partnerships with local community organizations and charities around the world.

In 2010, Teekay had roughly 6400 staff worldwide. This includes 925 shore based employees and almost 5500 sea staff (4850 seafarers including cadets, and another 600 seafarers employed by Teekay Petrojarl).

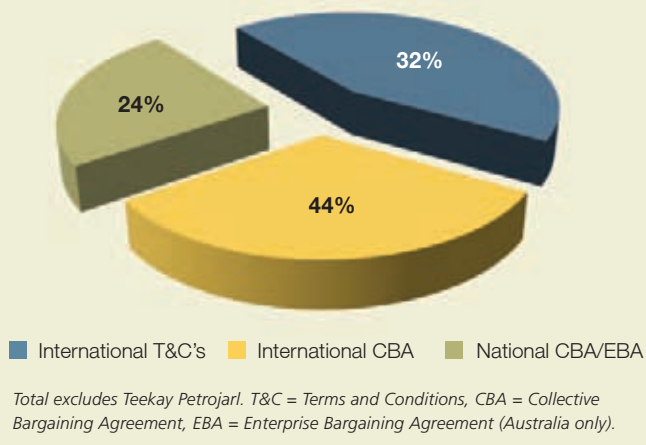
SEAFARERS

The wellbeing of seafarers and their safety remains our highest priority as part of Teekay's strategic focus to have world class people onboard and ashore, in our drive towards Operational Leadership. All of our seafarers are employed directly by Teekay, and our philosophy is to offer competitive terms and conditions to our seafarers in all regions. In addition to Teekay 'international' contracts of employment, we also recognize 'national' contract requirements, and union agreements - the employment of many of our seafarers is covered by Collective Bargaining Agreements (CBA's). We have long established relationships with labour organizations globally, including the International Transport Workers Federation (ITF) and its many affiliates, as well as national unions, with agreements in Australia, Norway, and Spain.

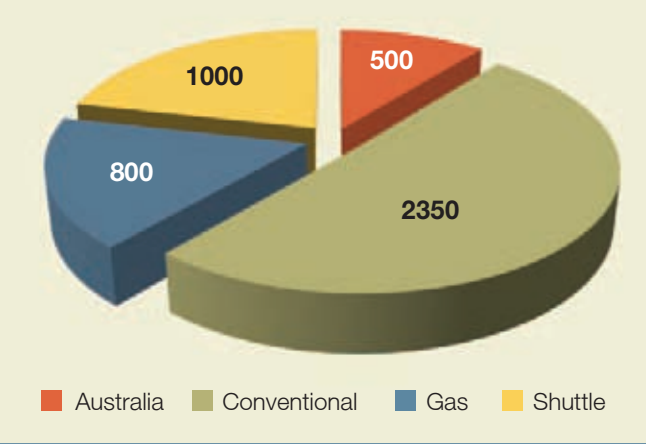
We have a strong focus on the retention of our seafarers. In 2010, voluntary attrition of seafarers was 5.7%, which is within our target of less than 6% and which compares very favourably with general industry levels.



Seafarers By Contract



Seafarers By Fleet



Teekay has the only accredited Seafarer Competency Management system (known as SCOPE) in which all seafarers are given opportunity to develop core skills and behaviours in pursuit of competency development for continuous professional development.

In 2010, Teekay began the global roll out of an extended medical insurance plan for all our seafarers and their families. Initially available in the Philippines, all seafarers in our international fleets will be included in the scheme by mid-2011.

A further strategic decision was recently made to provide all Teekay owned vessels with onboard internet connection. This initiative allows our seafarers to keep in contact with their families and friends at home, through emails, social networks, and Skype. It also allows us to provide real-time performance data and information between vessel and shore, thereby creating a more engaged and positive onboard working environment.

In 2010, we launched the Teekay Learning Zone (TLZ) as an interactive Online University engaging with our seafarers. TLZ also bridges ship and shore communications by hosting company information, news and specific training. It is an instructive site for both current and new employees.

Teekay believes that sustainable positive business performance and progressive people management practices are inextricably linked. Our continued success is focused on maintaining an effective partnership with all employees, and labour organizations based on mutual respect and agreed responsibilities.

We are not only committed to maintaining a competitive position in all employment markets, but in also having an environment for all of our employees that provides long-term stable employment, promotion, personal development, and enhanced career opportunities that includes the prospect of moving to shore-based positions

SHORE STAFF

Learning and Development

Teekay strongly supports the development and sustainability of a learning culture. We believe that our people are responsible for their own development and we create opportunities for them to pursue and to be successful on their chosen path. By supporting our people in building competence and confidence in their current roles, it will prepare them for other opportunities that may arise.

Teekay believes that formal classroom learning is responsible for only about 20% of actual development and the rest is made up of cross-training, conferences, coaching and mentoring. Teekay supports learning by providing our people with on-going professional development through both external and internal training programs. We also encourage the setting of learning goals on an annual basis to ensure that plans are made and executed through our annual individual employee performance plans.

At Teekay, we believe in leadership at all levels and have created an integrated, internal leadership program. This program has 3 levels and is aimed at new, emerging and



established leaders. The program also focuses on Teekay specific examples, which ultimately supports the development of a strong leadership culture.

Teekay supports individuals who wish to pursue designations, degrees and advanced degrees on a select basis depending upon the individual's role and the applicability of the program.

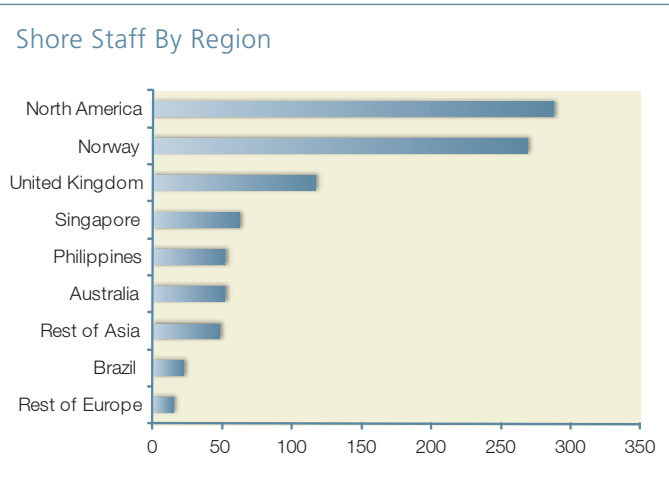
Flexibility

Teekay is committed to providing our people with the flexibility and support required to have a successful career and meet their personal commitments. Having the ability to balance work, personal, and family commitments is fundamental to the well-being of our people and the well-being of the company. To assist with flexibility, Teekay offers the following four programs:

- Flextime
- Telecommuting
- Part-time (voluntary reduced time)
- Job sharing

Compensation and Benefits

Teekay is a high performing organization with a compensation and benefits program that is designed to attract, retain, motivate, and reward our people for individual, team and company performance. The program is also designed to support the well-being of our employees and their families.



The program is both aligned globally and adapted to suit the local market across our global organization. Our compensation and benefits are very competitive and include base salary, annual performance bonus, leave, pension, medical coverage, insurance, flexible benefits and long-term incentives.

To ensure we remain competitive in both compensation and benefits, we undertake a global compensation review annually. In 2010 we also enhanced flexibility to our benefits program by conducting a global benefits review.

The voluntary attrition rate for shore staff was just under 7% across all departments in 2010, and 90% of our shore staff are employed on a permanent full-time or part-time basis.

HEALTH, SAFETY AND SECURITY

Teekay has a goal of zero injuries to personnel and zero harm to the environment. To achieve this, policies and practices regarding safety and emergency response are in place in order to reduce risk to personnel and vessel operations.

Teekay also seeks to drive continuous improvement in safety culture across the organization. It is recognized that human behavior is key to achieving this. In 2010, Teekay co-sponsored with Maritime Coastguard Agency (MCA), BP, and the Standard P&I Club, "The Human Element - A Guide to Human Behaviour in the Shipping Industry", which can be downloaded from the MCA web page (www.mcga.gov.uk). This comprehensive report, in combination with findings from previous initiatives within the Teekay fleet, will support our continued focus on the human element in our operations.

Teekay has in place several strategic safety programs to drive its safety performance.

