Teekay Shipping

Teekay Shipping Corporation

DnB Markets International Shipping Seminar
Oslo, Norway

- September 25, 2003

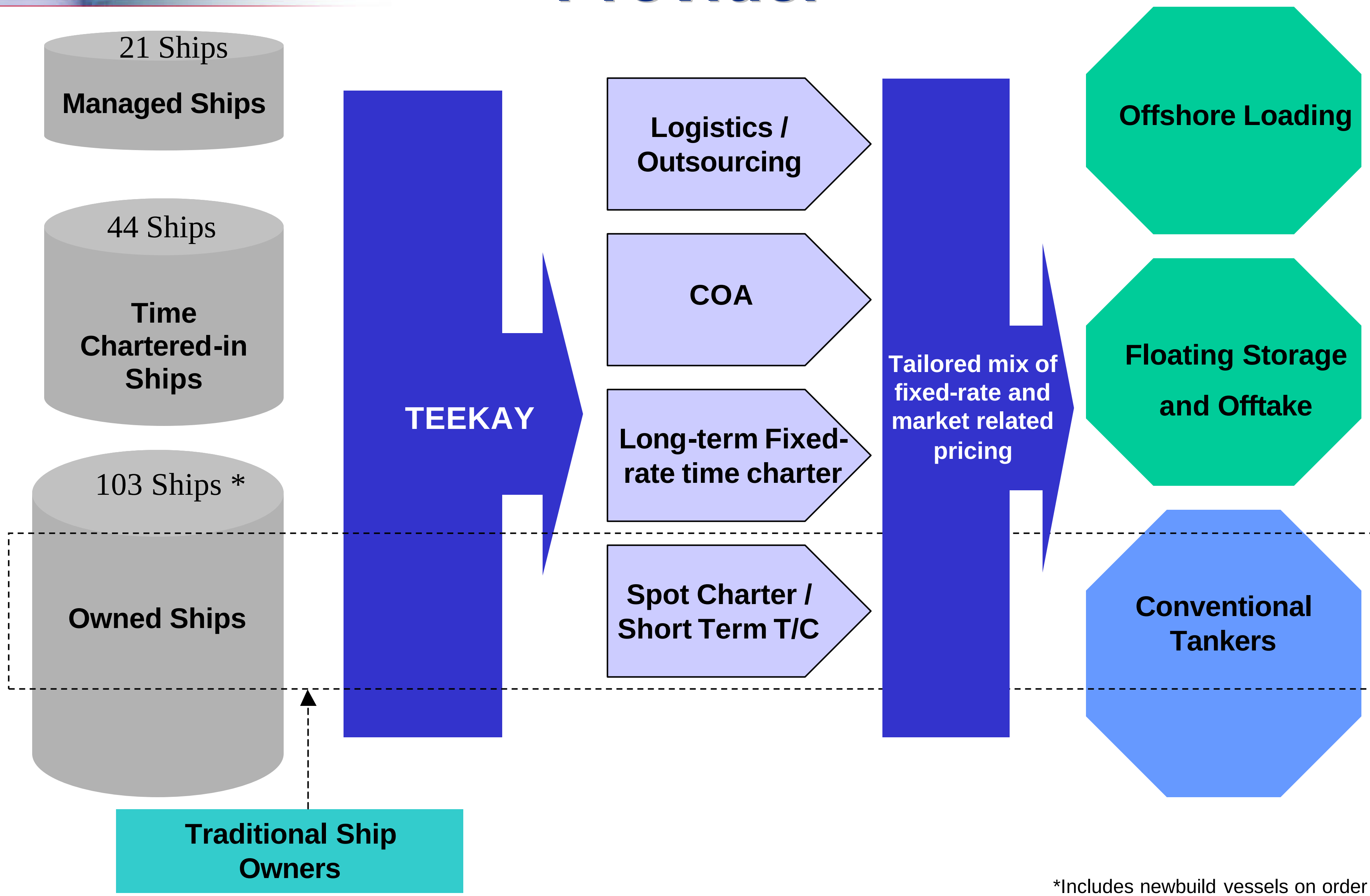
Forward Looking Statements

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 associated valuation multiple for the Company's long-term fixed-rate contract segment, the valuation of the Company, 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, and changes in the offshore production of oil.

