**TEEKAY CORPORATION**
**4th Floor, Belvedere Building, 69 Pitts Bay Road**
**Hamilton, HM 08, Bermuda**

# EARNINGS RELEASE

## TEEKAY CORPORATION
## REPORTS THIRD QUARTER RESULTS

**Highlights**

- Third quarter 2009 cash flow from vessel operations of $112.0 million
- Third quarter 2009 adjusted net loss of $43.4 million, or $0.60 per share (excluding specific items which decreased net income by $98.9 million, or $1.36 per share)
- Annualized cost savings reached $96 million, or $1.32 per share
- Completed sale of *Petrojarl Varg* FPSO to Teekay Offshore in September 2009 and two Tangguh LNG carriers to Teekay LNG in August 2009
- Current consolidated liquidity of over $2.0 billion; $2.8 billion in total consolidated liquidity including pre-arranged newbuilding financing

Hamilton, Bermuda, November 13, 2009 - Teekay Corporation (*Teekay* or *the Company*) (NYSE: TK) today reported an adjusted net loss attributable to stockholders of Teekay(1) of $43.4 million, or $0.60 per share, for the quarter ended September 30, 2009, compared to adjusted net income of $94.3 million, or $1.29 per share, attributable to the stockholders of Teekay for the same period of the prior year. Adjusted net income (loss) attributable to stockholders of Teekay excludes a number of specific items which had the net effect of decreasing net income by $98.9 million (or $1.36 per share) for the three months ended September 30, 2009 and increasing net income by $8.9 million (or $0.12 per share) for the three months ended September 30, 2008, as detailed in *Appendix A* to this release. Including these items, the Company reported net loss attributable to the stockholders of Teekay, on a GAAP basis, of $142.2 million(2), or $1.96 per share, for the quarter ended September 30, 2009, compared to net income attributable to the stockholders of Teekay, on a GAAP basis, of $103.1 million(2), or $1.41 per share, for the same period of the prior year. Net revenues(3) for the third quarter of 2009 were $428.7 million compared to $667.2 million for the same period of the prior year.

For the nine months ended September 30, 2009, the Company reported an adjusted net loss attributable to stockholders of Teekay of $54.2 million, or $0.74 per share, compared to adjusted net income attributable to stockholders of Teekay of $232.1 million, or $3.17 per share, for the same period of the prior year, excluding a number of specific items which had the net effect of increasing net income by $152.8 million (or $2.09 per share) and decreasing net income by $50.7 million (or $0.69 per share), respectively, as detailed in *Appendix A* to this release. Including these items, the Company reported net income attributable to the stockholders of Teekay, on a GAAP basis, of $98.6 million, or $1.35 per share, compared to net income attributable to the stockholders of Teekay, on a GAAP basis, of $181.4 million, or $2.48 per share, for the same period of the prior year. Net revenues for the nine months ended September 30, 2009 were $1.4 billion compared to $1.9 billion for the same period of the prior year.

On October 1, 2009, the Company declared a cash dividend on its common stock of $0.31625 per share for the quarter ended September 30, 2009. The cash dividend was paid on October 30, 2009, to all shareholders of record on October 16, 2009.

(1) Adjusted net income (loss) attributable to stockholders of Teekay is a non-GAAP financial measure. Please refer to *Appendix A* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable financial measure under United States generally accepted accounting principles (*GAAP*) and information about specific items affecting net income which are typically excluded by securities analysts in their published estimates of the Company's financial results.
(2) Effective January 1, 2009, Teekay amended the accounting and reporting for non-controlling interest, which is now classified as a component of equity.
(3) Net revenues represents revenues less voyage expenses. Net revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's Web site at www.teekay.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable financial measure under United States GAAP.

"In today's weak tanker market we are really seeing the benefits of our business mix," commented Bjorn Moller, Teekay Corporation's President and Chief Executive Officer. "With our growing fixed-rate offshore, liquefied gas and conventional tanker businesses largely insulated from the poor spot tanker market, they are providing a significant amount of stable cash flow from vessel operations. Over 80 percent of our capital is invested in our fixed-rate businesses."

Mr. Moller continued, "Our key priorities continue to be to reduce our near-term exposure to the current weak spot tanker market, which led to our net loss in the quarter, to improve profitability across all our businesses and to lower our debt at the Teekay parent company level. This focus is yielding good results. Over the last four quarters, we have out-chartered 13 conventional tankers which has translated into additional fixed-rate cash flows. During the same period we redelivered 24 in-chartered vessels resulting in time-charter hire expense savings of almost $60 million per quarter. We continue to make significant progress on our cost management initiatives which have resulted in total annualized run-rate operating and overhead cost savings of approximately $96 million, or $1.32 per share. In addition, our strategy of selling assets to our daughter companies and third parties has enabled significant de-leveraging at the Teekay parent company level. Including the dropdown of the Petrojarl Varg FPSO in September and the new Petrojarl Varg credit facility signed earlier this week, net debt at the Teekay parent company level has been reduced by over $460 million since September 30, 2008, providing further financial flexibility."

Mr. Moller added, "With over $2.0 billion of total consolidated liquidity, a fully-financed newbuilding program, a favorable debt maturity profile with no significant near-term maturities, and no debt covenant concerns, Teekay remains financially well-positioned to benefit from future investment opportunities."

## Operating Results

The following tables highlight certain financial information for each of Teekay's four publicly-listed entities: Teekay Offshore Partners L.P. (*Teekay Offshore*) (NYSE: TOO), Teekay LNG Partners L.P. (*Teekay LNG*) (NYSE: TGP), Teekay Tankers Ltd. (*Teekay Tankers*) (NYSE: TNK) and Teekay, excluding results attributed to Teekay Offshore, Teekay LNG and Teekay Tankers, referred to herein as *Teekay Parent*. A brief description of each entity and an analysis of its respective financial results follows the tables below. Please also refer to the "Fleet List" section below and Appendix B to this release for further details.

| | **Three Months Ended September 30, 2009*** (unaudited) | | | | | |
|---|---|---|---|---|---|---|
| **(in thousands of U.S. dollars)** | **Teekay Offshore Partners LP** | **Teekay LNG Partners LP** | **Teekay Tankers Ltd.** | **Teekay Parent** | **Consolidation Adjustments** | **Teekay Corporation Consolidated** |
| Net revenues[1] | 176,675 | 79,040 | 20,611 | 195,090 | (42,707) | 428,709 |
| Vessel operating expenses[1] | 54,857 | 19,126 | 7,677 | 65,782 | - | 147,442 |
| Time-charter hire expense | 27,772 | - | - | 109,899 | (42,707) | 94,964 |
| Depreciation and amortization | 40,981 | 18,901 | 6,906 | 40,323 | - | 107,111 |
| Cash flow from vessel operations[2][3] | 63,796 | 53,928 | 11,120 | (16,866) | - | 111,978 |
| Net debt[4] | 1,407,692 | 1,490,383 | 292,732 | 1,003,947 | - | 4,194,754 |

