Jefferies Tanker Conference

Teekay Shipping

Jefferies Tanker Conference

September 15, 2005

▶ TEEKAY – THE MARINE MIDSTREAM COMPANY®

Forward Looking Statements

This presentation 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 the Company's future growth prospects; tanker market fundamentals, including the balance of supply and demand in the tanker market and sources of incremental oil production, and spot tanker charter rates; LNG shipping demand fundamentals; and the valuation of the Company. 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 and LNG, 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 affecting overall tanker 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; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts; shipyard production delays; 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, 2004. 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.

Investment Highlights

Diverse Portfolio of Assets

Teekay is the only publicly traded shipping company with the following complement of assets:

- Floating Storage Units
- Shuttle Tankers
- Refined product tankers
- Liquefied natural gas carriers
- Conventional crude oil tankers

Unique Business Mix

Fixed-rate contract portfolio provides for positive earnings in nearly any tanker cycle

Large owned spot tanker fleet provides significant operating leverage

Large spot in-chartered fleet provides additional operating leverage while minimizing capital employed

Teekay's Business Model Appeals to Customers

Teekay is the only publicly traded shipping company that moves the three most important commodities:

- Liquefied Natural Gas
- Crude Oil
- Refined Products

Teekay's Strategy

Goal: To Be The Premier Provider of Marine Services to the Oil and Gas Industry

Long-term Strategy

- Grow in existing and adjacent conventional crude oil businesses
- Expand presence in product tanker segment
- Retain leading market position in the growing shuttle tanker business
- Grow in LNG
- Expand in offshore services

Bundling of Services to Provide Value Added Offerings

Why Teekay?

We have built a…..

- <u>Leading Marine Midstream Company</u>

based on a…..

- <u>Superior Business Model</u>

by….

- <u>Managing the Shipping Cycle</u>

which has created….

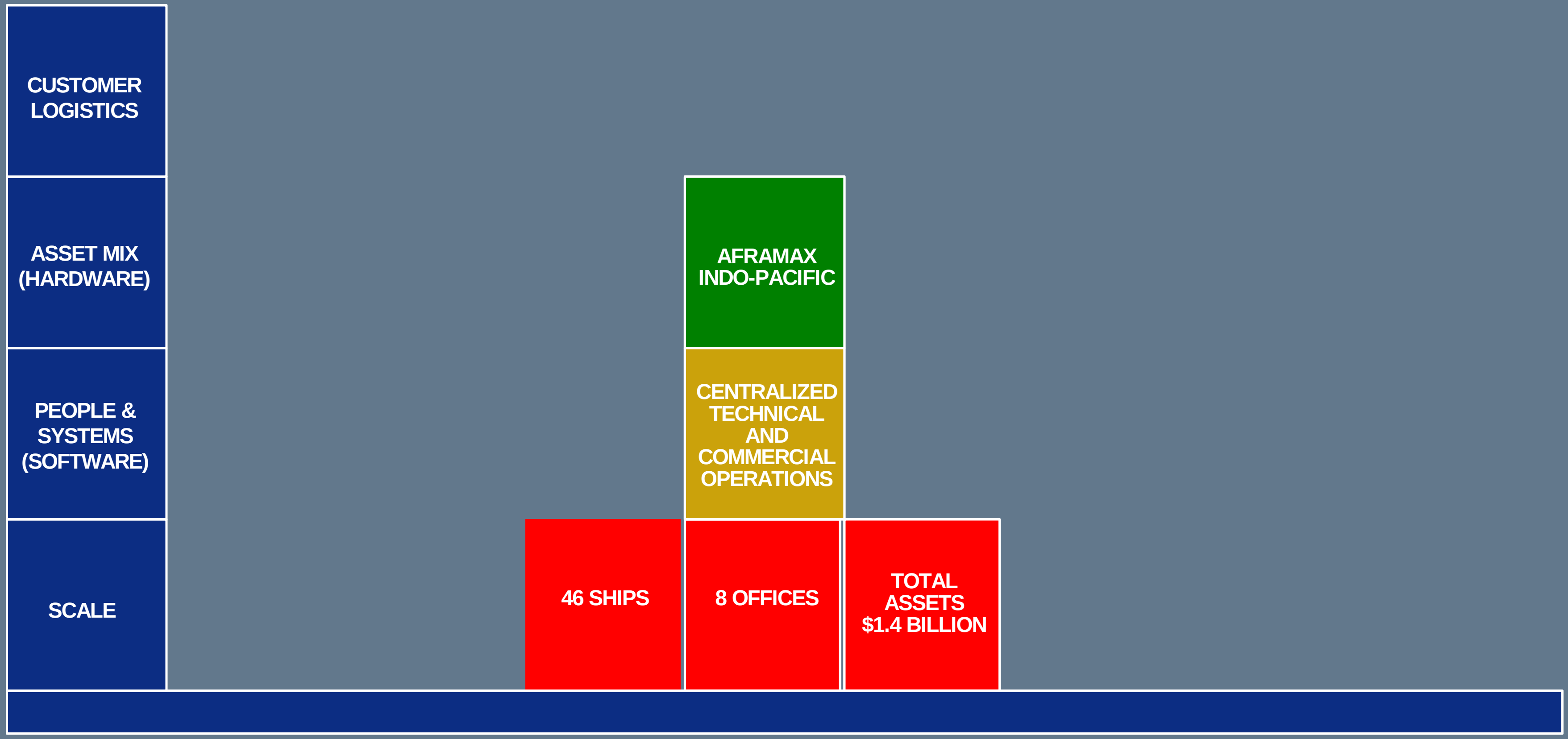
- <u>Significant Value</u>

through the use of ….

- <u>Innovative Financing</u>

The Teekay Platform - 1998

Teekay began as a regional spot player…



The Teekay Platform - 2005

…and transformed into The Marine Midstream Company

CUSTOMER LOGISTICS	NCS EMISSIONS CONTROL PROGRAM (VOC) · OFFSHORE LOADING LOGISTICS (NAVION) · NAVION CHARTERING J/V · BHPB MARINE OUT-SOURCING · CONOCO PHILLIPS STRATEGIC L/T CHARTERS · CALTEX AUSTRALIA OUT-SOURCING · SPT LIGHTERING J/V · STRATEGIC COAs · OFFSHORE OILFIELD SERVICES · CEPSA STRATEGIC L/T CHARTERS
ASSET MIX (HARDWARE)	SHUTTLE TANKERS · CRUDE OIL TANKERS (VLCC · SUEZMAX · AFRAMAX) · PRODUCT CARRIERS (LR II · LR I · MR · SHORT-SEA) · SPECIALIZED (LIGHTERING SHIPS · ICE CLASS) · FSOs · LNG CARRIERS
PEOPLE & SYSTEMS (SOFTWARE)	BUSINESS INTELLIGENCE SYSTEMS · INDIVIDUAL BUSINESS UNITS FOCUS ON BD/CUSTOMER RELATIONS (TANKERS · SHUTTLE · GAS & OFFSHORE) · REGIONAL MARINE, TECHNICAL & CUSTOMER SERVICE CENTRES · CENTRALIZED STANDARDS TEAMS (HSE / RISK MGMT. · PEOPLE DEV. · ASSET QUALITY · PROJECT EXECUTION) · TRAINING BUSINESS · CONSULTING
SCALE	170 SHIPS OWNED, CHARTERED AND/OR MANAGED · 17 OFFICES · TOTAL ASSETS $5.5 BILLION · PUBLICLY LISTED LNG COMPANY

The platform allows Teekay to prosper at all points of the shipping cycle

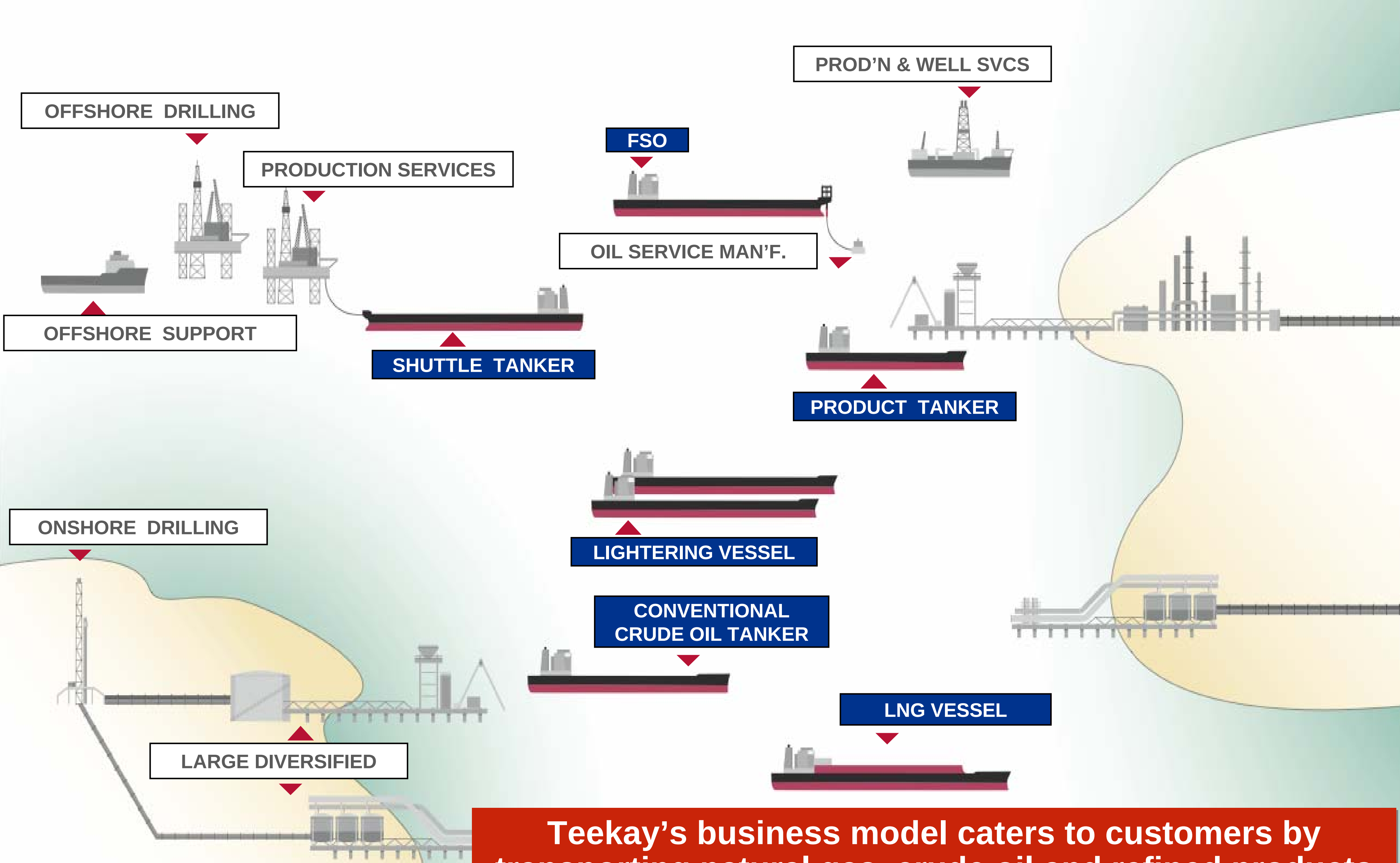
Teekay's Leading Growth Platform

Teekay's platform has grown organically and through acquisition:

Acquisitions			Organic Growth
Bona Shipping - 1999 Leading Atlantic Aframax owner	$450m	→	Grown fleet through newbuildings; ordered 24 conventional ships over past 5 years
Ugland Nordic Shipping - 2001 Leading Shuttle Tanker Owner	$780m	→	Invested additional $325 million and expanded operations to Brazil, Australia and West Africa
Navion - 2003 Statoil's Shipping Company	$800m		
Naviera F. Tapias - 2004 Spain's Leading Energy Shipping Company	$1.35b	→	Teekay's cashflow from additional 9 LNGs awarded since acquisition projected to grow at a CAGR of approximately 15% between 2004 and 2010

Teekay grows with its customers and builds world leading businesses that add value

Superior Business Model–Serving Our Customer's Transportation Needs

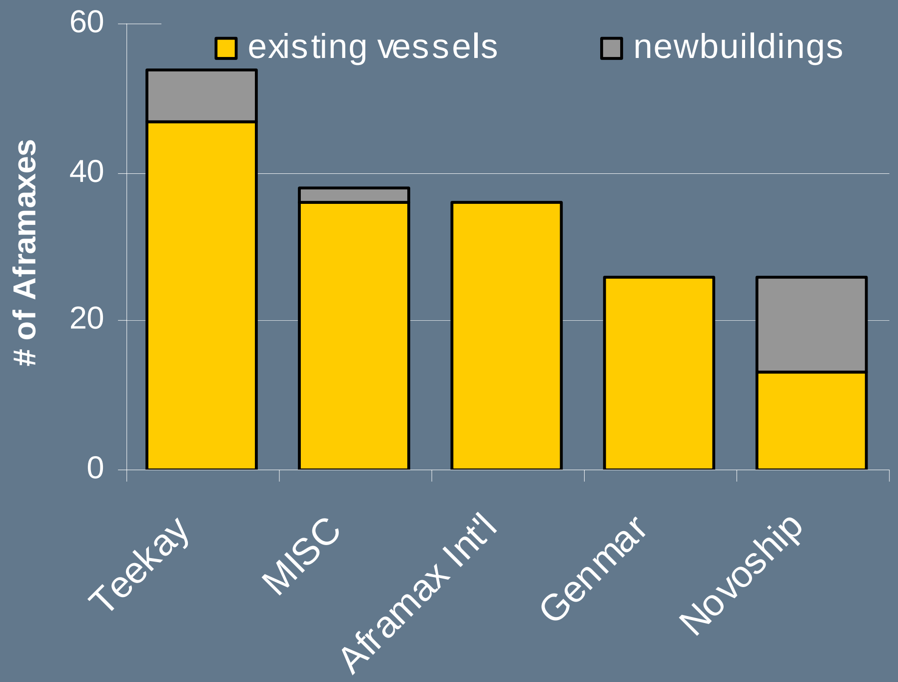


Industry Classifications from Jefferies Consolidated Oil Services Monthly: June 2005

Teekay's business model caters to customers by transporting natural gas, crude oil and refined products under long-term or spot charters to meet their needs

Teekay's Spot Tanker Business

- Largest spot operator of medium-sized tankers
- Shipped close to 1.5 billion barrels in 2004
- Unique global organization
- Maintaining high in-charter activity



- Higher operating leverage than typical shipowner
- Portfolio of strategic contracts with blue chip customer base

High Capacity Utilization + Scale = Unique Competitive Advantage

Teekay's Spot Tanker Business

Strong Platform for Future Growth

- Listen to the customer – replicate mid-size tanker franchise in other segments
- Expand into new areas of the customers' logistic chain

- Able to consolidate or grow organically using large platform of conventional tankers
- Growth not dependent on owning the assets

Spot Market Review

Demand for Oil

- In spite of recent revisions – IEA estimates for oil demand growth in 4q05 / 1q06 are 2.1% and 1.8% (yr on yr).
- North America forecasted average oil demand growth for 4q05 / 1q06 ~1.2% higher than 3q05.
- China's forecasted average oil demand growth for 4q05 / 1q06 ~6.1% higher than 3q05.

