Teekay Tankers

Q3-2020 Earnings Presentation

November 12, 2020

Forward Looking Statement

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, among other things, statements regarding: crude oil and refined product tanker market fundamentals, including the balance of supply and demand in the oil and tanker markets and the volatility of such markets; forecasts of worldwide tanker fleet growth or contraction and newbuilding tanker deliveries and vessel scrapping; estimated growth in global oil demand and supply and the timing thereof; future tanker rates, including the impact of seasonal conditions on spot tanker rates; future OPEC+ oil production increases; the impact of the COVID-19 outbreak and related developments on the Company's business and tanker and oil market fundamentals; the timing of the closing of the Company's remaining exercised sale-leaseback purchase options; the Company's liquidity and market position; the Company's strategic priorities and anticipated delevering of the Company's balance sheet and reduction in its cost of capital; and the Company's ability to deal with potential market volatility and create shareholder value. 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 tanker rates; changes in the production of, or demand for, oil or refined products; changes in trading patterns significantly affecting overall vessel tonnage requirements; OPEC+ and non-OPEC production and supply levels; the duration and extent of the COVID-19 outbreak and any resulting effects on the markets in which the Company operates; the impact of the COVID-19 outbreak on the Company's ability to maintain safe and efficient operations; the impact of geopolitical tensions and changes in global economic conditions; greater or less than anticipated levels of tanker newbuilding orders and deliveries and greater or less than anticipated rates of tanker scrapping; 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 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, including IMO 2030; 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, 2019. 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

Q3-20 Results

Total adjusted EBITDA(1) of $46.2 million, up $18.4 million from Q3-19

Adjusted net income(1) of $3.1 million, or $0.09 per share, up from an adjusted net loss of ($21.2) million, or ($0.63) per share, in Q3-19

Strong Balance Sheet

Generated $31.2 million of free cash flow(1) in Q3-20

- Liquidity of $470 million as at September 30th
- Net debt to total cap of 30% as at September 30th

Reduced TNK's cost of capital

- Closed the refinancing of four vessels with a 3-year, $67 million term loan, eliminating any debt maturities until 2023
- In October, repurchased two vessels that were previously on sale-leasebacks for $29.6 million

Tanker Market

Spot rates weakened in Q3-20 compared to 1H-20 due to knock-on effects of COVID-19

Mitigated impact of weak spot market by opportunistically securing fixed-rate charters during market upswing; 22% of Q3-20 days on fixed rate employment at $37,600 per day(2)

(1) These are non-GAAP financial measures. Please see Teekay Tankers' Q3-20 earnings release for definitions and reconciliations to the comparable GAAP measures.
(2) Further details of fleet employment are on slide 12

Tanker Spot Rates Have Weakened After Three Strong Quarters

Spot rates declined during Q3-20 due to the knock-on impacts of COVID-19:

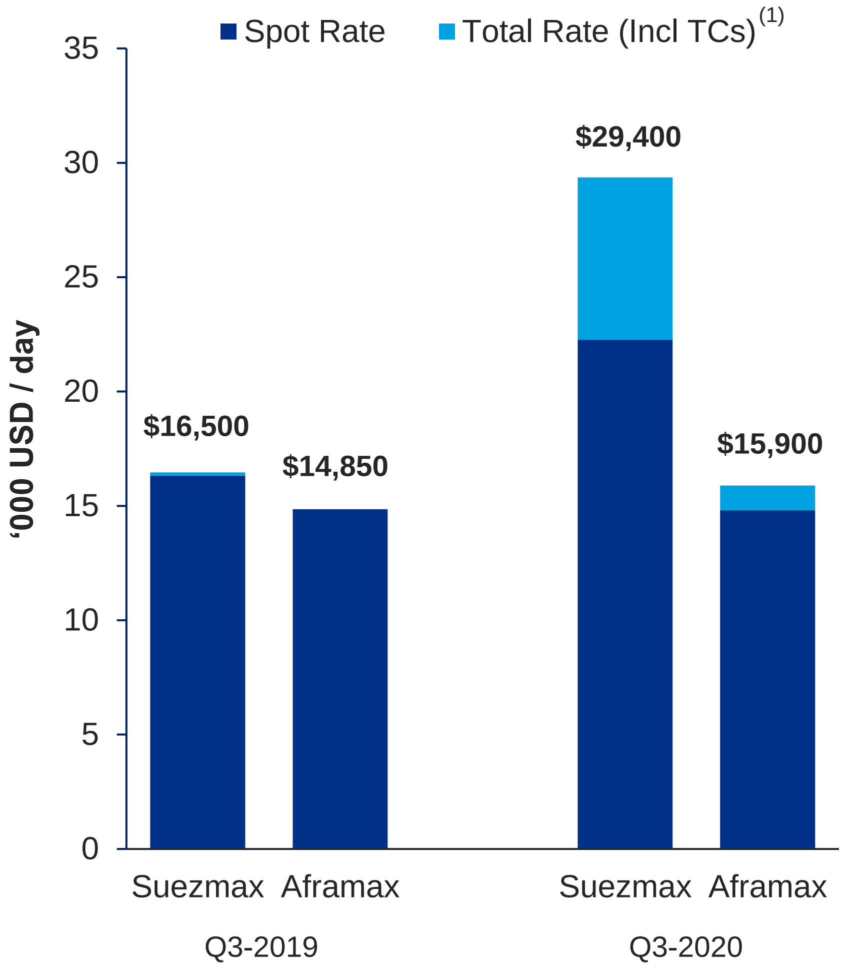
- High oil inventory levels
- OPEC supply cuts
- Weak refining margins resulting in refinery run cuts

Despite the decline, TNK's Q3-20 spot rates were higher y-o-y and further boosted by fixed-rate time charters

Continued headwinds at the start of Q4-20, although Libya and seasonality may offer support:

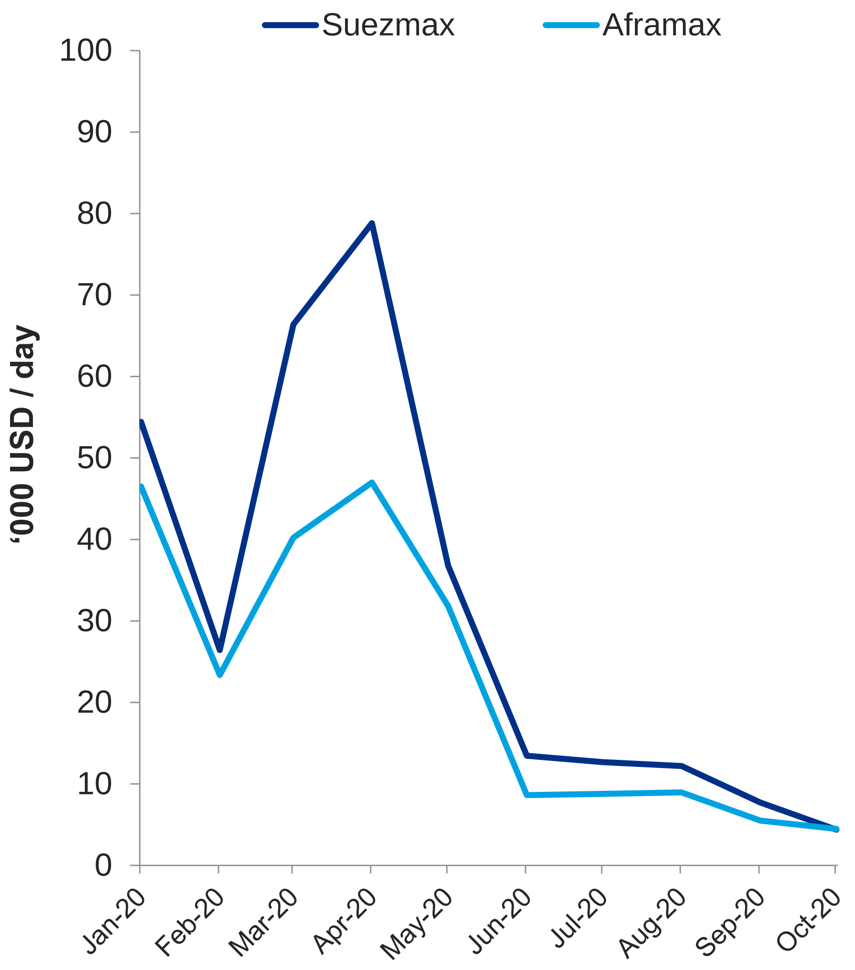
- Libyan crude oil production could reach 1 mb/d by end-November
- Winter heating demand and bad weather may support rates

TNK Q3 Rates



Source: Teekay Tankers

Benchmark Mid-Size Tanker Spot Rates



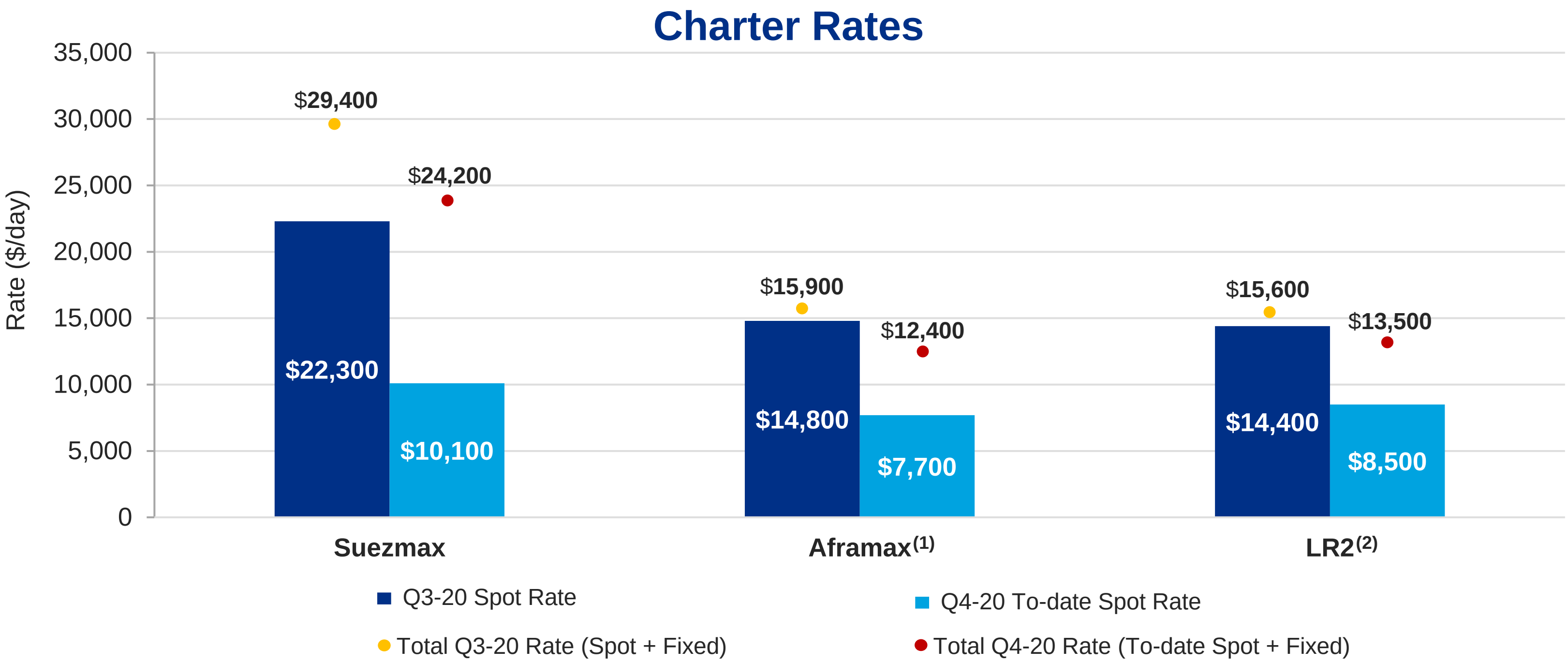
Source: Clarksons

(1) Includes vessels on fixed-rate time charter (TC) contracts. Further details are on slide 12

