Teekay Shipping

The Acquisition of Naviera F. Tapias S.A.

Investor Presentation

March 2004

NYSE: TK

www.teekay.com

Forward Looking Statements

This document 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 impact of the Tapias acquisition to Teekay's earnings and future cash flow from vessel operations; the closing of Teekay's acquisition of Tapias; the growth prospects of the LNG shipping sector and the joint venture company; newbuilding delivery dates; and other potential financial and other benefits relating to the acquisition. 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: potential failure to close the transaction; the imposition of a divestiture order by competition regulators; potential inability of Teekay to integrate Tapias successfully, including the retention of key employees; customer and market reaction to the transaction, including its effect on Tapias' relationship with Spanish energy majors; early termination or breach of one or more of the long-term charter contracts; changes in production of or demand for oil, petroleum products and LNG, either generally or in particular regions; greater than anticipated levels of tanker newbuilding orders or less than anticipated rates of tanker scrapping; changes in trading patterns significantly impacting overall tanker tonnage requirements; potential breach of the newbuilding contracts by any of the parties, potential delays or non-delivery of the newbuildings; changes in applicable industry regulations; changes in the typical seasonal variations in tanker charter rates; and other factors discussed in Teekay's Report on Form 20-F for the fiscal year ended December 31, 2002 which is on file with the SEC.

Transaction Summary

- Teekay will acquire Naviera F. Tapias S.A., Spain's largest provider of marine energy transportation
- Total enterprise value of approximately $810 million (cash and assumption of existing debt), and $540 million in newbuilding commitments
- Large modern fleet of LNG carriers and crude oil tankers
- Creation of 50/50 joint venture company to pursue oil and gas shipping opportunities in Spain
- Expected to close by April 30, 2004
- Transaction expected to be immediately accretive to earnings

Overview of Naviera F. Tapias S.A.

- **Privately held shipping group formed in 1991**
- **Fully integrated shipping company**
- **Specializing in long-term contracts with key Spanish customers**
- **Two major business streams:**
  - LNG shipping
    - Four LNG carriers
    - All on long-term charters to major energy companies
  - Crude oil shipping
    - Nine Suezmax tankers
    - Five tankers on long-term charter to major oil company
    - Four tankers on short-term charter or trading in the spot market

Investment Rationale

- Provides attractive entry for Teekay into high growth LNG shipping sector
- Further extends Teekay's position as the world's leading shipper of seaborne oil
- Positions Teekay for further growth in Spain through joint venture with existing Tapias shareholders
- Significantly increases Teekay's cash flow from long-term fixed-rate contract business
- High debt capacity of Tapias' contracts minimizes the required cash outlay by Teekay

Immediate Entry into LNG Shipping in Profitable Low Risk Manner

- All four LNG carriers on solid long-term charter contracts with average length of over 20 years
- Modern fleet with average age of less than one year
- Customers consist of leading, investment grade Spanish energy companies

Vessel Name	m^3	Year Built	Charterer	Remaining Contract Term
Ivan Tapias	138,000	Dec. 2004 *	Repsol	20 years
Elvira Tapias	140,500	July 2004 *	Union Fenosa	25 years
Inigo Tapias	138,000	2003	Gas Natural	19 years
Fernando Tapias	140,500	2002	Repsol	18 years

* Scheduled newbuilding delivery dates

Strategic Platform for Future LNG Growth

- **LNG is the highest growth segment in energy shipping**
  - 13% growth in LNG trade in 2003, and trade expected to double by 2010 ➔CAGR of over 10%
  - Global LNG production capacity expected to grow five fold by 2030 ➔ will require 550 - 600 LNG carriers vs. 160 ships in existence today
  - Market estimates put demand growth at 100 new LNG carriers by 2010 over and above the existing orderbook
- **U.S. represents the biggest potential growth market**
  - LNG imports doubled in 2003, but still only represent 2% of U.S. natural gas demand
  - U.S. DoE forecasts LNG imports to rise to 50 million tonnes per annum by 2010 ➔ CAGR of over 25%
- **Teekay is now well positioned to exploit this growth market**

Leveraging Core Competencies to Meet Customers' Needs

- **Teekay's attributes meet all of the key success factors for LNG shipping**
  - Reputation for quality and safety
  - Trusted partner to the world's leading energy companies
  - Strong balance sheet and access to capital markets

