Forward Looking Statements

This document 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 anticipated EBITDA, tanker charter rates, and the balance of supply and demand in the crude tanker market. 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 and petroleum products, 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 impacting overall tanker tonnage requirements; the rate of growth of the long-term fixed-rate contract segment of our business; changes in the typical seasonal variations in tanker charter rates; changes in the offshore production of oil, and the possibility that past performance is not reflective of future performance.
Teekay Shipping Highlights

- We transport over 10% of the world’s seaborne crude oil
- The largest crude oil tanker company measured by market capitalization, enterprise value, and fleet size
- Growing fixed-rate business = Growing cash generating power – approximately $8.85 mid-cycle CEPS* upon delivery of new vessels on order in 2004
- We ship more oil per year than BP and ChevronTexaco combined produce in a year

* Based on Aframax TCE rate of $18,000 per day and 42m shares. CEPS = EPS + depreciation expense per share
This is Teekay

- World’s largest medium-size spot tanker franchise
- World’s largest shuttle tanker operator – North Sea / Brazil
- Proven track record of accretive acquisitions
- High return organic growth
  - 15 vessels on order
  - 11 vessels delivered in last 13 months
- Attractive cash flow given positive market dynamics and large fixed-rate contract portfolio
Successful Acquisition Strategy

- **Bona Shipholding Acquisition (1999) - $450 million**
  - Significant entry into Atlantic Aframax trades
  - World leadership in Aframax market

- **Ugland Nordic Shipping (UNS) Acquisition (2001) - $780 million**
  - Strategic beachhead into shuttle tanker market

- **ConocoPhillips Contract (2001) - $250 million**
  - Five long-term profitable contracts
  - Builds strategic link to key customer

- **Navion Acquisition (2002) - $800 million**
  - Consolidation and world leadership of shuttle tanker market
  - Cargo contract base allows broadening of presence in crude and refined markets
  - Further evolution as an integrated logistics provider

- **Skaugen PetroTrans (SPT) Joint Venture (2003) - $25 million**
  - Formed a 50% joint venture with the leading ship-to-ship transfer franchise in the Gulf of Mexico
  - SPT currently handles about 1.4 million barrels a day or approx. 14% of US oil imports
Teekay circa 1998
- 43 ships owned, 3 chartered-in
- Predominantly regional spot market operator
- $3m long-term fixed-rate cash flows
- 8 offices worldwide
- 47% leverage
- $0.54 billion market capitalization
- $186 million total liquidity
- mid-cycle EPS of $1.26 per share
- BV per share of $23.94
- P&L B/E over $15,000 per day
- 2 newbuildings on order

Teekay was a price taker in a highly fragmented and cyclical commodity business

Traditional price taking ship owner
Teekay’s Transformation Strategy of 1999

- Increase size of spot fleet
  - Teekay needed to further increase scale, capacity, flexibility and utilization but still had to time the market to achieve goals

- Build a direct customer sales force
  - Biggest portfolio of strategic contracts with blue chip customers featuring backhaul cargoes
  - Reduce reliance on broker network

- Build a fixed rate business to help smooth out the tanker market cycles

- Improve project management capabilities

Result would be the Transformation of Teekay into a Seaborne Midstream Oil Services Provider
Teekay has two complementary businesses:

1. Leading Spot Tanker Franchise

2. Growing Profitable Long-term Contract Business
World’s Largest Operator of Medium-Sized Tankers

Aframax Sized Vessels

- **Teekay Shipping**
  - Vessels: 71
  - Newbuildings: 14

- **Malaysian Intn'l Shipping Corp.**
  - Vessels: 32
  - Newbuildings: 4

- **General Maritime**
  - Vessels: 23

- **Overseas Shipholding Group**
  - Vessels: 13
  - Newbuildings: 1

- **Tanker Pacific Mngmt**
  - Vessels: 10
  - Newbuildings: 1

(a) Includes owned and in-chartered vessels, newbuildings on order, OBO's and 3 FSO vessels.
Leading Spot Tanker Franchise

- Transformed from a regional operator to the only real global mid-size tanker operator
- Built a strategic contract portfolio in the conventional market with strong customer relationships
- Leading consolidator in a fragmented industry
- Increasingly chartering-in ships to cover growing contract requirements
- Used the cycle to our benefit – through a series of accretive acquisitions we have broadened our service offerings and increased our profitability by increasing our operating leverage
The Tanker Market