Teekay Shipping Corporation

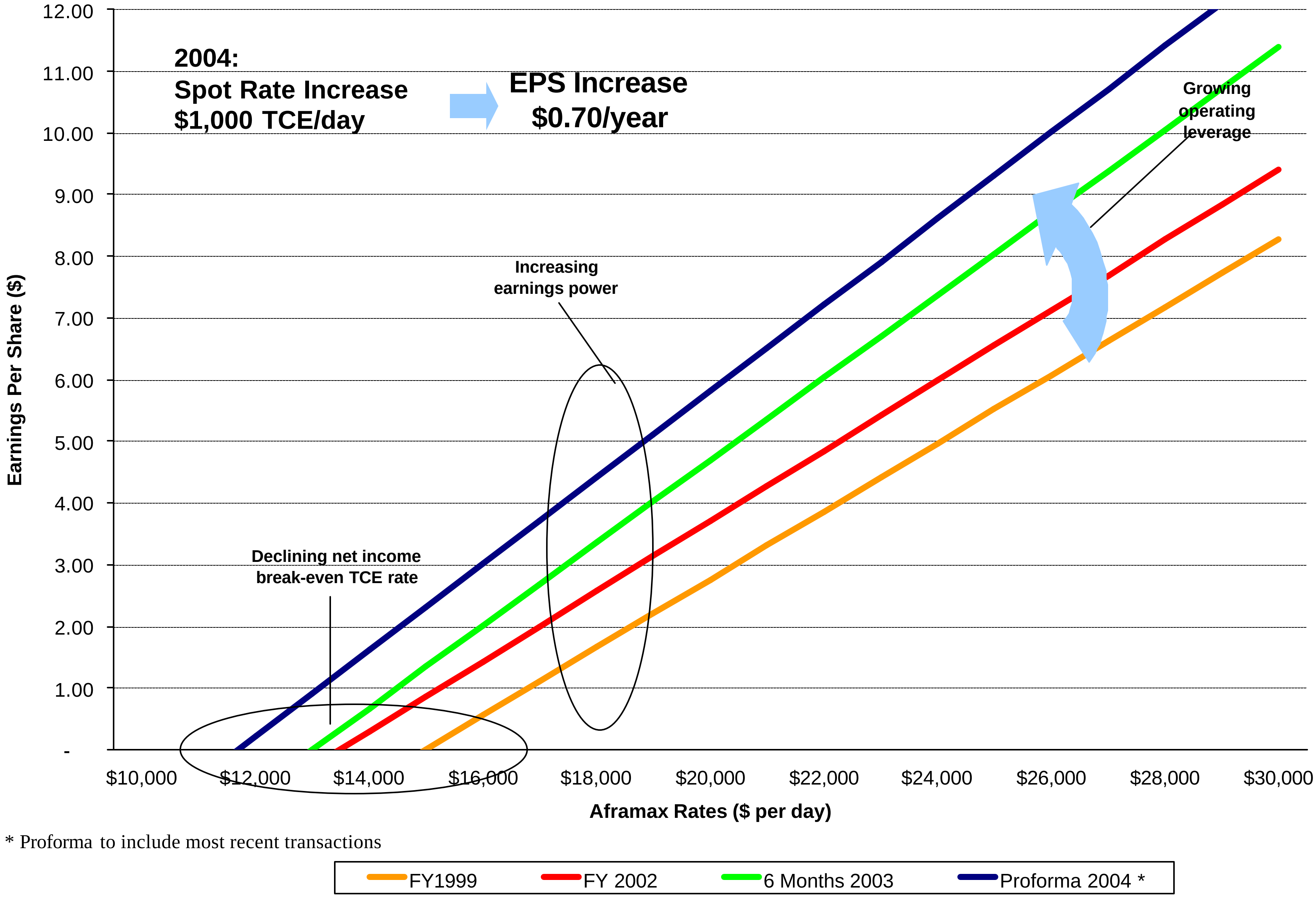
- The world's leading marine oil transportation franchise, founded in 1973
- Global organization with 4,200 employees in 15 offices and onboard 147 vessels
- Leading industry consolidator; more than tripled in size since 1998
- Growing cash generating power – mid-cycle EBITDA of $480 million or $9.50 CEPS equating to $4.40 EPS on an annualized basis for 2004

Teekay is an Integrated Logistics Provider



*Includes newbuild vessels on order

Growing Earnings Power



* Proforma to include most recent transactions

Unique Blend of Financial Stability and Operating Leverage

Teekay has two complementary businesses:

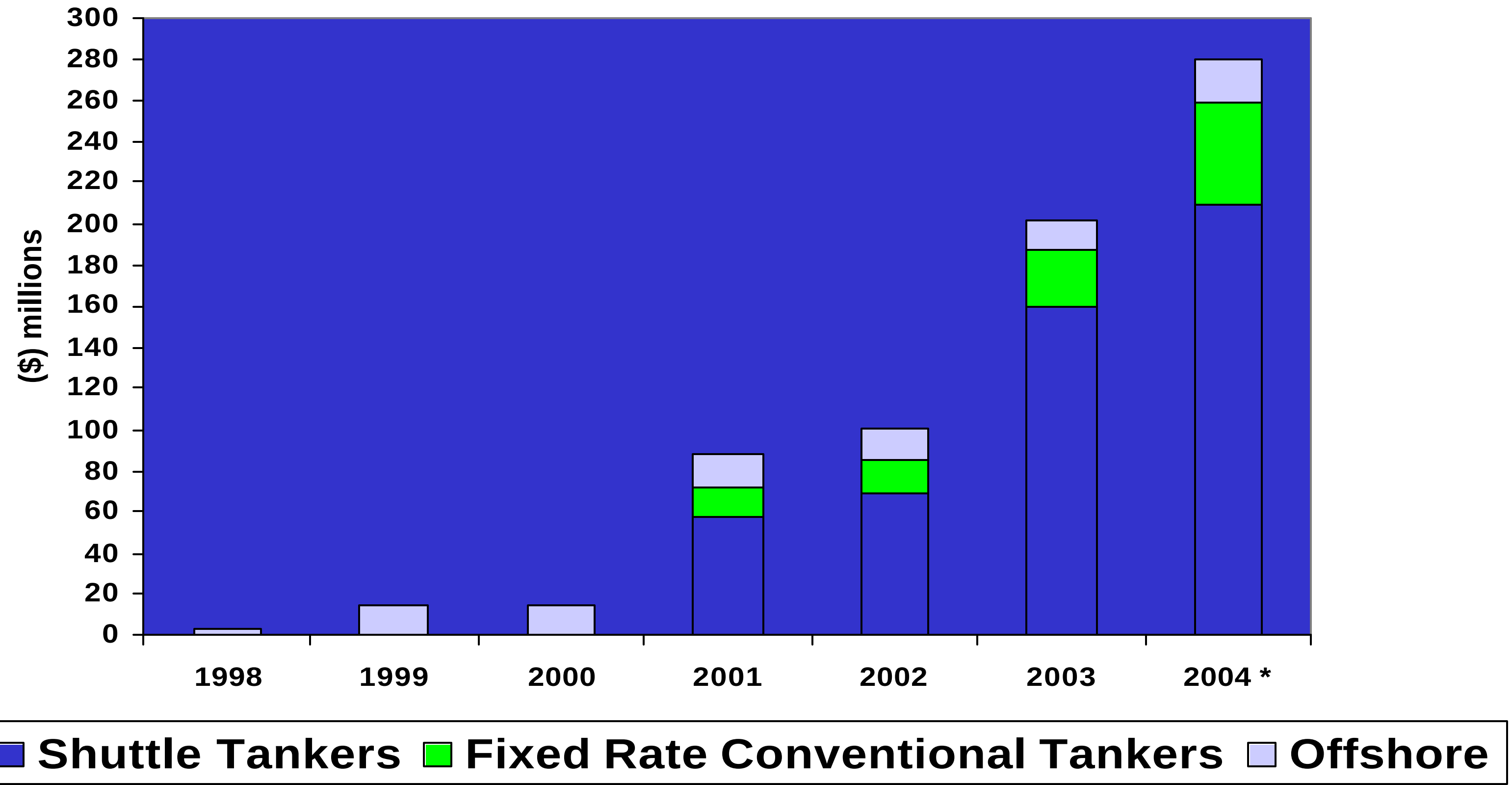
1. Growing Profitable Long-term Contract Business

- **Shuttle Tankers**
- **Offshore Marine**
- **Fixed Rate Conventional Tankers**