Tanker Supply

- 2005 remaining deliveries => ~ 12 mdwt
- 2005 Deletions : ~7.0 mdwt deletions reported in 2005 ytd. For 2005 estimated overall deletions ~10 mdwt
- Miscellaneous removals - Number of ships being sold for conversion projects in 2005 is higher than 2004.

Supply of Oil

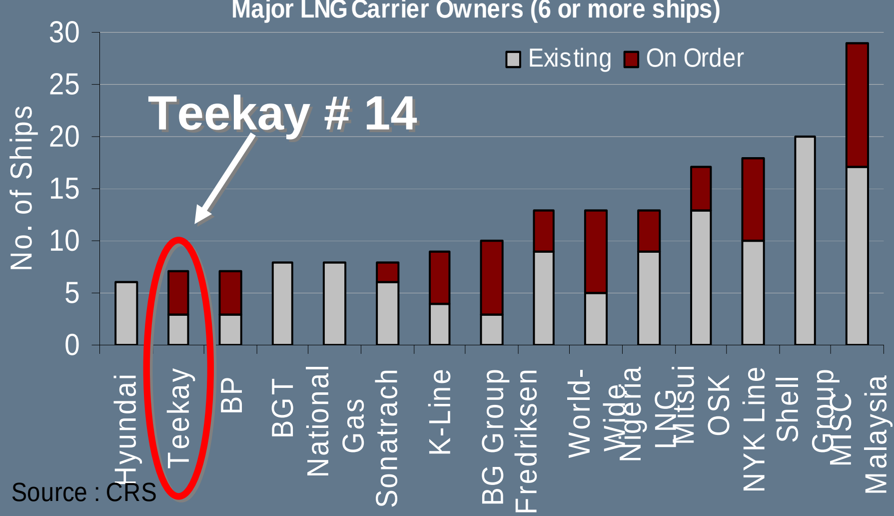
- Global oil supply up by 1.6 mb/d in first 8 months of '05 – 88% from OPEC.
- Hurricane Katrina - Currently ~0.9 mb/d of US domestic crude production offline. 4 refineries (~0.9 mb/d capacity offline).
- 4q05 / 1q06 Non-OPEC production expected to rise by 1.6 mb/d over 3q05 – delays always possible.
- 60 mb emergency oil stock release from IEA (post Katrina) over 30 days.

Katrina Effect

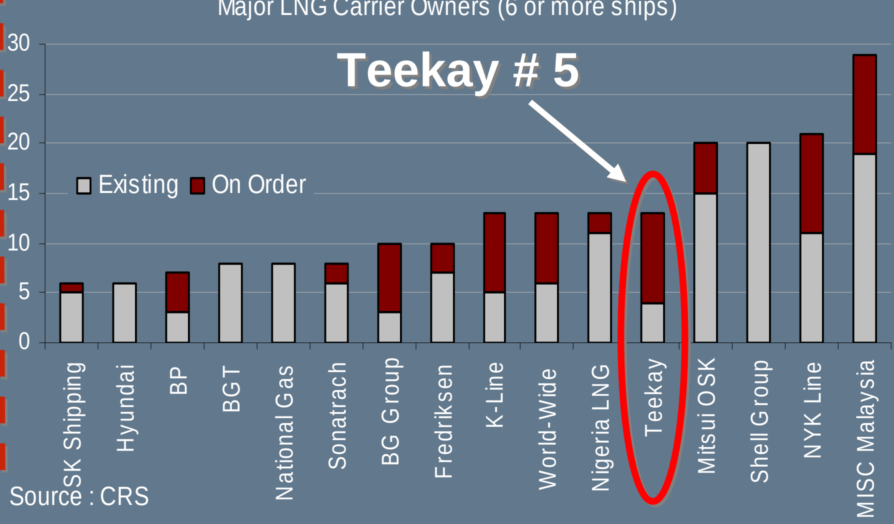
- Product tankers stand to benefit immediately from hurricane related refinery outages in the US.
- Effect on crude tankers depends on extent / duration of domestic oil production outages in the US.

Teekay's LNG Carrier Business

Top LNG Carrier Owners – Oct. 2004



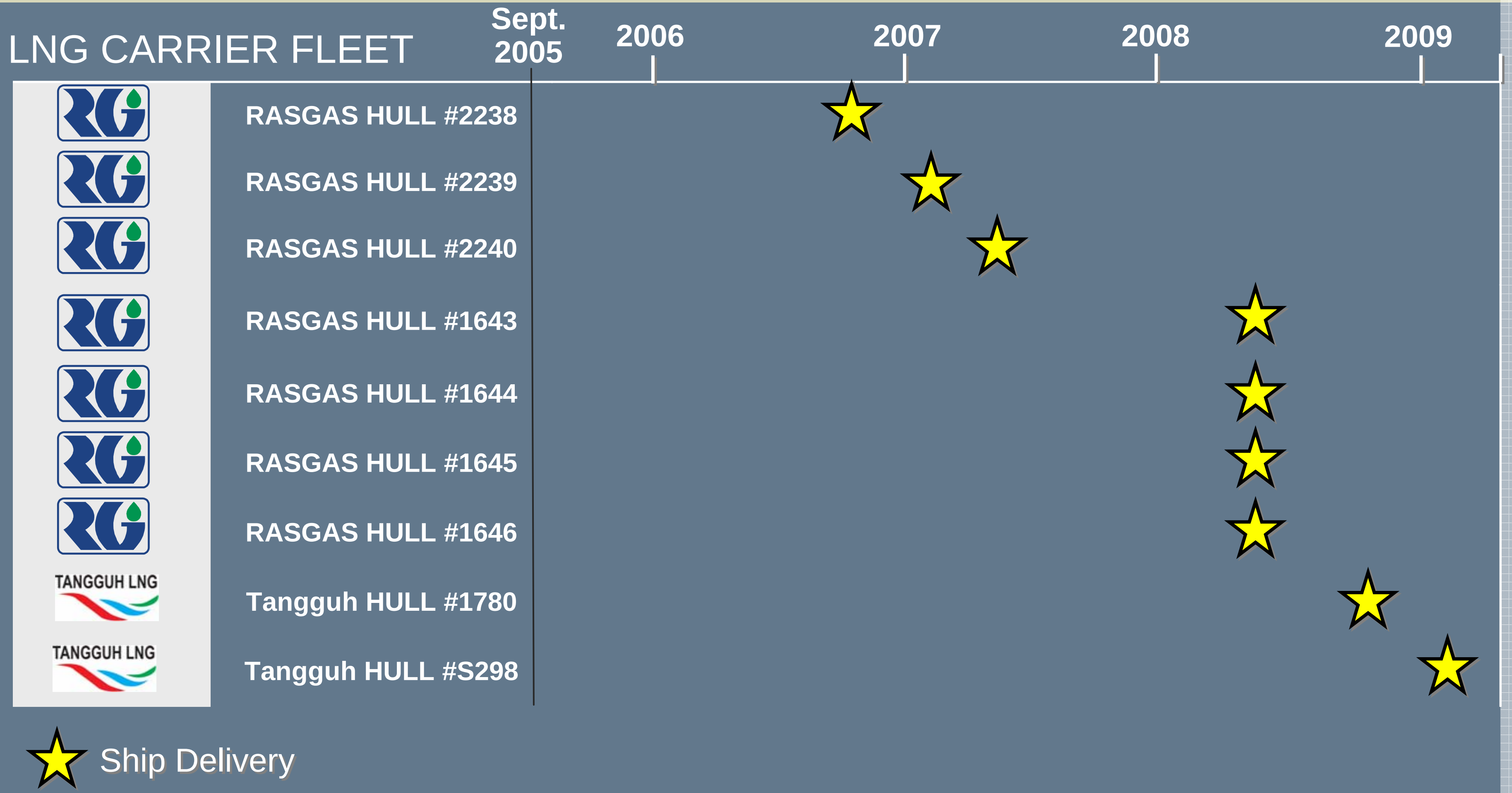
Top LNG Carrier Owners – Sept. 2005



Our Business Strategy

- Expand our LNG fleet on a build-to-suit basis for energy majors
- Pursue industry consolidation through accretive acquisitions
- Leverage customer and supplier relationships already existing within the Teekay organization
- Provide superior vessel operations

Delivery Schedule of Newbuilding LNG Carriers

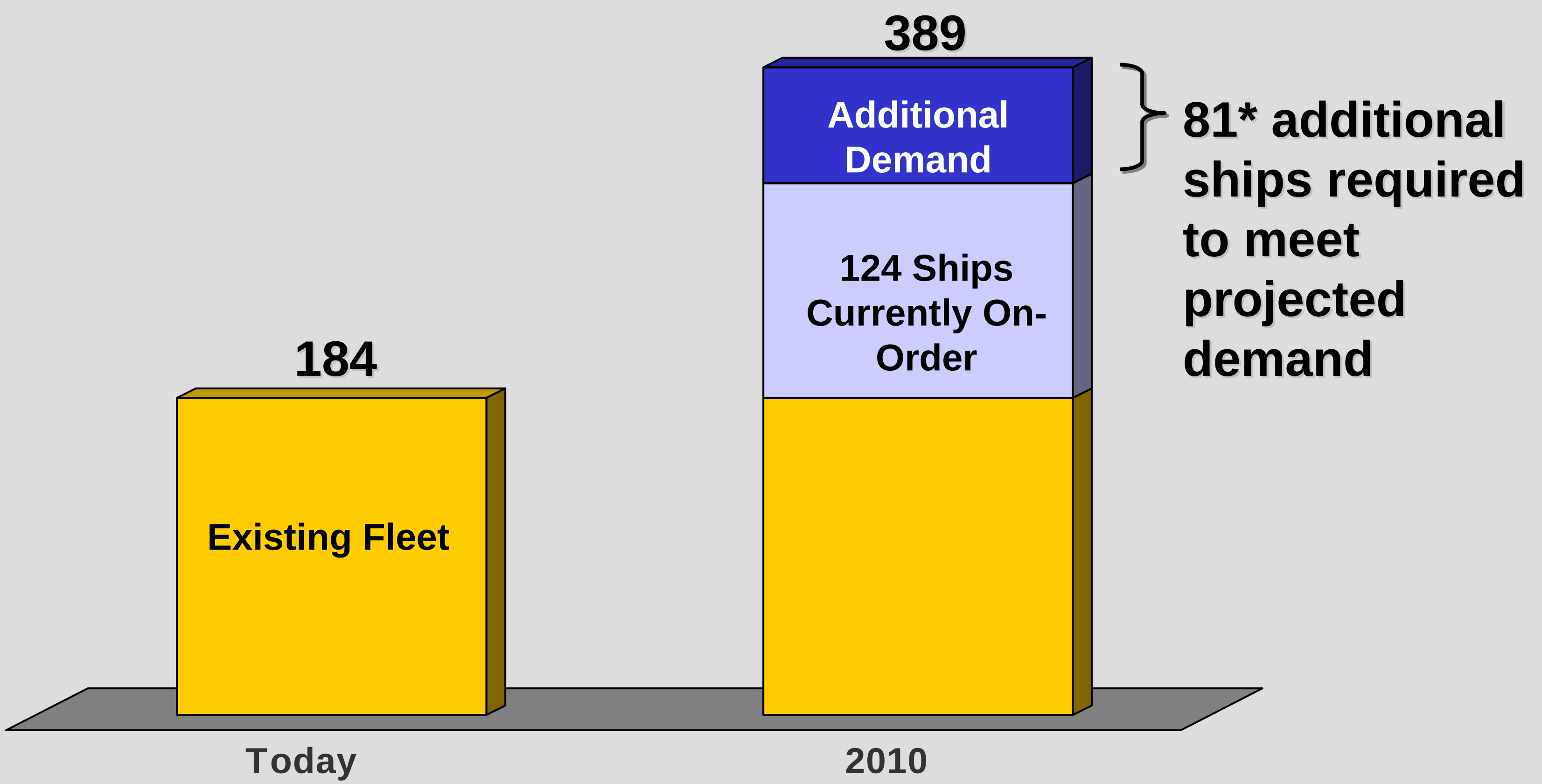


Teekay's share of the LNG orderbook ~$930 million

Increased Demand for LNG Carriers

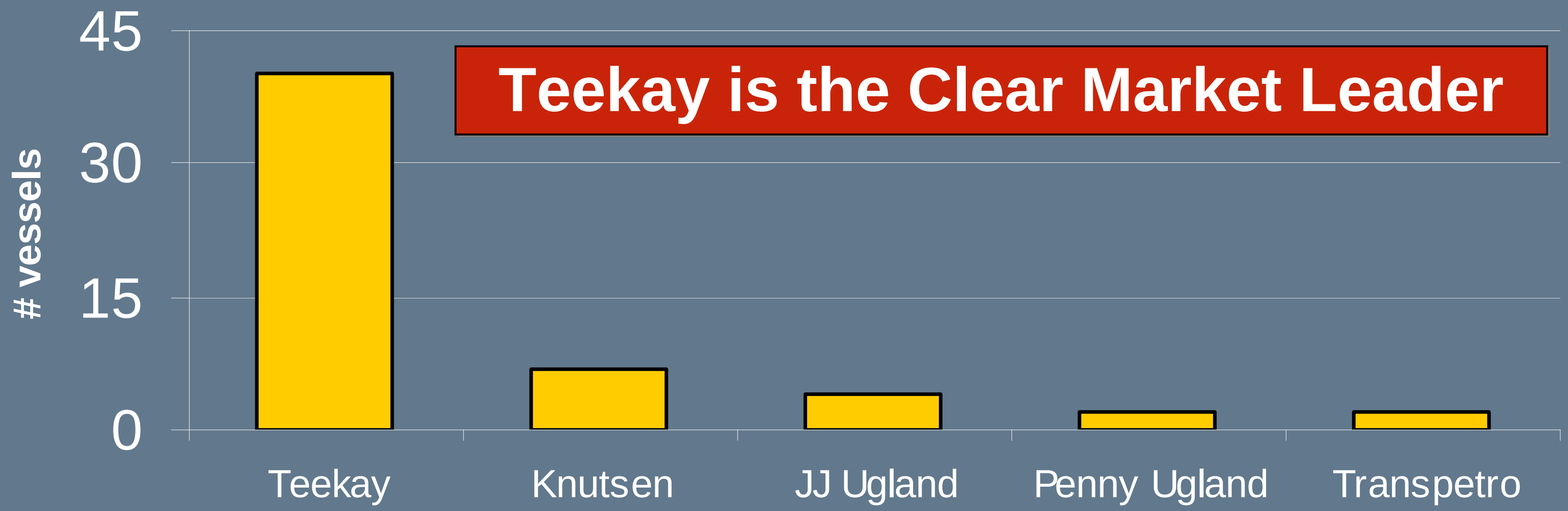
- $16+ billion Market Opportunity

Projected Demand for LNG Carriers by 2010



* Excludes speculative projects, Company Estimates

Teekay's Shuttle Tanker Business



Barriers to Entry

- No spot market
- No speculative newbuilding ordering
- Operational know-how is critical
- Economies of scale required for efficient scheduling
- Sophisticated technology

