TEEKAY

TEEKAY CORPORATION Q2-2015 EARNINGS PRESENTATION

August 7, 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: expectations for future dividend increases by Teekay Parent and distribution increases by its daughter entities; the impact of the *Knarr* FPSO dropdown on Teekay Parent's balance sheet and results of operations; Teekay LNG and Teekay Offshore's expected future revenues and remaining average contract durations; fundamentals in the liquefied natural gas and offshore industry; the Company's daughter entities' access to competitive bank financing and multiple capital markets; the outcome of Teekay LNG's dispute over the *Magellan Spirit* offhire incident and claimed charter contract termination; the total cost and timing for the delivery of newbuilding projects and timing of commencement of associated time-charter contracts; the timing, certainty and purchase price of pending acquisitions; and the daughter entities' current and future growth projects, including the impact of these projects on Teekay Parent's cash flows and dividend. 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, FSOs, FPSOs, UMS, and towage vessels; changes in oil production and the impact on the Company's tankers and offshore units; fluctuations in global oil prices; trends in prevailing charter rates for the Company's vessels and offshore unit 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 cash distributions by the Company's daughter entities to the Company; factors affecting the outcome of Teekay LNG's dispute over the *Magellan Spirit*; timely completion of the Freeport LNG project as currently designed; failure by Teekay Tankers to complete its vessel acquisitions; successful integration of vessels or companies acquired by Teekay or its daughter entities; failure of the respective Board of Directors of the general partners of Teekay Offshore and Teekay LNG to approve future cash distribution increases; failure by the Company's Board of Directors to approve future dividend 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

- Teekay Parent generated free cash flow[1] of $49.5 million, or $0.68 per share, in Q2-15, an increase of 57% from Q1-15
- Implemented new dividend policy:
  - Increased Q2-15 dividend by 75% to $0.55 per share ($2.20 per share annualized)
  - Linking future dividend increases to the growing cash flows received from daughter entities
  - Targeting average of 15 to 20% annual dividend growth over next three years
- On July 1st, completed the dropdown sale of the Knarr FPSO to Teekay Offshore for $1.26 billion

1) See the Q2-15 earnings release for explanations and reconciliations of this non-GAAP financial measure to the most directly comparable financial measure under GAAP.

Recent Daughter Highlights

Teekay LNG Partners

- Declared Q2-15 distribution of $0.70 per unit (coverage ratio of 1.03x) – **$26.3M to Teekay Parent**
- Signed 13-year time-charter contracts with BP Shipping Ltd. for up to two LNG carriers and placed order for 2 MEGI newbuildings (plus option)

Teekay Offshore Partners

- Declared Q2-15 distribution of $0.5384 per unit (coverage ratio of 1.06x) – **$18.1M to Teekay Parent**
- Following Knarr FPSO acquisition, TOO recommending a 4% cash distribution increase, effective for Q3-15
- First unit for maintenance and safety (UMS), Arendal Spirit, commenced its charter contract
- Subsidiary ALP completed the acquisition of 6 on-the-water towage vessels
- Three-year extension on the Varg FPSO exercised, extending firm period to mid-2019
- Taken-over as operator and sole supplier of shuttle tanker services for East Coast Canada

Teekay Tankers

- Declared Q2-15 dividend of $0.03 per share – **$0.9M to Teekay Parent**
- Generated strong Q2-15 Free Cash Flow of $0.50 per share
- Agreed to acquire 12 modern on-the-water Suezmax tankers for $662 million
- Acquired ship-to-ship transfer business for $45.5 million

Knarr FPSO Dropdown Completed

- On July 1st, Knarr sold to Teekay Offshore for $1.26 billion
  - Acquisition fully financed by TOO, including $300 million of common units to Teekay Parent
- Resulted in $1 billion reduction in Teekay Parent’s net debt to approximately $580 million

Teekay Parent Free Cash Flow (FCF)