- **We are following our customers**
  - Teekay already provides service in all parts of the seaborne logistics chain in the oil market: shuttle tankers; long-haul ocean transportation; lightering; and floating storage
  - LNG is now the main growth area for many of our key customers
  - Expansion into LNG is the logical next step in Teekay's service offering

Extends Position as World's Leading Oil Shipper

- **Teekay already ships more than 10% of the world's seaborne oil**
- **Teekay has now acquired the leading crude oil transportation provider in Spain**
- **Adds 9 Suezmax tankers with an average age of less than 6 years**
- **Positions Teekay as the second-largest operator of Suezmax tankers with 23 ships, including newbuildings but excluding shuttle tankers**

Attractive Portfolio of Tankers and Charter Contracts

Further extends long-term fixed-rate segment

Vessel Name	DWT	Year built	Charterer	Remaining Contract Term
Tapias N/B	159,500	Sept. 2005 *	CEPSA	20 years
Tapias N/B	159,500	Oct. 2004 *	CEPSA	20 years
Iria Tapias	159,500	2001	CEPSA	17 years
Nuria Tapias	159,500	2000	CEPSA	16 years
Bosco Tapias	159,500	2000	CEPSA	16 years

Increases operating leverage in spot segment

Tapias N/B	159,500	June 2005 *	Spot	Spot
Sandra Tapias	147,000	1991	CEPSA	17 months
Tito Tapias	147,500	1990	Spot	Spot
Borja Tapias	142,000	1989	CEPSA	9 months