Low Threat of Substitution

- Viewed as integral part of the offshore oil production system
- Pipelines are costly and less viable for deepwater production
- New, smaller marginal fields are well suited to shuttle transportation

Teekay's Shuttle Tanker Business

Approximately 35% of Teekay's capital is invested in "floating pipelines"

- Serving 30 North Sea oil fields on contracts of affreightment with 20 oil companies
- Expanding use of shuttle tankers in other markets
- Shuttling close to 1 billion bbls/year or 2,800,000 bbls/day

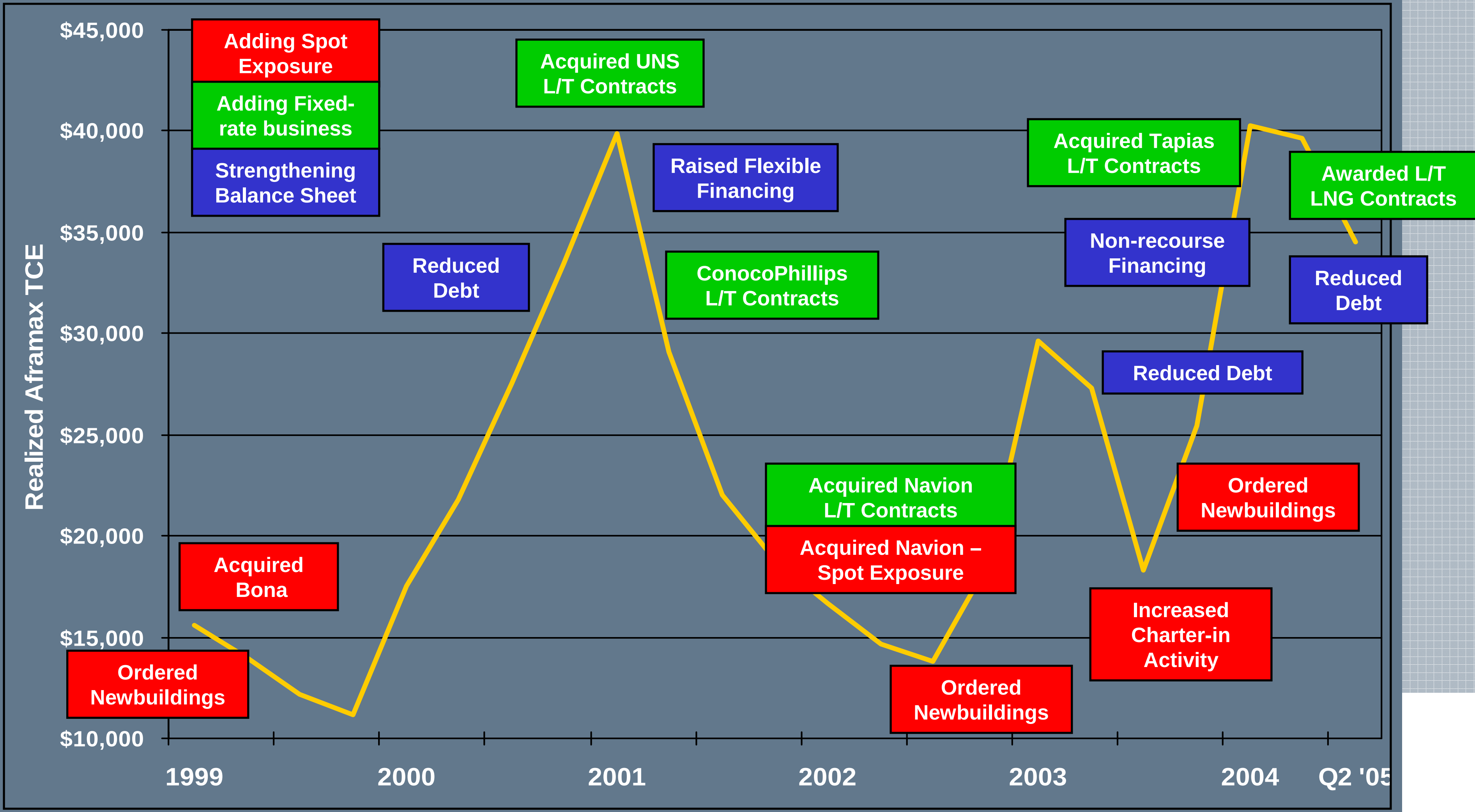
Teekay's Shuttle Tanker Segment

Significant Growth Potential in Offshore Oil……

- Rapid growth in deepwater exploration
- Continued development of core North Sea market
- Upside in Brazil market
- Other opportunities:
  - East Coast of Canada
  - Gulf of Mexico
  - West Africa
  - Australia

……especially at $60+ oil

Actively Managing the Cycle



Teekay Valuation

Fixed-Rate Tanker Segment

CFVO *	$285m
Multiple *	10x
Enterprise Value	**$2,850m**
Less: net debt*	(469)
Segment Equity Value	**$2,381m**
Equity Value per share *	$27.91

V.O.C. Assets	$115m
Equity Inv. in JVs	$61m
Equity Value of Other Items	**$176m**
Equity Value per share *	$2.06

Teekay LNG Partners L.P.

TGP Enterprise Value	$1,473m
Less:	
Actual net debt	(523)
MLP Equity Value @ $31.30/unit	**$951m**
Teekay's share of MLP units	77.7%
Teekay's share of MLP equity value	**$739m**
Equity Value per share *	$8.67

Spot Tanker Segment

Owned Fleet	
1H'05 CFVO (annualized)*	$262m
Multiple *	5.9x
Owned Fleet Enterprise Value	**$1,546m**
Less: net debt *	(209)
Owned Fleet Equity Value	**$1,337m**
In-charter Fleet	
Est. 1H '05 CFVO (annualized)	$154m
Multiple *	2x
In-Charter Fleet Equity Value	**$307.5m**
Segment Equity Value	**$1,645m**
Equity Value per share *	$19.29

Combined Teekay Equity Value / Share

$57.93

* See appendix section of presentation for methodology, support and sources

Financial Highlights

- Net income of $383m or $4.42 per share in 1H 2005

ROE of ~20%

- Reduced leverage from 42% to 34% in last 6 months

Near low end of target range

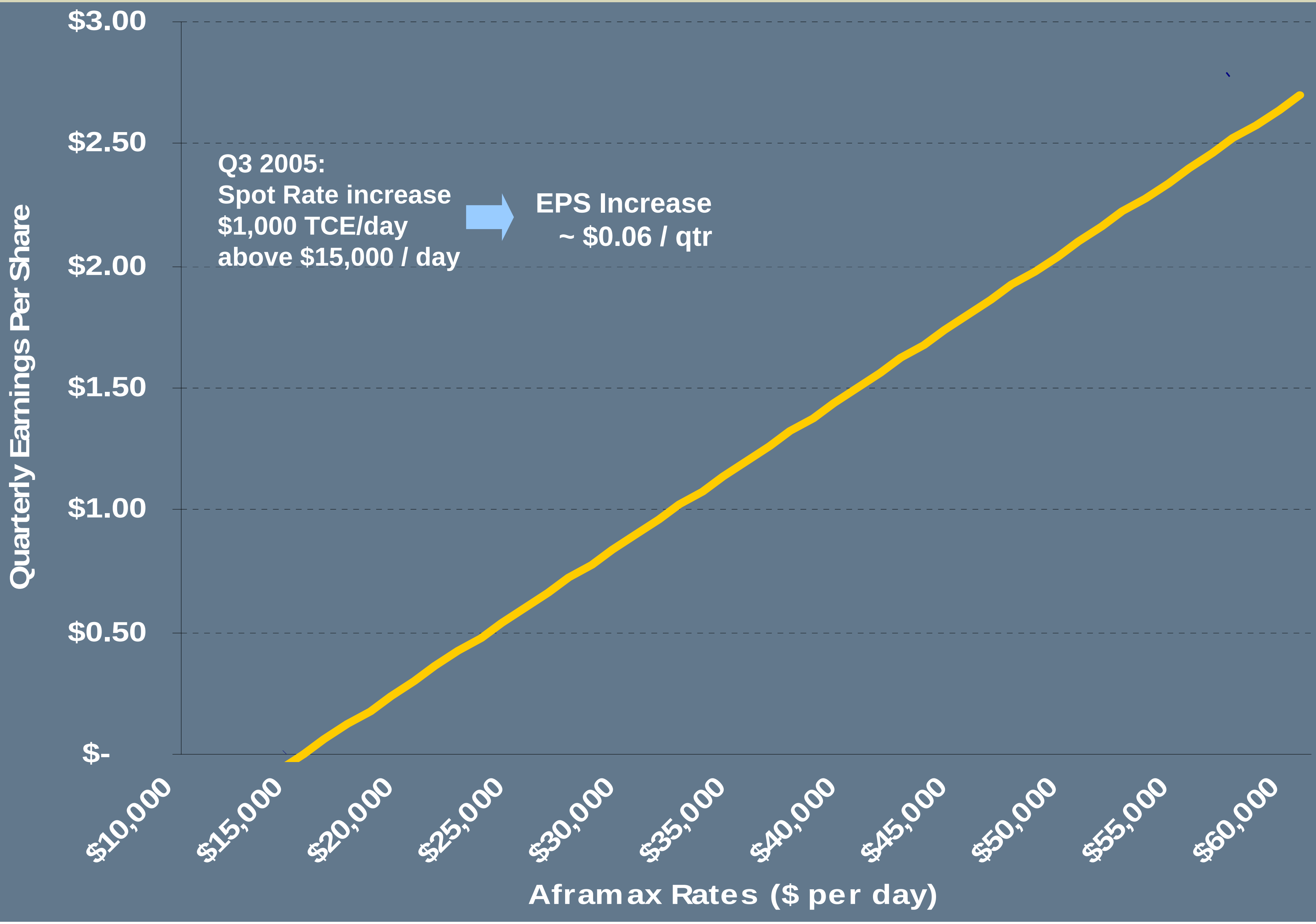
- ~ $300m or 6.9 million shares repurchased since Nov. ’04 => present authorization for additional $305m or 6.8 million shares

When completed, over 16% of o/s shares repurchased since Nov. ‘04

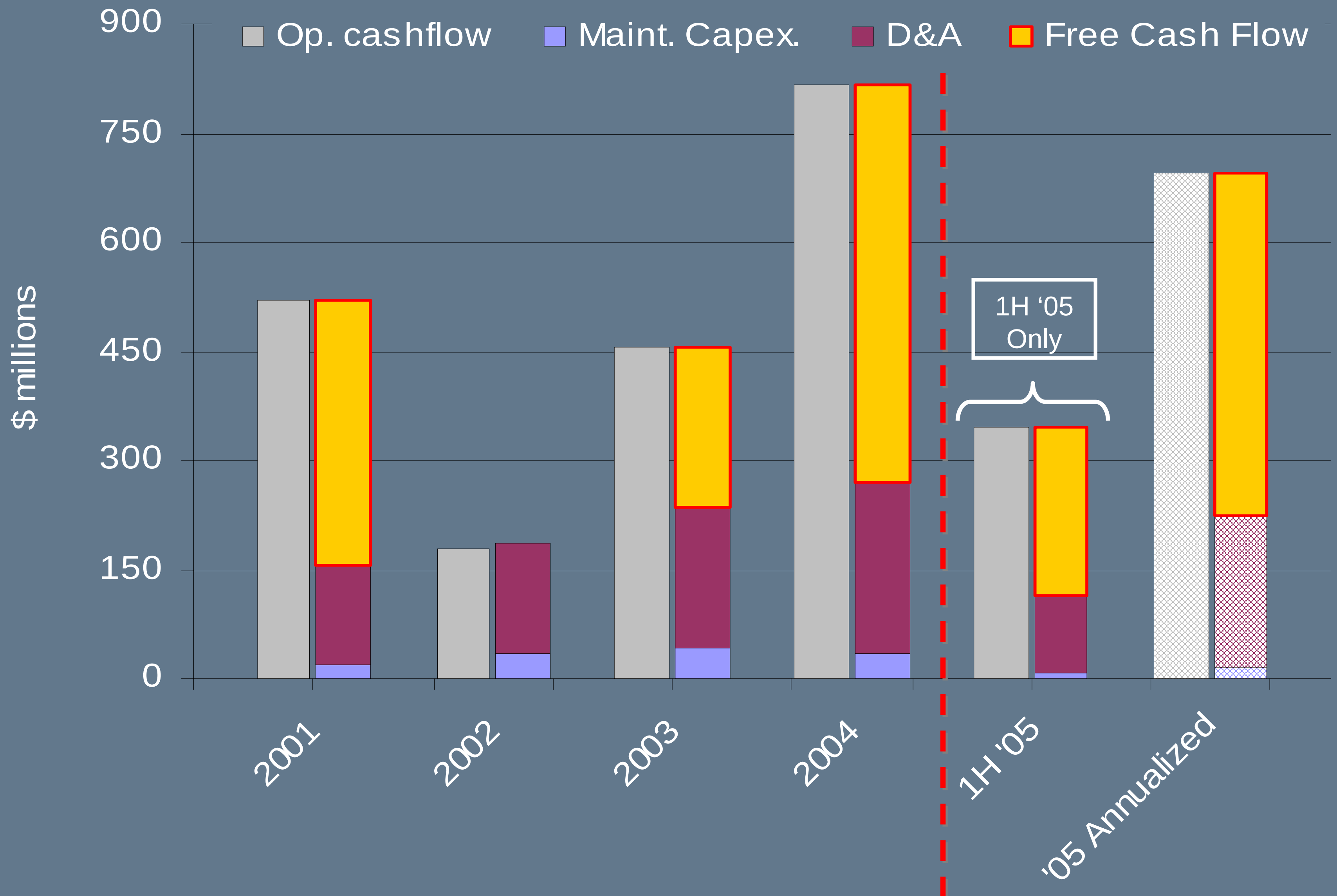
- Dividend increased three times in past three years

