



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

## EARNINGS RELEASE

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### TEEKAY TANKERS LTD. REPORTS THIRD QUARTER RESULTS

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#### Highlights

- On November 24, 2008, declared a cash dividend of \$1.07 per share for the quarter ended September 30, 2008, up from \$0.90 per share paid for the previous quarter.
- Reported third quarter net income of \$19.6 million, or \$0.78 per share (including an unrealized loss of \$1.4 million, or \$0.06 per share, relating to the change in fair value of an interest rate swap agreement).
- Net voyage revenues increased to \$41.4 million, up 16.3 percent from the previous quarter.
- Earned average TCE of \$47,425 per day on the spot Aframax fleet, and \$65,254 per day on the spot Suezmax fleet during the quarter ended September 30, 2008.

Hamilton, Bermuda, December 18, 2008 - Teekay Tankers Ltd. (*Teekay Tankers or the Company*) today reported net income of \$19.6 million, or \$0.78 per share, for the three months ended September 30, 2008, compared to net income of \$22.6 million, or \$0.89 per share, for the three months ended June 30, 2008. The results for the quarter ended September 30, 2008 included an unrealized loss relating to the change in fair value of an interest rate swap that had the net effect of decreasing net income by \$1.4 million, or \$0.06 per share, compared to an unrealized gain that had the net effect of increasing net income by \$5.4 million, or \$0.22 per share, for the three months ended June 30, 2008. Net voyage revenues<sup>(1)</sup> for the three months ended September 30, 2008 were \$41.4 million, compared to \$35.6 million for the three months ended June 30, 2008.

Net income for the nine months ended September 30, 2008 was \$52.7 million, or \$2.06 per share, compared to net income of \$34.9 million, or \$2.42 per share, for the same period last year. The results for the nine months ended September 30, 2008 included an unrealized loss relating to the change in fair value of an interest rate swap that had the net effect of decreasing net income by \$0.4 million, or \$0.02 per share. Net voyage revenues for the nine months ended September 30, 2008 increased to \$110.3 million from \$80.9 million for the same period in 2007.

On November 24, 2008, Teekay Tankers' board of directors declared a cash dividend of \$1.07 per share for the quarter ended September 30, 2008, representing a total cash dividend of \$26.8 million<sup>(2)</sup>. The dividend was paid on December 10, 2008 to all shareholders of record on December 3, 2008.

"We are pleased to report another strong quarter of operational performance as reflected in this quarter's dividend payment of \$1.07 per share and total dividends for the first three quarters of 2008 of \$2.67 per share," commented Bjorn Moller, Chief Executive Officer of Teekay Tankers. "The foundations of our business model - tactical management of the fleet's mix of spot and time-charter trading in an effort to shield us from lows of the spot tanker market while retaining upside opportunities, a strong liquidity position coupled with a spot fleet cash flow breakeven level below zero, and what we consider a favorable debt profile with limited principal payments for several years - allows us to generate surplus cash flow and pay a high dividend even in today's challenging economic and financial climate."

(1) Net voyage revenues represents voyage revenues less voyage expenses. Net voyage revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's website at [www.teekaytankers.com](http://www.teekaytankers.com) for a reconciliation of this non-GAAP financial measure.

(2) Please refer to Appendix A to this release for the calculation of the cash dividend amount.

## Operating Results

The following table highlights the operating performance of the Company's time-charter and spot vessels measured in net revenue per revenue day, or time-charter equivalent (*TCE*) rates, before pool management fees and commissions:

	Three Months Ended	
	September 30, 2008	June 30, 2008
<b>Time-Charter Fleet</b>		
Aframax revenue days	323	394
Aframax TCE per revenue day	\$32,201	\$31,226
Suezmax revenue days	92	91
Suezmax TCE per revenue day <sup>(1)</sup>	\$30,744	\$42,366
<b>Spot Fleet</b>		
Aframax revenue days	492	329
Aframax TCE per revenue day	\$47,425	\$43,828
Suezmax revenue days	92	91
Suezmax TCE per revenue day	\$65,254	\$67,755
<b>Total Fleet</b>		
Aframax revenue days	815	723
Aframax TCE per revenue day	\$41,393	\$36,962
Suezmax revenue days	184	182
Suezmax TCE per revenue day	\$48,013	\$55,061

## Tanker Market

Average spot tanker freight rates during the third quarter of 2008 were the highest on record for a third quarter. This counter-seasonal strength in tanker freight rates was primarily due to higher volumes of oil production from ton-mile intensive OPEC producers, rising crude oil import volumes into the United States, China and India, as well as other factors, including port delays in the United States and Japan and stockpiling of oil ahead of the Olympics in China.

