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TEEKAY CORPORATION
2012 ANNUAL GENERAL MEETING
PETER EVENSEN, PRESIDENT AND CEO
JUNE 6, 2012

Good morning, ladies and gentlemen. Thank you for attending our Annual General Meeting. It is my pleasure to report to you at this Annual General Meeting following my first full year as Teekay Corporation's President and Chief Executive Officer. As usual, I will spend a few minutes today reviewing our key developments for 2011. For further information I refer you to our website at www.teekay.com where you will be able to download our 20F filing with the United States Securities and Exchange Commission.

Before I begin, I must include the usual and important disclaimers about forward looking statements that are mandated by US Securities laws.[1]

Our offshore franchise experienced another strong year with the announcement of significant new fixed-rate contracts in both our FPSO and shuttle tanker businesses and a major acquisition in our FPSO business.

Our LNG business continued to generate stable cash flows based on our diversified portfolio of long-term contracts. After several quiet years, the LNG shipping market awoke in 2011 by the devastating tsunami in Japan and ensuing Fukishima nuclear crisis which resulted in a steep rise in spot LNG shipping rates and a renewed interest in floating regasification projects.

High growth in conventional tanker supply relative to demand resulted in one of the weakest tanker markets in decades, making for a very challenging year for companies in the spot conventional tanker business, including Teekay.

However, the weak spot tanker market of 2011 highlighted the value of our diversified business model including our strong fixed-rate businesses. During the year, we generated total cash flow from vessel operations, or CFVO[2], of $632 million, in-line with our 2010 cash flows despite a weaker spot tanker market.

Total revenues decreased slightly to $2.0 billion in 2011, from $2.1 billion in 2010. Our adjusted net loss[3] in 2011 was $103 million, or $1.47 per share, compared to an adjusted net loss of $121 million, or 1.67 per share in 2010. On a US GAAP basis, we recorded a net loss of $369 million for the year, the difference mainly due to the unrealized mark-to-market loss on interest rate swaps and vessel write-downs. It should be noted that these mark-to-market accounting losses and asset write-downs had no impact on our cash flows, liquidity or loan covenants.

Although 2011 was a challenging year for shipping companies, Teekay's stock price held up relatively well in 2011, declining by approximately 19% compared to decreases of 50% or greater experienced by many publicly traded tanker companies[4]. We continue to focus on increasing our underlying net asset value per share and narrowing the discount of our share price to our sum-of-the-parts value.

During 2011, we made significant progress towards our shareholder value creation objectives through a focus on four main value creation drivers:

- Growth in the value of our general partner interests;
- Investment in higher-return opportunities;
- Focus on enhancing profitability of existing assets; and
- Return of capital to shareholders.

Through a combination of asset sales from the parent company and direct acquisitions by the daughter companies, we successfully grew the value of our general partnership interests in our two master limited partnership daughter entities, Teekay Offshore Partners and Teekay LNG Partners. These transactions all contributed to growth in Teekay LNG and Teekay Offshore distributable cash flows, which in-turn resulted in growth to our general partnership cash flows. The sale of Teekay Parent assets to the MLP daughter entities included the remaining 49 percent interest in the OPCO shuttle tanker franchise and the last two "Explorer-class" shuttle tanker newbuildings to Teekay Offshore, as well as a 33 percent interest in the four Angola LNG carrier newbuildings and 100 percent interest in two LPG/multigas carrier newbuildings to Teekay LNG.

With larger balance sheets, our MLP daughter companies were also able to undertake direct acquisitions in 2011 which are expected to provide further general partnership cash flow growth in the near- to medium-term future. This includes Teekay Offshore's direct acquisition of the Piranema FPSO from Sevan Marine in November and order for four newbuilding shuttle tankers from Samsung delivering in 2013, as well as Teekay LNG's acquisition of the six-vessel LNG carrier fleet from A.P. Moller Maersk through its joint venture with Marubeni Corporation.

In total, the parent company completed approximately $1.1 billion of asset sales to its daughter companies in 2011, enabling Teekay Parent to de-lever its balance sheet and build liquidity. We made substantial investments in higher-return opportunities during 2011 that we expect to result in either enhanced cash flows to Teekay Parent or completed projects that we can sell to our daughter companies to enhance our future general partnership cash flows.

This included Teekay Parent's November 2011 transaction with Sevan which resulted in the acquisition of the Hummingbird Spirit FPSO, an agreement to finance capital upgrades for, and eventually acquire, the Voyageur Spirit FPSO and an investment for a 40 percent ownership interest in a recapitalized Sevan, which expands our offshore engineering and solutions offering and provides Teekay Offshore with a new source of potential FPSO growth opportunities. Both the Hummingbird Spirit and Voyageur Spirit will be available for sale to Teekay Offshore at market value once the units are operating under new longer-term contracts.

Teekay Parent also continued to invest in organic growth projects in 2011 which are expected to generate strong returns in the future, the most notable being the $1 billion Knarr FPSO project, which is scheduled to begin operating in the North Sea in early 2014.

In addition to enhancing our cash flow growth through acquisitions and new projects, we have also made significant headway in our operational initiatives to improve the profitability of our existing businesses. In our offshore business, due to a combination of strong operating performance and higher oil prices, we realized a significant increase in year-over-year revenue from the Foinaven FPSO contract. In addition, we have continued to renew contracts at improved rates in our Shuttle Tanker fleet and we have also made progress towards reducing operating expenses in this segment.

