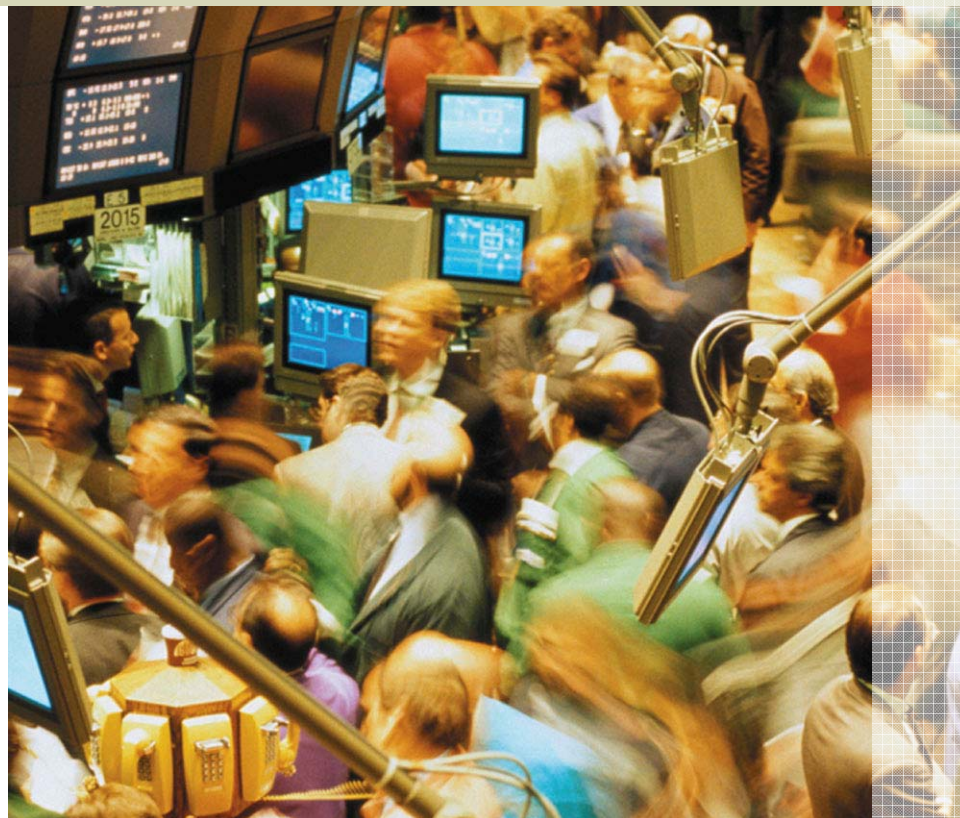


Teekay Shipping

Bank of America Conference

September 21, 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.....

▶ Leading Marine Midstream Company

based on a.....

▶ Superior Business Model

by....

▶ Managing the Shipping Cycle

which has created....