Q2-15 vs. Q1-15

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

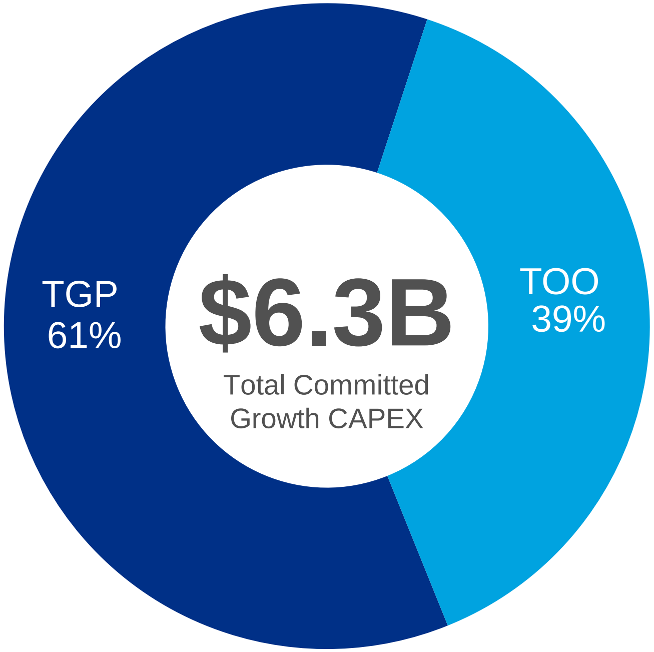
GPCO	Q2-15	Q1-15
LP Distributions	30,465	30,465
GP Distributions	13,948	13,917
Other dividends	881	881
Total Daughter Distributions	45,294	45,263
Less:		
Corporate G&A	(4,139)	(6,889)
Teekay Parent GPCO Cash Flow	41,155	38,374
OPCO	**Q2-15**	**Q1-15**
CFVO	37,151	10,683
Net Interest expense	(28,635)	(17,534)
Dry-docking expense	(208)	-
Teekay Parent OPCO Cash Flow	8,308	(6,851)
Teekay Parent FCF	49,463	31,523
Teekay Parent FCF per share	0.68	0.43
Declared dividend per share	0.55	0.31625
Coverage Ratio	1.24x	1.36x
Teekay weighted average outstanding shares	72,697,121	72,549,068

Teekay Parent's Dividend and FCF Growth Supported by Stable and Growing Daughter Cash Flows

- Diversified portfolios of fixed-rate MLP charter contracts
  - TGP $11.4 billion with an average tenor of 13 years
  - TOO $8.4 billion with an average tenor of 5 years
- No direct commodity price exposure
- Strong long-term market fundamentals in each of our Daughter's businesses
- Strong pipeline of committed Daughter growth projects

Similar to 2008/09, recent macro headwinds have led to disconnect between equity yields and underlying cash flow stability/growth

Built-in MLP Growth Supported by Continued Access to Capital



($ millions)

Daughter Entity	Remaining Committed CAPEX*	Committed / Anticipated Debt Financing	Minimum Equity Requirement
TGP	$2,977	$2,839	$138
TOO	$1,672	$1,404	$268
Total	$4,649	$4,243	$406

* As at 30 June 2015

Access to competitive bank financing and multiple capital markets supports 15-20% Teekay Parent dividend growth target

Appendix

Consolidated Adjusted Statement of Income

Q2-15 vs. Q1-15

($'000's, except per share amounts)	Q2-15 Adjusted*	Q1-15 Adjusted*	Comments
Net revenues	569,786	514,868	Increase mainly related to Knarr FPSO full quarter of operations, Foinaven FPSO higher production, delivery of five towing and offshore installation vessels during Q1-15 and Q2-15, Arendal Spirit commencing operations in early-June, and the delivery of five conventional tankers in Q1-15 and Q2-15.
Vessel operating expenses	(203,704)	(186,481)	Increase mainly related to Knarr FPSO full quarter of operations and timing of repairs and maintenance.
Time charter hire expenses	(30,333)	(24,927)	Additional in-chartered tankers in TNK delivered in Q2-15.
Depreciation and amortization	(128,199)	(112,704)	Increase mainly from Knarr FPSO full quarter of operations.
General and administrative expenses	(35,415)	(40,298)	Decrease in G&A mainly related to equity-based compensation recognized in Q1 of each year.
Income from vessel operations	172,135	150,458	
Net interest expense	(91,521)	(78,517)	Increase mainly from Knarr FPSO and financing of other acquisitions.
Equity Income	23,113	27,959	Decrease mainly due to MALT JV contract expiration in March 2015 and lower short-term deployment rates for the Methane Spirit and Magellan Spirit.
Income tax (expense) recovery	(753)	996	Change mainly related to reversal of tax accruals in Q1-15.
Other - net	294	375	
Net income	103,268	101,271	
Less: Net income attributable to non-controlling interest	(83,562)	(85,541)	
Net income attributable to shareholders of Teekay Corp.	**19,706**	**15,730**	
Basic earnings per share	0.27	0.22	

* See slides 12 and 13 to this presentation for the Consolidated Adjusted Statements of Income for Q2-15 and Q1-15.