2. Leading Spot Tanker Franchise

Predictable & Stable Earnings

EBITDA from Fixed-rate Long-term Contracts



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

* Annualized basis

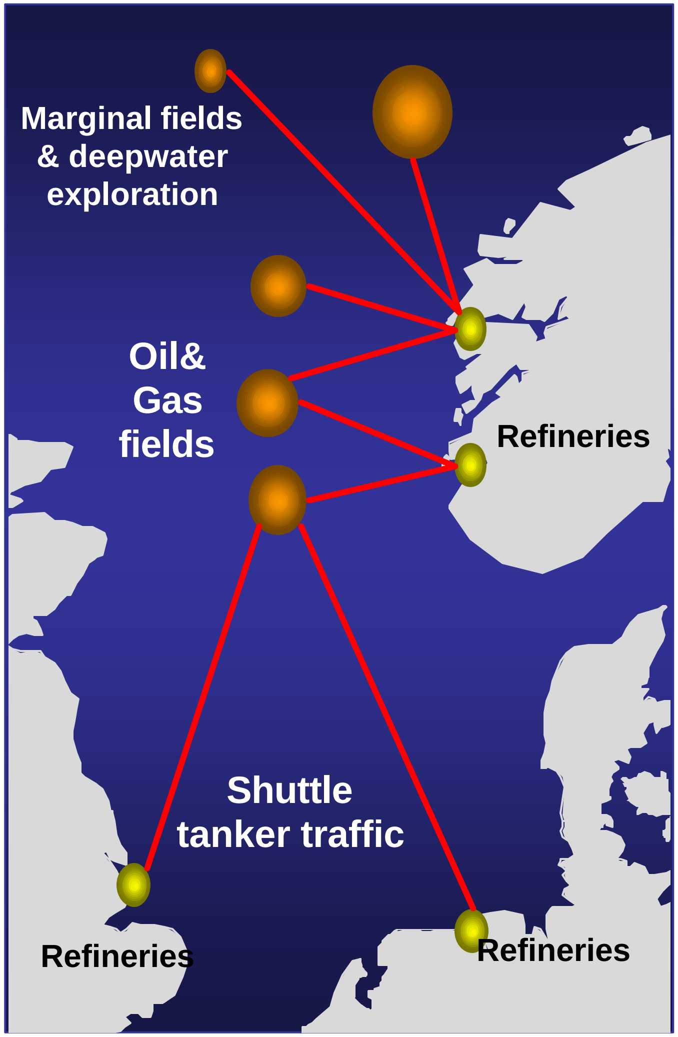
The World Leader in Offshore Loading

- 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

Attractive Market Characteristics

- Barriers to Entry
  - No spot market
  - No speculative newbuilding ordering
  - Operational know-how is critical
  - Economies of scale required for efficient scheduling
  - Sophisticated technology
- Low Threat of Substitution
  - Viewed as integral part of the offshore oil production system
  - Pipelines are costly and less viable for deepwater production
  - New, smaller marginal fields are well suited to shuttle transportation

The North Sea



Significant Growth Potential in Offshore Oil

- **Rapid growth in deepwater exploration**
- **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
- **New frontiers emerging**
  - East coast of Canada
  - Gulf of Mexico

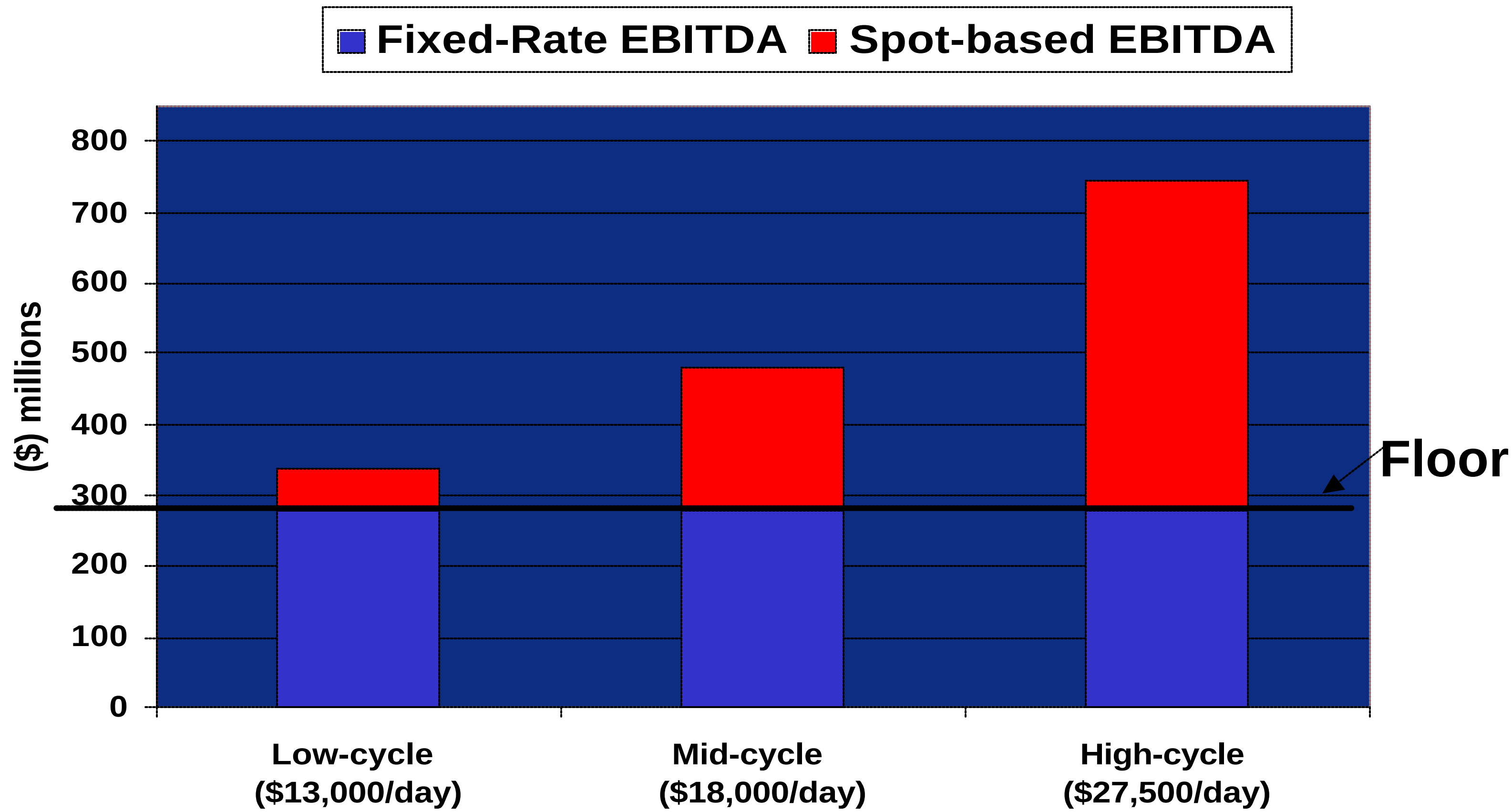
Unique Blend of Financial Stability and Operating Leverage

