Teekay Corporation

Second Quarter 2021 Earnings Presentation

August 5, 2021

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, among other things, regarding: Teekay Parent's planned wind-down of its FPSO segment; the ability of CNRI to fulfill the obligations under the Decommissioning Services Agreement (*DSA*) and incorporate these obligations into its own decommissioning process; the impact of COVID-19, market volatility and related global events on the Company's and Daughter Entities' businesses and financial results; estimated fluctuations in global oil demand and supply levels, including anticipated future fluctuations in global oil inventories and OPEC+ production increases and the timing thereof; forecasts of worldwide tanker fleet growth or contraction and vessel scrapping; the future outlook of the LNG shipping and tanker markets, and the impact thereon of various factors and effect on the Company and the Daughter Entities; timing of and the Company's expectations regarding new and renewed charter contracts, vessel acquisitions and deliveries, and sale-leaseback transactions; fixed charter coverage for Teekay LNG's fleet for 2021 and 2022; and Teekay Tankers' plans to refinance, and the timing of closing, the repurchase of sale-leaseback vessels.

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: market or counterparty reaction to changes in exploration, production and storage of offshore oil and gas, either generally or in particular regions that would impact expected future growth; changes in the demand for oil, refined products, LNG or LPG; changes in trading patterns significantly affecting overall vessel tonnage requirements; greater or less than anticipated levels of vessel newbuilding orders and deliveries and greater or less than anticipated rates of vessel scrapping; changes in global oil prices or tanker rates; OPEC+ and non-OPEC production and supply levels; the duration and extent of the COVID-19 global pandemic and any resulting effects on the markets in which the Company operates; the impact of the pandemic on the Company's ability to maintain safe and efficient operations; the impact and timing of coronavirus vaccination programs; issues with vessel operations; higher than expected costs and expenses, off-hire days or dry-docking requirements (both scheduled and unscheduled); the inability of CNRI to fulfill the obligations under the DSA; higher than expected costs and/or delays associated with the recycling of the Foinaven FPSO unit; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations, including IMO 2030 and others that may further regulate greenhouse gas emissions; the potential for early termination of long-term contracts of existing vessels; changes in borrowing costs or equity valuations; declaration by Teekay LNG's board of directors of common unit distributions; the inability of Teekay Tankers to finance the repurchase of sale-leaseback vessels within anticipated timeframes; potential lack of cash flow for Teekay LNG to continue paying distributions on its common units and other securities; available cash to reduce financial leverage at Teekay Parent, Teekay LNG and Teekay Tankers; the impact of geopolitical tensions and changes in global economic conditions; and other factors discussed in Teekay's filings from time to time with the SEC, including its Annual Report on Form 20-F for the fiscal year ended December 31, 2020. Teekay 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 Teekay's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

Q2-21 Highlights

Solid quarter in our gas business despite higher-than-normal number of drydockings

Counter-seasonal strength in the LNG shipping market and the outlook continues to be strong

Spot tanker market continued to be weak and results were impacted by the expiration of fixed-rate time charters secured during last year's strong tanker market

Oil demand impacted by COVID-19, but leading indicators point towards a tanker market recovery

Quarterly Cash Flows and Earnings

- Total Adjusted EBITDA(1) of $172 million in Q2-21, compared to $202 million in Q1-21
- Consolidated Adjusted Net Income(1) of $30 thousand in Q2-21, compared to $11 million, or $0.11 per share, in Q1-21

