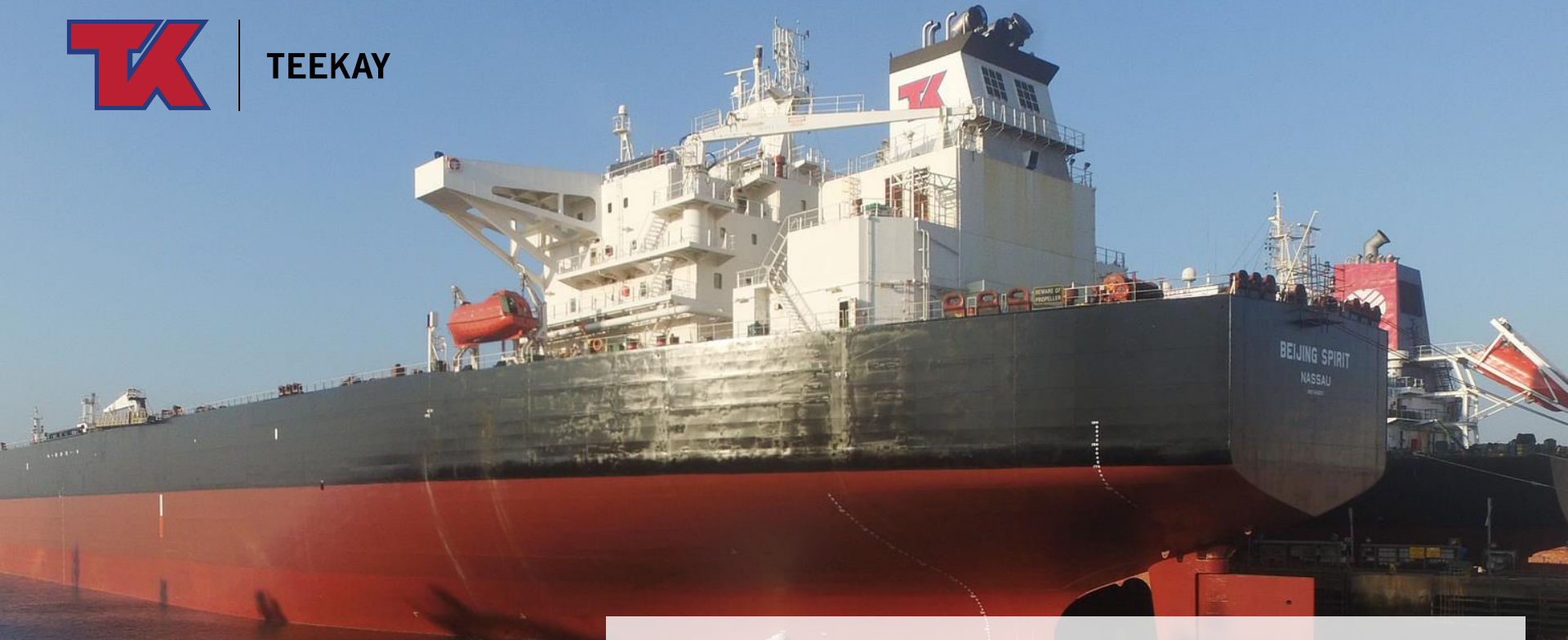




TEEKAY



# TEEKAY TANKERS Q3-2016 EARNINGS PRESENTATION

November 3, 2016

# 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: crude oil and refined product tanker market fundamentals, including the balance of supply and demand in the tanker market, the amount of new orders for tankers, the estimated growth in the world tanker fleet, the amount of tanker scrapping, estimated growth in global oil demand and supply, crude oil tanker demand, and the impact of the new IMO convention on ballast water treatment; tanker fleet utilization and spot tanker rates, particularly in the upcoming winter months, including the impact on the Company's cash flows and balance sheet; the effect of changes in oil prices and refinery throughput; the timing and impact of the Company's lightering contracts; and vessel sales, including the impact on the Company's financial leverage. 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: a delay in, or failure to complete, the sale of the Hugli Spirit, Ganges Spirit and Yamuna Spirit; changes in the production of, or demand for, oil or refined products; changes in trading patterns significantly affecting overall vessel tonnage requirements; greater or less than anticipated levels of tanker newbuilding orders and deliveries and greater or less than anticipated rates of tanker scrapping; changes in global oil prices; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; increased costs; 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, 2015. 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 Highlights

