TEEKAY SHIPPING CORPORATION

TK House, Bayside Executive Park, West Bay Street & Blake Road
P.O. Box AP-59212, Nassau, Bahamas

EARNINGS RELEASE

TEEKAY REPORTS FOURTH QUARTER AND ANNUAL EARNINGS

Highlights

- Reported fourth quarter net income of $144.6 million, or $1.85 per share (including specific items which increased net income by $12.0 million, or $0.15 per share) (1)
- Achieved second highest ever annual net income of $570.9 million, or $6.83 per share (including specific items which increased net income by $166.6 million, or $1.99 per share) (1)
- Generated cash flow from vessel operations of $204.1 million and $698.1 million in the fourth quarter and fiscal 2005, respectively
- Repurchased 4.2 million shares for a total cost of $165.2 million since last reported on December 6, 2005
- Awarded long-term contracts to charter three shuttle tankers to Petrobras of Brazil
- Established strategic joint venture with PGS Production to pursue FPSO projects

Nassau, The Bahamas, February 22, 2006 - Teekay Shipping Corporation (*Teekay* or *the Company*) (NYSE: TK) today reported net income of $144.6 million, or $1.85 per share, for the quarter ended December 31, 2005, compared to net income of $224.6 million, or $2.50 per share, for the quarter ended December 31, 2004. The results for the quarters ended December 31, 2005 and 2004 included a number of specific items that had the net effect of increasing net income by $12.0 million, or $0.15 per share, in the fourth quarter of 2005, and reducing net income by $51.3 million, or $0.57 per share, in the fourth quarter of 2004, as detailed in *Appendix B* to this release. Net voyage revenues(2) for the fourth quarter of 2005 were $417.0 million, compared to $556.2 million for the same period in 2004, and income from vessel operations decreased to $168.2 million from $295.8 million.

Net income for the year ended December 31, 2005 was $570.9 million, or $6.83 per share, compared to $757.4 million, or $8.63 per share, for the same period last year. The results for the years ended December 31, 2005 and 2004 included a number of specific items that had the net effect of increasing net income by $166.6 million, or $1.99 per share, in 2005 and $76.4 million, or $0.87 per share, in 2004, as detailed in *Appendix B* to this release. Net voyage revenues(2) for the year ended December 31, 2005 were $1.5 billion compared to $1.8 billion in the same period last year, while income from vessel operations decreased to $631.8 million from $821.2 million.

Share Repurchase Program Update

On December 6, 2005, the Company announced that its Board of Directors had authorized a $180 million increase to the then existing share repurchase program, which had a remaining authorization of approximately $49 million, for a total remaining authorization at that time of $229 million. Between December 6, 2005 and February 21, 2006, the Company repurchased under that authorization 4.2 million shares at an average price of $39.51 per share, for a total cost of $165.2 million.

Since the end of November 2004, when Teekay announced the authorization of its initial share repurchase program, Teekay has repurchased a total of 17.2 million shares at an average price of $41.92 per share, for a total cost of $720 million.

As at December 31, 2005, the Company had 71.4 million common shares issued and outstanding. As at February 21, 2006, after giving effect to the shares repurchased since December 31, 2005, and the 6.5 million shares issued upon the February 16, 2006 exercise of purchase contracts included in the Company's 7.25% Premium Equity Participating Security Units (*PEPS Units*), the Company had 74.7 million shares issued and outstanding. Furthermore, if the remaining share repurchase authorization of approximately $63.8 million is completed at an average price of $39.48 per share (Teekay's closing share price on February 21, 2006), the number of outstanding shares will have reduced by 12.3 million shares, or 15%, from November 2004.

(1) Please read *Appendix B* to this release for information about specific items affecting net income.