Spot Tanker Market Drivers

Demand for Oil → Supply of Oil

Tanker Supply

Tanker Demand

EU and IMO Regulations

GLOBAL DRIVERS IN A TIGHT MARKET

Time Charter Rates (TCE)
Quarterly Average TCEs

Source: CRS

US$ per Day

VLCC  Suezmax  Aframax

1q90  1q91  1q92  1q93  1q94  1q95  1q96  1q97  1q98  1q99  1q00  1q01  1q02  1q03
Tanker Demand 2004

- **Oil Demand**
  - Strong global economic growth over 4% - led by China & US
  - High oil prices (Brent - $25-27 / barrel)
  - Global Oil Demand: +1.6% in 2004 (potential for over 2.0%)
    - Strong growth in China – under estimated by IEA
    - Japanese nuclear plants returning but not 100% as yet (6 of 17)
    - India and rest of Asia

- **Potential for upside**
  - Low oil stocks (especially US)
  - More Atlantic crude moves East
  - Seasonal factors – e.g. Bosphorus congestion
  - High refinery margins
  - High natural gas prices – switching to oil
  - Growth in refining capacity (China + India)
Tanker Demand 2004

**Oil Supply**
- Non-OPEC growth estimated at +1.5 mb/d in 2004 (0.9 mb/d in 2003 v IEA forecast of 1.4 mb/d). Increase from FSU, W.Africa, Lat Am & North Am.
- OPEC keeps high price policy = loss of market share
- Call on OPEC + stock change = 25.5 mb/d (-0.4 mb/d) on 2003
- OPEC NGLs/other oils up 0.4 mb/d to 4.1 mb/d

**Other Factors**
- Referendum in Venezuela – another disruption?
  - Venezuelan production at 2.9 mb/d versus 3.4 mb/d pre-strike
- CHINA – slowdown in economy
- Iraq – Exports being routed from AG – over 100 sabotage incidents on pipeline to Ceyhan
  - Production can rise to 2.8 mb/d by end-2004 – but export capacity and under investment will limit rise from current levels of 2.0 mb/d
Fleet growth restrained in 2003 due Oil/Bulk/Ore carriers trading dry – net decline of 1%

- OBOs still switching to dry – expect another 1% move in 2004
- IMO regulations come into force April 5, 2005
- 38 million dwt in mandatory scrapping by end-2005
- Scrapping ahead of mandatory schedule
- Our base case assumes that 45 million tonnes will be scrapped by end-2005.
Yard Capacity Constrained

- If a ship is ordered today, it won’t be received until 2007
- 2007 capacity restricted as yards focus on other ship types
- Strong demand from LNG sector that will occupy tanker berths (Aframax or VLCC)
Tanker Supply - Outlook

Deliveries of ~60 mdwt

4.5 mdwt mandatory scrapping

17.4 mdwt voluntary scrapping

Source: Clarkson

Million Deadweight

Deliveries
Deletions
On Order
Net Change
Conclusion

- Strong tanker market fundamentals for 2004 with seasonality
- **Demand**
  - Several strong positives on demand side of equation
  - Other short term factors could provide further upside
- **Supply**
  - Fleet growth restricted by regulations & charterer discrimination
  - Scrapping ahead of mandatory phaseout due to commercial obsolescence
- **Other Factors**
  - Geo-political events – Iraq / Venezuela / Terrorist / SARS
  - Slower than expected economic growth – especially China
  - Another “Prestige” incident
Teekay has two complementary businesses:

1. Leading Spot Tanker Franchise

2. Growing Profitable Long-term Contract Business
The World Leader in Offshore Loading

- Approximately half of Teekay’s capital is now invested in “floating pipelines”
  - Navion - the leading offshore loading logistics provider
  - UNS - the leading shuttle tanker time-charter entity
  - Significant long-term stable cash flow
  - High profitability
Significant Growth Potential in Offshore Oil

- **Rapid growth in deepwater exploration**
  - BP has indicated its intention to spend over $15 billion over the next 10 years finding and producing new energy supplies

- **Upside in core North Sea market**
  - Improving extraction technology
  - Tax incentives
  - New discoveries