Q4-20 To-Date Charter Rates

Combined spot and fixed rate time charters for Q4-20:

- 62% of Suezmax days fixed at an average rate of $24,200 per day
- 54% of Aframax days fixed at an average rate of $12,400 per day
- 52% of LR2 days fixed at an average rate of $13,500 per day



	Suezmax	Aframax[1]	LR2[2]
Q4-20 spot ship days available	1,620	1,415	803
Q4-20 % spot booked to-date	49%	45%	44%

(1) Rates and percentage booked to-date include Aframax RSA, full service lightering (FSL) and non-pool voyage charters for all Aframax vessels
(2) Rates and percentage booked to-date include Aframax RSA, FSL and non-pool voyage charters for all LR2 vessels, whether trading in the clean or dirty spot market. All LR2s are currently trading in the dirty market.

Tanker Demand on the Path to Recovery

Gradual recovery in the coming months as demand increases and global oil inventories are drawn down

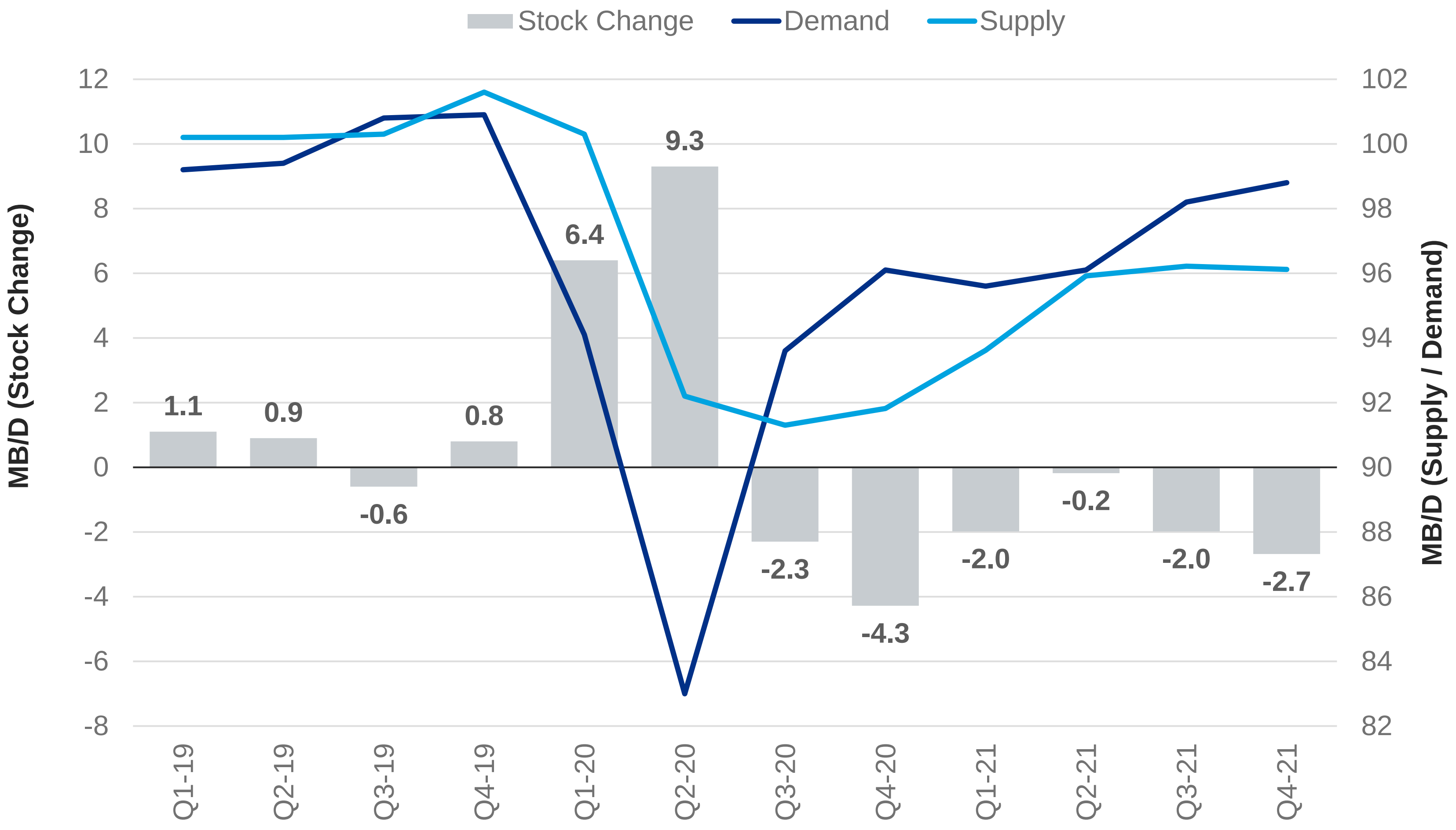
Oil demand has recovered sharply since Q2-20 but remains around 7-8 mb/d below pre-pandemic levels

Demand recovery expected to continue through 2021, accelerating in the second half of the year

Inventories are now drawing, but the drawdown will likely take longer than the stock build that took place in 1H-2020