Rates have also been supported in the second half of 2008 by a dampening of tanker supply growth due to the removal of tankers from the global fleet for conversion purposes and an increase in scrapping compared to previous years. During the first nine months of 2008, the world tanker fleet grew by three percent, a decrease from the annual fleet supply growth rate of approximately six percent experienced for the same period in 2006 and 2007.

During the fourth quarter of 2008, rates for very large crude carriers have eased as OPEC producers implemented production cutbacks in response to declining oil prices. In comparison, rates for medium-sized crude oil tankers have remained relatively firm, primarily due to the seasonal increase in oil demand during the northern hemisphere winter, rising volumes of non-OPEC production as seasonal maintenance was completed in the North Sea and weather-related delays, particularly in the Bosphorus Straits.

(1) The *Ganges Spirit* is employed on a time-charter contract at a base rate of \$30,500 per day with a profit sharing agreement whereby Teekay Tankers is entitled to the first \$3,000 per day of the vessel's earnings above the base rate, and fifty percent of the earnings above \$33,500 per day. The profit share amount is determined on an annual basis for the period from June 1 to May 31. During the quarter ended June 30, 2008, Teekay Tankers recognized approximately \$1.0 million in profit sharing revenue relating to the period from April 7, 2008 (date of acquisition) to May 31, 2008. In accordance with US GAAP, no accrual was made for the profit share amount relating to the period from June 1, 2008 to September 30, 2008, since the profit share amount is determined on an annual basis.

## Teekay Tankers' Fleet

The following table summarizes the Company's fleet as of December 1, 2008:

	<b>Aframax Fleet</b>	<b>Suezmax Fleet</b>	<b>Number of Owned Vessels</b>
Time-Charter Vessels	6	1	7
Spot Vessels	3	1	4
<b>Total</b>	<b>9</b>	<b>2</b>	<b>11</b>

As of December 1, 2008, 55 percent and 42 percent of the aggregate ship days for the Company's current fleet for 2009 and 2010, respectively, were subject to fixed-rates. In mid-November, three-year, fixed-rate time-charters commenced for two Aframax tankers, the *Kareela Spirit* and the *Kyeema Spirit*, at \$31,000 per day and \$28,825 per day, respectively. In early August 2008, the Company entered into a one-year time-charter for an Aframax tanker, the *Nassau Spirit*, at \$39,000 per day. Both the charterer and Teekay Tankers have the option to extend this time-charter for an additional year at rates of \$39,250 per day and \$32,500 per day, respectively.

## Estimated Fourth Quarter 2008 Dividend

The following table presents the estimated dividend per share for the quarter ending December 31, 2008 at various prospective average rates earned by the Company's spot tanker fleet and reflects the contribution from its existing fixed-rate time-charter contracts. These estimates are based on current assumptions and actual dividends may differ materially from those included in the following table:

<b>Q4 2008 Estimated Dividend Per Share*</b>		<b>Suezmax Spot TCE Rate Per Day</b>					
		<b>\$30,000</b>	<b>\$40,000</b>	<b>\$50,000</b>	<b>\$60,000</b>	<b>\$70,000</b>	<b>\$80,000</b>
<b>Aframax Spot TCE Rate Per Day</b>	<b>\$20,000</b>	\$0.54	\$0.57	\$0.61	\$0.64	\$0.68	\$0.70
	<b>\$25,000</b>	\$0.59	\$0.63	\$0.67	\$0.70	\$0.73	\$0.76
	<b>\$30,000</b>	\$0.65	\$0.69	\$0.72	\$0.75	\$0.78	\$0.82
	<b>\$35,000</b>	\$0.71	\$0.74	\$0.77	\$0.80	\$0.84	\$0.87
	<b>\$40,000</b>	\$0.76	\$0.79	\$0.83	\$0.86	\$0.90	\$0.93
	<b>\$45,000</b>	\$0.81	\$0.85	\$0.88	\$0.92	\$0.95	\$0.99
	<b>\$50,000</b>	\$0.87	\$0.90	\$0.94	\$0.97	\$1.01	\$1.04
	<b>\$55,000</b>	\$0.92	\$0.96	\$1.00	\$1.03	\$1.07	\$1.10
	<b>\$60,000</b>	\$0.98	\$1.02	\$1.05	\$1.09	\$1.12	\$1.16