Increased 93% in three years

Significant Operating Leverage



Significant Free Cash Flow over past 5 years



Aframax TCE **$30,542** **$15,930** **$24,909** **$39,299** **$37,301**

Free Cash Flow=Operating Cash Flow-Maintenance Capex. (Drydock)-Depr. & Amort. (normalized CAPEX)

Investment Highlights

Diverse Portfolio of Assets

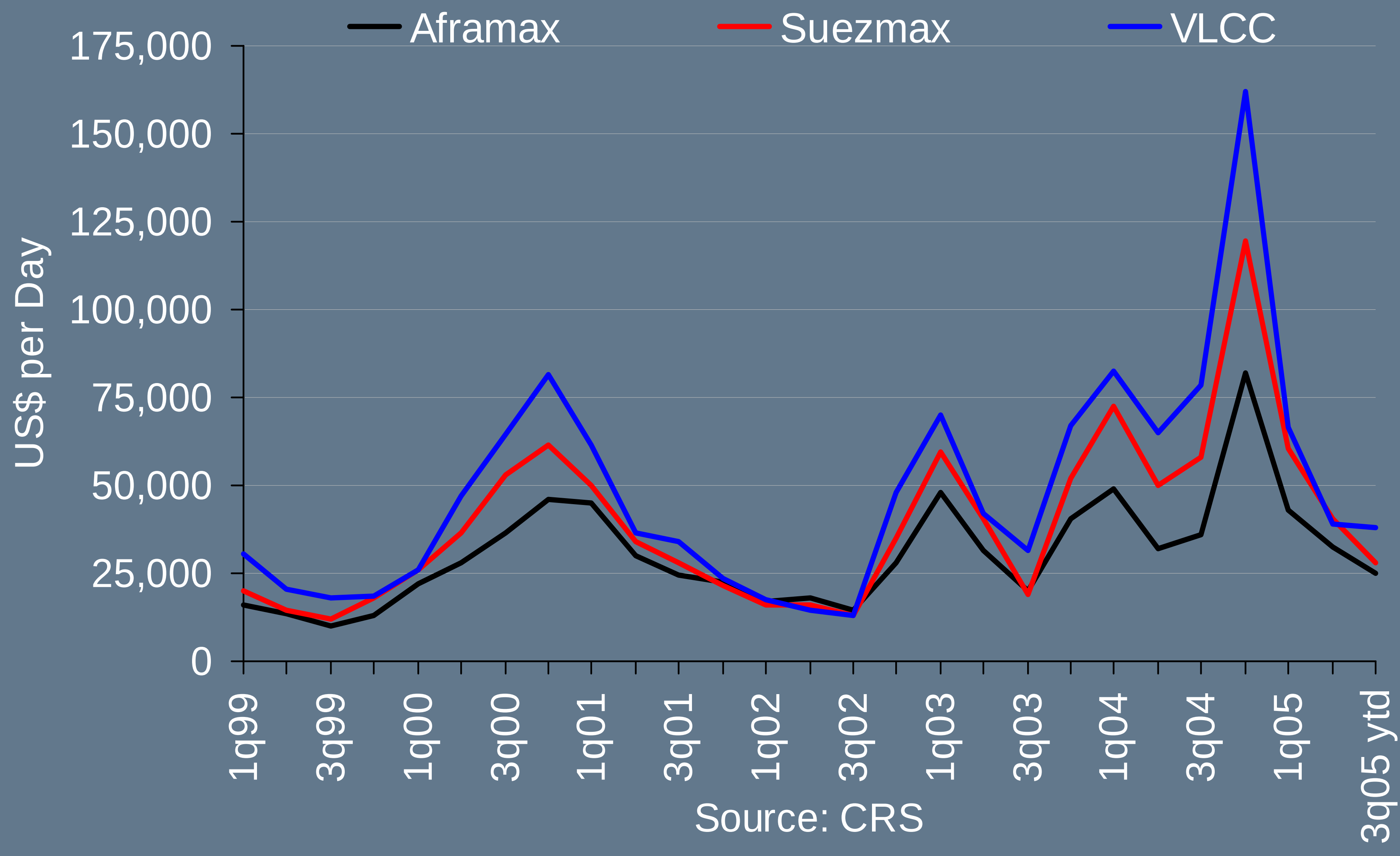
Unique Business Mix

Teekay's Business Model Appeals to Customers

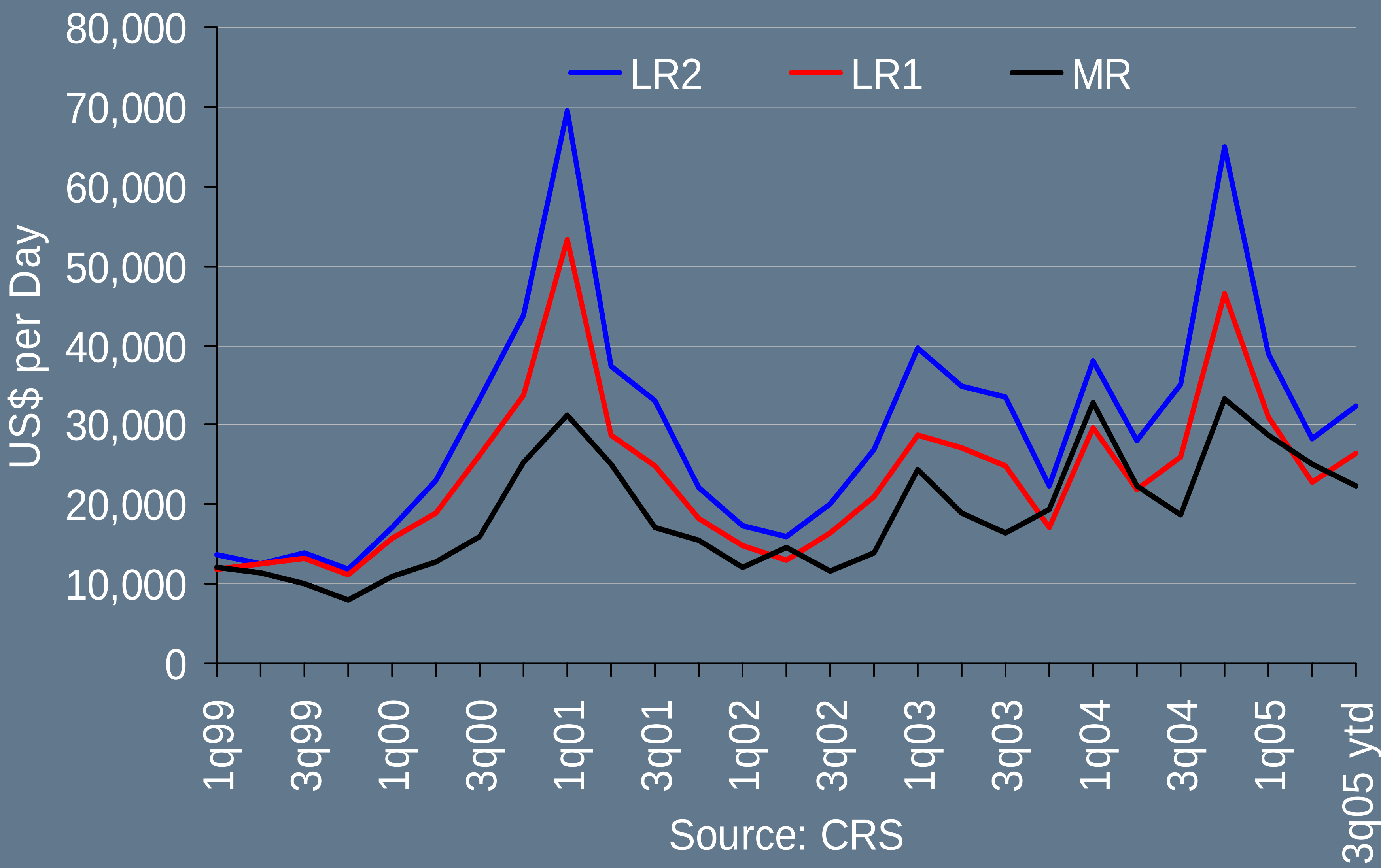
Appendix

- Tanker Market Slides
- Teekay LNG Partners L.P.
- Sum-of-parts Valuation Support
- Fleet Breakdown
- Non-GAAP Reconciliation

