



TEEKAY

TEEKAY TANKERS Q2-2018 EARNINGS PRESENTATION

August 2, 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 completion of the Company's expected sale-leaseback financing transactions and working capital loan, and the effect of the transactions on the Company's liquidity and future debt maturity profile; future forward revenues; and crude oil and refined product tanker market fundamentals, including the balance of supply and demand in the tanker market, the occurrence and expected timing of a tanker market recovery, the estimated slowdown of growth in the mid-size tanker fleet, the amount of tanker scrapping and newbuild tanker deliveries, estimated growth in global oil demand and supply, future tanker rates, future OPEC oil supply, and estimated impact of IMO 2020 regulations on tanker demand. 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: failure to complete the sale-leaseback financing transactions and working capital loan and/or potential changes to the final terms of the transactions; the potential for early termination of charter contracts of existing vessels in the Company's fleet; the inability of charterers to make future charter payments; the inability of the Company to renew or replace charter contracts; 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 and the impact of such changes; 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, 2017. 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

- Q2-18 Financial Results
 - Generated total cash flow from vessel operations⁽¹⁾ of \$16.6 million and recorded adjusted net loss⁽¹⁾ of \$28.7 million, or \$0.11 per share
- Signed term sheets for new financings amounting to \$110 million in additional liquidity
 - Total pro-forma liquidity of approximately \$190 million as of June 30, 2018⁽²⁾
- Secured a one-year Suezmax time charter-out contract with key customer
 - Total fixed revenue of \$6.4 million over first 12 months

(1) These are non-GAAP financial measures. Please refer to "Definitions and Non-GAAP Financial Measures" and the Appendices of the Q2-18 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).

(2) Pro-forma for the three financings on slide 4 assuming they were completed as of June 30, 2018.



Financing Initiatives Amount to \$110 million in Additional Liquidity

- Signed term sheet for sale-leaseback transaction for 6 mid-sized tankers, which is in addition to the signed term sheet for the sale-lease-back transaction for seven mid-sized tankers previously announced⁽¹⁾
- Signed term sheet for a loan to finance working capital in the Company's RSA pool management operations ⁽¹⁾
- Target to complete these transactions is Q3-18
- Additional options available to further improve liquidity position

Total pro-forma liquidity of \$190M as of June 30, 2018⁽²⁾



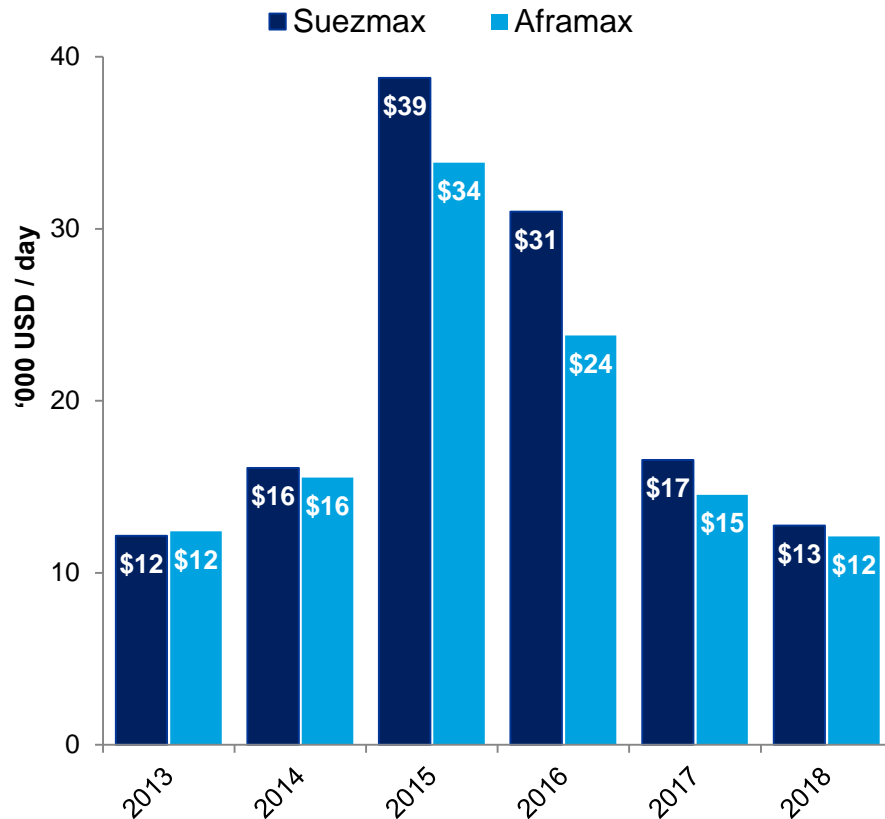
(1) These three financings remain subject to customary conditions precedent and the execution of definitive documentation.

