

TEEKAY SHIPPING CORP  
Form 6-K  
April 20, 2005

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 6-K**

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

Date of report: April 20, 2005

Commission file number 1- 12874

**TEEKAY SHIPPING CORPORATION**

(Exact name of Registrant as specified in its charter)

TK House  
Bayside Executive Park  
West Bay Street & Blake Road  
P.O. Box AP-59212, Nassau, Bahamas  
(Address of principal executive office)

[Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

[Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):\_\_\_\_\_]

Yes  No

[Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):\_\_\_\_\_]

Yes  No

[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes \_\_\_\_\_ No  X

[If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82-\_\_\_\_\_]

**Item 1 - Information Contained in this Form 6-K Report**

Attached as Exhibit I is a copy of an announcement of Teekay Shipping Corporation (the Company ), dated April 20, 2005.

**THIS REPORT ON FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE FOLLOWING REGISTRATION STATEMENTS OF THE COMPANY.**

**REGISTRATION STATEMENT ON FORM F-3 (NO. 33-97746) FILED WITH THE SEC ON OCTOBER 4, 1995;**

**REGISTRATION STATEMENT ON FORM S-8 (NO. 333-42434) FILED WITH THE SEC ON JULY 28, 2000;**

**REGISTRATION STATEMENT ON FORM F-3 (NO. 333-102594) FILED WITH THE SEC ON JANUARY 17, 2003; AND**

**REGISTRATION STATEMENT ON FORM S-8 (NO. 333-119564) FILED WITH THE SEC ON OCTOBER 6, 2004**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SIGNATURES

TEEKAY SHIPPING CORPORATION

Date: April 20, 2005

By: /s/ Peter Evensen  
Peter Evensen  
Executive Vice President and Chief Financial Officer  
(Principal Financial and Accounting Officer)

EXHIBIT I

**TEEKAY SHIPPING CORPORATION**  
TK House, Bayside Executive Park, West Bay Street & Blake Road  
P.O. Box AP-59212, Nassau, Bahamas  
**EARNINGS RELEASE**

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**TEEKAY REPORTS FIRST QUARTER  
NET INCOME OF \$279 MILLION**

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**1<sup>st</sup> Quarter Highlights**

- Achieved net income of \$279.0 million, or \$3.19 per share (up 46% from prior year)
- Net income includes gains of \$135.1 million from vessel sales and unrealized foreign currency exchange-related items
- Generated \$222.2 million in cash flow from vessel operations
- Completed the previously announced 3 million share repurchase program for \$128.9 million
- Announced a new \$225 million share repurchase program

Nassau, The Bahamas, April 20, 2005 Teekay Shipping Corporation today reported net income of \$279.0 million, or \$3.19 per share, for the quarter ended March 31, 2005, compared to net income of \$189.0 million, or \$2.18 per share, for the quarter ended March 31, 2004.

The results for the first quarter of 2005 included a gain of \$101.9 million from the sale of nine older vessels and one newbuilding Suezmax tanker, unrealized foreign currency translation gains of \$27.2 million relating to long-term debt denominated in Euros and deferred tax liabilities denominated in Norwegian Kroner, and a deferred income tax recovery of \$6.0 million relating to unrealized foreign currency translation losses. The results for the quarter ended March 31, 2004 included a \$4.5 million deferred income tax recovery relating to unrealized foreign currency translation losses. Net voyage revenues<sup>(1)</sup> for the first quarter of 2005 were \$418.9 million, compared to \$447.6 million for the same period in 2004, and income from vessel operations increased to \$269.9 million from \$208.6 million.

### New Share Repurchase Program

On April 20, 2005, the Company announced that its Board of Directors had authorized a \$225 million share repurchase program. This share repurchase program follows the 3 million share repurchase program completed in early 2005 for a total of \$128.9 million, representing an average cost of \$42.95 per share.