* Please see footnotes below the table on the following page.

| (in thousands of U.S. dollars) | Three Months Ended September 30, 2008 (unaudited) Teekay Offshore Partners LP | Teekay LNG Partners LP | Teekay Tankers Ltd. | Teekay Parent | Consolidation Adjustments | Teekay Corporation Consolidated |
|---|---|---|---|---|---|---|
| Net revenues[1] | 189,684 | 76,899 | 46,596 | 396,650 | (42,662) | 667,167 |
| Vessel operating expenses[1] | 57,359 | 17,500 | 8,669 | 76,610 | - | 160,138 |
| Time-charter hire expense | 31,474 | - | - | 169,010 | (42,662) | 157,822 |
| Depreciation and amortization | 39,675 | 19,105 | 7,101 | 42,612 | - | 108,493 |
| Cash flow from vessel operations[2][3] | 71,972 | 55,232 | 34,504 | 109,890 | - | 271,598 |
| Net debt[4] | 1,450,870 | 2,294,968 | 302,855 | 1,305,268 | - | 5,353,961 |

(1) Commencing in 2009 and applied retroactively, the gains and losses related to non-designated derivative instruments have been reclassified to a separate line item in the Statements of Income (Loss) and are no longer included in the amounts above.
(2) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel/goodwill write-downs, gains and losses on the sale of vessels and unrealized gains and losses relating to derivatives, but includes realized gains and losses on the settlement of foreign currency forward contracts. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's Web site at www.teekay.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.
(3) 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.
(4) Net debt represents current and long-term debt less cash and, if applicable, current and long-term restricted cash.

**Teekay Offshore Partners L.P.**

Teekay Offshore is an international provider of marine transportation and storage services to the offshore oil industry. Through its 51 percent ownership interest in Teekay Offshore Operating L.P. (*OPCO*), Teekay Offshore operates a fleet of 34 shuttle tankers (including nine chartered-in vessels), four Floating Storage and Offtake (*FSO*) units, nine conventional oil tankers and two lightering vessels. Teekay Offshore also has direct ownership interests in two shuttle tankers, one FSO unit, one Floating, Production, Storage and Offloading (*FPSO*) unit and has the right to participate in certain other FPSO opportunities. On September 10, 2009, Teekay Offshore acquired the *Petrojarl Varg* FPSO unit and its associated fixed-rate contract from Teekay for $320 million. As at September 30, 2009, Teekay Parent directly owned the remaining 49 percent interest in OPCO, as well as a 40.47 percent interest in Teekay Offshore (including the two percent General Partner interest).

Cash flow from vessel operations from Teekay Offshore decreased to $63.8 million in the third quarter of 2009, from $72.0 million in the same period of the prior year, primarily due to lower shuttle tanker utilization, partially offset by a lower time-charter hire expense as a result of a reduced in-chartered fleet size and the contribution from the *Petojarl Varg* FPSO for 21 days during the third quarter of 2009.

On August 4, 2009, Teekay Offshore completed a follow-on equity offering of 7.475 million common units (including underwriters' overallotment option which was exercised in full), raising net proceeds of $104.3 million. Proceeds from the offering were used to repay amounts drawn under Teekay Offshore's revolving credit facilities and for general corporate purposes. On November 12, 2009, Teekay Offshore signed a new $260 million revolving credit facility secured by the Petrojarl Varg FPSO.

**Teekay LNG Partners L.P.**

Teekay LNG provides liquefied natural gas (LNG), liquefied petroleum gas (LPG) and crude oil marine transportation services under long-term, fixed-rate time-charter contracts with major energy and utility companies through its current fleet of fifteen LNG carriers, three LPG carriers and eight Suezmax crude oil tankers. In addition, Teekay LNG expects to take delivery of three newbuilding LPG carriers in 2010. Teekay Parent currently owns a 53 percent interest in Teekay LNG (including the two percent General Partner interest).

In August 2009, Teekay LNG acquired Teekay Parent's 70 percent interest in two 155,000 cubic meter newbuilding LNG carriers (the *Tangguh LNG Carriers*). These vessels have commenced their 20 year time-charters to a consortium led by a subsidiary of BP plc to provide transportation services to the Tangguh LNG Project in Indonesia.

Cash flow from vessel operations from Teekay LNG during the third quarter of 2009 decreased to $53.9 million from $55.2 million in the same period of the prior year. This decrease was primarily due to the scheduled drydockings of two LNG carriers during the third quarter of 2009, higher vessel operating expenses due to the timing of maintenance expenditures and reduction in revenue relating to a decrease in LIBOR, which affected the daily charter rates that are adjusted for changes in LIBOR under the time-charter contracts for five Suezmax tankers. These decreases were partially offset by the contribution from the first of five Skaugen LPG carriers which delivered in April 2009 and the Tangguh LNG Carriers acquired in August 2009.

**Teekay Tankers Ltd.**

Teekay Tankers currently owns a fleet of nine Aframax tankers and three Suezmax tankers. Six of the 12 vessels are currently employed on fixed-rate time charters mostly ranging from one to three years in duration, with the remaining vessels trading in the spot tanker market. Teekay Parent currently owns a 42.2 percent interest in Teekay Tankers (including 100 percent of the Class B common shares).

Cash flow from vessel operations from Teekay Tankers decreased to $11.1 million in the third quarter of 2009, from $34.5 million in the same period of the prior year. This decrease was primarily due to a decrease in spot tanker rates in the third quarter of 2009 compared to the same period of the prior year as well as the scheduled drydockings of three Aframax tankers during the third quarter of 2009.

**Teekay Parent**

In addition to its equity ownership interests in Teekay Offshore, Teekay LNG and Teekay Tankers, Teekay directly owns a substantial fleet of vessels. As at November 3, 2009, this included 28 conventional tankers (including one Suezmax newbuilding under construction), four FPSOs, a 33 percent interest in four newbuilding LNG carriers under construction, four Aframax shuttle tanker newbuildings under construction, and one FSO unit currently under conversion. In addition, Teekay Parent had 36 chartered-in conventional tankers (including 10 vessels owned by its subsidiaries) and two chartered-in LNG carriers owned by Teekay LNG.

Cash flow from vessel operations from Teekay Parent decreased in the third quarter of 2009 by $126.8 million compared to the same period of the prior year, primarily due to a decrease in average spot tanker rates in the third quarter of 2009, partially offset by lower time-charter hire expense and reduced operating and overhead expenses as a result of cost reduction initiatives.

