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TEEKAY CORPORATION
2008 ANNUAL GENERAL MEETING SPEECH
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2007 was a year of focused execution on our strategy to serve our customers through our world-class marine midstream franchise while continuing to build our unique corporate structure to grow our business platforms more profitably, enhance service to our customers, and create greater shareholder value.

We are pleased to report that our efforts in pursuing this strategy were successful. During the year, we continued our focus on operational excellence, made important strategic acquisitions, won new projects in each of our core businesses, and completed our corporate structuring with the listing of Teekay's third "daughter" company, Teekay Tankers Ltd., on the New York Stock Exchange in December.

Our total fleet size increased by almost 25 percent through a combination of organic growth and acquisitions, the largest contributor being our acquisition of 50 percent of OMI Corporation in June. This deal, in the amount of approximately $1.1 billion, provided us with 21 additional vessels and one of the world's premier Suezmax tanker franchises. Other notable transactions during 2007 included the placement of orders for an additional two sophisticated Aframax shuttle tankers, and our purchase of two specialized LNG vessels, the *Arctic Spirit* and the *Polar Spirit*. Each of these transactions is adding to the assets available to us to steadily grow our marine midstream franchise, and to service the diverse and growing needs of our customers.

For the year, our net income was $181.3 million, or $2.43 per share, while cash flow from vessel operations was just over $622 million. We generated record revenues of $2.4 billion, and our assets reached $10 billion, a compounded annual growth rate in our asset base of more than 30 percent since 2002.
Since 2005, Teekay has listed three daughter subsidiaries on the New York Stock Exchange to provide focus on each of our core business areas and access the necessary capital to drive growth in these sectors.

We created this platform in part to access lower-cost sources of funds required to grow in this capital intensive industry. Teekay, as the general partner of both Teekay LNG and Teekay Offshore, and through its role as manager and owner of super-voting shares in Teekay Tankers, controls all three entities.

We believe this structure provides us with the corporate platform to accelerate growth in each of our business segments, and to receive a growing proportion of the value we create relative to our incremental investment.

Since the turn of the century, strong GDP growth in developing economies has resulted in strong oil demand growth and growth in the demand for tankers to transport oil over greater distances.

Teekay continues to benefit from this growth which has resulted in strong tanker rates and revenues. However, these benefits are partly being offset by increasing crew and dry-docking costs, both of which grew significantly in 2007. These costs are expected to increase further in 2008 as a result of continued weakening of the U.S. dollar, the strain on the marine supply chain from world fleet growth, as well as cost increases in materials, such as steel and lube oils.

In response to these higher costs, Teekay is continuously striving to improve the efficiency of our operations and to achieve greater economies of scale.

Though much uncertainty exists with respect to world GDP growth, a fundamental driver of energy demand, Teekay remains well-positioned to benefit from a number of key trends, expected to continue for several years to come, including the search for oil in deepwater offshore; an increased focus on clean-burning LNG; and an increase in tonne-mile demand for conventional oil tankers.

The demand for shuttle tankers, Floating Storage and Offloading units and Floating Production, Storage and Offloading – of FPSO - units continues to grow. This growth has served to reinforce the value of our strategic entry into the FPSO sector through our acquisition of a majority stake in Teekay Petrojarl ASA in late 2006.

The Siri project with Petrobras was Teekay Petrojarl's main growth focus in 2007 and is a world-first in the offshore production of heavy oil. The conversion was completed in December and the unit commenced operations in Brazil in early 2008.

With Teekay already well-represented in Brazil as the leading provider of shuttle tankers, the Siri FPSO further strengthens our relationship with Petrobras and positions us for future FPSO opportunities in the world's most exciting offshore oil and gas frontier. In 2007 we opened an office in Rio de Janeiro to provide better service to our important customers in Brazil and to pursue the exciting opportunities that are developing there.

There were several important developments in Teekay's LNG and other gas services throughout the year.

As I mentioned earlier, we purchased two specialized LNG carriers, which will continue to serve the Alaska to Japan trade for several more years and after which may be used for special projects. We also took delivery of the remaining two RasGas II LNG carriers, now on long-term charter with their sister ship to RasGas.

Looking forward in 2008, we expect five gas newbuildings to deliver, including the four RasGas 3 Q-flex 217,000 m3 LNG carriers. At the time of delivery, these vessels will be the largest LNG carriers ever built.

Though gas field project delays resulted in fewer new long-term LNG contracting opportunities in 2007 than in previous years, we were successful in winning a contract in connection with the Angola LNG project. The consortium, in which Teekay participates with Mitsui & Co. and NYK, has ordered four LNG carriers, scheduled to begin delivering in 2011.

Acquisitions and new strategic partnerships are also setting the stage for growth in Teekay's conventional tanker business. The acquisition of 50 percent of OMI Corporation in early June firmly established Teekay as the leading owner/operator of medium-sized tankers. A multi-vessel deal with ConocoPhillips was one of the year's most important newly formed partnerships, highlighting the ability of our marine midstream platform to add value for our customers, and a range of newbuildings, ordered at almost one-third below today's prices, are starting to deliver in 2008 and 2009. These are important additions to our fleet at a time when the spot tanker rates remain robust.

The outlook for the tanker market is positive. On the tanker demand side, global oil volumes are expected to increase due to rapidly rising demand from developing economies, in particular China and India. Tanker tonne-mile demand is expected to grow even faster than oil demand due to shifts in trade flows, which are increasing the average transportation distance of oil. Though there are a substantial number of new tankers on order, this is expected to be partially offset by the impending regulatory phase-out of the world's remaining single-hull tankers and the conversion of tankers for use in the drybulk or offshore markets. Growing customer discrimination against older, marginal tonnage is also creating greater demand for double-hull tankers, adding further upward pressure on freight rates.

These dynamics point to 2008 being another year of volatile but high average tanker rates compared to those we've seen historically.

We remain focused on being good stewards of the capital our shareholders have entrusted to us. We continuously weigh the use of our capital between building our business through investment in new projects, increasing our financial flexibility through repayment of debt or returning capital to shareholders. As in the past, we expect to pursue a combination of all three of these uses of capital.

In keeping with our belief that our share price does not reflect the underlying value of our franchise, nor recognizes our commitment to shareholder value creation, we continued our share repurchase program in 2007, buying back 1.5 million shares and increasing the company's annual dividend by 16 percent to $1.10 per share. During the past five years, we have repurchased more than one quarter of our outstanding shares, and increased our dividend payments each year, resulting in a cumulative increase of more than 150 percent.

With our business platform now completed, our efforts in the coming year will focus on efficiently building on this strong foundation.

In closing, I would like to thank our customers for the opportunity to expand our relationships and to meet their increasing business needs; our talented colleagues for their commitment and hard work during a busy year; our Board of Directors for their sound guidance throughout the year; and our fellow shareholders for their continued support.