▶ Significant Value

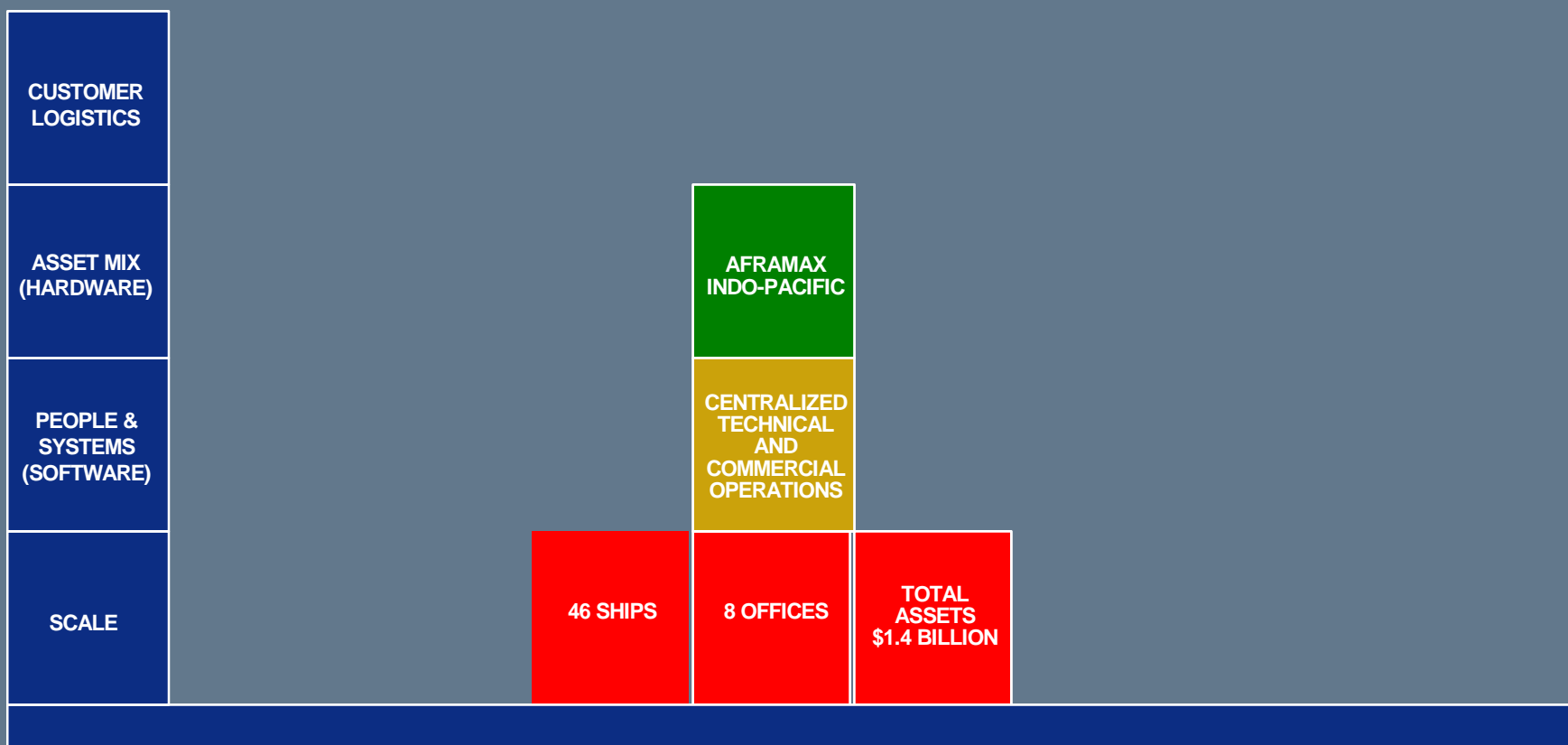
through the use of

▶ Innovative Financing



The Teekay Platform - 1998

Teekay began as a regional spot player...



The Teekay Platform - 2005

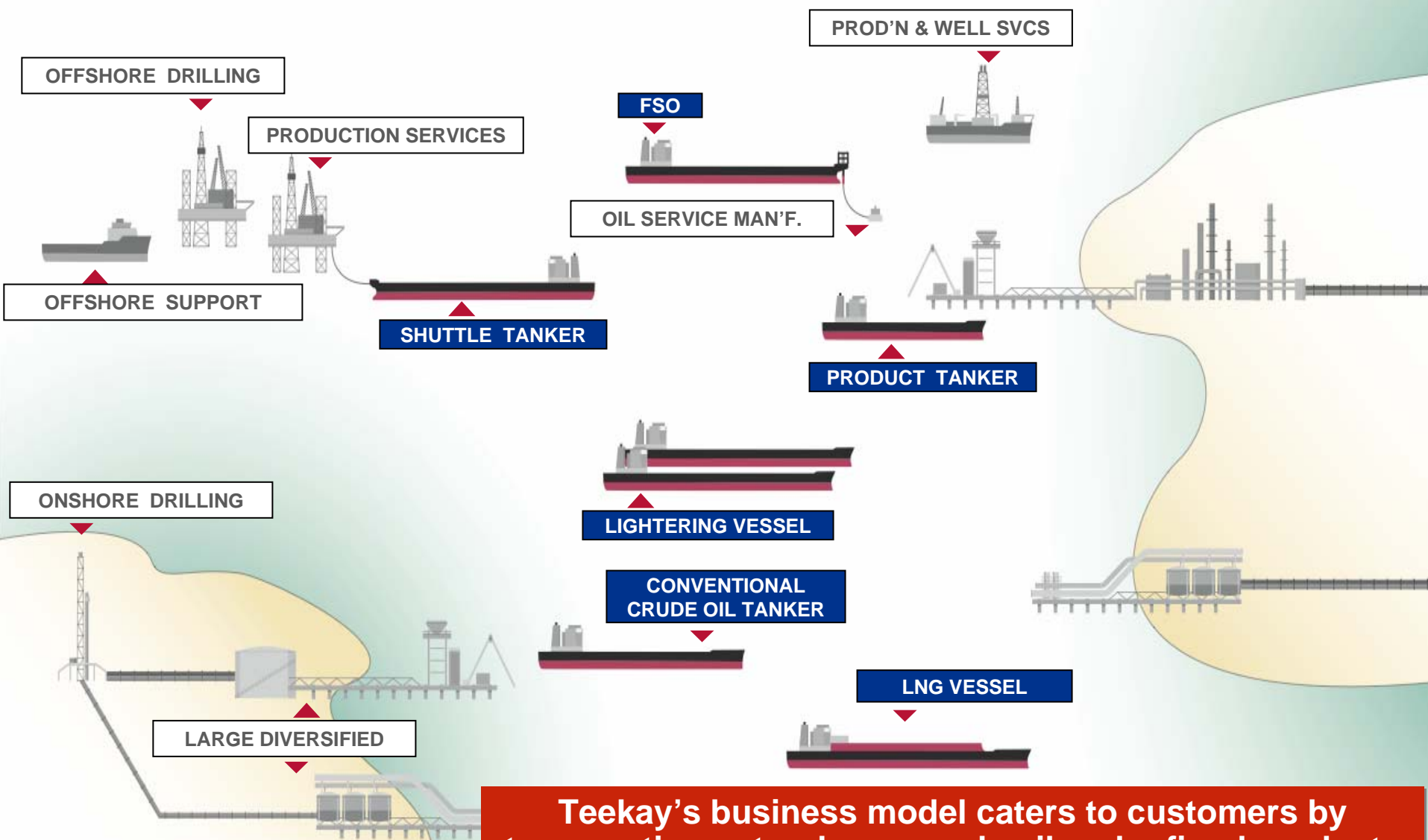
...and transformed into The Marine Midstream Company