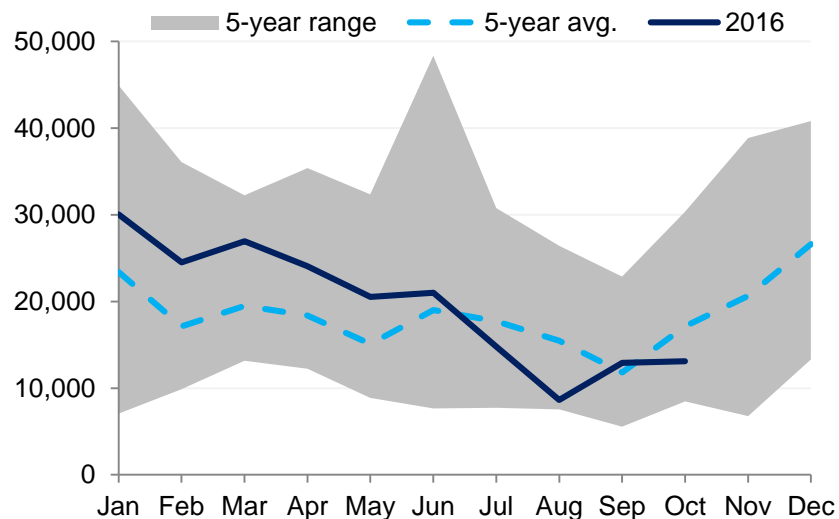
- Q3-16 Financial Results
  - Generated adjusted net loss<sup>(1)</sup> of \$1.5 million, or \$0.01 per share, and free cash flow<sup>(1)</sup> of \$26.6 million
- Dividend of \$0.03 per share for Q3-16, consistent with dividend policy
- Agreed to sell final MR product tanker and two Suezmax tankers for aggregate proceeds of approximately \$47.0 million
- Secured two key ship-to-ship lightering contracts with oil majors providing cargo volumes for up to three Aframax vessel-equivalents per year
  - Total cargo volumes for ship-to-ship lightering up to five Aframax vessel-equivalents per year

(1) These are non-GAAP financial measures. Please refer to "Definitions and Non-GAAP Financial Measures" and the Appendices of the earnings release for definitions of these terms and reconciliations of these non-GAAP financial measures as used in the earnings release to the most directly comparable financial measures under United States generally accepted accounting principals (or GAAP).

