



TEEKAY



TEEKAY TANKERS Q3-2018 EARNINGS PRESENTATION

November 15, 2018

Forward Looking Statements

This release 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, among other things, statements regarding: the effect of financing transactions recently completed on the Company's liquidity and future debt maturity profile; expected contract commencement dates; crude oil and refined product tanker market fundamentals, including the balance of supply and demand in the oil and tanker markets, the occurrence and expected timing of a more sustained tanker market recovery, forecasts of worldwide tanker fleet growth, the amount of tanker scrapping and newbuild tanker deliveries, estimated growth in global oil demand and supply, future tanker rates, future OPEC oil supply, the impact of U.S. crude oil production and exports on mid-size tanker demand, and estimated impact of IMO 2020 regulations on tanker demand; and potential free cash flow upside from higher tanker rates. 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: 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 tanker rates; 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 Annual 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

- Q3-18 Financial Results
 - Total cash flow from vessel operations⁽¹⁾ of \$27.8 million and adjusted net loss⁽¹⁾ of \$18.0 million, or \$0.07 per share
- Crude spot tanker rates strengthened counter-seasonally in Q3-18 and have continued to increase in Q4-18 to-date
- Completed three previously-announced financings totalling approximately \$100 million in additional liquidity



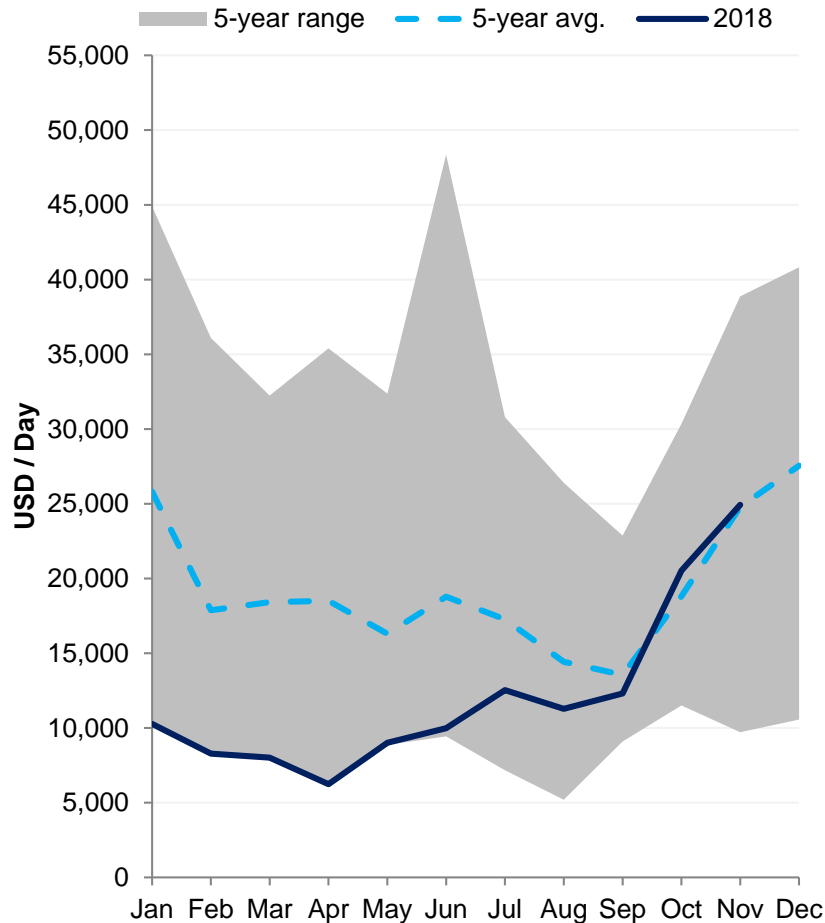
(1) These are non-GAAP financial measures. Please refer to "Definitions and Non-GAAP Financial Measures" and the Appendices of the Q3-18 earnings release for definitions of these terms and reconciliations of these non-GAAP financial measures as used in the earnings presentation to the most directly comparable financial measures under United States generally accepted accounting principals (GAAP).