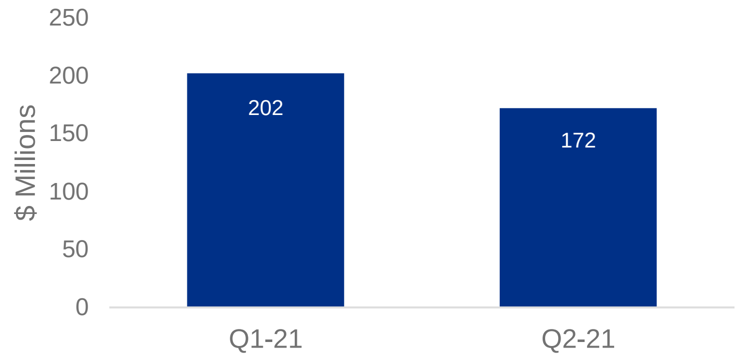
Reached Major Milestone in Winding Down FPSO Segment in May 2021

- Reversed Banff ARO liability by $33 million in Q2-21

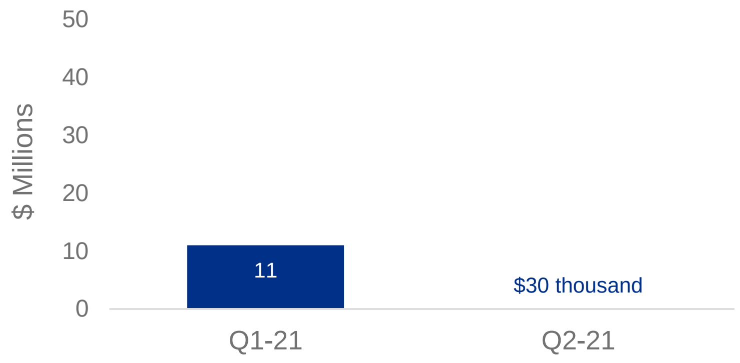
Strong Financial Position

- Over $800 million of consolidated liquidity as at June 30, 2021

Teekay Group Total Adjusted EBITDA(1)



Consolidated Adjusted Net Income (1)



(1) These are non-GAAP financial measures. Please see Teekay Corporation's Q2-21 earnings releases for definitions and reconciliations to the comparable GAAP measures.

Reached Major Milestone in Winding Down FPSO Segment

Reduced asset retirement obligation (*ARO*) liability associated with the *Banff* FPSO and its respective field by approximately $33 million in Q2-21

Remaining material exposure to FPSO market is effectively the Hummingbird, which continues to operate under existing contract

Banff

In May 2021, completed all conditions precedent on an agreement whereby the customer took over our remaining Phase II decommissioning responsibilities, which eliminates our remaining exposure to the Banff field

Incurred $5 million of towage and green recycling costs in Q2-21

No material remaining costs expected on this unit in the future

Foinaven

Operating under contract at nominal day rate since receiving upfront cash payment of $67 million in April 2020

Expect unit to be redelivered in Q3-22 due to BP's recent decision to suspend production on Foinaven field

Upon redelivery, plan to green-recycle the unit with the costs expected to be covered by fixed contractual lump sum payment from customer

Hummingbird

Continues to produce on Chestnut field under its existing fixed-rate contract

- Adjusted EBITDA of approximately $1 million / month

Steady oil production. Produced 3,900 barrels per day in the 1H-2021 with uptime of 98.4%

Daughter Company Updates

Teekay LNG (TGP)

- Q2-21 adjusted net income[1] of $57 million, or $0.57 per unit, compared to $60 million, or $0.61 per unit in Q1-21
  - Heavy drydock schedule in Q2-21 and Q3-21 with a bounce back in earnings expected in Q4-21
- Continue to experience counter-seasonal strength in LNG shipping spot and short-term charter rates, which is expected to continue in 2H-2021 and into 2022
- LNG fleet is 98% fixed for remainder of 2021 and 89% fixed in 2022 with upside from one spot market-linked charter contract

Teekay Tankers (TNK)