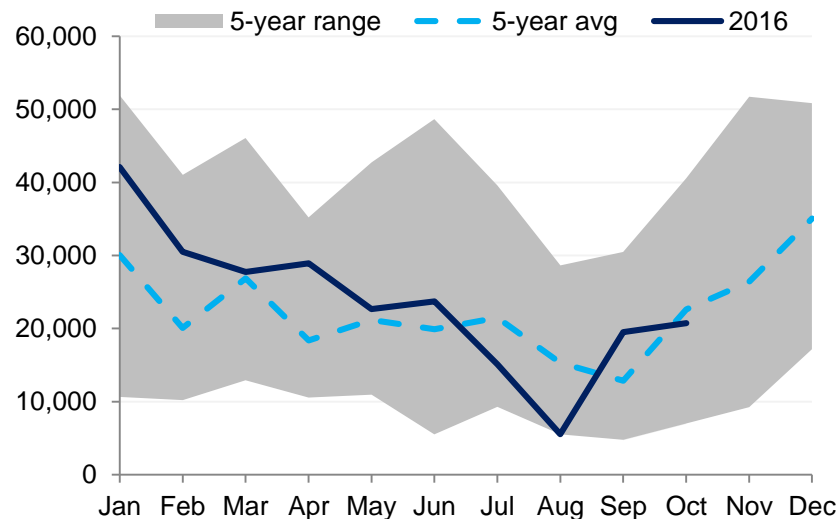


# Rates Rebounding From Q3 Lows

## 2016 Aframax Rates

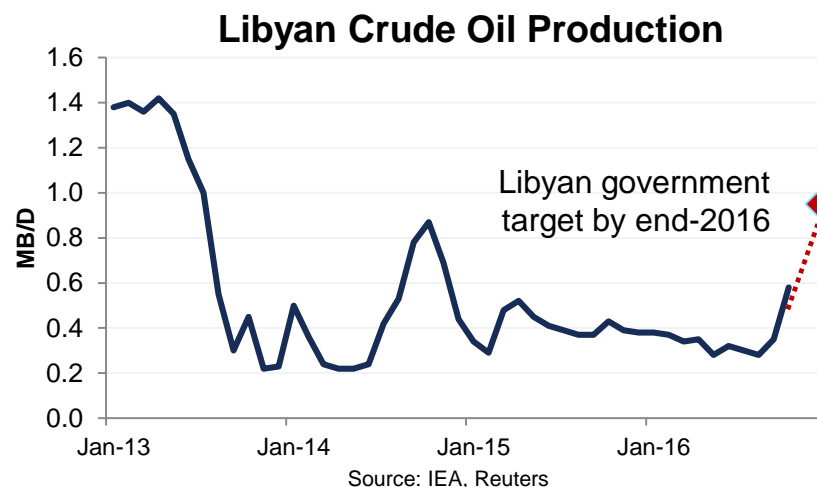
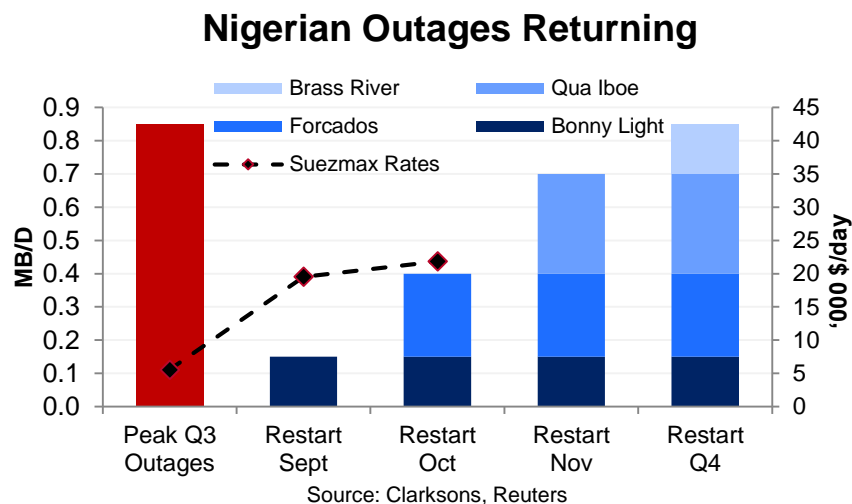


## 2016 Suezmax Rates



- Spot rates at a 3-year low in Q3-16 due to normal seasonality, compounded by:
  - Atlantic basin supply outages – 0.8 mb/d of Nigerian supply offline
  - Reduced long haul barrels – more Middle East crude moving to Asia vs. Atlantic barrels
  - Lower refinery throughput – due to high crude and product inventories
- Rates have improved in early Q4-16 and look set to increase further:
  - Stronger oil demand and increased vessel delays during the winter months
  - Recovery in Atlantic / Mediterranean oil production set to boost mid-size tanker demand

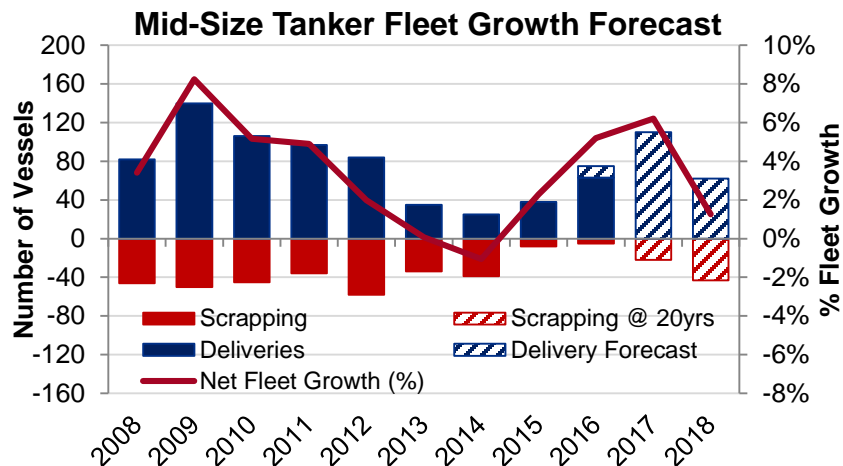
# Returning Atlantic Supply Supports Mid-Size Rates