(2) Pro-forma for the transactions above assuming they were completed as of June 30, 2018.

OPEC Cuts Continued to Impact Rates in Q2-18

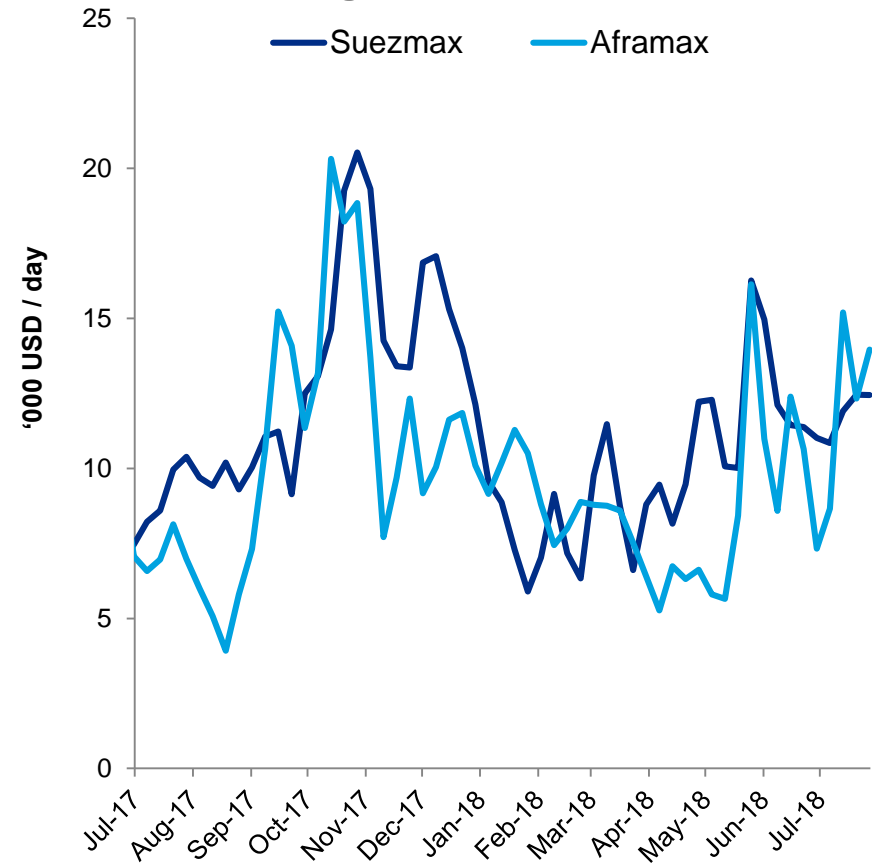
...but June / July has seen the return of some mid-size tanker rate volatility

Q2 Average Earnings



Source: Teekay Tankers

Earnings (Last 12 Months)



