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 tanker charter rates, seasonal variations in the tanker market, 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; and 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 150 vessels

Leading industry consolidator; more than tripled in size since 1998

Growing cash generating power – approximately $10 mid-cycle CEPS equating to $4.50 EPS, upon the delivery of new vessels on order
The Transformation of Teekay

1998
Regional Leader in Mid-size Tankers
- 45 ships

2003
World Leader in Marine Oil Transportation
- 150 ships carrying over 10% of the world’s sea borne oil trade
Actively Managing the Cycle

1998 1999 2000 2001 2002 2003

$10,000 $15,000 $20,000 $25,000 $30,000 $35,000 $40,000 $45,000

Realized Aframax TCE

- Acquired UNS L/T Contracts
- Raised Flexible Financing
- ConocoPhillips L/T Contracts
- Reduced Debt
- Ordered Newbuildings
- Acquired Bona
- Bought Back Shares
- Issued Convertible Pref. Shares
- Acquired Navion
- Ordered Newbuildings
Acquisition of Navion

Key Highlights:

- Acquired Navion ASA for $800 million

Offshore Loading

- Adds significant earnings stability of approximately $1.00 EPS annually

Conventional Tankers

- Increased operating leverage by $0.13 per share
- Broadened conventional tanker service offering
- Right of first refusal on Statoil’s conventional cargos
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

Aframax Rates ($ per day)

Earnings Per Share ($)

Teekay has two complementary businesses:

1. **Growing Profitable Long-term Fixed-rate Contract Business**
   - Shuttle Tankers
   - ConocoPhillips
   - Australia

2. **Leading Spot Tanker Franchise**
Approximately half of Teekay’s capital is now invested in “floating pipelines”

- Navion - the leading offshore loading logistics provider
- UNS - the leading shuttle tanker owning entity
- Significant long-term stable cash flow
- High profitability
Predictable & Stable Earnings

EBITDA from Fixed-rate Long-term Contracts

- Levered IRR > 20%
- Average contract length approximately 7 years
Teekay has two complementary businesses:


2. Leading Spot Tanker Franchise
   - Aframax
   - Navion Shipping
Superior Cash Flow Generation from Spot Business

- Fixed-Rate EBITDA
- Spot-based EBITDA

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

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

- **High-cycle ($27,500/day):**
  - Fixed-rate EBITDA: $600 million
  - Spot-based EBITDA: $700 million

**Proforma 2004 EPS**
- $1.00
- $4.50
- $11.15

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

**EBITDA Increase**
- $30 million annually
- EPS increase by $0.70

* Proforma 2004 EBITDA
Teekay is an Integrated Logistics Provider

- Managed Ships
- Time Chartered-in Ships
- Owned Ships
- Traditional Ship Owners

- Logistics / Outsourcing
- Long-term Fixed-rate time charter
- Spot Charter
- COA

Tailored mix of fixed-rate and market related pricing

- Floating Storage and Offtake
- Offshore Loading
- Conventional Tankers
Pre-eminent Market Position

- Largest Spot Operator of Medium-Sized Tankers
  - 69 owned vessels*
  - 35 chartered-in vessels*
  - 7 commercially managed vessels

- Uniform, Interchangeable Fleet

- Unique Global Organization

- Portfolio of strategic contracts with blue chip customer base

High Capacity Utilization + Scale = Sustainable Competitive Advantage

*Includes newbuild vessels on order
Financial Strength is a Competitive Advantage

- Financial flexibility
- Total liquidity of $690 million at March 31, 2003
- Highest credit rating in industry (S&P: BB+, Moody’s: Ba1)
- Strong cash flow throughout the cycle
- Largest equity market capitalization in the industry
- Ability to raise capital and invest throughout the cycle
Proforma based on current fleet plus delivery of newbuilds plus Navion. Note: See appendix for explanation and reconciliation of EBITDA.
Recent EU Regulations

- Regulations summarized:
  - the accelerated phase out of single-hull tankers between now and 2010;
  - Category 1 vessels trading life is reduced from 30 year to 23 years;
  - the requirement for heavy oils to be transported on double-hull tankers only; and
  - the imposition of a rigorous inspection regime for single-hull tankers older than 15 years.

- Impact on the tanker market:
  - the overall impact is expected to be positive for the shipping industry.
  - approximately 13 percent of the world tanker fleet will immediately be excluded from the European market upon implementation of the regulations
  - expected to lead to stratification of the tanker market, and consequently a tighter regional demand-supply balance
  - the accelerated phase out of the oldest tonnage in the world fleet will lead to greater demand for modern tonnage and tighter tanker supply

Magnified if adopted globally by the IMO
Teekay Will Benefit

- Younger fleet; an average age of 9 years compared to 12 years for the world tanker fleet.

- 15 single hull vessels with an average age of 13 years, able to trade to the latest possible date, 2010.

- Fleet renewal program has 15 newbuildings scheduled for delivery over 2003-2005.

- Teekay’s double-bottom and double-sided ships will be able to trade beyond 2010

- Over two-thirds (104 vessels) of Teekay’s fleet will be double hull by 2005
Investment Highlights

- The largest tanker company measured by market capitalization, enterprise value, and fleet size
- An integrated logistics provider, not just an owner
- Profitable throughout the cycle; large base of long-term fixed-rate business coupled with significant spot market upside
- Well positioned to benefit from favorable industry dynamics
- Financial strength to pursue continued profitable growth
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 10:

<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>
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<tbody>
<tr>
<td>Actual</td>
<td>Income from vessel operations</td>
<td>16,622</td>
<td>49,615</td>
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<tr>
<td></td>
<td>Depreciation and Amortization</td>
<td>7,020</td>
<td>37,024</td>
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<tr>
<td></td>
<td>EBITDA</td>
<td>23,642</td>
<td>86,639</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Ended December 31, 2003</th>
<th>Year Ended December 31, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proforma</td>
<td>Income from vessel operations</td>
</tr>
<tr>
<td></td>
<td>Depreciation and Amortization</td>
</tr>
<tr>
<td></td>
<td>EBITDA</td>
</tr>
</tbody>
</table>
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 16:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actual</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>70,504</td>
<td>(19,595)</td>
<td>336,518</td>
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<tr>
<td>Interest expense</td>
<td>56,269</td>
<td>44,996</td>
<td>66,249</td>
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<tr>
<td>Income tax expense</td>
<td>1,500</td>
<td></td>
<td>6,963</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>94,941</td>
<td>68,299</td>
<td>136,283</td>
</tr>
<tr>
<td>Other</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>

| **Proforma**            |                           |                                    |                             |
| Net income              | 209,790                   | 39,690                             | 450,765                     |
| Interest expense        | 93,000                    | 93,000                             | 93,000                      |
| Income tax expense      | 12,200                    | 12,200                             | 12,200                      |
| Depreciation and Amortization | 200,000            | 200,000                            | 200,000                     |
| **EBITDA**              | 514,990                   | 344,890                            | 755,965                     |