Teekay has two complementary businesses:

1. **Growing Long-term Contract Business**

2. **Leading Spot Tanker Franchise**
   - **Conventional**
   - **Lightering**

Superior Cash Flow Generation from Spot Business



Proforma 2004 EPS	$0.90	$4.40	$11.05

Spot Rate Increase $1,000 TCE/day ➡ **EBITDA Increase $30 million annually and EPS increase by $0.70**

* Proforma 2004 EBITDA annualized

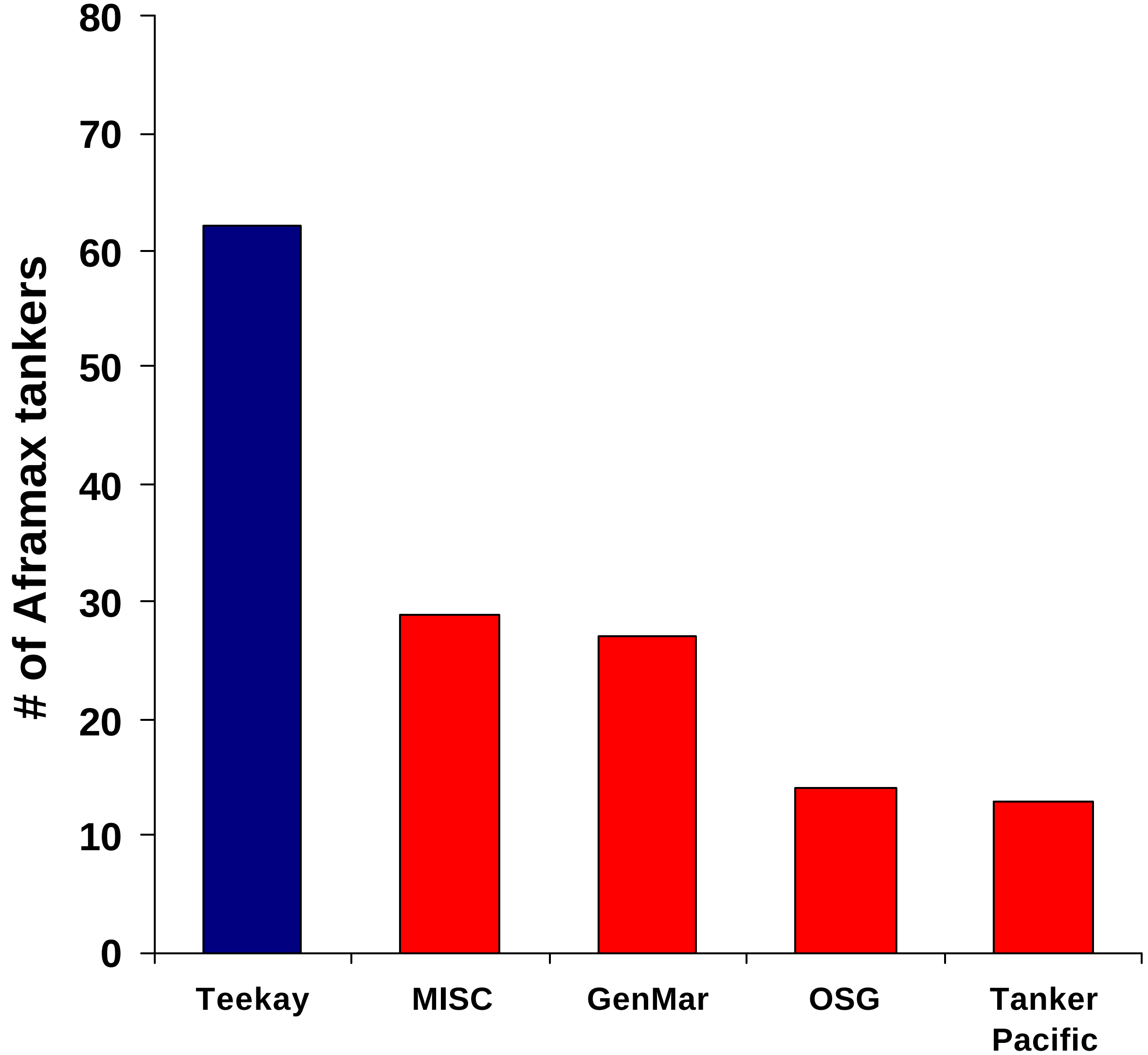
Pre-eminent Market Position

- Largest Spot Operator of Medium-Sized Tankers
