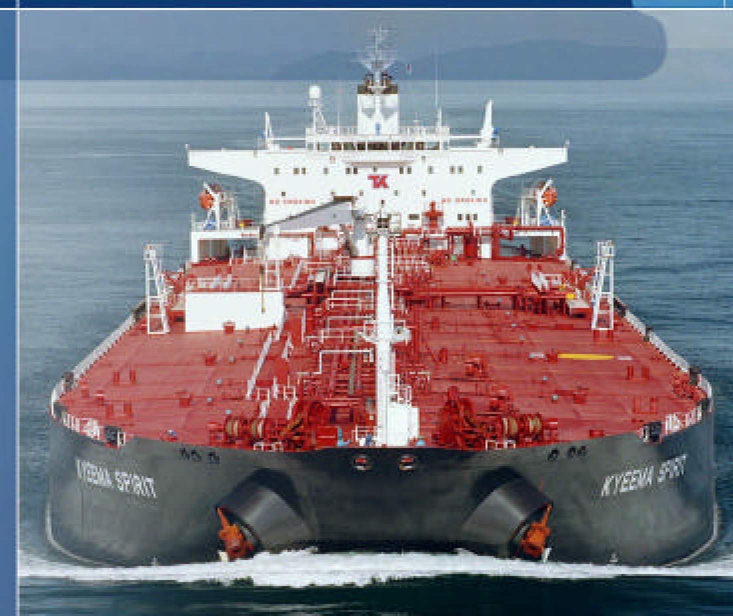
Teekay Shipping

Leading From Strength

Marine Money Conference
June 18, 2003



NYSE: TK

www.teekay.com

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.

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 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