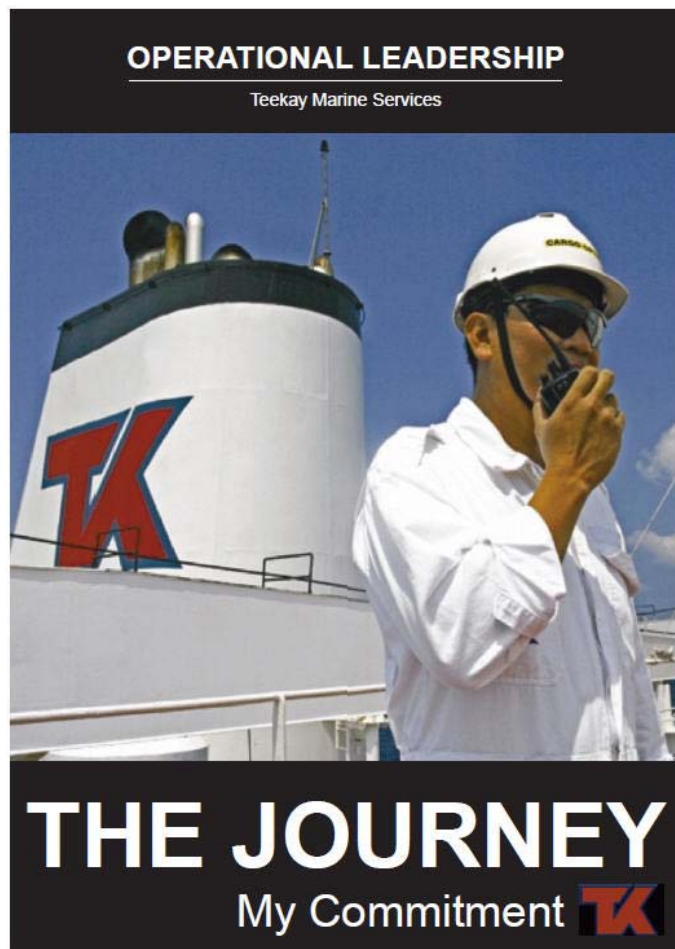
Operational Leadership Program

To strengthen our safety culture and clarify leadership expectations, Teekay has introduced the Operational Leadership Program. The OLP promotes active safety by keeping employees focused on key responsibilities. These responsibilities include our safety commitments for all shore and vessels staff.

The OLP was developed to drive ongoing improvements in safety culture across the organization. Operational Leadership is not just a goal; it encompasses the process for achieving it. All Teekay Marine Service employees have been given extensive training in Operational Leadership and have signed key safety commitments. These commitments are captured in the OLP handbook that all employees carry around to remind themselves what we have committed to.

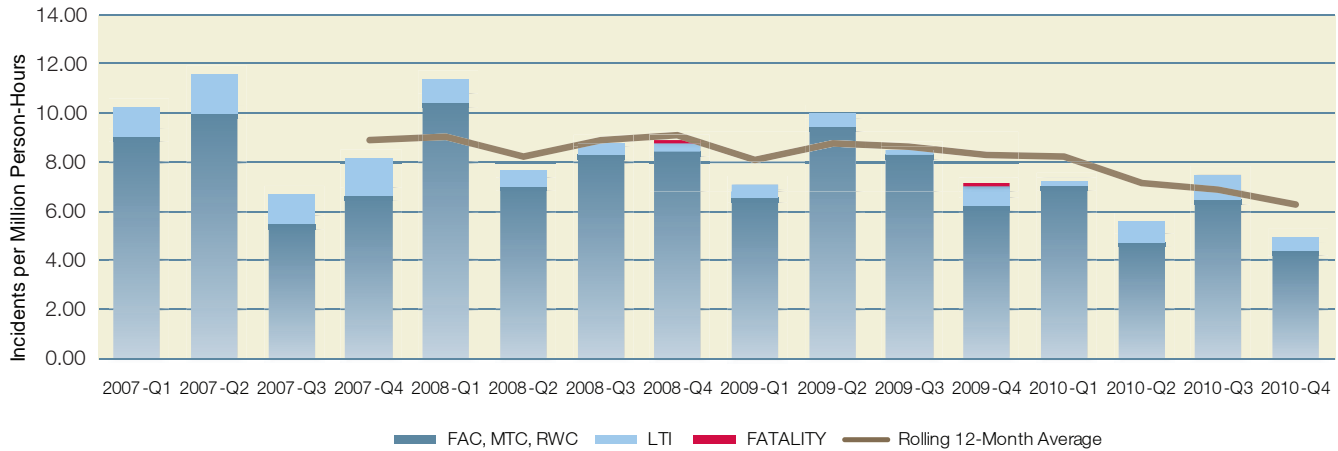
Operational Leadership Program Key Focus Areas:

- Everybody has an obligation to take accountability for their own safety and to watch their co-worker's safety.



- Ship teams shall demonstrate work planning techniques in a ship board scenario.
- The safety behaviors of an individual are a key component in consideration for promotion.
- Seafarers shall be familiar with the correct application of risk management tools and commit to using them effectively.
- Expanded role of the Onboard Safety Officer, shared between deck and engine room junior officers.
- Implementation of Safety Management and Teekay specific Safety Officer Courses to further embed Operational Leadership behaviors and drive improvement in safety focus across our vessels.

Personnel Incident Frequency Trend



Safety in Action – Teekay Safety Observation Process

Teekay has had in place a process that focuses on the safety behaviours of our crews. This is a proactive process and helps Teekay employees “look out for their work mates” before near misses, incidents or an injury occurs. In the Teekay Safety Observation Process (TSOP) observations are planned events that involve observing a colleague at work and then discussing with them any safety aspects identified. These include both areas for compliment and areas where some adjustments may help the workmate prevent injury in the future. The TSOP program has been very successful in helping to shape a culture that encourages crew members to speak up regarding safety.

Safety Spotlight

The Safety Spotlight is a publication that focuses on a specific safety issue and provides guidance and actions to be implemented onboard. The first Spotlight was sent out in 2010 in relation to slips, trips and falls (STF). It contains an easy-to-use check list to assist in identifying and eliminating STF hazards onboard our ships.

Awards

In 2010, Teekay received 82 Devlin Awards at the Chamber of Shipping America’s (CSA) annual Ship Safety Achievement Awards. Seven vessels in the fleet received awards for having ten or more years without a loss-time injury.



SAFETY SPOTLIGHT



SLIPS, TRIPS & FALLS

MAKE YOUR SHIP THE BEST,
SAFER THAN ALL THE REST.



A STRONG RESPONSE TO PIRACY

The situation around Somalia has worsened. Pirates have escalated violent and aggressive actions, and have resorted to murder, crew hostage taking, and even torture.

Over 800 seafarers are currently being held hostage in appalling conditions by armed gangs of pirates. Subjected to physical and psychological abuse for months at a time, they are held ransom for millions of dollars. Merchant ships are being attacked daily and run a gauntlet of gunfire and RPG attacks. Piracy in the Indian Ocean is costing the global economy billions of dollars a year. Maritime piracy is quickly becoming one of the most threatening challenges of the twenty-first century. Although a coordinated and extensive effort by governments, security forces and industry is ongoing in the region, they have not been able to curtail piracy in the region.

Teekay has so far avoided a major assault, hijacking, or attack. We attribute this partly to our strict compliance with best management practices. With our philosophy of zero harm to people and caring for our colleagues, our response to piracy is a high priority for us, and Teekay senior management is closely involved. This ensures effective decision making concerning the implementation

of transit bans for smaller ships, deployment of security guards, and the use of anti-piracy measures.

Apart from the use of industry recognized best management practices, our priority is to closely monitor all available intelligence information and re-route vessels away from identified “hot spots” of pirate activity. Additionally, prior to transiting the Gulf of Aden region, the risks to each and every vessel are assessed during a bi-weekly security meeting and appropriate counter measures are initiated. Strategically, Teekay has been working with various industry bodies to influence IMO, UN and governments to take action to combat piracy.

Teekay supports Save Our Seafarers, a campaign launched by a group of the world’s largest maritime organizations to raise awareness about the human and economic cost of piracy, and to request governments to take a firmer stance to help eradicate piracy. To show your support, please join the campaign to Save our Seafarers (<http://saveourseafarers.com>).