\*Estimated dividend per share is based on Cash Available for Distribution, less \$0.9 million for principal payments related to one of the Company's debt facilities. Cash Available for Distribution represents estimated net income plus depreciation and amortization, loan cost amortization, non-cash items and any write-offs or other non-recurring items.

## Future Growth Opportunities

Teekay Corporation (*Teekay*) has agreed to offer the Company, prior to June 18, 2009, the right to purchase from it an additional two existing Suezmax tankers. The Company anticipates additional opportunities to expand its fleet through acquisitions of tankers from third parties and additional tankers that it expects Teekay will offer to it from time to time. This may include crude oil and product tankers.

## Liquidity

As of September 30, 2008, the Company had total liquidity of \$72.5 million comprised of \$16.9 million of cash and \$55.6 million in an undrawn revolving credit facility.

## **About Teekay Tankers Ltd.**

Teekay Tankers Ltd. was formed in December 2007 by Teekay Corporation (NYSE: TK) as part of its strategy to expand its conventional oil tanker business. Teekay Tankers currently owns a fleet of nine double-hull Aframax tankers and two double-hull Suezmax tankers, which an affiliate of Teekay Corporation manages through a mix of short- or medium-term fixed-rate time-charter contracts and spot tanker market trading. In addition, Teekay Corporation has agreed to offer to Teekay Tankers, prior to June 18, 2009, the opportunity to purchase an additional two existing Suezmax tankers. Teekay Tankers intends to distribute on a quarterly basis all of its cash available for distribution, subject to any reserves established by its board of directors.

Teekay Tankers' common stock trades on the New York Stock Exchange under the symbol "TNK".

## **Earnings Conference Call**

The Company plans to host a conference call at 12:00 p.m. ET on Friday, December 19, 2008, to discuss its results for the third quarter of 2008 and the outlook for its business activities. All stockholders and interested parties are invited to listen to the live conference call at [www.teekaytankers.com](http://www.teekaytankers.com) or by dialing (877) 723-9520, or (719) 325-4749 if outside North America, and quoting confirmation code 1889432. The Company plans to make available a recording of the conference call until midnight December 26, 2008 by dialing (888) 203-1112 or (647) 436-0148, access code 6870104, or via the Company's web site until January 18, 2009.

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**TEEKAY TANKERS LTD.**  
**SUMMARY CONSOLIDATED STATEMENTS OF INCOME** <sup>(1)</sup>  
(in thousands of U.S. dollars, except share data)

	<b>Three Months Ended</b>			<b>Nine Months Ended</b>	
	<b>September 30, 2008 (unaudited)</b>	<b>June 30, 2008 (unaudited)</b>	<b>September 30, 2007 (unaudited)</b>	<b>September 30, 2008 (unaudited)</b>	<b>September 30, 2007 (unaudited)</b>
<b>VOYAGE REVENUES</b>	41,543	36,282	37,093	111,317	114,356
<b>OPERATING EXPENSES</b>					
Voyage expenses	187	709	11,846	1,004	33,457
Vessel operating expenses	7,755	7,650	6,457	22,109	16,572
Depreciation and amortization	5,823	5,559	5,318	17,026	13,127
General and administrative <sup>(2)</sup>	3,394	1,670	3,276	6,965	9,791
	17,159	15,588	26,897	47,104	72,947
<b>Income from vessel operations</b>	24,384	20,694	10,196	64,213	41,409
<b>OTHER ITEMS</b>					
Interest (expense) gain <sup>(3)</sup>	(4,888)	1,716	(3,230)	(11,872)	(6,546)
Interest income	68	225	-	358	-
Other (expense) income – net	(3)	(7)	1	(16)	1
	(4,823)	1,934	(3,229)	(11,530)	(6,545)
<b>Net income</b>	19,561	22,628	6,967	52,683	34,864
Earnings per share					
- Basic and diluted <sup>(4)</sup>	\$0.78	\$0.89	\$0.56	\$2.06	\$2.42
Weighted-average number of Class A common shares outstanding					
- Basic and diluted <sup>(5)</sup>	12,500,000	12,500,000	2,500,000	12,500,000	2,500,000
Weighted-average number of Class B common shares outstanding					
- Basic and diluted <sup>(5)</sup>	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Weighted-average number of total common shares outstanding					
- Basic and diluted	25,000,000	25,000,000	15,000,000	25,000,000	15,000,000