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			PRODUCT CARRIERS				SPECIALIZED		FSOs	LNG CARRIERS
		VLCC	SUEZMAX	AFRAMAX		LR II	LR I	MR	SHORT-SEA	LIGHTERING SHIPS		
PEOPLE & SYSTEMS (SOFTWARE)	BUSINESS INTELLIGENCE SYSTEMS	INDIVIDUAL BUSINESS UNITS FOCUS ON BD/CUSTOMER RELATIONS			REGIONAL MARINE, TECHNICAL & CUSTOMER SERVICE CENTRES	CENTRALIZED STANDARDS TEAMS				TRAINING BUSINESS	CONSULTING	
		TANKERS	SHUTTLE	GAS & OFFSHORE		HSE / RISK MGMT.	PEOPLE DEV.	ASSET QUALITY	PROJECT EXECUTION			
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



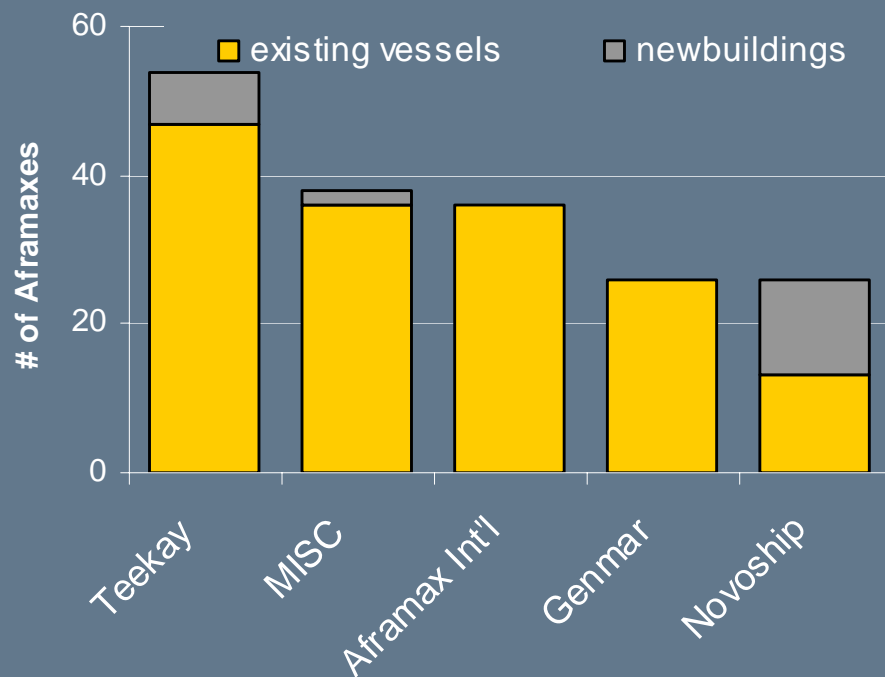
Superior Business Model—Serving Our Customer's Transportation Needs