- Nigerian production is recovering following pipeline attacks in 1H-2016
  - Majority of the 0.8 mb/d in outages are expected to return by year-end
- Libya plans to increase crude exports from 250 kb/d to 950 kb/d by year-end
  - First tanker since 2014 loaded crude from Ras Lanuf in Sept-16
- Kashagan field has started production, ramping up to 370 kb/d by end-2017
  - Exports via Novorossiysk (Black Sea) and Ust-Luga (Baltic)

# Headwinds in 2017...

...But fundamentals point towards a more positive market in 2018

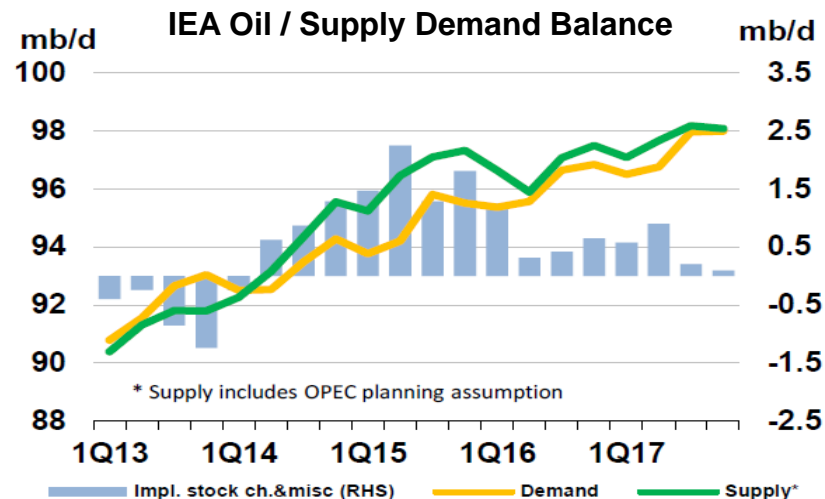


- Above average mid-size tanker fleet growth in 2017, but moderating to below average levels again in 2018

- Low NB orders and increased scrapping leads to lower fleet growth in 2018
- New environmental regulations may lead to higher scrapping than forecast

- Diversity of supply sources is returning

- ~1 mb/d of new Atlantic / MED supply expected to come online in 2017
- New Atlantic supply could offset the impact of potential Middle East OPEC supply cuts, which would be positive for tanker ton-mile demand and mid-size demand in particular

