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, 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; 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* equating to $4.10 EPS*, 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
- Attractively priced 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 5 Years Ago

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 Corporation**
  - Total: 71 vessels
  - Newbuildings: 14
  - Includes owned and in-chartered vessels, newbuildings on order, OBO’s and 3 FSO vessels

- **Malaysian Intnl Shipping Corp.**
  - Total: 32 vessels
  - Newbuildings: 4

- **General Maritime**
  - Total: 23 vessels
  - Newbuildings: 1

- **Overseas Shipholding Group**
  - Total: 13 vessels
  - Newbuildings: 1

- **Tanker Pacific Mngmt**
  - Total: 10 vessels
  - 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)
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

Scraping of ~45 mdwt (est.)

4.5 mdwt mandatory scrapping
17.4 mdwt voluntary scrapping

Source: Clarkson

Deliveries Deletions On Order Net Change

Million Deadweight


Source: Clarkson

4.5 mdwt mandatory scrapping
17.4 mdwt voluntary scrapping

Deliveries of ~60 mdwt
Scraping of ~45 mdwt (est.)
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
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

- 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 Shipping Corporation

Teekay is an Integrated Logistics Provider

21 Ships
Managed Ships

53 Ships
Time Chartered-in Ships

104 Ships *
Owned Ships

Traditional Ship Owners

24 Ships

Long-term Fixed-rate time charter

COA

Spot Charter / Short Term T/C

Logistics / Outsourcing

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%
  - 1999: $0
  - 2000: $500
  - 2001: $1,000
  - 2002: $1,500
  - Sept. 30, 2003: $2,000

- **Net Debt to Capitalization**: 0%
  - 1999
  - 2000
  - 2001
  - 2002
  - 2003 (est.)*

- **Market Capitalization**: CAGR = 46%
  - 1999: $0
  - 2000: $500
  - 2001: $1,000
  - 2002: $1,500
  - Jan. 22, 2004: $2,000

- **Stockholder's Equity**: CAGR = 19%
  - 1999: $0
  - 2000: $200
  - 2001: $400
  - 2002: $600
  - 2003 (est.)*

* 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**

<table>
<thead>
<tr>
<th>Cycle</th>
<th>Spot Rate Increase ($1,000 TCE/day)</th>
<th>EBITDA Increase ($30 million annually)</th>
<th>EPS Increase (~ $0.68)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-cycle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-cycle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High-cycle</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Proforma 2004 EPS
- Low-cycle: $0.68
- Mid-cycle: $4.10
- High-cycle: $10.55

* Proforma 2004 EBITDA annualized
Growing Earnings Power

2004:
Spot Rate Increase
$1,000 TCE/day

EPS Increase
~ $0.68/year

Growing operating leverage

Increasing earnings power

Declining net income break-even TCE rate

* Proforma to include most recent transactions
Historically, tanker companies have been valued based on ‘steel value’ alone. Teekay is an integrated logistics provider, and not just a conventional tanker company.
Valuation Method
Multiple of Fixed-Rate EBITDA + Book Value of Spot Fleet

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

<table>
<thead>
<tr>
<th>FIXED-RATE SEGMENT</th>
<th>SPOT SEGMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed-rate segment EBITDA *</td>
<td>$285</td>
</tr>
<tr>
<td>Multiple ***</td>
<td>x 9</td>
</tr>
<tr>
<td>Total fixed-rate inherent enterprise value</td>
<td>$2,565</td>
</tr>
<tr>
<td>less: pro rata share of net debt</td>
<td>$(787)</td>
</tr>
<tr>
<td>Equity value of fixed-rate business</td>
<td>$1,778</td>
</tr>
<tr>
<td>Shares outstanding (millions)</td>
<td>42</td>
</tr>
</tbody>
</table>

Fixed-rate segment equity value per share $42.33
Spot segment equity value per share $36.20

* Commencing Q3-2004 annualized
** Based on avg. of peer group – see appendix
*** Based on inherent MLP multiples – see appendix

At the current stock price of approximately $62, the market has not yet recognized the value of Teekay’s two businesses

$78.53
Combined Teekay Equity Value per share
## Share Value Matrix

<table>
<thead>
<tr>
<th>Stock Price Matrix</th>
<th>Multiple of Spot Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.0x</td>
</tr>
<tr>
<td>Fixed Rate Segment</td>
<td></td>
</tr>
<tr>
<td>EBITDA Multiple</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>

Value Gap of ~26% or $16.25 per share
Investment Highlights

- An integrated supplier of Midstream oil services, not just a ship 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
### Multiple Comparisons

