



**TEEKAY TANKERS LTD.**  
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Hamilton, HM 08, Bermuda

**TEEKAY TANKERS LTD.**  
**2015 ANNUAL GENERAL MEETING**  
**KEVIN MACKAY, CEO**  
**JUNE 10, 2015**

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Good morning, Ladies and Gentlemen. Thank you for joining us today for the Teekay Tankers Ltd. 2015 Annual General Meeting. I will spend a few minutes today reviewing our key developments during 2014. For further information, I refer you to our website at [www.teekaytankers.com](http://www.teekaytankers.com) where you will be able to download our 2014 20-F filing with the United States Securities and Exchange Commission.

Before I begin, I must mention the usual disclaimers regarding forward looking statements that are mandated by U.S. Securities laws.<sup>i</sup>

Teekay Tankers generated significant value for its shareholders in 2014 in an improving tanker market. In anticipation of the firming tanker market, we increased our spot market exposure by allowing time charter-out contracts to expire without being renewed, and by increasing the number of chartered-in vessels. This change in chartering strategy increased our operating leverage and resulted in the Company generating more Free Cash Flow<sup>ii</sup>. Teekay Tankers paid a dividend in each quarter of 2014, as we have done every quarter since our IPO in December 2007.

During 2014, Teekay Tankers generated total revenues of \$235.6 million, Free Cash Flow of approximately \$87.3 million, and recorded adjusted net income<sup>iii</sup> of \$33.9 million, or \$0.39 per share. Importantly, we were able to begin reducing balance sheet leverage in 2014 and increase our liquidity position to \$289 million as of December 31, 2014. We expect to continue to reduce leverage and strengthen our balance sheet in the firm 2015 market.

In 2014, Teekay Tankers invested \$35 million in Tanker Investments Ltd., a company jointly launched and co-sponsored with Teekay Corporation. In March 2014, Teekay Tankers took ownership of two VLCCs, which previously secured its investment in term loans that had been in default since 2013. These two VLCCs were subsequently sold to Tanker Investments Ltd. for \$154 million; the total return of the VLCC term loans was 12% per annum since the initial investment was made in July 2010. In April 2014, we acquired a 50% joint-venture interest in Teekay Corporation's commercial and technical management operations for approximately \$15.6 million in shares, which completed our evolution into a full-service conventional tanker platform. In December 2014, we entered into an agreement to acquire four LR2 product tankers and one Aframax tanker for an aggregate purchase price of \$230 million, which delivered during the first quarter of 2015. These well-timed investments further increased our spot market exposure and have allowed us to capitalize on the firm spot tanker market in the first half of 2015.

The tanker market began to recover in 2014, resulting in significantly higher charter rates for Aframax and Suezmaxes compared to 2013. The tanker market has continued to show considerable strength in 2015; this strength is being driven by improved fundamentals including very low fleet growth, high levels of crude oil supply, and rising oil demand. Rates have been further supported by low oil prices, which are beneficial for the tanker market as it leads to lower bunker costs, greater demand for onshore strategic and commercial stockpiling, and improved refining margins. We believe that these positive fundamentals will continue to support tanker rates through the remainder of 2015 and into 2016.

Teekay Tankers' spot-traded vessels continued to benefit from the enhanced scale benefits and fleet utilization that come with trading in commercial tonnage pools. The Teekay Aframax, Taurus Tanker LR2 and Gemini Suezmax pools enable us to gain the advantages of operating within a significantly larger fleet of interchangeable vessels resulting in enhanced utilization.

Looking ahead, as we anticipate a continued firm tanker market, we intend to maintain our spot market exposure and significant operating leverage over the next 12 months. In addition to continuing to delever the balance sheet, we will look for opportunities for accretive growth through chartering-in or acquiring vessels.

Along with the support of our sponsor, Teekay Corporation, we continue to strive for operational excellence onboard our ships and ashore to uphold the Teekay name as a respected symbol of quality. We set ourselves high standards for personnel safety, fleet availability and customer service and we live by the core value of continuous improvement.

In closing, Teekay Tankers is now benefitting from a strong tanker market. The well-timed in-charters and investments completed in 2014 have further contributed to an increase in Teekay Tanker's operating leverage and financial strength. With strong operating leverage and a low cash break-even rate, we believe Teekay Tankers is well-positioned to benefit from the fundamental strength in the global tanker market.

I would like to thank our customers for the opportunity to serve them; our colleagues for their dedicated efforts; our Board of Directors for their valued guidance; and our fellow shareholders for their continued support.

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- <sup>i</sup> Before I proceed with my report to the shareholders, please allow me to remind you that various remarks that we may make in the course of this presentation about future expectations, plans and prospects for the company and the shipping industry constitute forward-looking statements for the purposes of the Safe Harbor provisions under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements, as a result of various important factors, including those discussed in our annual report on Form 20-F for the year ended December 31, 2014 and dated April 28, 2015, which is on file with the U.S. Securities and Exchange Commission.
- <sup>ii</sup> Free Cash Flow (or Cash Available for Distribution) represents net income (loss), plus depreciation and amortization, unrealized losses from derivatives, non-cash items and any write-offs or other non-recurring items, less unrealized gains from derivatives and other non-cash items. Please refer to Appendix B of the Teekay Tankers First Quarter, Second Quarter, Third Quarter and Fourth Quarter and Fiscal 2014 Earnings Releases, which can be found on the Company's website [www.teekaytankers.com](http://www.teekaytankers.com), for a reconciliation of this non-GAAP measure, as referenced above, to the most directly comparable financial measure under United States generally accepted accounting principles (*GAAP*).
- <sup>iii</sup> Adjusted net income is a non-GAAP financial measure which adjusts for a number of specific items that are typically excluded by securities analysts in their published estimates of Teekay Tankers' financial results. Adjusted net income is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP. Please refer to Appendix A of the Teekay Tankers Fourth Quarter and Fiscal 2014 Earnings Release, which can be found on the Company's website [www.teekaytankers.com](http://www.teekaytankers.com), for a reconciliation of this non-GAAP measure, as referenced above, to the most directly comparable financial measure under United States generally accepted accounting principles (*GAAP*).