  - 60 owned vessels*
  - 30 chartered-in vessels*
  - 7 commercially managed vessels
- Uniform, Interchangeable Fleet
- Unique Global Organization
- Biggest portfolio of strategic contracts with blue chip customers

High Capacity Utilization + Scale = Unique Competitive Advantage

*Includes newbuild vessels on order

World's Largest Operator of Spot Aframax Tankers



Profitable Throughout the Cycle

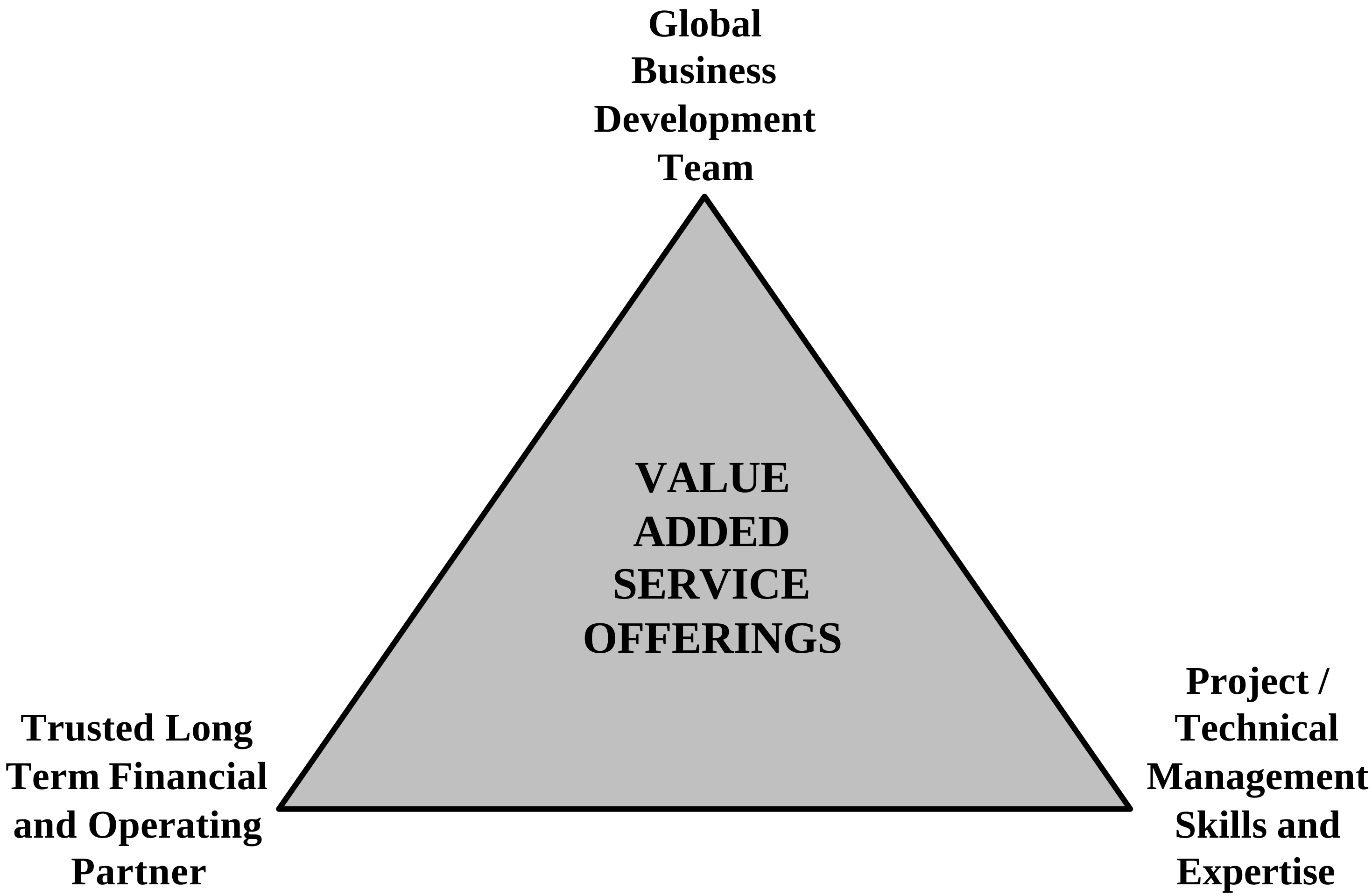
Effect of Teekay's Successful Growth Strategy

