



TEEKAY

# TEEKAY GROUP

NAPTP CONFERENCE

May 20-22, 2015

# 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: future growth opportunities, market conditions and cash flows; the timing for implementation of the Company's new dividend policy and expectations for future dividend increases by Teekay Parent and distribution increases by its daughter entities; the sale of the *Petrojarl Knarr* FPSO unit to Teekay Offshore and timing for the commencement of the unit's charter contract; the dividend contributions of any future projects awarded to the Company's daughter companies; the total cost and timing for the delivery of newbuilding and conversion projects and timing of commencement of associated time-charter contracts; and the timing of future vessels sales from Teekay Parent to Teekay Offshore or third parties. 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 production of or demand for oil, petroleum products, LNG and LPG, either generally or in particular regions; greater or less than anticipated levels of newbuilding orders or greater or less than anticipated rates of vessel scrapping; changes in trading patterns significantly affecting overall vessel tonnage requirements; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; changes in the typical seasonal variations in tanker charter rates; changes in the offshore production of oil or demand for shuttle tankers, FSO and FPSO units; decreases in oil production by, or increased operating expenses for, FPSO units; fluctuations in global oil prices; trends in prevailing charter rates for shuttle tanker and FPSO contract renewals; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts or complete existing contract negotiations; delays in commencement of operations of FPSO and FSO units at designated fields; changes in the Company's expenses; the Company and its publicly-traded subsidiaries' future capital expenditure requirements and the inability to secure financing for such requirements; the amount of future distributions by the Company's daughter companies to the Company; failure by Teekay Offshore and Teekay LNG to complete its vessel acquisitions; the inability of the Company to complete vessel sale transactions to its publicly-traded subsidiaries or to third parties, including obtaining Board of Directors and Conflicts Committee approvals; failure of the respective Board of Directors of the general partners of Teekay Offshore and Teekay LNG to approve future distribution increases; failure by the Company's Board of Directors to approve the implementation of the new Teekay Parent dividend policy in the second quarter of 2015; conditions in the United States capital markets; and other factors discussed in Teekay's filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2014. 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.