QUALITY ASSURANCE AND TRAINING OFFICERS

The internal quality assurance process has always played a pivotal role in driving performance. In 2008, we extended the role of internal quality assurance by introducing the Quality Assurance and Training Officer program. The QATOs are a group of senior vessel officers seconded from the Teekay fleet for a period of three years who undergo extensive training in order to audit, train and provide a Health Check of each vessel in the Teekay fleet.

The QATOs have been issued with a mandate that goes well beyond the traditional job description of internal audit resources.

- Creating a positive experience for ship staff through a collaborative approach to audits, coaching, and teaching in order to build trust.
- Providing a vessel Health Check with focus on management system compliance, leadership attributes, strategic program implementation, and sharing of best practices.
- Raising awareness for health, safety, environment and quality risks and supporting the development of necessary skills through onboard training.



- Ensure compliance with the four standards to which Teekay's management system is certified: ISM Code, ISO9001, ISO14001 and OHSAS 18001.
- Implement company specific audits to assess competence in the areas of navigation, engineering, environmental practices, and our seafarer competence management system (SCOPE).

QATOs will sail with each vessel in the Teekay fleet once per year for a period of 10-14 days. Since 2008, QATOs have conducted 271 ship visits, for a total of more than 800 days on board.





THE IMPROVEMENT OF SOCIETY AS WELL AS THE COMMUNITIES WE SERVE AND IN WHICH WE OPERATE IS IMPORTANT TO US. WE ENCOURAGE THE SUPPORT OF CHARITABLE, CIVIC, EDUCATIONAL AND CULTURAL CAUSES.

TEEKAY CORPORATION STANDARDS OF BUSINESS CONDUCT POLICY

COMMUNITY INVOLVEMENT

In 2010, we participated in various local community events, volunteering our time and money to give back to the community. The Vancouver office donates its time to several charity events, one of which is Variety's Boat for Hope event where 450 disadvantaged children and their families were treated to a fun-filled day on the water and on land. Each family boarded one of 26 boats for a pirate adventure, collecting treasure and engaging in water fights along the way. Teekay was the key sponsor for the land event.

Our Houston office regularly participates in the Houston E-Cycle Drive for electronic item recycling, and the Adopt-a-Beach program. They are also 'Silver Sponsors' for Susan G Komen for the Cure, a community organization dedicated to breast cancer research and education.

The Stavanger office supported the SOS Children's Villages Keila in Estonia.

The Manila office volunteered their time to the Shelter Project in partnership with Philippine National Red Cross. Shore and vessel staff provided help in building houses for families affected by the typhoon which struck the Philippines. They also donated sofas to 230 families.

BUSINESS CONDUCT

More than 200 employees are required to complete Foreign Corrupt Practices Act (FCPA) training. Currently, almost 75% of required employees have completed the training. The group consists of Managers and above, as well as identified key personnel in positions that might have a higher risk exposure in terms of FCPA compliance. Full compliance with the FCPA is critical for Teekay and aligns fully with our Core Values and our Standards of Business Conduct Policy. If any employee becomes aware of suspected violations, they are encouraged to report promptly to the Vice-President, Risk Management and Internal Audit or anonymously to the Business Conduct Hotline.

AMUNDSEN SPIRIT DAY IN STAVANGER

In September 2010 the Amundsen Spirit was welcomed into Stavanger. Before the naming ceremony, a family day was held where all staff and family were invited on board to take a close look at the first of our four newest shuttle tankers. The four Amundsen Class vessels are the most sophisticated and environmentally friendly



shuttle tankers ever built and won a Clean Shipping Award at NOR Shipping 2009.

The naming ceremony was attended by Teekay staff and board members, media, and the local community. We are very happy that Cecilie Skog agreed to be the Godmother for the Amundsen Spirit. Cecilie, who lives in Gamle Stavanger is a great Norwegian adventurer and embodies the explorer theme of the new Amundsen Class. In 2008 she climbed K2 and tragically lost her husband Rolf Bae, who had been climbing with her. In January 2010 she finished the first unassisted and unsupported crossing of Antarctica ever. In 70 days she completed the more than 1800 km long journey across the Antarctic continent.



Photo: Kristian Jacobsen for Aftenbladet.no, 9/22/2010 (http://www.aftenbladet.no/energi/oljeservice/1264374/Skipesdaap_til_en_half_million_kroner.html)

PLANET

THE MARINE OPERATIONS MANAGEMENT SYSTEM

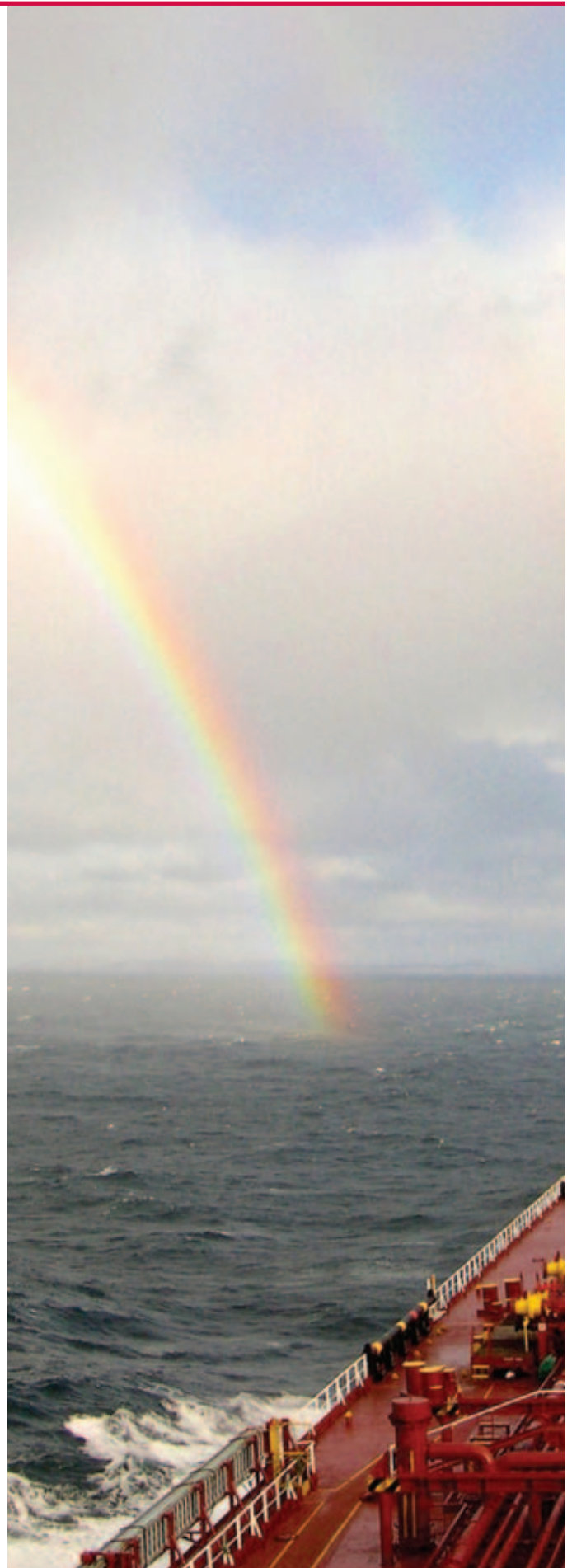
Teekay operates within a strategic framework that is a combination of systems, processes and initiatives developed to effectively identify and manage risk and deliver the best service to our customers.

In order to execute the strategies and ensure that they are carried out successfully the Marine Operations Management System (MOMS) has been developed to document the requirements. Teekay's operational approach is supported by MOMS where every aspect relating to health, safety, environment, and quality is integrated into one operational management system.

The MOMS system is certified to the following codes and standards:

- ISM Code (Safety & Environment)
- OHSAS 18001 (Health & Safety)
- ISO 14001 (Environment)
- ISO 9001 (Quality)

Our beliefs are defined in our Health, Safety, Environment and Quality Policy.





from left to right;

2007: Teekay wins BP Shipping CEO's Outstanding Environmental Achievement Award.

2009: Teekay receives the Clean Air Award at NOR-Shipping's Clean Shipping Awards.