**Price to book value multiples for shipping group**

<table>
<thead>
<tr>
<th>Company</th>
<th>Multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teekay</td>
<td>1.6 x</td>
</tr>
<tr>
<td>Frontline</td>
<td>1.7 x</td>
</tr>
<tr>
<td>General Maritime</td>
<td>1.3 x</td>
</tr>
<tr>
<td>Stelmar Shipping</td>
<td>1.2 x</td>
</tr>
<tr>
<td>OMI</td>
<td>1.5 x</td>
</tr>
<tr>
<td>Tsakos</td>
<td>1.2 x</td>
</tr>
<tr>
<td>Overseas Shipholding Group</td>
<td>1.4 x</td>
</tr>
<tr>
<td>TORM</td>
<td>2.5 x</td>
</tr>
</tbody>
</table>

*average* 1.6 x

Source: Jefferies Tanker Weekly - Jan. 20, 2004

**TEV / EBITDA 2004 Multiples**

<table>
<thead>
<tr>
<th>Company</th>
<th>Multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pipelines &amp; Transportation</td>
<td></td>
</tr>
<tr>
<td>Buckeye Partners</td>
<td>13.7 x</td>
</tr>
<tr>
<td>Enbridge Energy</td>
<td>12.4 x</td>
</tr>
<tr>
<td>Enterprise Products</td>
<td>12.6 x</td>
</tr>
<tr>
<td>Kinder Morgan Energy</td>
<td>15.2 x</td>
</tr>
<tr>
<td>Norther Border Partners</td>
<td>10.8 x</td>
</tr>
<tr>
<td>Magellan Midstream</td>
<td>12.7 x</td>
</tr>
<tr>
<td>Pacific Energy Partners</td>
<td>12.9 x</td>
</tr>
<tr>
<td>Sunoco Logistics Partners</td>
<td>10.3 x</td>
</tr>
<tr>
<td>TEPPCO Partners</td>
<td>13.6 x</td>
</tr>
<tr>
<td>Valero</td>
<td>12.1 x</td>
</tr>
</tbody>
</table>

*average* 12.6 x

<table>
<thead>
<tr>
<th>Company</th>
<th>Multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propanes</td>
<td></td>
</tr>
<tr>
<td>AmeriGas Partners</td>
<td>9.8 x</td>
</tr>
<tr>
<td>Ferrellgas Partners</td>
<td>9.8 x</td>
</tr>
<tr>
<td>Star Gas Partners</td>
<td>8.7 x</td>
</tr>
<tr>
<td>Suburban Propane</td>
<td>11.0 x</td>
</tr>
<tr>
<td>Inergy</td>
<td>7.8 x</td>
</tr>
</tbody>
</table>

*average* 9.4 x

Source: Citigroup at Jan. 15, 2004
### Teekay Fleet Composition

#### Fleet List as at Jan. 16, 2004

<table>
<thead>
<tr>
<th>Spot Tanker Fleet:</th>
<th>Number of Vessels</th>
<th>Chartered-in Vessels</th>
<th>Newbuildings on Order</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>VLCC's</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Suezmaxes</td>
<td>1</td>
<td>5</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Aframaxes</td>
<td>43</td>
<td>15</td>
<td>12</td>
<td>70</td>
</tr>
<tr>
<td>OBOs</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Large Product Tankers</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Small Product Tankers</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Spot Tanker Fleet</strong></td>
<td><strong>45</strong></td>
<td><strong>39</strong></td>
<td><strong>12</strong></td>
<td><strong>96</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Long-term Fixed-Rate Contract Fleet:</th>
<th>Number of Vessels</th>
<th>Chartered-in Vessels</th>
<th>Newbuildings on Order</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shuttle Tankers</td>
<td>29</td>
<td>13</td>
<td>1</td>
<td>43</td>
</tr>
<tr>
<td>Conventional Tankers</td>
<td>8</td>
<td>-</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Floating Storage &amp; Offtake (&quot;FSO&quot;) Vessels</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>LPG Carrier</td>
<td>1</td>
<td>4</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total Long-Term Fixed-Rate Contract Fleet</strong></td>
<td><strong>41</strong></td>
<td><strong>17</strong></td>
<td><strong>3</strong></td>
<td><strong>61</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>86</strong></td>
<td><strong>56</strong></td>
<td><strong>15</strong></td>
<td><strong>157</strong></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>Income from vessel operations</td>
<td>16,622</td>
<td>49,615</td>
</tr>
<tr>
<td></td>
<td>Depreciation and Amortization</td>
<td>7,020</td>
<td>37,024</td>
</tr>
<tr>
<td></td>
<td>EBITDA</td>
<td>23,642</td>
<td>86,639</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>