Photo credit:  
Ivan Kryukovskikh  
Summit Spirit

# Investment Highlights

Transformation  
into a  
Pure-Play GP

New  
Dividend  
Policy  
Jul'15 payout  
+ 75%

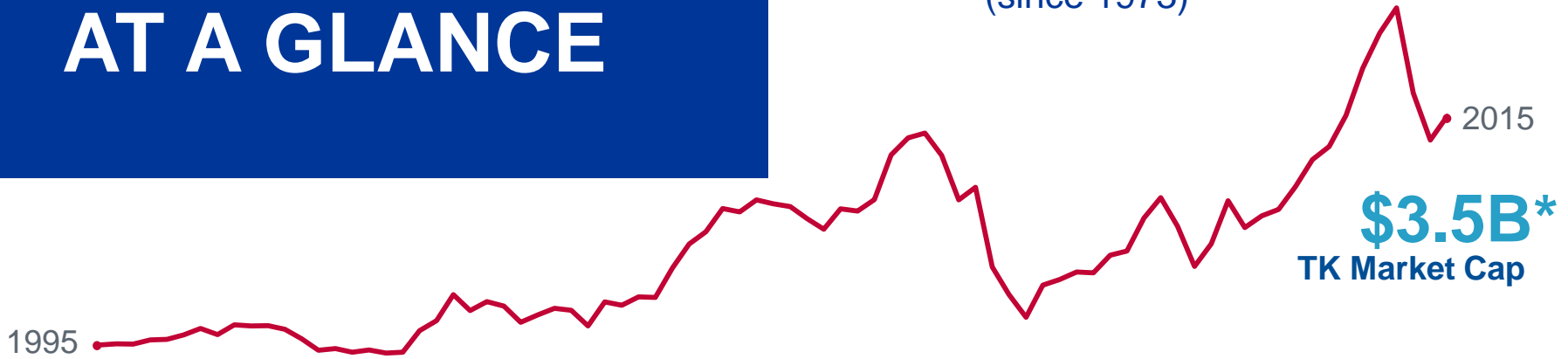
Strong  
Industry  
Fundamentals

Multiple Ways to  
Grow GP  
Cash Flow



# TEEKAY GROUP AT A GLANCE

**40+ Years**  
of Experience  
(since 1973)



**4 NYSE**  
Listings

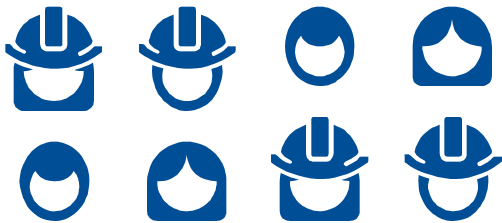
**TK**

**TGP**

**TOO**

**TNK**

**6700**  
Employees



**\$12B**  
In Assets

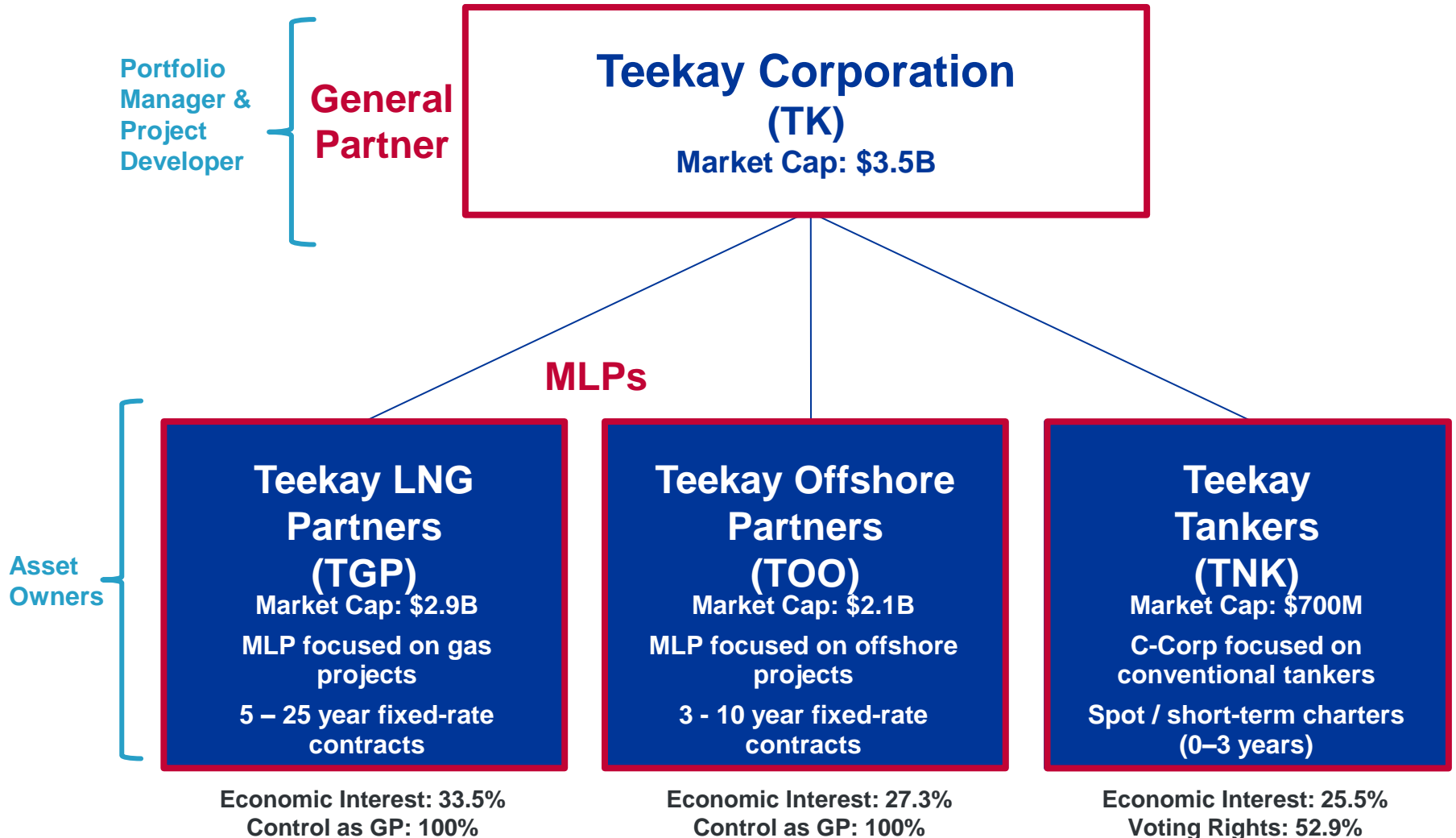


**200**  
Vessels



\*As at May 14, 2015.

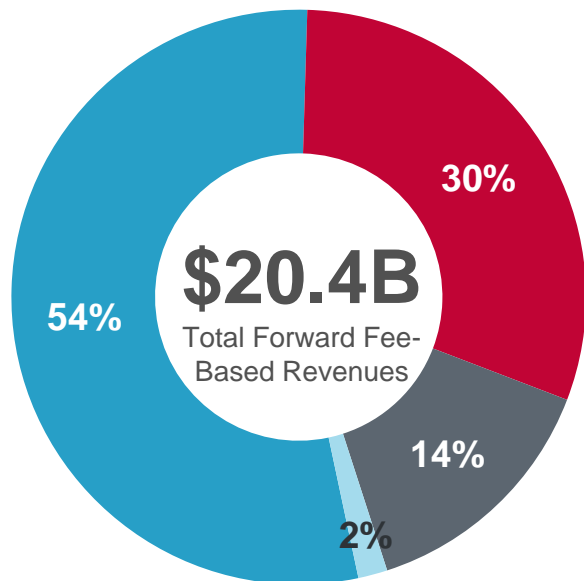
# Teekay Group Corporate Structure



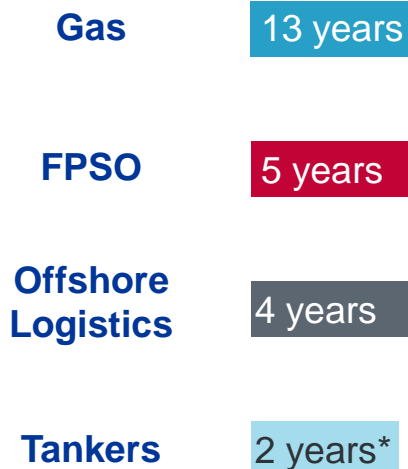
Note: Market capitalizations as of May 14, 2015.

# Diverse, Fee-Based and Contracted Revenues from Strong Customer Group

Forward Fee-Based Revenues by Segment



Average Remaining Contract Length by Segment



Note: Forward fee-based revenues and average remaining contract life excludes extension options  
 \* ~35% of the conventional fleet is on fixed-rate contracts

# Teekay's Transformation into a Pure-Play GP Nearing Completion



**Dropdowns**



**Organic Growth**



**M&A**

Nearly Complete

Pursued by Daughters Directly

# Status of Dropdown FPSOs at Teekay Parent

Remaining FPSOs targeted for dropdown to TOO by 2017

FPSO	Current Status	Dropdown Trigger
<b>Agreed</b>		
<b>Petrojarl Knarr</b>	<ul style="list-style-type: none"> <li>Currently on contract at partial rate of ~70% of the full charter rate. Completing final phase (gas export) of testing in preparation to commence charter contract at full rate</li> </ul>	<ul style="list-style-type: none"> <li>Completion of Interim Performance Test (IPT), which is expected in Q2-15</li> </ul>
<b>Future</b>		
<b>Petrojarl Banff</b>	<ul style="list-style-type: none"> <li>Contract rate step-up effective January 1, 2015 resulting in Cash flow from vessel operations <sup>1</sup> (CFVO) increase of \$9 million in Q1-15</li> </ul>	<ul style="list-style-type: none"> <li>Eligible for dropdown</li> </ul>
<b>Hummingbird Spirit</b>	<ul style="list-style-type: none"> <li>On firm contract until March 2016 - options on current contract run through March 2017</li> </ul>	<ul style="list-style-type: none"> <li>Extend existing contract or enter into new long-term contract</li> </ul>
<b>Petrojarl Foinaven</b>	<ul style="list-style-type: none"> <li>Resolved the subsea issues and the unit is now producing ~37,000 bbls per day (compared to an average of 21,700 bbls per day in Q4-14)</li> </ul>	<ul style="list-style-type: none"> <li>Stabilize production and obtain charterer's approval to transfer ownership to TOO</li> </ul>



1) Cash flow from vessel operations (CFVO) represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write-downs, gains or losses on the sale of vessels and adjustments for direct financing leases to a cash basis, but includes realized gains or losses on the settlement of foreign currency forward contracts and a derivative charter contract.



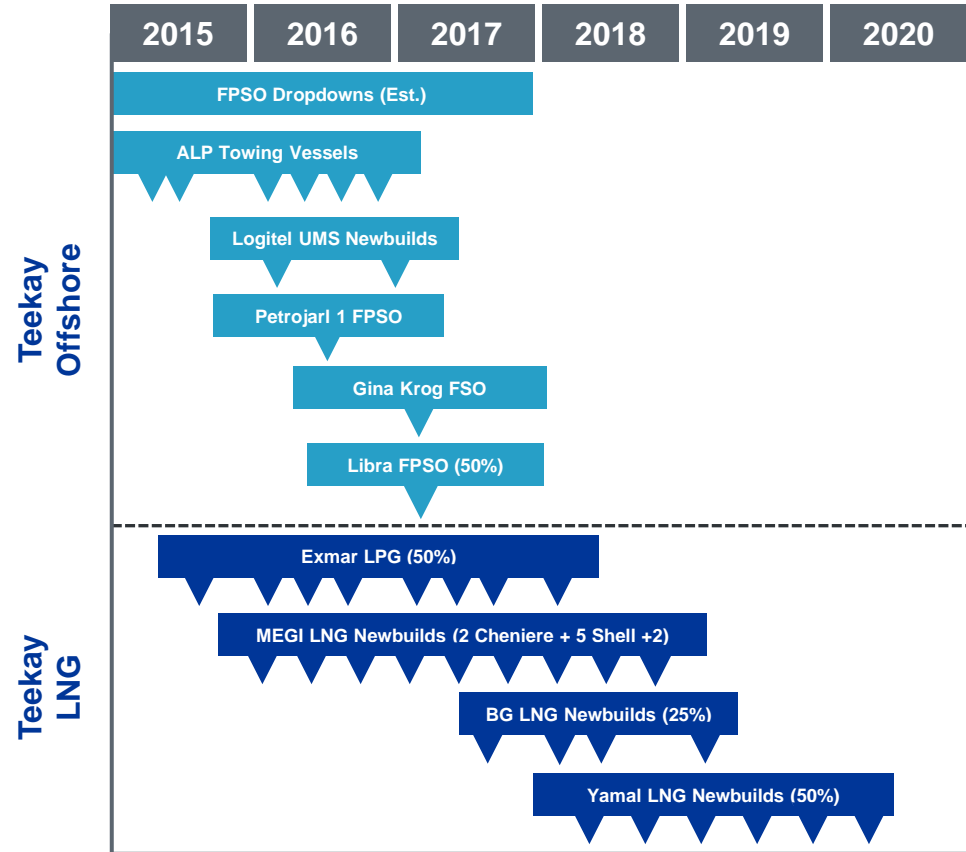
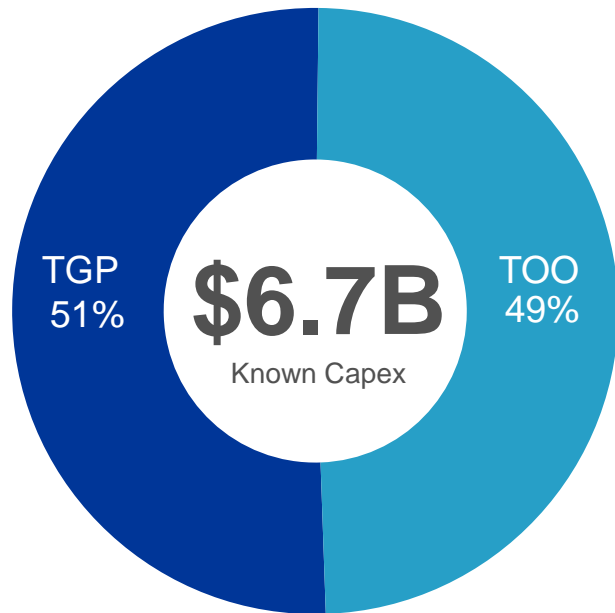
# Future Dividends Linked to Daughter Cash Flows