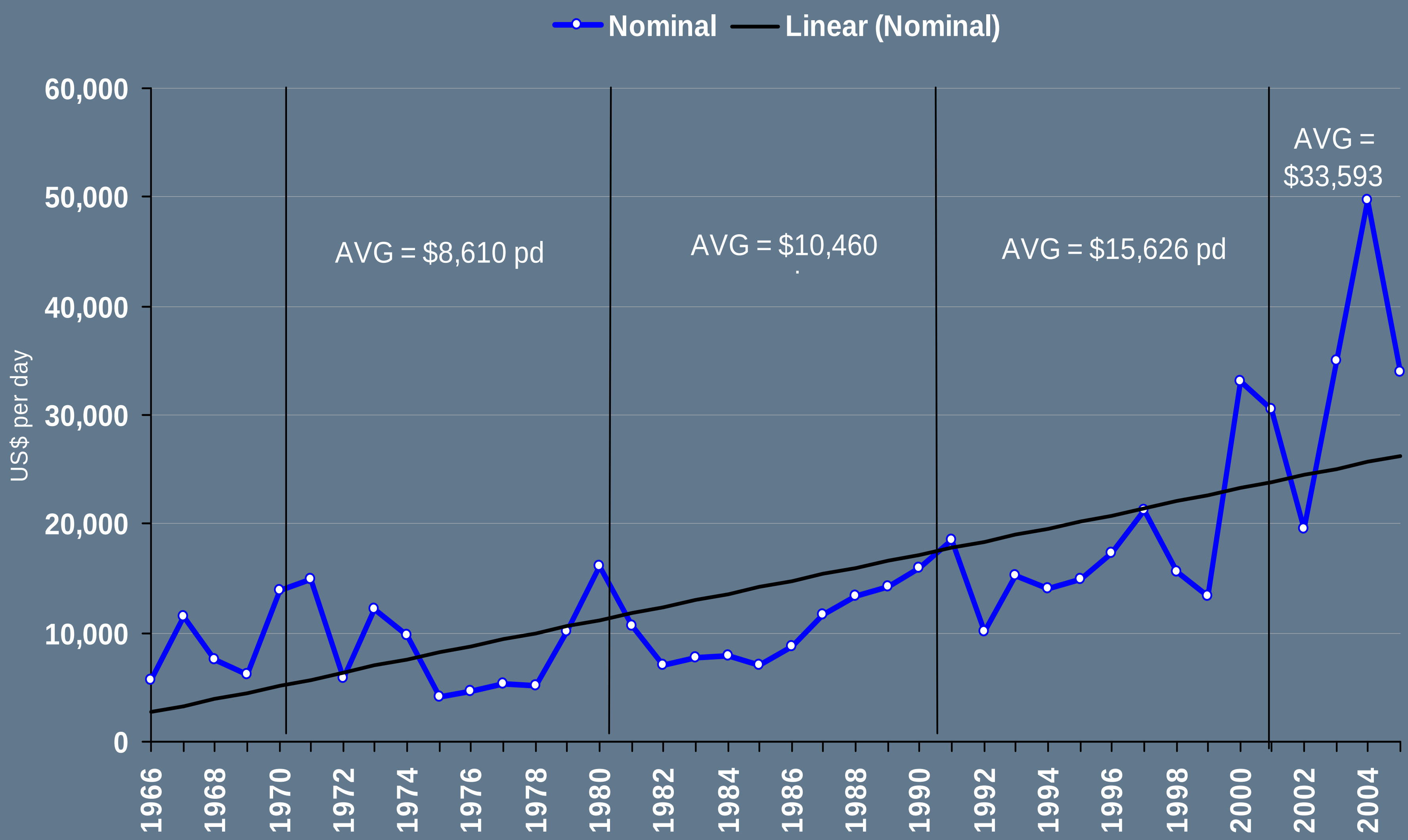
Crude Tanker Spot Market



Product Tanker Spot Market

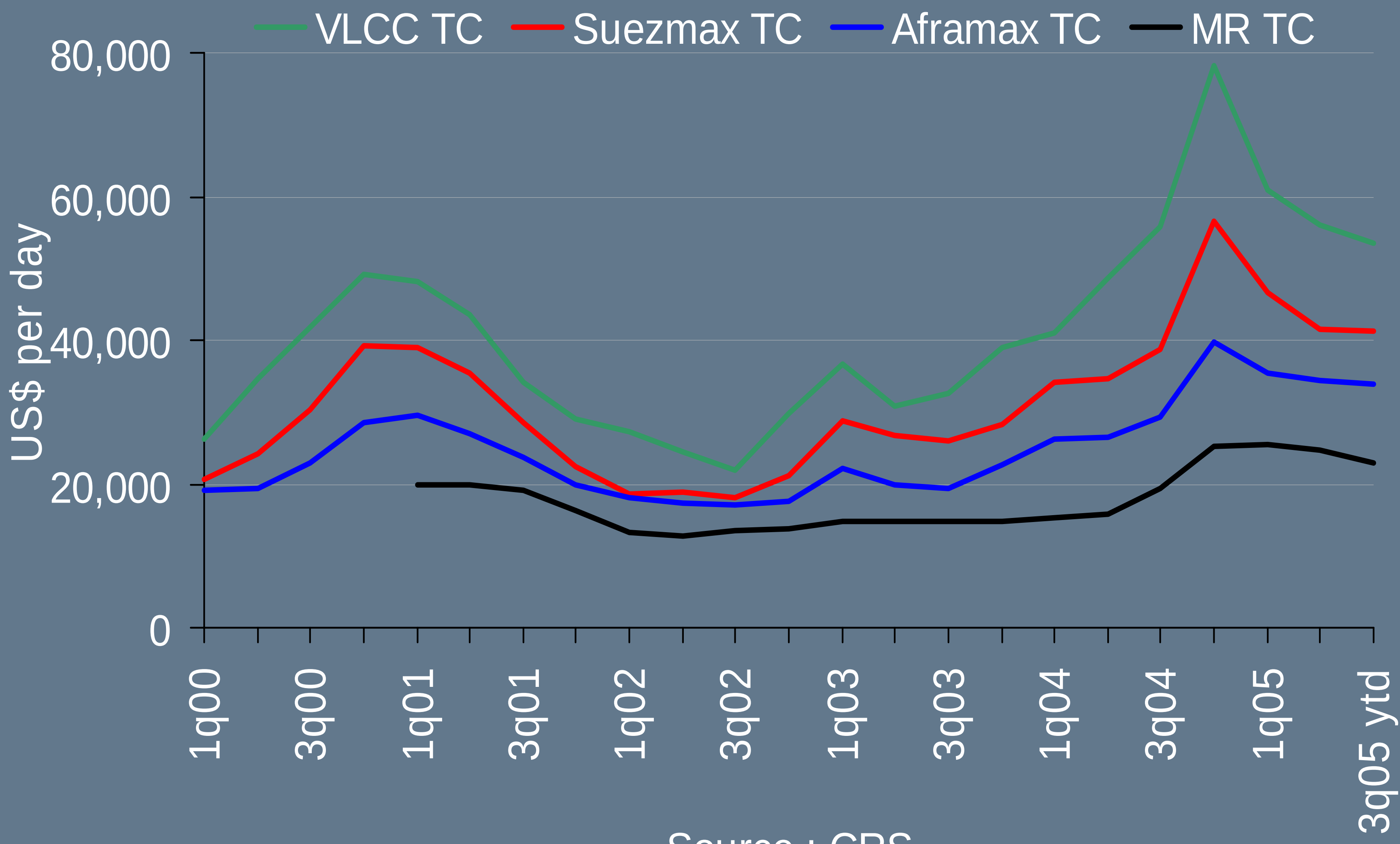


Aframax Earnings



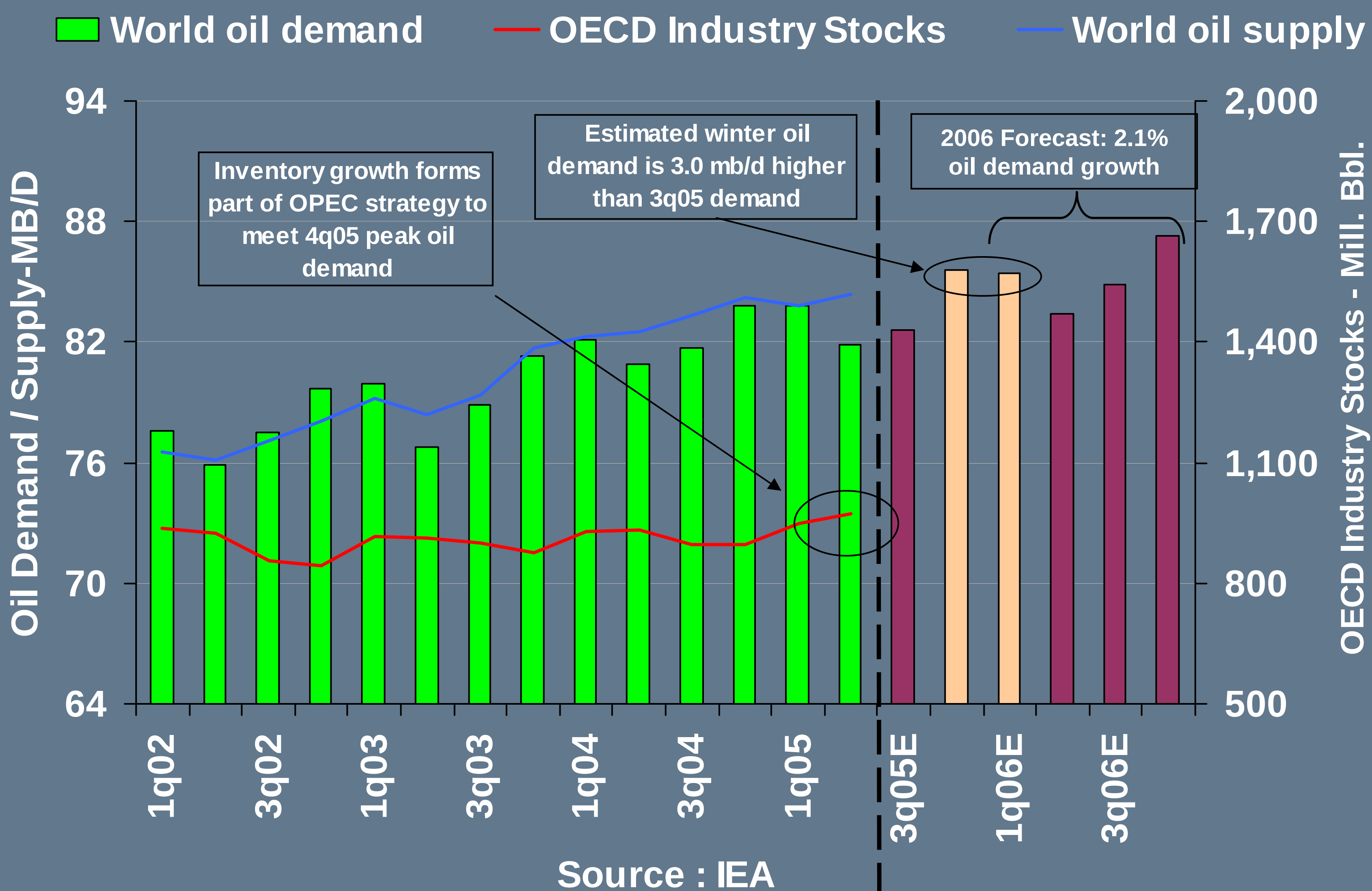
Source : CRS

1 Year TC Rates for Modern Tankers



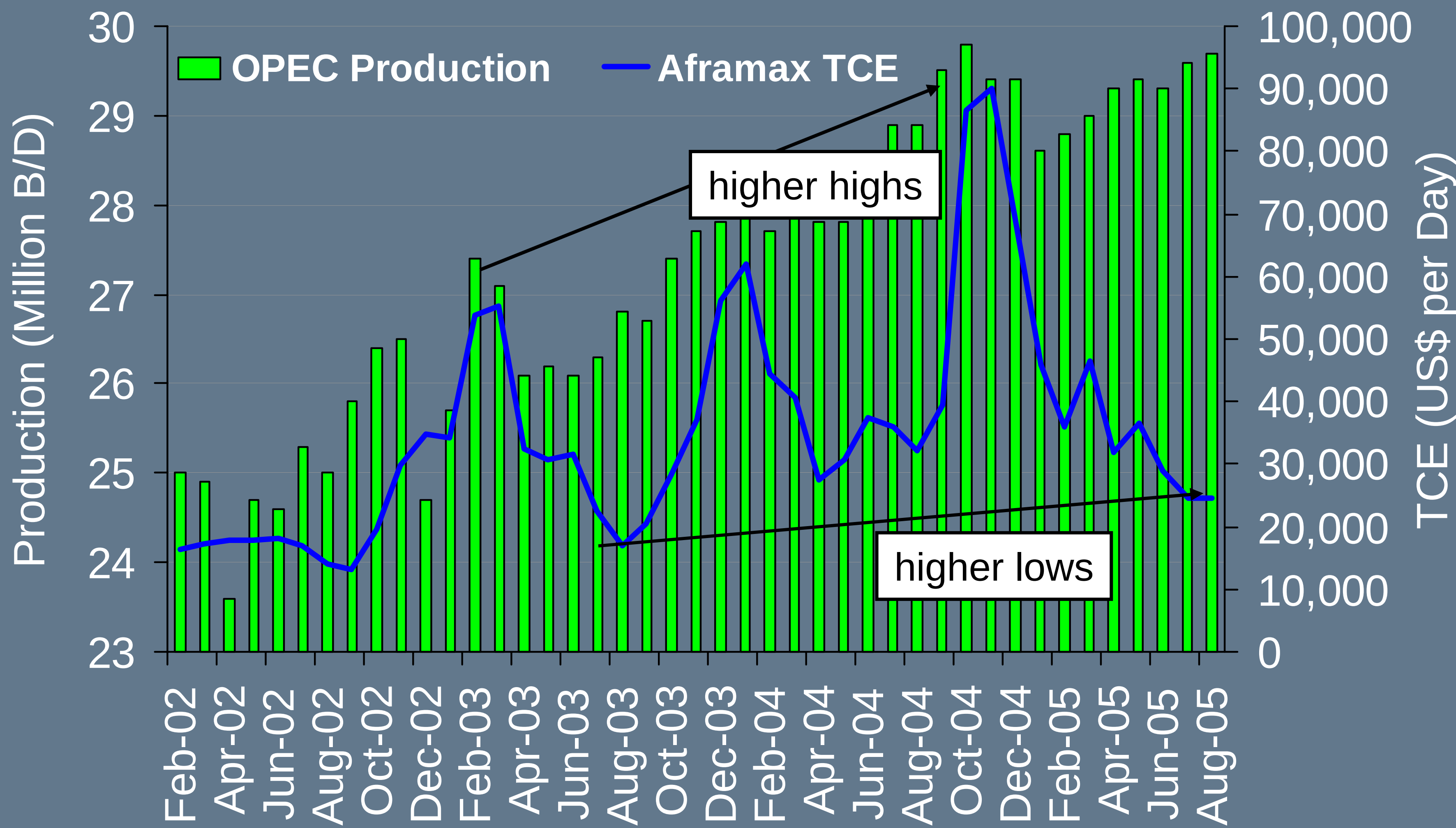
Source : CRS

Oil Demand Growth Estimate



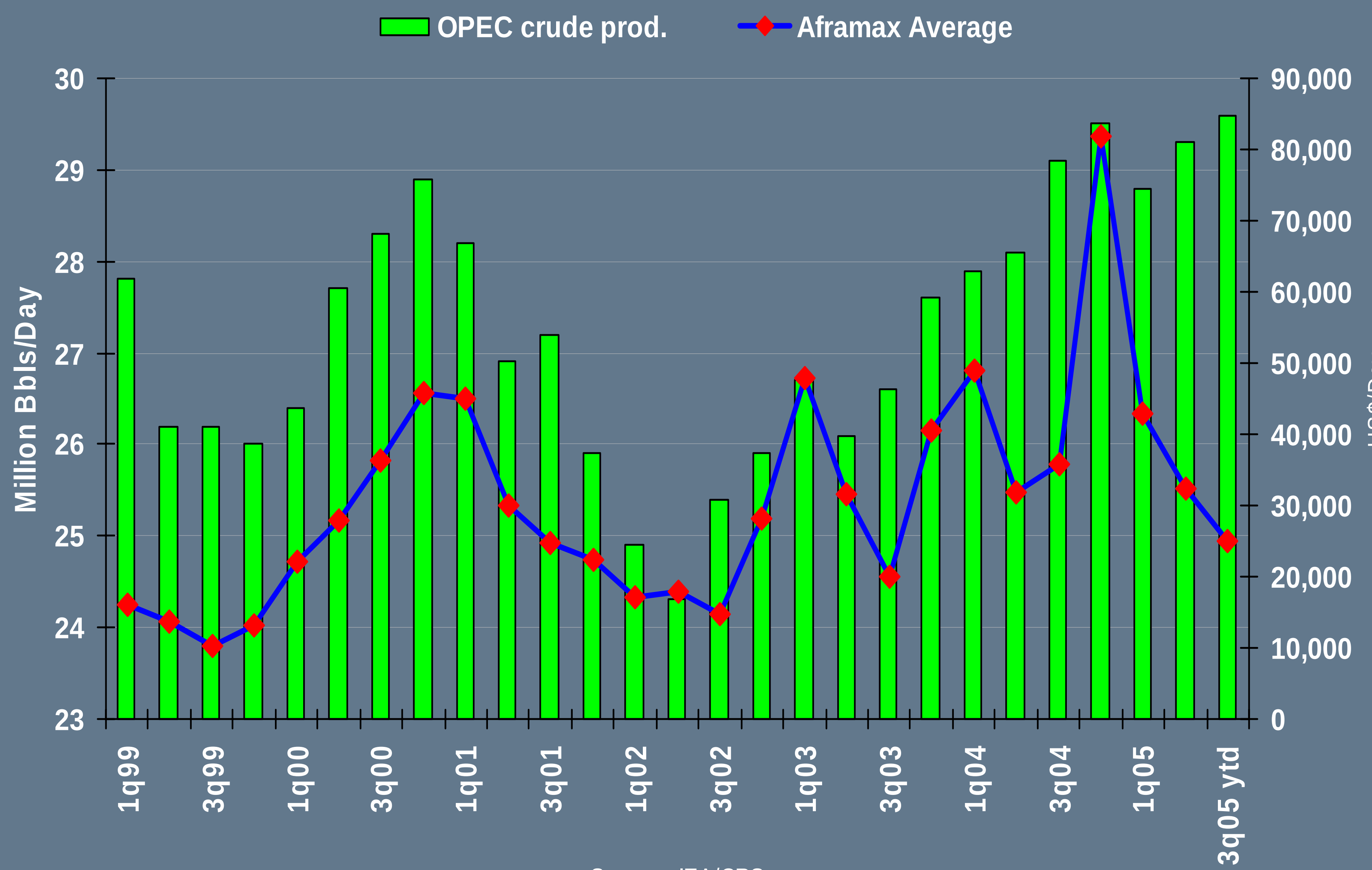
Source : IEA

OPEC Crude Oil Production vs. Aframax TCE



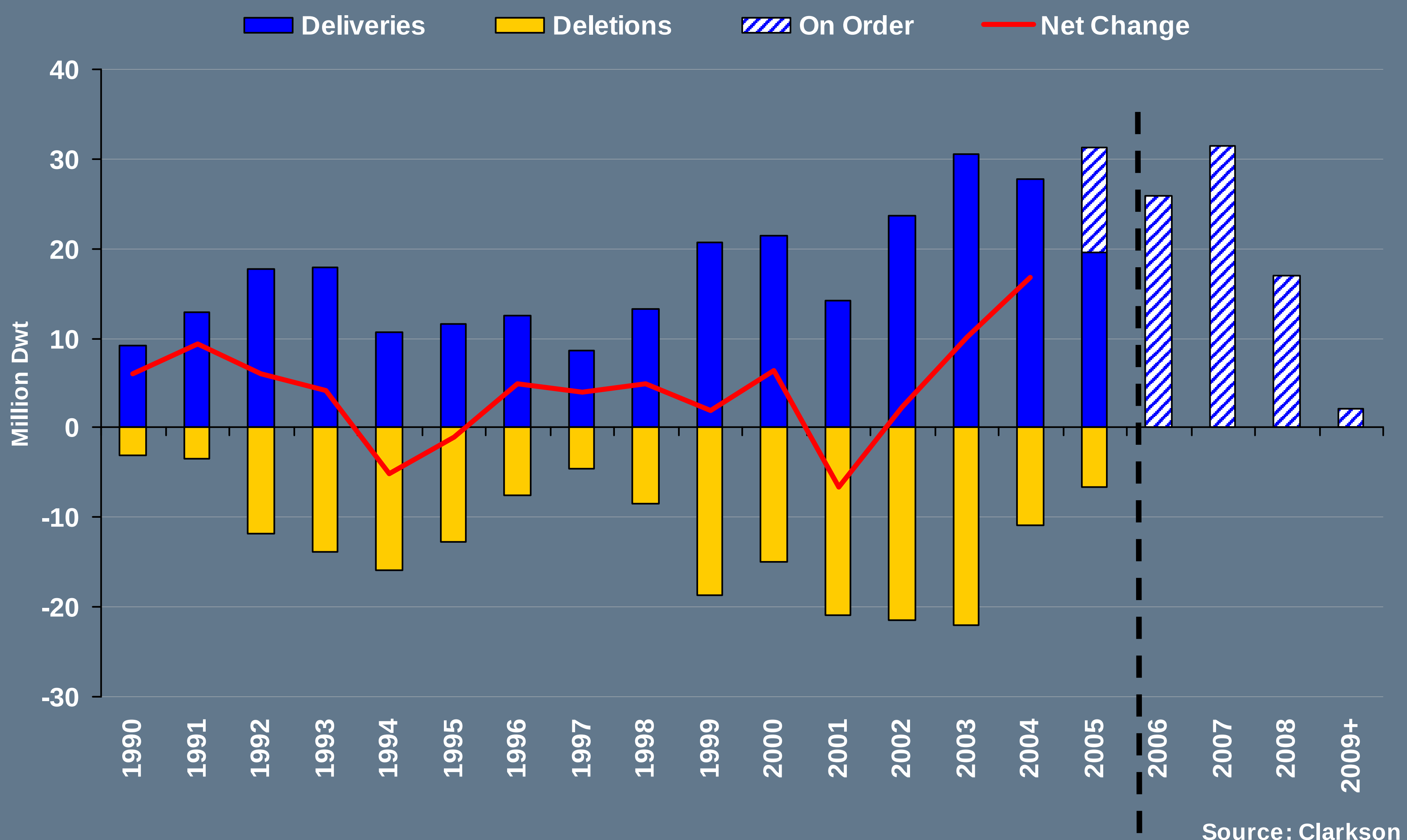
Source : IEA / CRS