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



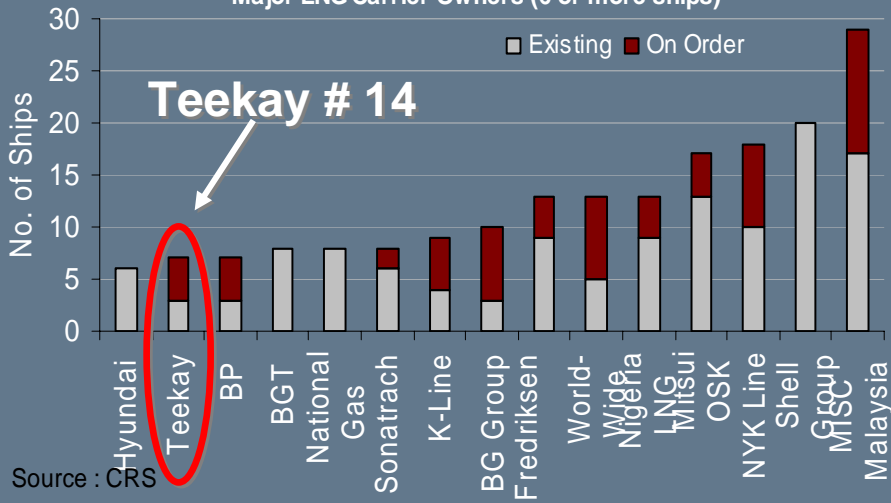
- ▶ Able to consolidate or grow organically using large platform of conventional tankers
- ▶ Growth not dependent on owning the assets



Teekay's LNG Carrier Business

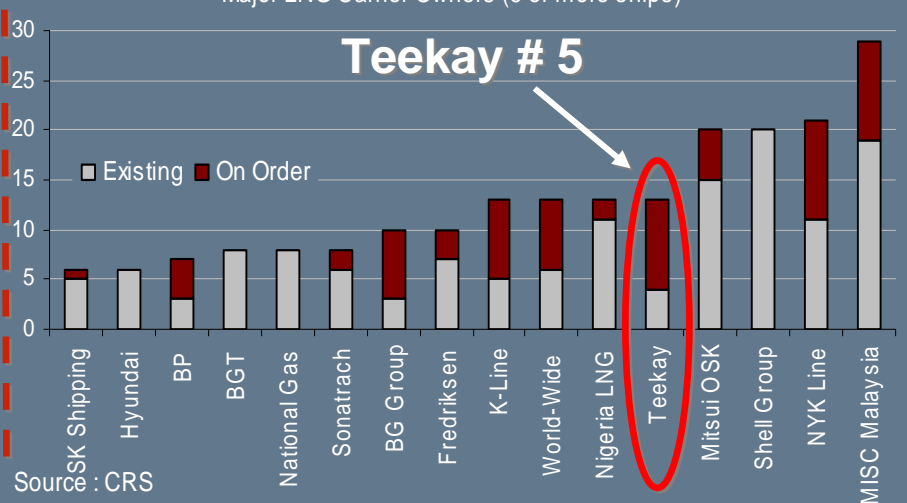
Top LNG Carrier Owners – Oct. 2004

Major LNG Carrier Owners (6 or more ships)



Top LNG Carrier Owners – Sept. 2005

Major LNG Carrier Owners (6 or more ships)