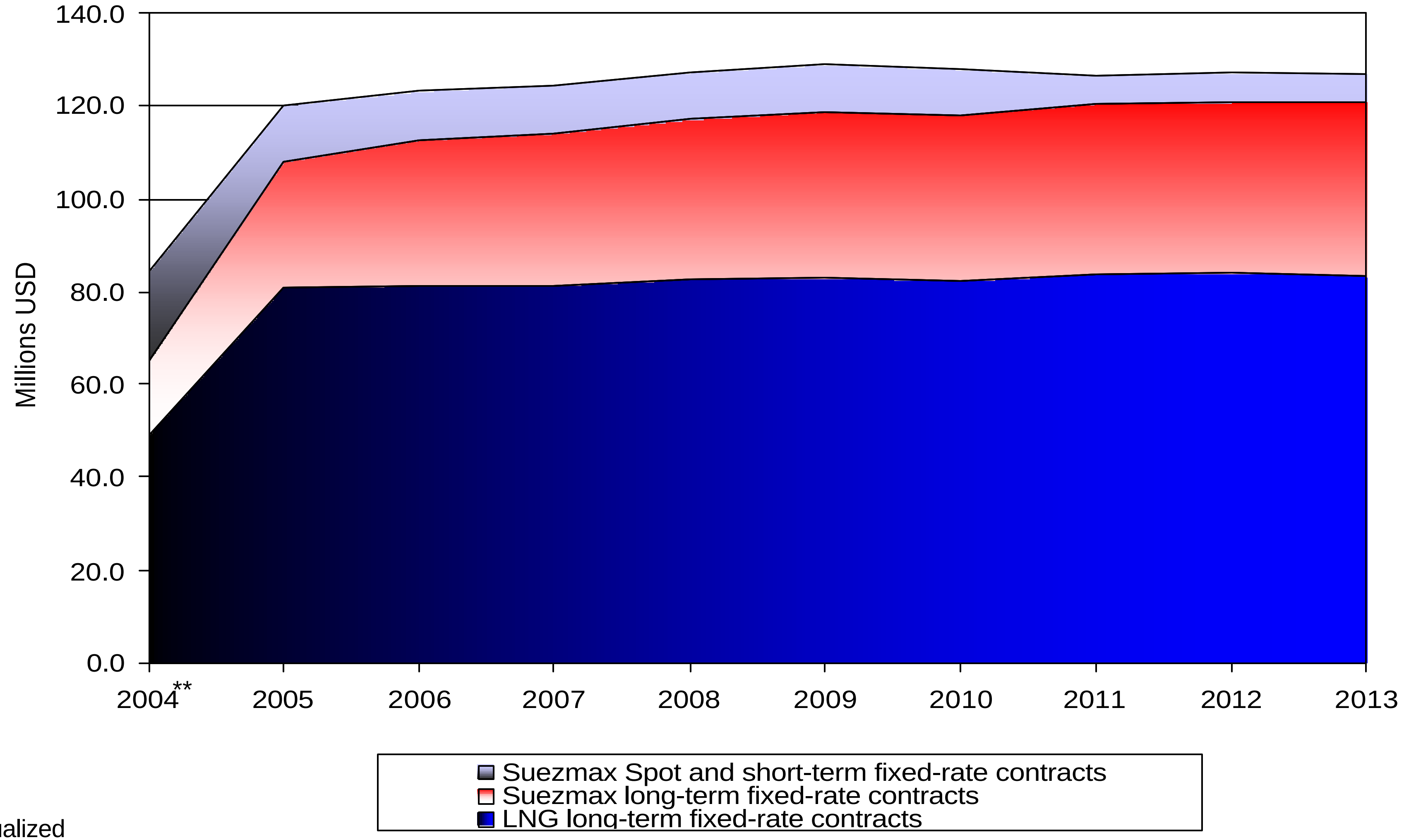
* Scheduled newbuild delivery dates

Spain Offers Future Growth Potential

- **Teekay has become the #1 energy transporter to Spain**
- **Tapias & Teekay Shipping S.L.**
    - Newly-formed joint venture positioned for future growth in Spain
    - Spain is one of the world's largest and fastest growing energy consumers
    - World's third largest importer of LNG, and Europe's fifth largest consumer of oil
    - Strong rate of consumption growth over the past five years:
        - 11% per annum average natural gas demand growth
        - 2.5% per annum average oil demand growth, twice the global average
- **Joint Venture combines the strengths of both partners:**
    - Teekay's balance sheet, large fleet and integrated management systems
    - The expertise and extensive contact network of those who built Tapias into Spain's largest oil and gas shipping company

