



TEEKAY



TEEKAY TANKERS Q4-2017 EARNINGS PRESENTATION

February 22, 2018

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: the impact of the Company's debt refinancing on its future debt maturity profile and interest expense; and crude oil and refined product tanker market fundamentals, including the balance of supply and demand in the tanker market, and the occurrence and expected timing of a tanker market recovery, the estimated slowdown of growth in the world tanker fleet, the amount of tanker scrapping and newbuild tanker deliveries, estimated growth in global oil demand and supply, tanker fleet utilization, crude oil tanker demand, future tanker rates and future OPEC oil supply; and minimum quarterly dividend payments by the Company under its dividend policy. 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 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; changes by the Teekay Tankers' board of directors to the Company's dividend policy; 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, 2016. 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

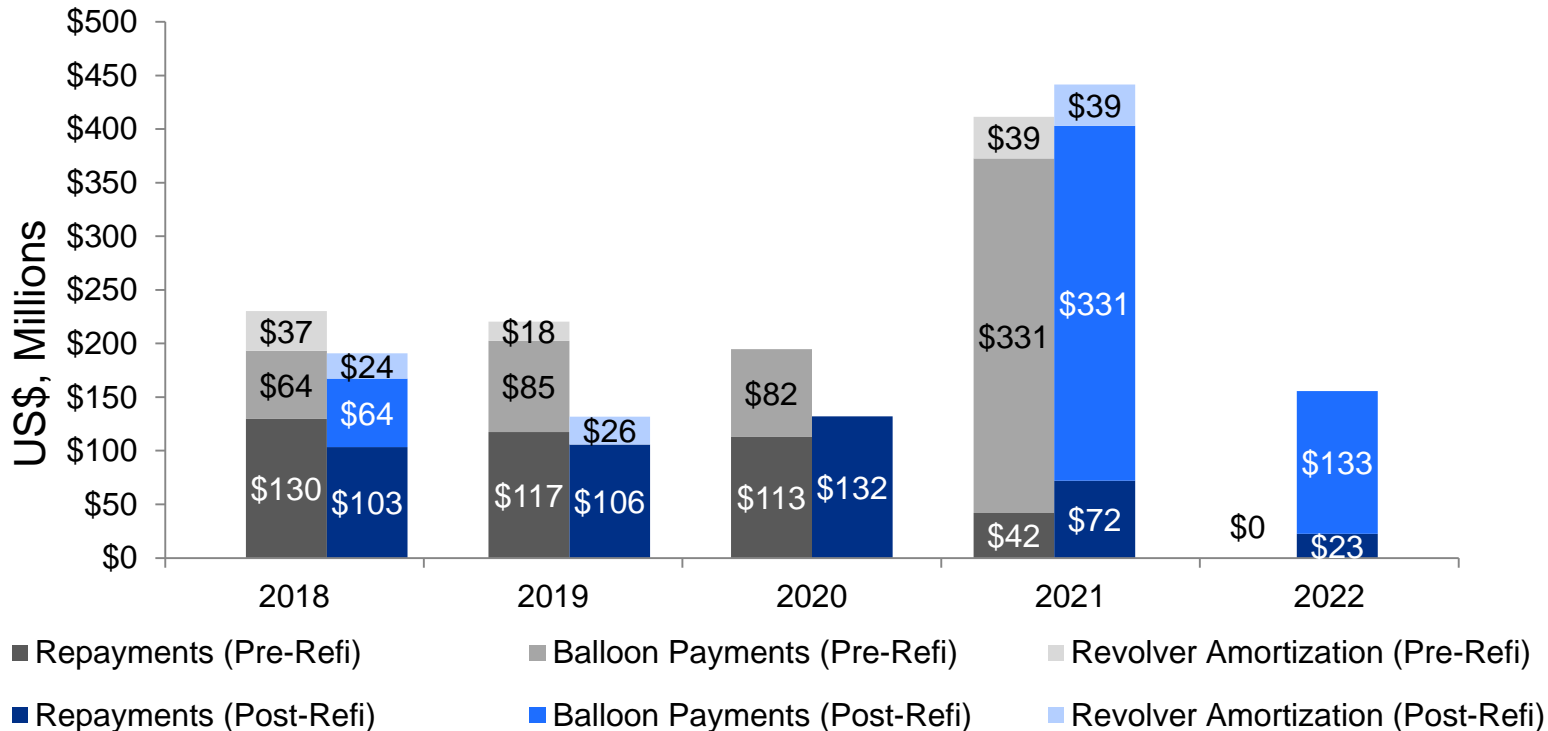
- Q4-17 Financial Results
 - Recorded adjusted net loss⁽¹⁾ of \$5.9 million, or \$0.03 per share, and generated total cash flow from vessel operations⁽¹⁾ of \$32.1 million
- Declared dividend of \$0.03 per share for Q4-17
- Completed strategic merger with Tanker Investments Ltd. (*TIL*), increasing fleet by 18 vessels
- Completed a new five-year \$270 million debt refinancing related to 14 former-TIL vessels
- Tanker rates at cyclical low point, but set for recovery in late-2018



(1) These are non-GAAP financial measures. Please refer to "Definitions and Non-GAAP Financial Measures" and the Appendices of the Q4-17 earnings release for definitions of these terms and reconciliations of these non-GAAP financial measures as used in the earnings presentation to the most directly comparable financial measures under United States generally accepted accounting principals (GAAP).