- Q2-21 adjusted net loss[1] of ($41) million, or ($1.23) per share, compared to $(22) million, or ($0.65) per share, in Q1-21
- Despite near-term uncertainty due to continued impact of COVID-19, many leading indicators for a tanker market recovery continue to improve
- Counter-cyclically in-chartered three Aframax-sized vessels for periods of 18 – 24 months (plus extension options)
- Strong financial position
  - Proforma liquidity position of $274 million[2] at Jun 30/21
  - Net debt to cap of 36% at Jun 30/21
- Reducing cost of capital
  - Repurchased 2 vessels on higher-cost sale-leaseback financings in May 2021 with existing liquidity; further 6 vessels expected to be repurchased under similar sale-leaseback financings in Sep 2021
  - Signed term sheets and in documentation on lower-cost sale-leasebacks for all 8 vessels with expected closing in Q3-21

(1) These are non-GAAP financial measures. Please see Teekay LNG's and Teekay Tankers' Q2-21 earnings release for definitions and reconciliations to the comparable GAAP measures.
(2) Pro forma for the $43M refinancing of two unencumbered vessels that were previously under sale-leaseback arrangements. These two vessels were acquired for $57 million in May 2021 with existing liquidity and are expected to be refinanced as part of a new, lower-cost sale-leaseback financing in the third quarter of 2021.

Teekay Corp - Levered Play on Daughter Entities

Reversed Banff ARO liability by $33 million in Q2-21, or $0.33 per share

Teekay Corp is an attractive and diversified way to participate in the potential appreciation in TGP and TNK

Teekay Parent Sum-of-the Parts (SOTP)
In $ Millions, except per share figures

	Current[1]	10% Share Price Appreciation of TGP and TNK[2]	20% Share Price Appreciation of TGP and TNK[2]
Equity Investments in Daughters[3]			
TGP LP (35.96 million units)	$491	$540	$589
TGP GP (1.55 million units)	21	23	26
TNK (9.66 million shares)[4]	114	125	137
	626	688	752
Net Debt – June 30/21[5]	(304)	(304)	(304)
SOTP Value	$322	384	448
Teekay Corp Shares Outstanding (in millions)	101.4	101.4	101.4
SOTP per share	$3.18	$3.79	$4.42
Current Share Price (August 4, 2021)	**$2.83**	**$2.83**	**$2.83**
Upside to SOTP Value	**12.4%**	**33.9%**	**56.2%**

(1) Values based on closing share/unit prices on August 4, 2021.
(2) Values based on 10% to 20% share / unit price appreciation for TNK and TGP from share / unit prices on August 4, 2021
(3) Based on ownership as of August 4, 2021.
(4) Includes 5.0 million and 4.6 million Class A and B common shares, respectively. Teekay Corporation owns a 28.6% economic interest and has voting control of 53.9% in Teekay Tankers.
(5) Net debt is based on Teekay Parent's current portion of long-term debt and long-term debt, less cash and cash equivalents and restricted cash.

Appendix

Consolidated Adjusted Net Income Reconciliation[1]