(2) Net voyage revenues represents voyage revenues less voyage expenses. Net voyage revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's Web site at www.teekay.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

Operating Results

The following table highlights certain financial information for Teekay's three main segments: the spot tanker segment, the fixed-rate tanker segment and the fixed-rate liquefied natural gas (*LNG*) segment (Please read the "Teekay Fleet" section of this release below and *Appendix A* for further details):

(in thousands of U.S. dollars)	Three Months Ended December 31, 2005 (unaudited) Spot Tanker Segment	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Total	Three Months Ended December 31, 2004 (unaudited) Spot Tanker Segment	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Total
Net voyage revenues	219,718	173,145	24,101	416,964	366,786	171,419	18,011	556,216
Vessel operating expenses	13,410	33,071	3,744	50,225	22,731	32,117	2,765	57,613
Time-charter hire expense	67,145	47,253	-	114,398	71,851	49,192	-	121,043
Depreciation & amortization	13,178	29,767	7,784	50,729	19,795	33,114	5,327	58,236
Cash flow from vessel operations*	111,494	75,817	16,773	204,084	240,512	75,492	13,305	329,309

* Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and vessel write-downs/(gain) loss on sale of vessels. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's Web site at www.teekay.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

Fixed-Rate Tanker Segment

For the quarter ended December 31, 2005, cash flow from vessel operations from the Company's fixed-rate tanker segment remained virtually unchanged at $75.8 million compared to $75.5 million for the fourth quarter of 2004.

Today, the Company announced that it has been awarded long-term contracts to charter two Suezmax shuttle tankers and one Aframax shuttle tanker to a subsidiary of Petroleo Brasileiro S.A. The vessels will be chartered at fixed-rates for a period of 13 years, commencing at various dates during the second half of 2006 and the first quarter of 2007. In connection with these contracts, Teekay has entered into agreements to acquire a 2000-built Aframax tanker presently trading as part of the Company's spot-rate chartered-in fleet and a newbuilding Suezmax tanker, both of which will be converted to shuttle tankers. The third vessel is presently operating in Teekay's shuttle tanker fleet. This transaction highlights the growing demand for shuttle tankers at a time when high oil prices are supporting offshore oil exploration and production. The increase in offshore activity is highlighting the value of Teekay's shuttle tanker franchise as an economical solution for Teekay's customers around the world.

On February 21, 2006, the Company announced an agreement with PGS Production ASA (*PGS*) to form a joint venture company called Teekay Petrojarl Offshore, that will focus on pursuing opportunities in the rapidly growing market for Floating Production Storage and Offloading (*FPSO*) units. The Company believes that the combination of PGS' offshore engineering expertise and reputation as a quality operator of FPSOs, and Teekay's global marine operations and extensive customer network, strategically positions this joint venture to competitively pursue FPSO projects anywhere in the world.

Fixed-Rate LNG Segment

The Company's cash flow from vessel operations from its fixed-rate LNG segment increased from $13.3 million in the fourth quarter of 2004 to $16.8 million in the fourth quarter of 2005, primarily due to the delivery of one LNG carrier in December 2004. The Company, including Teekay LNG Partners L.P. (*Teekay LNG*), has ownership interests ranging from 40% to 70% in nine LNG newbuildings scheduled to deliver at various dates between the fourth quarter of 2006 and early 2009, all of which will commence service upon delivery under 20 or 25 year fixed-rate contracts with major energy companies.

Spot Tanker Segment

Cash flow from vessel operations from the Company's spot tanker segment decreased to $111.5 million in the fourth quarter of 2005 from $240.5 million in the fourth quarter of 2004, primarily due to the decline in spot tanker charter rates and a reduction in the size of the Company's spot tanker fleet resulting from the sale of a number of older vessels during the past 12 months, partially offset by newbuilding deliveries. On a net basis, these fleet changes reduced the total number of revenue days in the Company's spot tanker segment by 1,376 days, from 7,058 days in the fourth quarter of 2004 to 5,682 days in the fourth quarter of 2005. Revenue days represent the total number of calendar days the Company's vessels were in its possession for the periods presented less the total number of off-hire days associated with major repairs, drydocking or special intermediate surveys.

During the fourth quarter of 2005 and first quarter of 2006, the Company ordered four newbuilding Suezmax oil tankers for a total cost of approximately $285 million, scheduled for delivery during the second half of 2008.