OPEC Crude Output vs. Aframax TCE's

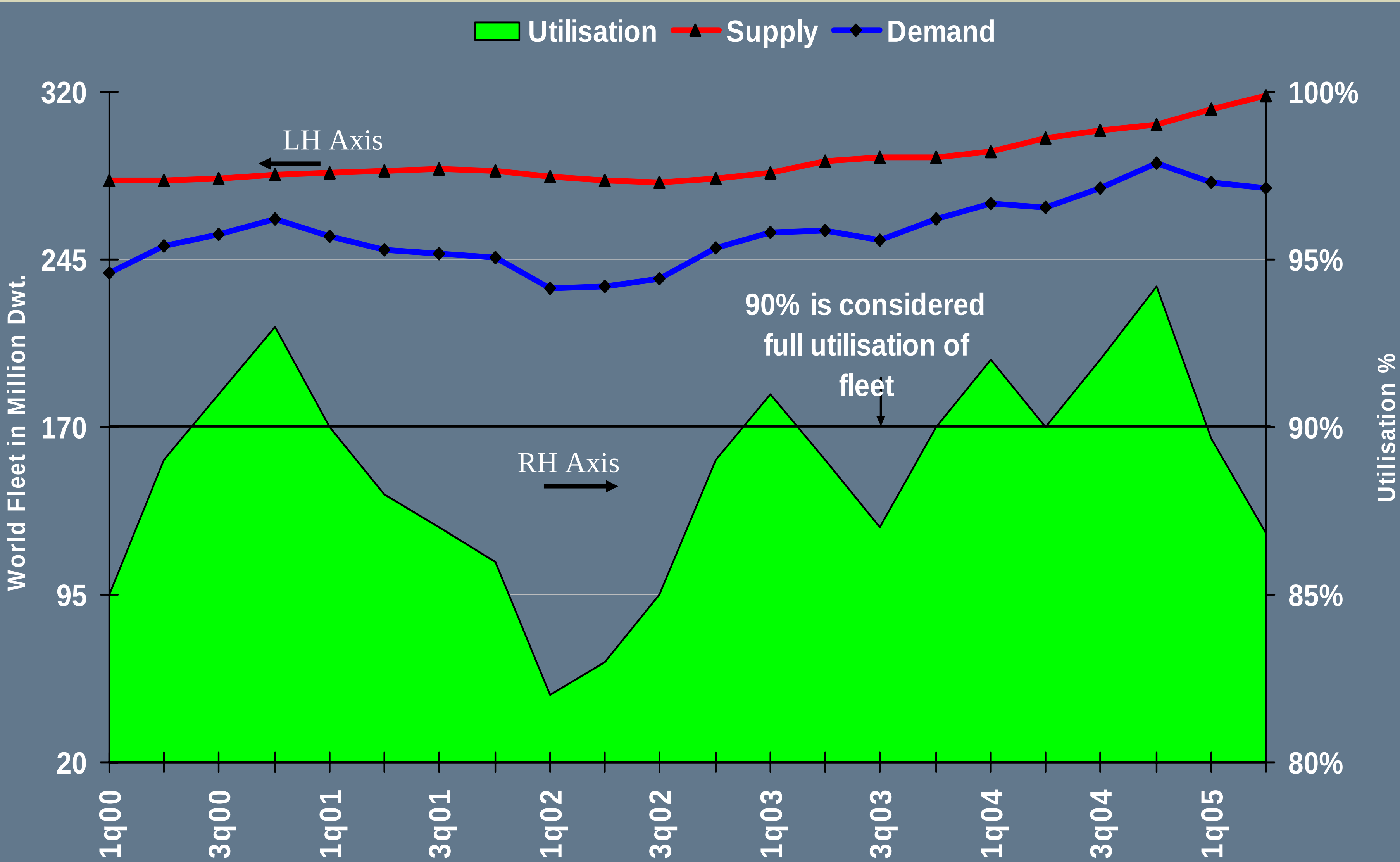


Source : IEA/CRS

Tanker Fleet Changes

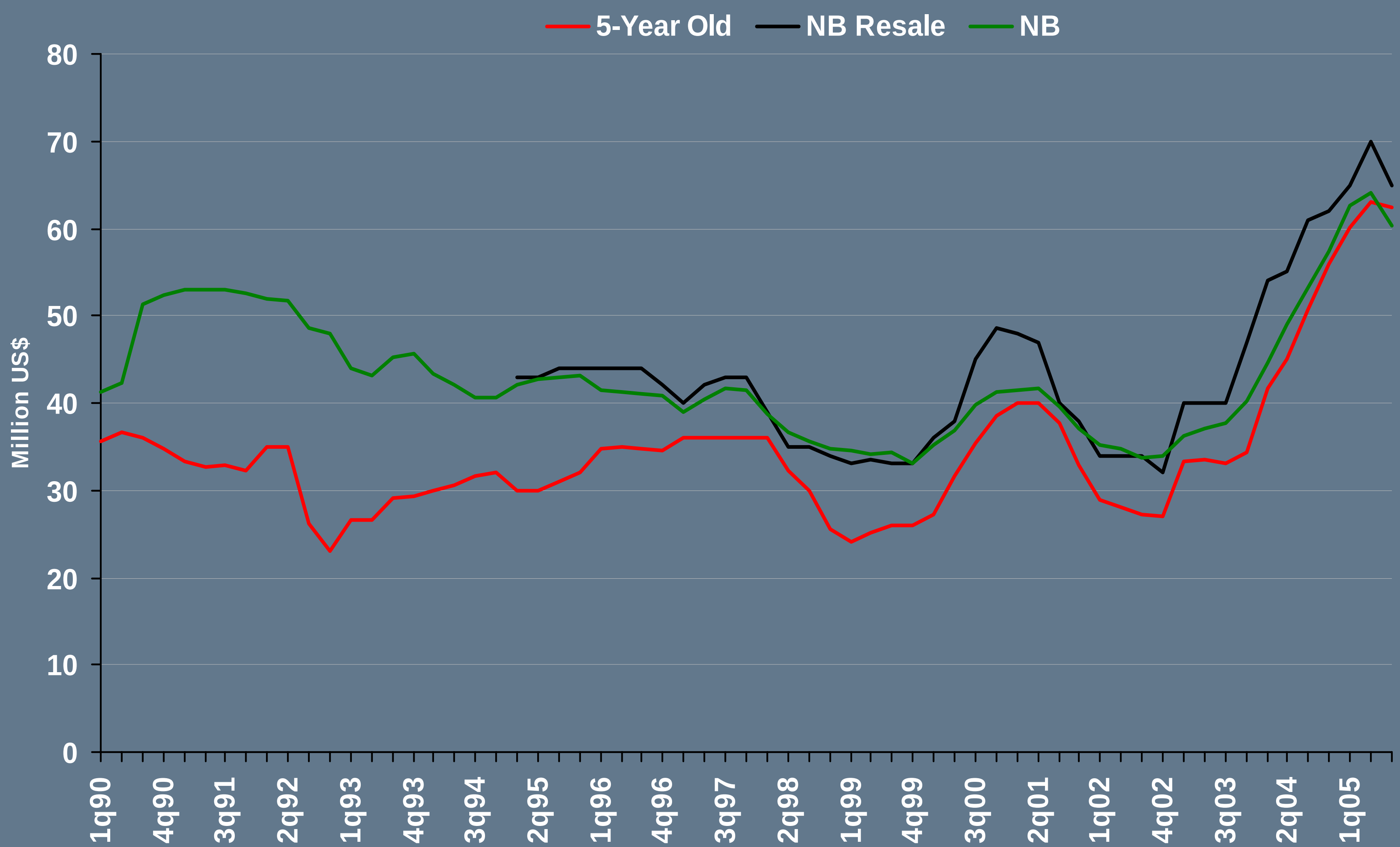


Tanker Supply / Demand Balance



Source : Platou

Aframax Ship Values



Source : CRS

TEEKAY LNG PARTNERS L.P.

TEEKAY – THE MARINE MIDSTREAM COMPANY®

Teekay's LNG Carrier Overview

Teekay Shipping Corporation
Enterprise Value = $5.0 billion

100%

Teekay GP L.L.C.
(General Partner)

75.7%

Public Unitholders

2.0%

Teekay LNG Partners L.P.