(1) Net voyage revenues represents voyage revenues less voyage expenses. Net voyage revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. See the Company's Web site at [www.teekay.com](http://www.teekay.com) for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

### Operating Results

The following table highlights certain financial information for Teekay's three main segments: the spot tanker segment, the fixed-rate tanker segment, and the fixed-rate liquefied natural gas (LNG) segment which commenced with Teekay's acquisition on April 30, 2004 of Naviera F. Tapias S.A. (subsequently renamed Teekay Shipping Spain S.L.). Please read the "Teekay Fleet" section of this release for further details about these segments.

	<u>Three Months Ended</u>				<u>Spot Tanker Segment</u>	<u>Fixed-Rate LNG Segment</u>
	<u>Spot Tanker Segment</u>	<u>Fixed-Rate Tanker Segment</u>	<u>Fixed-Rate LNG Segment</u>	<u>Total</u>		
<u>(in thousands of U.S. dollars)</u>						
Net voyage revenues	236,788	157,877	24,217	418,882	288,081	1
Vessel operating expenses	17,807	32,290	4,343	54,440	23,453	
Time-charter hire expense	66,216	42,366	-	108,582	59,555	
Depreciation & amortization	15,866	30,695	7,522	54,083	24,886	

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Cash flow from vessel operations*	134,440	70,788	16,934	222,162	191,293
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\* Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and vessel write-downs/(gain) loss on sale of vessels. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. See the Company's Web site at [www.teekay.com](http://www.teekay.com) for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

**Spot Tanker Segment**

The decrease in the Company's cash flow from vessel operations from its spot tanker segment in the first quarter of 2005 compared to the first quarter of 2004 was primarily due to the sale of a number of older vessels during the past 12 months, partially offset by the delivery of newbuildings and the chartering-in of additional vessels. On a net basis, these fleet changes reduced the total number of revenue days in the Company's spot tanker segment by 718 days, from 7,265 days in the first quarter of 2004 to 6,547 days in the first quarter of 2005.

**Fixed-Rate Tanker Segment**

The Company's cash flow from vessel operations from its fixed-rate tanker segment increased slightly in the first quarter of 2005 compared to the first quarter of 2004, as the increase from the inclusion of the results of Teekay Shipping Spain's Suezmax tankers on long-term charters was offset by lower utilization of the shuttle tanker fleet due to unscheduled temporary shutdowns of oil production on three oil fields in the North Sea.

**Fixed-Rate LNG Segment**

The fixed-rate LNG segment for the first quarter of 2005 consisted of Teekay Shipping Spain's four existing LNG carriers. Teekay had no LNG carriers prior to its acquisition of Naviera F. Tapias S.A. in April 2004.

The following table highlights the operating performance of the Company's spot tanker segment measured in net voyage revenues per revenue day, or time-charter equivalent (TCE). Revenue days represent the total number of calendar days the Company's vessels were in its possession for the periods presented less the total number of off-hire days associated with major repairs, drydockings or special and intermediate surveys.

	March 31, 2005	Three Months Ended December 31, 2004
<b>Spot Tanker Segment</b>		
<b>Very Large Crude Carrier Fleet</b>		
Revenue days	90	131
TCE per revenue day (1)	\$92,844	\$129,191
<b>Suezmax Tanker Fleet</b>		

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Revenue days	540	546
TCE per revenue day (1), (2)	\$38,865	\$61,894
<b>Aframax Tanker Fleet</b>		
Revenue days	4,321	4,972
TCE per revenue day (1), (2)	\$39,622	\$57,556
<b>Oil/Bulk/Ore Fleet</b>		
Revenue days	-	-
TCE per revenue day (1)	-	-
<b>Large/Medium-Size Product Tanker Fleet</b>		
Revenue days	647	506
TCE per revenue day (1)	\$31,941	\$31,692
<b>Small Product Tanker Fleet</b>		
Revenue days	949	903
TCE per revenue day (1)	\$16,411	\$15,332

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(1) Includes vessels operating on voyage and period charters with an initial term of less than three years and the effect of forward freight agreements. Forward Freight Agreements are entered into as hedges against a portion of the Company's exposure to spot market rates.