OPEC+ group to reduce supply cuts from 7.7 mb/d to 5.8 mb/d during 2021

Global Oil Market Balance



Source: IEA

Assumes OPEC returns 1.9 mb/d of supply in Apr 2021; Libya at 1 mb/d during 2021

Shrinking Orderbook, Aging Fleet Sets the Stage for a Recovery

Tanker fleet set for an extended period of low growth in the next 2-3 years

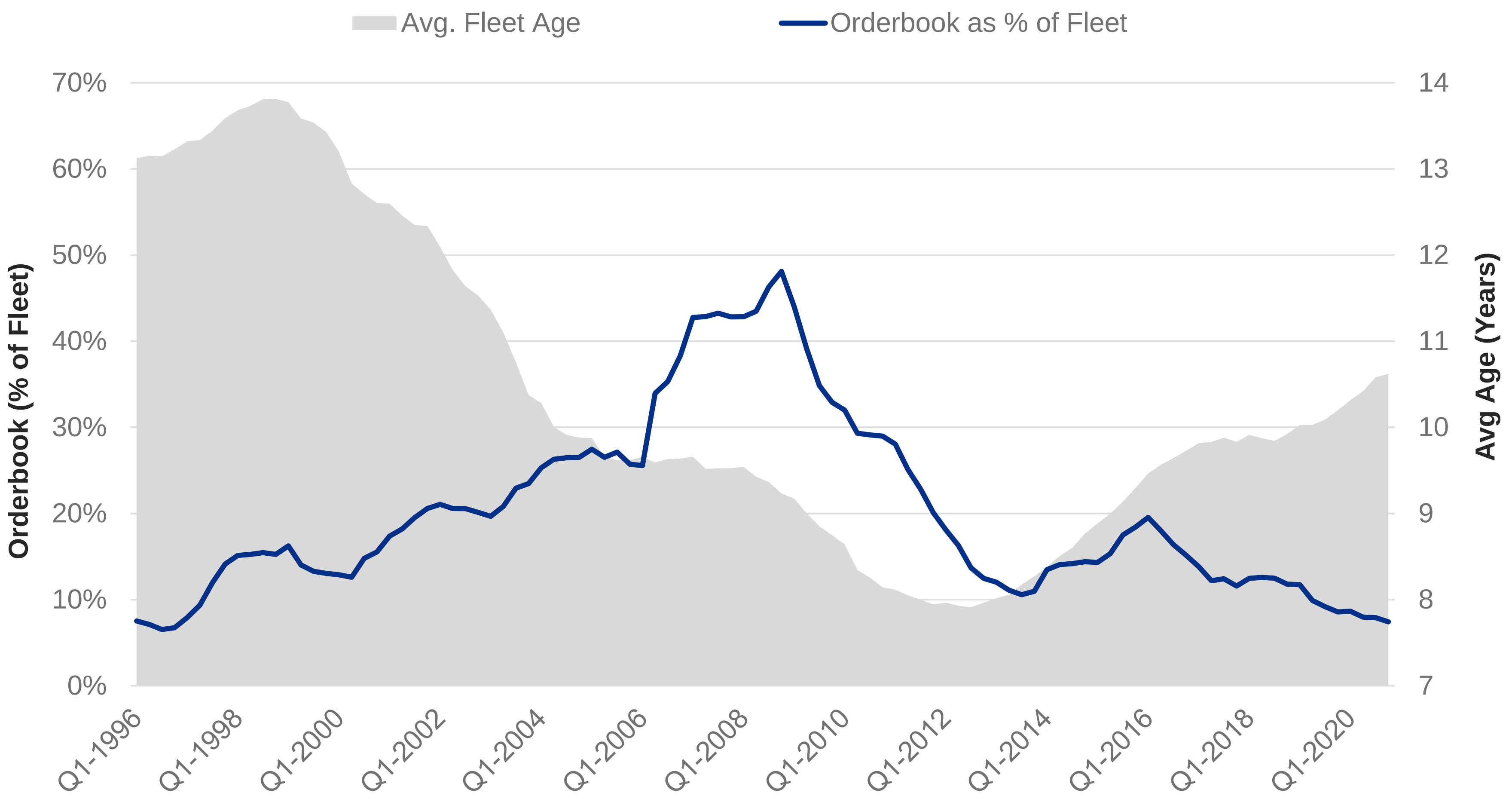
The tanker orderbook, when measured as a percentage of the existing fleet, is at a 24-year low of just over 7%

Tanker fleet currently has an average age of 10.6 years, the highest since 2003

Period of weaker rates and the extra cost of installing ballast water treatment systems could lead to higher scrapping in 2021

Tanker ordering remains low at 12.5 mdwt in 2020 ytd versus the 20-year average annual order rate of 34 mdwt

Tanker Orderbook vs. Average Fleet Age



Source: Clarksons

Strong Financial Position to Weather Potential Headwinds

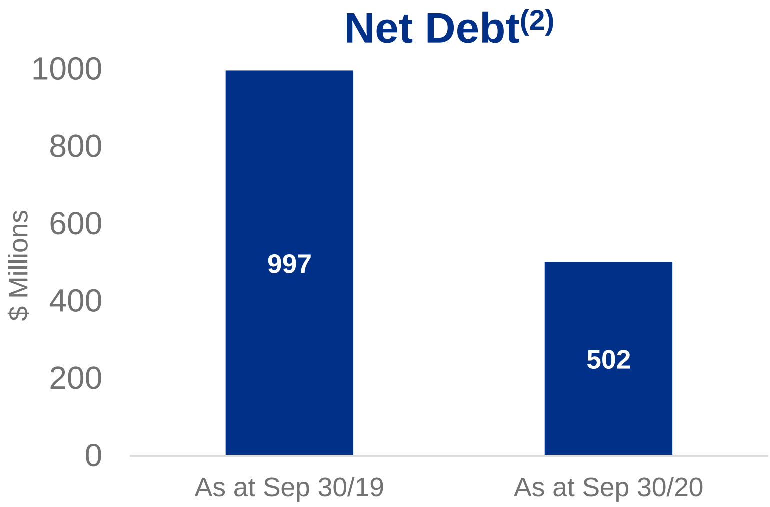
Over the last 12 months, generated over $400 million of free cash flow(1) and completed over $100 million of asset sales

