TEEKAY CORPORATION Q1-2015 EARNINGS PRESENTATION

May 14, 2015

Forward Looking Statements

This presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including statements regarding: future growth opportunities and cash flows; the timing for implementation of the Company's new dividend policy, the initial dividend increase, and expectations for future dividend increases by Teekay Parent and distribution increases by its daughter entities; the sale of the *Knarr* FPSO, including the sales price, the timing of completion of testing and contract start-up at full rate for this FPSO unit, the timing of Teekay Offshore's acquisition, and the consideration for the acquisition; the start-up date of the shuttle tanker CoA contract with EnQuest PLC., including the required roundtrip voyages; the dividend contributions of any future projects awarded to the Company's daughter companies; the total cost and timing for the delivery of newbuilding and conversion projects and timing of commencement of associated time-charter contracts; the timing and certainty of securing charter contracts for unchartered vessels or offshore units; ALP's position as the world's largest owner and operator of dynamic positioning towing and offshore installation vessels, and the capabilities of those vessels; the timing and certainty of exercising any of Teekay LNG's existing options to order up to four additional MEGI LNG carrier newbuildings; expected fuel-efficiency and emission levels associated with MEGI engines; the outcome of Teekay LNG's dispute over the *Magellan Spirit* off-hire incident and claimed charter contract termination, as well as the expected insurance coverage; the timing, certainty and purchase price of pending and future vessel acquisitions; timing of delivery of a charter-in tanker. 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 newbuilding orders or greater or less than anticipated rates of vessel 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, FSO and FPSO units; decreases in oil production by, or increased operating expenses for, FPSO units; fluctuations in global oil prices; trends in prevailing charter rates for shuttle tanker and FPSO contract renewals; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts or complete existing contract negotiations; delays in commencement of operations of FPSO and FSO units at designated fields; changes in the Company's expenses; the Company and its publicly-traded subsidiaries' future capital expenditure requirements and the inability to secure financing for such requirements; the amount of future distributions by the Company's daughter companies to the Company; failure by Teekay Offshore and Teekay LNG to complete its vessel acquisitions; actual performance of the MEGI engines; failure by the Company or its daughter companies to secure charter contracts for unchartered vessels or offshore units; factors affecting the outcome of the Partnership's dispute over the *Magellan Spirit*; potential delays in the commencement of full operations of the *Knarr* FPSO unit; the inability of the Company to complete vessel sale transactions to its publicly-traded subsidiaries or to third parties, including obtaining Board of Directors and Conflicts Committee approvals; failure by the Company's Board of Directors to approve the implementation of the new Teekay Parent dividend policy in the second quarter of 2015, including the initial dividend increase; failure of the respective Board of Directors of the general partners of Teekay Offshore and Teekay LNG to approve future distribution increases; 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, 2014. 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.

Recent Teekay Parent Highlights

- Generated $320.9 million of consolidated Cash Flow from Vessel Operations (CFVO)[1] in Q1-15, an increase of 21% from Q1-14
- Reported Q1-15 consolidated adjusted net income[1] of $15.7 million, or $0.22 per share, up from $3.5 million, or $0.05 per share, in Q1-14
- Teekay Parent generated free cash flow[1] of $31.5 million, or $0.43 per share, in Q1-15, an increase of 49% from Q1-14
- The Knarr FPSO achieved first oil in mid-March and commenced its charter contract with BG Group at partial rate
    - Expected to be sold to Teekay Offshore in Q2-15
- Teekay expects to implement its new dividend policy in Q2-15, with an initial increase of ~75% to $0.55 per share, or $2.20 per share annualized

1) See the Q1-15 earnings release for explanations and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures under GAAP.

Recent Daughter Highlights

Teekay LNG Partners

- Declared Q1-15 distribution of $0.70 per unit (Coverage ratio of 1.04x) – **$26.3M to Teekay Parent**
- Exmar LPG JV took delivery of the fourth of 12 mid-size LPG carrier newbuildings

Teekay Offshore Partners

- Declared Q1-15 distribution of $0.5384 per unit (Coverage ratio of 1.10x) – **$18.1M to Teekay Parent**
- Subsidiary ALP completed the acquisition of four of the 6 on-the-water towage vessels – **TOO investment: $220M for all six vessels**
- Took delivery of first unit for maintenance and safety (UMS), Arendal Spirit – **TOO investment: ~$200M**

Teekay Tankers

- Declared Q1-15 dividend of $0.03 per share – **$0.9M to Teekay Parent**
- Generated strong Q1-15 Free Cash Flow of $0.46 per share
- Completed the acquisition of five LR2/Aframax tankers **– TNK investment: $230M**
- Strongest year-to-date tanker rates since 2008