2010: Teekay receives most CSA Environmental Achievement Awards in company history.

ENVIRONMENTAL MANAGEMENT

Responsible safety and environmental practices is one of our core values. It drives our policy to strive for zero spills, to minimize our impact on the environment, and to meet or exceed all regulatory requirements. Our Environmental Leadership Program is an action plan for executing our environmental strategy. At all times, compliance with regulation is our minimum standard.

Teekay maintains an ISO14001 certified environmental management system, which includes a global emergency response system. The Environmental Leadership Program is overseen by a steering committee comprised of senior management.

INNOVATIVE SOLUTIONS TO REDUCE EMISSIONS

Teekay invests significant time and money into innovative solutions that minimize the impact of our operations on the environment. We focus on innovation in three areas:

- Low-emission vessel design concepts and implementation
- Optimizing vessel performance through our Technical Leadership Program (TLP)
- Researching and implementing sustainable new technologies and practices

Award-Winning Emissions Reductions

As a leader in VOC capture, Teekay has developed and implemented a new award winning system to reduce VOC emissions by 60-80% during loading and up to 100% during transit. The system is significantly more simple and inexpensive compared to existing VOC reduction plants, and is installed on new Amundsen Class Shuttle Tankers delivered in 2010 and 2011.

More Efficient Propulsion

Our model-testing of a Propeller Boss Cap Fin has shown efficiency gains of roughly 4%, resulting in reduced fuel consumption and air emissions. Retrofit installations began on vessels in 2010.

Better Cargo Heating

Some oil cargos must remain heated during transit. By developing optimized heating routines, our vessels can reduce fuel consumption for cargo heating by more than 30%.

Voyage Planning Improvements

In 2009, weather routing resulted in an estimated fuel savings of approx 1.6%. Teekay has also partnered to research and develop new software tools to improve voyage decision planning.



See the story behind the Flex Shuttle concept (top) with Dr. Hans Richard Hansen, VP Technology and Development. <http://www.youtube.com/user/TeekayCorp>

New Vessel Designs

Teekay has developed and patented a revolutionary design for future shuttle tanker needs. The “Teekay Flex Shuttle” stern-loading shuttle tanker design provides significantly improved positioning and reliability, while allowing total installed power to be cut in half.

A new Teekay developed Suezmax tanker design has shown a fuel consumption savings of 22% at 14 knots compared to benchmark vessels.

Fewer Smog Forming Emissions

Our new Amundsen Class Shuttle Tankers have DNV Clean Design notation, and exceed IMO Tier II NOx limits.

Performance Monitoring

Teekay has implemented the CASPER service for monitoring hull and propeller performance, while an internally developed evaluation system is used to monitor main engine performance.

CLIMATE CHANGE

Marine shipping is the most energy efficient means of transport. Yet, we recognize the need to still do more. Reducing our contribution to global climate change is the most important environmental task we face. Achieving significant reductions will be challenging. The amount of oil and gas transported by sea is steadily growing, and thus long-term reductions in emissions will require significant increases in efficiency.

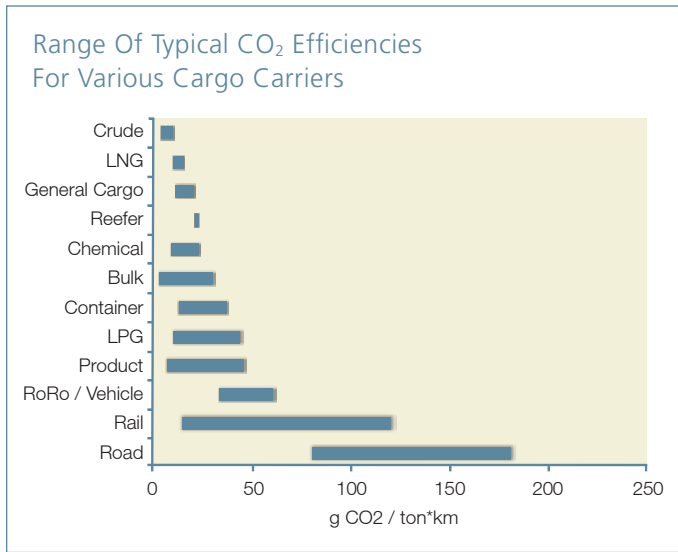
Regulations

Teekay supports the prompt adoption, by the International Maritime Organization, of global regulations to reduce greenhouse gas emissions. The IMO has proposed several initiatives and regulations.

- The Energy Efficiency Design Index (EEDI) will set efficiency standards for new vessels. Teekay supports and has contributed to the development of the EEDI.



Teekay FlexShuttle stern-loading Shuttle Tanker Design



- The Energy Efficiency Operational Indicator (EEOI) provides a measure of the operational efficiency of existing vessels. Teekay has been measuring fleet emissions using the EEOI since 2008.
- The Ship Energy Efficiency Management Plan (SEEMP) is a process for developing ship-specific plans to manage and reduce energy and emissions. Teekay has prepared a SEEMP and will begin integrating the plans into our management system in 2011.

IMO members are considering various market-based mechanisms that would create an added financial incentive to reduce greenhouse gas emissions. With the help of INTERTANKO, we remain engaged on all proposals.



Carbon Management

Teekay has been reporting to the Carbon Disclosure Project since 2009. The Carbon Disclosure Project provides a standardized reporting framework for companies to disclose their greenhouse gas emissions and reduction strategies, and is used by more than 3000 organizations worldwide. Our 2010 report is publicly available at www.cdproject.net.

To ensure the accuracy of reported data, we have undertaken an assessment of our greenhouse gas data management system against the ISO 14064 standard, and are implementing the recommendations into our management system.

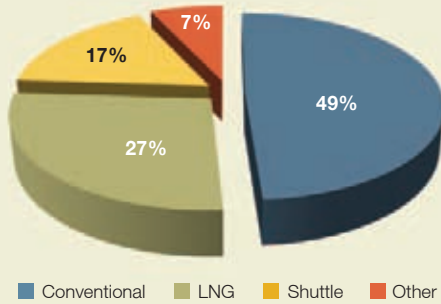
Risks and Opportunities

Marine shipping emits less CO₂ per tonne-mile than air, truck or rail transport. Greenhouse gas regulation could therefore encourage a modal shift towards marine transport. Regulation may also increase demand for cleaner, low carbon fuels such as LNG. As the third largest independent operator of gas carriers, Teekay stands to benefit from an increase in demand for LNG.

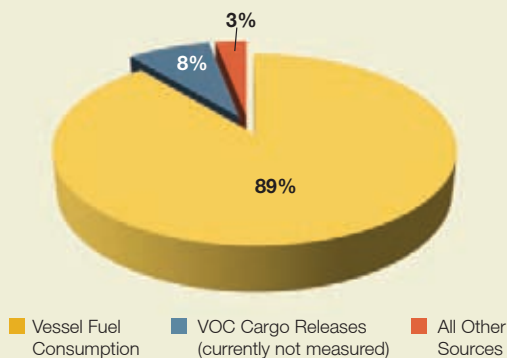
Greenhouse gas regulation may encourage the development of carbon capture and storage (CCS) projects. Teekay has worked jointly with industry partners to develop logistics solutions for a CCS demonstration project for undersea storage of carbon. Previously, Teekay was awarded a contract to study the costs of ship transportation of CO₂ between Norwegian ports and potential offshore underground deposit sites. As the world's largest operator of offshore Shuttle Tankers, Teekay has a unique ability to offer the expertise and the assets to service the growing CCS industry.

While greenhouse gas regulation may drive new business opportunities, it may also increase the costs of doing business. Each year, enterprise level risks are assessed and communicated to the Board of Directors. The assessment includes the risks due to climate change. If Teekay were required to obtain emissions permits to cover all CO₂ emissions at prices similar to historic levels in the European Emissions Trading Scheme (ETS) market the total cost could be \$100 million annually or more.

Greenhouse Gas Emissions By Fleet



Greenhouse Gas Emissions By Source





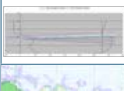




Greenhouse Gas Emissions

In 2010, our global operations created 4.74 million metric tones of greenhouse gasses. Almost 90% of emissions are from vessel fuel consumption.