**<u>Tanker Market</u>**

Spot tanker rates declined to multi-year lows in the third quarter of 2009 due to the ongoing effects of reduced global oil demand coupled with tanker fleet growth. The tanker market was also affected in the third quarter by a reduction in global refinery throughput due to both scheduled maintenance programs and weaker refinery margins. Seasonal factors such as North Sea oil field maintenance exerted further downward pressure on crude tanker rates.

In October 2009, the International Monetary Fund (*IMF*) upgraded its forecast for global GDP growth in 2010 to 3.1 percent. Several agencies have upgraded their 2010 outlook for global oil demand based on a stronger recovery in the global economy than was previously expected. As of November 12, 2009, the International Energy Agency (*IEA*) projected global oil demand of 86.2 million barrels per day (*mb/d*) in 2010, a 1.3 mb/d (or 1.6 percent) increase from 2009.

The world tanker fleet grew by approximately 6.5 percent in the first three quarters of 2009 as an influx of new vessels outpaced tanker removals. In recent weeks, there has been an increase in single-hull tanker scrapping ahead of the 2010 International Maritime Organization (*IMO*) phase-out target with seven Very Large Crude Carriers (*VLCCs*) sold for scrap since August 2009. An increase in tanker scrapping combined with the potential for order cancellations as a result of tighter credit markets and construction delays at newly established shipyards could help dampen tanker fleet growth in the coming months.

## Teekay's Spot and Short-Term Time-Charter Tanker Fleet Performance

The following table highlights the consolidated operating performance of the Company's conventional spot tanker pools and period out-charters with an initial term of between one and three years, measured in net revenues per revenue day or time-charter equivalent (*TCE*) rates:

| | Three Months Ended | | |
|---|---|---|---|
| | **September 30, 2009** | **June 30, 2009** | **September 30, 2008** |
| **Suezmax** | | | |
| Gemini Suezmax Pool average spot TCE rate(1) | $14,878 | $24,633 | $68,161 |
| Spot revenue days(2) | 1,074 | 713 | 497 |
| Average time-charter rate (3)(4) | $35,018 | $37,486 | $36,527 |
| Time-charter revenue days | 294 | 568 | 652 |
| **Aframax** | | | |
| Teekay Aframax Pool average spot TCE rate (1)(5) | $9,005 | $16,475 | $46,419 |
| Spot revenue days(2) | 2,473 | 2,924 | 3,844 |
| Average time-charter rate (3) | $32,165 | $32,708 | $33,233 |
| Time-charter revenue days | 486 | 546 | 391 |
| **LR2** | | | |
| Taurus LR2 Pool average spot TCE rate (1) | $15,737 | $17,721 | $48,847 |
| Spot revenue days(2) | 368 | 398 | 503 |
| Average time-charter rate (3) | $18,500 | $28,110 | $36,473 |
| Time-charter revenue days | 64 | 98 | 182 |
| **MR** | | | |
| MR product tanker average spot TCE rate (1) | $10,548 | $15,278 | $30,151 |
| Spot revenue days(2) | 272 | 270 | 506 |
| Average product tanker time-charter rate (3) | $24,072 | $19,645 | $22,718 |
| Time-charter revenue days | 92 | 167 | 92 |

(1) Average spot rates include short-term time-charters and fixed-rate contracts of affreightment that are initially under a year in duration and third-party vessels trading in their respective pools but exclude vessels greater than 15 years old.
(2) Spot revenue days includes total owned and in-chartered vessels in the Teekay consolidated fleet but excludes commercially managed pool vessels.
(3) Average time-charter rates include realized gains and losses of synthetic time-charters and forward freight agreements (*FFAs*), short-term time-charters, and fixed-rate contracts of affreightment that are initially between one and three years in duration.
(4) Average Suezmax time-charter rates exclude the cost of spot in-chartering vessels for contract of affreightment cargoes.
(5) Including items outside of the pool (vessels greater than 15 years old and realized results of bunker hedging and FFAs) the average Teekay Aframax spot TCE rate was $10,185 per day, $16,425 per day and $44,673 per day during the three months ended September 30, 2009, June 30, 2009 and September 30, 2008, respectively.

**Fleet List**

As at November 3, 2009, Teekay's consolidated fleet consisted of 161 vessels, including chartered-in vessels, newbuildings under construction and vessels under conversion but excluding vessels managed for third parties, as summarized in the following table:

| | Number of Vessels (1) | | | |
|---|---|---|---|---|
| | **Owned Vessels** | **Chartered-in Vessels** | **Newbuildings/ Conversions** | **Total** |
| **Teekay Offshore Fleet** | | | | |
| Shuttle Tankers (2) | 27 | 9 | - | 36 |
| FSO Units (3) | 5 | - | - | 5 |
| FPSO Unit | 1 | - | - | 1 |
| Aframax Tankers | 11 | - | - | 11 |
| Total Teekay Offshore Fleet | 44 | 9 | - | 53 |
| **Teekay LNG Fleet** | | | | |
| LNG Carriers | 15 | - | - | 15 |
| LPG Carriers | 3 | - | 3 | 6 |
| Suezmax Tankers | 8 | - | - | 8 |
| Total Teekay LNG Fleet | 26 | - | 3 | 29 |
| **Teekay Tankers Fleet** | | | | |
| Aframax Tankers | 9 | - | - | 9 |
| Suezmax Tankers | 3 | - | - | 3 |
| Total Teekay Tankers Fleet | 12 | - | - | 12 |
| **Teekay Parent Fleet** | | | | |
| Aframax Tankers (4) | 7 | 17 | - | 24 |
| Suezmax Tankers | 12 | 6 | 1 | 19 |
| VLCC Tankers | - | 1 | - | 1 |
| Product Tankers | 8 | 2 | - | 10 |
| LNG Carriers (5) | - | - | 4 | 4 |
| Shuttle Tankers | - | - | 4 | 4 |
| FPSO Units | 4 | - | - | 4 |
| FSO Units | - | - | 1 | 1 |
| Total Teekay Parent Fleet | 31 | 26 | 10 | 67 |
| **Total Teekay Consolidated Fleet** | **113** | **35** | **13** | **161** |

(1) Excludes vessels managed on behalf of third parties.
(2) Includes six shuttle tankers in which Teekay Offshore's ownership is 50 percent.
(3) Includes one FSO in which Teekay Offshore's ownership is 89 percent.
(4) Excludes nine vessels chartered-in from Teekay Offshore Partners and one vessel chartered-in from Teekay Tankers.
(5) Excludes two LNG carriers chartered-in from Teekay LNG.