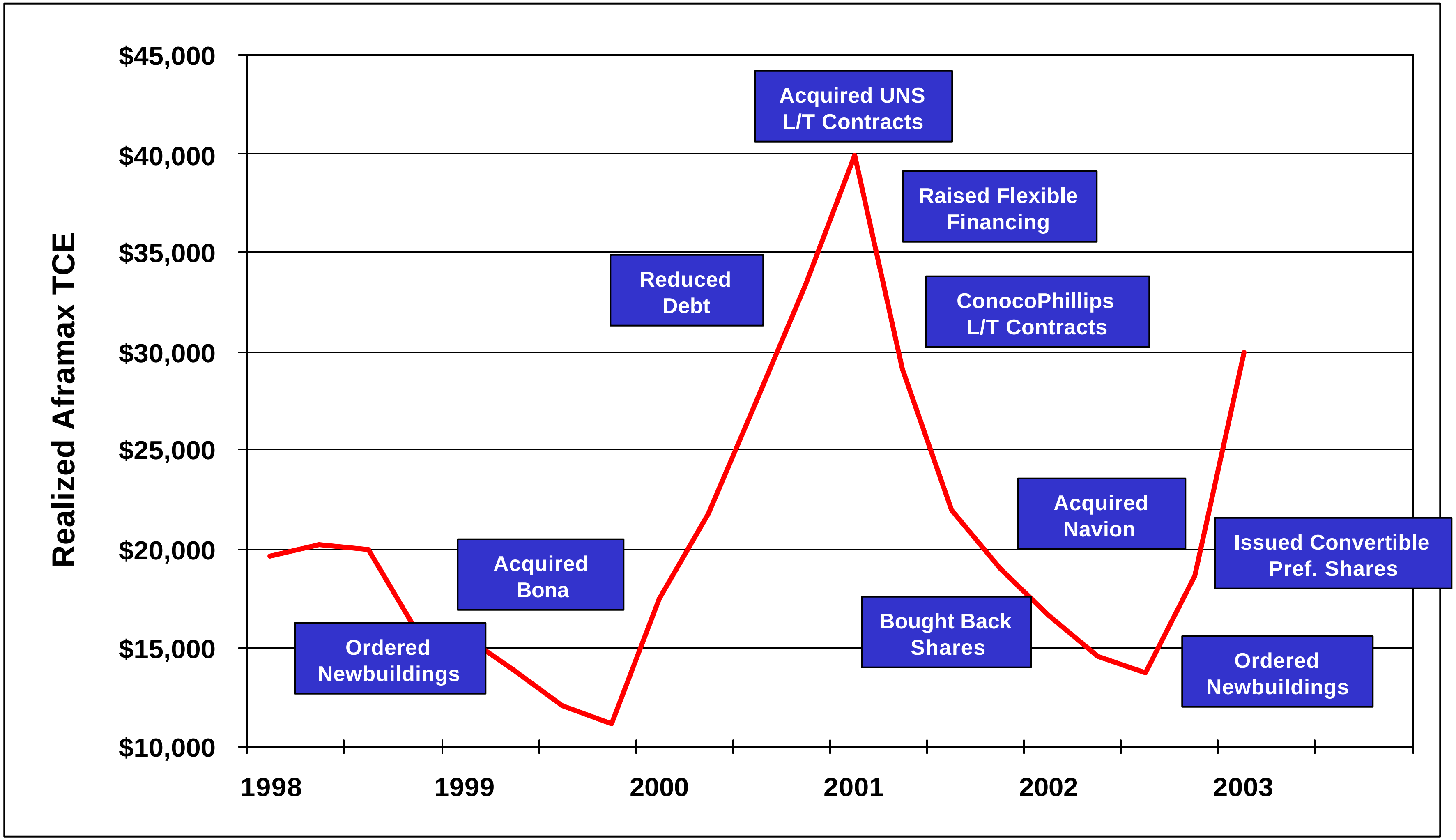
- 45 ships

2003

World Leader in Marine Oil Transportation

- 150 ships carrying over 10% of the world's sea borne oil trade

Actively Managing the Cycle



Acquisition of Navion

Key Highlights:

- **Acquired Navion ASA for $800 million**

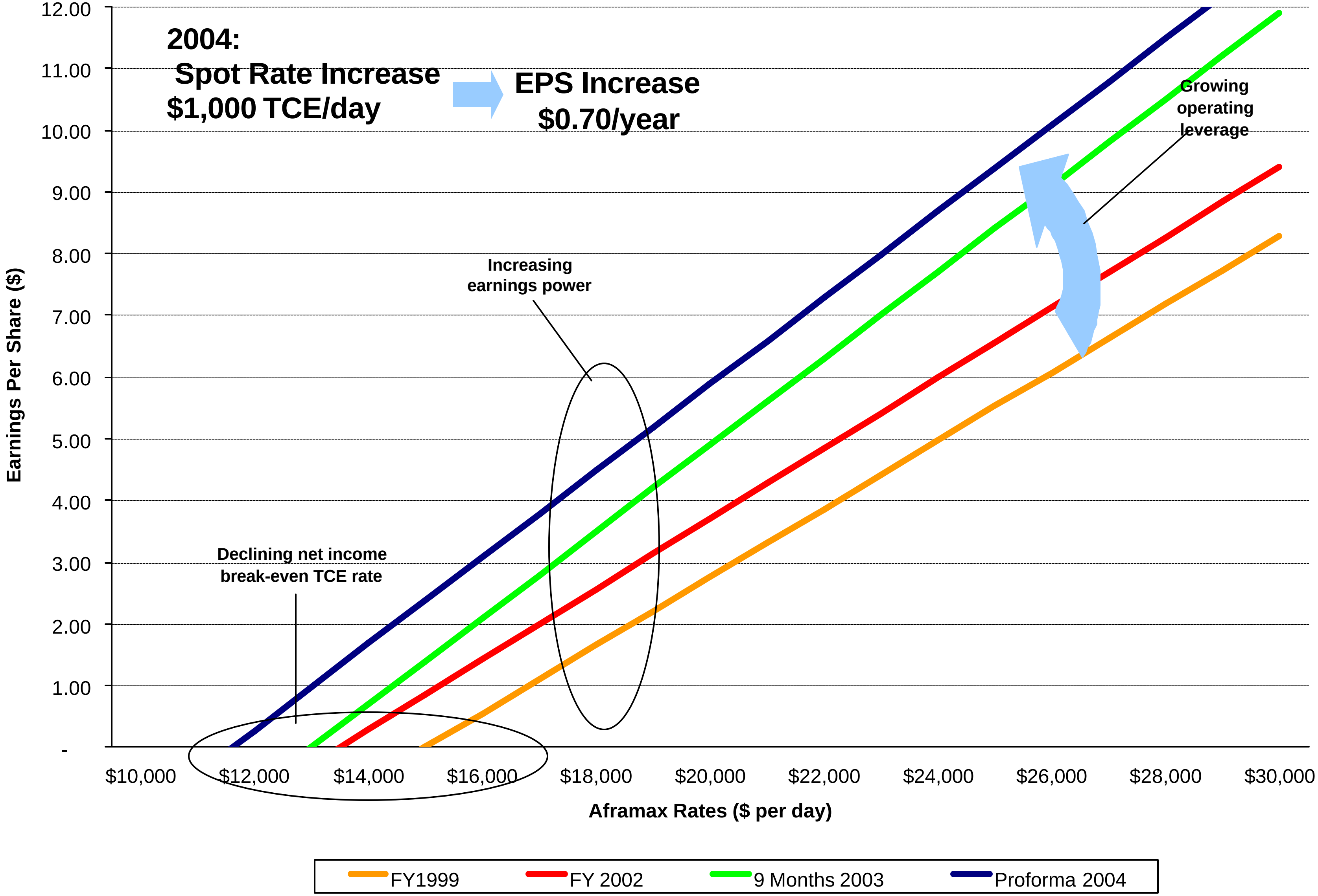
Offshore Loading

- 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