Proactively Taking Steps to Further Strengthen Our Balance Sheet

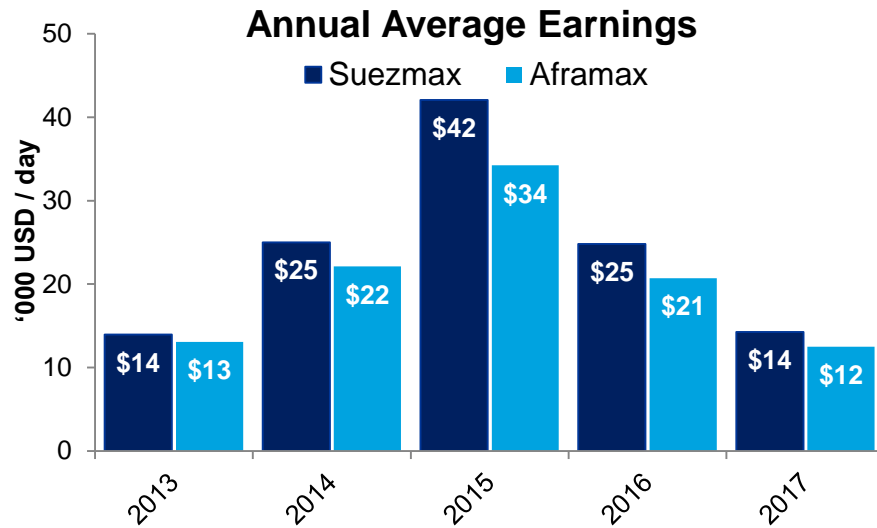


- December 2017 - completed a new five-year, \$270 million loan refinancing for 14 former-TIL vessels
- Finalizing term sheet for refinancing the \$64 million balloon payment due in August 2018
- Liquidity of \$162 million as of December 31, 2017
- Options to further strengthen balance sheet and liquidity position