	1998 Average Market	1999 Low Market	2001 High Market
Teekay Actual Aframax TCE Rates	$19,000/day	$13,000/day	$27,500/day
Actual Net Income	$71 Million	($20 Million)	$337 Million
Proforma Net Income*	**$207 Million**	**$37 Million**	**$448 Million**
Actual EPS	$1.96	($0.61)	$8.31
Proforma EPS*	**$5.10**	**$0.90**	**$11.05**
Actual EBITDA	$210 Million	$96 Million	$539 Million
Proforma EBITDA*	**$507 Million**	**$337 Million**	**$748 Million**

*Proforma based on current fleet plus 2004 newbuilding deliveries.

Note: See appendix for explanation and reconciliation of EBITDA

Teekay's Software Value



Teekay's integrated structure creates value in excess of its hardware

HOW SHOULD THE NEWLY TRANSFORMED TEEKAY BE VALUED?

Valuation Method #1
Multiple of Fixed-Rate EBITDA + Book Value of Spot Fleet

In millions (except per share data)
Balance Sheet data as at June 30, 2003

FIXED-RATE SEGMENT

Fixed-rate segment EBITDA *	280
Multiple **	x 9
Total fixed-rate inherent enterprise value	2,520
less: pro rata share of net debt	(732)
Equity value of fixed-rate business	1,788
Shares outstanding (millions)	40
Fixed-rate segment equity value per share	**$44.71**

SPOT SEGMENT

Book value of spot fleet + JVs	1,370
less: pro rata share of net debt	(630)
Equity value of spot business	740
Shares outstanding (millions)	40
Spot segment equity value per share	**$18.49**

* Commencing Q3-2004 annualized
** Based on inherent MLP multiples

$63.20
Combined Teekay Equity Value per share

At the current stock price of under $45, the market is far from recognizing the value of Teekay's two businesses even using conservative valuation metrics