Unique Blend of Base Profitability and Operating Leverage

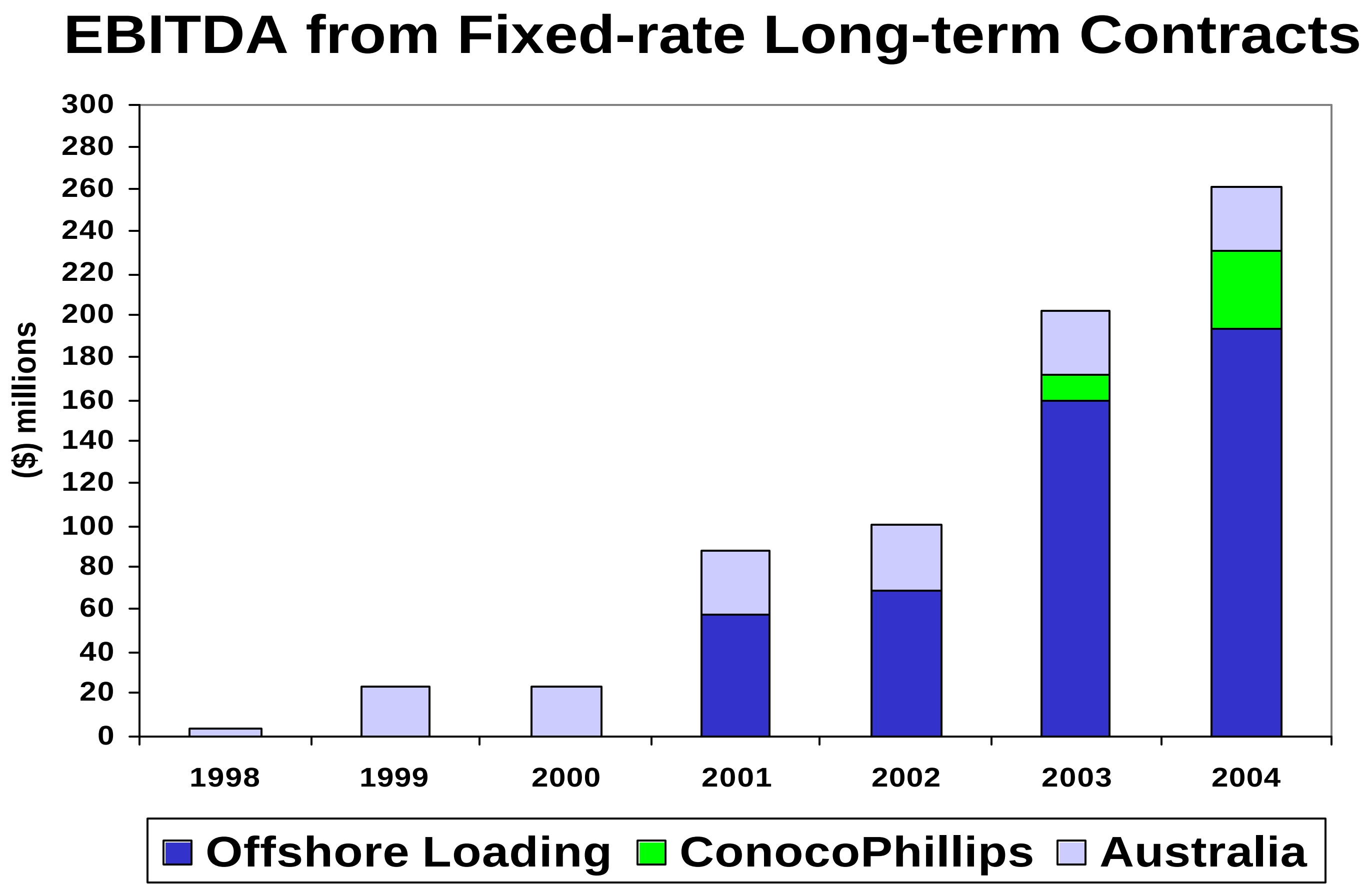
Teekay has two complementary businesses:

1. **Growing Profitable Long-term Fixed-rate Contract Business**
   - **Shuttle Tankers**
   - **ConocoPhillips**
   - **Australia**
2. **Leading Spot Tanker Franchise**

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 owning entity
  - Significant long-term stable cash flow
  - High profitability

Predictable & Stable Earnings



- Levered IRR > 20%
- Average contract length approximately 7 years

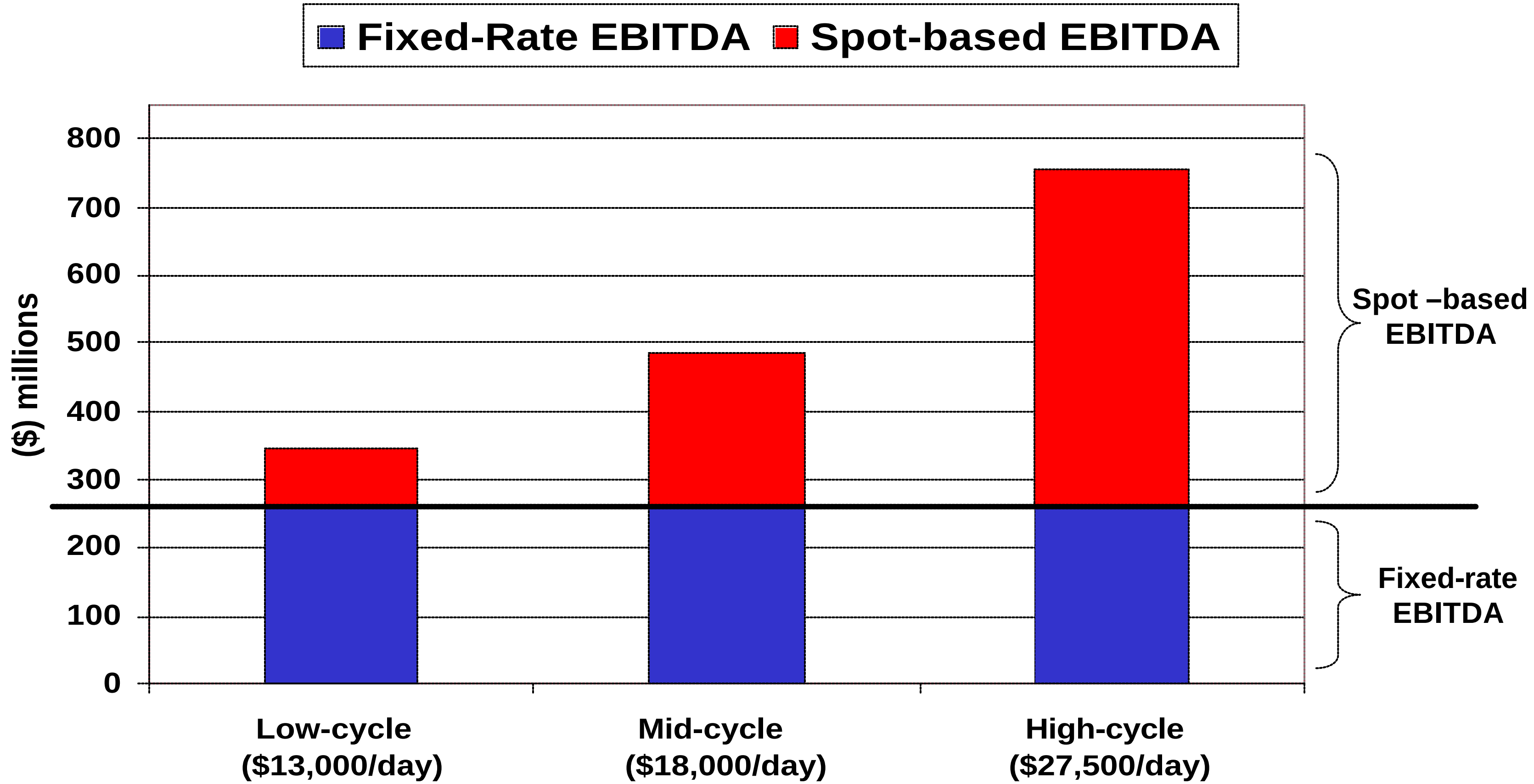
Unique Blend of Base Profitability and Operating Leverage

Teekay has two complementary businesses:

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

2. **Leading Spot Tanker Franchise**
   - **Aframax**
   - **Navion Shipping**

Superior Cash Flow Generation from Spot Business

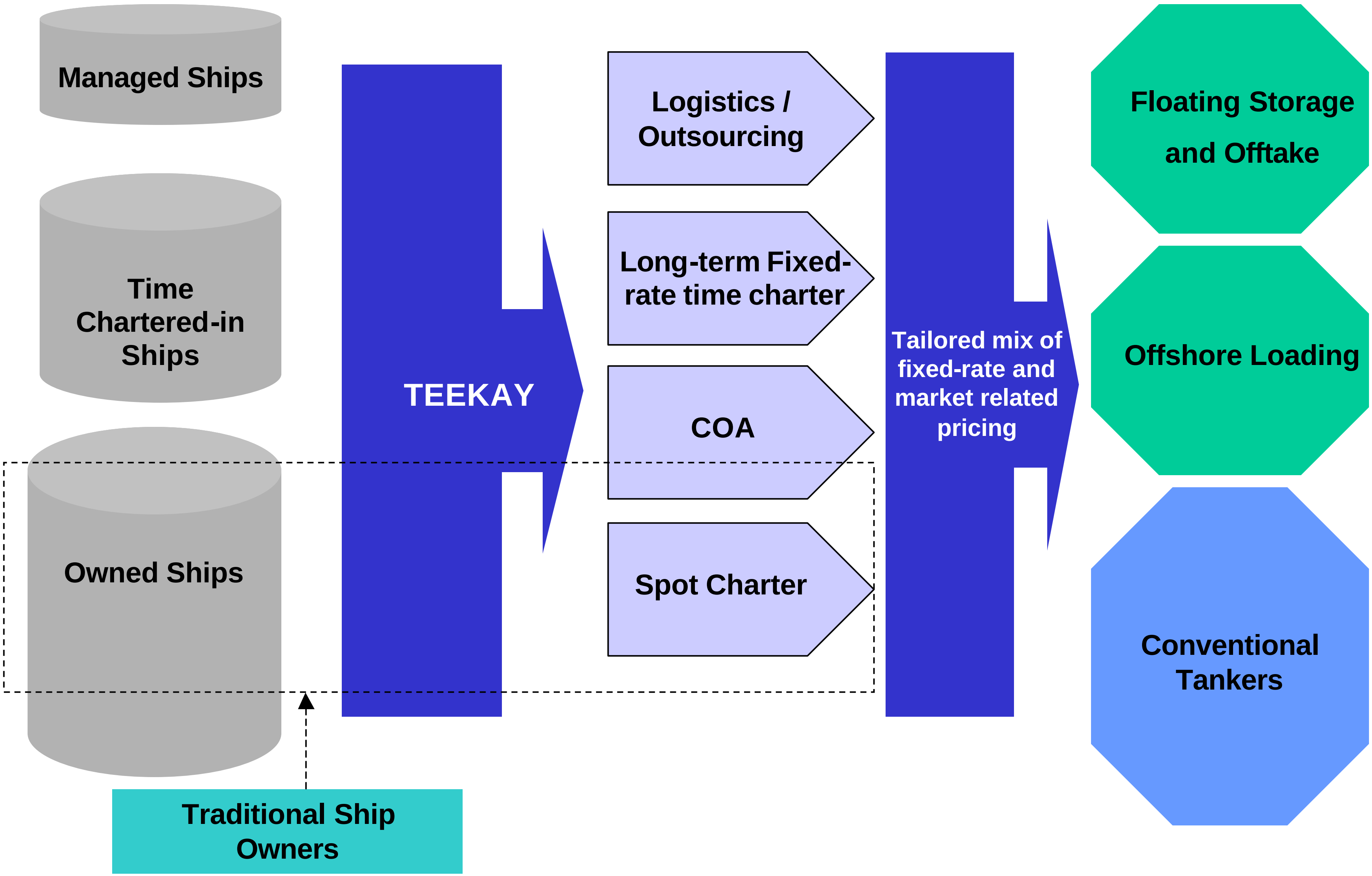


Proforma 2004 EPS	$1.00	$4.50	$11.15

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

* Proforma 2004 EBITDA

Teekay is an Integrated Logistics Provider



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**

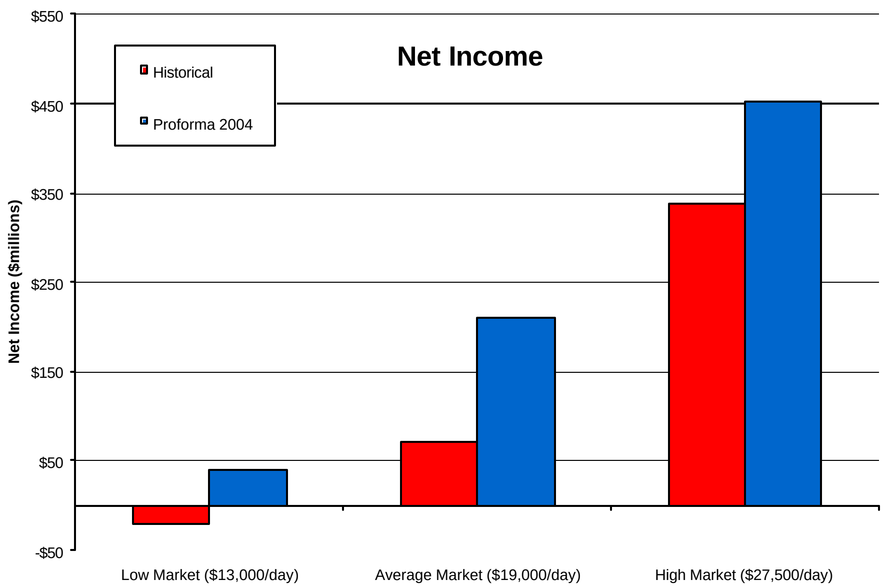
High Capacity Utilization + Scale = Sustainable Competitive Advantage