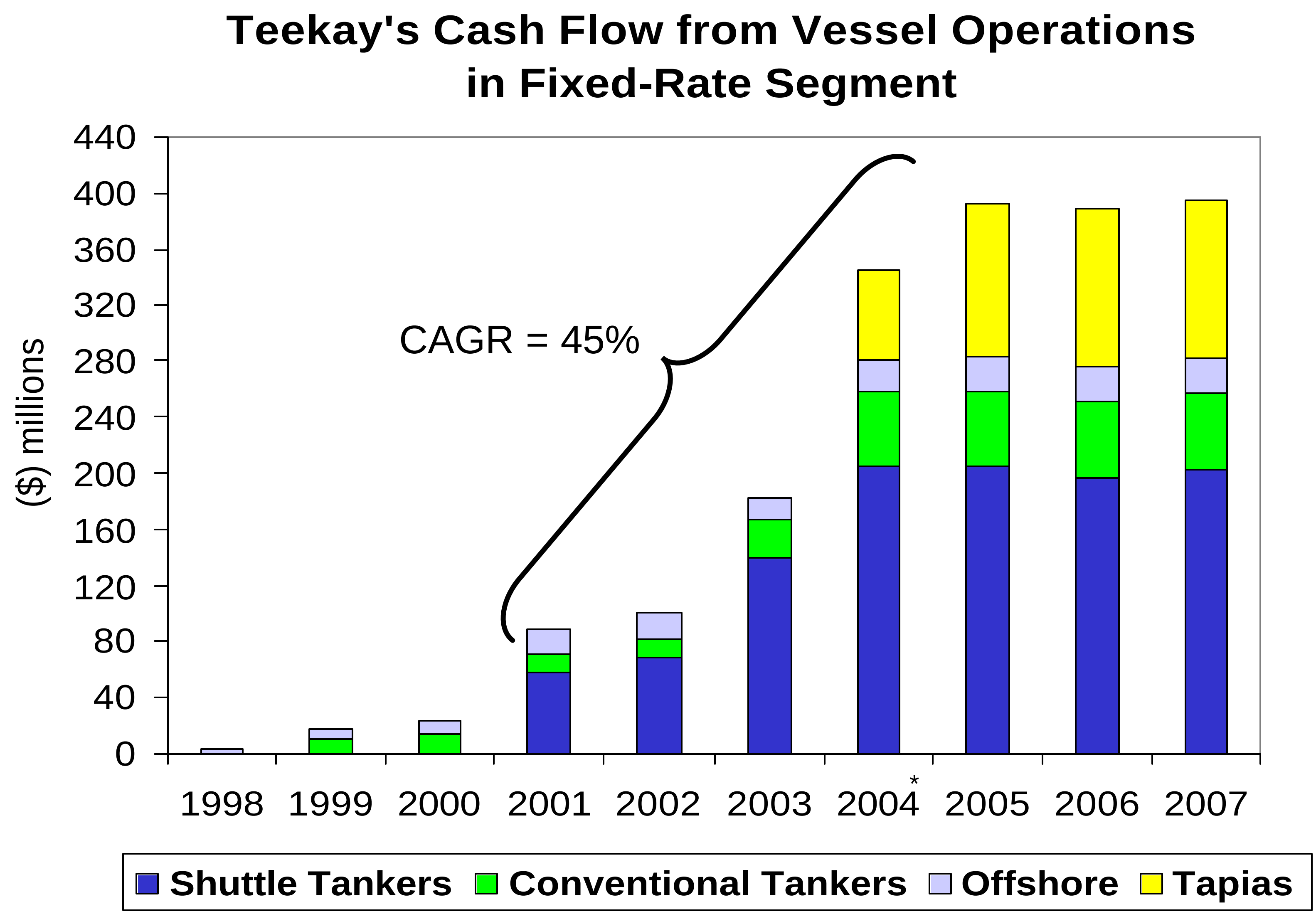
Bond-like Cash Flow Profile

Tapias' cash flow stream resembles investment profile of a bond



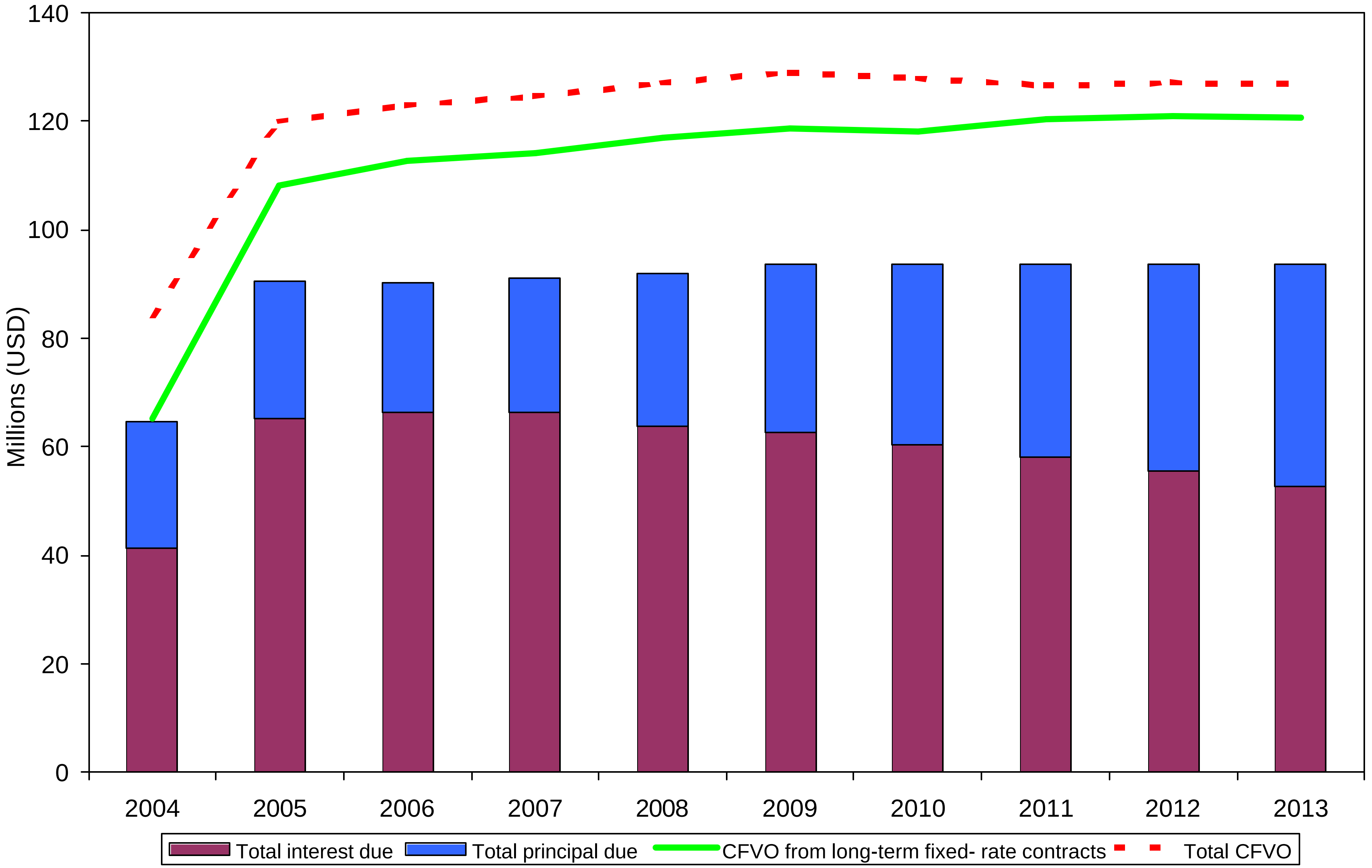
** Annualized

High Quality Cash Flow – The Transformation Continues



* Annualized

Tapias Acquisition Self-Financed by Long-Term Contracts



CFVO = cash flow from vessel operations

Total Fixed Charges Covered by Fixed Rate Cash Flow Alone

Fixed Charges Coverage from Fixed Rate Segment in 2005

in $ millions

Projected 2005 Cash Flow From Vessel Operations - Fixed-rate Segment Only			$ 390.0 *	(A)
Projected Fixed Charges				
Net Interest Payments	$ 130.0	*		
Principal Payments	$ 210.0	*		
Drydock Costs	$ 20.0	*	$ 360.0	(B)
Fixed-rate Cash Flow from Vessel Operations / Total Fixed Charges			1.08 x	=A / B

* Source: Company estimate

Pro Forma Capital Structure

Teekay as at December 31, 2003 adjusted for the acquisition of Tapias

(in thousands of U.S. dollars)

	Teekay	Acquisition of Tapias		Pro Forma Consolidated
Cash and cash equivalents	292,000	-		292,000
Total Debt	1,637,000	810,000	**	2,447,000
Net Debt	1,345,000	810,000		2,155,000
Shareholder's Equity	1,652,000	-		1,652,000
Total Capital	2,997,000	810,000		3,807,000
Net Debt to Capitalization *	0.40			0.53

* Teekay's Premium Equity Participating Security Units treated as equity

** Excludes $540 million in newbuilding commitments

Transaction Highlights

- Teekay has acquired a unique and valuable asset
- Provides growth platform into LNG, the most dynamic area in shipping, with very low risk
- Further builds Teekay's crude transportation franchise
- Enables Teekay to follow its customers into new areas
- Establishes Teekay as the #1 energy transportation company in Spain, with prospects for future growth through joint venture
- Transaction preserves Teekay's financial flexibility due to low equity component, and self-funding debt
- Transaction expected to be immediately accretive to earnings

Appendix – Cash Flow from Vessel Operations Reconciliation

- **Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense. Cash flow from vessel operations is included because such data is used by certain investors 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.**