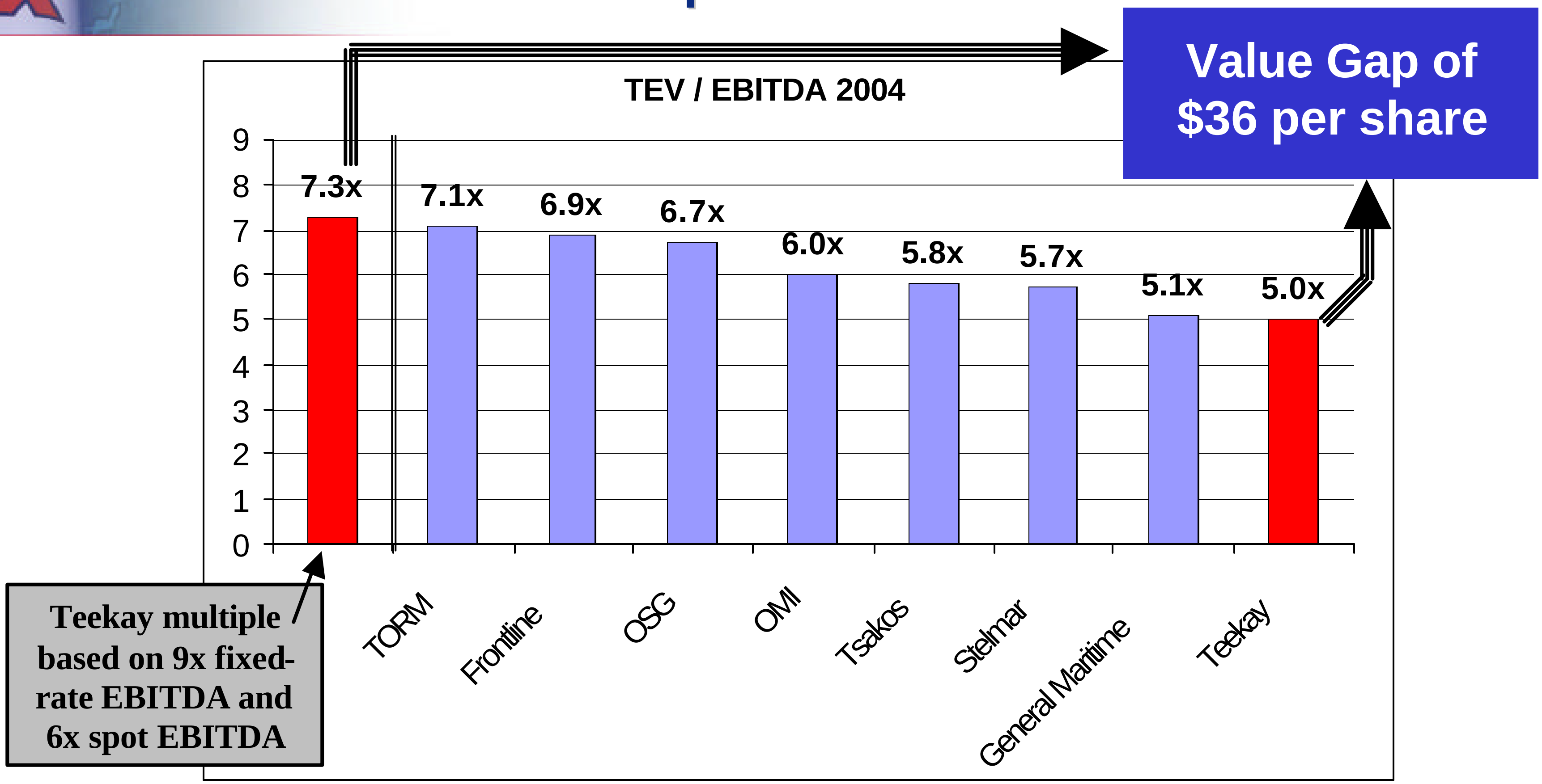
Share Value Matrix

Stock Price Matrix		% of Spot Book Value								
		45%	50%	60%	70%	80%	90%	100%	110%	120%
Fixed Rate Segment EBITDA Multiple	8	37.36	39.07	42.49	45.92	49.35	52.77	56.20	59.62	63.05
	9	44.36	46.07	49.49	52.92	56.35	59.77	63.20	66.62	70.05
	10	51.36	53.07	56.49	59.92	63.35	66.77	70.20	73.62	77.05

Value Gap of ~42%
or $18.84 per share

Valuation Method #2

Multiple of Total EBITDA



Source: TEV / EBITDA 2004 data from Jefferies Tanker Weekly dated Sept. 22, 2003

Teekay's shares are presently trading at EBITDA multiples well behind its peers, yet has greater stable long-term cash flows and visibility

Investment Highlights

- The largest crude oil tanker company measured by market capitalization, enterprise value, and fleet size
- An integrated logistics provider, not just an owner
- Financial strength to pursue continued profitable growth
- Profitable throughout the cycle; large base of long-term fixed-rate business coupled with significant spot market upside
- Market has not yet recognized the value of the newly transformed Teekay

Appendix – EBITDA Reconciliation

- 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 7:

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

	Year Ended December 31,2003	Year Ended December 31, 2004
Projection		
Income from vessel operations	130,000	185,000
Depreciation and Amortization	70,000	95,000
EBITDA	200,000	280,000

Appendix – EBITDA Reconciliation

- 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 net income (loss) with EBITDA for the periods presented on slide 15:

	Year Ended March 31, 1999	Nine Months Ended December 31, 1999	Year Ended December 31, 2001
Reconciliation of EBITDA			
Actual			
Net income (loss)	70,504	(19,595)	336,518
Interest expense	56,269	44,996	66,249
Income tax expense		1,500	6,963
Depreciation and amortization	94,941	68,299	136,283
Other	(12,132)	675	(6,689)
EBITDA	209,582	95,875	539,324
Projection			
Net income	207,000	37,000	448,000
Interest expense	88,000	88,000	88,000
Income tax expense	12,000	12,000	12,000
Depreciation and amortization	200,000	200,000	200,000
EBITDA	507,000	337,000	748,000