Creole Spirit – first ever MEGI LNG carrier

Knarr FPSO on its field in the North Sea

Sebarok Spirit

Teekay Parent FPSO Update

Petrojarl Knarr FPSO

- Status: Currently on contract at partial rate of ~70% of the full charter rate. Completing final phase (gas export) of testing in preparation to commence charter contract at full rate
- Dropdown trigger: Completion of Interim Performance Test (IPT), which is expected in Q2-15

Petrojarl Foinaven FPSO

- Status: Resolved the subsea issues and the unit is now producing ~37,000 bbls per day (compared to an average of 21,700 bbls per day in Q4-14)
- Dropdown trigger: Stabilize production and obtain charterer's approval to transfer ownership to TOO

Teekay Parent FPSO Update – Cont'd

Petrojarl Banff FPSO

- Status: Contract rate step-up effective January 1 resulting in CFVO increase of $9 million in Q1-15
- Dropdown trigger: Eligible for dropdown

Hummingbird Spirit FPSO

- Status: On firm contract until March 2016 – options on current contract run through March 2017
- Dropdown trigger: Extend existing contract or enter into new long-term contract

Consolidated Adjusted Statement of Income

Q1-15 vs. Q4-14

($'000's, except per share amounts)	Q1-15 Adjusted*	Q4-14 Adjusted*	Comments
Net revenues	514,868	512,797	Increase mainly related to Knarr FPSO commencing operations on March 9th, stronger average spot tanker rates and increase in TNK's spot tanker fleet; partially offset by Foinaven FPSO annual recognition of operational and oil price tariff revenue in Q4-14.
Vessel operating expenses	(186,481)	(196,737)	Decrease mainly related to lower R&M on FPSOs and re-delivery of bareboat in-chartered vessel, partially offset by Knarr FPSO commencing operations.
Time charter hire expense	(24,927)	(24,315)	Additional in-chartered tankers in TNK delivered in Q4-14 and Q1-15.
Depreciation and amortization	(112,704)	(109,238)	Increase mainly from Knarr FPSO commencing operations on March 9th.
General and administrative	(40,298)	(31,902)	Mainly related to the timing of incentive compensation expense recognition and higher legal fees.
Income from vessel operations	150,458	150,605	
Net interest expense	(78,517)	(83,414)	Decrease mainly related to refinancing of RGII vessels in Q4-14, partially offset by increase from Knarr FPSO and financing of other acquisitions.
Equity Income	27,959	27,499	Consistent with prior quarter.
Income tax recovery	996	5,494	Decrease mainly related to income tax recovery from the reversal of freight tax accruals in Q4-14.
Other - net	375	1,163	
Net income	101,271	101,346	
Less: Net income attributable to non-controlling interest	(85,541)	(70,676)	Higher adjusted earnings in TNK in Q1-15.
Net income attributable to shareholders of Teekay Corp.	**15,730**	**30,670**	
Fully diluted income per share	0.22	0.42	

* See slides 13 and 15 to this presentation for the Consolidated Adjusted Statements of Income for Q1-15 and Q4-14.

Q2 2015 Outlook – Teekay Consolidated

Income Statement Item	Q2 2015 Outlook
Net Revenues	» <u>Fixed-Rate Fleet (expected changes from Q1-15):</u> • $38m increase from the *Knarr FPSO*; • $3m increase from ocean towage vessels delivering during 1H-15; • $2m increase from the start-up of the *Arendal Spirit* UMS from mid-June; and • $4m decrease from the expiration of the *Amundsen Spirit's* time charter in early Q2; • $3.5m decrease due to the sale of the *Navion Svenita* in late Q1; • $3m decrease from the *Randgrid* leaving the COA fleet to begin its conversion to an FSO for the *Gina Krog* field; and • $1.5m decrease due to 30 days of off-hire repair days for the *Bossa Nova Spirit*. • <u>Spot-Rate Fleet (expected changes from Q1-15):</u> • Increase of 385 net revenue days from TNK vessel acquisitions and in-charters; and • Approximately 50% of Q2-15 spot revenue days for Aframaxes and Suezmaxes fixed at $32,600/day and $36,500/day, respectively, compared to $30,700/day and $39,900/day, respectively, in Q1-15
Vessel Operating Expenses (OPEX)	• Increase by $12m due to the *Knarr FPSO,* TNK vessel acquisitions, ocean towage vessels and *Arendal Spirit UMS*
Time-charter Hire Expense	• Increase of $1m due to additional TNK in-chartered conventional tankers
Depreciation & Amortization	• Increase of $15m primarily due to *Knarr FPSO*, TNK vessel acquisitions, ocean towage vessels and *Arendal Spirit UMS*
General & Administrative	• Expected range of $34m - $35m
Net Interest Expense	• Increase by $10m due *Knarr FPSO*, TNK vessel acquisitions, ocean towage vessels and *Arendal Spirit* UMS
Equity Income	• Decrease by $8m primarily due to expiration of time charter-out contract for the *Methane Spirit* LNG carrier and the off-hire dispute related to the *Magellan Spirit* LNG carrier
Income Tax Expense	• Expected to be approximately $2m
Non-controlling Interest Expense	• Expected to decrease by $15m - $17m, primarily due to lower expected net income in TOO and TGP