Source: Clarksons

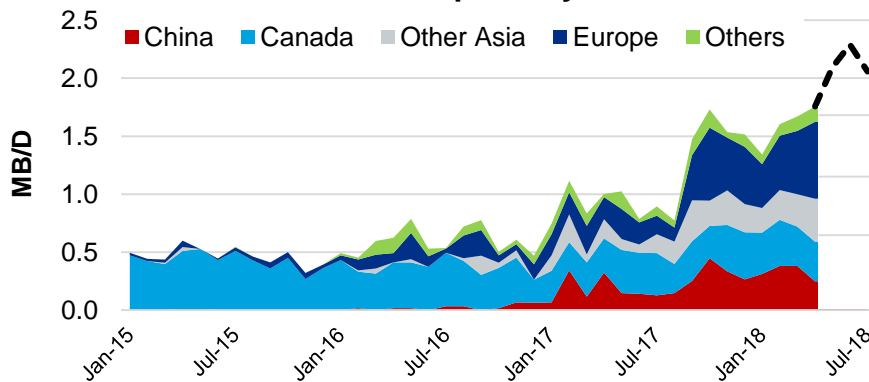
Tanker Market Fundamentals Improving

On track for an inflection point in the tanker market later in 2018

Tanker Demand

- Global oil demand remains robust (+1.6 mb/d in 2018 / +1.5 mb/d in 2019)
- Global oil inventories below 5-yr avg.
- OPEC increasing supply in response to lower oil inventories / higher oil prices
- US crude exports at record high
- IMO 2020 positive for tanker market