Compared to last year the Teekay fleet recorded higher total CO₂ emissions due to the addition of vessels in the Shuttle and LNG fleets. While total fuel consumption increased in 2010 there was a reduction in CO₂ emissions per tonne-mile compared to 2009. Part of this reduction is due to market changes, including a shift from Aframax to Suezmax vessels in the Conventional fleet, and a greater tonne-mile share by new larger vessels in the LNG fleet. Larger vessels tend to have lower emissions per tonne-mile due to economies of scale.

We continue to use the IMO recommended Energy Efficiency Operational Indicator as one metric to monitor emissions per tonne-mile performance. Our EEOI performance is affected by a number of factors outside of our control, including charter speed, weather, delays, and trading patterns. Therefore, we continue to use more specific vessel performance monitoring systems developed under our Technical Leadership Program to also monitor and improve vessel efficiency and performance.

		FUEL SAVINGS / APPLICABLE VOYAGE	YEARLY FLEET POTENTIAL	COMBINED	
SHIP RESISTANCE					
	Hull / Propeller Optimization (CASPER)	1.5 %	0.9%	~ 10%	
PROPULSION					
	Propeller Boss Cap Fin	5% (laden passage)	2.5%		
	Engine Optimization	2%	1.2%		
OPERATIONS					
	Cargo Heating	20% where applicable	1.0%		
	Trim Optimization	1% (specific voyages)	0.2%		
	Optimum Weather Routing	2% (trans-oceanic voyages)	1.0%		
	Speed Optimization	20% (Slow steaming on select voyages)	1 - 4%		



AIR EMISSIONS

The average sulphur content of fuels used in the Teekay fleet has been decreasing for several years, and was 2.29% in 2010. Actual emissions of sulphur oxides were roughly 56,700 metric tonnes in 2010, which is a small increase from 2009.

In 2010, Teekay made significant investments to retrofit existing vessels to safely burn ultra-low sulphur diesel in vessels trading in the European Union and other upcoming 0.1% sulphur regulated areas.

Nitrogen oxide emissions were roughly 98,700 metric tonnes in 2010.

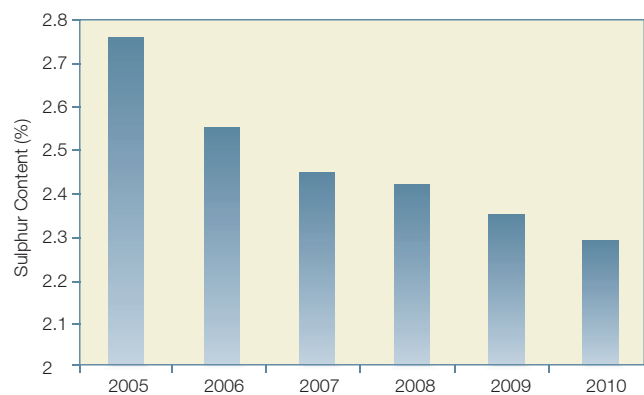
Cargo related Volatile Organic Compound emissions are not currently measured due to a lack of recognized measurement or estimation method. However, based on existing industry research, we believe methane in VOC cargo emissions may account for roughly 8% of our total greenhouse gas emissions.

To reduce VOC emissions, we have implemented Class Approved VOC Management Plans on all required vessels in 2010. The government of Norway further

regulates VOC emissions from the offshore loading and transport of crude oil. Teekay has played an active role in establishing cooperation among offshore industry stakeholders in the Norwegian sector to implement VOC recovery systems.

In 2010, Teekay purchased 15,885 kg of refrigerant gas. This past year, we implemented a Refrigerant and Ozone Depleting Substances (ODS) Record Book onboard all vessels to better manage and reduce refrigerant and ODS losses. The majority of refrigerants in use on our vessels have no impact on the ozone layer.

Average Sulphur Content in Bunkers Purchased



DISCHARGES TO WATER

Spills

In 2010, there was one spill incident greater than a barrel in volume. A spill of 200 litres of diesel oil occurred when a bunker tank was overflowed during an onboard transfer. Remaining spill events in 2010 were due to minor drips or leaks of lube and hydraulic oil, and totaled 33 litres in volume. Our management system (MOMS) facilitates and encourages all staff to report, investigate, and continuously learn how to prevent future incidents.

Water Discharges

Water that collects in the machinery spaces of ships is referred to as bilge water. Teekay has implemented its own industry leading Shipboard Effluent Control and Treatment (SECAT) program on many vessels to reduce the generation of bilge water at source. All ships use oily water separators to remove most of the oily content from bilge water. Remaining water can then be disposed at sea, except in certain designated areas, if the water contains less than 15 parts-per-million (ppm) of oil content. All our vessels are equipped with approved discharge monitoring equipment that ensures the 15 ppm limit cannot be exceeded.

In 2010, Teekay vessels discharged 131,205 cubic metres of bilge water, slop water from tank washing, and soot water from the cleaning of boilers and exhaust gas economizers.

These totals do not include grey water or black water (sewage) discharges from vessels or offices. The IMO

IN THE LAST THREE YEARS
TEEKAY VESSELS CARRIED
OVER 4 BILLION BARRELS OF
CARGO, AND SPILLED ONLY
3 BARRELS OF OIL TO SEA.

International Convention for the Prevention of Pollution from Ships (MARPOL) regulations permit vessels to discharge sewage and grey water at sea, provided sewage is treated with an approved system onboard before discharge.

Solid Waste Management

Our policy is to reduce at sea disposal, which is accomplished by reducing the amount of waste being sent to vessels, properly segregating and compacting onboard, and making use of non-sea disposal methods such as shore disposal facilities and onboard incineration.

In 2010, Teekay vessels generated 11,656 m³ of solid waste¹⁰. Roughly 50% was sent to shore facilities for disposal or recycling¹¹. One quarter was incinerated onboard, and the remaining portion was disposed at sea in accordance with MARPOL. Teekay has set an annual target for at sea garbage disposal of six cubic metres per vessel. This target decreases to five cubic metres in 2011. In 2010, 83% of the entire fleet met the waste reduction target.

¹⁰Totals do not include disposal of wastes from offices. All offices use municipal or local waste collection services.

¹¹We cannot confirm that all material sent ashore for recycling was eventually recycled as some ports unfortunately do not provide recycling facilities.



Of all waste disposed at sea, one third was food waste disposed at least three nautical miles from shore. One third was cargo residues from bulk carriers, which may be disposed at least 12 nautical miles from shore, and the remaining portion was solid waste, which are disposed at least 12 miles from shore. No plastic, oily, or hazardous material may be disposed at sea.



ON SHORE

For years, Teekay's Environmental Leadership Program has defined our strategy for reducing the environmental impact of our operations. Given the nature of our business, much of the focus has been on reducing impacts from our vessels. In 2009, Teekay launched Green 15, a program to ensure our commitment is matched equally in our office based activities. Green 15 is an annual plan for offices to reduce their environmental impact, and includes a checklist of 15 items which are revised annually to encourage continuous improvement.

Teekay's Houston office is Energy Star rated, and staff participate in the Houston Green Office Challenge. In

Singapore, staff have set annual targets for reduction in electricity, paper and office supplies. The Stavanger office established a project to motivate staff to train and to take part in a public bicycle-tour and race. In Sydney, staff participate in community events such as City to Surf. Our Glasgow office supports a unique initiative where a fruit tree is planted in Africa for each box of fruit delivered to the office. In Vancouver, a composting program was initiated office-wide in 2010, and waste diversion efforts have expanded to include the collection and recycling of batteries, fluorescent bulbs, plastic bags and electronic waste.

OFFICE SUSTAINABILITY CHALLENGES

1. Report office energy consumption.
2. Report one or more of: water consumption, paper usage, waste disposal, recycling volumes.
3. Maintain a lights off policy.
4. Chose high efficiency bulbs when replacing lights or fixtures.
5. Ensure power management is implemented on all computers and office equipment.
6. Encourage staff to reduce disposable containers.
7. Set printers and copiers to double-sided by default.
8. Continue challenging staff to reduce printing and copying amounts.
9. Reduce the environmental impact of office procurement.
10. Encourage staff to reduce the environmental impact of their commute
11. Support means of reducing employee travel.
12. Share success stories and suggestions within your office.
13. Share successes with other offices.
14. Be active in community environmental efforts.
15. Undertake one or more "Sustainability Checks" in your office.



