

**TEEKAY CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

(in thousands of U.S. dollars)

**Three Months Ended December 31, 2012**

**(unaudited)**

	<b>Teekay Offshore Partners LP <sup>(3)</sup></b>	<b>Teekay LNG Partners LP</b>	<b>Teekay Tankers Ltd.</b>	<b>Teekay Parent</b>	<b>Teekay Corporation Consolidated</b>
Income (loss) from vessel operations	31,370	11,322	(354,748)	(32,941)	(344,997)
Depreciation and amortization	47,249	25,949	18,431	21,831	113,460
Amortization of in process revenue contracts and other	(2,476)	(759)	(240)	(15,696)	(19,171)
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	146	-	-	23	169
Realized gains (losses) from the settlements of non designated foreign exchange forward contracts/bunkers/FFAs	1,104	-	-	(458)	646
Asset impairments / net loss on vessel sales	19,754	29,367	352,546	27,125	428,792
Cash flow from time-charter contracts, net of revenue accounted for as direct finance leases	745	1,475	-	-	2,220
Cash flow from vessel operations - Consolidated <sup>(1)</sup>	97,892	67,354	15,989	(116)	181,119

**Three Months Ended December 31, 2011**

**(unaudited)**

	<b>Teekay Offshore Partners LP <sup>(3)</sup></b>	<b>Teekay LNG Partners LP</b>	<b>Teekay Tankers Ltd.</b>	<b>Teekay Parent</b>	<b>Teekay Corporation Consolidated</b>
Income (loss) from vessel operations	(6,216)	44,921	1,499	67,975	108,179
Depreciation and amortization	48,194	24,367	10,811	27,218	110,590
Amortization of in process revenue contracts and other	(108)	-	-	(13,502)	(13,610)
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	96	-	-	247	343
Realized gains (losses) from the settlements of non designated foreign exchange forward contracts/bunkers/FFAs	1,132	(40)	-	(262)	830
Asset impairments / net loss (gain) on vessel sales	57,882	-	-	(8,037)	49,845
Bargain purchase gain	-	-	-	(68,535)	(68,535)
Cash flow from time-charter contracts, net of revenue accounted for as direct finance leases	613	1,648	-	-	2,261
Cash flow from vessel operations - Consolidated <sup>(1)(2)</sup>	101,593	70,896	12,310	5,104	189,903

- (1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write-downs, gains or losses on the sale of vessels and unrealized gains or losses relating to derivatives but includes realized gains or losses on the settlement of foreign exchange forward contracts. 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.
- (2) Excludes the cash flow from vessel operations relating to assets acquired from Teekay Parent for the periods prior to their acquisition by Teekay Offshore, Teekay LNG and Teekay Tankers, respectively, as those results are included in the historical results for Teekay Parent.
- (3) The results of Teekay Offshore include the results from both continuing and discontinued operations.

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**TEEKAY CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED**

(in thousands of U.S. dollars)

	<u>Three Months Ended December 31, 2012</u>		<u>Three Months Ended December 31, 2011</u>	
	<u>(unaudited)</u>		<u>(unaudited)</u>	
	At 100%	Company's Portion <sup>(1)</sup>	At 100%	Company's Portion <sup>(1)</sup>
Revenues	158,119	72,883	101,419	44,723
Voyage expenses	13,009	6,521	13,014	6,518
Vessel operating expenses	55,185	25,564	37,220	17,408
Depreciation and amortization	18,759	9,582	10,349	4,725
General and administrative	5,206	2,383	5,701	2,676
Income from vessel operations of equity accounted vessels	65,960	28,833	35,135	13,396
Interest expense	(15,610)	(6,861)	(17,297)	(6,582)
Foreign exchange loss	(23)	(11)	-	-
Realized and unrealized loss on derivative instruments	15,588	5,507	(5,040)	(1,808)
Other income - net	141	414	537	240
Other items	96	(951)	(21,800)	(8,150)
Net income / equity income of equity accounted vessels	66,056	27,882	13,335	5,247
Income from vessel operations of equity accounted vessels	65,960	28,833	35,135	13,396
Depreciation and amortization	18,759	9,582	10,349	4,725
Revenue accounted for as direct financing lease	(50,219)	(18,329)	(41,874)	(15,576)
Cash flow from time-charter contracts	57,685	21,060	47,668	17,737
Amortization of in-process revenue contracts and other	(8,350)	(4,339)	1,603	833
<b>Cash flow from vessel operations of equity accounted vessels<sup>(2)</sup></b>	<b>83,835</b>	<b>36,807</b>	<b>52,881</b>	<b>21,115</b>

(1) The Company's proportionate share of its equity accounted vessels and other investments ranging from 33 percent to 50 percent.