- **The following table reconciles the Company's income from vessel operations with cash flow from vessel operations for the periods presented on slide 14:**

Reconciliation of cash flow from vessel operations from fixed-rate long-term contracts ($000s)	Year Ended December 31, 2000	Year Ended Decmber 31, 2001	Year Ended December 31, 2002	Year Ended December 31,2003
Actual				
Income from vessel operations	16,622	49,615	56,863	105,007
Depreciation and Amortization	7,020	37,024	43,889	84,863
Cash flow from vessel operations	23,642	86,639	100,752	189,870

	Year Ended December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Year Ended December 31, 2007
Projection				
Income from vessel operations	267,000	261,000	263,000	272,000
Depreciation and Amortization	117,000	129,000	125,000	124,000
Cash flow from vessel operations	384,000	390,000	388,000	396,000

Appendix – Cash Flow from Vessel Operations Reconciliation Continued

- **The following table reconciles the Company's income from vessel operations with cash flow from vessel operations for the periods presented on slide 13 and 15:**

	Year Ended December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Year Ended December 31, 2007
Reconciliation of Cash Flow From Vessel Operations ($000s)				
Income from vessel operations	48,751	72,664	78,006	79,284
Depreciation and Amortization	35,549	43,359	45,001	45,301
Cash Flow From Vessel Operations	84,300	116,023	123,007	124,585

	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010	Year Ended December 31, 2011
Reconciliation of Cash Flow From Vessel Operations ($000s)				
Income from vessel operations	82,577	84,429	81,783	81,959
Depreciation and Amortization	44,526	44,585	46,169	44,628
Cash Flow From Vessel Operations	127,103	129,014	127,952	126,587

	Year Ended December 31, 2012	Year Ended December 31, 2013
Reconciliation of Cash Flow From Vessel Operations ($000s)		
Income from vessel operations	82,906	84,280
Depreciation and Amortization	44,221	42,609
Cash Flow From Vessel Operations	127,127	126,889