$$\text{Teekay Dividend} = \frac{\text{GPCO GP Cash Flows} + \text{LP Cash Flows} + \text{Other Dividends} - \text{Corp. G\&A} - \text{Reserves}}{\text{Target Coverage Ratio}}$$

- Teekay expects to implement its new dividend policy in Q2-15, with an initial dividend increase to \$0.55 per share, or \$2.20 per share (annualized)
  - **~75% increase** from current annual dividend of \$1.265 per share
- Future increases linked to the growth in the dividend cash flows we receive from our daughter entities

# Visible Pipeline of Profitable Growth

\$6.7 billion of known accretive growth will support future dividend increases





TEEKAY



# TEEKAY OFFSHORE PARTNERS (NYSE: TOO)

Photo Credit:  
John Mikal Torgersen

# Forward Looking Statements

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# INVESTMENT HIGHLIGHTS

## Leading Market Positions

Market leader in harsh weather FPSOs and shuttle tankers

## Strong Long-Term Fundamentals

Deepwater offshore oil production is set to double by 2025

## Stable Operating Model

\$7.7 billion of forward fee-based revenues

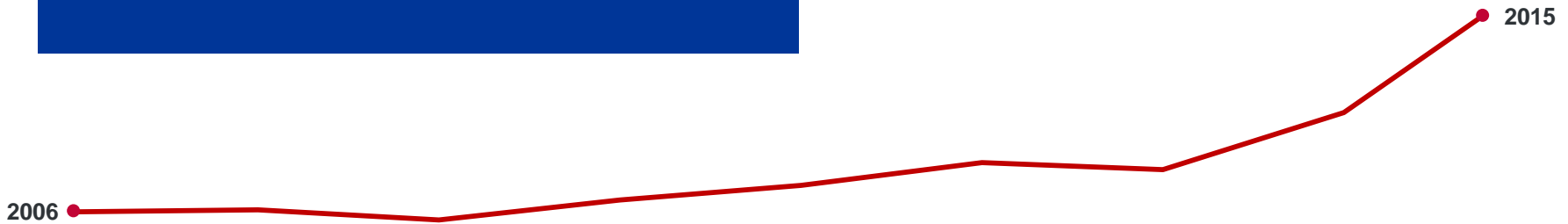
## Strong Visible Growth

\$3.3 billion of built-in growth



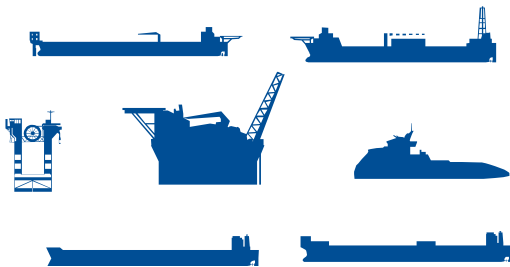
# TEEKAY OFFSHORE AT A GLANCE

**~\$5.5B**  
Total Assets\*



**\$2.1B** Market Cap.\*\*

## 63 Offshore Units



## Blue-Chip Customers



## Fee-based Contracts

Avg. contract duration of 5 years (excluding options)

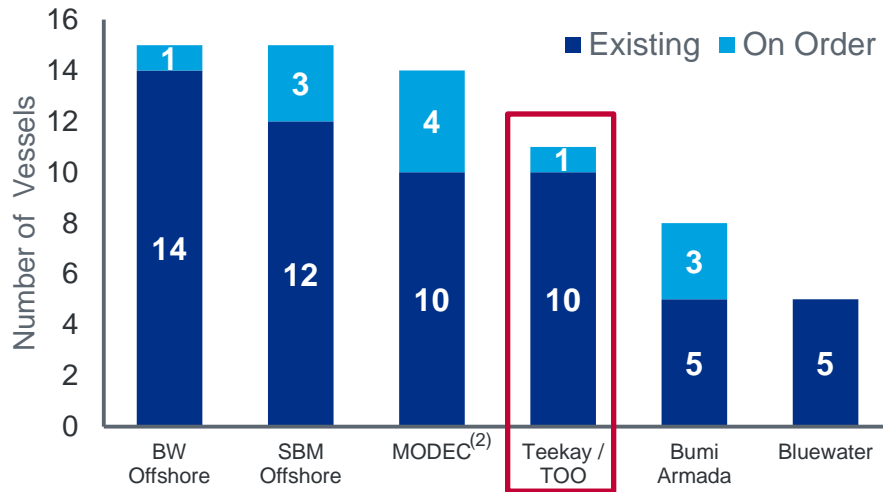


\* Includes the *Petrojarl Knarr* FPSO which is expected to be acquired by Teekay Offshore from Teekay Corporation upon commencing full operations under its charter contract with BG Group.

\*\* As of May 14, 2015.