Crude Tanker Market Recovery From Q3-2018

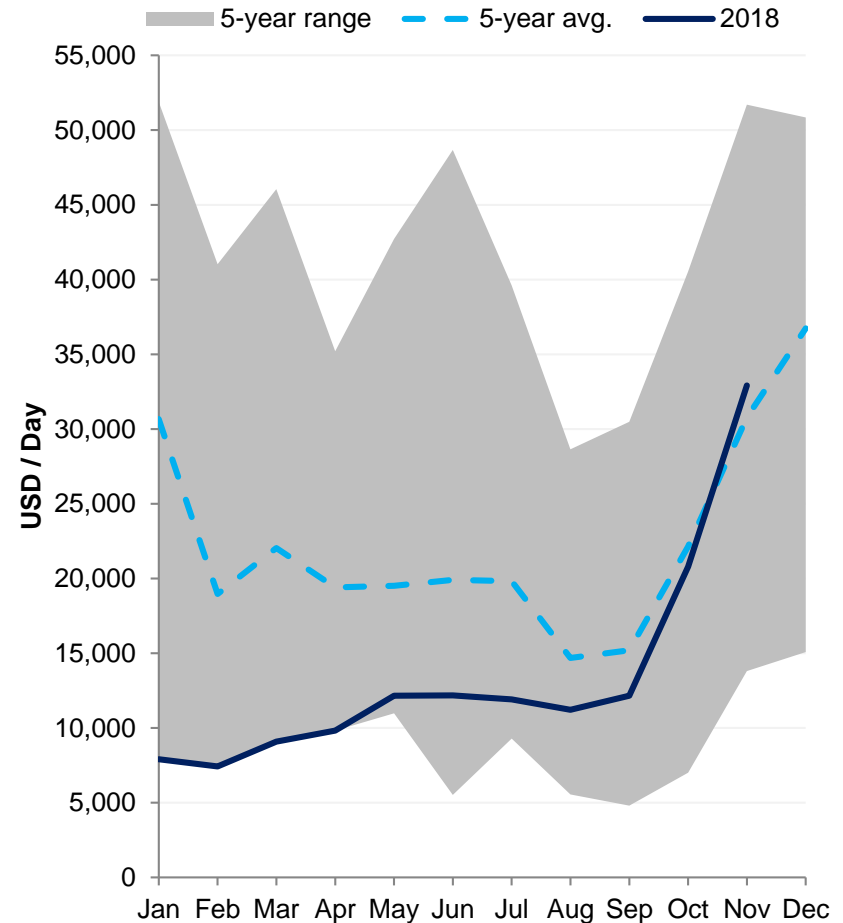
Tanker supply / demand balance has reached an inflection point

Aframax Rates



Source: 90% Clarksons Global Average

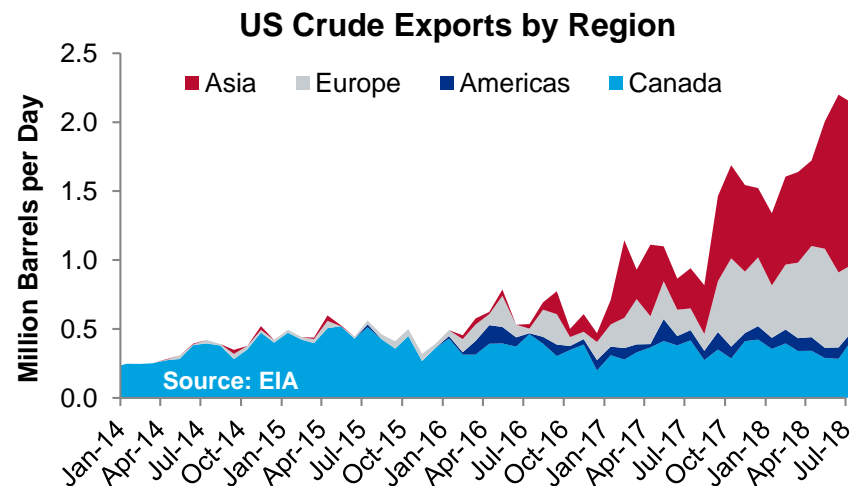
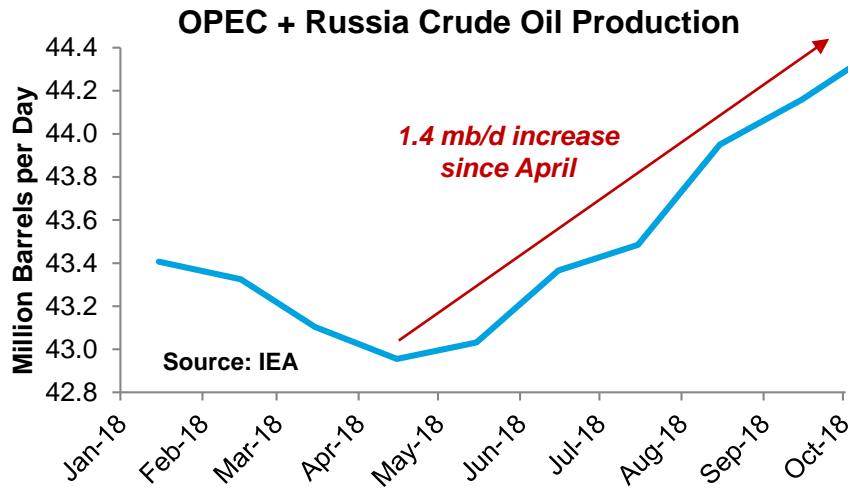
Suezmax Rates