(2) Cash flow from vessel operations (CFVO) from equity accounted vessels represents the Company's proportionate share of CFVO from its equity accounted vessels and other investments.

**TEEKAY CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED**

(in thousands of U.S. dollars)

	<b>Three Months Ended September 30, 2012</b>				<b>Teekay Parent Total</b>
	<b>(unaudited)</b>				
	<b>Owne d Conventio nal Tankers</b>	<b>In-charter ed Conventio nal Tankers</b>	<b>FPSOs</b>	<b>Other</b>	
Teekay Parent (loss) income from vessel operations	(1,120)	(11,813)	(13,775)	(9,778)	(36,486)
Depreciation and amortization	2,570	-	19,132	820	22,522
Amortization of in process revenue contracts and other	-	-	(14,208)	-	(14,208)
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	26	-	82	-	108
Realized gains from the settlements of non-designated foreign exchange forward contracts	(1,095)	-	(11)	-	(1,106)
<b>Cash flow from vessel operations - Teekay Parent <sup>(1)</sup></b>	<b>381</b>	<b>(11,813)</b>	<b>(8,780)</b>	<b>(8,958)</b>	<b>(29,170)</b>

	<b>Three Months Ended June 30, 2012</b>				<b>Teekay Parent Total</b>
	<b>(unaudited)</b>				
	<b>Owne d Conventio nal Tankers</b>	<b>In-charter ed Conventio nal Tankers</b>	<b>FPSOs</b>	<b>Other</b>	
Teekay Parent income (loss) from vessel operations	1,716	(28,138)	(8,976)	(6,441)	(41,839)
Depreciation and amortization	2,566	-	19,779	-	22,345
Amortization of in process revenue contracts and other	(69)	-	(14,167)	-	(14,236)
Unrealized (gains) losses from the change in fair value of designated foreign exchange forward contracts	(51)	-	103	-	52
Realized (losses) gains from the settlements of non-designated foreign exchange forward contracts	(340)	-	56	-	(284)
Dropdown predecessor cash flow	9,517	-	-	-	9,517
<b>Cash flow from vessel operations - Teekay Parent <sup>(1)</sup></b>	<b>13,339</b>	<b>(28,138)</b>	<b>(3,205)</b>	<b>(6,441)</b>	<b>(24,445)</b>

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**TEEKAY CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED**

(in thousands of U.S. dollars)

	<b>Three Months Ended March 31, 2012</b>				<b>Teekay Parent Total</b>
	<b>(unaudited)</b>				
	<b>Owned Conventional Tankers</b>	<b>In-chartered Conventional Tankers</b>	<b>FPSOs</b>	<b>Other</b>	
Teekay Parent income (loss) from vessel operations	4,926	(17,734)	(8,752)	136	(21,424)
Depreciation and amortization	10,757	-	18,875	-	29,632
Net gain on vessel sales	(197)	-	-	-	(197)
Amortization of in process revenue contracts and other	(69)	-	(14,615)	-	(14,684)
Unrealized (gains) losses from the change in fair value of designated foreign exchange forward contracts	(36)	-	74	-	38
Realized (losses) gains from the settlements of non-designated foreign exchange forward contracts	(34)	-	105	-	71
<b>Cash flow from vessel operations - Teekay Parent <sup>(1)</sup></b>	<b>15,347</b>	<b>(17,734)</b>	<b>(4,313)</b>	<b>136</b>	<b>(6,564)</b>