(2) Results for the three months ended December 31, 2004 for the Company's Suezmax and Aframax fleets include realized losses from forward freight agreements of \$7.2 million, or \$13,233 per revenue day, and \$6.6 million, or \$1,324 per revenue day, respectively. Results for the three months ended March 31, 2005 for the Company's Suezmax fleet include realized losses from forward freight agreements of \$2.1 million, or \$3,842 per revenue day.

### **Tanker Market Overview**

During the first quarter of 2005, tanker freight rates declined from the near record levels of the previous quarter, yet remained at relatively firm levels when compared to historical averages as tanker market fundamentals remained favorable.

Global oil demand, an underlying driver of tanker demand, rose marginally to 84.6 million barrels per day (mb/d) during the first quarter of 2005 compared to the previous quarter, but increased 2.6% compared to the first quarter of 2004. Strong global economic growth led by China and the United States, combined with colder than normal weather conditions in the latter part of the quarter, were the main factors that increased oil demand to record levels. During the first quarter of 2005, the International Energy Agency raised its global oil demand forecast for 2005 to an average of 84.3 mb/d, an increase of 2.1% over 2004.

Global oil supply declined by 0.4 mb/d to 83.8 mb/d in the first quarter of 2005 compared to the previous quarter, but was 1.6 mb/d higher than the same period last year. OPEC production declined by 0.4 mb/d from the previous quarter as key Middle East OPEC countries reduced production closer to quota levels, while non-OPEC production remained at the same level as the previous quarter.

At its March 16, 2005 meeting, OPEC members voted to immediately raise quota limits by 0.5 mb/d to 27.5 mb/d in response to prevailing high oil prices. Members also authorized the President of OPEC to announce a further increase of 0.5 mb/d before the next scheduled meeting in June 2005 if oil prices remain high.

The size of the world tanker fleet rose to 340.0 million deadweight tonnes (mdwt) as of March 31, 2005, up 1.8% from the end of the previous quarter. Deletions in the first quarter of 2005 were 2.7 mdwt, down slightly from 2.8 mdwt in the previous quarter, while deliveries of tanker newbuildings during the first quarter totaled 8.4 mdwt, up from 6.0 mdwt in the previous quarter.

As at March 31, 2005 the world tanker orderbook stood at 87.3 mdwt, or 25.7% of the world tanker fleet, compared to 89.5 mdwt, or 26.8%, at the end of 2004.

### **Teekay Fleet**

At March 31, 2005, Teekay's fleet (excluding vessels managed for third parties) consisted of 145 vessels, including 52 chartered-in vessels and 13 newbuildings on order. The net asset value of Teekay's fleet has risen significantly during the past 12 months. The Company has taken advantage of high-cycle asset prices to profitably carry out its disposal program of single-hull tankers. During the first quarter, as part of this fleet renewal program, the Company completed the previously announced sale of eight older single-hull Aframaxes, one older Suezmax shuttle tanker and one Suezmax newbuilding to new owners, and took delivery of one newbuilding Aframax tanker currently trading in the spot market.

The following table summarizes the Teekay fleet as of March 31, 2005:

	Number of Vessels (1)			
	Owned Vessels	Vessels Held for Sale	Chartered-in Vessels	Newbuildings on Order
<b>Spot Tanker Segment:</b>				
Very Large Crude Carriers	-	-	1	
Suezmax Tankers	1	1	4	
Aframax Tankers	26	3	17	
Large / Medium-Size Product Tankers	-	-	6	
Small Product Tankers	-	-	11	
<b>Total Spot Tanker Segment</b>	<b>27</b>	<b>4</b>	<b>39</b>	
<b>Fixed-Rate Tanker Segment:</b>				
Shuttle Tankers (2)	28	-	12	
Conventional Tankers	12	-	-	
Floating Storage & Offtake (FSO) Units (3)	4	-	-	
LPG / Methanol Carriers	1	-	1	
<b>Total Fixed-Rate Tanker Segment</b>	<b>45</b>	<b>-</b>	<b>13</b>	
<b>Fixed-Rate LNG Segment</b>	<b>4</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>76</b>	<b>4</b>	<b>52</b>	<b>1</b>

(1) Does not include vessels managed on behalf of third parties

(2) Includes six shuttle tankers of which the Company's ownership interests range from 50% to 50.5%.