In July 2009, Teekay Parent entered into an agreement to sell one of its older Aframax tankers for $16.4 million. The vessel is expected to be delivered in mid-November 2009.

In August 2009, Teekay Parent entered into an agreement to purchase a 2007-built 40,000 deadweight tonne product tanker, which delivered in September 2009 and commenced a 10-year fixed-rate charter with Caltex Australia.

In September 2009, Teekay Parent entered into an agreement to sell one of its older product tankers for $4.6 million and the vessel was delivered in mid-October 2009.

## Liquidity and Capital Expenditures

As at September 30, 2009, Teekay had current consolidated liquidity of $1.8 billion, consisting of $495.4 million cash and $1,272.1 million of undrawn revolving credit facilities. Including the new $260 million Petrojarl Varg FPSO revolving credit facility signed on November 12, 2009, the Company's current consolidated liquidity is $2.0 billion. In addition, the Company has pre-arranged newbuilding financing of $733 million, bringing the total consolidated liquidity to approximately $2.8 billion.

The Company's remaining capital commitments relating to its portion of newbuildings were as follows as at September 30, 2009:

| (in millions) | **2009** | **2010** | **2011** | **2012** | **Total** |
|---|---|---|---|---|---|
| Teekay Offshore | - | - | - | - | - |
| Teekay LNG | $43 | $61 | - | - | $104 |
| Teekay Tankers | - | - | - | - | - |
| Teekay Parent | - | $293 | $309 | $45 | $647 |
| Total Teekay Corporation Consolidated | $43 | $354 | $309 | $45 | $751 |

As indicated above, the Company had total capital expenditure commitments of approximately $751 million remaining as at September 30, 2009, of which $733 million has pre-arranged financing, leaving only $18 million to be funded from operating cash flow or other sources.

## 2008 Annual Results

Teekay's annual results on Form 20-F for the year ended December 31, 2008, as filed with the United States Securities and Exchange Commission (SEC), can be found on the Company's Web site www.teekay.com or alternatively can be requested free of charge by contacting Teekay Investor Relations.

## About Teekay

Teekay Corporation transports more than 10 percent of the world's seaborne oil, has built a significant presence in the liquefied natural gas shipping sector through its publicly-listed subsidiary, Teekay LNG Partners L.P. (NYSE: TGP), is further growing its operations in the offshore oil production, storage and transportation sector through its publicly-listed subsidiary, Teekay Offshore Partners L.P. (NYSE: TOO), and continues to expand its conventional tanker business through its publicly-listed subsidiary, Teekay Tankers Ltd. (NYSE: TNK). With a fleet of over 160 vessels, offices in 16 countries and approximately 6,700 seagoing and shore-based employees, Teekay provides a comprehensive set of marine services to the world's leading oil and gas companies, helping them seamlessly link their upstream energy production to their downstream processing operations. Teekay's reputation for safety, quality and innovation has earned it a position with its customers as The Marine Midstream Company.

Teekay's common stock is listed on the New York Stock Exchange where it trades under the symbol "TK".


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# TEEKAY CORPORATION

## SUMMARY CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(in thousands of U.S. dollars, except share and per share data)

| | Three Months Ended | | | Nine Months Ended | |
|---|---|---|---|---|---|
| | September 30, 2009 (unaudited) | June 30, 2009 (unaudited) | September 30, 2008 (unaudited) | September 30, 2009 (unaudited) | September 30, 2008 (unaudited) |
| **REVENUES** [1] | 500,368 | 532,473 | 880,876 | 1,649,392 | 2,432,123 |
| **OPERATING EXPENSES** | | | | | |
| Voyage expenses [1] | 71,659 | 62,925 | 213,709 | 225,253 | 572,685 |
| Vessel operating expenses [1][2] | 147,442 | 140,529 | 160,138 | 437,299 | 469,517 |
| Time-charter hire expense | 94,964 | 116,451 | 157,822 | 348,243 | 445,444 |
| Depreciation and amortization | 107,111 | 108,192 | 108,493 | 321,856 | 312,900 |
| General and administrative [1][2] | 52,238 | 52,695 | 44,372 | 156,073 | 184,735 |
| Loss (gain) on sale of vessels and equipment, net of write-downs | 915 | (11,083) | (36,292) | (10,286) | (39,713) |
| Restructuring charges | 1,456 | 5,003 | 5,063 | 12,017 | 11,180 |
| | 475,785 | 474,712 | 653,305 | 1,490,455 | 1,956,748 |
| **Income from vessel operations** | 24,583 | 57,761 | 227,571 | 158,937 | 475,375 |
| **OTHER ITEMS** | | | | | |
| Interest expense [1] | (30,035) | (37,280) | (63,180) | (111,505) | (215,139) |
| Interest income [1] | 4,193 | 5,023 | 20,686 | 15,894 | 73,408 |
| Realized and unrealized (loss) gain on derivative instruments [1] | (121,664) | 157,485 | (90,594) | 83,066 | (125,542) |
| Income tax (expense) recovery | (10,904) | 4,598 | 26,304 | (12,174) | 35,022 |
| Equity (loss) income from joint ventures [1] | (8,945) | 27,380 | (5,108) | 29,857 | (10,780) |
| Foreign exchange (loss) gain | (26,047) | (25,165) | 44,918 | (39,900) | 8,323 |
| Other income (loss) – net | 2,938 | 3,823 | (18,144) | 8,343 | (7,662) |
| Net (loss) income [3] | (165,881) | 193,625 | 142,453 | 132,518 | 233,005 |
| Less: Net loss (income) attributable to non-controlling interests | 23,633 | (34,266) | (39,325) | (33,902) | (51,587) |
| **Net (loss) income attributable to stockholders of Teekay Corporation** | **(142,248)** | **159,359** | **103,128** | **98,616** | **181,418** |
| (Loss) earnings per common share of Teekay | | | | | |
| - Basic | $(1.96) | $2.20 | $1.42 | $1.36 | $2.50 |
| - Diluted | $(1.96) | $2.19 | $1.41 | $1.35 | $2.48 |
| Weighted-average number of common shares outstanding | | | | | |
| - Basic | 72,553,809 | 72,535,899 | 72,467,924 | 72,535,438 | 72,496,564 |
| - Diluted | 72,553,809 | 72,798,023 | 73,033,603 | 72,876,558 | 73,248,540 |

