



[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 February 25, 2004.

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

**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.

TEEKAY SHIPPING CORPORATION

Date: February 25, 2004

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

**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 SHIPPING CORPORATION**  
**REPORTS FOURTH QUARTER AND FISCAL 2003 RESULTS**

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**Highlights**

- Fourth quarter cash flow from vessel operations of \$154.7 million, of which \$61.0 million was from long-term fixed-rate contracts
- Fourth quarter net income of \$6.6 million, or \$0.16 per share (net of vessel write-downs and other charges of \$72.1 million, or \$1.72 per share)
- Achieved Teekay's highest ever annual cash flow from vessel operations of \$581.0 million in 2003
- Fiscal 2003 net income of \$177.4 million, or \$4.35 per share (net of vessel write-downs and other charges of \$118.3 million, or \$2.91 per share)

Nassau, The Bahamas, February 25, 2004 Teekay Shipping Corporation today reported net income of \$6.6 million, or \$0.16 per share, for the quarter ended December 31, 2003, compared to net income of \$33.1 million, or \$0.82 per share, for the quarter ended December 31, 2002. The results for the quarter ended December 31, 2003 included \$72.1 million, or \$1.72 per share, in vessel write-downs and other charges as detailed in Appendix B to this release. Net voyage revenues for the quarter were \$340.6 million, compared to \$155.1 million recorded for the same period in 2002, and income from vessel operations increased to \$102.3 million from \$48.6 million. The results for the current quarter reflect primarily the increase in spot tanker charter rates, as well as the inclusion of the results of the Company's acquisition of Navion AS (Navion) in April 2003.

Net income for the year ended December 31, 2003 was \$177.4 million, or \$4.35 per share, compared to \$53.4 million, or \$1.33 per share, for the same period last year. The results for the year ended December 31, 2003 included \$118.3 million, or \$2.91 per share, in vessel write-downs and other charges as detailed in Appendix B to this release. Net voyage revenues for the year ended December 31, 2003 were \$1.2 billion, compared to \$543.9 million for the same period last year, and income from vessel operations increased to \$389.7 million from \$119.3 million. The results for 2003, compared to 2002, mainly reflect the inclusion of three quarters of Navion's results in 2003 and an increase in spot tanker charter rates.

Strategically, 2003 was an important year for Teekay. With the acquisition of Navion, we now have two leading franchises: we are the world's largest operator of sophisticated shuttle tankers, which provides us with a solid base of long-term stable cash flows, and we are the world's largest operator of medium-sized tankers, giving us significant operating leverage to spot tanker rates, said Bjorn Moller, Teekay's President and Chief Executive Officer. 2003 was also an excellent year for us in financial terms. Cash flow from vessel operations generated in the fourth quarter was our third highest on record and overall for 2003, the highest ever in our Company's history, Mr. Moller continued. Looking ahead, the first quarter of 2004 is on pace to be a record quarter for Teekay because of both the strong spot tanker rates and our larger fixed-rate contract portfolio. Tanker market fundamentals are favorable with strong demand expected to continue, while supply will be restricted due to new regulations.

**Operating Results**

The following table highlights certain financial information of the Company's two main segments, the spot tanker segment and the fixed-rate segment (see the Teekay Fleet section to this release for a breakdown of the fleet composition):

(in thousands of U.S. dollars)	<u>Three Months Ended</u> <u>December 31, 2003</u> <u>(unaudited)</u>			<u>Spot Tanker</u> <u>Segment</u>
	<u>Spot Tanker</u> <u>Segment</u>	<u>Fixed-Rate</u> <u>Segment</u>	<u>Total</u>	
Net voyage revenues	192,922	147,677	340,599	116,729
Vessel operating expenses	30,440	26,799	57,239	31,282
Time-charter hire expense	54,493	47,781	102,274	12,309
Depreciation & amortization	24,703	27,744	52,447	27,851
Cash flow from vessel operations	93,722	61,002	154,724	60,572