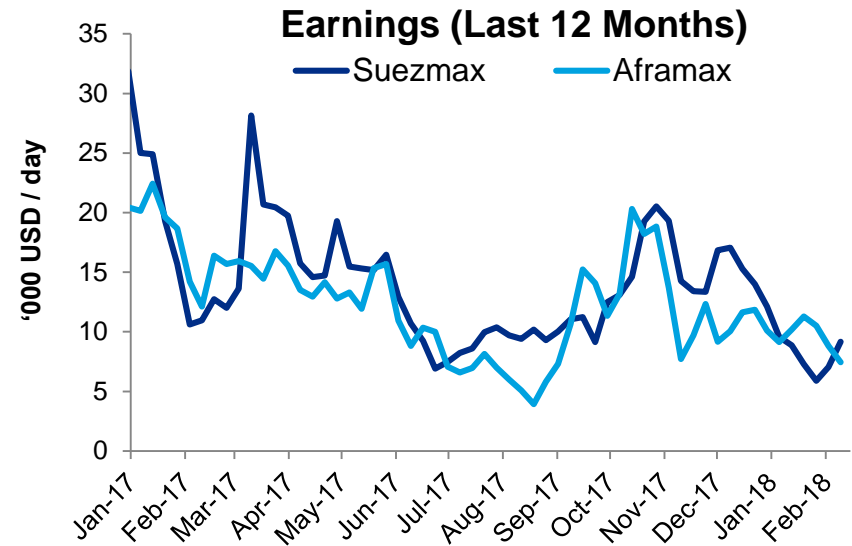


Tanker Rates At A Cyclical Low Point

OPEC production cuts and high fleet growth weighing on rates



Source: Clarksons



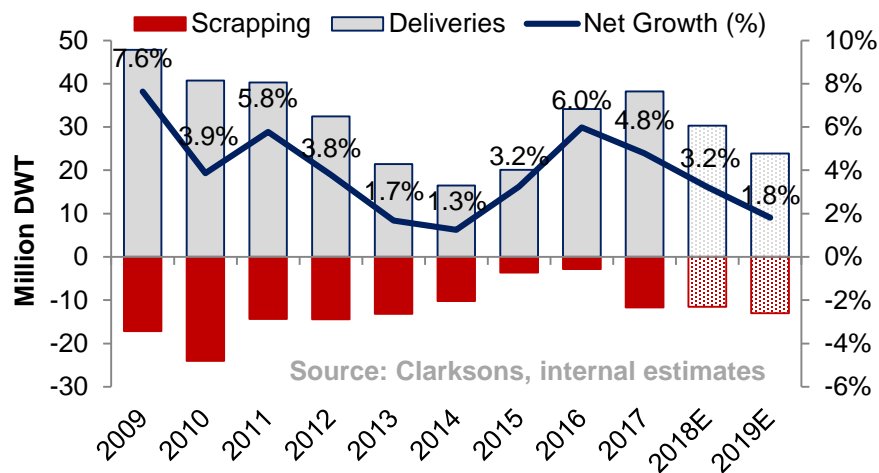
Source: Clarksons

- High fleet growth and OPEC supply cuts impacted rates during 2017
 - Tanker fleet growth of 4.8% in 2017 (following fleet growth of 6.0% in 2016)
 - OPEC achieved 95% compliance with 1.2 mb/d supply cuts implemented Jan'17
- Lower OPEC production, supply outages, and a lack of weather delays prevented the normal run up in rates during the winter months

Fundamentals Signal a Late-2018 Recovery

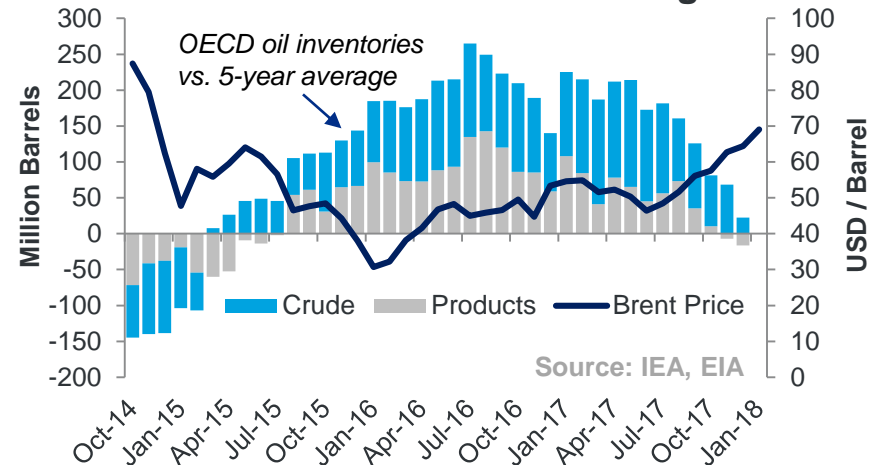
Lower fleet growth, oil market rebalancing the catalyst for a recovery

Tanker Fleet Growth Set to Fall



- Tanker fleet growth set to fall in 2018 / 19 on lower deliveries and higher scrapping
- 11.5 mdwt scrapped in 2017 (highest since 2012) and already 2.4 mdwt in 2018 ytd
- High scrap prices and low freight environment should encourage further scrapping
- Shipyards are largely full for 2019 delivery