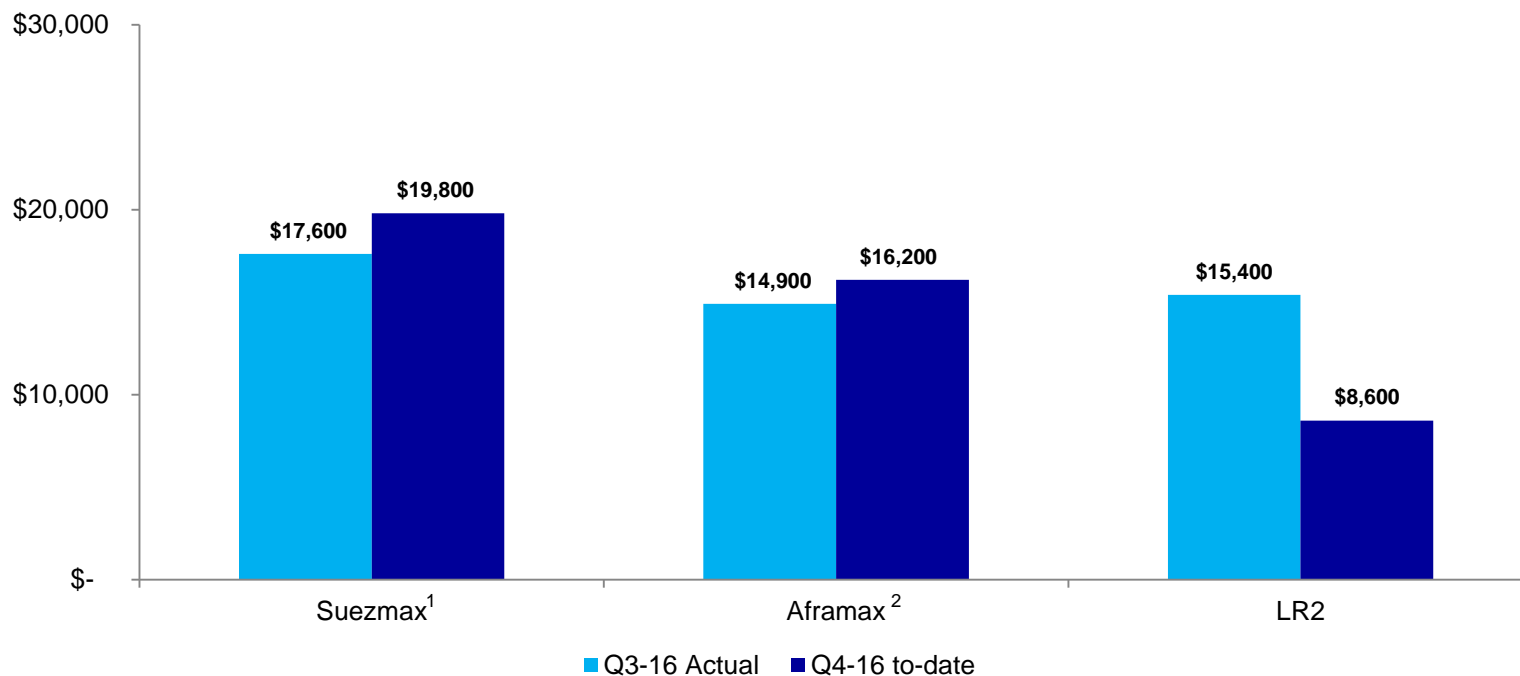


- Global oil demand growth of 1.2 mb/d expected in 2017

- Same growth as 2016
- In line with the long-term average



# Q4-16 Spot Earnings Update



	Suezmax	Aframax	LR2
Q4-16 spot ship days available	1,646	1,194	466
Q4-16 % booked to-date	47%	32%	35%



(1) Combined average spot TCE rate including Suezmax RSA pool and non-pool spot voyage charters  
 (2) Combined average spot TCE rate including Aframax RSA pools, non-pool spot voyage charters, full service lightering contracts and profit/ loss from in chartering against FSL contracts