Teekay Parent Free Cash Flow

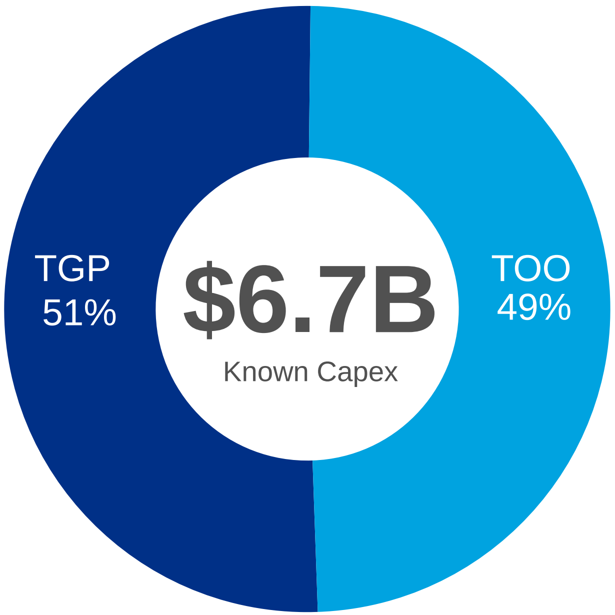
Q1-15 vs. Q4-14

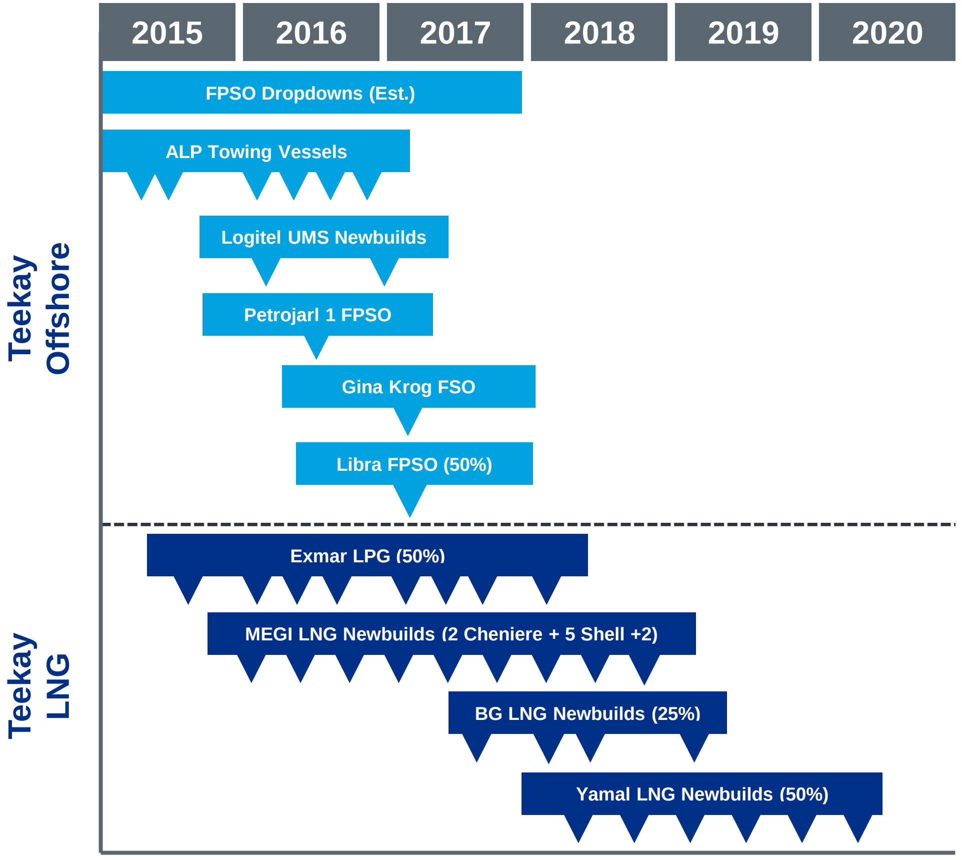
($'000's, except per share amounts)