# Market Leader in Core Segments

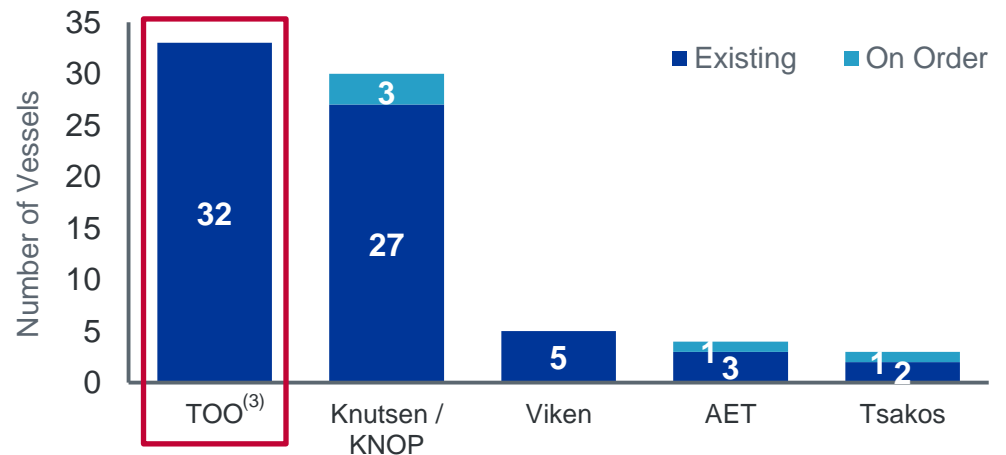
## Leased FPSO Operators



Leading Position in  
Leased FPSOs  
**Globally**

## Shuttle Tanker Ownership

Control Approximately  
**35%**  
of the World's  
Shuttle Tanker Fleet<sup>(1)</sup>



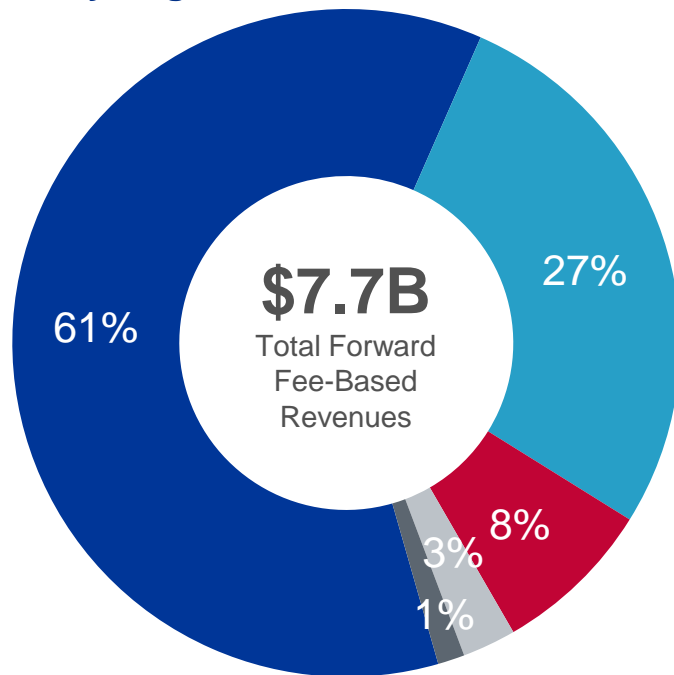
Source: Clarkson Research Services, Platou, Company Websites, Industry Sources.

(1) Based on total tonnage (including newbuilds) as of December 31, 2014.

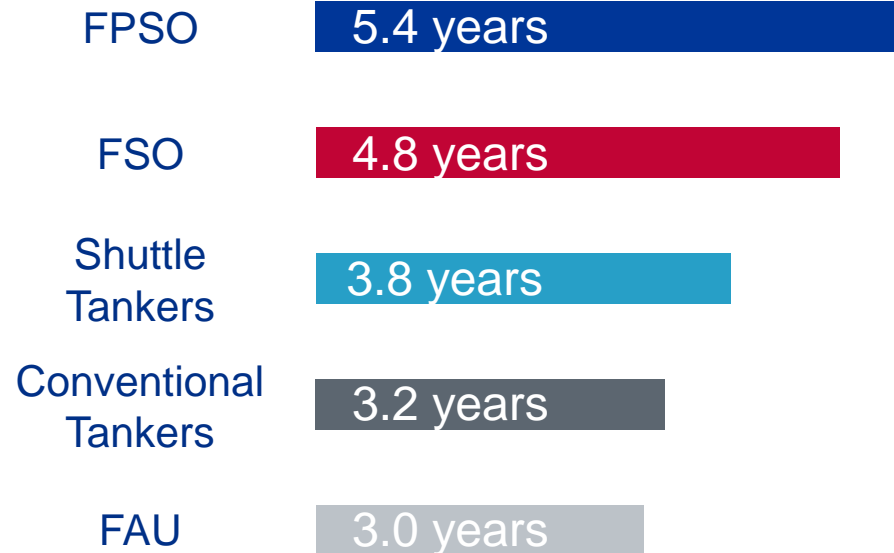
(2) MODEC refers to Mitsui Ocean Development & Engineering Co., Ltd.

# Stable Portfolio of Fee-Based Contracts With Strong Customer Base

Forward Fee-Based Revenues by Segment\*



Average Remaining Contract Length by Segment\*



\* Excludes extension options and includes the *Knarr* FPSO which is expected to be acquired by Teekay Offshore upon commencing full operations under its charter contract with BG Group.



# Improving External Environment

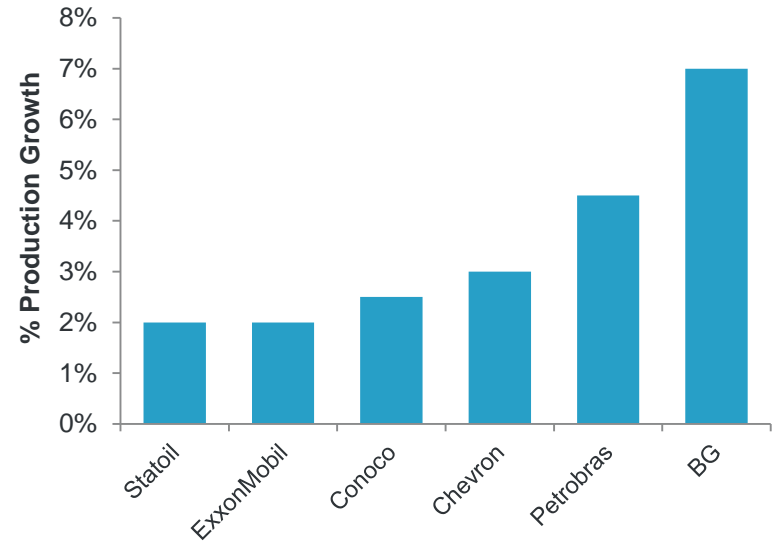
## EXISTING CONTRACTS:

- Production at existing fields being supported by:
  - Higher oil prices with Brent crude rebounding ~45% since mid-January
  - Oil companies targeting >2% oil production growth in 2015 despite lower oil prices

## NEW PROJECTS:

- Customers are seeking cost-effective solutions
  - Plays to TOO's strengths in the offshore production and offshore logistics segments

Oil Company Target Production Growth in 2015



Source: Company Reports



# Knarr FPSO Status Update

- Expect to acquire the Knarr from Teekay Corp. for fully built-up cost of ~\$1.25 billion when operating under its full charter rate in Q2-15
  - Fully-financed with assumed debt (\$780 million), a combination of vendor financing and new common units issued to Teekay Corp. and a portion of the proceeds from the recent preferred unit offering
- Expected to generate annual DCF\* of approximately \$80 million
  - Acquisition expected to drive at least 4% annualized distribution growth