Green 15

PROFIT



THE MARINE MIDSTREAM COMPANY

Founded in 1973 by the late Torben Karlshoej, Teekay is a transnational company with a fleet of over 150 vessels, offices in 16 countries and approximately 6,400 seagoing and shore-based employees.

We provide comprehensive marine services to the world's leading oil and gas companies, helping them seamlessly link their upstream energy production to their downstream processing operations. Our goal is to create the industry's leading asset management company focused on the Marine Midstream sector. We are a recognized leader in safety, quality, and service.

Our mission is to be the premier provider of marine services to our customers in the oil and gas industry.

Over the past decade, we have undergone a major transformation from being primarily an owner of ships in the spot tanker business to being a growth-oriented asset manager in the "Marine Midstream" sector. This transformation has included our expansion into the liquefied natural gas and petroleum gas shipping sectors, further growth of our operations in the offshore production, storage and transportation sector, and expansion of our conventional tanker business.

FOUNDED IN 1973, TEEKAY IS A RECOGNIZED INTERNATIONAL LEADER IN ENERGY SHIPPING. OUR STRENGTH LIES IN THE GLOBAL REACH OF OUR ORGANIZATION, THE SIZE OF OUR FLEET, AND THE QUALITY OF OUR PEOPLE AND OPERATIONS.

Our Core Values:

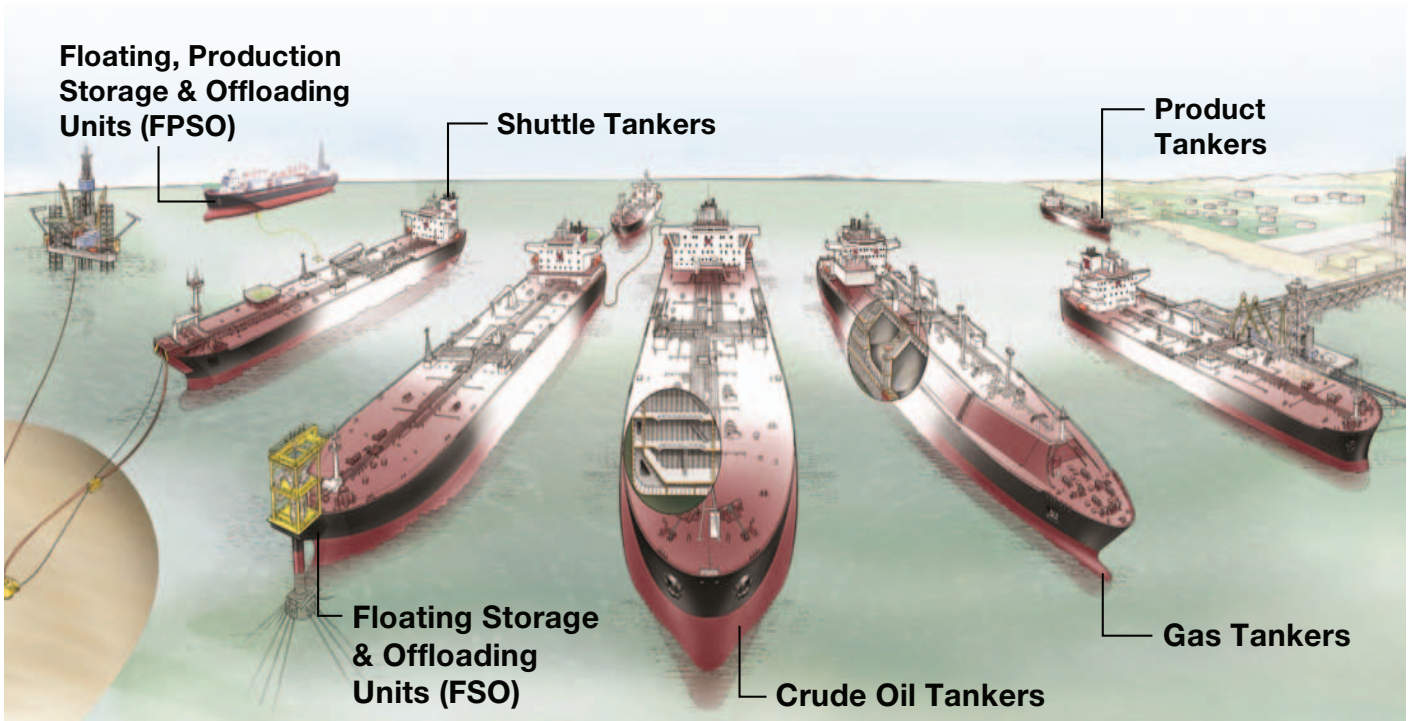
- Quality through professionalism, reliability and integrity
- Responsible safety and environmental practices
- Responsiveness and creativity towards customers' needs
- Loyalty to employees
- Competitive and entrepreneurial spirit
- Continuous self-improvement

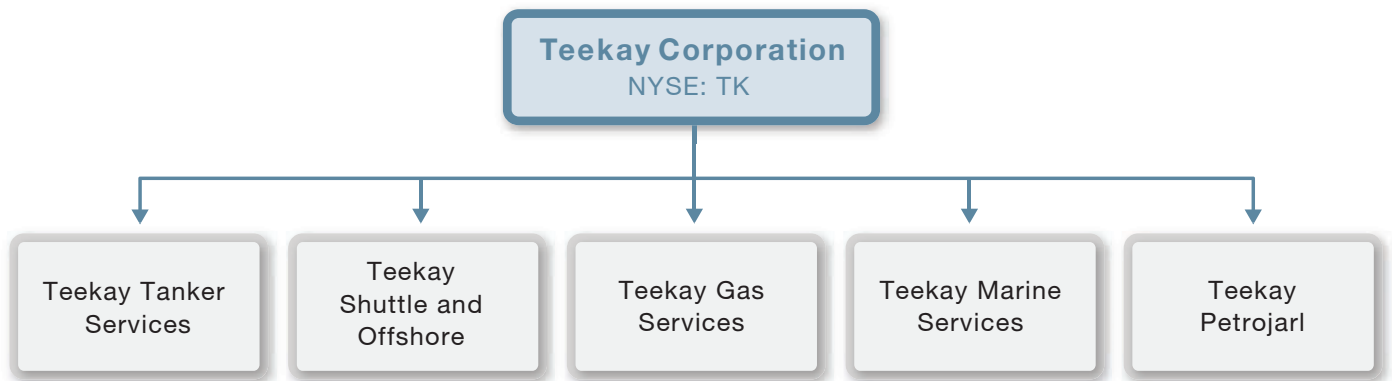
Teekay has earned its mark as a world leader. Driven by a strong vision, we deliver exceptional customer service and solutions that meet a diverse range of needs.

Our expertise is organized into five business units: Teekay Tanker Services, Teekay Shuttle and Offshore, Teekay Gas Services, Teekay Marine Services and Teekay Petrojarl. These centers of expertise collaborate closely with our customers to fully understand their needs and develop tailored solutions to meet those needs.

Teekay Tanker Services

Teekay is the largest operator of medium-sized crude oil tankers. We combine our high quality fleet and extensive expertise to offer a full range of flexible, customer-driven oil shipping solutions through our worldwide network of commercial offices. Our conventional tanker services include crude oil and product tankers operating on fixed-rate time charters, and operating in the spot tanker market.





Teekay Shuttle and Offshore

Teekay is the world’s leading operator of offshore loading shuttle tankers, offering comprehensive shuttle tanker services. We also deliver innovative methods of storing and transferring offshore oil, from floating storage systems to complete export and transportation services. Our shuttle tankers and floating storage and offloading units operate primarily under long-term fixed-rate contracts.

Teekay Gas Services

Teekay provides LNG and Liquefied Petroleum Gas (LPG) transportation services under long-term, fixed-rate contracts to major energy and utility companies. With a first-class reputation for innovative solutions and expert management of complex projects, we have an unwavering commitment to quality and safe operations.

Teekay Marine Services

Exceptional performance across a vast range of technical and commercial services is the goal of Teekay Marine Services, a global operational franchise delivering the industry’s highest standard of shipboard practices and marine expertise. The Teekay Marine Services division provides ship management services, including maintenance, crewing, procurement, HSE management, new-building, insurance and financial management from various offices around the world.

