TEEKAY

TEEKAY'S Q4-2016 EARNINGS PRESENTATION

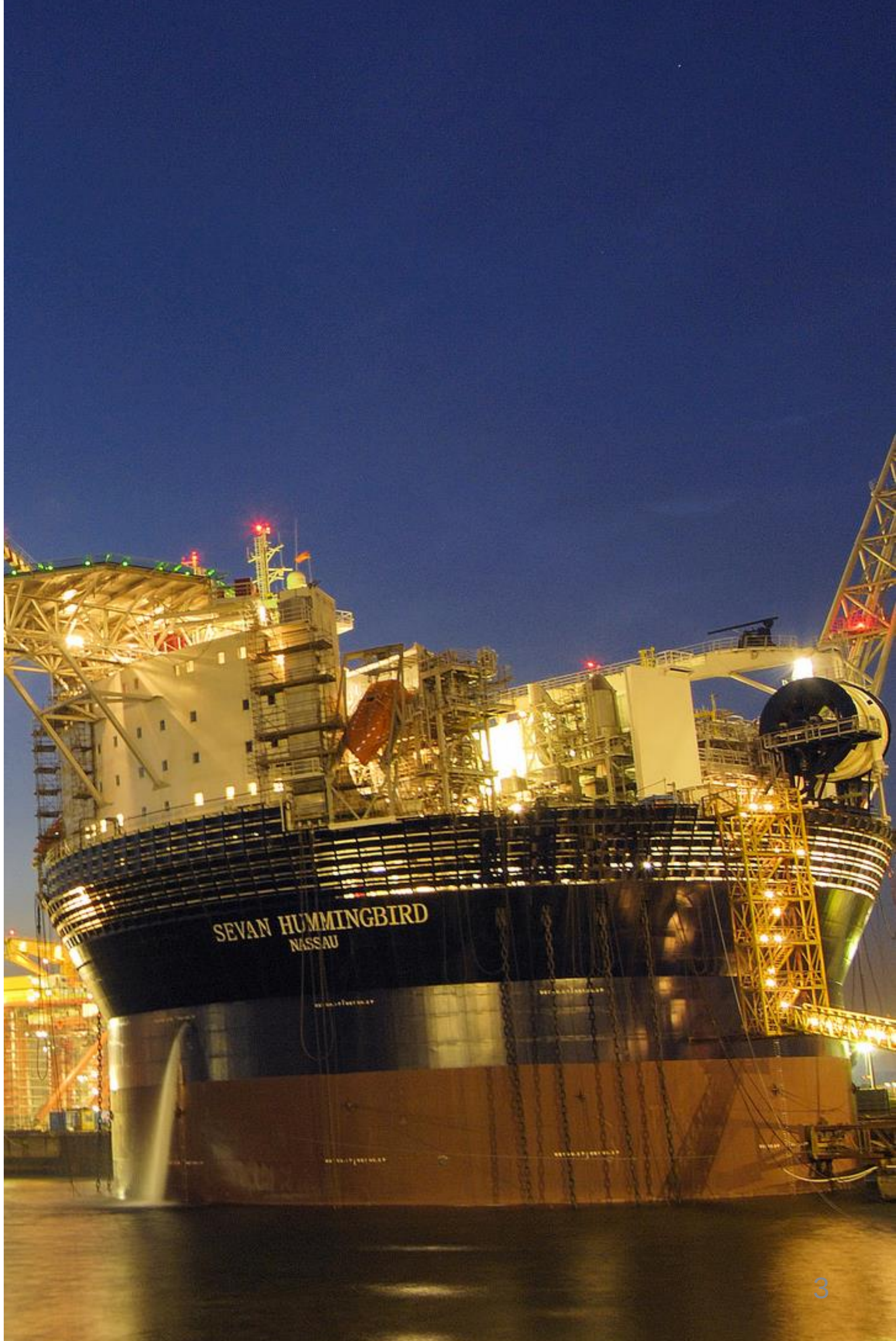
February 24, 2017

Forward Looking Statements

This presentation contains forward-looking statements (as defined in Section 21E of the U.S. Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including statements regarding: the outcome of discussions with the charterer on the *Arendal Spirit* UMS, including the timing and certainty of the unit returning to operation; the timing of newbuilding vessel and conversion deliveries and the commencement of related contracts, including potential delays and additional costs on the *Petrojarl I* FPSO unit; Teekay LNG's access to capital markets and the timing and certainty of securing financing for Teekay LNG's committed growth projects; the impact of new commercial contracts on the Company's consolidated portfolio of fixed-rate contracts and future cash flows and earnings; the charter payment deferral on the Teekay LNG's two 52 percent-owned LNG carriers on charter to the Yemen LNG project and six LPG carriers on charter to Skaugen, including the temporary nature of such deferrals; timing and certainty relating to certain vessel sales; expected cash flow from vessel operations under the revised Banff FPSO charter rate structure; and the potential new shuttle tanker CoA contract, including the timing of start-up. 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, petroleum products, LNG and LPG, either generally or in particular regions; greater or less than anticipated levels of newbuilding orders or greater or less than anticipated rates of vessel scrapping; changes in trading patterns significantly affecting overall vessel tonnage requirements; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; changes in the typical seasonal variations in tanker charter rates; changes in the offshore production of oil or demand for shuttle tankers, FSOs, FPSOs, UMS, and towage vessels; changes in oil production and the impact on the Company's tankers and offshore units; fluctuations in global oil prices; trends in prevailing charter rates for the Company's vessels and offshore unit contract renewals; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts; the inability of charterers to make future charter payments; the inability of Teekay Offshore to meet the charterer's requirements for the *Arendal Spirit* UMS to return to operations; the inability of the Company to negotiate acceptable terms with the charterer, shipyard and lenders related to the delay of the *Petrojarl I* FPSO; Teekay LNG's and Teekay LNG's joint ventures' ability to secure financing for its existing newbuildings and projects; potential shipyard and project construction delays, newbuilding specification changes or cost overruns; costs relating to projects; delays in commencement of operations of FPSO and FSO units at designated fields; factors affecting the resumption of the LNG plant in Yemen; the inability of Teekay LNG to collect the deferred charter payments from the Yemen LNG project and from Skaugen; a delay in, or failure to complete, vessel sales; the inability of Teekay Offshore to finalize the new shuttle tanker CoA contract and delays in project start-up; changes in the Company's expenses; and other factors discussed in Teekay's filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2015. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

Recent Highlights

- Generated Q4-16 consolidated cash flow from vessel operations[1] of $290.5 million
- Reported Q4-16 adjusted net loss[1] of $18.6 million, or $0.22 per share