- **Upside in core Brazil market**
  - Teekay will have 6 shuttle tankers on long term contract with Transpetro by mid-2004
  - Production profile favors Shuttle Tanker technology
  - Transpetro’s Shuttle Tanker fleet is aging

- **Potential areas for further growth**
  - East coast of Canada
  - Gulf of Mexico
Predictable & Stable Earnings

EBITDA from Fixed-rate Long-term Contracts

- Shuttle Tankers
- Fixed Rate Conventional Tankers
- Offshore

- Average ROE > 20%
- Average contract length approximately 7 years
Teekay Today

Teekay circa 1998
- 43 ships owned, 3 chartered-in
- Predominantly spot market operator
- $3 million long-term fixed-rate cash flows
- 8 offices worldwide
- 47% leverage
- $0.54 billion market capitalization
- 28.8 million shares outstanding
- $186 million total liquidity
- mid-cycle EPS of $1.26 per share
- BV per share of $23.94
- P&L B/E over $15,000 per day
- 2 newbuildings on order

Teekay today
- 89 ships owned, 53 chartered-in, 18 managed
- Balanced mix of spot / fixed-rate business
- $285 million in long-term fixed-rate cash flows by late 2004
- 16 offices worldwide
- 42% leverage
- $2.6 billion market capitalization
- 40.4 million shares outstanding
- $697 million total liquidity
- mid-cycle EPS of $4.10 per share
- BV per share of approx. $39.00
- P&L B/E approx. $13,000 per day
- 15 newbuildings on order

Traditional price taking ship owner

Integrated Logistics Provider
Teekay is an Integrated Logistics Provider

- **21 Ships**
  - Managed Ships
- **53 Ships**
  - Time Chartered-in Ships
- **104 Ships** *
  - Owned Ships

**TEEKAY NETWORK**

- Logistics / Outsourcing
- COA
- Long-term Fixed-rate time charter
- Spot Charter / Short Term T/C
- Tailored mix of fixed-rate and market related pricing

- Offshore Loading
- Floating Storage and Offtake
- Conventional Tankers

*Includes newbuild vessels on order
Consistent Balance Sheet and Market Cap.
Growth while Maintaining Leverage

**Total Assets**
- CAGR = 16%

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$0</td>
<td>$500</td>
<td>$1,000</td>
<td>$1,500</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

**Net Debt to Capitalization**
- CAGR = 46%

<table>
<thead>
<tr>
<th>Year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003 (est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>30%</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Market Capitalization**
- CAGR = 19%

<table>
<thead>
<tr>
<th>Year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>Jan. 22, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$0</td>
<td>$500</td>
<td>$1,000</td>
<td>$1,500</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

**Stockholder's Equity**

<table>
<thead>
<tr>
<th>Year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003 (est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$0</td>
<td>$200</td>
<td>$400</td>
<td>$600</td>
<td>$800</td>
</tr>
</tbody>
</table>

* 2003 est. based on Q1 to Q3 actual and consensus estimate for Q4
Complementary Businesses Create Cash Floor with No Ceiling

- **Fixed-Rate EBITDA**
- **Spot-based EBITDA**

### Fixed-Rate EBITDA
- **Low-cycle** ($13,000/day)
- **Mid-cycle** ($18,000/day)
- **High-cycle** ($27,500/day)

### Spot-based EBITDA

- **Proforma 2004 CEPS**
  - Low-cycle: $5.45
  - Mid-cycle: $8.85
  - High-cycle: $15.30

### Floor

- Spot Rate Increase: $1,000 TCE/day
- EBITDA Increase: $30 million annually

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* Proforma 2004 EBITDA annualized
## Key Credit Statistics

<table>
<thead>
<tr>
<th></th>
<th>as at September 30, 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 335,951</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$ 1,749,405</td>
</tr>
<tr>
<td>Net Debt</td>
<td>$ 1,413,454</td>
</tr>
<tr>
<td>Adjusted Total Debt (PEPs treated as equity)</td>
<td>$ 1,605,655</td>
</tr>
<tr>
<td>Adjusted Net Debt (PEPs treated as equity)</td>
<td>$ 1,269,704</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Last twelve months ended September 30, 2003 *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Voyage Revenues</td>
<td>$ 995,984</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ 512,073</td>
</tr>
<tr>
<td>Net Interest Expense</td>
<td>$ (68,298)</td>
</tr>
</tbody>
</table>