OPCO	Q1-15	Q4-14
CFVO	10,683	22,238
Net Interest expense	(17,534)	(15,056)
Dry-docking expense	-	(3,652)
Teekay Parent OPCO Cash Flow	(6,851)	3,530
GPCO	**Q1-15**	**Q4-14**
LP Distributions	30,465	30,465
GP Distributions	13,917	13,912
Other dividends	881	881
Total Daughter Distributions	45,263	45,258
Less:		
Corporate G&A	(6,889)	(3,767)
Teekay Parent GPCO Cash Flow	38,374	41,491
Teekay Parent Free Cash Flow	31,523	45,021
Teekay Parent FCF per share	0.43	0.62
Teekay weighted average outstanding shares	72,549,068	72,498,974

Visible Pipeline of Profitable Growth

$6.7 billion of known accretive growth will support future dividend increases





Appendix

Teekay Group's Capital Commitments

- Teekay Group's remaining capital commitments relating to its portion of acquisitions, newbuildings and conversions as at March 31, 2015:

	(in $ Millions)	2015	2016	2017	2018	2019	2020	Total
Teekay Offshore	**Offshore Production**							
	FPSO (excl. dropdowns)	$281	$300	-	-	-	-	$581
	Offshore Logistics							
	FSO	$95	$98	-	-	-	-	$193
	Towage	$135	$109	-	-	-	-	$244
	UMS	$11	$374	$25	-	-	-	$410
Teekay LNG	**LNG**	$96	$405	$673	$913	$234	$191	$2,512
	LPG	$22	$57	$57	$17	-	-	$153
	Total	$640	$1,343	$755	$930	$234	$191	$4,093

Consolidated Adjusted Statement of Income

Q1-15

(in thousands of US dollars, except per share amounts)	Three Months Ended March 31, 2015			
	As Reported	Appendix A Items (1)	Reclass for Realized Gains/ Losses on Derivatives (2)	As Adjusted
Revenues	545,862	(5,324)	-	540,538
Voyage expenses	(25,670)	-	-	(25,670)
Net revenues	520,192	(5,324)	-	514,868
Vessel operating expense	(184,203)	248	(2,526)	(186,481)
Time charter hire expense	(24,927)	-	-	(24,927)
Depreciation and amortization	(112,704)	-	-	(112,704)
General and administrative	(37,954)	-	(2,344)	(40,298)
Asset impairments	(15,496)	15,496	-	-
Gain on sale of vessels and equipment	1,643	(1,643)	-	-
Restructuring charges	(9,126)	9,126	-	-
Income from vessel operations	**137,425**	**17,903**	**(4,870)**	**150,458**
Interest expense	(51,346)	-	(28,701)	(80,047)
Interest income	1,530	-	-	1,530
Realized and unrealized loss on derivative instruments	(83,387)	53,979	29,408	-
Equity income	20,749	7,210	-	27,959
Income tax recovery	996	-	-	996
Foreign exchange gain	17,510	(21,673)	4,163	-
Other - net	375	-	-	375
Net income	**43,852**	**57,419**	**-**	**101,271**
Less: Net income attributable to non-controlling interests	(53,616)	(31,924)	-	(85,540)
NET (LOSS) INCOME ATTRIBUTABLE TO STOCKHOLDERS OF TEEKAY CORP.	**(9,764)**	**25,495**	-	**15,731**
(Loss) income per share	**(0.13)**			**0.22**

1 See slide 14 to this presentation for description of Appendix A items.
2 Please refer to footnote (2) to the Summary Consolidated Statements of Income in the Q1-15 earnings release.