(1) Commencing in 2009 and applied retroactively, the realized and unrealized gains and losses related to derivative instruments that are not designated as hedges for accounting purposes have been reclassified to a separate line item in the statements of income. The realized gains (losses) relate to the amounts the Company actually received or paid to settle such derivative instruments and the unrealized gains (losses) relate to the change in fair value of such derivative instruments, as detailed in the table below:

| | Three Months Ended | | | Nine Months Ended | |
|---|---|---|---|---|---|
| | September 30, 2009 | June 30, 2009 | September 30, 2008 | September 30, 2009 | September 30, 2008 |
| Realized (losses) gains relating to: | | | | | |
| Interest rate swaps | (41,321) | (29,528) | (15,150) | (91,737) | (28,361) |
| Foreign currency forward contracts | | | | | |
| Vessel operating expenses | (926) | (2,407) | 4,286 | (6,770) | 14,976 |
| General and administrative expenses | (55) | (41) | 2,514 | (2,156) | 9,656 |
| Voyage expenses and other | - | - | 419 | - | 5,767 |
| Bunkers and FFAs | 2,655 | 4,294 | (9,598) | 4,660 | (25,348) |
| | (39,647) | (27,682) | (17,529) | (96,003) | (23,310) |
| Unrealized (losses) gains relating to: | | | | | |
| Interest rate swaps | (81,114) | 182,471 | (58,102) | 164,333 | (55,480) |
| Foreign currency forward contracts | 2,060 | 6,416 | (23,749) | 15,227 | (31,975) |
| Bunkers, FFAs and other | (2,963) | (3,720) | 8,786 | (491) | (14,777) |
| | (82,017) | 185,167 | (73,065) | 179,069 | (102,232) |
| Total realized and unrealized (losses) gains on non-designated derivative instruments | (121,664) | 157,485 | (90,594) | 83,066 | (125,542) |

In addition, equity income (loss) from joint ventures includes net unrealized gains (losses) from non-designated interest rate swaps held within the joint ventures of $(10.2) million, $25.5 million and $(2.6) million for the three months ended September 30, 2009, June 30, 2009 and September 30, 2008, respectively, and $23.1 million and $(2.6) million for the nine months ended September 30, 2009 and 2008, respectively.

(2) The Company has entered into foreign currency forward contracts, which are economic hedges of vessel operating expenses and general and administrative expenses. Certain of these forward contracts have been designated as cash flow hedges pursuant to United States GAAP. Unrealized gains arising from hedge ineffectiveness from such forward contracts are reflected in vessel operating expenses and general and administrative expenses in the above Statements of Income (Loss), as detailed in the table below:

| | Three Months Ended | | | Nine Months Ended | |
|---|---|---|---|---|---|
| | September 30, 2009 | June 30, 2009 | September 30, 2008 | September 30, 2009 | September 30, 2008 |
| Vessel operating expenses | 2,979 | 6,919 | 4,151 | 9,675 | 3,961 |
| General and administrative | 2,615 | 1,692 | 1,512 | 6,304 | 1,397 |

(3) Commencing in 2009 and applied retroactively, the Company's net income (loss) includes income attributable to non-controlling interests.

## TEEKAY CORPORATION
## SUMMARY CONSOLIDATED BALANCE SHEETS
**(in thousands of U.S. dollars)**

| | As at September 30, 2009 (unaudited) | As at June 30, 2009 (unaudited) | As at December 31, 2008 (unaudited) |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 495,402 | 472,671 | 814,165 |
| Other current assets | 301,147 | 302,712 | 438,829 |
| Restricted cash – current | 37,845 | 35,440 | 35,841 |
| Restricted cash – long-term | 615,093 | 610,523 | 614,715 |
| Vessels held for sale | 34,637 | 34,970 | 69,649 |
| Vessels and equipment | 6,694,688 | 6,649,736 | 6,713,392 |
| Advances on newbuilding contracts | 196,080 | 231,220 | 553,702 |
| Derivative assets | 85,006 | 53,904 | 167,326 |
| Investment in joint ventures | 117,204 | 126,315 | 103,956 |
| Investment in direct financing leases | 481,489 | 474,321 | 79,508 |
| Other assets | 162,059 | 159,076 | 155,959 |
| Intangible assets | 238,392 | 246,640 | 264,768 |
| Goodwill | 203,191 | 203,191 | 203,191 |
| **Total Assets** | 9,662,233 | 9,600,719 | 10,215,001 |
| **LIABILITIES AND EQUITY** | | | |
| Accounts payable and accrued liabilities | 331,657 | 289,836 | 371,084 |
| Other current liabilities | 1,990 | 21,274 | 22,255 |
| Current portion of long-term debt | 351,792 | 353,834 | 392,659 |
| Long-term debt | 4,991,302 | 4,943,490 | 5,377,474 |
| Derivative liabilities | 497,907 | 417,668 | 843,265 |
| In process revenue contracts | 264,237 | 283,362 | 317,865 |
| Other long-term liabilities | 267,764 | 257,902 | 237,994 |
| Equity: | | | |
| Non-controlling interests | 757,167 | 727,390 | 583,938 |
| Stockholders of Teekay | 2,198,417 | 2,305,963 | 2,068,467 |
| **Total Liabilities and Equity** | 9,662,233 | 9,600,719 | 10,215,001 |

## TEEKAY CORPORATION

## SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2009 (unaudited) | 2008 (unaudited) |
| Cash and cash equivalents provided by (used for) | | |
| **OPERATING ACTIVITIES** | | |
| **Net operating cash flow** | 298,300 | 317,315 |
| **FINANCING ACTIVITIES** | | |
| Net proceeds from long-term debt | 759,451 | 1,976,967 |
| Scheduled repayments of long-term debt | (143,873) | (243,427) |
| Prepayments of long-term debt | (1,104,204) | (881,993) |
| Decrease (increase) in restricted cash | 5,228 | (56,924) |
| Repurchase of common stock | - | (20,512) |
| Net proceeds from the public offering of Teekay LNG | 67,095 | 148,331 |
| Net proceeds from the public offering of Teekay Offshore | 102,098 | 142,160 |
| Net proceeds from the public offering of Teekay Tankers | 65,556 | - |
| Cash dividends paid | (68,800) | (59,952) |
| Distribution from subsidiaries to non-controlling interests | (83,646) | (61,616) |
| Other | 352 | 2,764 |
| **Net financing cash flow** | (400,743) | 945,798 |
| **INVESTING ACTIVITIES** | | |
| Expenditures for vessels and equipment | (431,607) | (546,334) |
| Proceeds from sale of vessels and equipment | 198,837 | 184,338 |
| Purchase of marketable securities | - | (542) |
| Proceeds from sale of marketable securities | - | 11,058 |
| Purchase of Teekay Petrojarl ASA | - | (258,555) |
| Loans to joint ventures | (1,206) | (255,971) |
| Other | 17,656 | 35,833 |
| **Net investing cash flow** | (216,320) | (830,173) |
| **(Decrease) increase in cash and cash equivalents** | (318,763) | 432,940 |
| Cash and cash equivalents, beginning of the period | 814,165 | 442,673 |
| **Cash and cash equivalents, end of the period** | 495,402 | 875,613 |

