

TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands of U.S. dollars)

	<u>Three Months Ended December 31, 2010</u>				Teekay Corporation Consolidated
	<u>(unaudited)</u>				
	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	
Income (loss) from vessel operations	31,722	50,402	5,143	(56,454)	30,813
Depreciation and amortization	50,230	22,658	11,222	27,937	112,047
Amortization of in process revenue contracts and other	2,510	(1,919)	-	(13,542)	(12,951)
Unrealized losses (gains) from the change in fair value of designated foreign exchange forward contracts	341	-	-	(127)	214
Realized (losses) gains from the settlements of non-designated foreign exchange forward contracts/bunkers/FFAs	(384)	-	-	1,315	931
Asset impairments/net loss (gain) on vessel sales	9,441	(4,340)	-	19,094	24,195
Cash flow from time-charter contracts, net of revenue accounted for as direct finance leases	541	1,544	-	-	2,085
Dropdown Predecessor cash flow	-	-	(103)	103	-
Cash flow from vessel operations ⁽¹⁾⁽²⁾	94,401	68,345	16,262	(21,674)	157,334

	<u>Three Months Ended December 31, 2009</u>				Teekay Corporation Consolidated
	<u>(unaudited)</u>				
	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	
Income (loss) from vessel operations	27,126	41,600	6,781	(63,580)	11,927
Depreciation and amortization	48,769	22,294	11,722	32,535	115,320
Amortization of in process revenue contracts and other	714	(940)	-	(22,463)	(22,689)
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	480	-	-	584	1,064
Realized (losses) gains from the settlements of non-designated foreign exchange forward contracts/bunkers/FFAs	(125)	-	-	14	(111)
Asset impairments/net loss on vessel sales	-	-	-	21,839	21,839
Cash flow from time-charter contracts, net of revenue accounted for as direct finance leases	-	1,460	-	-	1,460
Dropdown Predecessor cash flow	(3,734)	(4,684)	(3,975)	12,393	-
Cash flow from vessel operations ⁽¹⁾⁽²⁾	73,230	59,730	14,528	(18,678)	128,810

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- (1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel write-downs, gains or losses on the sale of vessels and unrealized gains or losses relating to derivatives but includes realized gains or losses on the settlement of foreign exchange forward contracts, bunkers and FFAs. Cash flow from vessel operations is included because certain investors use this data to measure a company's financial performance. Cash flow from vessel operations is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to net income or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.
- (2) Excludes the cash flow from vessel operations relating to assets acquired from Teekay Parent for the periods prior to their acquisition by Teekay Offshore, Teekay LNG and Teekay Tankers, respectively, as those results are included in the historical results for Teekay Parent.

TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

Three Months Ended December 31, 2010
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	229,263	97,516	30,160	188,342	(48,005)	497,276
Voyage expense	(26,151)	(685)	(545)	(31,019)	5,402	(52,998)
Net revenues ⁽¹⁾	203,112	96,831	29,615	157,323	(42,603)	444,278

Three Months Ended September 30, 2010
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	210,866	92,154	33,664	169,076	(43,643)	462,117
Voyage expense	(29,047)	(723)	(434)	(28,585)	5,070	(53,719)
Net revenues ⁽¹⁾	181,819	91,431	33,230	140,491	(38,573)	408,398

Three Months Ended December 31, 2009
(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	225,516	95,817	35,151	215,759	(49,586)	522,657
Voyage expense	(34,621)	(539)	(694)	(38,433)	5,449	(68,838)
Net revenues ⁽¹⁾	190,895	95,278	34,457	177,326	(44,137)	453,819

TEEKAY CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

Year Ended December 31, 2010

(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	900,546	374,008	139,479	839,473	(184,628)	2,068,878
Voyage expense	(125,101)	(2,042)	(2,544)	(134,411)	19,001	(245,097)
Net revenues ⁽¹⁾	775,445	371,966	136,935	705,062	(165,627)	1,823,781

Year Ended December 31, 2009

(unaudited)

	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Revenues	871,112	343,048	159,690	998,429	(200,230)	2,172,049
Voyage expense	(111,026)	(2,034)	(5,452)	(200,106)	24,527	(294,091)
Net revenues ⁽¹⁾	760,086	341,014	154,238	798,323	(175,703)	1,877,958

- (1) Net revenues represents revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net revenues is included because certain investors use this data to measure the financial performance of shipping companies. Net revenues is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to revenues or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.

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