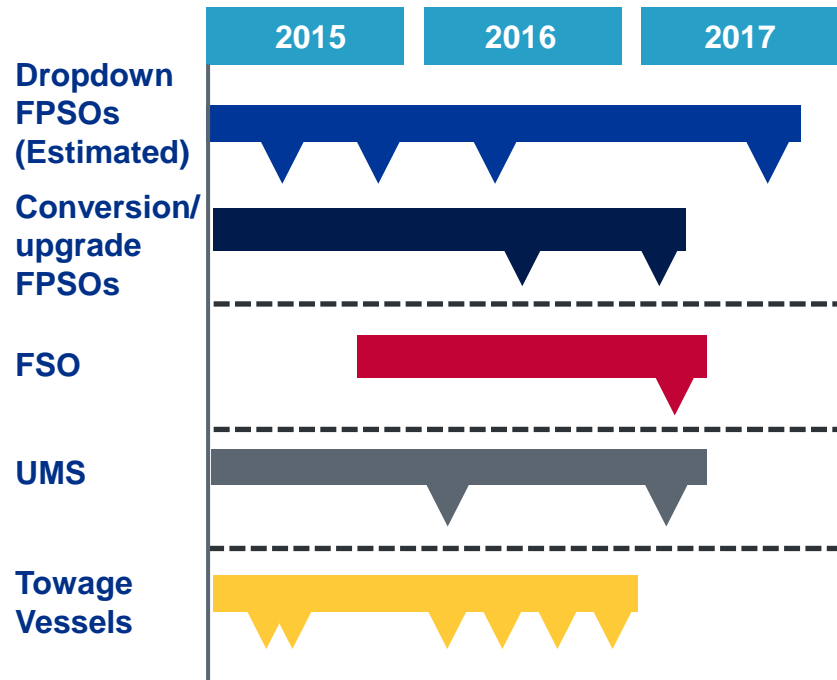
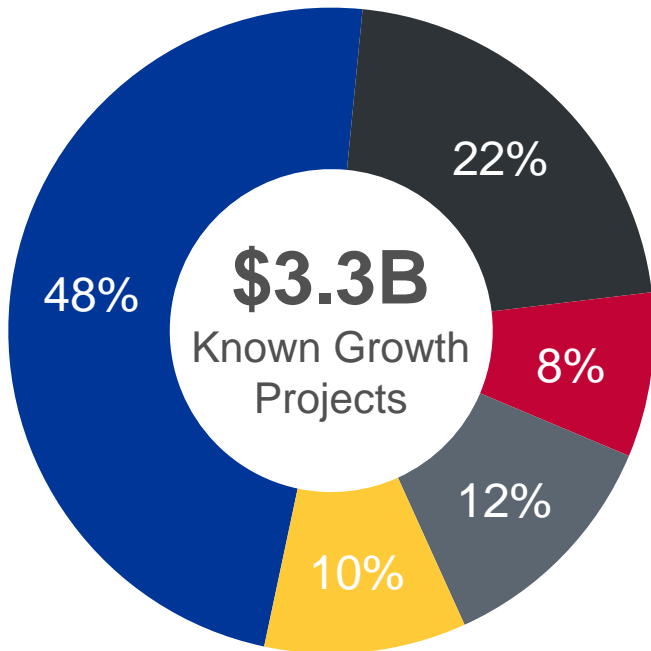
\* Distributable Cash Flow is a non-GAAP measure used by certain investors to measure the financial performance of Teekay Offshore and other master limited partnerships



# Strong Visible Growth Pipeline Supports Future TOO Distribution Increases

Continue to bid on offshore projects and on-the-water acquisitions

Known Growth Capex  
by Segment





TEEKAY



# Forward Looking Statement

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# INVESTMENT HIGHLIGHTS

## Leading Market Position

One of the world's largest LNG carrier owners and operators

## Stable Operating Model

\$11.2 billion of forward fee-based revenues

## Strong Industry Fundamentals

Gas is the fastest growing fossil fuel

## Long-term Visible Growth

\$3.4 billion of committed projects

# TEEKAY LNG AT A GLANCE



**86 Vessels**



**\$11.2B**

Forward fee-based  
revenues

**13 years**

Avg. contract  
duration

**>1,000 days**

LTI Free

**>99.5%**

Fleet Availability  
since 2008

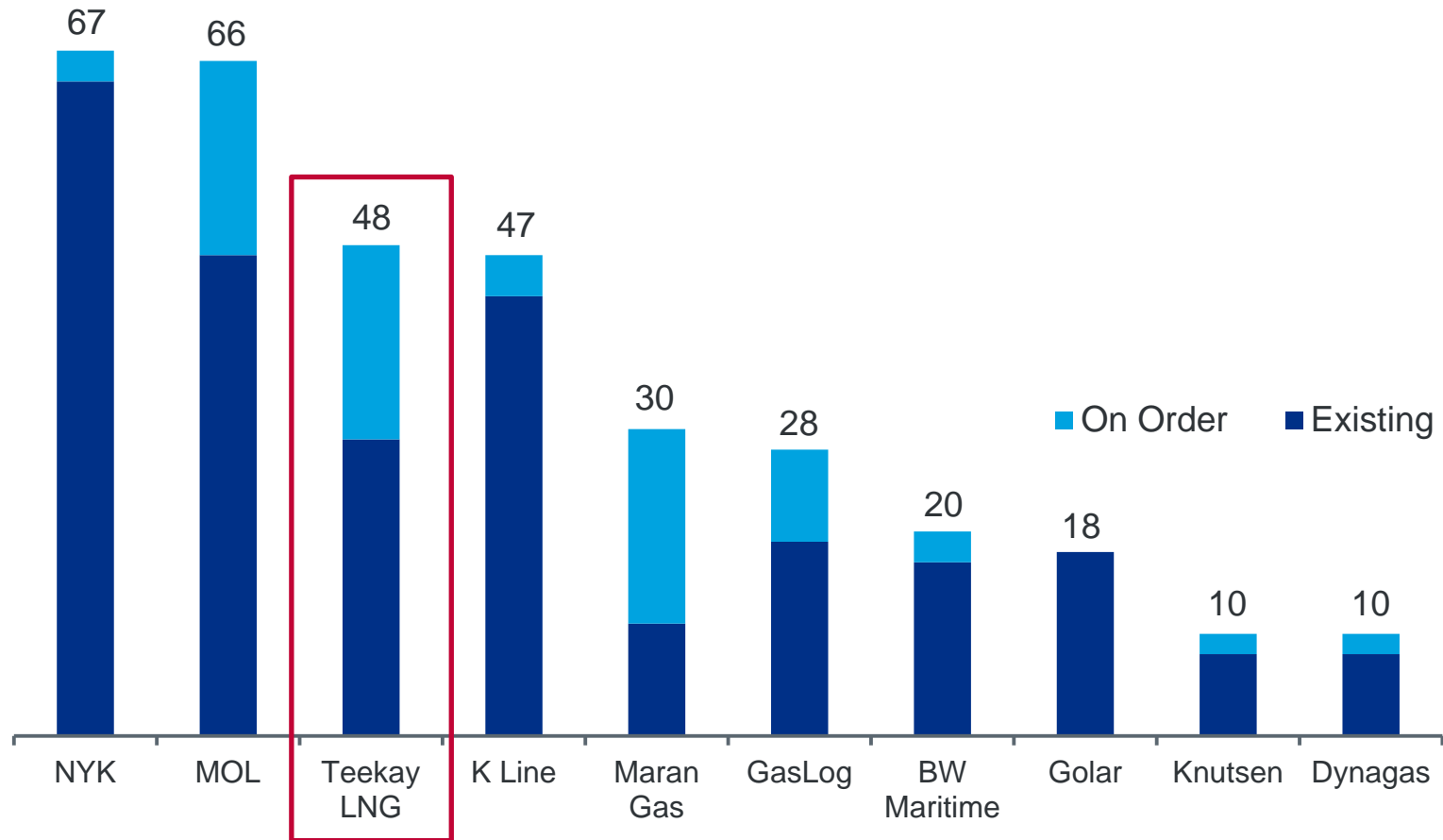


\* As of May 14, 2015.

\*\* Including proportionate share of joint ventures.