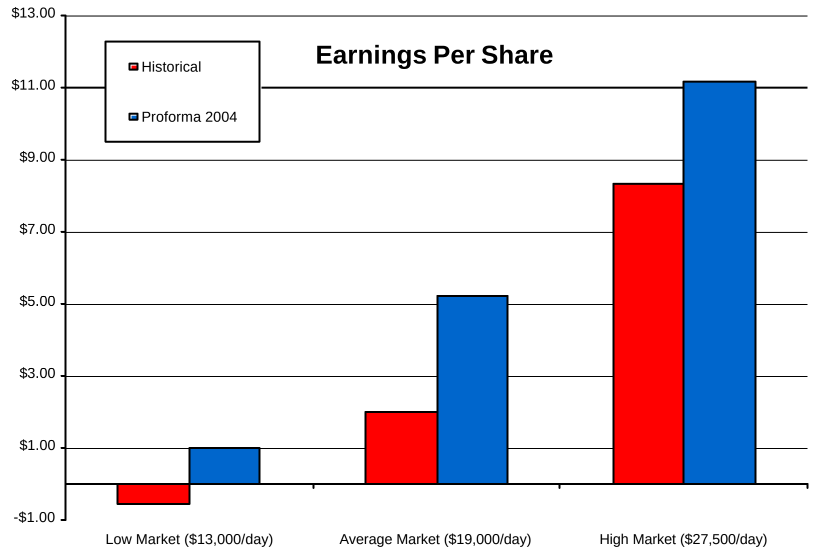
*Includes newbuild vessels on order

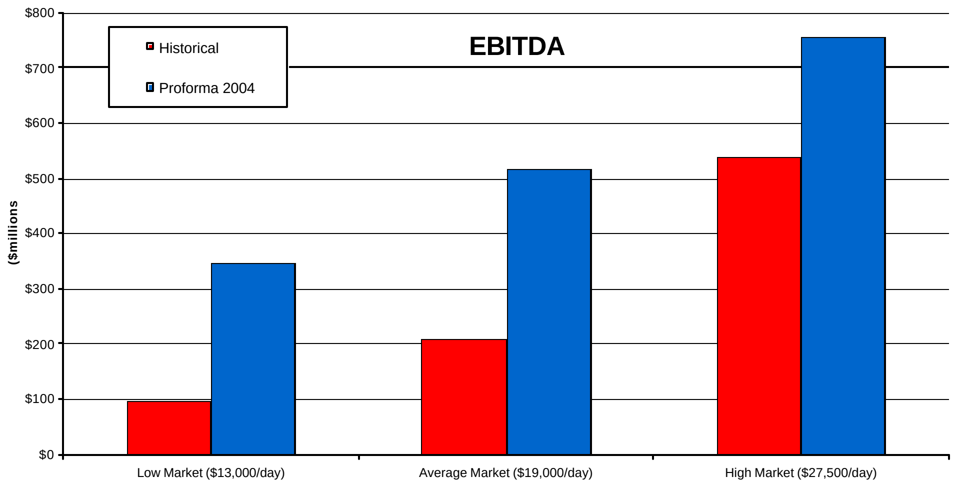
Financial Strength is a Competitive Advantage

- 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

Profitable 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

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 10:**

Reconciliation of EBITDA from fixed-rate long-term contracts ($000s)	Year Ended December 31, 2000	Year Ended December 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
Proforma		
Income from vessel operations	170,000	170,000
Depreciation and Amortization	70,000	90,000
EBITDA	240,000	260,000

Appendix – EBITDA Reconciliation

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- The following table reconciles the Company's net income (loss) with EBITDA for the periods presented on slide 16:

Reconiliation of EBITDA	Year Ended March 31, 1998	Nine Months Ended December 31, 1999	Year Ended December 31, 2001
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
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

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