Oil Markets Are Rebalancing

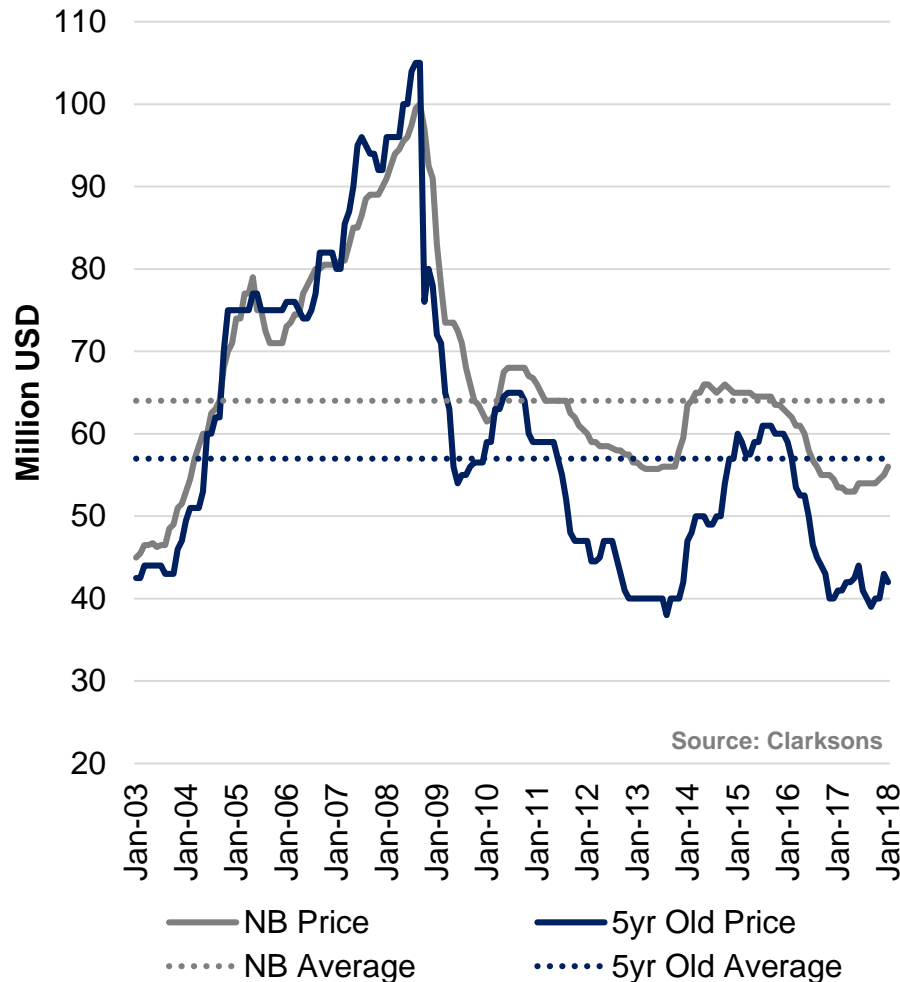


- Global oil demand growth +1.5 mb/d in 2018
- Oil inventories rapidly falling back towards 5-year average levels (OPEC's stated goal)
- OPEC may look to exit supply agreement in 2H-2018 as oil market returns to balance
- US crude production above 10 mb/d for first time since 1970, exports set to rise

