

TEEKAY SHIPPING CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands of U.S. dollars)

Three Months Ended March 31, 2007					
(unaudited)					
	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Income from vessel operations	44,890	15,558	15,021	49,985	125,454
Depreciation and amortization	45,722	8,468	10,794	14,279	79,263
Amortization of in process revenue contracts	(23,484)	-	-	-	(23,484)
Amortization of deferred gain	(105)			(604)	(709)
Cash flow from vessel operations ⁽¹⁾	67,023	24,026	25,815	63,660	180,524

Three Months Ended March 31, 2006					
(unaudited)					
	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Income from vessel operations	26,592	16,914	9,130	90,077	142,713
Depreciation and amortization	21,184	8,149	7,956	13,195	50,484
Gain on sale of vessels	(105)	-	-	(502)	(607)
Cash flow from vessel operations ⁽¹⁾	47,671	25,063	17,086	102,770	192,590

- (1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and writedown / (gain) on sale of vessels and equipment. Cash flow from vessel operations is included because certain investors use this data to measure a company's financial performance. Cash flow from vessel operations 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.

TEEKAY SHIPPING CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

Three Months Ended March 31, 2007					
(unaudited)					
	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Revenues	248,875	44,589	37,477	252,075	583,016
Voyage expenses	(28,726)	(560)	(5)	(94,269)	(123,560)
Net revenues ⁽²⁾	220,149	44,029	37,472	157,806	459,456

Three Months Ended December 31, 2006					
(unaudited)					
	Offshore Segment		Offshore Segment		Offshore Segment
Revenues	239,980	46,801	29,286	270,923	586,990
Voyage expenses	(21,700)	(614)	(175)	(121,170)	(143,659)
Net revenues ⁽²⁾	218,280	46,187	29,111	149,753	443,331

Three Months Ended March 31, 2006					
(unaudited)					
	Offshore Segment	Fixed-Rate Tanker Segment	Liquefied Gas Segment	Spot Tanker Segment	Total
Revenues	149,973	44,438	24,958	306,627	525,996
Voyage expenses	(22,703)	(425)	(4)	(110,479)	(133,611)
Net revenues ⁽²⁾	127,270	44,013	24,954	196,148	392,385

- (2) Net revenues represents revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net revenues is included because certain investors use this data to measure the financial performance of shipping companies. Net revenues is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to revenues or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.