# Major Independent LNG Operator

One of the world's largest independent owners of LNG carriers



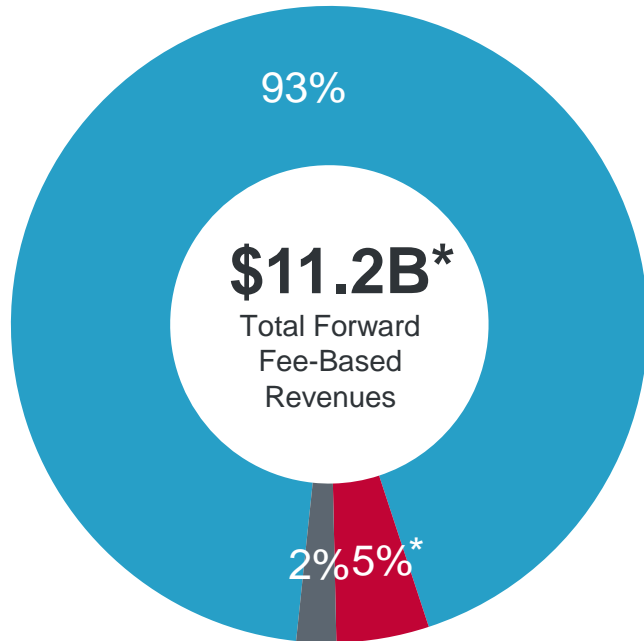
Note: Excludes state & oil company fleets. Source: Clarksons and Company websites



# Growing Forward Fee-Based Revenues With Diversified Customer Base

Forward Fee-Based Revenues by Segment

Average Remaining Contract Length by Segment



LNG Carriers

13 Years

LPG Carriers

7 Years\*

Conventional Tankers

3 Years



ConocoPhillips



YAMAL LNG

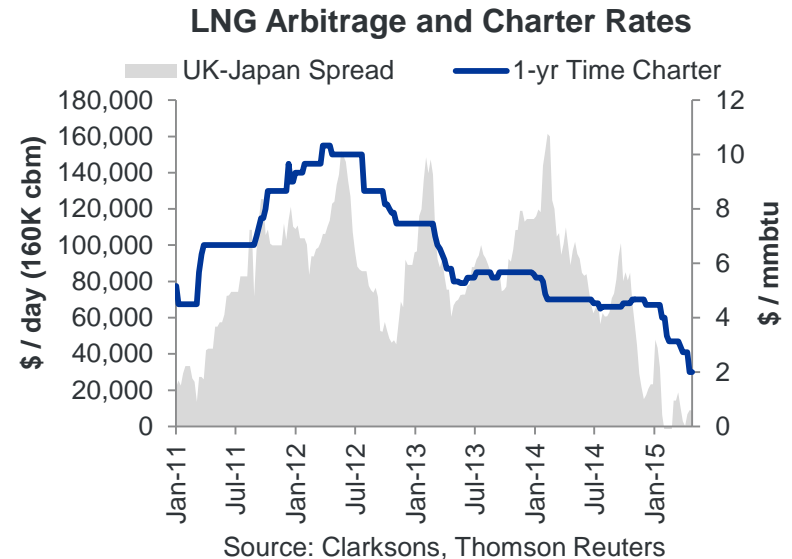


\* The average remaining contract life and forward fee-based revenues relate to 18 of our 30 LPG carriers currently on fixed-rate charters.

# Long-term Export Growth Remains On-track

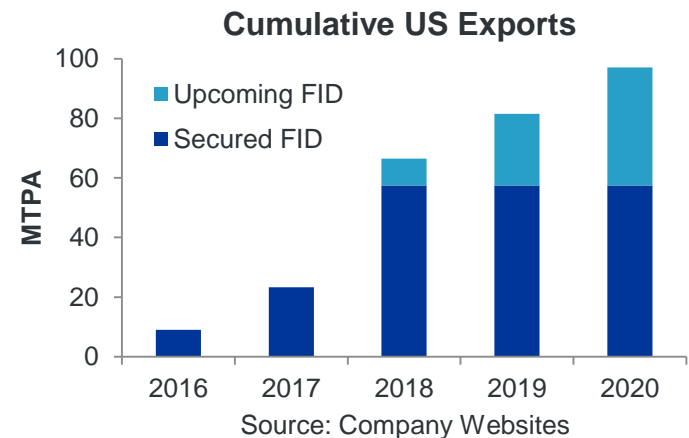
Near-term weakness due to vessel oversupply in the short-term market

- World LNG fleet increasingly involved in short-term trading
  - Delivery of uncommitted vessels, and committed vessels trading spot before export project startup
- Flat LNG trade volumes
  - Reduced inter-basin arbitrage trade
  - Mild weather and export project outages have further limited current LNG trade



Long-term strength due to continued development of new export projects

- More than 120 MTPA of future export capacity has already reached FID
- Additional U.S. export capacity is being developed
- Lower LNG prices support long term demand

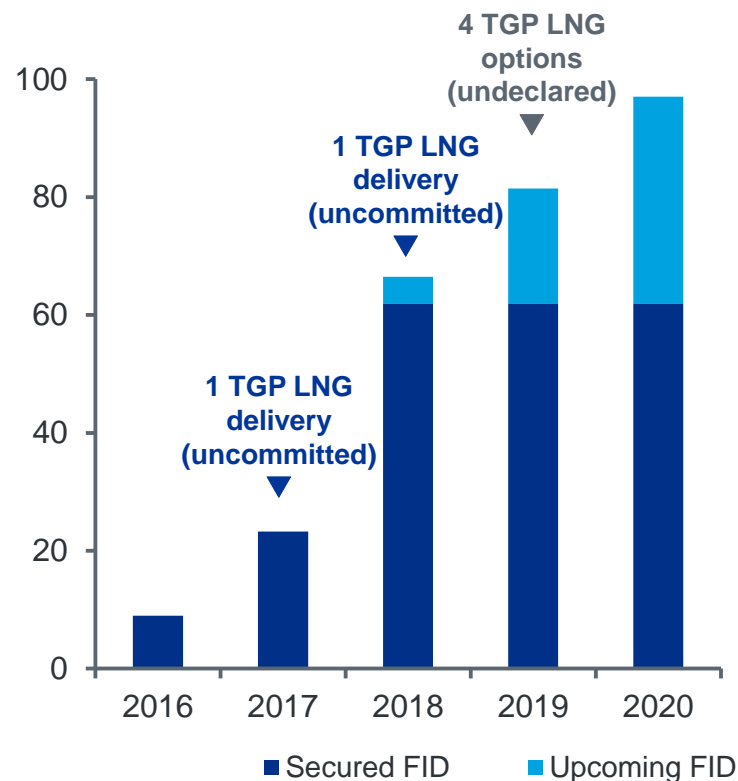


# U.S. Projects Create Demand for LNG Carriers

Nearly 100 MTPA possible from U.S. projects after 2016

Project	Start-Up	FID	MTPA
Sabine Pass Trains 1 - 4	2016 / 2017	Yes	18.0
Cove Point	2017	Yes	5.3
Cameron	2018	Yes	12.0
Freeport	2018	Yes	13.2
Corpus Christi	2018	Yes	13.5
Sabine Pass Train 5	2018	2015	4.5
Lake Charles	2019	2016	15.0
Golden Pass	2020	2015	15.6
<b>Total</b>			<b>97.1</b>