### Credit Statistics

- **EBITDA / Interest Expense**: 7.5x
- **Total Debt / EBITDA**: 3.4x
- **Net Debt / EBITDA**: 2.8x
- **Adjusted Total Debt / EBITDA**: 3.1x
- **Adjusted Net Debt / EBITDA**: 2.5x

* includes results from Navion from April 1, 2003
Historical Ratios

**EBITDA to Interest**

- 1999: 4.2
- 2000: 6.1
- 2001: 8.3
- 2002: 4.8
- LTM Sept. 30, 2003: 9.1

**Debt to EBITDA**

- 1999: 5.8
- 2000: 1.8
- 2001: 1.7
- 2002: 4.2
- LTM Sept. 30, 2003: 3.5
## Capitalization

As of Sept. 30, 2003

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Cash Equivalents</strong></td>
<td>335,951</td>
</tr>
<tr>
<td><strong>Debt Facilities</strong></td>
<td></td>
</tr>
<tr>
<td>Capital Lease</td>
<td>36,932</td>
</tr>
<tr>
<td>Revolving Credit Facilities</td>
<td>570,000</td>
</tr>
<tr>
<td>Premium Equity Participating Security Units (7.25%)</td>
<td>143,750</td>
</tr>
<tr>
<td>First Preferred Ship Mortgage Notes (8.32%)</td>
<td>167,229</td>
</tr>
<tr>
<td>Term Loans</td>
<td>516,602</td>
</tr>
<tr>
<td>Senior Notes (8.875%)</td>
<td>351,824</td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td>1,786,337</td>
</tr>
<tr>
<td><strong>Stockholder's Equity</strong></td>
<td>1,599,074</td>
</tr>
<tr>
<td><strong>Total Capitalization</strong></td>
<td>3,385,411</td>
</tr>
</tbody>
</table>

- Total Debt to Capitalization: 53%
- Total Adjusted Debt to Capitalization: 47%
- Net Debt to Capitalization: 48%
- Net Adjusted Debt to Capitalization: 43%
## Projected CAPEX

### CAPEX and ASSOCIATED FINANCING SCHEDULE

<table>
<thead>
<tr>
<th></th>
<th>Remainder 2004</th>
<th>2005</th>
<th>2006</th>
<th>2007+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth CAPEX</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total newbuilding expenditures</td>
<td>229</td>
<td>96</td>
<td>107</td>
<td>123</td>
<td>555</td>
</tr>
<tr>
<td>Newbuild financing in place</td>
<td>127</td>
<td>96</td>
<td>32</td>
<td>-</td>
<td>255</td>
</tr>
<tr>
<td>Assumed financing (min 70% of asset value)</td>
<td>-</td>
<td>-</td>
<td>55</td>
<td>114</td>
<td>169</td>
</tr>
<tr>
<td><strong>Total known and assumed newbuild financing</strong></td>
<td>127</td>
<td>96</td>
<td>87</td>
<td>114</td>
<td>424</td>
</tr>
<tr>
<td><strong>Total Cash Required for Growth CAPEX</strong></td>
<td>102</td>
<td>0</td>
<td>20</td>
<td>9</td>
<td>131</td>
</tr>
</tbody>
</table>

| **Maintenance CAPEX** |                |      |      |       |       |
| Total Cash Required for Maintenance CAPEX | 35 | 35   | 35   | 35    | 140   |

| **Total Cash required for Growth and Maintenance CAPEX** | 137 | 35   | 55   | 44    | 271   |

* drydock commitments - company estimates
### Fixed Charge Coverage

<table>
<thead>
<tr>
<th>Free Cash Flow Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Projected 2004 EBITDA</strong> *</td>
</tr>
<tr>
<td>less: Net Interest payments **</td>
</tr>
<tr>
<td>less: Principal payments **</td>
</tr>
<tr>
<td>less: Drydock costs **</td>
</tr>
<tr>
<td><strong>Fixed Charges</strong></td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
</tr>
</tbody>
</table>