Source: 90% Clarksons Global Average

Crude Oil Supply On The Rise

Both OPEC and non-OPEC contributing to cargo supply growth

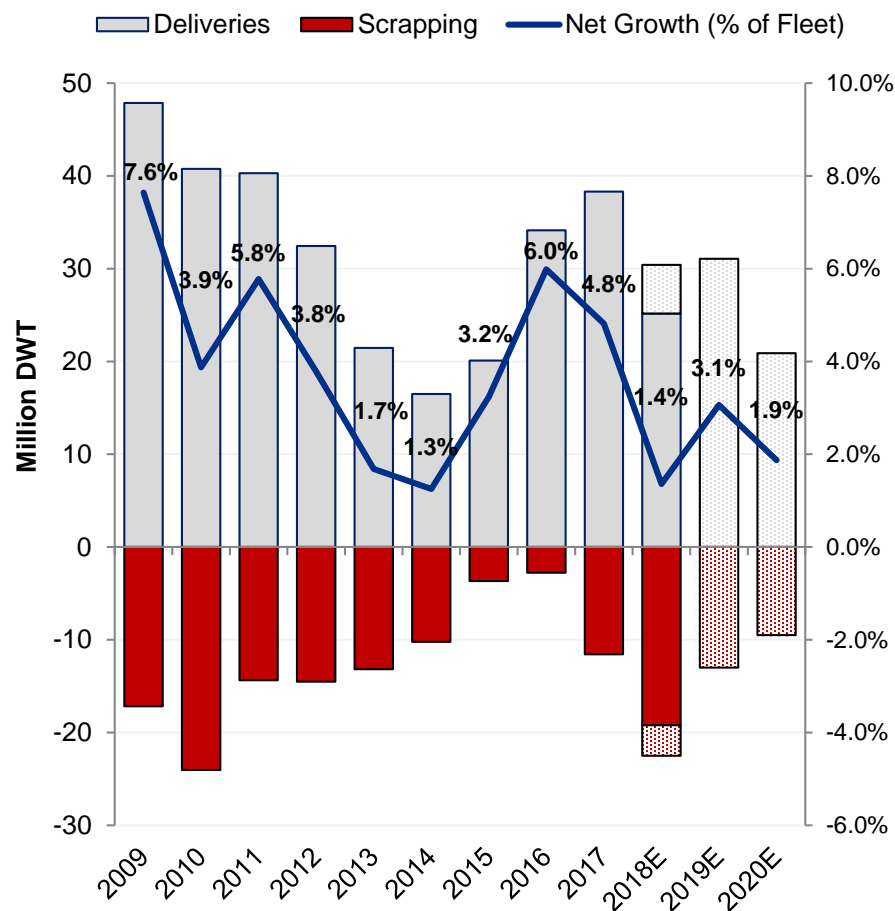


- OPEC + Russia have collectively added a net 1.4 mb/d of crude oil production to the market since Q2-2018
- Iranian exports are not falling as rapidly as expected due to US waivers; oil market appears well supplied through the peak winter demand months
- US crude exports have averaged >2 mb/d since May 2018 and are expected to reach 4 mb/d by end-2019
- Trade to Asia is predominantly on VLCCs (though this requires Aframaxes for reverse lightering in the US Gulf) and Suezmaxes while trade to Europe is predominantly on Aframaxes