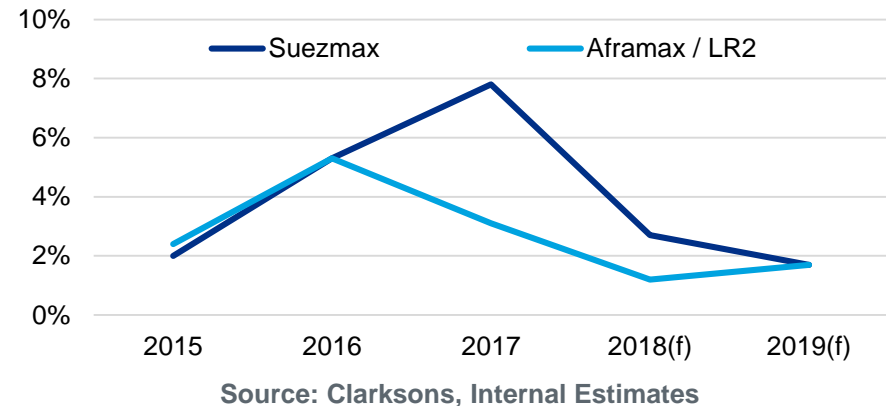
US Crude Oil Exports by Destination



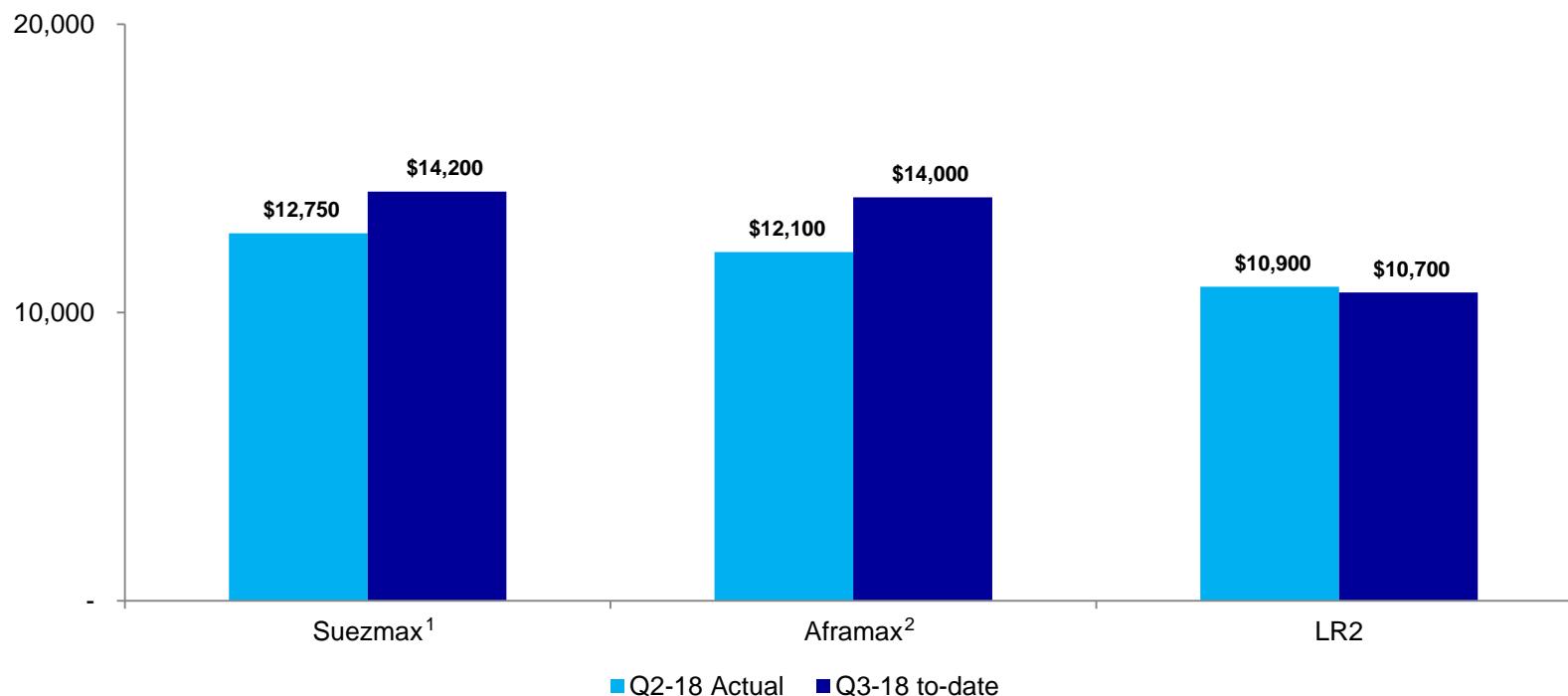
Tanker Supply

- 15 mdwt tankers scrapped in 2018 YTD; on track for a record scrapping year
- Just 19 mid-size tanker orders placed in 2018 YTD vs. 41 vessels scrapped
- Mid-size tanker fleet growth forecast approximately 2% p.a. in 2018 / 19

Mid-Size Fleet Growth



Q3-18 Spot Earnings Update



	Suezmax	Aframax	LR2
Q3-18 spot ship days available	2,382	1,432	638
Q3-18 % booked to-date	39%	37%	31%