The Company's spot tanker segment includes vessels operating on voyage and period out-charters with an initial term of less than three years. The following table highlights the operating performance of the Company's spot tanker segment measured in net voyage revenues per revenue day, or time-charter equivalent (*TCE*), and includes the effect of forward freight agreements (*FFAs*) which are entered into as hedges against a portion of the Company's exposure to spot market rates:

	Three Months Ended			Years Ended	
	December 31, 2005	**September 30, 2005**	**December 31, 2004**	**December 31, 2005**	**December 31, 2004**
Spot Tanker Segment					
Very Large Crude Carrier Fleet					
Revenue days	-	-	131	90	876
TCE per revenue day	-	-	$129,191	$92,744	$76,631
Suezmax Tanker Fleet					
Revenue days	336	409	546	1,862	2,374
TCE per revenue day *	$38,113	$24,606	$61,894	$36,732	$51,564
Aframax Tanker Fleet					
Revenue days	3,261	3,430	4,972	14,587	20,377
TCE per revenue day	$48,021	$24,846	$57,556	$36,769	$39,403
Oil/Bulk/Ore Fleet					
Revenue days	-	-	-	-	150
TCE per revenue day	-	-	-	-	$25,487
Large/Medium-Size Product Tanker Fleet					
Revenue days	1,076	975	506	3,480	1,962
TCE per revenue day	$31,758	$27,355	$31,692	$29,828	$25,597
Small Product Tanker Fleet					
Revenue days	1,009	1,003	903	3,957	3,515
TCE per revenue day	$15,940	$12,088	$15,332	$14,877	$13,990

*TCE results for the Suezmax Tanker Fleet include certain FFAs and fixed-rate contracts of affreightment that were entered into as hedges against several of the Company's vessels. Excluding these amounts, TCEs on a revenue-day basis for the quarters ended December 31, 2005, September 30, 2005 and December 31, 2004 would have been $54,099 per day, $27,727 per day and $81,634 per day, respectively. Excluding these amounts, TCEs on a revenue-day basis for the years ended December 31, 2005 and December 31, 2004 would have been $45,014 per day and $59,090 per day, respectively.

- more -

Tanker Market Overview

During the fourth quarter of 2005, crude oil tanker freight rates continued to follow their traditional seasonal pattern, strengthening significantly from the levels experienced in the third quarter. In early 2006, freight rates have remained strong and are exceeding rates experienced during the same period last year, partly due to continued hurricane-related crude oil production outages in the U.S. Gulf of Mexico and strong seasonal demand from oil consuming nations in the Northern Hemisphere.

Product tanker rates rose to very high levels during the fourth quarter of 2005, driven largely by hurricane-related refinery disruptions in the U.S. Gulf of Mexico. These disruptions led to a 0.6 million barrels per day (*mb/d*), or 17.6%, increase in United States product imports compared with the third quarter of 2005. As a result, the United States imported more refined products from long-haul sources such as Europe and Asia, leading to tighter tonnage supply, which drove product tanker rates higher.

Global oil demand, an underlying driver of tanker demand, averaged 84.1 mb/d during the fourth quarter of 2005, an increase of 1.2 mb/d over the third quarter and marginally higher than the fourth quarter of 2004. Overall for 2005, the International Energy Agency (IEA) reported global oil demand growth of 1.1 mb/d, or 1.3%, from 2004. On February 10, 2006, the IEA re-affirmed its forecast for oil demand in 2006 to an average of 85.1 mb/d, an increase of 2.1% over 2005.

Global oil supply, a direct driver of tanker demand, averaged 84.3 mb/d during the fourth quarter of 2005, an increase of 0.3 mb/d over the third quarter and marginally higher than the fourth quarter of last year. Long-haul Middle East OPEC oil production remained virtually unchanged from the third quarter, while non-OPEC production rose by 0.3 mb/d led by rising output from the Former Soviet Union, Canada and Africa. At its January 31, 2006 meeting, OPEC (excluding Iraq) voted to leave its existing quota limit unchanged at 28.0 mb/d, as strong oil demand and fears of disruption kept oil prices high.

The size of the world tanker fleet rose to 356.4 million deadweight tonnes (mdwt) as of December 31, 2005, up 6.2 mdwt, or 1.8%, from the end of the third quarter. Deletions, including vessels converted for offshore projects and thus removed from the trading tanker fleet, aggregated 0.5 mdwt in the fourth quarter of 2005, compared to 1.5 mdwt in the third quarter. Deliveries of tanker newbuildings during the fourth quarter of 2005 declined to 6.7 mdwt from 7.3 mdwt during the third quarter.

As of December 31, 2005, the world tanker orderbook stood at 85.0 mdwt, representing 23.8% of the world tanker fleet, compared to 85.3 mdwt, or 24.4%, as of September 30, 2005.