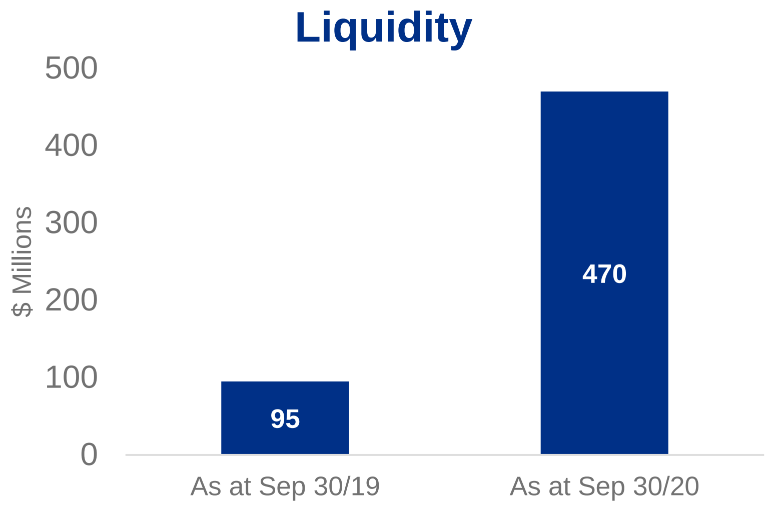
- Net debt(2) reduced by 50% to $502 million
- Liquidity increased by $375 million to $470 million

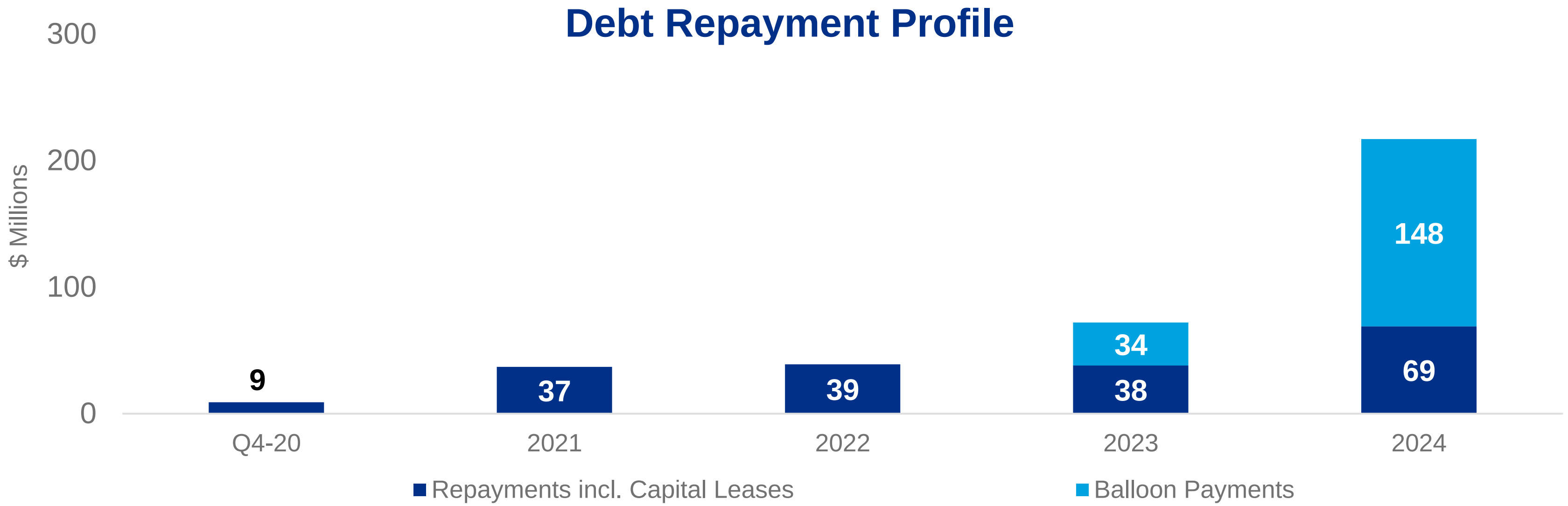
Approximately 13% of ship days fixed for next 12 months at $33,500 per day

Free cash flow(1) spot rate break-even of $13,500 per day(3)