Fleet Supply Growth Set to Ease

~2% average annual tanker fleet growth projected 2018-2020

Total Tanker Fleet Growth



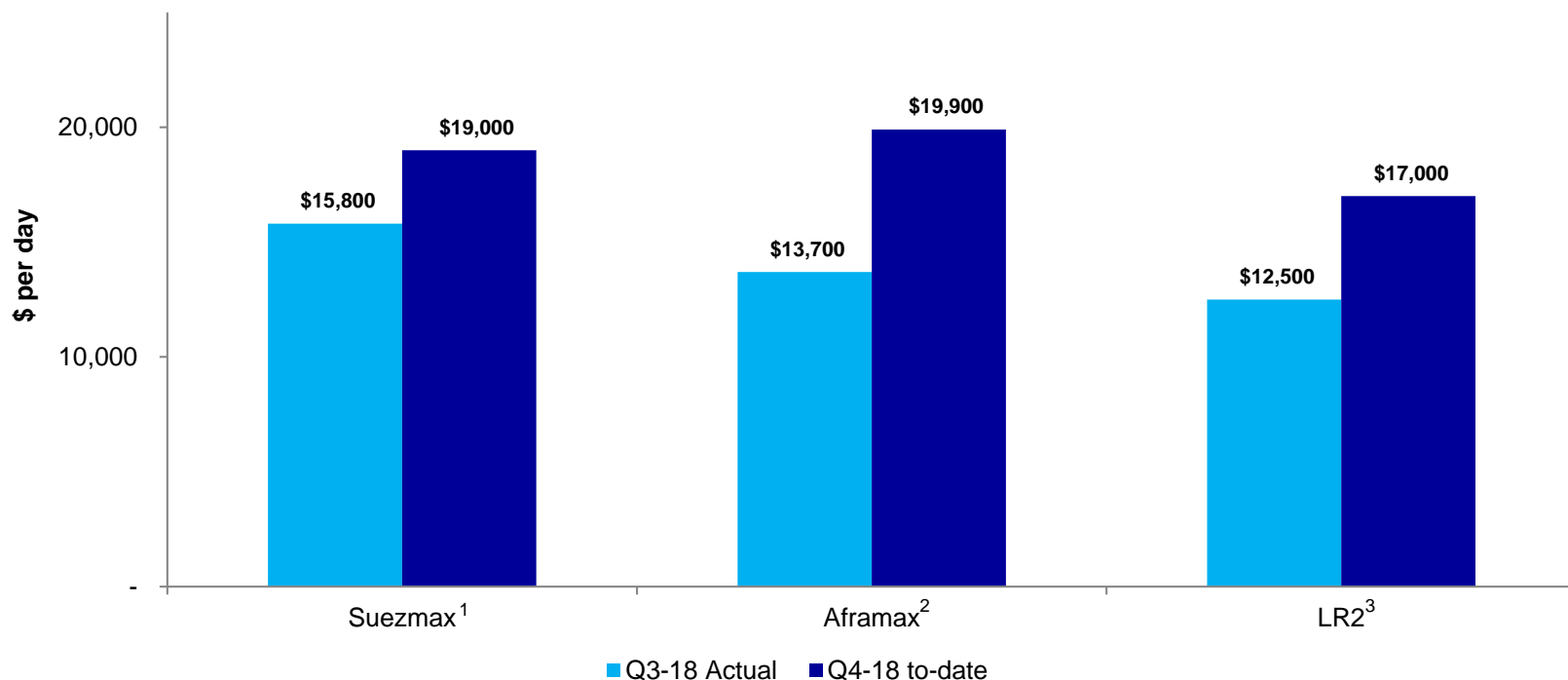
Source: Clarksons, internal estimates

- Low tanker fleet growth during 2018-2020 as the orderbook rolls off and as tanker scrapping remains high
- Shipyards full for 2019 delivery, and around 90% full for 2020 delivery following recent LNG / container orders
- Lack of mid-size tanker ordering in recent months leads to low Aframax / Suezmax fleet growth in 2019 / 2020

Forecasted Fleet Growth by Size Range

	VLCC	Suezmax	Aframax	LR2
2016	6.9%	5.3%	2.6%	10.9%
2017	5.2%	7.8%	0.3%	8.6%
2018	-0.1%	3.2%	0.4%	3.3%
2019	4.5%	1.3%	2.1%	1.1%
2020	2.4%	-0.1%	1.9%	0.4%