22.3%

Current LNG Fleet

4 Vessels

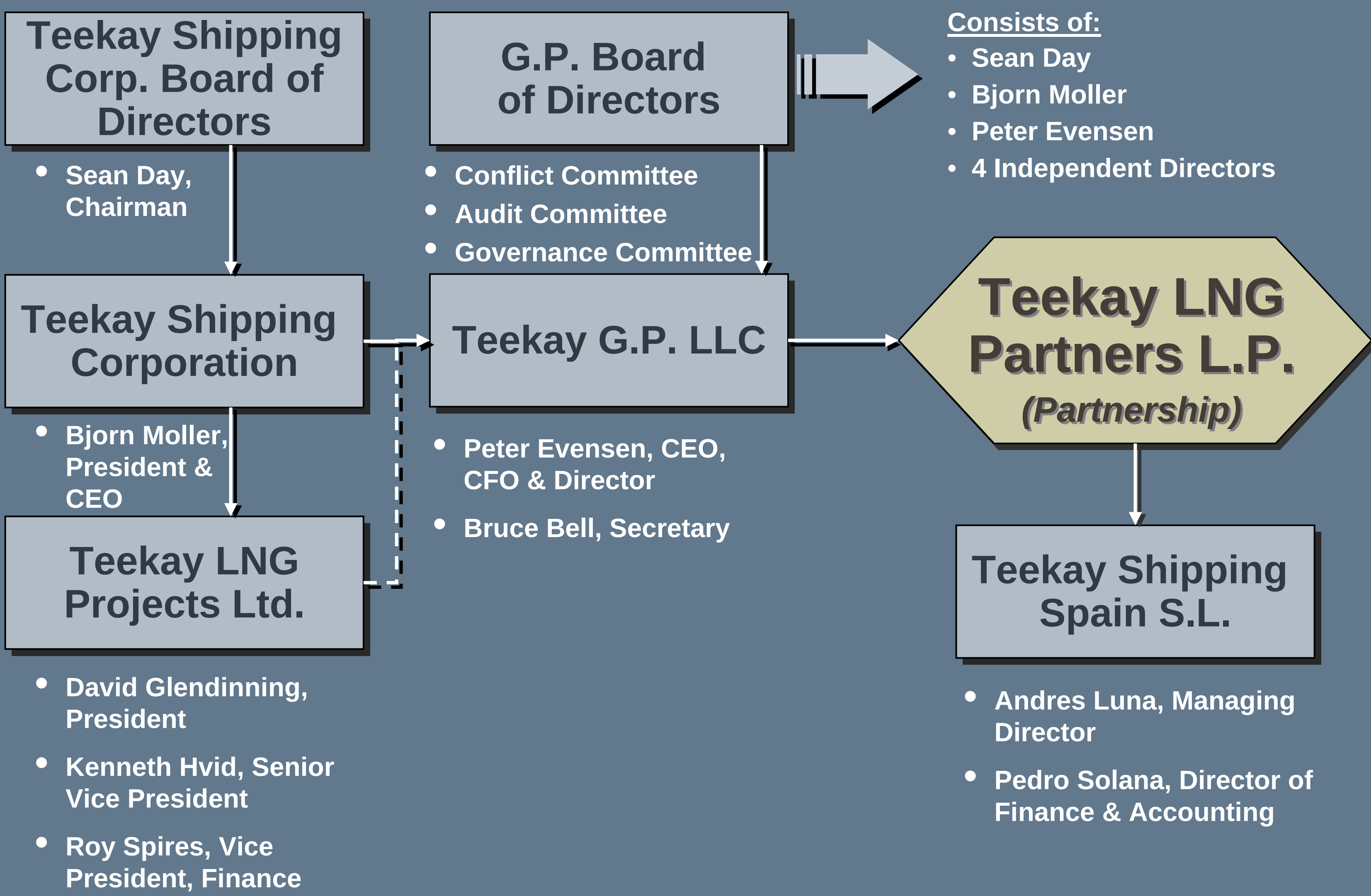
Current Oil Tanker Fleet

5 Vessels

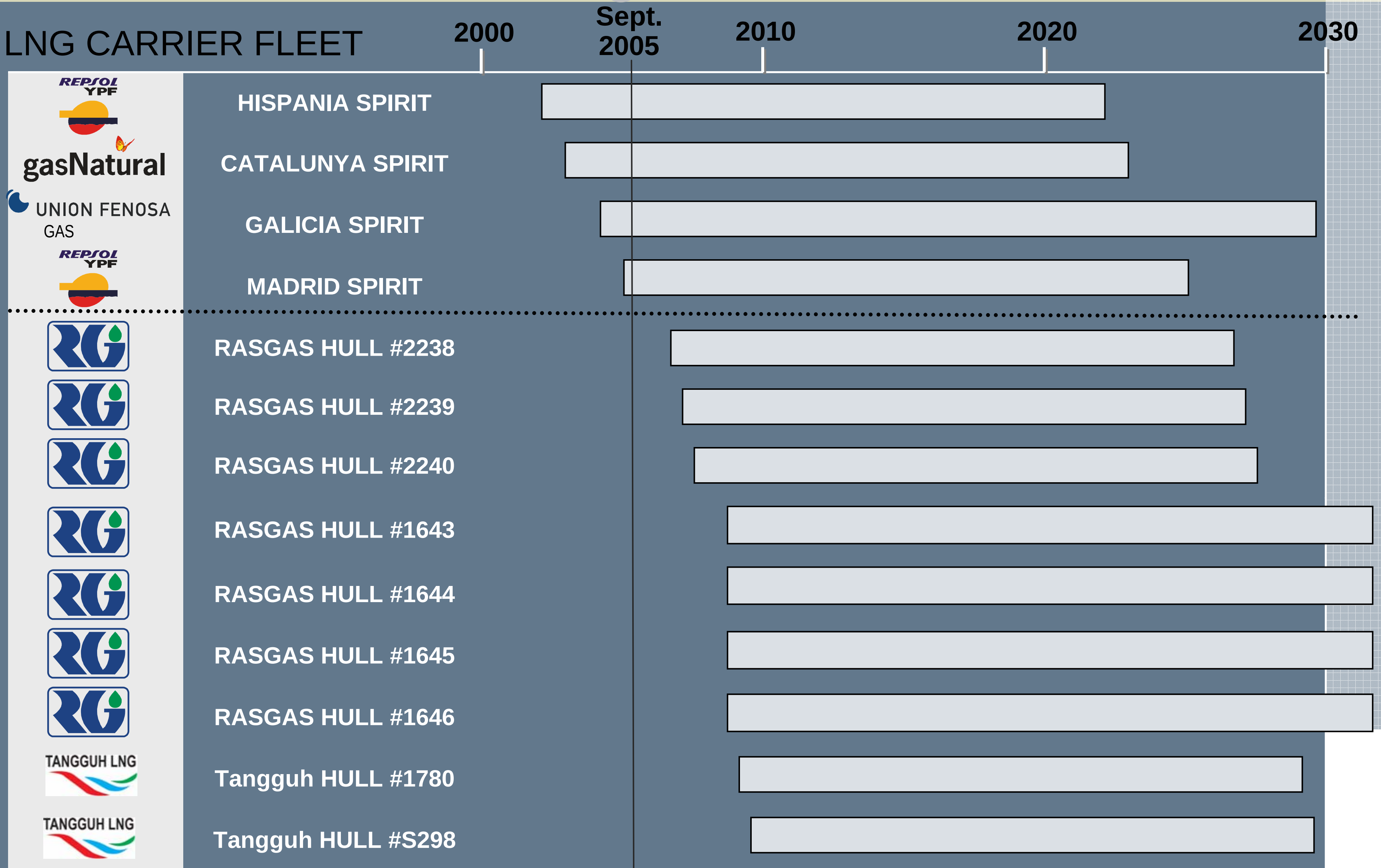
LNG Carriers On-Order

9 Vessels

Management Structure



LNG Fleet Under Long-Term Contracts



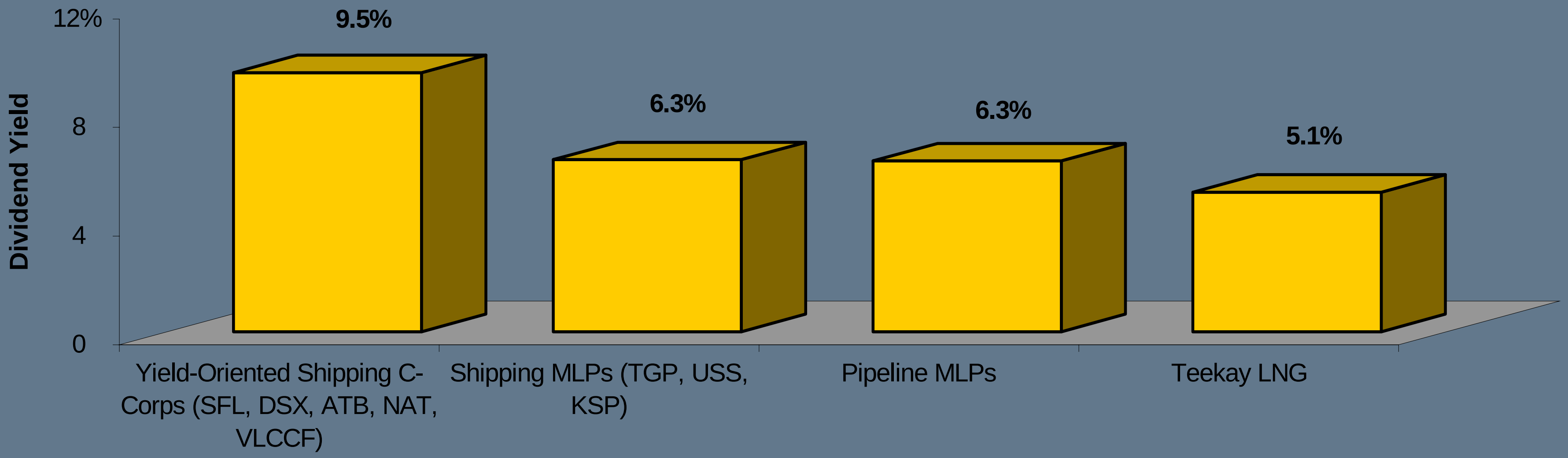
*LNG contracts provide for optional periods beyond the minimum fixed periods shown above.

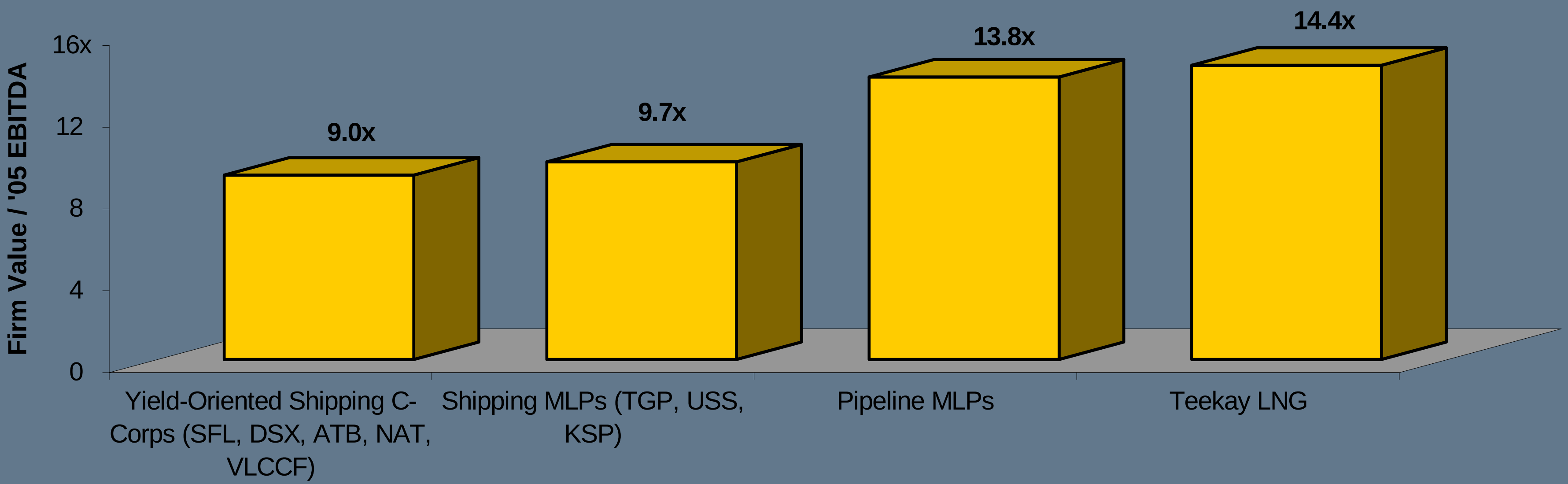
Projects to be Offered to Teekay LNG Partners

- RasGas 3 Contract Details
  - Awarded 4 x 217,330 cbm “Q-Flex” LNG carriers
  - Vessels to be equipped with slow speed diesel engines and re-liquefaction facilities on board
  - Average per vessel delivered cost of $275 million
  - Expected to deliver in Q2 of 2008
  - Fixed 25 – year contracts
  - Qatar Gas Transport Co. will own 60% and Teekay 40% of the vessels.
- **Tangguh LNG Contract Details**
  - Awarded 2 x 155,000 cbm LNG carriers. Average vessel delivered cost of $218M
  - Delivery in Q4 2008 and Q1 2009
  - Fixed 20-year contract
  - Teekay LNG Partners will own 70%; 30% owned by PT Berlian Laju Tanker TBK (“BLT”)
  - Financing complete

Valuation of MLPs

MLPs tend to trade at lower yields and higher valuations than their shipping C-Corp peers





Source: Citigroup. Data represents median values as of August 22, 2005

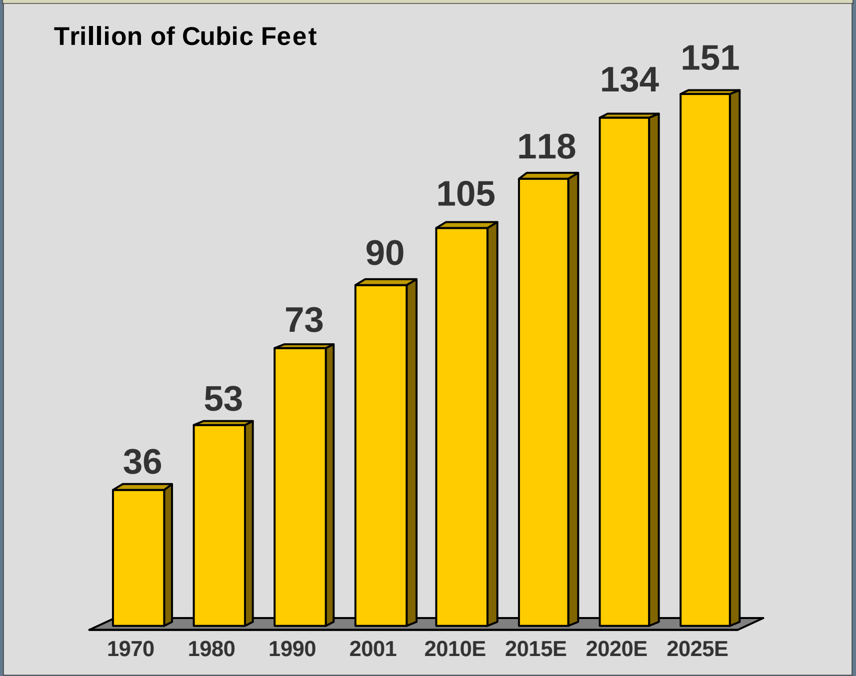
NEW LNG PROJECTS

TEEKAY – THE MARINE MIDSTREAM COMPANY®

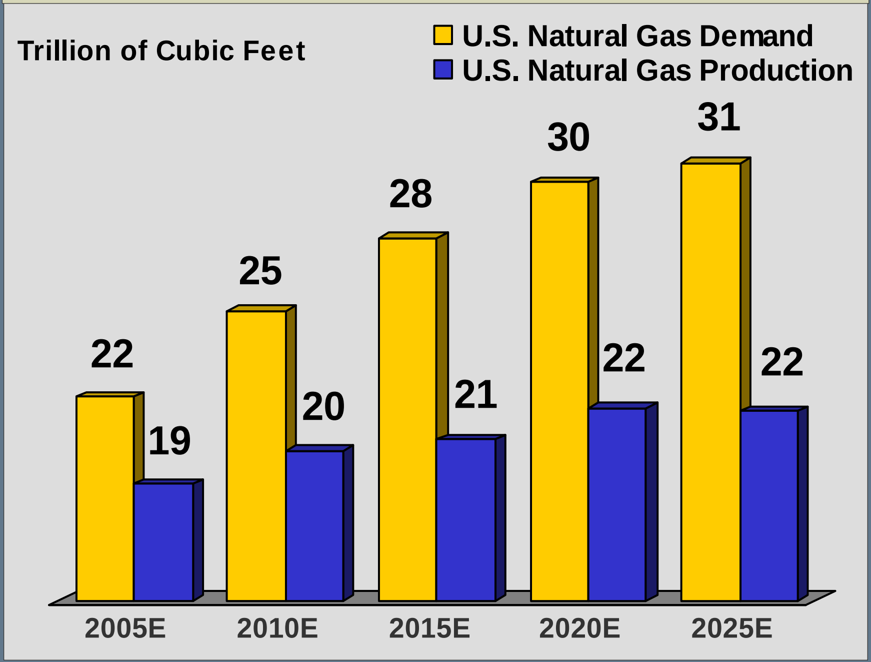
LNG Shipments: Minimum 7% Expected Annual Growth