## U.S. Exports – Cumulative MTPA



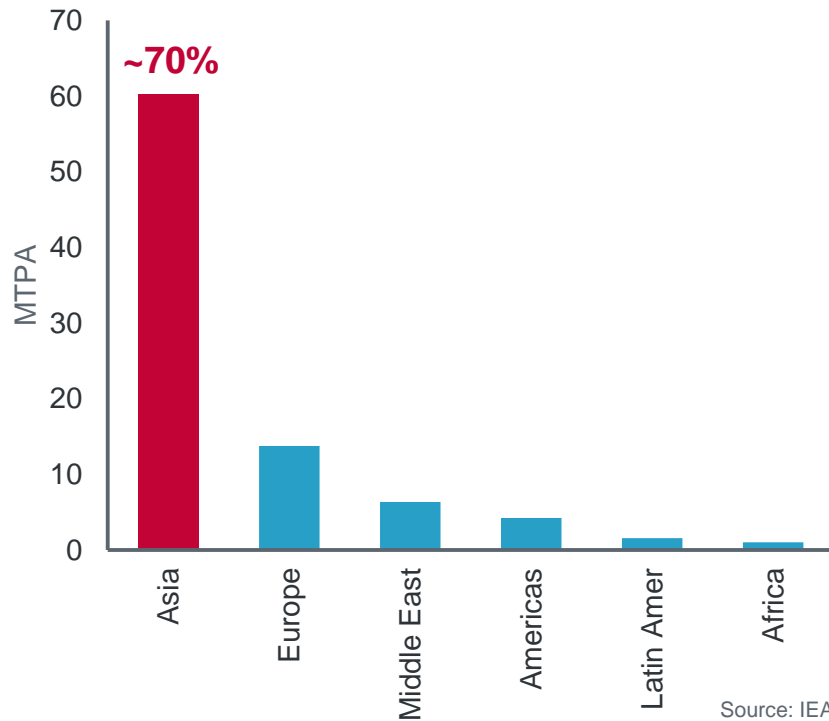
TGP's MEGI LNG newbuildings are ideally suited for U.S. LNG exports