Our Business Strategy

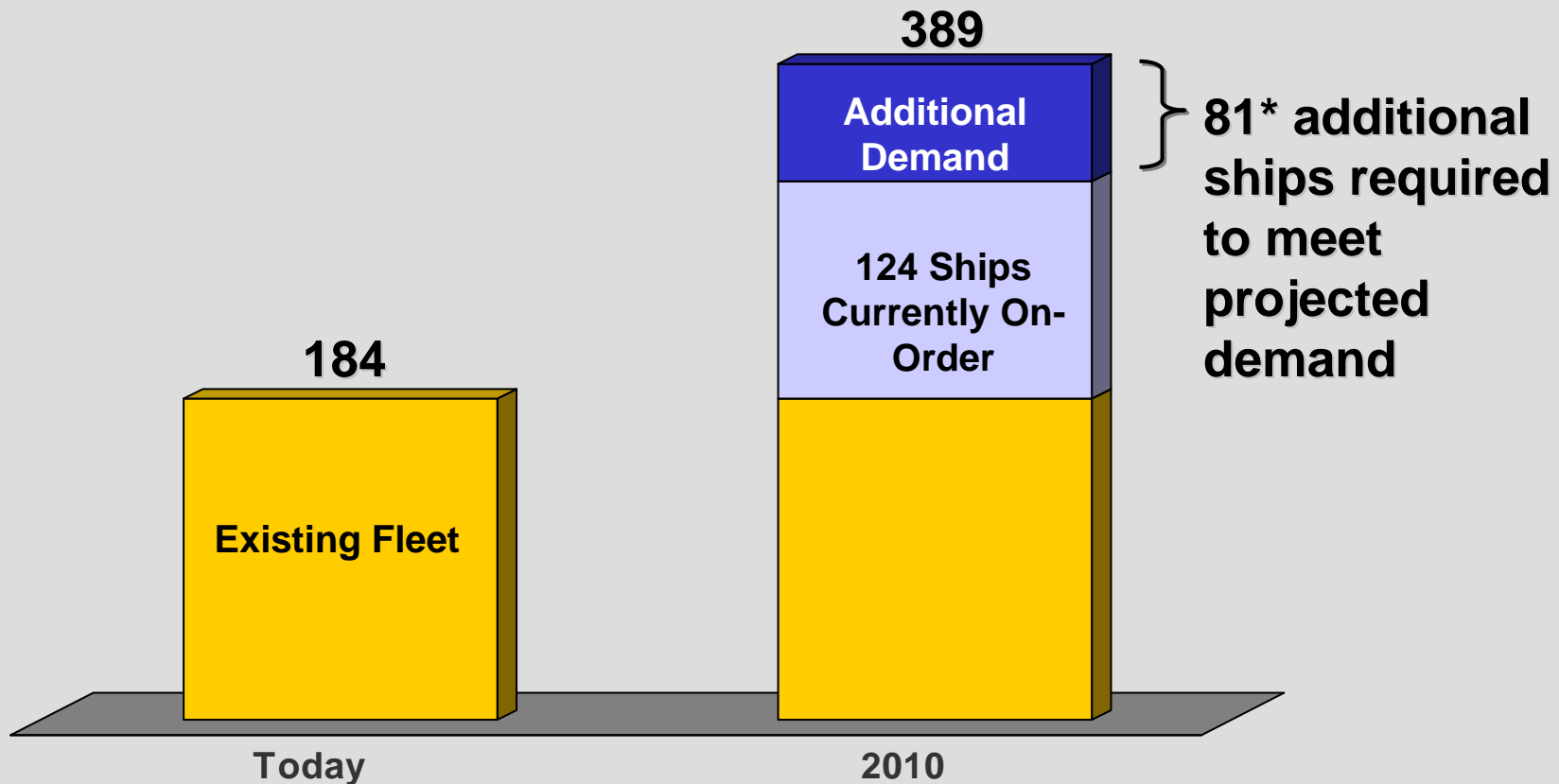
- ▶ Expand our LNG fleet on a build-to-suit basis for energy majors
- ▶ Pursue industry consolidation through accretive acquisitions
- ▶ Leverage customer and supplier relationships already existing within the Teekay organization
- ▶ Provide superior vessel operations