(3) Includes one FSO unit in which the Company's ownership interest is 89%

During the first quarter of 2005, the Company entered into agreements to sell an additional three older single-hull Aframax tankers and one older single-hull Suezmax tanker, for total gross proceeds of approximately \$93.4 million. These vessels are scheduled for delivery to the buyers during the second and third quarters of 2005, during which periods the Company expects to record gains totaling approximately \$25 million relating to their sale.

For a detailed listing of vessel sales and deliveries, please refer to the Company's Web site at [www.teekay.com](http://www.teekay.com).

### **Liquidity and Capital Expenditures**

At March 31, 2005, the Company had total liquidity of over \$1.4 billion, comprising \$554.3 million in cash and cash equivalents and \$849.8 million in undrawn medium-term revolving credit facilities.

At March 31, 2005, the Company had approximately \$761 million in remaining capital commitments relating to its newbuildings on order, for which the Company has arranged long-term financing. Of this total amount, approximately \$313 million is due during the remainder of 2005, \$256 million in 2006 and \$192 million due in 2007 and early 2008.

### **Teekay LNG Partners L.P.**

On November 24, 2004, the Company's wholly-owned subsidiary, Teekay LNG Partners L.P., filed a registration statement with the U.S. Securities and Exchange Commission for an initial public offering of its common units. Teekay LNG Partners L.P. was formed by Teekay as part of its strategy to expand its operations in the liquefied natural gas shipping sector.

### **About Teekay**

Teekay Shipping Corporation transports more than 10% of the world's seaborne oil and has expanded into the liquefied natural gas shipping sector. With a fleet of approximately 145 tankers, offices in 14 countries and approximately 5,500 seagoing and shore-based employees, the Company provides a comprehensive set of marine services to the world's leading oil and gas companies, helping them seamlessly link their upstream energy production to their downstream processing operations. Teekay's reputation for safety, quality and innovation has earned it a position with its customers as the premier marine midstream company.

Teekay's common stock is listed on the New York Stock Exchange where it trades under the symbol TK.

### **Earnings Conference Call**

The Company plans to host a conference call at 11:00 a.m. EDT (8:00 a.m. PDT) on April 21, 2005, to discuss the Company's results and the outlook for its business activities. All shareholders and interested parties are invited to listen to the live conference call and view the Company's earnings presentation through the Company's Web site at [www.teekay.com](http://www.teekay.com). A recording of the call will be available until April 28, 2005 by dialing (719) 457-0820, access code 9864609, or via the Company's web site until May 21, 2005.

For Investor Relations enquiries contact:  
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For Media enquiries contact:

Kim Barbero

Tel: +1 (604) 609-4703

Web site: [www.teekay.com](http://www.teekay.com)

**TEEKAY SHIPPING CORPORATION**  
**SUMMARY CONSOLIDATED STATEMENTS OF INCOME**

(in thousands of U.S. dollars, except share and per share data)

	<u>Three Months Ended</u> <u>March 31,</u> <u>2005</u> <u>(unaudited)</u>	<u>Three Months Ended</u> <u>December 31,</u> <u>2004</u> <u>(unaudited)</u>
<b>VOYAGE REVENUES</b>	517,411	669,553
<b>OPERATING EXPENSES</b>		
Voyage expenses	98,529	113,337
Vessel operating expenses	54,440	57,613
Time-charter hire expense	108,582	121,043
Depreciation and amortization	54,083	58,236
General and administrative	33,698	48,251
Gain on sale of vessels	(101,853)	(24,689)
Restructuring charge	-	-
	247,479	373,791
<b>Income from vessel operations</b>	269,932	295,762
<b>OTHER ITEMS</b>		
Interest expense	(37,697)	(34,058)
Interest income	8,230	6,490
Income tax recovery (expense)	9,317	(18,747)
Equity income from joint ventures	2,827	6,071
Other - net	26,437	(30,962)
	9,114	(71,206)
<b>Net income</b>	279,046	224,556
Earnings per common share		
- Basic	\$3.41	\$2.68