No debt maturities until 2023





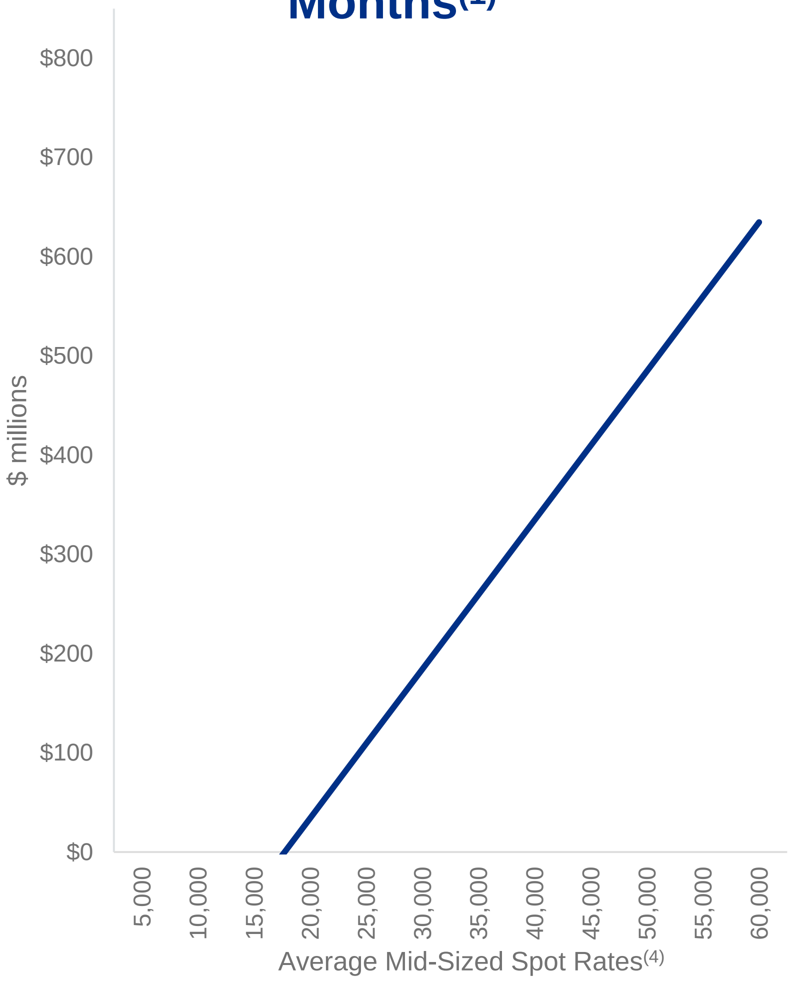


(1) Free cash flow (FCF) represents net income, plus depreciation and amortization, unrealized losses from derivative instruments, loss on sales of vessels, equity loss from the equity-accounted joint venture, and any write-offs and certain other non-cash non-recurring items, less unrealized gains from derivative instruments, gain on sales of vessels, equity income from the equity-accounted joint venture and certain other non-cash items. Please refer to the Teekay Tankers Earnings Releases for reconciliation to most directly comparable GAAP financial measure.
(2) Net debt is a non-GAAP financial measure and represents short-term, current and long-term debt and current and long-term obligations related to finance leases less cash and cash equivalents and restricted cash.
(3) For 12 months ending September 30, 2021

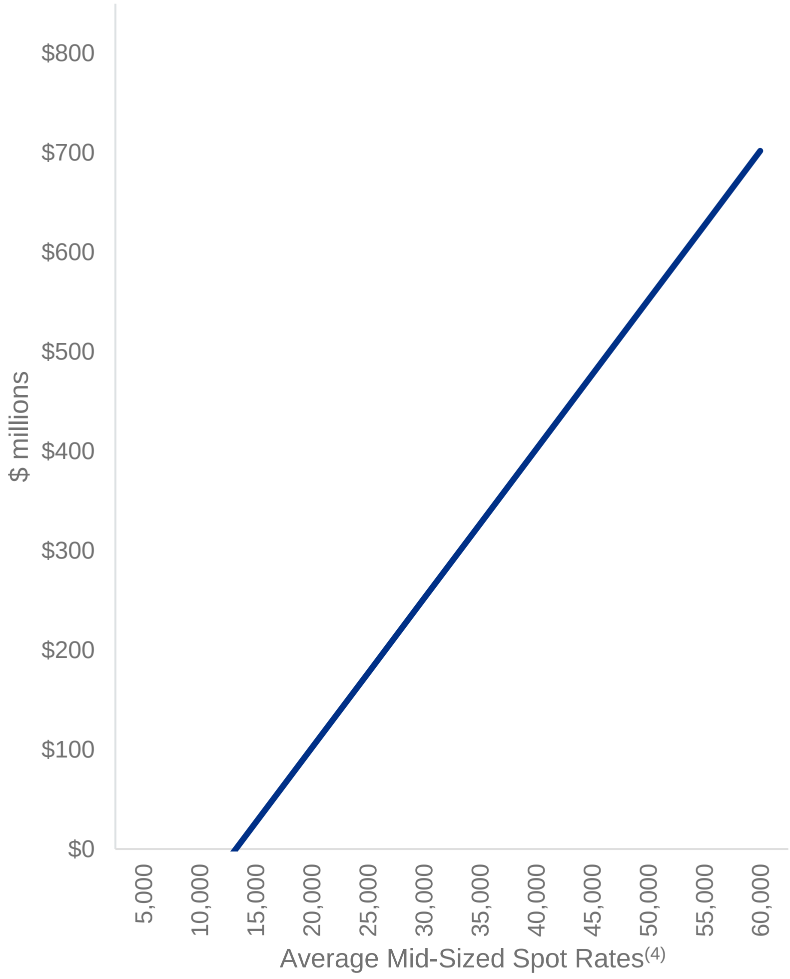
Appendix

Low Breakeven with Significant Operating Leverage

Adjusted Net Income Spot Rate Sensitivity Next-12-Months(1)