- Declared a Q4-16 cash dividend of $0.055 per share
- Extended the firm periods of the Banff and Hummingbird Spirit FPSO contracts until Q3-2018 and September 2020, respectively
  - Extensions expected to provide higher cash flows with further upside from oil and production tariffs



1) See the Q4-16 earnings release for explanations and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures under GAAP.

Recent Daughter Highlights

Teekay LNG Partners

- Generated Q4-16 distributable cash flow[1] of $50.2 million, or $0.63 per common unit
- Declared Q4-16 cash distribution of $0.14 per unit
- Completed approximately $1.7 billion[2] in debt and equity financings in Q4-16
- Scheduled to take delivery of third MEGI LNG carrier, the *Torben Spirit*, at end of February

Teekay Offshore Partners

- Generated Q4-16 distributable cash flow[1] of $21.6 million, or $0.15 per common unit
- Declared Q4-16 cash distribution of $0.11 per unit
- Sold 1995-built shuttle tanker, *Navion Europa*, for net proceeds of $14.4 million
- Finalizing a new five-year North Sea shuttle tanker contract of affreightment (CoA)

Teekay Tankers

- Generated Q4-16 adjusted net income[1] of $5.1 million, or $0.03 per share, and free cash flow[1] of $34.2 million
- Declared Q4-16 cash dividend of $0.03 per share for Q4-16, consistent with dividend policy
- Secured three out-charter contracts, increasing Teekay Tankers' fixed-rate coverage to ~40% for the 12 months ending December 31, 2017

(1) See Teekay Offshore's, Teekay LNG's and Teekay Tankers' Q4-16 earnings releases for explanations and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures under GAAP.

(2) Based on Teekay LNG's proportionate ownership interests in the projects.

Teekay Group Top Priorities in 2017/18

Maintaining safety standards and operational excellence while focusing on strengthening our financial and operational positions

Teekay Corporation

- Securing/renewing charters for directly-owned and in-chartered assets
- Strengthening project management capabilities throughout Teekay

Teekay LNG

- Completing all newbuild financings and impending 2017/18 debt maturities
- Taking delivery of newbuilds on-time and on-budget

Teekay Offshore

- Delivering projects from shipyards and onto charter
- Securing FPSO charter rollovers
- Exploring partial assets sales and JV partnerships

Teekay Tankers

- Expanding commercial pools and ship-to-ship transfer business
- Managing fleet employment mix and financial position through the current tanker cycle

Teekay Group's Growth Projects

Project	2017	2018	2019	2020
ALP Towage Newbuildings				
Gina Krog FSO (conversion)	Statoil		Firm period out to 2020; Options out to 2032	
Libra FPSO (50%) (conversion)	Petrobras / Total / Shell / CNPC / CNOOC			Out to 2029
East Coast Canada Shuttle Tankers	Chevron / Husky / Nalcor / Murphy / CHH / Exxon / Statoil / Suncor / Mosbacher		Firm Period out to 2030; options out to 2035	
Petrojarl I FPSO (upgrade)	QGEP			Out to 2022
8 MEGI LNG Carriers	5 vessels with 6 – 8 year contracts, plus extension options with Shell, 1 vessel with 13-year contract with BP, 1 vessel with 15-year contract with Yamal LNG and 1 vessel with 10-month contract plus extension option with Gas Natural			
Bahrain Regas Terminal (30%) and FSU		20-year FSU and terminal contracts		
Shell (ex. BG) LNG Carriers (20-30%)	20-year charter contracts, plus extension options			
Yamal LNG ARC 7 LNG Carriers (50%)		Charter contracts through to 2045, plus extension options		
Exmar LPG Carriers (50%)				