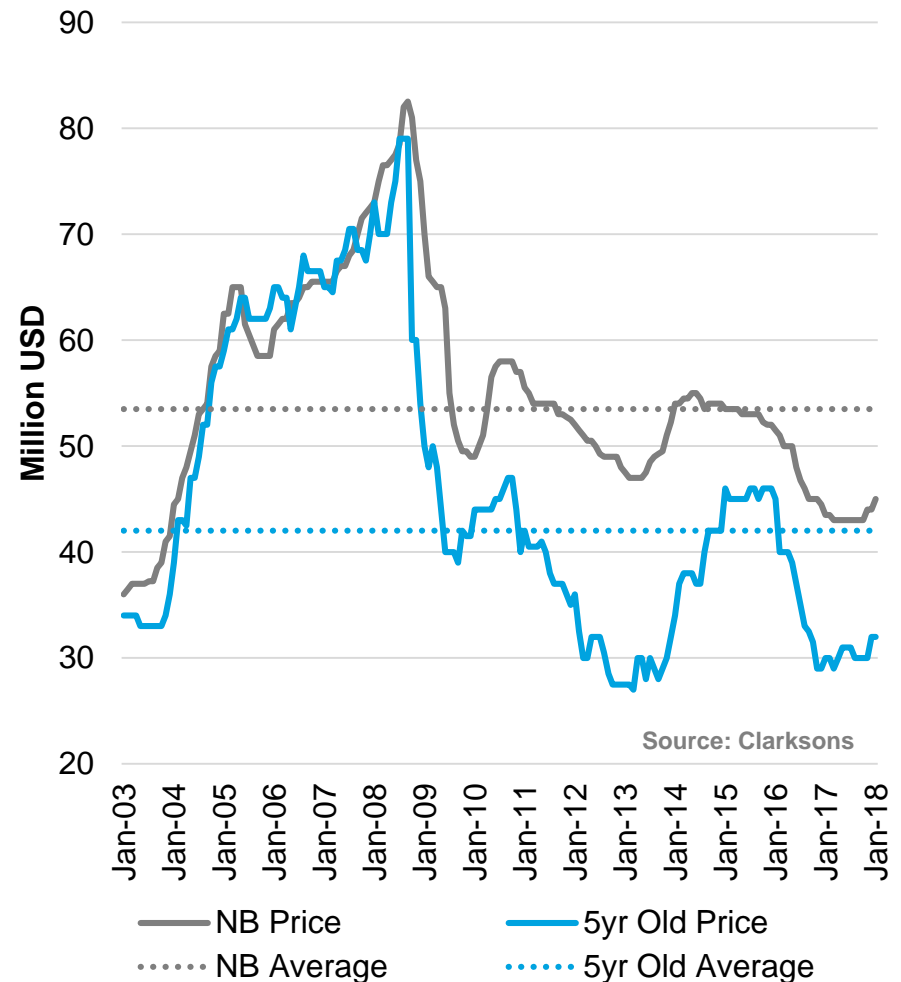
Asset Prices Have Found a Floor

A signal that we are at the bottom of the current market cycle

Suezmax Asset Prices

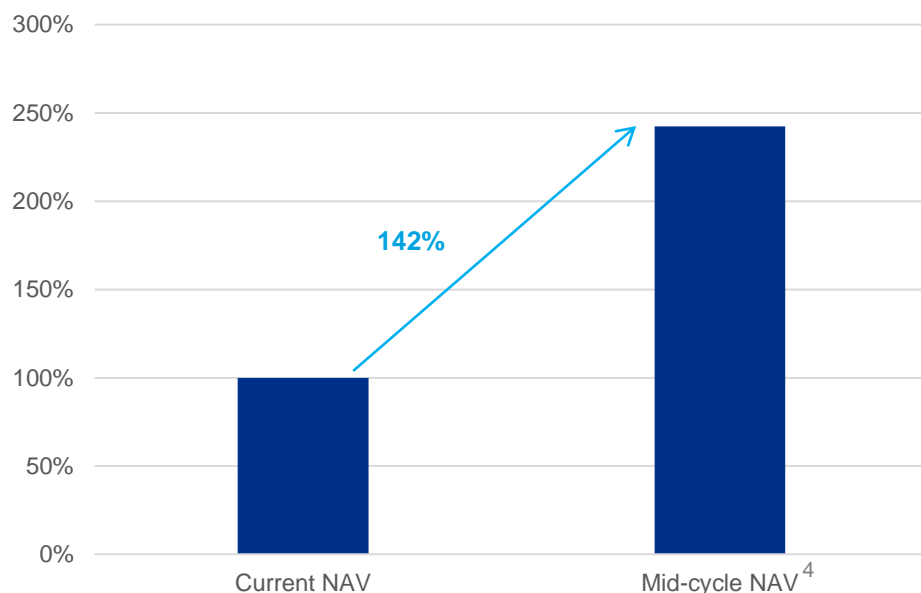


Aframax Asset Prices

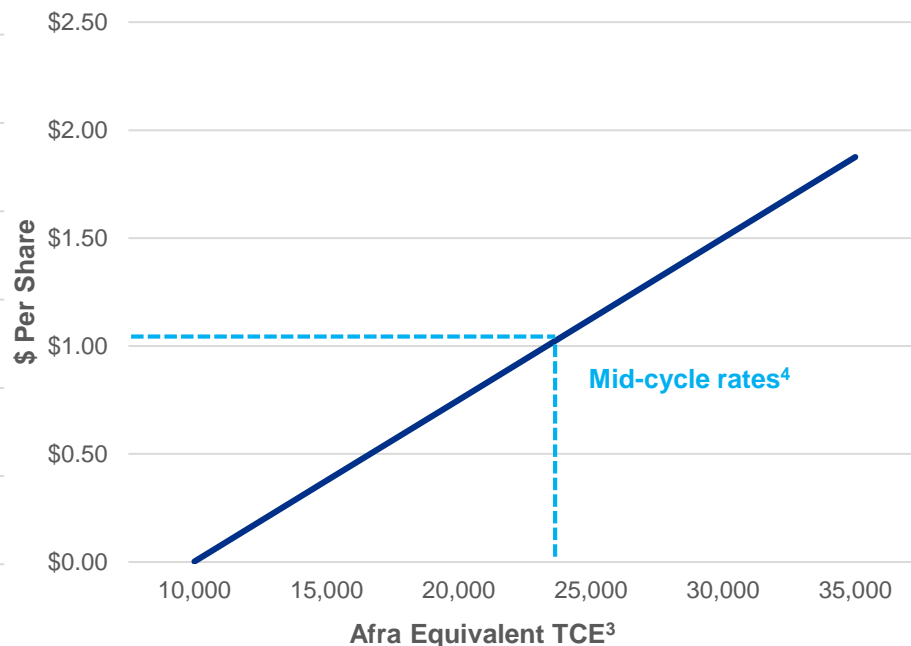


Current Stock Price Offers Significant Leverage to a Market Recovery

Indexed Net Asset Value Per Share



FCF Per Share Spot Rate Sensitivity²

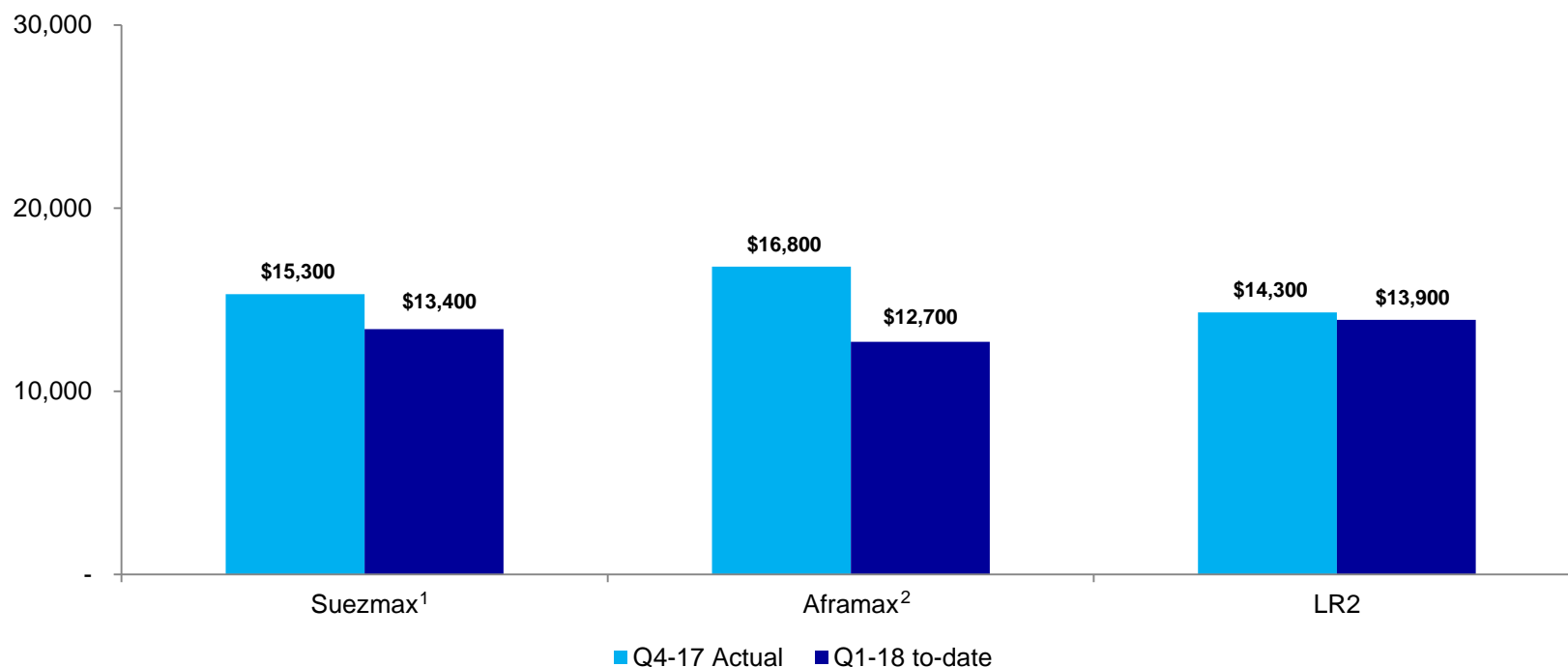


- Asset values currently ~35% below mid-cycle values