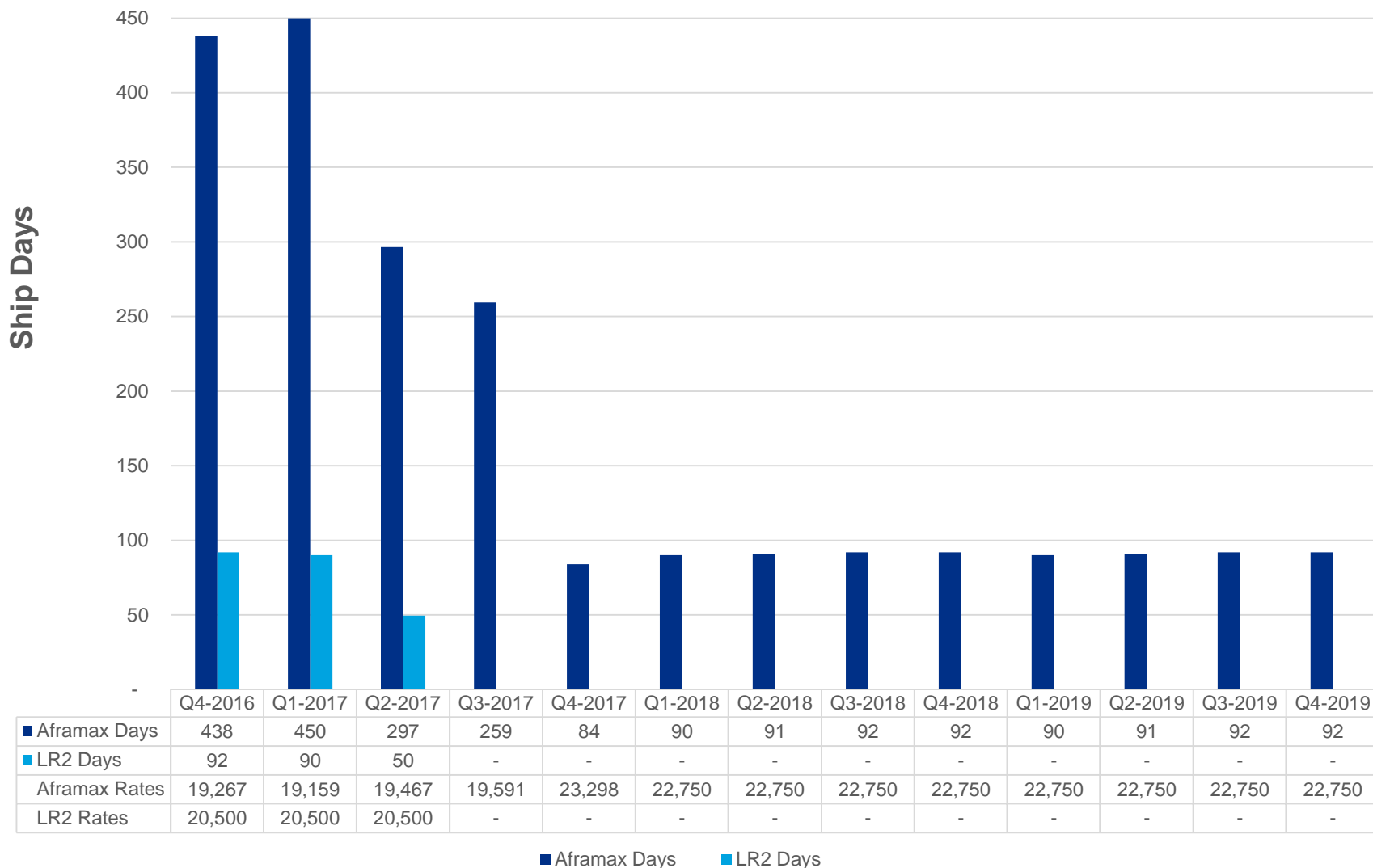


# APPENDIX

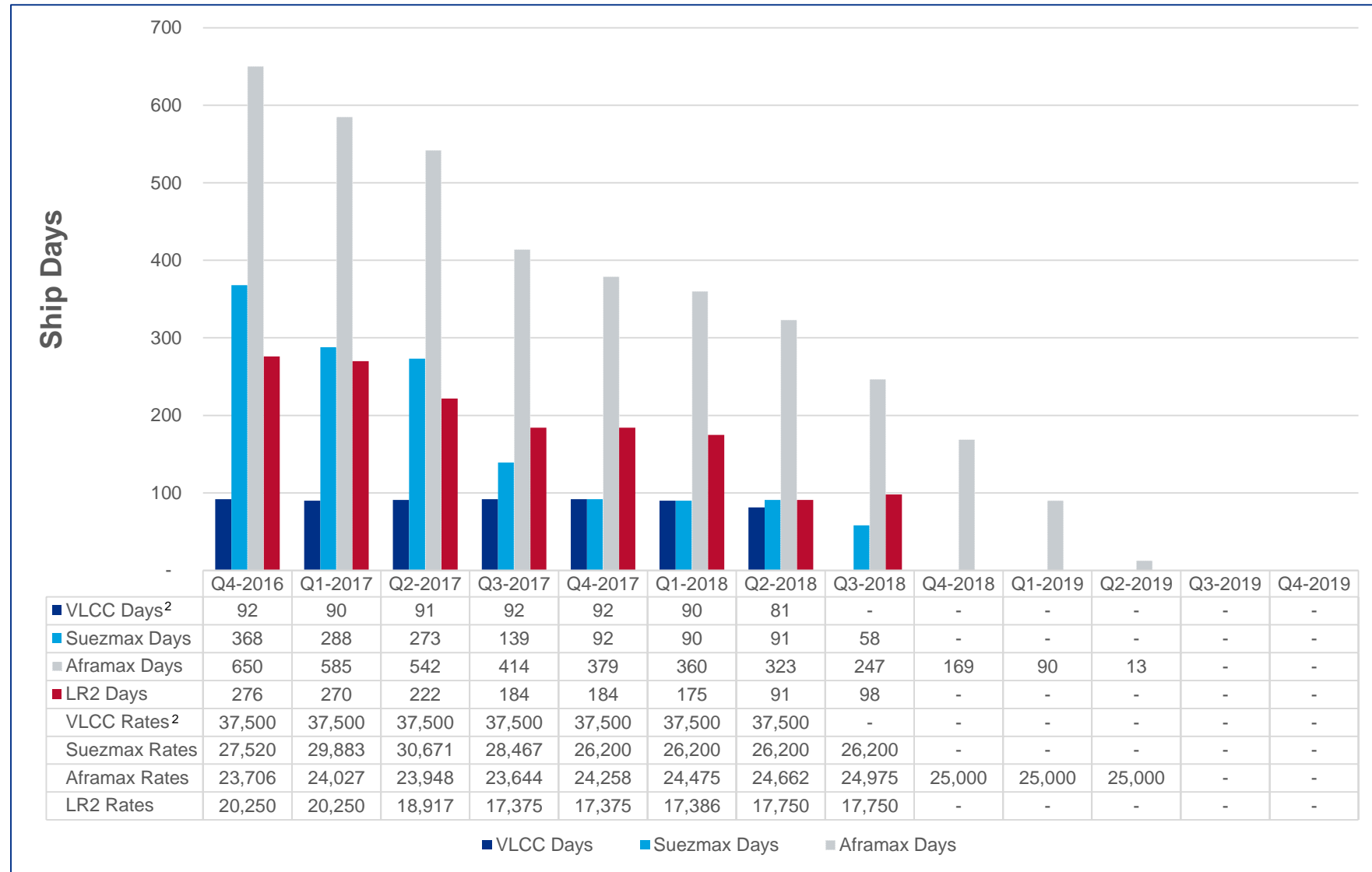




# Fleet Employment – In Charters



# Fleet Employment – Out Charters<sup>1</sup>



(1) Excludes expected drydock/ offhire days noted on slide 13  
 (2) The Company's ownership interest in this vessel is 50%. 50/50 profit share if earnings are above \$40,500 per day

# Q4-16 Outlook

Income Statement Item	Q4-16 Outlook (expected changes from Q3-16)
Revenues <sup>(1)</sup>	Refer to Slide 7 for Q4-16 to-date spot tanker rates.
Vessel operating expenses	Expected to be consistent with Q3-16.
Time charter hire expense	Approximately \$1.0 million decrease from the redeliveries of various in-chartered vessels during Q3-16.
Depreciation and amortization	Expected to be consistent with Q3-16.
General and administrative expenses	Expected to be consistent with Q3-16.
Net interest expense and realized loss on derivative instruments <sup>(1)</sup>	Expected to be consistent with Q3-16.
Equity income <sup>(1)</sup>	Expected to be consistent with Q3-16.
Other expense <sup>(1)</sup>	Approximately \$1.0 million increase due to expected changes to freight tax accruals.



(1) Changes described are after adjusting Q3-16 for items included in Appendix A of Teekay Tankers Q3-16 Earnings Release and realized gains and losses on derivatives (see slide 12 to this presentation for the Consolidated Adjusted Line Items for Q3-16).



