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.
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

- Managed Ships: 21 Ships
- Time Chartered-in Ships: 44 Ships
- Owned Ships: 103 Ships *

- 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

Traditional Ship Owners
**Growing Earnings Power**

2004:
- **Spot Rate Increase** $1,000 TCE/day
- **EPS Increase** $0.70/year

- **Increasing earnings power**
- **Declining net income**
- **Break-even TCE rate**

Growing operating leverage

*Proforma to include most recent transactions*
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

- Shuttle Tankers
- Fixed Rate Conventional Tankers
- Offshore

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

* Annualized basis
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
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
Teekay has two complementary businesses:


2. Leading Spot Tanker Franchise
   - Conventional
   - Lightering
Superior Cash Flow Generation from Spot Business

- **Low-cycle** ($13,000/day)
  - Fixed-Rate EBITDA: 300
  - Spot-based EBITDA: 200

- **Mid-cycle** ($18,000/day)
  - Fixed-Rate EBITDA: 400
  - Spot-based EBITDA: 500

- **High-cycle** ($27,500/day)
  - Fixed-Rate EBITDA: 500
  - Spot-based EBITDA: 800

**Floor**

- **Proforma 2004 EPS**
  - $0.90
  - $4.40
  - $11.05

**Spot Rate Increase**
- $1,000 TCE/day

**EBITDA Increase**
- $30 million annually
- 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

- **Teekay**: World's Largest Operator
- **MISC**: # of Aframax tankers
- **GenMar**: # of Aframax tankers
- **OSG**: # of Aframax tankers
- **Tanker Pacific**: # of Aframax tankers
## Profitable Throughout the Cycle

### Effect of Teekay’s Successful Growth Strategy

<table>
<thead>
<tr>
<th></th>
<th>1998 Average Market</th>
<th>1999 Low Market</th>
<th>2001 High Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teekay Actual</td>
<td>$19,000/day</td>
<td>$13,000/day</td>
<td>$27,500/day</td>
</tr>
<tr>
<td>Aframax TCE Rates</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1999</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Net Income</td>
<td>$71 Million</td>
<td>($20 Million)</td>
<td>$337 Million</td>
</tr>
<tr>
<td>Proforma Net Income*</td>
<td>$207 Million</td>
<td>$37 Million</td>
<td>$448 Million</td>
</tr>
<tr>
<td>Actual EPS</td>
<td>$1.96</td>
<td>($0.61)</td>
<td>$8.31</td>
</tr>
<tr>
<td>Proforma EPS*</td>
<td>$5.10</td>
<td>$0.90</td>
<td>$11.05</td>
</tr>
<tr>
<td>Actual EBITDA</td>
<td>$210 Million</td>
<td>$96 Million</td>
<td>$539 Million</td>
</tr>
<tr>
<td>Proforma EBITDA*</td>
<td>$507 Million</td>
<td>$337 Million</td>
<td>$748 Million</td>
</tr>
</tbody>
</table>

*Proforma based on current fleet plus 2004 newbuilding deliveries.

Note: See appendix for explanation and reconciliation of EBITDA
Teekay’s Software Value

Global Business Development Team

VALUE ADDED SERVICE OFFERINGS

Trusted Long Term Financial and Operating Partner

Project / Technical Management Skills and Expertise

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**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed-rate segment EBITDA *</td>
<td>280</td>
</tr>
<tr>
<td>Multiple **</td>
<td>x 9</td>
</tr>
<tr>
<td>Total fixed-rate inherent enterprise value</td>
<td>2,520</td>
</tr>
<tr>
<td>less: pro rata share of net debt</td>
<td>(732)</td>
</tr>
<tr>
<td>Equity value of fixed-rate business</td>
<td>1,788</td>
</tr>
<tr>
<td>Shares outstanding (millions)</td>
<td>40</td>
</tr>
</tbody>
</table>

**SPOT SEGMENT**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book value of spot fleet + JVs</td>
<td>1,370</td>
</tr>
<tr>
<td>less: pro rata share of net debt</td>
<td>(630)</td>
</tr>
<tr>
<td>Equity value of spot business</td>
<td>740</td>
</tr>
<tr>
<td>Shares outstanding (millions)</td>
<td>40</td>
</tr>
</tbody>
</table>

**Fixed-rate segment equity value per share** $44.71

**Spot segment equity value per share** $18.49

**$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

<table>
<thead>
<tr>
<th>Stock Price Matrix</th>
<th>45%</th>
<th>50%</th>
<th>60%</th>
<th>70%</th>
<th>80%</th>
<th>90%</th>
<th>100%</th>
<th>110%</th>
<th>120%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Rate Segment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>37.36</td>
<td>39.07</td>
<td>42.49</td>
<td>45.92</td>
<td>49.35</td>
<td>52.77</td>
<td>56.20</td>
<td>59.62</td>
<td>63.05</td>
</tr>
<tr>
<td>9</td>
<td>44.36</td>
<td>46.07</td>
<td>49.49</td>
<td>52.92</td>
<td>56.35</td>
<td>59.77</td>
<td>63.20</td>
<td>66.62</td>
<td>70.05</td>
</tr>
<tr>
<td>10</td>
<td>51.36</td>
<td>53.07</td>
<td>56.49</td>
<td>59.92</td>
<td>63.35</td>
<td>66.77</td>
<td>70.20</td>
<td>73.62</td>
<td>77.05</td>
</tr>
</tbody>
</table>

Value Gap of ~42% or $18.84 per share
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:

<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>
<tr>
<td>Projection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from vessel operations</td>
<td>130,000</td>
<td>185,000</td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>70,000</td>
<td>95,000</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>200,000</td>
<td>280,000</td>
<td></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 net income (loss) with EBITDA for the periods presented on slide 15:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended</th>
<th>Nine Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 1999</td>
<td>December 31, 1999</td>
<td>December 31, 2001</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>70,504</td>
<td>(19,595)</td>
<td>336,518</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>56,269</td>
<td>44,996</td>
<td>66,249</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>1,500</td>
<td>6,963</td>
<td>6,963</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>94,941</td>
<td>68,299</td>
<td>136,283</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>(12,132)</td>
<td>675</td>
<td>(6,689)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>209,582</td>
<td>95,875</td>
<td>539,324</td>
</tr>
</tbody>
</table>

**Projection**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td>207,000</td>
<td>37,000</td>
<td>448,000</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>88,000</td>
<td>88,000</td>
<td>88,000</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>12,000</td>
<td>12,000</td>
<td>12,000</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>507,000</td>
<td>337,000</td>
<td>748,000</td>
</tr>
</tbody>
</table>