Q4-18 Spot Earnings Update



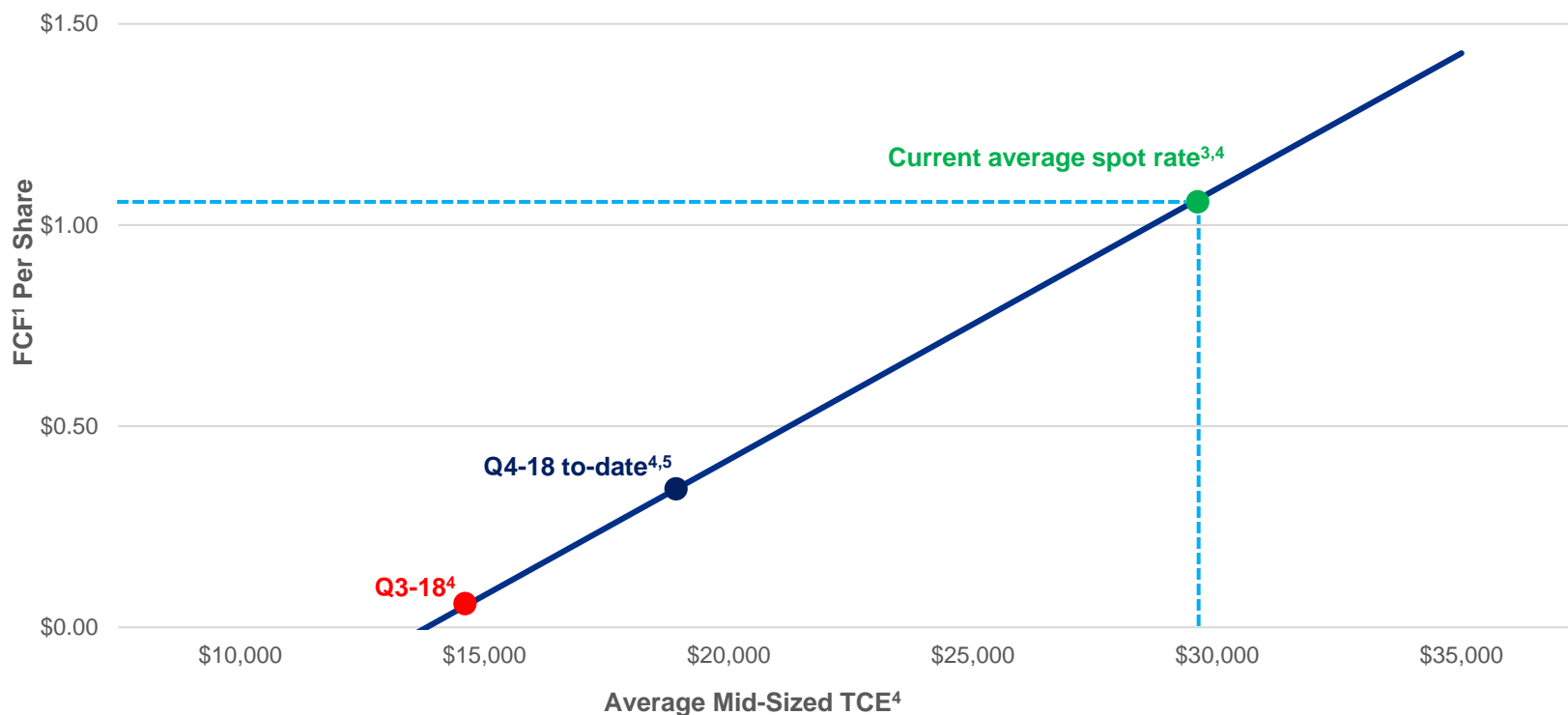
	Suezmax	Aframax	LR2
Q4-18 spot ship days available	2,437	1,541	715
Q4-18 % booked to-date	59%	54%	42%



- (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
 (3) Combined average spot TCE rate including Taurus RSA and non-pool voyage charters.

TNK Offers Significant Upside in a Tanker Market Recovery

FCF¹ Per Share Spot Rate Sensitivity²



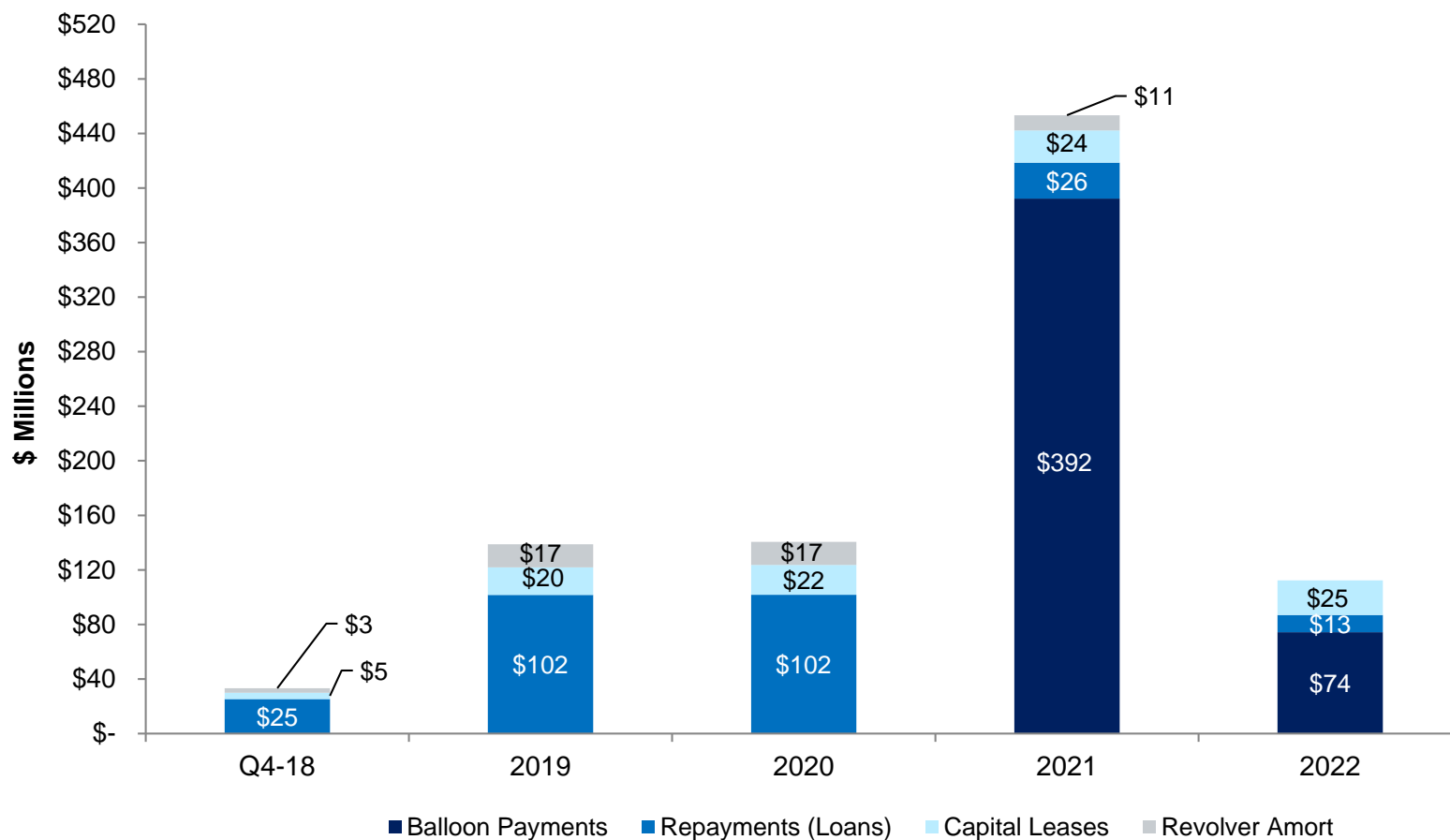
- (1) Free cash flow (FCF) represents net income, plus depreciation and amortization, unrealized losses from derivatives, non-cash items, FCF from equity accounted investments and any write-offs or other non-recurring items, less unrealized gains from derivatives and other non-cash items. Please refer to the Teekay Tankers Earnings Releases for reconciliation to most directly comparable GAAP financial measure.
- (2) For 12 months ending Q3-19
- (3) Based on 90% of Clarkson's global average Aframax and Suezmax spot rates on November 9, 2018
- (4) Based on weighted average number of forecast Suezmax and Aframax / LR2 spot market ship days for 12 months ending Q3-19
- (5) Combined weighted average Q4-18 spot TCE rate booked-to-date including RSA, non-pool and FSL voyages