In our liquefied gas business, the robust demand for spot LNG assets in 2011 enabled us to employ the Arctic Spirit LNG carrier and re-charter the Polar Spirit LNG carrier at favorable rates, which will enhance the cash flows and profitability of these assets in 2012. The addition of the six Maersk LNG vessels will also provide further scale economies to our LNG operations and thereby improving our cost efficiency.

In our conventional tanker business, we have been able to achieve cost savings through slow steaming and other operational cost savings initiatives. We also continued to reduce our chartered-in conventional tanker fleet which resulted in savings of over $13 million, or 20 percent, to our quarterly time-charter hire expense in the fourth quarter of 2011, compared to the same quarter of 2010. In 2012, 10 time-chartered in conventional tankers that were operating in our fleet during 2011 will be redelivered to their owners, which will result in further cost savings.

Although we have made some progress on improving our profitability in 2011, it remains one of our key priorities in 2012 and going forward. We have a number of profitability improvement initiatives currently underway and are targeting to return Teekay to profitability on a run-rate basis by the end of this year.

Our unique corporate structure continues to be a source of strength as it provides access to capital to finance our growth. The constrained commercial bank lending market, which impacted growth plans for many of our peers in 2011, has highlighted a distinct competitive advantage for our parent-daughter company structure. Through well-timed equity issuances, during 2011, our daughter companies, Teekay Offshore, Teekay LNG and Teekay Tankers, successfully raised approximately $640 million of proceeds which have been, or will be, used by our daughter entities to acquire assets, either from Teekay Parent or third parties, or invest directly in new projects.

Based on our substantial and growing fixed-rate contract business, which now accounts for approximately 85 percent of Teekay's invested capital on a consolidated basis, the commercial bank market remained open to Teekay in 2011 and enabled us to complete approximately $1.4 billion of commercial debt financings.

Finally, we continued to generate value in 2011 through the return capital to shareholders. Since commencing our most recent share repurchase initiative in November 2010, approximately 5.2 million Teekay Corporation shares have been repurchased, at a total cost of $162 million. This represents over 7 percent of Teekay Corporation's outstanding share count at the start of November 2010. Although we suspended our repurchase program in October 2011 to direct capital to the Sevan transaction and our organic FPSO projects, we still consider share repurchases to be an important tool for value creation when we have available capital and our shares are trading at a compelling price relative to their underlying intrinsic value.

Both Teekay Parent and the Teekay daughter companies also continued to generate strong dividend cash flows in 2011, declaring regular quarterly dividends that resulted in a combined payout of approximately $440 million. Each of our MLP daughter entities raised their distributions by approximately 5 percent, reflecting the growth in their distributable cash flows as a result of the assets acquired from Teekay Parent and direct purchases.

Looking ahead, Teekay Parent's current FPSO newbuilding and conversion projects and its existing fleet of on-the-water assets provide visible opportunities for further distribution cash flow growth from the Teekay daughter companies. In addition, given the outlook for strong fundamentals in both the offshore and liquefied gas industries, and a recovering tanker market commencing in 2013, combined with our financial strength and growing project capability, we believe Teekay and its daughter companies are also well positioned for new organic projects and acquisitions.

Before I conclude, I would like to highlight that operational excellence has always been among Teekay's key strengths. Our global teams onboard ships and ashore, devote enormous effort towards upholding the Teekay name as a respected symbol of quality and as a protector of the environment. We set ourselves high standards for personnel safety, fleet availability and customer service. However, we recognize that there will always be room to do better and we live by our core value of continuous improvement.

In closing, I would like to thank our customers for the opportunity to serve them; our colleagues for their dedicated efforts; our Board of Directors for their valued guidance; and our fellow shareholders for their continued support.

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[1] Before I proceed with my report to the shareholders, please allow me to remind you that various remarks that we may make in the course of this presentation about future expectations, plans and prospects for the company and the shipping industry constitute forward-looking statements for the purposes of the Safe Harbor provisions under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements, as a result of various important factors, including those discussed in our annual report on Form 20-F for the year ended December 31, 2011 and dated April 25, 2012, which is on file with the U.S. Securities and Exchange Commission.

[2] Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel write-downs, gains and losses on the sale of vessels and unrealized gains and losses relating to derivatives, but includes realized gains and losses on the settlement of foreign currency forward contracts. 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 above to the most directly comparable GAAP financial measure.

[3] Adjusted net income (loss) attributable to stockholders of Teekay is a non-GAAP financial measure which adjusts for a number of specific items that are typically excluded by securities analysts in their published estimates of the Company's financial results. Adjusted net (loss) income attributable to the stockholders of Teekay is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP. Please refer to Appendix A of the Teekay Corporation Fourth Quarter and Fiscal 2011 Earnings Release, which can be found on the Company's website www.teekay.com, for a reconciliation of this non-GAAP measure, as referenced above, to the most directly comparable financial measure under United States generally accepted accounting principles (GAAP).

[4] Comparable peer group includes the following publicly-listed tanker companies: Frontline Ltd., Overseas Shipholding Group, General Maritime Corp., Tsakos Energy Navigation Ltd., and Nordic American Tanker Shipping.

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