# TEEKAY CORPORATION

## APPENDIX A – SPECIFIC ITEMS AFFECTING NET (LOSS) INCOME

(in thousands of U.S. dollars, except per share data)

Set forth below is a reconciliation of the Company's unaudited adjusted net loss, a non-GAAP financial measure, to net (loss) income as determined in accordance with GAAP, adjusted for some of the significant items of income and expense that affected the Company's net (loss) income for the three and nine months ended September 30, 2009, all of which items are typically excluded by securities analysts in their published estimates of the Company's financial results:

| | **Three Months Ended September 30, 2009 (unaudited)** | | **Nine Months Ended September 30, 2009 (unaudited)** | |
|---|---|---|---|---|
| | **$** | **$ Per Share(1)** | **$** | **$ Per Share(1)** |
| Net (loss) income – GAAP basis | (165,881) | | 132,518 | |
| Adjust for: Net loss (income) attributable to non-controlling interests | 23,633 | | (33,902) | |
| **Net (loss) income attributable to stockholders of Teekay** | **(142,248)** | **(1.96)** | **98,616** | **1.35** |
| Add (subtract) specific items affecting net (loss) income: | | | | |
| Unrealized losses (gains) from derivative instruments (2) | 86,620 | 1.19 | (218,121) | (2.99) |
| Foreign currency exchange losses (3) | 26,047 | 0.36 | 39,900 | 0.55 |
| Deferred income tax expense on unrealized foreign exchange gains (4) | 14,586 | 0.20 | 24,854 | 0.34 |
| Restructuring charge (5) | 1,456 | 0.02 | 12,017 | 0.17 |
| Loss (gains) on sale of vessels and equipment | 235 | 0.01 | (29,728) | (0.41) |
| Write-down of vessels and equipment | 680 | 0.01 | 19,442 | 0.27 |
| Realized losses on early termination of interest rate swap agreements | 6,819 | 0.09 | 6,819 | 0.09 |
| Other (6) | 1,763 | 0.02 | 2,634 | 0.04 |
| Non-controlling interests' share of items above | (39,318) | (0.54) | (10,660) | (0.15) |
| Total adjustments | 98,888 | 1.36 | (152,843) | (2.09) |
| **Adjusted net loss attributable to stockholders of Teekay** | **(43,360)** | **(0.60)** | **(54,227)** | **(0.74)** |

(1) Fully diluted per share amounts.

(2) Reflects the unrealized gains or losses relating to the change in the mark-to-market value of derivative instruments that are not designated as hedges for accounting purposes, including those included in equity income (loss) from joint ventures, and the ineffective portion of foreign currency forward contracts designated as hedges for accounting purposes.

(3) Foreign currency exchange losses primarily relate to the Company's debt denominated in Euros and deferred tax liability denominated in Norwegian Kroner. Nearly all of the Company's foreign currency exchange gains and losses are unrealized.

(4) Primarily due to deferred income tax related to unrealized foreign exchange gains and losses.

(5) Restructuring charges relate to the reorganization of certain of the Company's operational functions and the re-flagging of certain of the Company's shuttle tankers.

(6) Primarily relates to non-recurring adjustments to tax accruals and impairment of intangible assets.

# TEEKAY CORPORATION

## APPENDIX A – SPECIFIC ITEMS AFFECTING NET INCOME

(in thousands of U.S. dollars, except per share data)

Set forth below is a reconciliation of the Company's unaudited adjusted net income, a non-GAAP financial measure, to net income as determined in accordance with GAAP, adjusted for some of the significant items of income and expense that affected the Company's net income for the three and nine months ended September 30, 2008, all of which items are typically excluded by securities analysts in their published estimates of the Company's financial results:

| | Three Months Ended September 30, 2008 (unaudited) | | Nine Months Ended September 30, 2008 (unaudited) | |
|---|---|---|---|---|
| | $ | $ Per Share(1) | $ | $ Per Share(1) |
| Net income – GAAP basis | 142,453 | | 233,005 | |
| Adjust for: Net income attributable to non-controlling interests | (39,325) | | (51,587) | |
| **Net income attributable to stockholders of Teekay** | **103,128** | **1.41** | **181,418** | **2.48** |
| Add (subtract) specific items affecting net income: | | | | |
| Unrealized losses from derivative instruments (2) | 70,161 | 0.97 | 85,719 | 1.17 |
| Foreign currency exchange gains (3) | (43,857) | (0.60) | (8,518) | (0.12) |
| Deferred income tax expense on unrealized foreign exchange losses (4) | (16,842) | (0.23) | (8,162) | (0.11) |
| Restructuring charge (5) | 5,063 | 0.07 | 9,680 | 0.13 |
| Gain on sale of vessels and equipment | (36,292) | (0.50) | (39,713) | (0.54) |
| Net effect from non-cash changes in purchase price allocation for the acquisition of 50 percent of OMI Corporation (6) | 1,364 | 0.02 | 8,392 | 0.11 |
| Net effect from non-cash changes in purchase price allocation for the acquisition of Teekay Petrojarl ASA (7) | - | - | 6,398 | 0.09 |
| Change in long-term incentive plan accruals (8) | (20,231) | (0.28) | (22,606) | (0.31) |
| Write-down of marketable securities | 13,885 | 0.19 | 13,885 | 0.19 |
| Other (9) | 4,774 | 0.06 | 7,984 | 0.11 |
| Non-controlling interests' share of items above | 13,109 | 0.18 | (2,393) | (0.03) |
| Total adjustments | (8,866) | (0.12) | 50,666 | 0.69 |
| **Adjusted net income attributable to stockholders of Teekay** | **94,262** | **1.29** | **232,084** | **3.17** |

(1) Fully diluted per share amounts.
(2) Reflects the unrealized gains or losses relating to the change in the mark-to-market value of derivative instruments that are not designated as hedges for accounting purposes, including those included in equity income (loss) from joint ventures, and the ineffective portion of foreign currency forward contracts designated as hedges for accounting purposes.
(3) Foreign currency exchange gains primarily relate to the Company's debt denominated in Euros and deferred tax liability denominated in Norwegian Kroner. Nearly all of the Company's foreign currency exchange gains and losses are unrealized.
(4) Primarily due to deferred income tax related to unrealized foreign exchange gains and losses.
(5) Restructuring charges relate to the reorganization of certain of the Company's operational functions.
(6) Primarily relates to changes in amortization of intangible assets as a result of adjustments to the purchase price allocation of OMI Corporation.
(7) Primarily relates to changes in amortization of in-process revenue contracts as a result of adjustments to the purchase price allocation of Teekay Petrojarl ASA.
(8) Relates to changes in accruals relating to the Company's long-term incentive plan which is linked to the Company's share price. Amounts are included in general and administrative expenses.
(9) Primarily relates to losses on bond repurchases (8.875% Notes due 2011), a change in non-cash deferred tax balances, settlement of a previous claim against OMI Corporation and goodwill impairment.