Teekay Petrojarl

Teekay Petrojarl is the largest operator of FPSO units in the North Sea and is expanding operations in Brazil. We use our FPSO units and associated service vessels to provide production, processing and storage services to oil companies operating offshore oil field installations. These services are typically provided under long-term fixed-rate time-charter.

Our Customers

Our customers include major energy and utility companies, major oil traders, large oil and LNG consumers and petroleum product producers, government agencies, and various other entities that depend upon marine transportation.

Our core purpose is to be the first choice of our customers and to uphold the Teekay Standard as a respected symbol of quality.

SIGNIFICANT DEVELOPMENTS AND FINANCIAL HIGHLIGHTS

Stock and Bond Offerings

Teekay and its subsidiaries raised over \$1.2 billion through new stock and bond offerings in 2010.

- Teekay Corporation completed a public offering of senior unsecured notes with a principal amount of \$450 million.
- Teekay Offshore raised \$518.5 million through new stock and bond offerings.
- Teekay Tankers raised \$211.9 million through new stock offerings.
- Teekay LNG raised \$51 million through a direct equity placement.

Proceeds from offerings were used to repay debt and loans, and for our subsidiaries to acquire vessels from Teekay Corporation. As a result of the stock and bond

offerings, Teekay Corporation's ownership of Teekay Offshore, Teekay Tankers, and Teekay LNG was decreased. Teekay Corporation maintains control of Teekay Offshore, Teekay Tankers, and Teekay LNG.

Office Changes

In order to position ourselves to benefit from expected growth in China, we opened a representative office in Shanghai, China. The office will help coordinate and implement our short-term and long-term strategy for the Chinese market. In addition, we have established a China Workgroup dedicated to identifying and executing on opportunities in China.

Teekay's Hamburg office was closed at the end of 2010. The office had been responsible for the management of three vessels on behalf of a German owner. Vessel management was transferred to a third party.

Financial Investments

In 2010, we made \$185 million in loans to two third-party ship owners. The loans are secured by mortgages on two 2010-built Very Large Crude Carriers (VLCC) and one 2011-built VLCC.

FPSO Contract Renewals

This past year, we signed a new contract with Petrobras to operate the Petrojarl Cidade de Itajai FPSO currently in construction. The nine year contract begins in 2012, with possible extension for six further years. In addition, our operating contract for the Rio das Ostras FPSO operating in Brazil was extended to the end of 2017. We also extended the operating contract for the Foinaven FPSO until at least 2021.

Statoil Agreement

Teekay Offshore signed a life-of-field master agreement with Statoil that replaces its existing volume-dependent contract of affreightment, and covers fixed-rate, annual renewable time-charter contracts initially for seven dedicated shuttle tankers.

THE INTERNATIONAL SHIPPING NEWSPAPER 21 JANUARY 2011 Volume 23 Number 41

TradeWinds

ABS
SETTING STANDARDS OF EXCELLENCE

Teekay pumps up in China

Canadian tanker giant Teekay is looking to strengthen ties with China to put itself first in line if the country's thirst for energy opens the door to Beijing-controlled oil majors dealing directly with foreign shipping players. **Page 7**

Signs of change on liner front

The traditional world map of liner shipping is being redrawn by the emerging economies. Correspondent Ian Lewis examines the developments taking place in a **TradeWinds Business Report** on pages 19 to 27.

New benchmark

Updated to the dry-bulk market is poised to set new benchmark ship rates. **Page 5**

Big is beautiful

Indian builder and tanker owner LSGI is expected to begin building up to 10 larger tankers. **Page 8**

Debut in LR2s

Container-based port player Hellenic Tankers is entering the long-range two (LR2) market. **Page 6**

Yard boss quits

Dutch-based port group Drydock World has had another major senior management shake-up. **Page 10**

Oil	8.1
Gas	10.2
Coal	10.2
Iron Ore	10.2
Grain	10.2
Oilseeds	10.2
Metals	10.2
Other	10.2

TradeWinds Ship Recycling Forum
1-2 March 2011, Jumeirah Emirates Towers / Dubai

Support now for special discount on subscription's fee

REALLY CHECK! The message is clear - it's time for ship recycling to get real. This Forum provides the practical guidance, political context and the vital contacts you need to navigate your way through the scrapping process.

To register, call +44 207 842 2727 or +86 21 6329 6381 (Asia Pacific) or email info@shtrivents.com or visit www.shtrivents.com

Vessel Financial Overview – 2010

	SHUTTLE AND FSO	FPSO	LNG	CONVENTIONAL TANKERS	TOTAL
Revenues	622,195	463,931	248,378	734,374	2,068,878
Voyage expenses	111,003	-	29	134,065	245,097
Net voyage revenues	511,192	463,931	248,349	600,309	1,823,781
Operating expenditure	182,614	209,283	46,497	192,153	630,547
Time-charter hire expense	89,768	-	-	169,349	259,117
Depreciation	127,438	95,784	62,904	154,579	440,705
General and administrative expense	51,281	42,714	20,147	79,601	193,743
Loss on sale, write-downs	19,480	-	-4,340	34,010	49,150
Restructuring	704	-	394	15,298	16,396
Income (loss) from operations	39,907	116,150	122,747	-44,681	234,123
Segment assets	1,811,186	1,185,017	2,869,713	2,691,407	8,557,323



Global Reporting Initiative

This report uses the Global Reporting Initiative framework, and is intended to meet Application Level C.



STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

Item	Description	Answer Or Location Within The Report
1. STRATEGY AND ANALYSIS		
1.1	Statement from the most senior decision-maker of the organization.	Page 3
2. ORGANIZATIONAL PROFILE		
2.1	Name of the organization.	Incorporated under the laws of the Republic of The Marshall Islands as Teekay Corporation.
2.2	Primary brands, products, and/or services.	Pages 25-27
2.3	Operational structure of the organization.	Page 32, Appendix 1
2.4	Location of organization's headquarters.	Our principal executive headquarters at 4th floor, Belvedere Building, 69 Pitts Bay Road, Hamilton, HM 08, Bermuda. Our principal operating office is located at Suite 2000, Bentall 5, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2K2.
2.5	Number of countries where the organization operates.	We operate on all continents except Antarctica, and have offices in 16 countries.
2.6	Nature of ownership and legal form.	See Appendix 1: Organizational Structure, Subsidiaries and Joint-Ventures
2.7	Markets served.	Pages 25-28
2.8	Scale of the reporting organization.	Page 4: fleet size
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Page 33, Appendix 1
2.10	Awards received in the reporting period.	Pages 12 and 18
3. REPORT PARAMETERS		
3.1	Reporting period.	January 1 to December 31, 2010
3.2	Date of most recent previous report (if any).	None
3.3	Reporting cycle (annual, biennial, etc.)	Annual
3.4	Contact point for questions regarding the report.	Howard Seto, Manager, Environment. Teekay Shipping (Canada) Ltd. Suite 2000, Bentall 5, 550 Burrard Street Vancouver, BC, Canada V6C 2K2 Howard.Seto@Teekay.com +1 604 609 4774
3.5	Process for defining report content.	Material has largely been decided based on what information is available and reported in existing internal or external reports. Stakeholder identification and materiality workshops were held in March and April 2011. Although these were conducted too late to have a significant influence on this report, the results will be influential in setting next year's report.
3.6	Boundary of the report.	See Appendix 2: Report Boundary
3.7	State any specific limitations on the scope or boundary of the report.	Information about Teekay Petrojarl is contained in their own publicly available sustainability report.
3.8	Basis for reporting on joint ventures, subsidiaries and leased facilities.	Based on operational control principle.