- more -

Teekay Fleet

As at January 31, 2006, Teekay's fleet (excluding vessels managed for third parties) consisted of 145 vessels, including chartered-in vessels and newbuildings on order. During the fourth quarter, the Company sold an older single-hulled Aframax tanker and an older shuttle tanker, and took delivery of one ice-class Aframax newbuilding, which is currently trading in the spot market.

The following table summarizes the Teekay fleet as at January 31, 2006:

	Number of Vessels [1]			
	Owned Vessels	**Chartered-in Vessels**	**Newbuildings on Order**	**Total**
Spot Tanker Segment:				
Suezmax Tankers	1	3	4	8
Aframax Tankers	22	11	1	34
Large / Medium-Size Product Tankers	3	9	3	15
Small Product Tankers	-	10	-	10
Total Spot Tanker Segment	26	33	8	67
Fixed-Rate Tanker Segment:				
Shuttle Tankers [2]	27	13	-	40
Conventional Tankers [3]	15	2	2	19
Floating Storage & Offtake (*FSO*) Units [4]	4	-	-	4
LPG / Methanol Carriers	1	1	-	2
Total Fixed-Rate Tanker Segment	47	16	2	65
Fixed-Rate LNG Segment [5]	4	-	9	13
Total	**77**	**49**	**19**	**145**

(1) Excludes vessels managed on behalf of third parties.
(2) Includes six shuttle tankers of which the Company's ownership interests range from 50% to 50.5%.
(3) Includes eight Suezmax tankers owned by subsidiaries of Teekay LNG.
(4) Includes one unit in which the Company's ownership interest is 89%.
(5) The four existing LNG vessels are owned by Teekay LNG; Teekay LNG has agreed to acquire Teekay's 70% interest in three of the LNG newbuildings; and, in accordance with existing agreements, Teekay will offer to Teekay LNG all its interests in the remaining six LNG newbuildings, which interests include a 70% interest in two vessels and a 40% interest in four vessels.

For a detailed listing of vessel sales and deliveries, please refer to the Company's Web site at www.teekay.com.

Liquidity and Capital Expenditures

As of December 31, 2005, the Company had total liquidity of $966.8 million, comprising $237.0 million in cash and cash equivalents and $729.8 million in undrawn medium-term revolving credit facilities.

As of December 31, 2005 (and including the capital commitments relating to the four newbuilding Suezmaxes announced today), the Company had $1.2 billion in remaining capital commitments relating to its portion of newbuildings on order. Of this total amount, $340 million is due in 2006, $441 million in 2007, and $387 million in 2008 and early 2009. Of the total capital commitments, approximately $671 million is for the Company's portion of installment payments relating to LNG newbuildings.

Settlement of PEPS Units

On February 16, 2006, the Company issued 6,534,300 shares of its common stock following settlement of the purchase contracts associated with its PEPS Units (NYSE: TK Pr A). The PEPS Units were issued in February 2003 and each consisted of a share purchase contract and one unsecured, subordinated note in principal amount of $25 due May 18, 2006. The notes were successfully remarketed on February 13, 2006. The Company participated in the remarketing of the notes and purchased all of the notes for net proceeds equal to 100% of their aggregate principal amount. The net proceeds were applied to satisfy the obligations of the holders of the PEPS Units under the related purchase contracts. The notes were subsequently cancelled and are no longer outstanding. Also, following the settlement of the purchase contracts on the PEPS Units, the PEPS Units have been retired and are no longer outstanding.

About Teekay

Teekay Shipping Corporation transports more than 10 percent of the world's seaborne oil and has recently expanded into the liquefied natural gas shipping sector through its publicly-listed subsidiary, Teekay LNG Partners L.P. (NYSE: TGP). With a fleet of more than 140 tankers, offices in 15 countries and 5,100 seagoing and shore-based employees, Teekay provides a comprehensive set of marine services to the world's leading oil and gas companies, helping them seamlessly link their upstream energy production to their downstream processing operations. Teekay's reputation for safety, quality and innovation has earned it a position with its customers as The Marine Midstream Company.