## TEEKAY CORPORATION
## APPENDIX B – SUPPLEMENTAL FINANCIAL INFORMATION
## SUMMARY BALANCE SHEET AS AT SEPTEMBER 30, 2009
(in thousands of U.S. dollars)

(unaudited)

| | Teekay Offshore | Teekay LNG | Teekay Tankers | Teekay Petrojarl | Teekay Standalone | Consolidation Adjustments | Total |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| Cash and cash equivalents | 143,746 | 90,485 | 13,396 | 59,101 | 188,674 | - | 495,402 |
| Other current assets | 84,609 | 17,234 | 5,564 | 45,646 | 182,731 | - | 335,784 |
| Restricted cash (current & non-current) | - | 650,517 | - | 2,024 | 397 | - | 652,938 |
| Vessels and equipment | 1,952,912 | 1,793,551 | 511,942 | 929,589 | 1,506,694 | - | 6,694,688 |
| Advances on newbuilding contracts | - | 56,421 | - | - | 139,659 | - | 196,080 |
| Derivative assets | 6,052 | 71,976 | - | 4,012 | 2,966 | - | 85,006 |
| Investment in joint ventures | - | 75,624 | - | - | 41,580 | - | 117,204 |
| Investment in direct financing leases | 61,638 | 419,249 | - | - | 602 | - | 481,489 |
| Other assets | 14,585 | 24,795 | 4,246 | 17,371 | 101,062 | - | 162,059 |
| Advances to affiliates | 13,155 | 11,926 | 766 | - | (25,847) | - | - |
| Equity investment in subsidiaries | - | - | - | - | 1,167,316 | (1,167,316) | - |
| Intangibles and goodwill | 165,887 | 170,589 | 6,761 | 999 | 97,347 | - | 441,583 |
| **TOTAL ASSETS** | 2,442,584 | 3,382,367 | 542,675 | 1,058,742 | 3,403,181 | (1,167,316) | 9,662,233 |
| **LIABILITIES AND EQUITY** | | | | | | | |
| Accounts payable and accrued liabilities | 71,285 | 54,785 | 13,858 | 38,743 | 152,986 | - | 331,657 |
| Other current liabilities | 754 | 1,236 | - | - | - | - | 1,990 |
| Advances from affiliates | 257,632 | 99,387 | 1,462 | 37,901 | (396,382) | - | - |
| Current portion of long-term debt | 77,322 | 218,111 | 3,600 | 12,100 | 40,659 | - | 351,792 |
| Long-term debt | 1,474,116 | 2,013,274 | 302,528 | 93,634 | 1,107,750 | - | 4,991,302 |
| Derivative liabilities | 96,324 | 183,246 | 17,269 | 24,256 | 176,812 | - | 497,907 |
| In-process revenue contracts | - | - | 739 | 262,191 | 1,307 | - | 264,237 |
| Other long-term liabilities | 47,535 | 55,097 | - | 43,500 | 121,632 | - | 267,764 |
| Equity: | | | | | | | |
| Non-controlling interests (1) | 42,477 | 1,543 | - | 665 | - | 712,482 | 757,167 |
| Equity attributable to stockholders/ unitholders of publicly-listed entities | 375,139 | 755,688 | 203,219 | 545,752 | 2,198,417 | (1,879,798) | 2,198,417 |
| **TOTAL LIABILITIES AND EQUITY** | 2,442,584 | 3,382,367 | 542,675 | 1,058,742 | 3,403,181 | (1,167,316) | 9,662,233 |
| **NET DEBT (2)** | 1,407,692 | 1,490,383 | 292,732 | 44,609 | 959,338 | - | 4,194,754 |

(1) Non-controlling interests in the Teekay Offshore and Teekay LNG columns represent the joint venture partners' share of the joint venture net assets. Non-controlling interest in the Consolidation Adjustments column represents the public's share of the net assets of Teekay's publicly-traded subsidiaries. Commencing in 2009, non-controlling interest is included as a component of equity.

(2) Net debt represents current and long-term debt less cash and, if applicable, current and long-term restricted cash.

## TEEKAY CORPORATION
## APPENDIX B – SUPPLEMENTAL FINANCIAL INFORMATION
## SUMMARY STATEMENTS OF (LOSS) INCOME FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009
(in thousands of U.S. dollars)

(unaudited)

| | Teekay Offshore | Teekay LNG | Teekay Tankers | Teekay Petrojarl | Teekay Standalone | Consolidation Adjustments | Total |
|---|---|---|---|---|---|---|---|
| Voyage revenues | 206,938 | 79,783 | 21,899 | 72,392 | 168,674 | (49,318) | 500,368 |
| Voyage expenses | 30,263 | 743 | 1,288 | - | 45,976 | (6,611) | 71,659 |
| Vessel operating expenses | 54,857 | 19,126 | 7,677 | 37,027 | 28,755 | - | 147,442 |
| Time-charter hire expense | 27,772 | - | - | 5,753 | 104,146 | (42,707) | 94,964 |
| Depreciation and amortization | 40,981 | 18,901 | 6,906 | 19,711 | 20,612 | - | 107,111 |
| General and administrative | 13,820 | 4,952 | 1,814 | 8,024 | 23,628 | - | 52,238 |
| Loss on sale of vessels and equipment, net of write-downs | - | - | - | - | 915 | - | 915 |
| Restructuring charge | 371 | 393 | - | - | 692 | - | 1,456 |
| Total operating expenses | 168,064 | 44,115 | 17,685 | 70,515 | 224,724 | (49,318) | 475,785 |
| Income (loss) from vessel operations | 38,874 | 35,668 | 4,214 | 1,877 | (56,050) | - | 24,583 |
| Net interest expense | (9,035) | (10,021) | (1,143) | (260) | (5,383) | - | (25,842) |
| Realized and unrealized loss on derivative instruments | (37,302) | (33,882) | (4,564) | (4,555) | (41,361) | - | (121,664) |
| Income tax (expense) recovery | (13,804) | 144 | - | (175) | 2,931 | - | (10,904) |
| Equity loss from joint ventures | - | (2,499) | - | (759) | (5,687) | - | (8,945) |
| Equity in earnings of subsidiaries (1) | - | - | - | - | (23,983) | 23,983 | - |
| Foreign exchange loss | (4,485) | (17,559) | (24) | (436) | (3,543) | - | (26,047) |
| Other – net | 2,068 | (83) | - | (69) | 1,022 | - | 2,938 |
| Net (loss) income | (23,684) | (28,232) | (1,517) | (4,377) | (132,054) | 23,983 | (165,881) |
| Less: Net loss (income) attributable to non-controlling interests (2) | (143) | 2,511 | - | 49 | - | 21,216 | 23,633 |
| **Net (loss) income attributable to stockholders/unitholders of publicly-listed entities** | **(23,827)** | **(25,721)** | **(1,517)** | **(4,328)** | **(132,054)** | **45,199** | **(142,248)** |
| **CASH FLOW FROM VESSEL OPERATIONS** (3) | 63,796 | 53,928 | 11,120 | 15,391 | (32,257) | - | 111,978 |

(1) Teekay Corporation's proportionate share of the net earnings of its publicly-traded subsidiaries.