	<b>Three Months Ended December 31, 2011</b>				<b>Teekay Parent Total</b>
	<b>(unaudited)</b>				
	<b>Owned Conventional Tankers</b>	<b>In-chartered Conventional Tankers</b>	<b>FPSOs</b>	<b>Other</b>	
Teekay Parent income (loss) from vessel operations	23,182	(34,957)	89,832	(20,382)	57,675
Depreciation and amortization	10,492	-	15,735	991	27,218
Net (gain) loss on vessel sales / asset impairments	(15,067)	-	712	6,318	(8,037)
Bargain purchase gain	-	-	(58,235)	-	(58,235)
Amortization of in process revenue contracts and other	-	-	(13,502)	-	(13,502)
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	105	-	142	-	247
Realized (losses) gains from the settlements of non-designated foreign exchange forward contracts	(622)	-	360	-	(262)
<b>Cash flow from vessel operations - Teekay Parent <sup>(1)</sup></b>	<b>18,090</b>	<b>(34,957)</b>	<b>35,044</b>	<b>(13,073)</b>	<b>5,104</b>

(1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write-downs, gains or losses on the sale of vessels and unrealized gains or losses relating to derivatives but includes realized gains or losses on the settlement of foreign exchange forward contracts. 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.

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**TEEKAY CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED**

(in thousands of U.S. dollars)

**Three Months Ended December 31, 2012**  
**(unaudited)**

	<b>Teekay Offshore Partners LP <sup>(2)</sup></b>	<b>Teekay LNG Partners LP</b>	<b>Teekay Tankers Ltd.</b>	<b>Teekay Parent</b>	<b>Consolidation Adjustments</b>	<b>Teekay Corporation Consolidated</b>
Revenues	240,489	97,958	45,493	163,531	(32,248)	515,223
Voyage expense	(28,178)	(327)	(1,017)	(1,624)	350	(30,796)
Net revenues <sup>(1)</sup>	212,311	97,631	44,476	161,907	(31,898)	484,427

**Three Months Ended September 30, 2012**  
**(unaudited)**

	<b>Teekay Offshore Partners LP <sup>(2)</sup></b>	<b>Teekay LNG Partners LP</b>	<b>Teekay Tankers Ltd.</b>	<b>Teekay Parent</b>	<b>Consolidation Adjustments</b>	<b>Teekay Corporation Consolidated</b>
Revenues	227,956	98,723	46,084	129,140	(38,366)	463,537
Voyage expense	(24,225)	(860)	(2,172)	(2,786)	369	(29,674)
Net revenues <sup>(1)</sup>	203,731	97,863	43,912	126,354	(37,997)	433,863

**Three Months Ended December 31, 2011**  
**(unaudited)**

	<b>Teekay Offshore Partners LP <sup>(2)</sup></b>	<b>Teekay LNG Partners LP</b>	<b>Teekay Tankers Ltd.</b>	<b>Teekay Parent</b>	<b>Consolidation Adjustments</b>	<b>Teekay Corporation Consolidated</b>
Revenues	238,122	97,253	28,131	190,386	(41,162)	512,730
Voyage expense	(33,011)	(25)	(809)	(6,160)	-	(40,005)
Net revenues <sup>(1)</sup>	205,111	97,228	27,322	184,226	(41,162)	472,725

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**TEEKAY CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED**

(in thousands of U.S. dollars)

**Year Ended December 31, 2012**  
**(unaudited)**

	<b>Teekay Offshore Partners LP <sup>(2)</sup></b>	<b>Teekay LNG Partners LP</b>	<b>Teekay Tankers Ltd.</b>	<b>Teekay Parent</b>	<b>Consolidation Adjustments</b>	<b>Teekay Corporation Consolidated</b>
Revenues	964,194	392,251	197,429	559,966	(157,605)	1,956,235
Voyage expense	(126,684)	(1,772)	(4,618)	(6,508)	1,299	(138,283)
Net revenues <sup>(1)</sup>	837,510	390,479	192,811	553,458	(156,306)	1,817,952

**Year Ended December 31, 2011**  
**(unaudited)**

	<b>Teekay Offshore Partners LP <sup>(2)</sup></b>	<b>Teekay LNG Partners LP</b>	<b>Teekay Tankers Ltd.</b>	<b>Teekay Parent</b>	<b>Consolidation Adjustments</b>	<b>Teekay Corporation Consolidated</b>
Revenues	949,061	379,975	120,997	711,037	(207,288)	1,953,782
Voyage expense	(125,452)	(1,387)	(2,697)	(47,078)	-	(176,614)
Net revenues <sup>(1)</sup>	823,609	378,588	118,300	663,959	(207,288)	1,777,168

- (1) 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.
- (2) The results of Teekay Offshore include the results from both continuing and discontinued operations.

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