- (1) In October 2007, Teekay Corporation formed Teekay Tankers. Prior to the closing of the Company's initial public offering on December 18, 2007, a subsidiary of Teekay Corporation transferred to the Company nine wholly owned subsidiaries, each of which owns one Aframax-class oil tanker, in exchange for 12,500,000 shares of the Company's Class B common stock, 2,500,000 shares of the Company's Class A common stock and a \$180.8 million non-interest bearing promissory note. Prior to these contributions to the Company, Teekay Corporation transferred seven of the nine Aframax tankers to seven new ship-owning subsidiaries. For periods prior to the initial public offering, the results presented reflect the accounts of the remaining two wholly owned subsidiaries and any transactions specifically attributable to these nine vessels in Teekay Corporation or other subsidiaries of Teekay Corporation which were not contributed to the Company. These transfers represent a reorganization of entities under common control and have been recorded at historical cost.
- (2) General and administrative expense for the three and nine months ended September 30, 2008 includes an accrual of \$1.7 million relating to a performance fee for a subsidiary of Teekay Corporation that manages the Company's fleet. The management agreement generally entitles the manager to a performance fee equal to 20 percent of all Gross Cash Available for Distribution in a given fiscal year in excess of \$3.20 per share, subject to stockholders receiving at least \$2.65 per share in annualized dividends before any performance fee is paid. Gross Cash Available for Distribution represents Cash Available for Distribution without giving effect to any deductions for the performance fee and reduced by the amount of any reserves the board of directors may have taken during the applicable fiscal year that have not already reduced Cash Available for Distribution. Cash Available for Distribution represents net income plus depreciation and amortization, loan cost amortization, non-cash items and any write-offs or other non-recurring items.
- (3) Interest (expense) gain for the three and nine months ended September 30, 2008, includes unrealized losses of \$1.4 million and \$0.4 million, respectively, due to the change in the fair value of an interest rate swap agreement.
- (4) Results for two Suezmax tankers, the *Ganges Spirit* and the *Narmada Spirit*, for the period prior to their acquisition on April 7, 2008 by the Company when they were owned and operating under Teekay Corporation, are referred to as the *Dropdown Predecessor*. For the three months ended September 30, 2008, June 30, 2008 and September 30, 2007, net income was increased by nil and \$0.3 million and decreased by \$1.4 million, respectively, due to the inclusion of the Dropdown Predecessor. For the nine months ended September 30, 2008 and 2007, net income increased by \$1.1 million and decreased by \$1.4 million, respectively, due to the inclusion of the Dropdown Predecessor. Earnings per share is determined by dividing net income, after deducting the amount of net income attributable to the Dropdown Predecessor, by the weighted average number of shares outstanding during the applicable period.
- (5) For periods prior to the Company's initial public offering on December 18, 2007, outstanding shares equals the number of common shares received by Teekay Corporation in exchange for a 54% ownership in Teekay Tankers, at the time of the initial public offering.

**TEEKAY TANKERS LTD.**  
**SUMMARY CONSOLIDATED BALANCE SHEETS**

(in thousands of U.S. dollars)

	<u>As at</u> <u>September 30, 2008</u> <u>(unaudited)</u>	<u>As at</u> <u>December 31, 2007</u> <u>(unaudited)</u> <sup>(1)</sup>
<b>ASSETS</b>		
Cash and cash equivalents	16,873	34,839
Accounts receivable and due from pools	20,957	4,708
Other current assets	4,009	2,413
Due from affiliates	4,979	133,722
Vessels and equipment	436,354	446,541
Other non-current assets	4,017	2,731
Goodwill	4,670	4,670
<b>Total assets</b>	<b>491,859</b>	<b>629,624</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable and accrued liabilities	8,797	5,669
Current portion of long-term debt	3,600	3,600
Current portion of derivative instruments	1,239	894
Due to affiliates	3,580	2,434
Long-term debt	316,128	328,507
Other long-term liabilities	8,614	7,969
Stockholders' equity	149,901	280,551
<b>Total liabilities and stockholders' equity</b>	<b>491,859</b>	<b>629,624</b>