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- Diluted *	\$3.19	\$2.50
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Weighted-average number of common shares outstanding		
- Basic	81,712,320	83,760,379
- Diluted *	87,467,141	89,872,611
=====		

\*Reflects the effect of outstanding stock options and the \$143.75 million mandatory convertible preferred PEPS units, computed using the treasury stock method

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**TEEKAY SHIPPING CORPORATION**  
**SUMMARY CONSOLIDATED BALANCE SHEETS**  
(in thousands of U.S. dollars)  
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	<u>As at March 31,</u> <u>2005</u> <u>(unaudited)</u>	<u>A</u>
<b>ASSETS</b>		
Cash and cash equivalents	554,315	
Other current assets	228,218	
Restricted cash - current	99,049	
Vessels held for sale	66,214	
Restricted cash - long-term	331,273	
Vessels and equipment	3,170,831	
Advances on newbuilding contracts	207,435	
Other assets	254,460	
Intangible assets	270,964	
Goodwill	169,590	
-----		
<b>Total Assets</b>	<b>5,352,349</b>	
=====		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable and accrued liabilities	164,156	
Current portion of long-term debt	147,674	
Long-term debt	2,310,378	
Other long-term liabilities	249,765	
Minority interest	16,050	
Stockholders' equity	2,464,326	
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<b>Total Liabilities and Stockholders' Equity</b>	<b>5,352,349</b>	
=====		

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**TEEKAY SHIPPING CORPORATION**  
**SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands of U.S. dollars)  
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	<u>Three Months</u> <u>March 31</u> <u>2005</u> <u>(unaudited)</u>
Cash and cash equivalents provided by (used for)	

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**OPERATING ACTIVITIES**

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**Net operating cash flow** 173,745  
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**FINANCING ACTIVITIES**

Net proceeds from long-term debt 157,534  
 Scheduled repayments of long-term debt (51,034)  
 Prepayments of long-term debt (357,588)  
 Repurchase of common stock (67,618)  
 Other (1,383)

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**Net financing cash flow** (320,089)  
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**INVESTING ACTIVITIES**

Expenditures for vessels and equipment (61,587)  
 Purchase of Teekay Shipping Spain S.L. -  
 Proceeds from sale of vessels and equipment 339,801  
 Proceeds from sale of marketable securities -  
 Other (4,592)

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**Net investing cash flow** 273,622  
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**Increase in cash and cash equivalents** 127,278

Cash and cash equivalents, beginning of the period 427,037

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**Cash and cash equivalents, end of the period** 554,315  
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**TEEKAY SHIPPING CORPORATION**  
**APPENDIX A - SUPPLEMENTAL INFORMATION**  
 (in thousands of U.S. dollars)  
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**Three Months Ended March 31, 2005**  
**(unaudited)**

	<b>Spot Tanker Segment</b>	<b>Fixed-Rate Tanker Segment</b>	<b>Fixed-Rate LNG Segment</b>
Net voyage revenues	236,788	157,877	24,217
Vessel operating expenses	17,807	32,290	4,343
Time-charter hire expense	66,216	42,366	-
Depreciation and amortization	15,866	30,695	7,522
General and administrative	18,325	12,433	2,940
Gain on sale of vessels	(96,969)	(4,884)	-
Income from vessel operations	215,543	44,977	9,412

**Three Months Ended December 31, 2004**  
**(unaudited)**

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	Spot Tanker Segment	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment
Net voyage revenues	366,786	171,419	18,011
Vessel operating expenses	22,731	32,117	2,765
Time-charter hire expense	71,851	49,192	-
Depreciation and amortization	19,795	33,114	5,327
General and administrative	31,692	14,618	1,941
Gain on sale of vessels	(21,227)	(3,462)	-
Income from vessel operations	241,944	45,840	7,978