APPENDIX

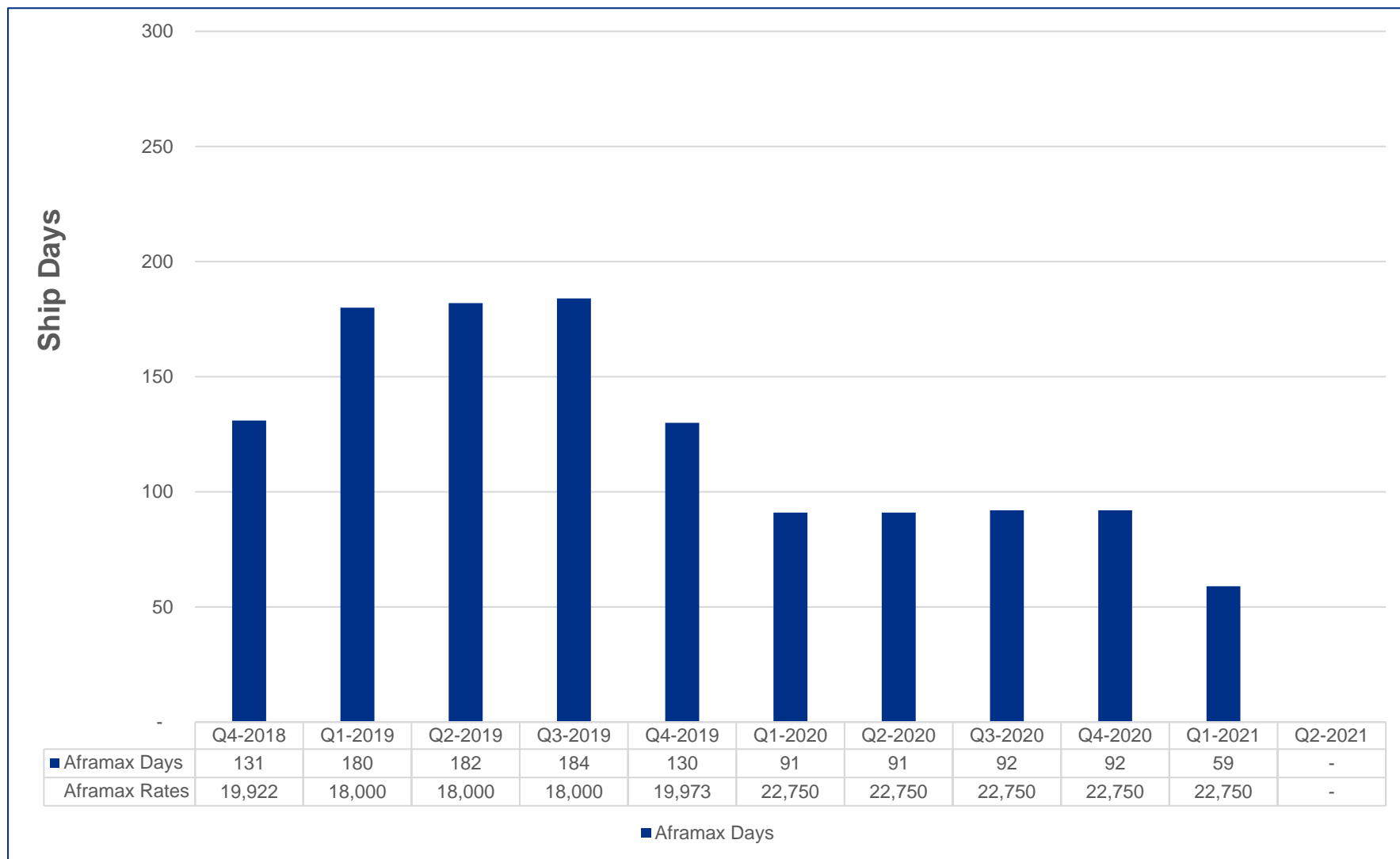


Debt Repayment Profile



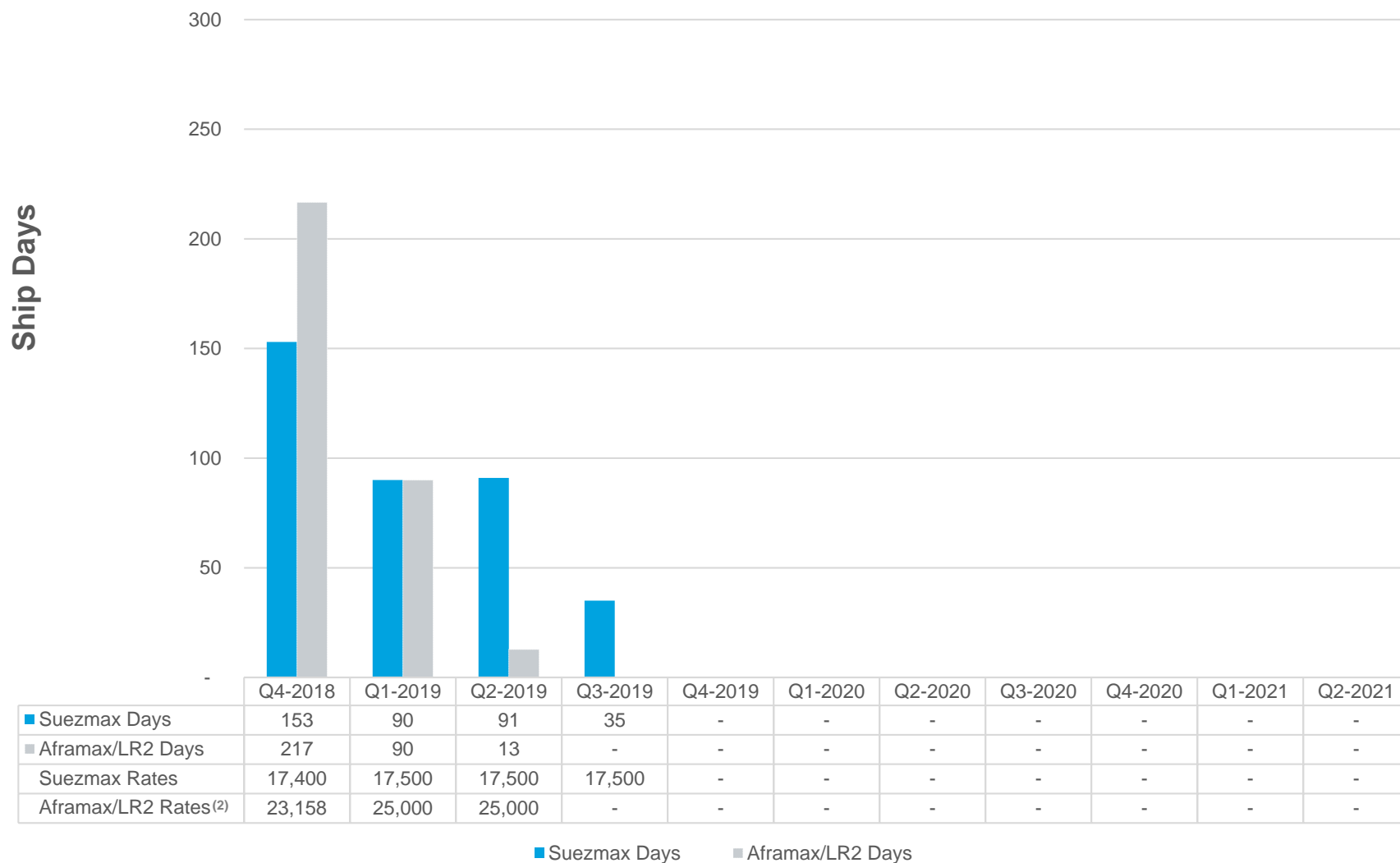
(1) Pro-forma debt repayment profile as at September 30, 2018 including the Q3-18 six vessel sale-leaseback transaction and the Q4-18 completed four vessel sale-leaseback transaction.