Q2-21 vs. Q1-21

(Thousands of U.S. Dollars except per share amounts)	Q2-2021 (unaudited)	Q1-2021 (unaudited)	Variance	Comments
Revenues	325,351	359,602	(34,251)	
Voyage expenses	(78,128)	(76,225)	(1,903)	
Net revenues	247,223	283,377	(36,154)	Teekay Parent - $11m decrease primarily due to the completion of a drydocking management project during Q1-21. Teekay LNG - $3m decrease mainly due to more scheduled drydocking days during Q2-21 compared to Q1-21. Teekay Tankers - $22m decrease primarily due to a number of vessels returning from time-charter out contracts earning lower spot rates compared to previous fixed rates, more scheduled drydockings and off-hire days in Q2-21, as well as lower overall spot TCE rates in Q2-21.
Vessel operating expenses	(125,248)	(127,949)	2,701	Teekay Parent - $5m decrease primarily as a result of the completion of a drydocking management project in Q1-21. Teekay LNG - $2m increase primarily due to timing of maintenance and repairs on certain LNG carriers.
Time-charter hire expenses	(8,005)	(11,121)	3,116	Teekay Parent - $2m decrease due to the termination of an in-charter contract during Q1-21. Teekay Tankers - $1m decrease primarily due to the redelivery of two in-chartered vessels and one ship-to-ship support vessel to their owners during Q1-21 and in early Q2-21.
Depreciation and amortization	(59,244)	(58,586)	(658)	
General and administrative expenses	(22,920)	(22,367)	(553)	
Income from vessel operations	**31,806**	**63,354**	**(31,548)**	
Interest expense - net	(53,006)	(53,158)	152	
Equity income	31,238	28,104	3,134	Teekay LNG - $4m increase mainly due to unscheduled off-hire for repairs for certain equity-accounted vessels during Q1-21 and a reduction in operational performance claims in Q2-21.
Income tax expense	(41)	(2,032)	1,991	Teekay Parent - $1m decrease primarily due to regular assessment of tax positions. Teekay Tankers - $3m increase primarily due to vessel trading activities and regular assessment of tax positions.
Other - net	(756)	(103)	(653)	
Adjusted net income	**9,241**	**36,165**	**(26,924)**	
Adjusted net income attributable to non-controlling interests	(9,211)	(24,845)	15,634	Decrease primarily due to increase in Teekay Tankers' net loss in Q2-21.
Adjusted net income attributable to shareholders of Teekay Corporation	**30**	**11,320**	**(11,290)**	
Adjusted basic earnings per share	**0.00**	**0.11**	**(0.11)**	

(1) Amounts are after adjusting Q2-21 and Q1-21 for items included in Appendix A to our Second Quarter 2021 Results Earnings Release and realized gains and losses on derivatives (see slide 10 to this presentation for the Consolidated Adjusted Statement of Net Income Reconciliation for Q2-21 and Q1-21)

Q3-2021 Outlook – Teekay Consolidated

Income Statement Item	Q2-21 in millions adjusted basis	Q3-21 Adjusted Net Income Outlook (expected changes from Q2-21) (1)
Revenues	247	Teekay LNG • $1M decrease due to the drydocking and redeployment of certain LNG carriers in Q3-21 Teekay Tankers • Increase of approximately 120 net revenue days, comprised of an increase of 145 spot days and a reduction of 25 fixed days, primarily due to one in-chartered tanker that is expected to be delivered in Q3-21, fewer dry-docking days in Q3-21 compared to Q2-21 and an additional calendar day in Q3-21
Vessel Operating Expenses (OPEX)	(125)	• Teekay LNG - $3M increase primarily due to timing of repairs, maintenance, spares and consumables • Teekay Tankers - $1M increase primarily due to the timing of crew-related expenditures and maintenance activities
Time-Charter Hire Expense	(8)	• Teekay Tankers - $1M increase primarily due to one in-chartered tanker that is expected to be delivered in Q3-21
Depreciation and Amortization	(59)	• Teekay Tankers - $1M decrease primarily due to the write-down of seven vessels and the classification of one vessel as held for sale, both recorded in Q2-21
General & Administrative	(23)	• Expected to be consistent with Q2-21
Net Interest Expense	(53)	• Teekay Tankers - $1M decrease primarily due to lower interest payments related to two sale-leaseback vessels that were repurchased during Q2-21
Equity Income	31	• Expected to be consistent with Q2-21
Tax expense	0	• Teekay Tankers - $3M increase due to vessel trading activities and regular assessment of tax positions
Adjusted Net Income Attributable to Non-controlling Interests	(9)	• Expected to range from positive $3M to $6M due to expected lower adjusted net results in Teekay Tankers and Teekay LNG

Vessel type - Days (% fixed) at Day Rate in $	Aframax[2]	Suezmax	LR2[3]
Spot: Q3 To-Date (fixed days quarter-to-date)	435 days (36%) at $6,200	952 days (41%) at $2,400	271 days (38%) at $8,100
Spot: Q2 Actual	1,185 days at $9,600	2,205 days at $9,800	704 days at $11,100
Fixed: Q3 To-Date (fixed days quarter-to-date)	248 days (100%) at $23,300	-	-
Fixed: Q2 Actual	228 days at $22,900	19 days at $44,200	28 days at $28,200