- (1) The balance sheet as of December 31, 2007 has been retroactively adjusted for the two Suezmax tankers, the *Ganges Spirit* and the *Narmada Spirit*, which were acquired from Teekay Corporation on April 7, 2008, as if the vessels had been acquired by Teekay Tankers on August 1, 2007, the date the vessels were acquired by Teekay Corporation.

**TEEKAY TANKERS LTD.**  
**SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in thousands of U.S. dollars)

	<b><u>Nine Months Ended</u></b>	
	<b><u>2008</u></b>	<b><u>2007</u></b>
	<b><u>(unaudited)</u></b>	<b><u>(unaudited)</u></b>
Cash and cash equivalents provided by (used for)		
<b>OPERATING ACTIVITIES</b>		
<b>Net operating cash flow</b>	49,074	47,936
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	115,000	230,862
Debt issuance costs	(276)	(417)
Prepayments of long-term debt	(17,700)	(220,770)
Proceeds from long-term debt of Dropdown Predecessor	44,027	872
Repayments of long-term debt of Dropdown Predecessor	(153,656)	-
Net advances to affiliates	(9,002)	(1,245)
Contribution (return) of capital	1,020	(56,459)
Payment of cash dividends	(42,875)	-
Share issuance costs	(1,130)	-
<b>Net financing cash flow</b>	(64,592)	(47,157)
<b>INVESTING ACTIVITIES</b>		
Expenditures for vessels and equipment	(2,448)	(779)
<b>Net investing cash flow</b>	(2,448)	(779)
Decrease in cash and cash equivalents	(17,966)	-
Cash and cash equivalents, beginning of the period	34,839	-
<b>Cash and cash equivalents, end of the period</b>	16,873	-

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**TEEKAY TANKERS LTD.**  
**APPENDIX A – CASH DIVIDEND CALCULATION**  
(in thousands of U.S. dollars)

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**Cash Available for Distribution**

The Company has adopted a dividend policy to pay a variable quarterly dividend equal to its Cash Available for Distribution, subject to any reserves its board of directors may from time to time determine are required for the prudent conduct of its business. Cash Available for Distribution represents net income plus depreciation and amortization, non-cash items and any write-offs or other non-recurring items, less loan cost amortization.

	<b><u>Three Months Ended</u></b> <b><u>September 30, 2008</u></b> <b>(unaudited)</b>
Net income	19,561
Add:	
Depreciation and amortization	5,823
Unrealized loss from interest rate swap	1,355
Less:	
Amortization of debt issuance costs and other	(41)
<b>Cash Available for Distribution</b>	<b>26,698</b>
Weighted-average number of total common shares outstanding	25,000,000
<b>Cash dividend per share</b>	<b>\$1.07</b>



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## FORWARD LOOKING STATEMENTS

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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: the Company's future growth prospects; tanker market fundamentals, including the balance of supply and demand in the tanker market, and spot tanker charter rates; the estimated dividends per share for the quarter ending December 31, 2008 based on various spot tanker rates; results of the Company's mix of spot market and time-charter trading; the strength of the Company's liquidity position, its favorable debt profile and the Company's ability to generate surplus cash flow and pay dividends; and the potential for Teekay Tankers to acquire additional vessels from third parties or Teekay Corporation, including the two existing Suezmax tankers which Teekay Corporation is obligated to offer the Company prior to June 18, 2009. 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 the production of or demand for oil; 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; the potential for early termination of short- or medium-term contracts and inability of the Company to renew or replace short- or medium-term contracts; changes in interest rates and the capital markets; increases in the Company's expenses, including any unscheduled drydocking expenses; the Company's ability to raise financing to purchase additional vessels; the ability of Teekay Tankers' board of directors to establish cash reserves for the prudent conduct of Teekay Tankers' business or otherwise; and other factors discussed in Teekay Tankers' filings from time to time with the United States Securities and Exchange Commission, including its Report on Form 20-F for the fiscal year ended December 31, 2007. 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.