Fleet Employment – In-Charter¹



(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 16

(2) Excludes full service lightering



Q4-18 Outlook

Income Statement Item	Q4-18 Outlook (expected changes from Q3-18)
Revenues	<p>Decrease of approximately 95 net revenue days in TNK, mainly due to drydockings for various vessels and the redelivery of one in-chartered vessel to its owner in late Q3-18, partially offset by one in-chartered vessel which was delivered to us in Q4-18.</p> <p>Refer to Slide 7 for Q4-18 to-date spot tanker rates.</p>
Vessel operating expenses	Increase of approximately \$1.0 million primarily due to the timing of maintenance activities.
Net interest expense and realized loss on derivative instruments	Increase of approximately \$2.0 million primarily due to interest expenses incurred in relation to the two sale-leaseback transactions completed in late Q3-18 and mid Q4-18, partially offset by the decrease in loan balance for one of our revolvers resulting from prepayments that are related to the sale-leaseback transactions.



(1) Changes described are after adjusting Q3-18 for items included in Appendix A of Teekay Tankers Q3-18 Earnings Release and realized gains and losses on derivatives (see slide 15 to this earnings presentation for the Consolidated Adjusted Line Items for Q3-18).

Consolidated Adjusted Statement of Loss

Q3-18 vs Q2-18

(In thousands of U.S. dollars)

Statement Item	Q3-2018 (unaudited)	Q2-2018 (unaudited)	Comments
Voyage revenues	175,796	171,659	Increase primarily due to higher spot TCE rates in Q3-18 compared to Q2-18.
Voyage expenses	(83,048)	(86,933)	Decrease primarily due to a fewer number of full service lightering voyages in Q3-18 compared to Q2-18.
Vessel operating expenses	(52,161)	(52,652)	
Time-charter hire expense	(4,317)	(5,697)	Decrease due to the redelivery of one in-chartered vessel to its owner in Q2-18.
Depreciation and amortization	(29,595)	(29,573)	
General and administrative expenses	(8,747)	(9,407)	
Loss from operations	(2,072)	(12,603)	
Interest expense	(13,770)	(13,275)	
Interest income	250	160	
Equity loss	(359)	(70)	
Other expense	(2,050)	(2,955)	
Adjusted Net loss ¹	(18,001)	(28,743)	



(1) Refer to slides 15 and 16 for Q3-18 and Q2-18 reconciliations of non-GAAP financial measures to the most directly comparable financial measures under United States generally accepted accounting principals (GAAP).

Consolidated Adjusted Statement of Loss

Q3-18

(in thousands of U.S. dollars)

Statement Item	As Reported	Appendix A Items ⁽¹⁾	Reclassification for Realized Gain/ Loss on Derivatives	As Adjusted
Revenues	175,915	-	(119)	175,796
Voyage expenses	(83,048)	-	-	(83,048)
Vessel operating expenses	(52,161)	-	-	(52,161)
Time-charter hire expense	(4,317)	-	-	(4,317)
Depreciation and amortization	(29,595)	-	-	(29,595)
General and administrative expenses	(8,747)	-	-	(8,747)
Restructuring charge	(213)	213	-	-
Loss from operations	(2,166)	213	(119)	(2,072)
Interest expense	(15,006)	525	711	(13,770)
Interest income	250	-	-	250
Realized and unrealized gain on derivative instruments	596	(4)	(592)	-
Equity loss	(359)	-	-	(359)
Other expense	(799)	(1,251)	-	(2,050)
Net loss	(17,484)	(517)	-	(18,001)

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)

Drydock & Offhire Schedule

Teekay Tankers Segment	March 31, 2018 (A)		June 30, 2018 (A)		September 30, 2018 (A)		December 31, 2018 (E)		Total 2018		Total 2019	
	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	1	36	1	54	4	130	5	167	11	387	16	480
Fixed-Rate Tanker	1	6	-	-	-	-	-	-	1	6	-	-
Other - Unplanned Offhire	-	46	-	24	-	30	-	58	-	158	-	210
	2	88	1	78	4	160	5	225	12	551	16	690

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 drydock related offhire.

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