Increased Demand for LNG Carriers

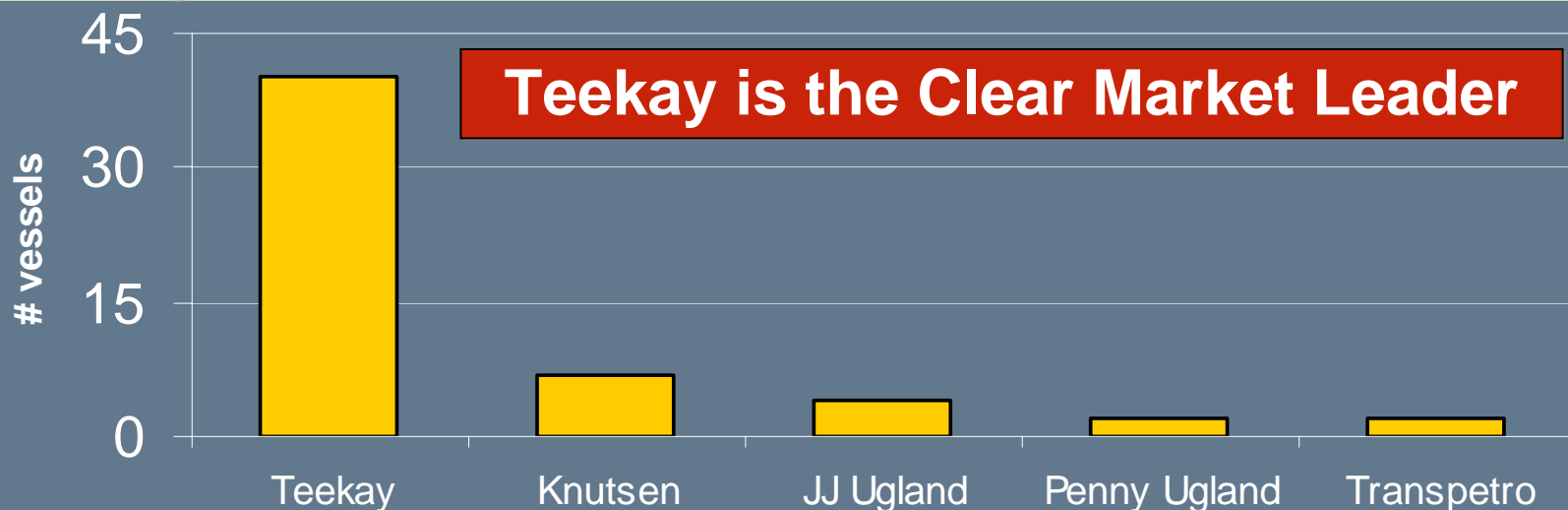
- ▶ \$16+ billion Market Opportunity

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 Segment

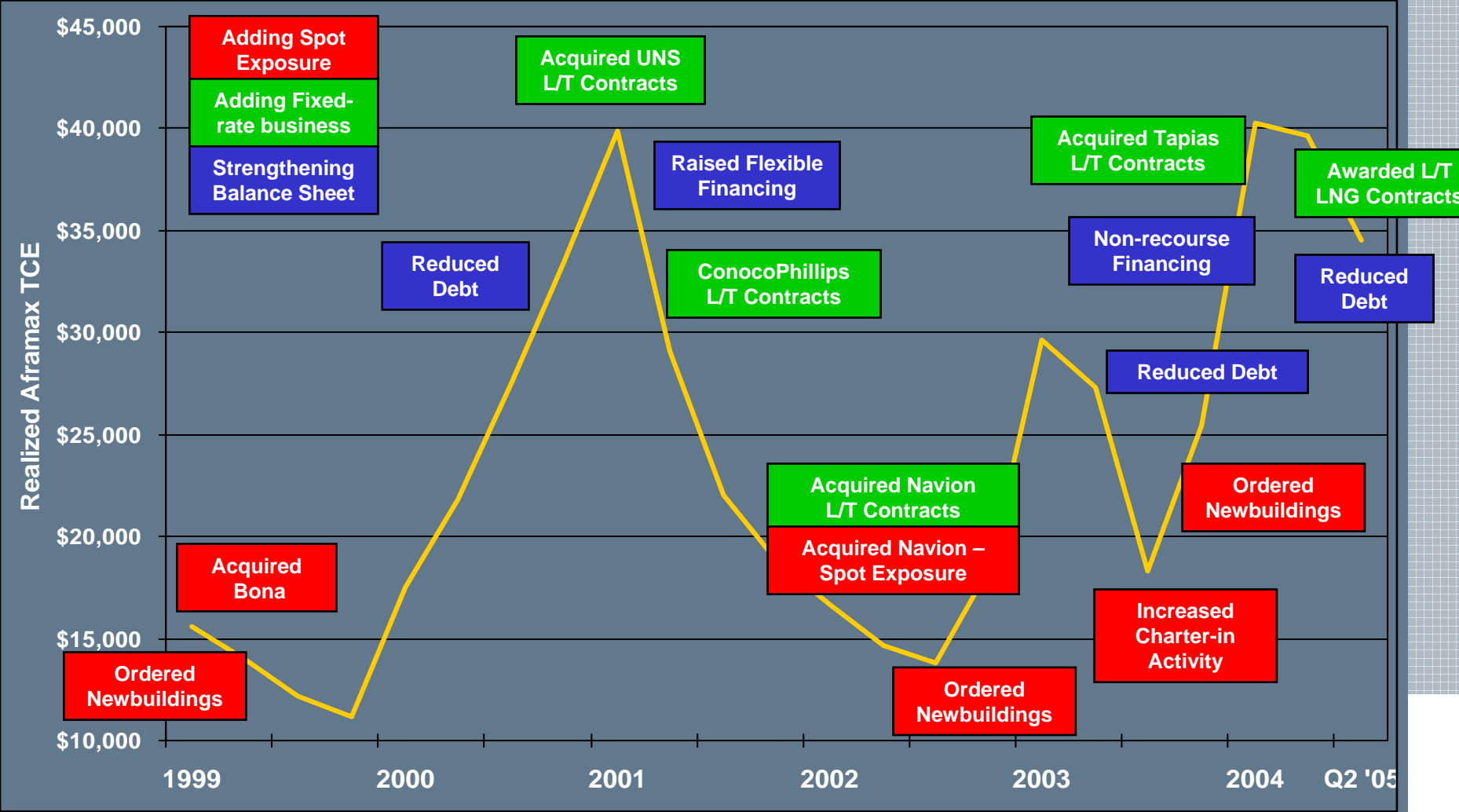
Significant Growth Potential in Offshore Oil.....