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

Earnings Conference Call

The Company plans to host a conference call at 11:00 a.m. EST (8:00 a.m. PST) on February 23, 2006, to discuss the Company's results and the outlook for its business activities. All shareholders and interested parties are invited to listen to the live conference call and view the Company's earnings presentation through the Company's Web site at www.teekay.com. The presentation will be available on the Web site prior to the conference call. A recording of the call will be available until March 2, 2006 by dialing (719) 457-0820 and entering access code 1398454, or via the Company's Web site until March 22, 2006.

For Investor Relations enquiries contact:
Scott Gayton
Tel: +1 (604) 844-6654

For Media enquiries contact:
Kim Barbero
Tel: +1 (604) 609-4703

Web site: www.teekay.com

TEEKAY SHIPPING CORPORATION
SUMMARY CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended			Years Ended	
	December 31, 2005 (unaudited)	September 30, 2005 (unaudited)	December 31, 2004 (unaudited)	December 31, 2005	December 31, 2004
VOYAGE REVENUES	531,473	425,594	669,553	1,954,618	2,219,238
OPERATING EXPENSES					
Voyage expenses	114,509	107,835	113,337	419,169	432,395
Vessel operating expenses	50,225	50,743	57,613	206,749	218,489
Time-charter hire expense	114,398	120,556	121,043	467,990	457,180
Depreciation and amortization	50,729	50,411	58,236	205,529	237,498
General and administrative	45,375	40,455	48,251	159,707	130,742
Write-down/(gain) on sale of vessels	(14,861)	(6,576)	(24,689)	(139,184)	(79,254)
Restructuring charge	2,882	-	-	2,882	1,002
	363,257	363,424	373,791	1,322,842	1,398,052
Income from vessel operations	168,216	62,170	295,762	631,776	821,186
OTHER ITEMS					
Interest expense	(31,813)	(29,599)	(34,058)	(132,428)	(121,518)
Interest income	9,033	8,254	6,490	33,943	18,528
Income tax (expense) recovery	(9,537)	2,005	(18,747)	2,340	(35,048)
Equity income from joint ventures	4,576	854	6,071	11,141	13,730
Gain on sale of marketable securities	-	-	-	-	93,175
Other – net	4,135	(1,009)	(30,962)	24,128	(32,613)
	(23,606)	(19,495)	(71,206)	(60,876)	(63,746)
Net income	144,610	42,675	224,556	570,900	757,440
Earnings per common share					
- Basic	$1.97	$0.55	$2.68	$7.30	$9.14
- Diluted *	$1.85	$0.52	$2.50	$6.83	$8.63
Weighted-average number of common shares outstanding					
- Basic	73,242,894	77,104,662	83,760,379	78,201,996	82,829,336
- Diluted *	78,065,137	82,559,885	89,872,611	83,547,686	87,729,037

*Reflects the effect of outstanding stock options and the $143.75 million mandatory convertible preferred PEPS Units, computed using the treasury stock method

TEEKAY SHIPPING CORPORATION
SUMMARY CONSOLIDATED BALANCE SHEETS
(in thousands of U.S. dollars)

	As at December 31, 2005	As at December 31, 2004
ASSETS		
Cash and cash equivalents	236,984	427,037
Other current assets	241,147	264,806
Restricted cash – current	152,286	96,087
Vessels held for sale	-	129,952
Restricted cash – long-term	158,798	352,725
Vessels and equipment	3,248,122	3,278,710
Advances on newbuilding contracts	473,552	252,577
Other assets	360,034	254,745
Intangible assets	252,280	277,511
Goodwill	170,897	169,590
Total Assets	5,294,100	5,503,740
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	166,786	206,022
Current portion of long-term debt	298,054	208,387
Long-term debt	2,134,924	2,536,158
Other long-term liabilities	174,991	301,091
Minority interest	282,803	14,724
Stockholders' equity	2,236,542	2,237,358
Total Liabilities and Stockholders' Equity	5,294,100	5,503,740

TEEKAY SHIPPING CORPORATION
SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of U.S. dollars)