**Three Months Ended March 31, 2004**  
**(unaudited)**

	Spot Tanker Segment	Fixed-Rate Tanker Segment	Fixed-Rate LNG Segment
Net voyage revenues	288,081	159,486	-
Vessel operating expenses	23,453	25,459	-
Time-charter hire expense	59,555	49,110	-
Depreciation and amortization	24,886	28,728	-
General and administrative	13,018	14,607	-
Gain on sale of vessels	-	(603)	-
Restructuring charge	762	-	-
Income from vessel operations	166,407	42,185	-

**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 statements regarding: the Company's future growth prospects; tanker market fundamentals, including the balance of supply and demand in the tanker market, and spot tanker charter rates; the Company's future capital expenditure commitments and the financing requirements for such commitments; the timing of and the proceeds; gain relating to the sale of vessels; the Company's \$225 million share repurchase program; and the initial public offering of common units of Teekay LNG Partners L.P. 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 and LNG, either generally or in particular regions; greater or less than anticipated levels of tanker newbuilding orders or greater or less than anticipated rates of tanker scrapping; changes in trading patterns significantly impacting overall tanker 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; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts; the Company's future capital expenditure requirements; potential changes in the timing of, or expected gains from expected vessel sales; the potential inability to repurchase the Company's shares under its share

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repurchase program; the potential inability to complete the initial public offering of Teekay LNG Partners L.P. 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, 2004, and in the Registration Statement of Teekay LNG Partners L.P. on Form F-1. 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.

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**TEEKAY SHIPPING CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(in thousands of U.S. dollars)  
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	<u>Three Months Ended March 31, 2005</u> <u>(unaudited)</u>		
<b>Spot Tanker Segment</b>	<b>Fixed-Rate Tanker Segment</b>	<b>Fixed-Rate LNG Segment</b>	
Income from vessel operations	215,543	44,977	9,412
Depreciation and amortization	15,866	30,695	7,522
Gain on sale of vessels	(96,969)	(4,884)	-
-----			
Cash flow from vessel operations (1)	134,440	70,788	16,934
=====			

	<u>Three Months Ended March 31, 2004</u> <u>(unaudited)</u>		
<b>Spot Tanker Segment</b>	<b>Fixed-Rate Tanker Segment</b>	<b>Fixed-Rate LNG Segment</b>	
Income from vessel operations	166,407	42,185	-
Depreciation and amortization	24,886	28,728	-
Gain on sale of vessels	-	(603)	-
-----			
Cash flow from vessel operations (1)	191,293	70,310	-
=====			

- (1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and vessel write-down/(gain)loss on sale of vessels. Cash flow from vessel operations is included because certain investors use this data to measure a company's financial performance. Cash flow from vessel operations is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to net income or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.

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**TEEKAY SHIPPING CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED**  
(in thousands of U.S. dollars)  
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	<u>Three Months Ended March 31, 2005</u> <u>(unaudited)</u>		
	<b>Spot Tanker Segment</b>	<b>Fixed-Rate Tanker Segment</b>	<b>Fixed-Rate LNG Segment</b>
Voyage revenues	320,984	172,162	24,265
Voyage expenses	(84,196)	(14,285)	(48)
Net voyage revenues (2)	236,788	157,877	24,217
=====			
	<u>Three Months Ended March 31, 2004</u> <u>(unaudited)</u>		
	<b>Spot Tanker Segment</b>	<b>Fixed-Rate Tanker Segment</b>	<b>Fixed-Rate LNG Segment</b>
Voyage revenues	375,856	175,595	-
Voyage expenses	(87,775)	(16,109)	-
Net voyage revenues (2)	288,081	159,486	-
=====			

- (2) Net voyage revenues represents voyage revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net voyage revenues is included because certain investors use this data to measure the financial performance of shipping companies. Net voyage revenues is not required by accounting principles generally accepted in the United States and should not be considered as an alternative to voyage revenues or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.