 - Increase in vessel values to mid-cycle equates to increase of 142% in NAV
- \$5,000 per day increase in spot tanker rates equates to \$0.32 in FCF per share
- Current share price offers major upside during market recovery



(1) Free cash flow represents net income, plus depreciation and amortization, unrealized losses from derivatives, non-cash items, FCF from equity accounted investments and any write-offs or other non-recurring items, less unrealized gains from derivatives and other non-cash items. Please refer to the Teekay Tankers Earnings Releases for reconciliation to most directly comparable GAAP financial measure.
 (2) For 12 months ending Q4-18
 (3) Aframax equivalent TCE: Suezmax = 1.30x, LR2 = 1.00x
 (4) Mid-cycle NAV based on 15-year median FMVs. Mid-cycle spot rates based on 90% Clarksons global average 15-year median.

Q1-18 Spot Earnings Update



	Suezmax	Aframax	LR2
Q1-18 spot ship days available	2,380	1,113	545
Q1-18 % booked to-date	63%	60%	50%



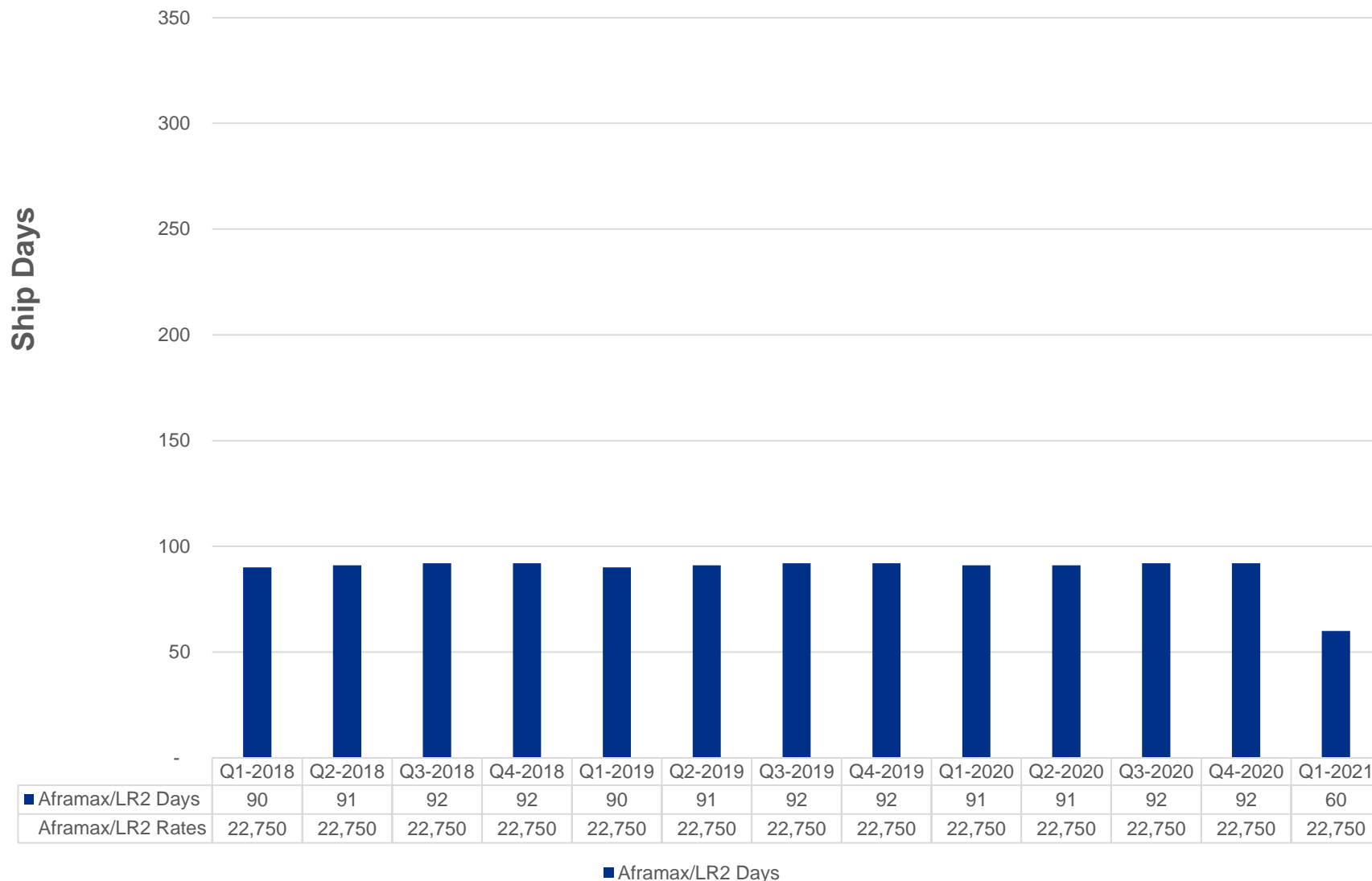
(1) Combined average spot TCE rate including Suezmax RSA and non-pool voyage charters