	Years Ended December 31, 2005	2004
Cash and cash equivalents provided by (used for)		
OPERATING ACTIVITIES		
Net operating cash flow	609,042	814,704
FINANCING ACTIVITIES		
Net proceeds from long-term debt	2,497,321	1,621,221
Scheduled repayments of long-term debt	(140,161)	(216,423)
Prepayments of long-term debt	(2,629,624)	(1,731,223)
Repurchase of common stock	(538,377)	(61,237)
Net proceeds from sale of Teekay LNG	257,986	-
Settlement of interest rate swaps	(143,295)	-
Other	63,748	17,259
Net financing cash flow	(632,402)	(370,403)
INVESTING ACTIVITIES		
Expenditures for vessels and equipment	(555,142)	(548,587)
Purchase of Teekay Shipping Spain S.L.	-	(286,993)
Proceeds from sale of vessels and equipment	534,007	440,556
Proceeds from sale of available-for-sale securities	-	135,357
Other	(145,558)	(49,881)
Net investing cash flow	(166,693)	(309,548)
(Decrease)/increase in cash and cash equivalents	(190,053)	134,753
Cash and cash equivalents, beginning of the period	427,037	292,284
Cash and cash equivalents, end of the period	236,984	427,037

TEEKAY SHIPPING CORPORATION
APPENDIX A - SUPPLEMENTAL INFORMATION

(in thousands of U.S. dollars)

Three Months Ended December 31, 2005 (unaudited)

	Spot Tanker Segment	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Total
Net voyage revenues [1]	219,718	173,145	24,101	416,964
Vessel operating expenses	13,410	33,071	3,744	50,225
Time-charter hire expense	67,145	47,253	-	114,398
Depreciation and amortization	13,178	29,767	7,784	50,729
General and administrative	25,742	16,049	3,584	45,375
Gain on sale of vessels	(10,201)	(4,660)	-	(14,861)
Restructuring charge	1,927	955	-	2,882
Income from vessel operations	108,517	50,710	8,989	168,216

Three Months Ended September 30, 2005 (unaudited)

	Spot Tanker Segment	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Total
Net voyage revenues	134,084	159,172	24,503	317,759
Vessel operating expenses	15,240	32,102	3,401	50,743
Time-charter hire expense	68,089	52,467	-	120,556
Depreciation and amortization	13,377	29,512	7,522	50,411
General and administrative	22,088	14,970	3,397	40,455
Writedown / (gain) on sale of vessels and equipment	(8,687)	2,111	-	(6,576)
Income from vessel operations	23,977	28,010	10,183	62,170

Three Months Ended December 31, 2004 (unaudited)

	Spot Tanker Segment	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Total
Net voyage revenues	366,786	171,419	18,011	556,216
Vessel operating expenses	22,731	32,117	2,765	57,613
Time-charter hire expense	71,851	49,192	-	121,043
Depreciation and amortization	19,795	33,114	5,327	58,236
General and administrative	31,692	14,618	1,941	48,251
Writedown / (gain) on sale of vessels and equipment	(21,227)	(3,462)	-	(24,689)
Income from vessel operations	241,944	45,840	7,978	295,762

TEEKAY SHIPPING CORPORATION
APPENDIX A - SUPPLEMENTAL INFORMATION CONTINUED

(in thousands of U.S. dollars)

Year Ended December 31, 2005

	Spot Tanker Segment	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Total
Net voyage revenues	775,802	662,050	97,597	1,535,449
Vessel operating expenses	62,525	128,916	15,308	206,749
Time-charter hire expense	273,730	194,260	-	467,990
Depreciation and amortization	55,105	120,064	30,360	205,529
General and administrative	89,465	57,059	13,183	159,707
Writedown / (gain) on sale of vessels and equipment	(142,004)	2,820	-	(139,184)
Restructuring charge	1,927	955	-	2,882
Income from vessel operations	435,054	157,976	38,746	631,776

Year Ended December 31, 2004

	Spot Tanker Segment	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment	Total
Net voyage revenues	1,095,675	648,003	43,165	1,786,843
Vessel operating expenses	93,394	117,586	7,509	218,489
Time-charter hire expense	263,122	194,058	-	457,180
Depreciation and amortization	95,570	129,074	12,854	237,498
General and administrative	70,371	56,431	3,940	130,742
Writedown / (gain) on sale of vessels and equipment	(72,101)	(7,153)	-	(79,254)
Restructuring charge	1,002	-	-	1,002
Income from vessel operations	644,317	158,007	18,862	821,186

(1) Net voyage revenues represents voyage revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net voyage revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's Web site at www.teekay.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