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

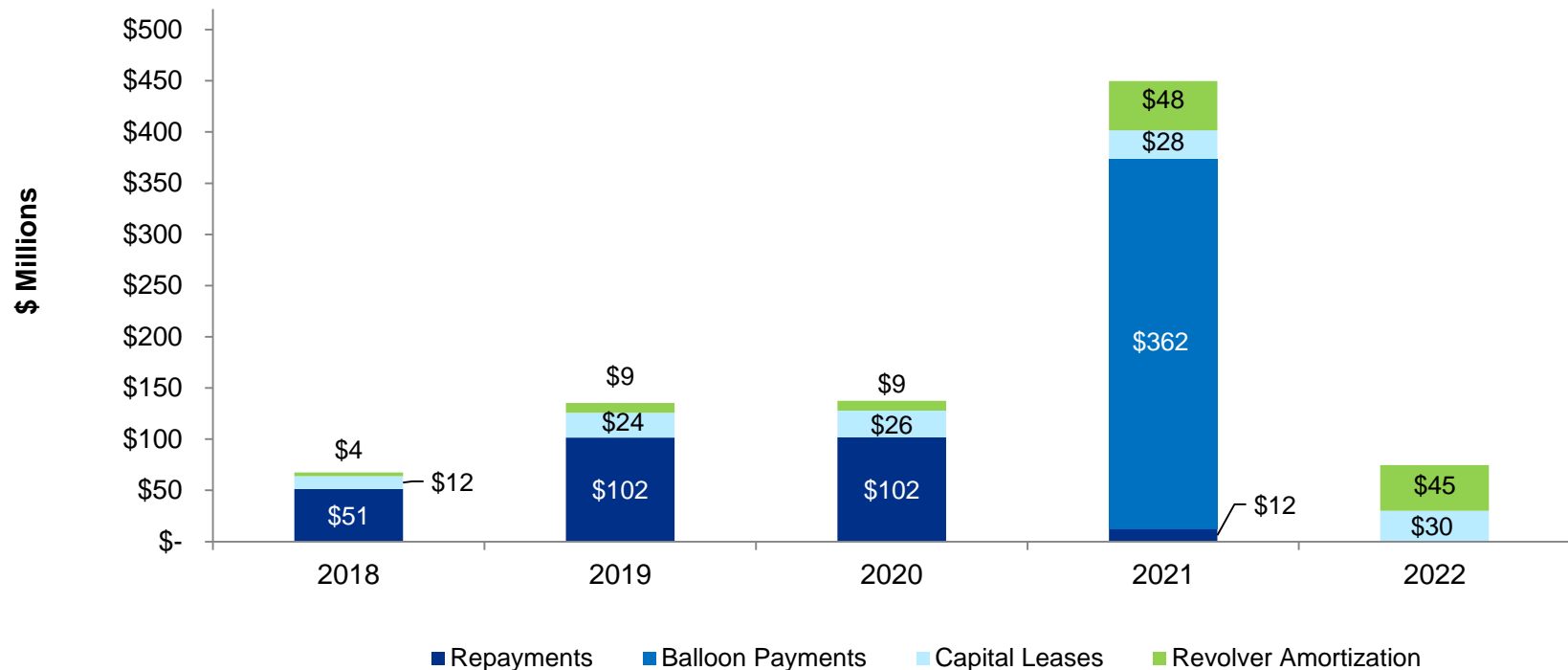
(2) Combined average spot TCE rate including Aframax RSA, non-pool voyage charters and full service lightering (FSL) voyages

APPENDIX



Improved Debt Maturity Profile

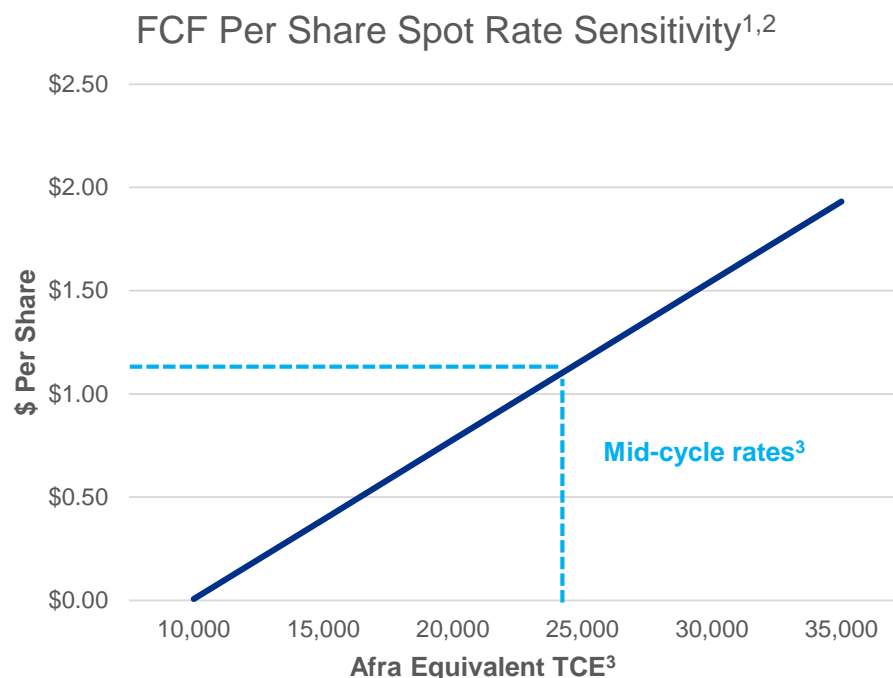
Pro-forma liquidity of \$190 million as of June 30, 2018



(1) Pro forma debt maturity profile as at June 30, 2018 for the proposed sale-leaseback transaction for 6 mid-sized tankers, and the previously announced proposed sale-leaseback transaction for 7 mid-sized tankers (discussed on slide 4 of this presentation).