- Global demand for natural gas is expected to grow significantly
- Growing shortfall of natural gas in key consuming countries
- LNG shipments are the obvious solution to address this shortfall

Growing World Natural Gas Demand



U.S. Natural Gas Production / Demand Balance

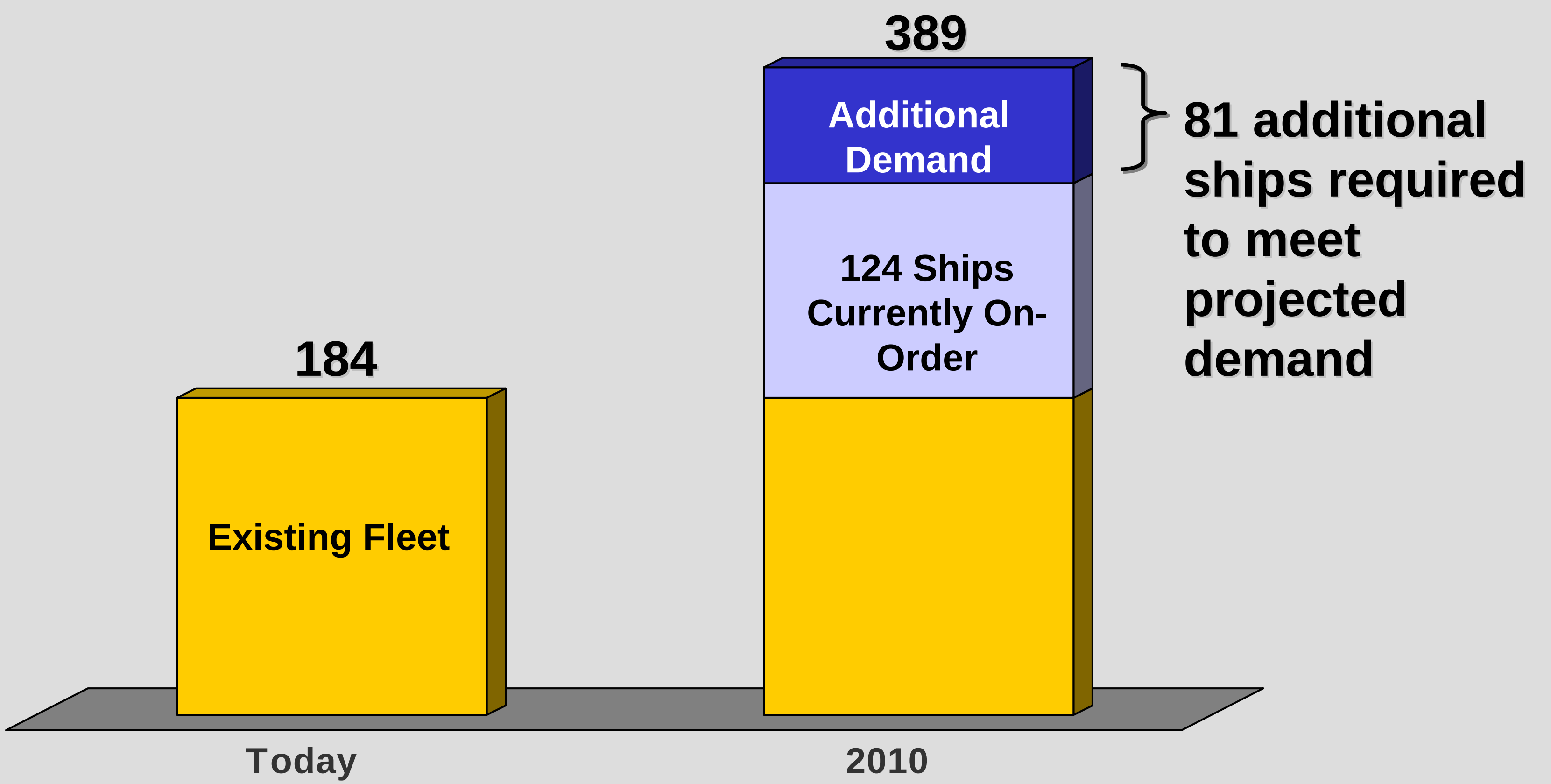


Source: US Department of Energy, April 2004 and IEA.

Increased Demand for LNG Carriers

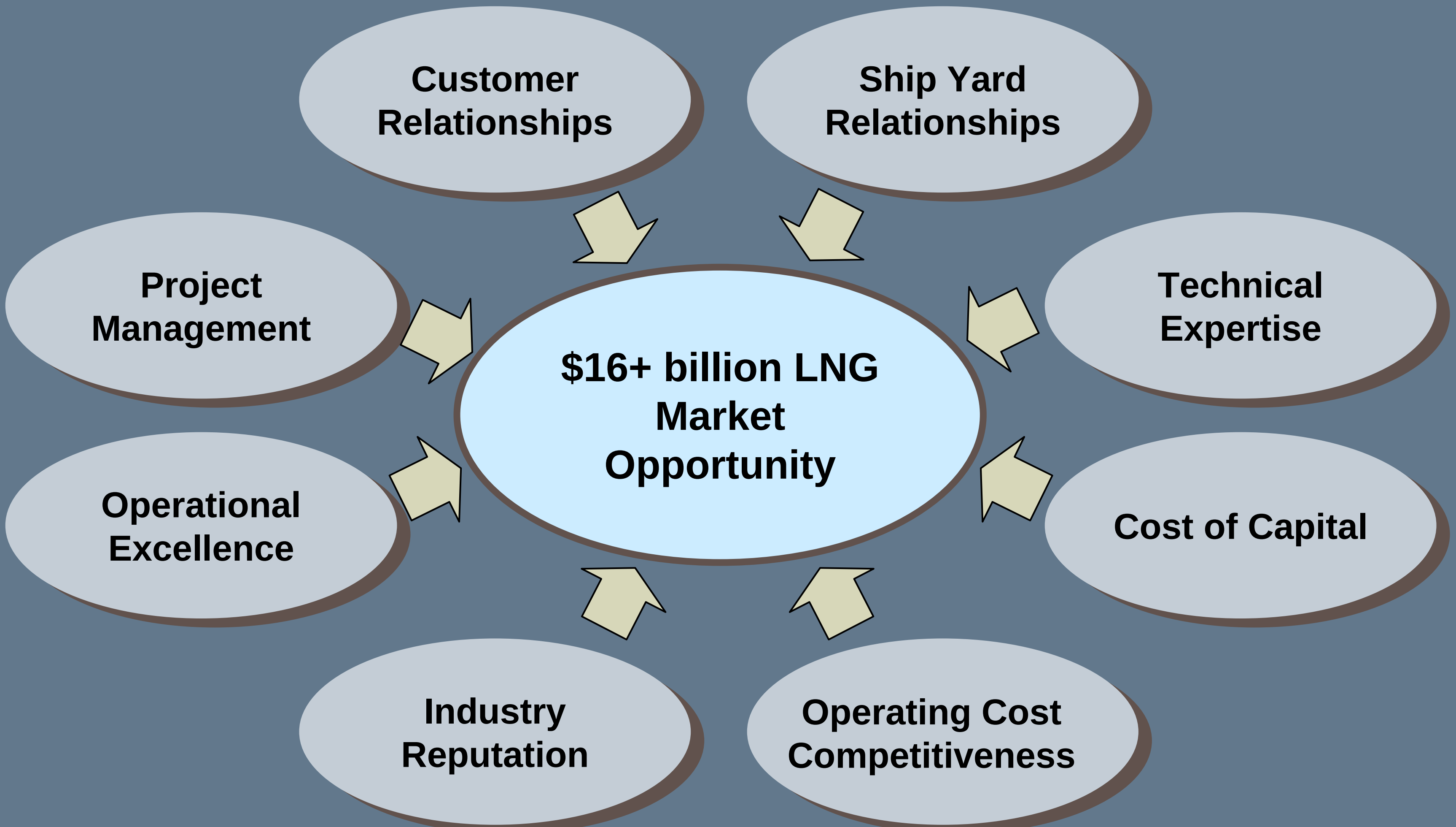
- $16+ billion Market Opportunity

Projected Demand for LNG Carriers by 2010



* Excludes speculative projects

Securing Our Share of the Market Opportunity



Teekay LNG has a winning formula

Support for Teekay Valuation – see next slide

Fixed-Rate Tanker Segment

CFVO (1)	$285m
Multiple (2)	10x
Enterprise Value	**$2,850m**
Less: net debt (3)	(469)
Segment Equity Value	**$2,381m**
Equity Value per share (4)	$27.91

Other Assets

V.O.C. Assets	$115m
Equity Inv. in JVs	$61m
Equity Value of Other Items	**$176m**
Equity Value per share *	$2.06

Teekay LNG Partners L.P.

TGP Enterprise Value	$1,473m
Less:	
Actual net debt (5)	(523)
MLP Equity Value @ $31.30/unit	**$951m**
Teekay's share of MLP units	77.7%
Teekay's share of MLP equity value	**$739m**
Equity Value per share (4)	$8.67

Spot Tanker Segment

Owned Fleet	
1H'05 CFVO (annualized) (6)	$262m
Multiple (7)	5.9x
Owned Fleet Enterprise Value	**$1,546m**
Less: net debt (3)	(209)
Owned Fleet Equity Value	**$1,337m**
In-charter Fleet	
Est. 1H '05 CFVO (annualized)	$154m
Multiple (8)	2x
In-Charter Fleet Equity Value	**$307.5m**
Segment Equity Value	**$1,645m**
Equity Value per share (4)	$19.29

Support for Teekay Valuation

Fixed-Rate Tanker Segment

(1) CFVO = Cash Flow from Vessel Operations See reconciliation in Appendix to this presentation

(2) Per Jefferies Tanker Weekly – Sept. 12, 2005. Average 2006E multiple for high dividend paying tanker companies:

- Arlington Tankers, General Maritime, Ship Finance Ltd., Knightsbridge, Nordic American, Aries Maritime

(3) Based on June 30, 2005 net debt (Debt net of cash, short and long-term restricted cash and newbuild installments). Allocated between fixed-rate and spot tanker segments based on assets at June 30, 2005 after deducting actual Teekay LNG Partners net debt.

(4) Based on 85.31m fully diluted shares outstanding at June 30, 2005

Teekay LNG Partners L.P.

(5) At June 30, 2005

(4) Based on 85.31m fully diluted shares outstanding at June 30, 2005

Spot Tanker Segment

(6) 1H 2005 actual spot tanker segment CFVO adjusted for spot in-charter CFVO – annualized. See spot segment CFVO reconciliation at www.teekay.com

(7) Per Jefferies Tanker Weekly – average 2005 trading multiple of spot peers from Jan. 1, 2005 to Sept. 12, 2005. Spot tanker companies include:

- Frontline, OMI, OSG, Teekay, Tsakos and TORM

(3) Based on June 30, 2005 net debt (Debt net of cash, short and long-term restricted cash and newbuild installments). Allocated between fixed-rate and spot tanker segments based on assets at June 30, 2005 after deducting actual Teekay LNG Partners net debt.

(8) Average remaining length of TC-in contracts is approximately 2 years.

(4) Based on 85.31m fully diluted shares outstanding at June 30, 2005

Teekay Fleet List

at Aug. 31, 2005	Number of Vessels			
	Owned Vessels	**Chartered-in Vessels**	**Newbuildings on Order**	**Total**
Spot Tanker Fleet:				
VLCC's		1		1
Suezmaxes	1	4		5
Aframaxes	27	16	3	46
Large Product Tankers		8	3	11
Small Product Tankers		10		10
Total Spot Tanker Segment	28	39	6	73
Fixed-rate Tanker Segment				
Shuttle Tankers	28	13		41
Conventional Tankers	13		2	15
Floating Storage & Offtake ("FSO") Vessels	4			4
LPG / Methanol Carriers	1	1		2
Total Fixed-rate Tanker Segment	46	14	2	62
Fixed-rate LNG Segment	4		9	13
Total	78	53	17	148

Non-GAAP Reconciliation

- Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and vessel write-downs/(gain) loss on sale of vessels. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Cash flow from 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.
- The following table reconciles this non-GAAP measure as used in this presentation to the most directly comparable GAAP financial measure for the periods presented.

	Year Ended Dec. 31, 2005
Projection for Fixed-rate Tanker Segment	
Income From Vessel Operations	160,000
Depreciation and Amortization	125,000
Cash flow from vessel operations	285,000