Teekay is an Integral Part of its Customers' Supply Chain

- The world needs new sources of oil to meet demand growth and to offset declines from existing fields
- New discoveries are in deeper waters, further from shore (suits an FPSO + shuttle solution)
- TOO is the world's largest shuttle tanker operator and the market leader in harsh weather FPSOs

- Natural gas is the fastest growing fossil fuel
- Global LNG trade is expected to double by 2040
- TGP is one of the top 3 independent LNG carrier owners in the world

- Strong oil demand, longer voyage distances and low fleet growth to spur a market recovery from 2018+
- TNK is the world's largest owner and operator of mid-size tankers

Appendix

Q1 2017 Outlook – Teekay Consolidated

Income Statement Item	Q1 2017 Outlook (expected changes from Q4-16)
Net Revenues [1]	Teekay Parent: • $15m decrease from FPSOs, including from the *Foinaven* Q4-16 recognition of annual operational tariff revenue and maintenance shutdowns in Q1-17 for the *Foinaven* and *Banff* FPSOs, respectively Teekay Offshore • $5m decrease from fewer calendar days in Q1-17 and Q4-16 recognition of annual FPSO bonuses • $4m decrease from the charterer of the *Arendal Spirit* UMS suspending charter hire payments relating to an operational incident in early-November 2016 • $3m increase from higher rates in the towage fleet in Q1-17 • $3m increase from higher project revenues and higher CoA days in the shuttle tanker fleet Teekay LNG • $1m increase from the commencement of the time-charter out contract for the *Torben Spirit* in Q1-17 Teekay Tankers • $4m decrease primarily from the sale of three tankers in Q4-16 and early Q1-17 • Approximately 52% and 62%, or 620 and 830 spot revenue days for Aframaxes and Suezmaxes have been fixed at $20,100/day and $26,200/day, respectively, so far in Q1-17 compared to $17,600/day and $22,400/day, respectively, in Q4-16
Vessel Operating Expenses (OPEX) [1]	• Teekay Parent - $5m decrease from the timing of maintenance costs on the *Foinaven* and *Banff* FPSO units in Q1-17 • Teekay Tankers - $4m decrease from lower repairs and maintenance and the sale of three tankers in Q4-16 and early Q1-17 • Teekay LNG - $2m increase from the timing of purchases • Teekay Offshore - $1m net increase from higher maintenance costs in the FPSO fleet partially offset by lower OPEX in the shuttle tanker fleet
Time-Charter Hire Expense	• Teekay Offshore - $2m lower from the redelivery of an in-chartered shuttle tanker in late Q4-16
Depreciation and Amortization	• Teekay Offshore – decrease of $2m primarily due to the write-down of a shuttle tanker in Q4-16
Net Interest Expense [1]	• Teekay Offshore - decrease of $2m primarily due to the maturity of interest rate swaps and a NOK bond and various loan repayments in Q4-16
General & Administrative [1]	• Expected to range from $30m - $32m on a consolidated basis due to the annual recognition of equity stock compensation in Q1-17 and reduction of incentive compensation accruals recognized in Q4-16
Equity Income [1]	• Decrease of $5m primarily due to lower income in Teekay LNG's MALT joint venture due to the timing of repairs and maintenance and the Exmar LPG joint venture due to loss-of-hire recoveries received in Q4-16
Non-controlling Interest	• Expected to range from $30m to $32m primarily due to lower expected net income in Teekay LNG

(1) Changes described are after adjusting Q4-16 for items included in Appendix A to our Fourth Quarter 2016 Earnings Release and realized gains and losses on derivatives (see slide 10 to this presentation for the Consolidated Adjusted Line Items for Q4-16)

Q4-16 Consolidated Adjusted Line Items

Income Statement Item	As Reported	Appendix A Items (1)	Reclassification for Realized Gains/ Loss on Derivatives (2)	As Adjusted
Revenues	552,203	(295)	932	552,840
Vessel Operating Expenses (OPEX)	(199,352)	-	(178)	(199,530)
General & Administrative Expenses	(26,999)	4,500	(858)	(23,357)
Net Loss on Sale of Vessels and Equipment	(12,038)	12,038	-	-
Write-Down of Vessels and Equipment	(2,146)	2,146	-	-
Restructuring Charges	(3,890)	3,890	-	-
Interest Expense	(69,018)	(741)	(25,411)	(95,170)
Realized and Unrealized Gains on Derivative Instruments	131,876	(151,492)	19,616	-
Equity Income	11,933	524	-	12,457
Income Tax Expense	(22,102)	15,973	-	(6,129)
Foreign Exchange Gain	13,007	(18,906)	5,899	-
Other - Net	(18,207)	19,000	-	793
Net Income Attributable to Non-Controlling Interests	(134,686)	97,470	-	(37,216)

1 Please refer to Appendix A in the Q4-16 earnings release for a description of Appendix A items.
2 Please refer to footnote (3) to the Summary Consolidated Statements of Income in the Q4-16 earnings release.

BRINGING ENERGY TO THE WORLD