Current Stock Price Offers Significant Leverage to a Market Recovery

- \$5,000 per day increase in spot tanker rates equates to \$0.32 in annual FCF per share
- Return to mid-cycle tanker rates equates to approximately \$1.10 in annual FCF per share
- Current share price offers significant upside during market recovery

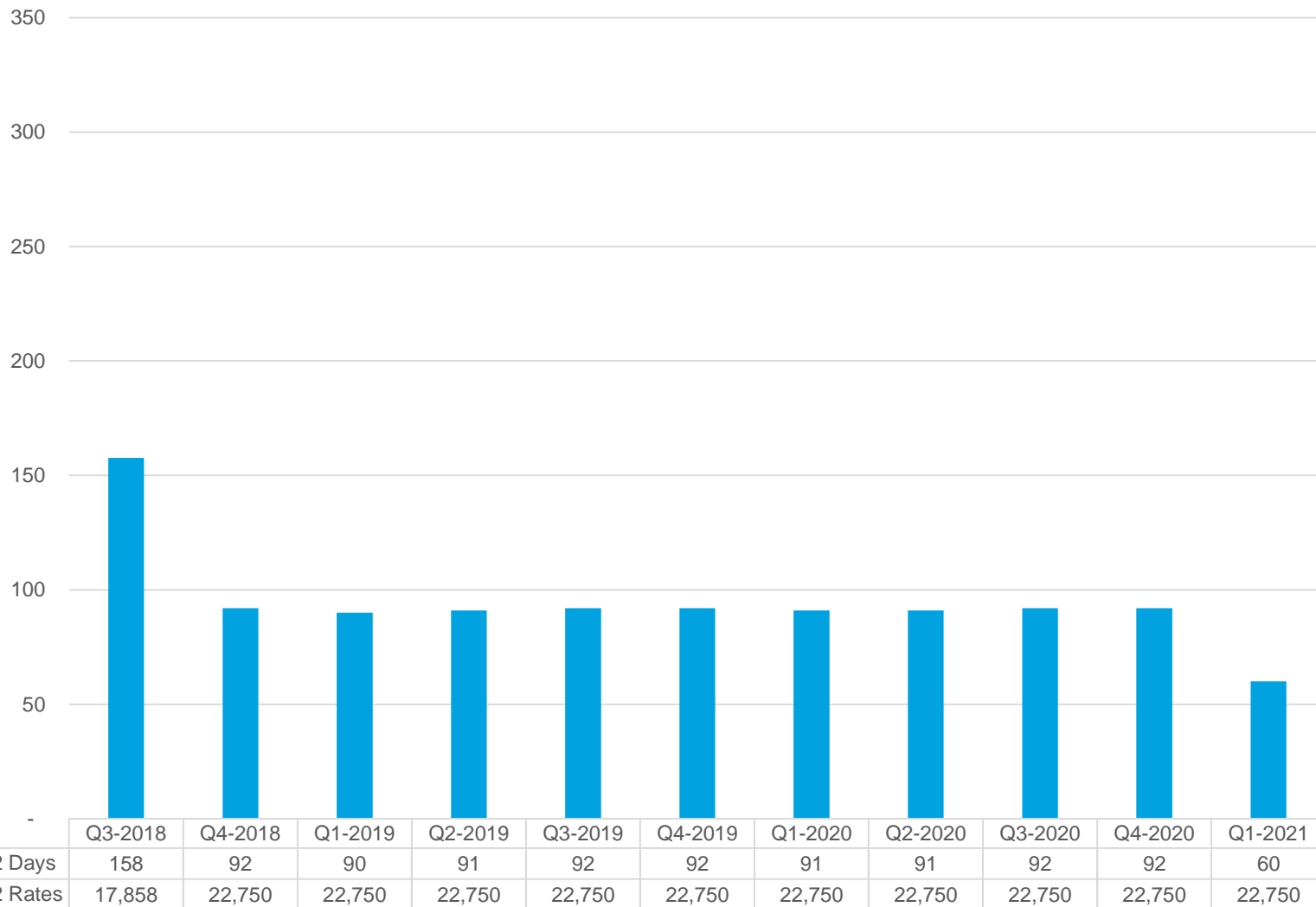


- (1) Free cash flow (FCF) represents net income, plus depreciation and amortization, unrealized losses from derivatives, non-cash items, FCF from equity accounted investments and any write-offs or other non-recurring items, less unrealized gains from derivatives and other non-cash items. Please refer to the Teekay Tankers Earnings Releases for reconciliation to most directly comparable GAAP financial measure.
- (2) For 12 months ending Q2-19
- (3) Mid-cycle spot rates based on 90% Clarksons global 15-year average.
- (4) Aframax equivalent TCE: Suezmax = 1.30x, LR2 = 1.00x