Q3 2015 Outlook – Teekay Consolidated

Income Statement Item	Q3 2015 Outlook (expected changes from Q2-15) *
Net Revenues	» Teekay Parent: • $5m decrease from the scheduled shut-down of the Foinaven FPSO » Teekay Offshore: • $11m increase from the delivery of the *Arendal Spirit* UMS early-June 2015 • $11m increase from a full quarter of operations under the east coast of Canada contract; • $14m decrease from the shuttle tanker fleet due to the expected expiration of a CoA in Q2-15, the seasonal decrease in CoA days in Q3-15 and the drydocking of the *Nansen Spirit* in Q3-15 • $7m decrease from the unscheduled temporary shut-down of the *Piranema* FPSO for repairs » Teekay LNG – expected to be consistent with Q2-15 » Teekay Tankers: • $10m increase from the commencement of three time-charter out contracts in Teekay Tankers • Decrease of approximately 170 net revenue days in TNK due to drydockings and new time-charter out contracts • Approximately 46% and 39% of Q3-15 spot revenue days for Aframaxes and Suezmaxes fixed at $39,400/day and $40,500/day, respectively, compared to $38,800/day and $33,800/day, respectively, in Q2-15
Vessel Operating Expenses (OPEX)	• Teekay Parent – Increase of $6m primarily from increased R&M on the *Foinaven* FPSO during its scheduled shut-down • Teekay Offshore – Increase of $7m from full quarter of operations for the *Arendal Spirit* UMS and the towing and offshore installation vessels delivered during Q3-15 and Q2-15
Time-charter Hire Expense	• Teekay Offshore – Increase of $7m due to in-chartering related to east coast Canada CoA • Teekay Tankers – Increase of $3m due to full quarter impact of Q2 deliveries
Depreciation & Amortization	• Teekay Offshore – Increase of $1m due to full quarter of operations on the *Arendal Spirit* UMS and the towing and offshore installation vessels delivered in Q3 and Q2
General & Administrative	• Expected range of $34m - $35m on a consolidated basis
Net Interest Expense	• Teekay Offshore – Increase of $1m due to full quarter of operations on the *Arendal Spirit* UMS and towing and offshore installation vessels
Equity Income	• Teekay LNG - Decrease by $3m due to scheduled drydockings in certain of Teekay LNG's joint ventures
Income Tax Expense	• Expected to be approximately $3m on a consolidated basis
Non-controlling Interest Expense	• Including the impact of the dropdown of the *Knarr* FPSO, expected to decrease by $10m - $11m, primarily due to lower expected net income in Teekay Offshore and Teekay LNG, partially offset by higher expected income in Teekay Tankers

* Other than non-controlling interest expense, the changes to the line items above do not include the impact of Knarr FPSO drop-down to Teekay Offshore on July 1, 2015. The impact of the drop-down is expected to increase non-controlling interest by $6m, which includes the effect of the additional $300 million of Teekay Offshore units taken back by Teekay Parent.

Consolidated Adjusted Statement of Income

Q2-15

(in thousands of US dollars, except per share amounts)	Three Months Ended June 30, 2015 As Reported	Appendix A Items (1)	Reclass for Realized Gains/ Losses on Derivatives (2)	As Adjusted
Revenues	592,797	879	-	593,676
Voyage expenses	(23,890)	-	-	(23,890)
Net revenues	568,907	879	-	569,786
Vessel operating expenses	(201,370)	-	(2,334)	(203,704)
Time charter hire expenses	(30,333)	-	-	(30,333)
Depreciation and amortization	(128,199)	-	-	(128,199)
General and administrative expenses	(33,730)	-	(1,685)	(35,415)
Asset impairments	(500)	500	-	-
Restructuring reversals	742	(742)	-	-
Income from vessel operations	**175,517**	**637**	**(4,019)**	**172,135**
Interest expense	(62,388)	-	(30,332)	(92,720)
Interest income	1,199	-	-	1,199
Realized and unrealized gains on derivative instruments	63,752	(94,332)	30,580	-
Equity income	39,901	(16,788)	-	23,113
Income tax expense	(753)	-	-	(753)
Foreign exchange loss	(1,604)	(2,167)	3,771	-
Other - net	(389)	683	-	294
Net income	**215,235**	**(111,967)**	**-**	**103,268**
Less: Net income attributable to non-controlling interests	(149,323)	65,761	-	(83,562)
NET INCOME ATTRIBUTABLE TO STOCKHOLDERS OF TEEKAY CORP.	**65,912**	**(46,206)**	-	**19,706**
Basic earnings per share	**0.91**			**0.27**

1 Please refer to Appendix A in the Q2-15 earnings release for a description of Appendix A items.
2 Please refer to footnote (2) to the Summary Consolidated Statements of Income (Loss) in the Q2-15 earnings release.

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 expenses	(184,203)	248	(2,526)	(186,481)
Time charter hire expenses	(24,927)	-	-	(24,927)
Depreciation and amortization	(112,704)	-	-	(112,704)
General and administrative expenses	(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**
Basic (loss) earnings per share	**(0.13)**			**0.22**

1 Please refer to Appendix A in the Q2-15 earnings release for a description of Appendix A items.
2 Please refer to footnote (2) to the Summary Consolidated Statements of Income in the Q1-15 earnings release.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