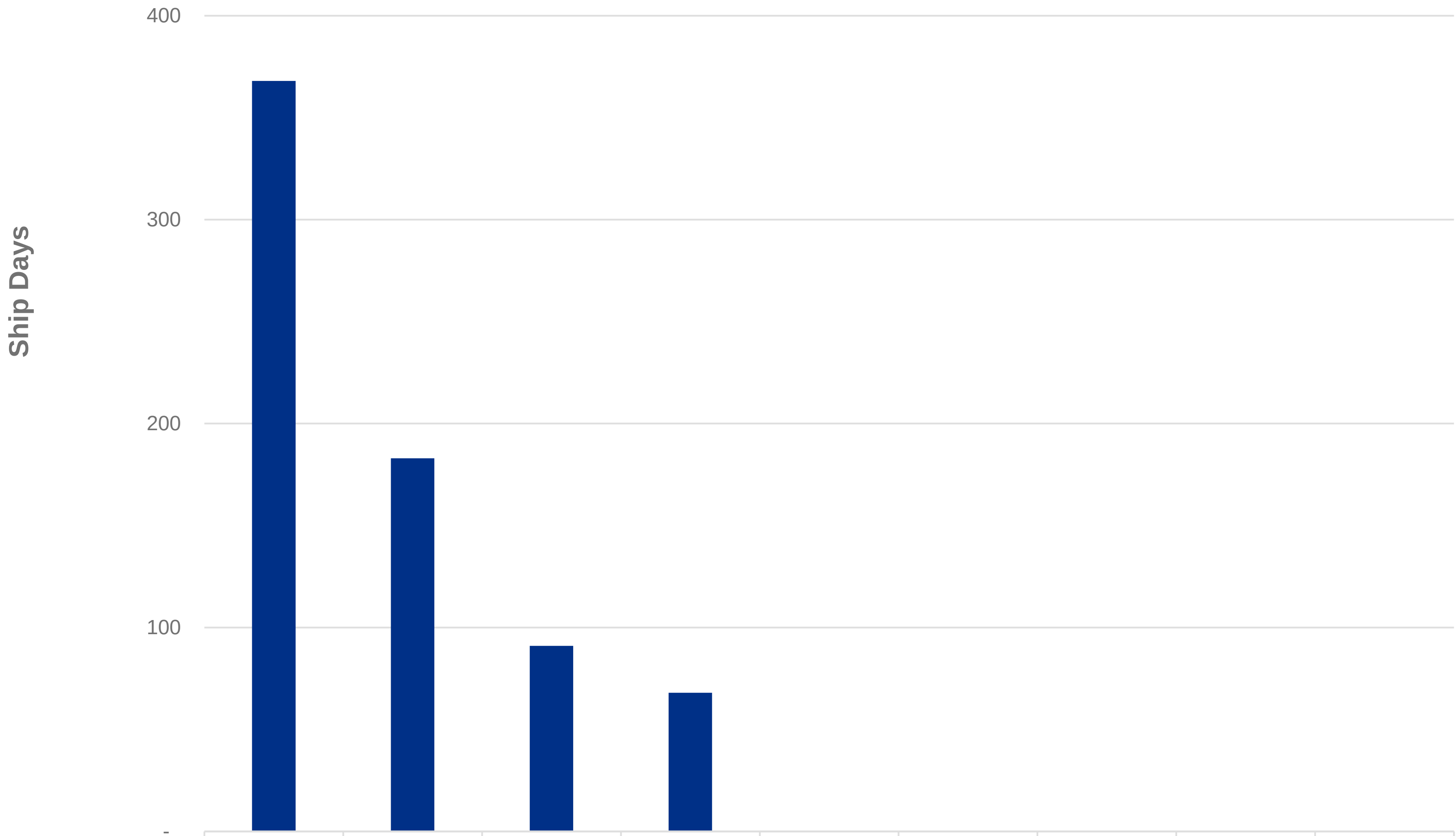


FCF(2)(3) Spot Rate Sensitivity Next-12-Months(1)



(1) For 12 months ending September 30, 2021
(2) 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.
(3) Includes estimated expenditures for drydock and ballast water treatment system installation
(4) Average of Suezmax and Aframax spot rates

Fleet Employment – In-Charters[1]

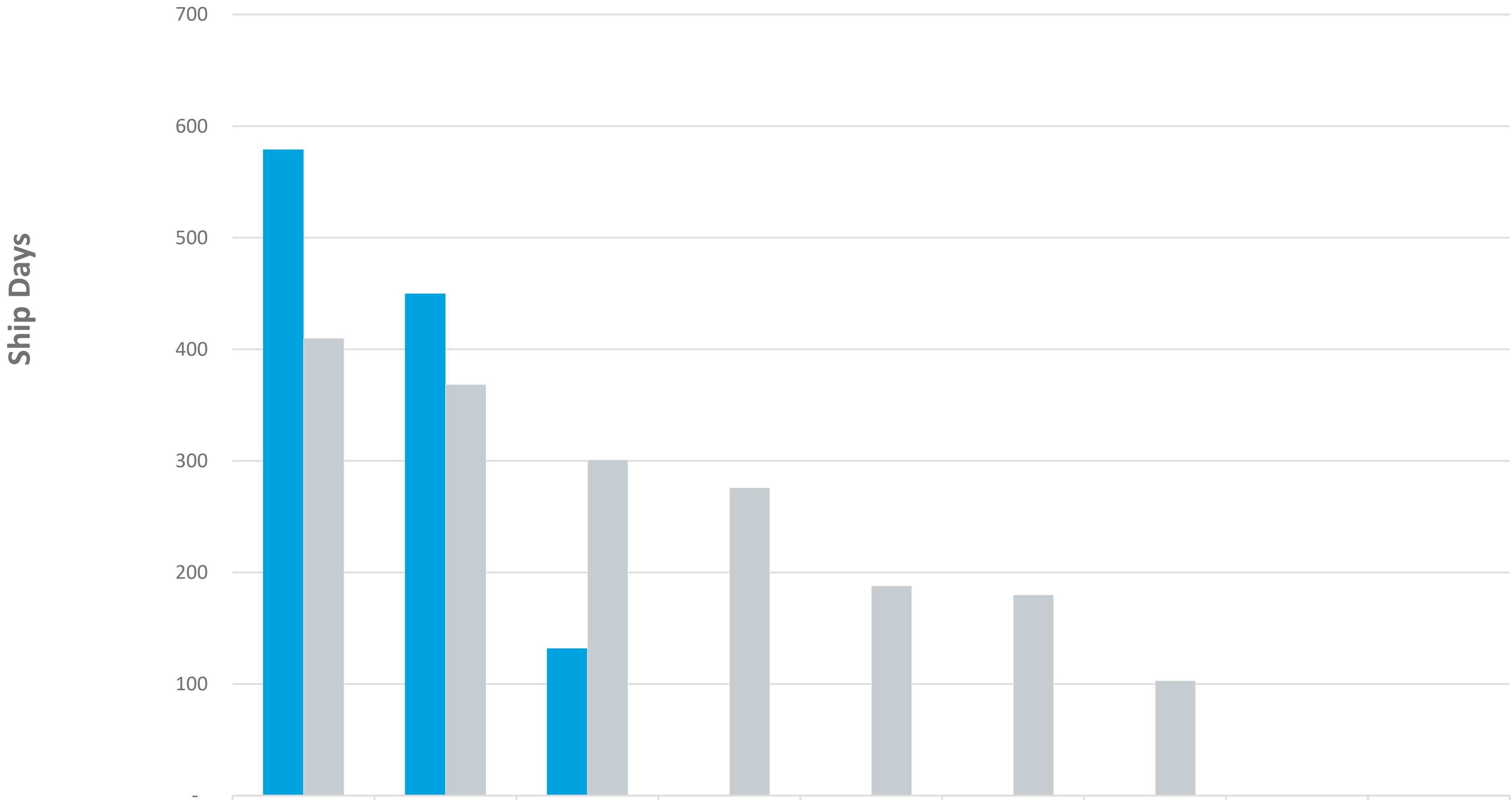


	Q4-2020	Q1-2021	Q2-2021	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022	Q4-2022
Aframax/LR2 Days	368	183	91	68	-	-	-	-	-
Aframax/LR2 Rates	21,188	21,471	21,000	21,000	-	-	-	-	