(2) Combined average spot TCE rate including Aframax RSA, non-pool voyage charters and full service lightering (FSL) voyages.

APPENDIX

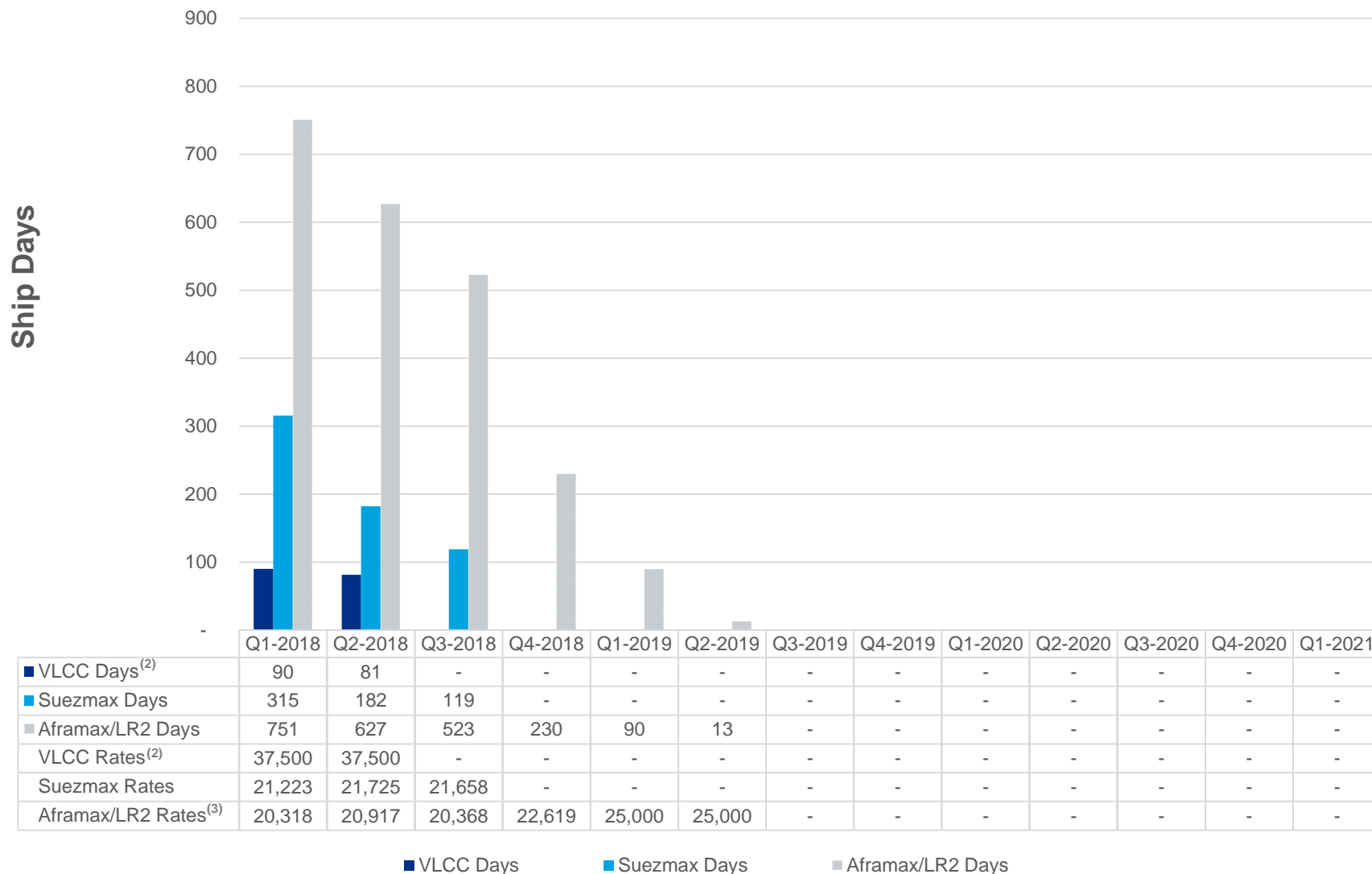


Fleet Employment – In-Charter¹



(1) Based on existing charter excluding extension options

Fleet Employment – Out-Chartering¹



(1) Based on existing charters excluding extension options and expected drydock/ offhire days noted on slide 15

(2) The Company's ownership interest in this vessel is 50%. 50/50 profit share if earnings are above \$40,500 per day

(3) Excludes full service lightering



Q1-18 Outlook

Income Statement Item	Q1-18 Outlook (expected changes from Q4-17)
Revenues	<p>Increase of approximately 990 net revenue days in TNK, mainly due to the additional revenue days from a full quarter of operations for the vessels acquired as part of TIL merger.</p> <p>Refer to Slide 9 for Q1-18 to-date spot tanker rates.</p>
Vessel operating expenses	Increase of approximately \$10.0 million primarily from a full quarter of operations for vessels acquired as part of the TIL merger, higher expenses resulting from a higher forecasted number of operations for support services and the timing and scope of repairs and maintenance, partially offset by the sale of an Aframax vessel that was completed in Q4-17.
Time charter hire expense	Increase of approximately \$1.0 million primarily from an in-chartered vessel to support FSL operations which was delivered in Q1-18 and more revenue days available resulting from the completion of a drydock for an in-chartered vessel in Q4-17, partially offset by the redelivery of two in-charters to their owners.
Depreciation and amortization	Increase of approximately \$2.5 million primarily from a full quarter of operations for vessels acquired as part of the TIL merger.
General and administrative expenses	Increase of approximately \$0.5 million primarily from a full quarter of operations for vessels acquired as part of the TIL merger and accelerated stock-based compensation that is recognized in Q1 of each year.
Interest expense	Increase of approximately \$1.5 million primarily from a full quarter of operations for vessels acquired as part of the TIL merger.
Other	Increase of approximately \$2.5 million primarily from the reversal of freight tax accruals in Q4-17 and higher forecasted activities related to freight taxes in Q1-18.



(1) Changes described are after adjusting Q4-17 for items included in Appendix A of Teekay Tankers Q4-17 Earnings Release and realized gains and losses on derivatives (see slide 14 to this earnings presentation for the Consolidated Adjusted Line Items for Q4-17).

Consolidated Adjusted Statement of Loss

Q4-17

(in thousands of U.S. dollars)

Statement Item	As Reported	Appendix A Items ⁽¹⁾	Reclassification for Realized Gain/Loss on Derivatives	As Adjusted
Revenues	105,229	-	(77)	105,152
Voyage expenses	(20,443)	-	-	(20,443)
Vessel operating expenses	(43,440)	-	-	(43,440)
Time-charter hire expense	(3,202)	-	-	(3,202)
Depreciation and amortization	(26,829)	-	-	(26,829)
General and administrative expenses	(8,004)	-	-	(8,004)
Loss on sales of vessels	(489)	489	-	-
Income from operations	2,822	489	(77)	3,234
Interest expense	(9,613)	(1,006)	(100)	(10,719)
Interest income	163	-	-	163
Realized and unrealized gain (loss) on derivative instruments	2,028	(2,205)	177	-
Equity income	1,804	(1,410)	-	394
Other	917	72	-	989
Net loss	(1,879)	(4,060)	-	(5,939)



(1) Please refer to Appendix A in Teekay Tankers Q4-17 Earnings Release for a description of Appendix A items.

Drydock & Offhire Schedule

Teekay Tankers	March 31, 2018 (E)		June 30, 2018 (E)		September 30, 2018 (E)		December 31, 2018 (E)		Total 2018	
	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
Segment										
Spot Tanker	1	39	1	30	2	60	4	120	8	249
Fixed-Rate Tanker	-	-	1	30	1	30	1	30	3	90
	1	39	2	60	3	90	5	150	11	339

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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