Fleet Employment – In-Charter¹

Ship Days

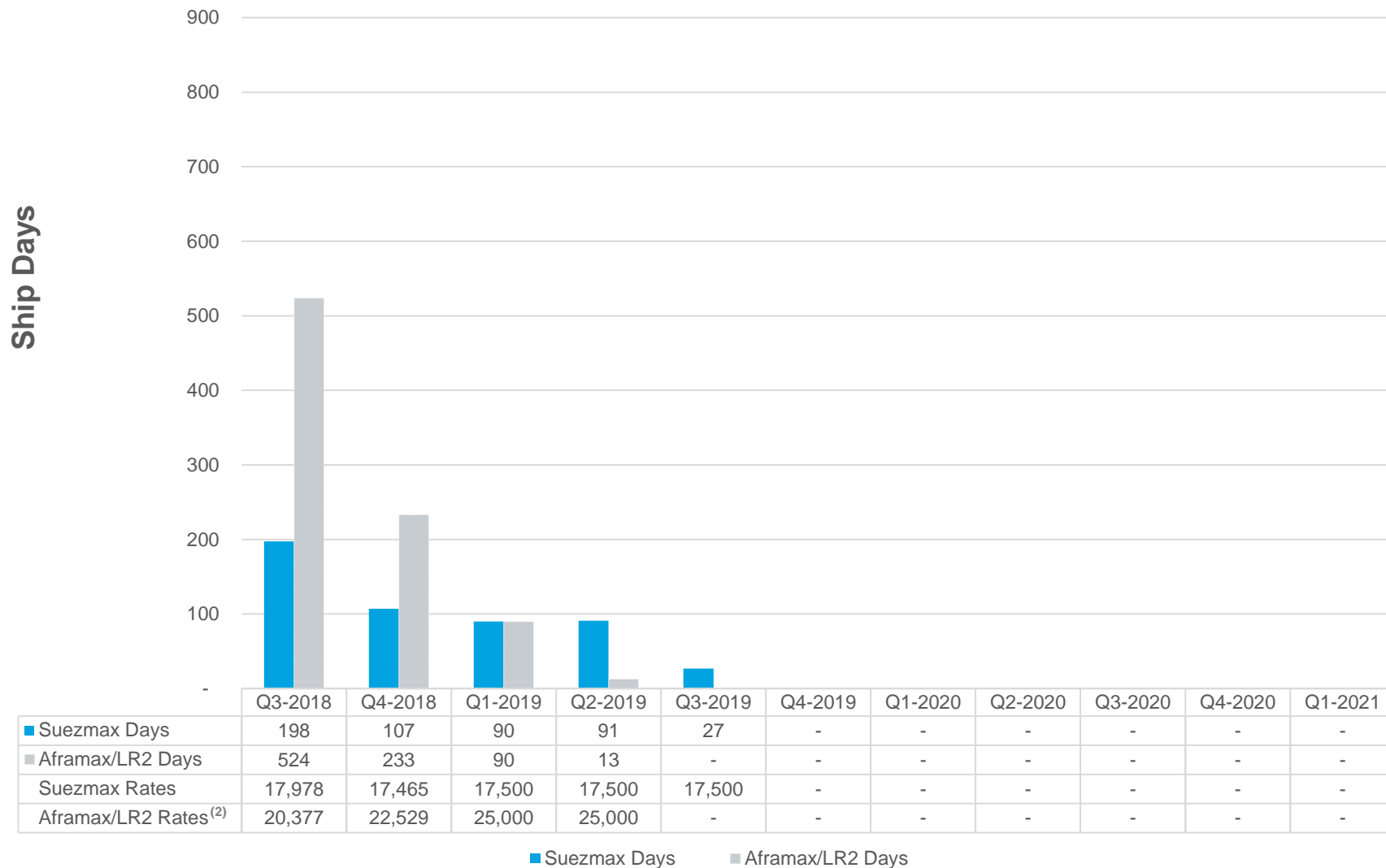


■ Aframax/LR2 Days



(1) Based on existing charters 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) Excludes full service lightering



Q3-18 Outlook

Income Statement Item	Q3-18 Outlook (expected changes from Q2-18)
Revenues	<p>Decrease of approximately 180 net revenue days, mainly due to drydockings for various vessels and redelivery of two in-chartered vessels to their owners in Q2-18 and Q3-18, partially offset by one additional calendar day in Q3-18 compared to Q2-18.</p> <p>Refer to Slide 7 for Q3-18 to-date spot tanker rates.</p>
Vessel operating expenses	Increase of approximately \$1.0 million primarily due to scope and timing of planned maintenance activities.
Time charter hire expense	Decrease of approximately of \$1.5 million primarily due to redelivery of two in-chartered vessels to their owners in Q2-18 and Q3-18.



(1) Changes described are after adjusting Q2-18 for items included in Appendix A of Teekay Tankers Q2-18 Earnings Release and realized gains and losses on derivatives (see slide 14 to this earnings presentation for the Consolidated Adjusted Line Items for Q2-18).

Consolidated Adjusted Statement of Loss

Q2-18

(in thousands of U.S. dollars)

Statement Item	As Reported	Appendix A Items ⁽¹⁾	Reclassification for Realized Gain/Loss on Derivatives	As Adjusted
Revenues	171,659	-	-	171,659
Voyage expenses	(86,933)	-	-	(86,933)
Vessel operating expenses	(52,652)	-	-	(52,652)
Time-charter hire expense	(5,697)	-	-	(5,697)