Appendix A Item Descriptions

Q1-15

(in thousands of US dollars)	Q1 - 2015 Appendix A Items	Explanation of Items
Revenues	(5,324)	Recovery of crew redundancy costs from customer
Voyage expenses	-	
Net revenues	(5,324)	
Vessel operating expense	248	Pre-operational costs incurred in respect of Knarr FPSO unit
Time charter hire expense	-	
Depreciation and amortization	-	
General and administrative	-	
Asset impairments	15,496	Impairment of older shuttle tankers
Gain on sale of vessels and equipment	(1,643)	Gain on sale of the Navion Svenita
Restructuring charges	9,126	Crew redundancy costs and restructuring costs related to tanker marine operations and corporate functions
Income from vessel operations	**17,903**	
Interest expense	-	
Interest income	-	
Realized and unrealized loss on derivative instruments	53,979	Unrealized losses on derivative instruments, realized interest rate swap losses incurred in respect of Knarr FPSO unit during the pre-operational phase, and realized losses on currency forward contracts related QGEP project during its pre-operational phase
Equity income	7,210	Unrealized losses on derivative instruments, write-down of deferred tax asset, and unrealized fx loss
Income tax recovery	-	
Foreign exchange gain	(21,673)	Foreign exchange losses including unrealized losses on cross currency swaps
Other - net	-	
Net	**57,419**	
Less: Amounts attributable to non-controlling interests	(31,924)	Non-controlling interest on applicable items noted above
AMOUNTS ATTRIBUTABLE TO STOCKHOLDERS OF TEEKAY CORP.	**25,495**	

Consolidated Adjusted Statement of (Loss) Income

Q4-14

(in thousands of US dollars, except per share amounts)	Three Months Ended December 31, 2014 As Reported	Appendix A Items (1)	Reclass for Realized Gains/ Losses on Derivatives (2)	As Adjusted
Revenues	544,989	(6,979)	-	538,010
Voyage expenses	(25,213)	-	-	(25,213)
Net revenues	519,776	(6,979)	-	512,797
Vessel operating expenses	(200,333)	5,380	(1,784)	(196,737)
Time charter hire expense	(24,315)	-	-	(24,315)
Depreciation and amortization	(109,238)	-	-	(109,238)
General and administrative expenses	(34,509)	3,651	(1,044)	(31,902)
Gain on sale of vessels	2,839	(2,839)	-	-
Restructuring charges	(6,766)	6,766	-	-
Income from vessel operations	**147,454**	**5,979**	**(2,828)**	**150,605**
Interest expense	(57,334)	3,009	(30,554)	(84,879)
Interest income	1,465	-	-	1,465
Realized and unrealized loss on derivative instruments	(103,304)	72,707	30,597	-
Equity income	25,417	2,082	-	27,499
Income tax (expense) recovery	(1,071)	6,565	-	5,494
Foreign exchange loss	(3,126)	341	2,785	-
Other - net	(6,998)	8,161	-	1,163
Net income	**2,503**	**98,843**	**-**	**101,346**
Less: Net income attributable to non-controlling interest	(16,159)	(54,517)	-	(70,676)
NET (LOSS) INCOME ATTRIBUTABLE TO STOCKHOLDERS OF TEEKAY CORP.	**(13,656)**	**44,326**	-	**30,670**
(Loss) income per share	**(0.19)**			**0.42**

1 See slide 16 to this presentation for description of Appendix A items.
2 Please refer to footnote (2) to the Summary Consolidated Statements of Income (Loss) in the Q4-14 earnings release.

Appendix A Item Descriptions

Q4-14

(in thousands of US dollars)	Q4 - 2014 Appendix A Items	Explanation of Items
Revenues	(6,979)	Recovery of crew redundancy costs from customer
Voyage expenses	-	
Net revenues	(6,979)	
Vessel operating expense	5,380	Pre-operational costs incurred in respect of Knarr FPSO unit and write-off of HiLoad mobilisation costs
Time charter hire expense	-	
Depreciation and amortization	-	
General and administrative	3,651	RGII lease termination costs and expenses
Gain on sale of vessels and equipment	(2,839)	Gain on sale of Norvegia
Restructuring charges	6,766	Crew redundancy costs
Income from vessel operations	**5,979**	
Interest expense	3,009	Write-off prepaid loan costs related to RGII lease termination
Interest income	-	
Realized and unrealized loss on derivative instruments	72,707	Unrealized losses on derivative instruments, realized interest rate swap losses incurred in respect of Knarr FPSO unit during the pre-operational phase, and realized losses on termination of swaps related to RGII lease termination
Equity income	2,082	Unrealized losses on derivative instruments in joint ventures
Income tax recovery	6,565	Adjustments to certain deferred income tax balances
Foreign exchange loss	341	Foreign exchange losses including unrealised losses on cross currency swaps
Other - net	8,161	Loss on bond repurchases and unrealized loss on marketable securities
Net	**98,843**	
Less: Amounts attributable to non-controlling interests	(54,517)	Non-controlling interest on applicable items noted above
AMOUNTS ATTRIBUTABLE TO STOCKHOLDERS OF TEEKAY CORP.	**44,326**	

BRINGING ENERGY TO THE WORLD