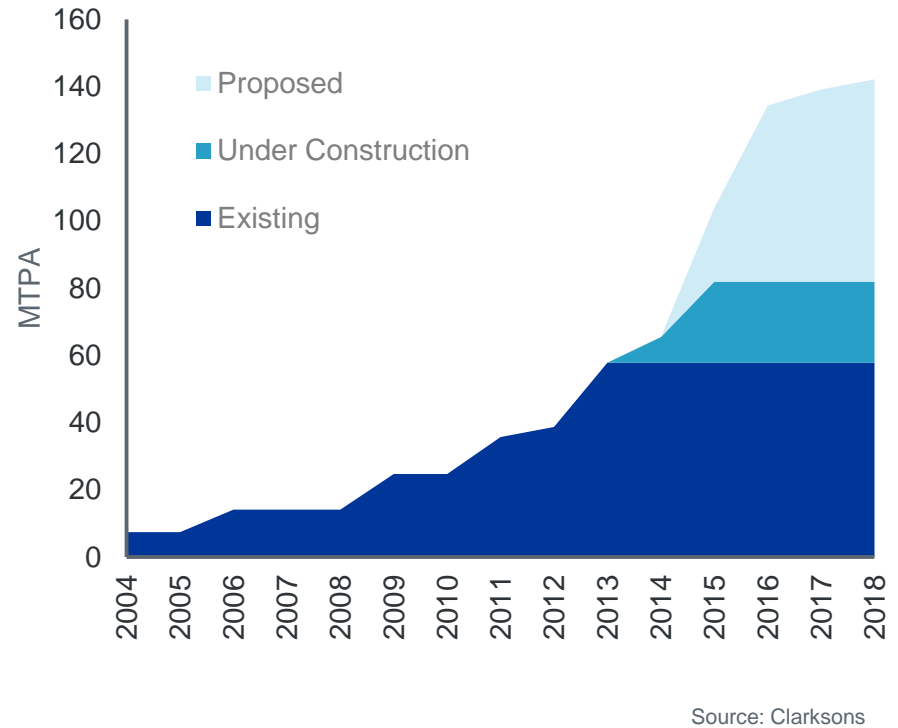
# Future LNG Demand Driven by Asia

Asia will account for almost 70% of the future increase in LNG imports

## Increase in LNG Imports in next 5 years



## China and India Import Terminal Capacity

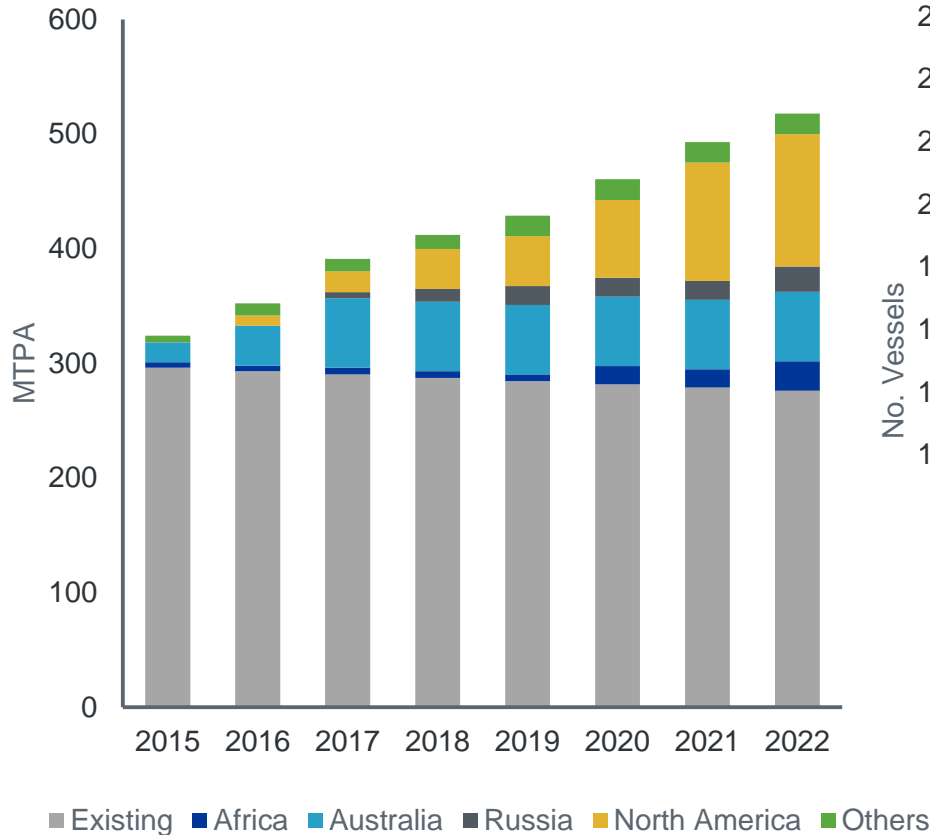


China and India import capacity more than doubles by 2018

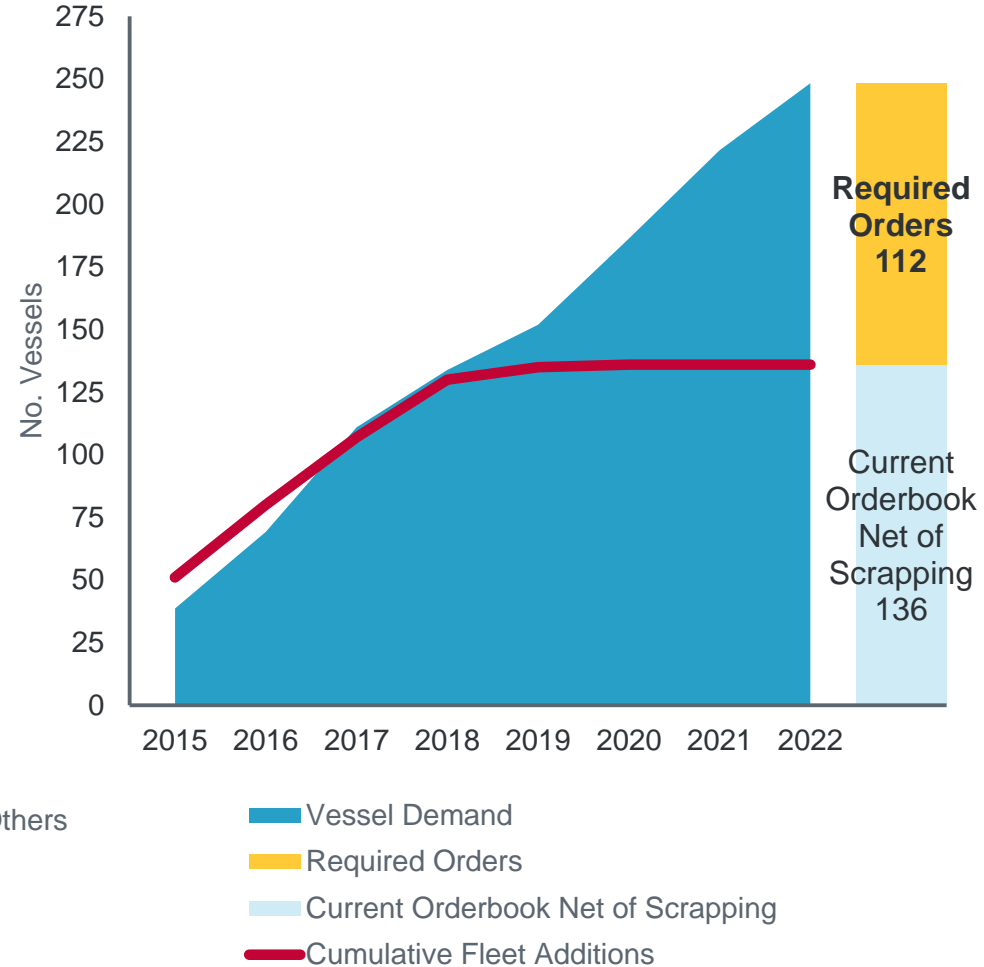


# Over 110 Additional Orders Required by 2020

## LNG Export Capacity Additions by Region



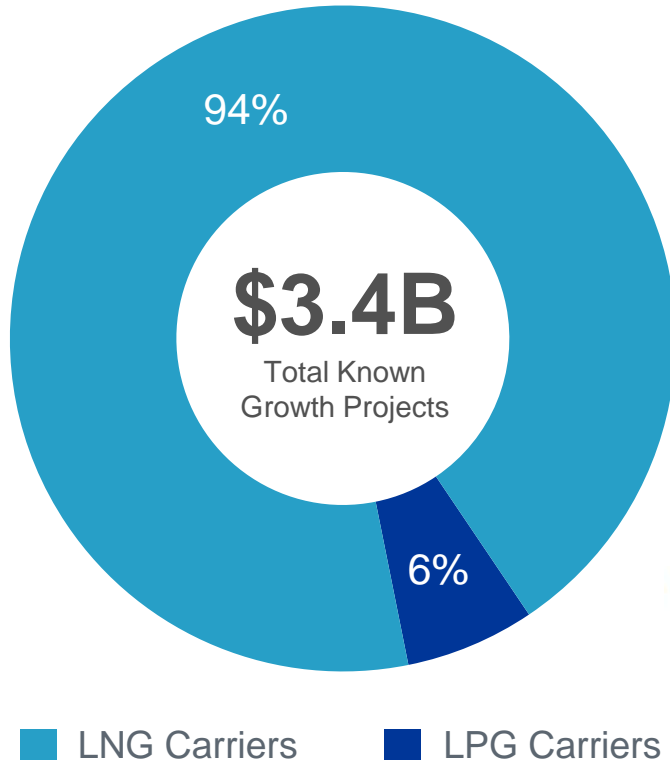
## Additional LNG Vessel Demand



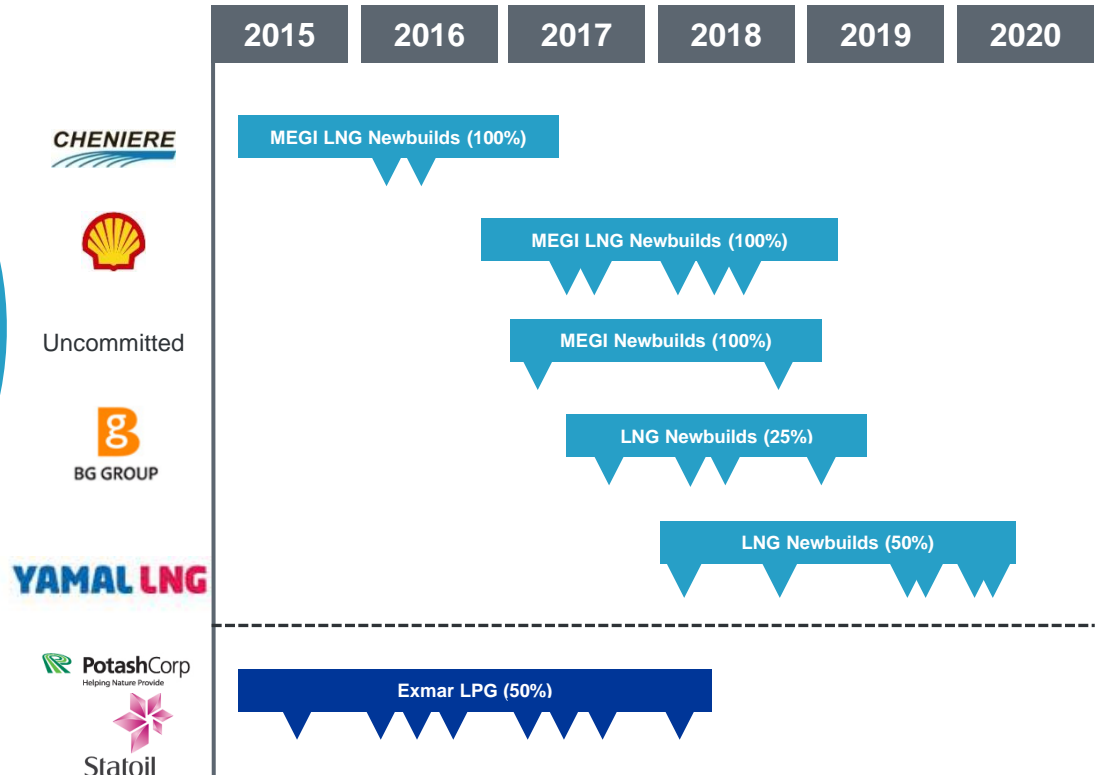
# Teekay LNG's Growth Pipeline

Continue to bid on several LNG and FSRU projects

## Growth Projects by Segment



## Growth Project Deliveries



Options for 4 MEGI LNG carrier newbuilds



The background is a solid blue color with a subtle, wavy texture. Overlaid on this are several thick, white, geometric lines that form a stylized, abstract shape resembling the letter 'E'. The lines are composed of multiple parallel paths, creating a sense of depth and movement. The overall composition is clean and modern.

BRINGING ENERGY TO THE WORLD