Depreciation and amortization	(29,573)	-	-	(29,573)
General and administrative expenses	(9,407)	-	-	(9,407)
Gain on sale of vessel	170	(170)	-	-
Restructuring charge	(982)	982	-	-
Loss from operations	(13,415)	812	-	(12,603)
Interest expense	(13,931)	-	656	(13,275)
Interest income	160	-	-	160
Realized and unrealized gain (loss) on derivative instruments	1,116	(460)	(656)	-
Equity loss	(70)	-	-	(70)
Other expense	(1,273)	(1,682)	-	(2,955)
Net loss	(27,413)	(1,330)	-	(28,743)



(1) Please refer to Appendix A in Teekay Tankers Q2-18 Earnings Release for a description of Appendix A items.

Drydock & Offhire Schedule

Segment	March 31, 2018 (A)		June 30, 2018 (A)		September 30, 2018 (E)		December 31, 2018 (E)		Total 2018 (E)	
	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	1	36	1	54	5	155	2	60	9	305
Other - Unplanned Offhire	-	46	-	24	-	52	-	50	-	172
Fixed-Rate Tanker	1	6	-	-	2	60	1	30	4	96
	2	88	1	78	7	267	3	140	13	573

Note:

- (1) Includes vessels scheduled for drydocking and an estimate of unscheduled offhire.
- (2) 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.
- (3) Only owned vessels are accounted for in this schedule and vessel count only reflects the vessels with more than four off-hire days.



The background features a dark blue field with several thick, light blue geometric lines. These lines form a series of nested, angular shapes that resemble stylized chevrons or a modern architectural pattern, creating a sense of depth and movement.

BRINGING ENERGY TO THE WORLD