- ▶ 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

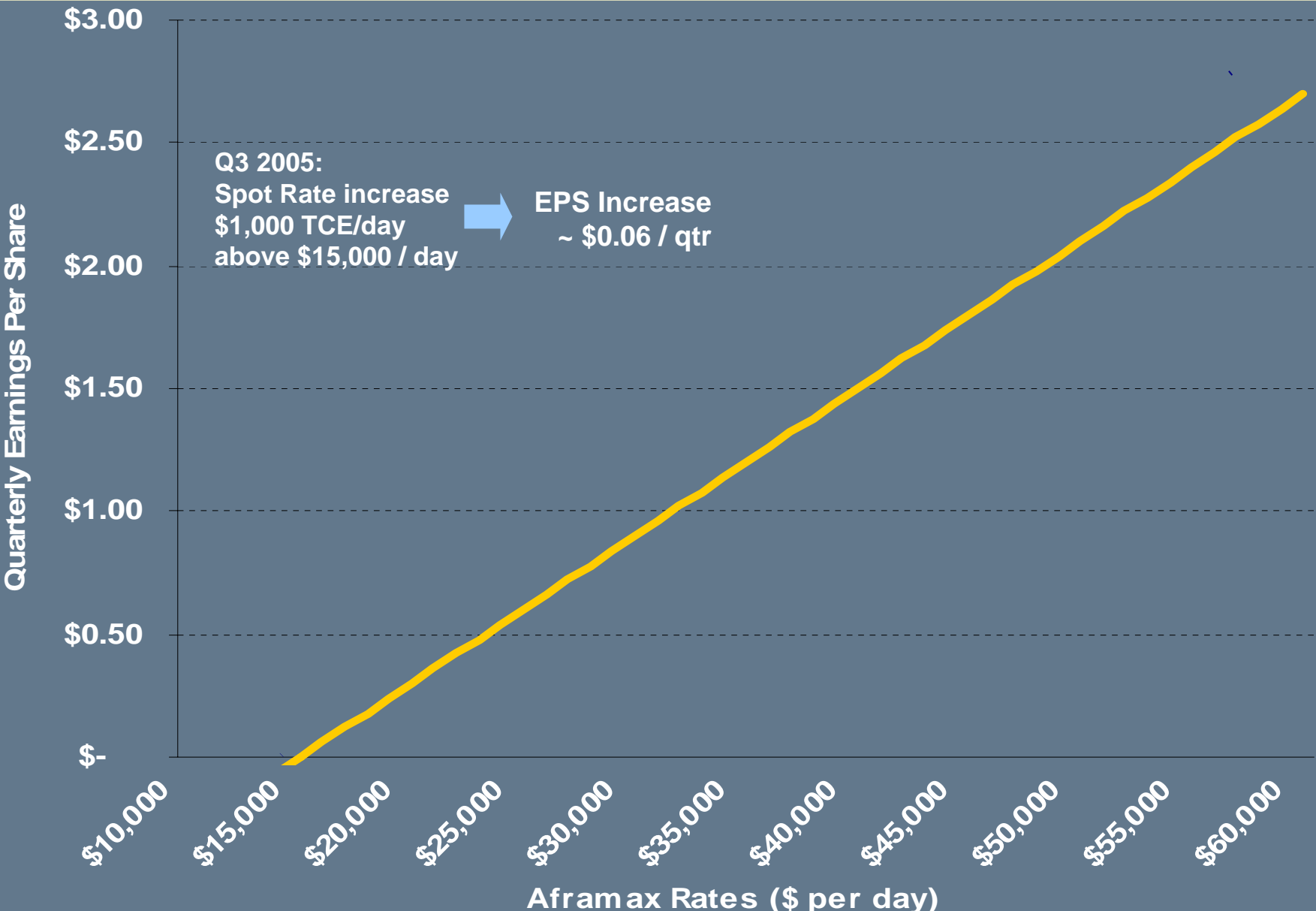


Financial Highlights

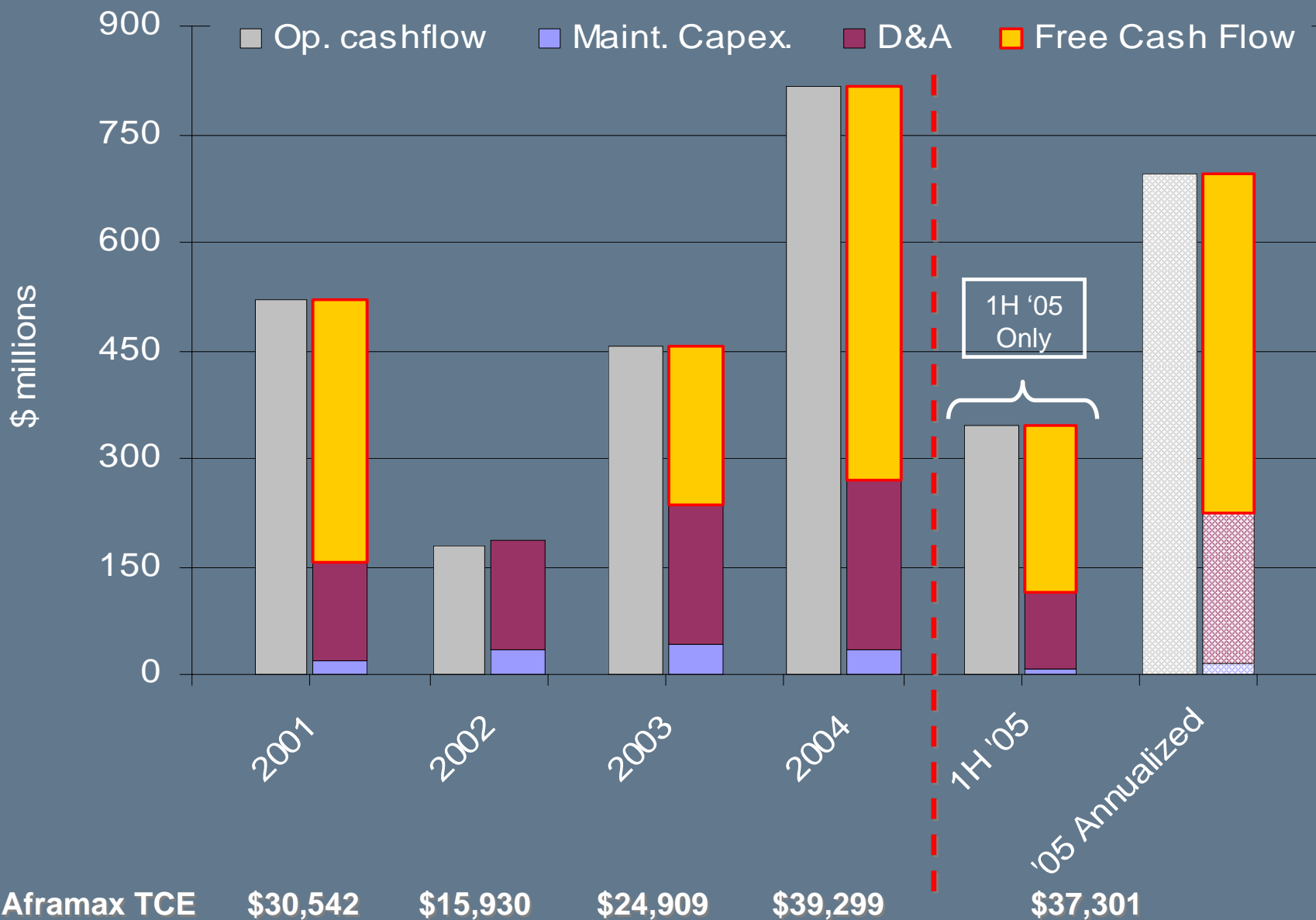
- ▶ Net income of \$383m or \$4.42 per share in 1H 2005 } **ROE of ~20%**
- ▶ Reduced leverage from 42% to 34% in last 6 months } **Near low end of target range**
- ▶ ~ \$300m or 6.9 million shares repurchased since Nov. '04 => present authorization for additional \$305m or 6.8 million shares } **When 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



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



Support for Teekay Valuation

Fixed-Rate Tanker Segment	Teekay LNG Partners L.P.	Spot Tanker Segment
(1) CFVO = Cash Flow from Vessel Operations See reconciliation in Appendix to this presentation	(5) At June 30, 2005	(6) 1H 2005 actual spot tanker segment CFVO adjusted for spot in-charter CFVO – annualized. See spot segment CFVO reconciliation at www.teekay.com
(2) Per Jefferies Tanker Weekly – Sept. 12, 2005. Average 2006E multiple for high dividend paying tanker companies: <ul style="list-style-type: none"> ▪ Arlington Tankers, General Maritime, Ship Finance Ltd., Knightsbridge, Nordic American, Aries Maritime 	(4) Based on 85.31m fully diluted shares outstanding at June 30, 2005	(7) Per Jefferies Tanker Weekly – average 2005 trading multiple of spot peers from Jan. 1, 2005 to Sept. 12, 2005. Spot tanker companies include: <ul style="list-style-type: none"> ▪ 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.		(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		(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