(2) Net (income) loss attributable to non-controlling interests in the Teekay Offshore and Teekay LNG columns represent the joint venture partners' share of the net income (loss) of the respective joint ventures. Net (income) loss attributable to non-controlling interest in the Consolidation Adjustments column represents the public's share of the net income (loss) of Teekay's publicly-traded subsidiaries. Commencing in 2009, the Company's net income (loss) includes income (loss) attributable to non-controlling interests.

(3) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel/goodwill write-downs, gains or losses on the sale of vessels and unrealized gains and losses relating to derivatives, but includes realized gains and losses on the settlement of foreign currency forward contracts. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's Web site at www.teekay.com for a reconciliation of this non-GAAP financial measure as used in this release to the most directly comparable GAAP financial measure.

**TEEKAY CORPORATION**
**APPENDIX B – SUPPLEMENTAL FINANCIAL INFORMATION**
**SUMMARY STATEMENTS OF INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009**
(in thousands of U.S. dollars)
(unaudited)

| | Teekay Offshore | Teekay LNG | Teekay Tankers | Teekay Petrojarl | Teekay Standalone | Consolidation Adjustments | Total |
|---|---|---|---|---|---|---|---|
| Voyage revenues | 608,460 | 235,580 | 87,352 | 220,211 | 648,433 | (150,644) | 1,649,392 |
| Voyage expenses | 77,305 | 1,483 | 2,382 | - | 163,161 | (19,078) | 225,253 |
| Vessel operating expenses | 171,619 | 56,045 | 23,977 | 105,617 | 80,041 | - | 437,299 |
| Time-charter hire expense | 89,061 | - | - | 17,358 | 373,390 | (131,566) | 348,243 |
| Depreciation and amortization | 121,366 | 58,387 | 21,167 | 59,970 | 60,966 | - | 321,856 |
| General and administrative | 42,140 | 12,563 | 5,239 | 22,316 | 73,815 | - | 156,073 |
| Gain on sale of vessels and equipment, net of write-downs | - | - | - | - | (10,286) | - | (10,286) |
| Restructuring charge | 4,053 | 3,053 | - | - | 4,911 | - | 12,017 |
| Total operating expenses | 505,544 | 131,531 | 52,765 | 205,261 | 745,998 | (150,644) | 1,490,455 |
| Income (loss) from vessel operations | 102,916 | 104,049 | 34,587 | 14,950 | (97,565) | - | 158,937 |
| Net interest expense | (31,859) | (35,772) | (5,797) | (5,429) | (16,754) | - | (95,611) |
| Realized and unrealized gain (loss) on derivative instruments | 37,716 | (41,476) | 2,279 | (3,271) | 87,818 | - | 83,066 |
| Income tax (expense) recovery | (14,905) | 443 | - | (452) | 2,740 | - | (12,174) |
| Equity income (loss) from joint ventures | - | 11,507 | - | (1,771) | 20,121 | - | 29,857 |
| Equity in earnings of subsidiaries (1) | - | - | - | - | 107,729 | (107,729) | - |
| Foreign exchange loss | (8,400) | (19,510) | (51) | (4,999) | (6,940) | - | (39,900) |
| Other – net | 7,055 | (204) | - | (167) | 1,659 | - | 8,343 |
| Net income (loss) | 92,523 | 19,037 | 31,018 | (1,139) | 98,808 | (107,729) | 132,518 |
| Less: Net (income) loss attributable to non-controlling interests (2) | (5,593) | 1,408 | - | 163 | - | (29,880) | (33,902) |
| **Net income (loss) attributable to stockholders/unitholders of publicly-listed entities** | **86,930** | **20,445** | **31,018** | **(976)** | **98,808** | **(137,609)** | **98,616** |
| **CASH FLOW FROM VESSEL OPERATIONS** (3) | 179,091 | 156,052 | 50,642 | 52,032 | (40,987) | - | 396,830 |

(1) Teekay Corporation's proportionate share of the net earnings of its publicly-traded subsidiaries.

(2) Net (income) loss attributable to non-controlling interests in the Teekay Offshore and Teekay LNG columns represent the joint venture partners' share of the net income (loss) of the respective joint ventures. Net (income) loss attributable to non-controlling interest in the Consolidation Adjustments column represents the public's share of the net income (loss) of Teekay's publicly-traded subsidiaries. Commencing in 2009, the Company's net income (loss) includes income (loss) attributable to non-controlling interests.

(3) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel/goodwill write-downs, gains or losses on the sale of vessels and unrealized gains and losses relating to derivatives, but includes realized gains and losses on the settlement of foreign currency forward contracts. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's Web site at www.teekay.com for a reconciliation of this non-GAAP financial measure as used in this release to the most directly comparable GAAP financial measure.

## FORWARD LOOKING STATEMENTS

This release 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: tanker market fundamentals, including the balance of supply and demand in the tanker market, and spot tanker charter rates; the Company's financial strength, including the stability of its cash flows, the proportion of its total cash flows contributed from its fixed-rate businesses, its liquidity position, and debt maturity profile; the Company's future capital expenditure commitments and the financing requirements for such commitments; the impact on the Company's profitability through cost reductions and charter contract improvements; the impact on the Company's financial leverage and flexibility resulting from its strategy of selling assets to its subsidiary companies, Teekay LNG, Teekay Offshore and Teekay Tankers; and the expected benefit from future investment opportunities. 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, LNG and LPG, 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 vessel 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 or demand for shuttle tankers, FSOs and FPSOs; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts; changes affecting the offshore tanker market; shipyard production delays; changes in the Company's expenses; the Company's future capital expenditure requirements; the inability of the Company to complete vessel sale transactions to its daughters or third parties; conditions in the United States capital markets; 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, 2008. 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.



**- end -**