**EBITDA / Fixed Charges = 2.8x**

---

* Analyst projection  
** Company estimates
### Strong Asset Coverage

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Book Value of Assets</td>
<td>2,809</td>
</tr>
<tr>
<td>less: Secured Outstanding Debt</td>
<td>(1,290)</td>
</tr>
<tr>
<td><strong>Asset Book Value in Excess of Secured Debt</strong></td>
<td>1,519</td>
</tr>
<tr>
<td>add: Cash and Marketable Securities</td>
<td>336</td>
</tr>
<tr>
<td>add: Other Assets and net Working Capital</td>
<td>104</td>
</tr>
<tr>
<td><strong>Available Asset Value</strong></td>
<td>1,959</td>
</tr>
<tr>
<td><strong>Unsecured Debt</strong></td>
<td>(496)</td>
</tr>
<tr>
<td><strong>Net Worth</strong></td>
<td>1,463</td>
</tr>
<tr>
<td><strong>Available Asset Value / Unsecured Debt</strong></td>
<td>4.0x</td>
</tr>
</tbody>
</table>
Teekay Fleet Composition

Fleet List as at Jan. 16, 2004

<table>
<thead>
<tr>
<th></th>
<th>Number of Vessels</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owned Vessels</td>
</tr>
<tr>
<td><strong>Spot Tanker Fleet:</strong></td>
<td></td>
</tr>
<tr>
<td>VLCC's</td>
<td>1</td>
</tr>
<tr>
<td>Suezmaxes</td>
<td>1</td>
</tr>
<tr>
<td>Aframaxes</td>
<td>43</td>
</tr>
<tr>
<td>OBOs</td>
<td>-</td>
</tr>
<tr>
<td>Large Product Tankers</td>
<td>-</td>
</tr>
<tr>
<td>Small Product Tankers</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Spot Tanker Fleet</strong></td>
<td>45</td>
</tr>
<tr>
<td><strong>Long-term Fixed-Rate Contract Fleet:</strong></td>
<td></td>
</tr>
<tr>
<td>Shuttle Tankers</td>
<td>29</td>
</tr>
<tr>
<td>Conventional Tankers</td>
<td>8</td>
</tr>
<tr>
<td>Floating Storage &amp; Offtake (&quot;FSO&quot;) Vessels</td>
<td>3</td>
</tr>
<tr>
<td>LPG Carrier</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Long-Term Fixed-Rate Contract Fleet</strong></td>
<td>41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>86</td>
</tr>
</tbody>
</table>
EBITDA represents net income (loss) before interest expense, income tax expense, depreciation and amortization expense, minority interest, foreign exchange gains (losses) and gains (losses) on disposition of assets. EBITDA is included because such data is used by certain investors to measure a company's financial performance. EBITDA 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.

The following table reconciles the Company's Income from vessel operations with EBITDA for the periods presented on slide 22:

<table>
<thead>
<tr>
<th>Reconciliation of EBITDA from fixed-rate long-term contracts ($000s)</th>
<th>Year Ended December 31, 2000</th>
<th>Year Ended December 31, 2001</th>
<th>Year Ended December 31, 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from vessel operations</td>
<td>16,622</td>
<td>49,615</td>
<td>56,863</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>7,020</td>
<td>37,024</td>
<td>43,889</td>
</tr>
<tr>
<td>EBITDA</td>
<td>23,642</td>
<td>86,639</td>
<td>100,752</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from vessel operations</td>
<td>110,000</td>
<td>191,000</td>
<td>190,000</td>
<td>185,000</td>
<td>191,000</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>70,000</td>
<td>90,000</td>
<td>94,000</td>
<td>90,000</td>
<td>90,000</td>
</tr>
<tr>
<td>EBITDA</td>
<td>180,000</td>
<td>281,000</td>
<td>284,000</td>
<td>275,000</td>
<td>281,000</td>
</tr>
</tbody>
</table>

The following table reconciles the Company's Income from vessel operations with EBITDA for the twelve month period ended Sept. 30, 2003 presented on slide 27:

<table>
<thead>
<tr>
<th>Q4 - 2002</th>
<th>Q1 - 2003</th>
<th>Q2 - 2003</th>
<th>Q3 - 2003</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from vessel operations</td>
<td>48,633</td>
<td>103,484</td>
<td>132,387</td>
<td>49,619</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>39,160</td>
<td>39,130</td>
<td>49,775</td>
<td>49,885</td>
</tr>
<tr>
<td>EBITDA</td>
<td>87,793</td>
<td>142,614</td>
<td>182,162</td>
<td>99,504</td>
</tr>
</tbody>
</table>