(1) Changes described are after adjusting Q2-21 for items included in Appendix A to our Second Quarter 2021 Results Earnings Release and realized gains and losses on derivatives (see slide 10 to this presentation for the Consolidated Adjusted Statement of Income Reconciliation for Q2-21)

(2) Days and percentage booked to-date include Aframax RSA, full service lightering (FSL) and non-RSA voyage charters for all Aframax vessels

(3) Days and percentage booked to-date include Aframax RSA, FSL and non-RSA voyage charters for all LR2 vessels, whether trading in the clean or dirty spot market

Consolidated Adjusted Statement of Net Income Reconciliation

Q2-21 vs. Q1-21

(in thousands of US dollars, except per share amounts)	Three Months Ended June 30, 2021				Three Months Ended March 31, 2021			
	As Reported	Appendix A Items [1]	Reclass for Realized Gains/ Losses on Derivatives [2]	As Adjusted	As Reported	Appendix A Items [1]	Reclass for Realized Gains/ Losses on Derivatives [2]	As Adjusted
Revenues	325,480	(41)	(88)	325,351	359,081	493	28	359,602
Voyage expenses	(78,128)	-	-	(78,128)	(76,225)	-	-	(76,225)
Net revenues	247,352	(41)	(88)	247,223	282,856	493	28	283,377
Vessel operating expenses	(130,567)	5,319	-	(125,248)	(128,437)	488	-	(127,949)
Time charter hire expenses	(8,005)	-	-	(8,005)	(11,121)	-	-	(11,121)
Depreciation and amortization	(59,244)	-	-	(59,244)	(58,586)	-	-	(58,586)
General and administrative expenses	(22,920)	-	-	(22,920)	(22,367)	-	-	(22,367)
(Write-down) and gain (loss on sale)	(86,686)	86,686	-	-	(715)	715	-	-
Asset retirement obligation extinguishment gain	32,950	(32,950)		-	-	-	-	-
Restructuring charges	-	-	-	-	(303)	303	-	-
Income (loss) from vessel operations	**(27,120)**	**59,014**	**(88)**	**31,806**	**61,327**	**1,999**	**28**	**63,354**
Interest expense	(48,694)	-	(5,648)	(54,342)	(48,939)	-	(6,264)	(55,203)
Interest income	1,336		-	1,336	2,045	-	-	2,045
Realized and unrealized (losses) gains on derivative instruments	(3,389)	(1,054)	4,443	-	7,321	(12,211)	4,890	-
Equity income	28,111	3,127	-	31,238	37,157	(9,053)	-	28,104
Income tax recovery (expense)	204	(245)	-	(41)	1,385	(3,417)	-	(2,032)
Foreign exchange (loss) gain	(3,413)	2,120	1,293	-	5,723	(7,069)	1,346	-
Other - net	(4,639)	3,883	-	(756)	(4,515)	4,412	-	(103)
Net (loss) income	**(57,604)**	**66,845**	**-**	**9,241**	**61,504**	**(25,339)**	**-**	**36,165**
Net loss (income) attributable to non-controlling interests	55,760	(64,971)	-	(9,211)	(31,553)	6,708	-	(24,845)
NET (LOSS) INCOME ATTRIBUTABLE TO SHAREHOLDERS OF TEEKAY CORP.	**(1,844)**	**1,874**	**-**	**30**	**29,951**	**(18,631)**	**-**	**11,320**
Basic (loss) earnings per share	**(0.02)**			**0.00**	**0.30**			**0.11**

The above provides a Normalized Income Statement by adjusting for the following:

(1) removal of Appendix A items as documented in the Earnings Release

(2) putting the realized gains/losses to their respective line as if hedge accounting had applied