Aframax/LR2 Days

(1) Based on existing charters excluding extension options

Fleet Employment – Out-Charters(1)



	Q4-2020	Q1-2021	Q2-2021	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022	Q4-2022
Suezmax Days	579	450	132	-	-	-	-	-	-
Aframax/LR2 Days	410	369	301	276	188	180	103	-	-
Suezmax Rates	43,626	45,600	45,174	-	-	-	-	-	-
Aframax/LR2 Rates	24,321	24,640	23,845	23,317	25,478	25,625	24,915	-	-

Suezmax Days   Aframax/LR2 Days

(1) Based on existing charters excluding extension options and expected drydock/ off-hire days noted on slide 18

Q4-20 Outlook

Income Statement Item	Q4-20 Outlook[1] (expected changes from Q3-20)
Revenues	Decrease of approximately 160 net revenue days, mainly due to more dry dockings in Q4-20 compared to Q3-20. Refer to Slide 5 for Q4-20 booked to-date spot and fixed tanker rates.
Vessel operating expenses	Decrease of approximately $1 million, primarily due to the timing of repair and maintenance activities.
Depreciation and amortization	Decrease of approximately $1 million, primarily due to the write-down of vessels recorded in Q3-20.
Interest expense	Decrease of approximately $1 million, primarily due to non-capitalized loan costs related to the term loan refinancing completed in Q3-20 and the repurchase of two Aframaxes from their lessor in early Q4-20.
Other expense	Decrease of approximately $2 million, primarily due to items recognized annually in the fourth quarter.

(1) Changes described are after adjusting Q3-20 for items included in Appendix A of Teekay Tankers' Q3-20 Earnings Release and realized gains and losses on derivatives (see slide 15 of this earnings presentation for the Consolidated Adjusted Line Items for Q3-20).

Adjusted Net Income[1]

Q3-20 vs Q2-20

(In thousands of U.S. dollars)

Statement Item	Q3-2020 (unaudited)	Q2-2020 (unaudited)	Variance	Comments
Revenues	170,056	246,292	(76,236)	Decrease primarily due to lower overall spot TCE rates in Q3-20, as well as more scheduled dry dockings and off-hire days in Q3-20.
Voyage expenses	(57,777)	(61,558)	3,781	Decrease consistent with reduction in revenue days.
Vessel operating expenses	(46,336)	(46,218)	(118)	
Time-charter hire expenses	(9,070)	(9,296)	226	
Depreciation and amortization	(29,992)	(29,546)	(446)	
General and administrative expenses	(9,887)	(9,784)	(103)	
Income from operations	16,994	89,890	(72,896)	
Interest expense	(12,102)	(13,406)	1,304	Decrease primarily due to a lower average amount drawn from the credit facilities, as well as a lower LIBOR, partially offset by non-capitalized loan costs related to the term loan refinancing completed in Q3-20 and higher loan cost amortization.
Interest income	337	567	(230)	
Equity income	46	3,188	(3,142)	Decrease due to lower earnings from the equity-accounted for VLCC primarily as a result of lower realized spot rates in Q3-20.
Income tax expense	(2,187)	(566)	(1,621)	Increase due to tax accruals based on vessel trading activities and applicable tax rates.
Other income	44	1,027	(983)	Decrease primarily due to non-recurring items recognized in Q2-20.
Adjusted net income	3,132	80,700	(77,568)	

(1) Refer to slide 15 for the Q3-20 reconciliations of non-GAAP financial measures to the most directly comparable financial measures under United States generally accepted accounting principles (*GAAP*). For the Q2-20 reconciliation, refer to the Q2-20 earnings presentation.

Consolidated Adjusted Statement of Income

Q3-20

(In thousands of U.S. dollars)

Statement Item	As Reported	Appendix A Items [1]	Reclassification for Realized Gain/ Loss on Derivatives	As Adjusted
Revenues	170,240	-	(184)	170,056
Voyage expenses	(57,777)	-	-	(57,777)
Vessel operating expenses	(46,336)	-	-	(46,336)
Time-charter hire expenses	(9,070)	-	-	(9,070)
Depreciation and amortization	(29,992)	-	-	(29,992)
General and administrative expenses	(9,887)	-	-	(9,887)
Write-down of assets	(44,973)	44,973	-	-
Restructuring charge	(1,398)	1,398	-	-
(Loss) income from operations	(29,193)	46,371	(184)	16,994
Interest expense	(12,553)	509	(58)	(12,102)
Interest income	337	-	-	337
Realized and unrealized loss on derivative instruments	(414)	172	242	-
Equity income	46	-	-	46
Income tax expense	(2,187)	-	-	(2,187)
Other (expense) income	(470)	514	-	44
Net (loss) income	(44,434)	47,566	-	3,132

(1) Please refer to Appendix A in Teekay Tankers Q3-20 Earnings Release for a description of Appendix A items.

Drydock & Off-hire Schedule(1)(2)(3)

Teekay Tankers	March 31, 2020 (Actual)		June 30, 2020 (Actual)		September 30, 2020 (Actual)		December 31, 2020 (Estimate)		Total 2020 (Estimate)		Total 2021 (Estimate)	
Segment	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	-	-	-	16	3	135	7	237	10	388	9	288
Fixed-Rate Tanker	-	-	-	-	-	-	1	41	1	41	1	32
Other - Unplanned Offhire	-	29	-	28	-	78	-	71	-	206	-	250
	-	29	-	44	3	213	8	349	11	635	10	570

(1) Includes vessels scheduled for drydocking and an estimate of unscheduled off-hire.
(2) In the case that a vessel drydock & off-hire straddles between quarters, the drydock & off-hire 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 off-hire.