# Consolidated Adjusted Line Items

Income Statement Item	As Reported	Appendix A Items <sup>(1)</sup>	Reclassification for Realized Gain/ Loss on Derivatives	As Adjusted
Revenues	104,621	-	1,096	105,717
Asset Impairment	(7,766)	7,766	-	-
Loss on sale of vessel	(137)	137	-	-
Interest expense	(6,809)	-	(1,277)	(8,086)
Realized and unrealized gain on derivative instruments	3,629	(3,810)	181	-
Equity Income	1,045	(146)	-	899
Other	453	35	-	488



(1) Please refer to Appendix A in Teekay Tankers Q3-16 Earnings Release for a description of Appendix A items.

# Drydock & Offhire Schedule

Teekay Tankers	March 31, 2016 (A)		June 30, 2016 (A)		September 30, 2016 (A)		December 31, 2016 (E)		Total 2016		Total 2017	
	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days
Spot Tanker	-	50	1	34	1	10	1	10	3	104	10	251
Fixed-Rate Tanker	1	95	-	95	-	-	1	13	2	203	-	-
	1	145	1	129	1	10	2	23	5	307	10	251

Note:

(1) In the case that a vessel drydock & offhire straddles between quarters, the drydock & offhire has been allocated to the quarter in which majority of drydock days occur.

(2) Only owned vessels are accounted for in this schedule.



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