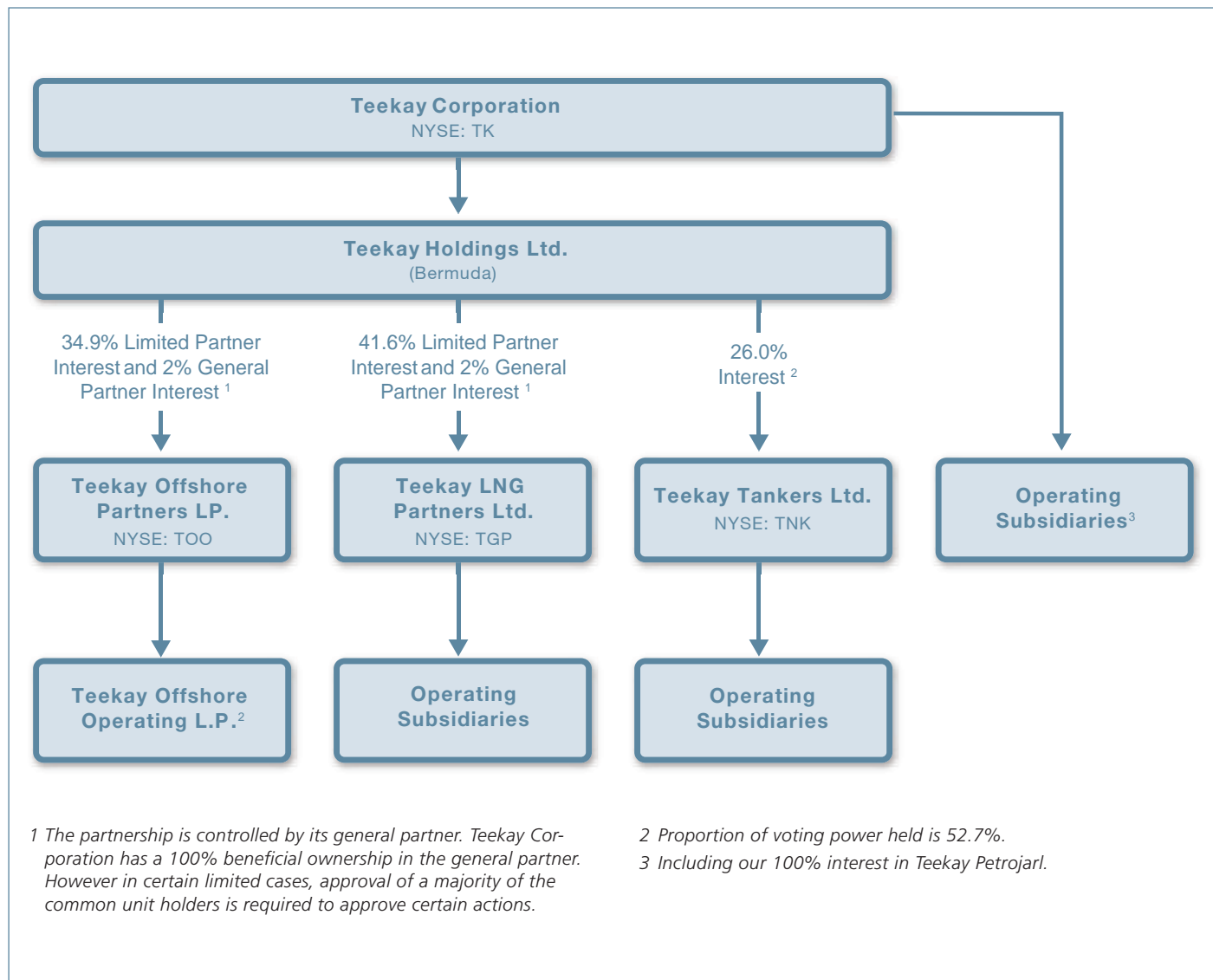
3.10	Explanation of the effect of any re-statements of information provided in earlier reports.	None.
3.11	Significant scope, boundary or method changes from previous reporting.	None.
3.12	Table identifying the location of the Standard Disclosures in the report.	Included in this table.
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT		
4.1	Governance structure of the organization.	The Board of Directors consists of nine members. There are 7 Directors, 1 member serving as Director and Chair of the Board, and 1 member serving as Director and Chair Emeritus. The Board of Directors has three committees: Audit Committee, Compensation and Human Resources Committee, and Nominating and Governance Committee. Each of the committees is currently comprised of independent members and operates under a written charter adopted by the Board. All of the committee charters are available under "Corporate Governance" in the Investor Centre of our website at www.teekay.com
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	No.
4.3	Number of members of the highest governance body that are independent and/or non-executive members.	The Board of Directors consists of nine members. Eight members are independent, and one member is Teekay's Chief Executive Officer (CEO).
4.4	Mechanisms for shareholders and employees to provide recommendations to the highest governance body.	Teekay offers a Business Conduct Hotline that allows staff to anonymously report violations of our Standards of Business Conduct Policy. The Hotline is overseen by the Vice President, Risk Management and Internal Audit who reports directly to the Audit Committee of the Board of Directors.
4.14	List of stakeholder groups engaged by the organization.	Stakeholder engagement will be introduced in our 2011 report. A stakeholder identification workshop was completed in March 2011.
4.15	Basis for identification and selection of stakeholders.	A workshop with staff from various business units was led by an external consultant. Stakeholders were identified through brainstorming, and ranked by impact and influence.

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

ECONOMIC		
EC1	Direct economic value generated and distributed.	Pages 4 and 29
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Page 20
ENVIRONMENTAL		
EN16	Total direct and indirect greenhouse gas emissions by weight.	Page 21
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Pages 18, 19 and 21
EN19	Emissions of ozone-depleting substances by weight.	Pages 4 and 22
EN21	Total water discharge by quality and destination.	Pages 4 and 23
EN22	Total weight of waste by type and disposal method.	Pages 4 and 23
EN23	Total number and volume of significant spills.	Pages 4 and 23
LABOR PRACTICES		
LA1	Total workforce by employment type, employment contract, and region.	Pages 4 and 7
LA2	Total number and rate of employee turnover by age group, gender, and region.	Pages 4 and 7
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Pages 4 and 12
SOCIETY		
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Page 16

APPENDIX 1: ORGANIZATIONAL STRUCTURE, SUBSIDIARIES AND JOINT-VENTURES

The following chart provides an overview of our organizational structure as at April 30, 2011.



- Teekay Offshore is a Marshall Islands limited partnership formed by us in 2006.
- Teekay LNG is a Marshall Islands limited partnership formed by us in 2005.
- Teekay Tankers is a Marshall Islands corporation formed by us in 2007.

Significant Subsidiaries

The following is a list of Teekay's significant subsidiaries and Limited Partnerships (LP) at March 15, 2011.

NAME OF SIGNIFICANT SUBSIDIARY	STATE OR JURISDICTION OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST
Teekay Chartering Limited	Marshall Islands	100.0%
Teekay Holdings Limited	Bermuda	100.0%
Single Ship Limited Liability Companies	Marshall Islands	100.0%
Teekay LNG Partners LP	Marshall Islands	47.7%
Teekay Offshore Partners LP	Marshall Islands	28.3%
Teekay Navion Offshore Loading Pte Ltd.	Singapore	14.4%
Teekay Petrojarl AS	Norway	100.0%
Teekay Tankers Ltd.	Marshall Islands	26.0%

Recent Significant Joint Ventures

In September 2010, Teekay Tankers entered into a 50/50 joint venture arrangement with Wah Kwong Maritime Transport Holdings Limited to have a VLCC newbuilding constructed, managed and initially chartered for a period of five years.

In November 2010, Teekay LNG acquired a 50% interest in companies that own two LNG carriers from Exmar NV.

We have a 33% interest in a joint venture that will charter four newbuilding 160,400-cubic meter LNG carriers for a period of 20 years to the Angola LNG Project, which is being developed by subsidiaries of Chevron Corporation, Sociedade Nacional de Combustiveis de Angola EP, BP Plc, Total S.A., and Eni SpA.



APPENDIX 2: REPORT BOUNDARY

A reporting boundary determines which assets are to be included in reporting.

We have adopted the control approach. Assets over which Teekay has direct operational control will be included. Operational control is considered to exist when Teekay has the authority to implement its operating policies on the asset. Operational control differs from financial control, which is determined by the right to financial benefits of the asset.

Reporting Boundary Includes:

- All owned and operated vessels, including time-chartered out, technically managed, or bareboat-in vessels
- Teekay shore offices
- Full-time, part-time and contract staff at sea and ashore

Reporting Boundary Excludes:

- Time or spot chartered-in vessels
- Bareboat-out and vessels only under commercial management
- Teekay Petrojarl
- Temporary contractors
- Assets with a financial but no operational interest