TEEKAY SHIPPING CORPORATION
APPENDIX B – SPECIFIC ITEMS AFFECTING NET INCOME

(in thousands of U.S. dollars)

Set forth below are some of the significant items of income and expense that affected the Company's net income for 2005 and 2004 and for the fourth quarter of each such year, all of which items are typically excluded by securities analysts in their published estimates of the Company's financial results:

	Three Months Ended December 31, 2005 (unaudited)		Year Ended December 31, 2005	
	$	Per Share	$	Per Share
Gain on sale of vessels	14,861	0.19	151,427	1.81
Foreign currency exchange gains (1)	7,880	0.10	53,118	0.64
Deferred income tax (expense) recovery (2)	(4,690)	(0.06)	5,704	0.07
Write off of capitalized loan costs and loss on termination of interest rate swaps (3)	-	-	(15,282)	(0.18)
Write down of vessels and equipment (4)	-	-	(12,243)	(0.15)
Loss on bond repurchases (8.875% Notes due 2011) (5)	(3,146)	(0.04)	(13,255)	(0.16)
Restructuring charge (6)	(2,882)	(0.04)	(2,882)	(0.03)
Total	12,023	0.15	166,587	1.99

	Three Months Ended December 31, 2004 (unaudited)		Year Ended December 31, 2004	
	$	Per Share	$	Per Share
Gain on sale of vessels	24,689	0.27	79,254	0.90
Gain on sale of marketable securities	-	-	93,175	1.06
Foreign currency exchange losses (1)	(33,290)	(0.37)	(44,042)	(0.50)
Deferred income tax expense (2)	(15,160)	(0.17)	(14,165)	(0.16)
Realized losses from Forward Freight Agreements (7)	(13,836)	(0.15)	(21,749)	(0.25)
Additional contribution to Company's performance-based bonus plan	(12,500)	(0.14)	(12,500)	(0.14)
Restructuring charge and write-down of other assets	(1,245)	(0.01)	(3,543)	(0.04)
Total	(51,342)	(0.57)	76,430	0.87

(1) Foreign currency exchange gains and losses (net of minority owners' share) primarily relate to the Company's debt denominated in Euros and deferred tax liability denominated in Norwegian Kroner. Nearly all of the Company's foreign currency exchange gains and losses are unrealized.

(2) Deferred income tax related to unrealized foreign exchange gains and losses, changes in the tax treatment of Norwegian partnerships and the Company's tax restructuring of its Norwegian operations.

(3) In connection with the initial public offering of Teekay LNG Partners L.P., the Company repaid $337.3 million of debt and terminated certain related interest rate swap contracts.

(4) The Company wrote-down the carrying value of certain offshore equipment due to a lower estimated net realizable value.

(5) During the three and twelve months ended December 31, 2005, the Company repurchased $20.6 million and $85.7 million, respectively, of its 8.875% bonds due 2011 at a premium to their book value.

(6) Restructuring charge in 2005 relates primarily to the relocation of certain operational functions and the closure of the Company's office located in Sandefjord, Norway.

(7) Represents cash payments to settle Forward Freight Agreements that are designated as hedges.

FORWARD LOOKING STATEMENTS

This release contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including statements regarding: the Company's future growth prospects; tanker market fundamentals, including the balance of supply and demand in the tanker market, and spot tanker charter rates; the growth prospects for shuttle tankers and FPSOs; the Company's future capital expenditure commitments and the financing requirements for such commitments; the Company's share repurchase program; the three long-term charter shuttle tanker contracts to Petrobras; the competitive positioning of the Company's joint venture with PGS Production AS to pursue FPSO projects; the offers to Teekay LNG of Teekay's interests in LNG projects; and the timing of newbuilding deliveries. The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: changes in production of or demand for oil, petroleum products and LNG, either generally or in particular regions; greater or less than anticipated levels of tanker newbuilding orders or greater or less than anticipated rates of tanker 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 or FPSOs; market acceptance and the Company's implementation of its joint venture with PGS; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts; shipyard production delays; the Company's future capital expenditure requirements; the Company's and Teekay LNG's potential inability to raise financing to purchase additional vessels; the potential inability to repurchase the Company's shares under its share repurchase program; 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, 2004. 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.

-end -