**Fixed-Rate Segment**

For the quarter ended December 31, 2003, cash flow from vessel operations from the Company's fixed-rate segment increased to \$61.0 million from \$27.2 million in the fourth quarter of 2002, primarily due to the inclusion of the results of Navion's shuttle tanker operations. Cash flow from vessel operations from the fixed-rate segment in the fourth quarter was higher compared to \$45.8 million for the quarter ended September 30, 2003, primarily as a result of:

- Higher shuttle tanker utilization due to typically higher oil production during the winter months;
- The acquisition of the North Sea shuttle tanker activities of Fortum Oyj during the fourth quarter, which included the purchase of a 1992-built double-hull Aframax shuttle tanker, the NAVION FENNIA; and
- The addition of three newbuildings which commenced long-term charters with ConocoPhillips.

During the quarter, the Company took delivery of a newbuilding tanker, the third of five newbuilding vessels to be employed on 12-year fixed-rate charter contracts with ConocoPhillips. The fixed-rate segment is expected to grow further in 2004 as follows:

- The final two of the five newbuildings on 12-year fixed-rate charter contracts with ConocoPhillips delivered in January 2004;
- Teekay's contract with Unocal Thailand to provide a Floating Storage and Offtake unit (FSO) is scheduled to commence in the second quarter of 2004 for a minimum period of 10 years; and
- By the third quarter of 2004, two Suezmax shuttle tankers are scheduled to commence service under 13-year fixed-rate charter contracts with Transpetro.

Upon the commencement of the contracts mentioned above, the Company expects the fixed-rate segment to generate annualized cash flow from vessel operations of approximately \$285 million by the fourth quarter of 2004. In addition, the Company has two newbuilding Aframax tankers that, upon delivery in 2007 and 2008, will commence service under fixed-rate charters to Teekay's 50% owned joint venture company, Skaugen PetroTrans, for a period of 10 years.

**Spot Tanker Segment**

Cash flow from vessel operations for the quarter ended December 31, 2003 from the Company's spot tanker segment increased to \$93.7 million from \$60.6 million in the fourth quarter of 2002, primarily due to the increase in spot tanker charter rates and the inclusion of Navion's conventional tanker fleet.

The following table highlights the net voyage revenues per calendar-ship-day, or time-charter equivalent (TCE), performance of the Company's spot tanker segment:

	Three Months Ended			Twelve Months Ended
	December 31, 2003	September 30, 2003	December 31, 2002	December 31, 2002
	(unaudited)			(unaudited)
<b>Spot Tanker Segment</b>				
<b>VLCC Fleet</b>				
Calendar Days	276	277	92	
TCE per calendar-ship-day	\$46,442	\$34,018	\$33,911	\$
<b>Suezmax Fleet</b>				
Calendar Days	585	644	-	
TCE per calendar-ship-day	\$34,079	\$23,793	-	\$
<b>Aframax Fleet</b>				
Calendar Days	5,255	5,477	5,425	
TCE per calendar-ship-day	\$25,419	\$18,318	\$18,428	\$
<b>Oil/Bulk/Ore ("OBO") Fleet</b>				
Calendar Days	460	625	736	
TCE per calendar-ship-day	\$16,457	\$13,382	\$12,500	\$
<b>Large Product Tanker Fleet</b>				
Calendar Days	199	184	-	
TCE per calendar-ship-day	\$28,879	\$21,707	-	\$
<b>Small Product Tanker Fleet</b>				
Calendar Days	746	710	-	
TCE per calendar-ship-day	\$10,929	\$11,462	-	\$

**Tanker Market Overview**

Tanker freight rates strengthened significantly during the fourth quarter of 2003 and have increased further to date in the first quarter of 2004, mainly as a result of strong tanker demand, which outpaced tanker supply growth.

Global oil demand, an underlying driver of tanker demand, rose to 80.4 million barrels per day (mb/d) during the fourth quarter of 2003, a 2.2 mb/d increase from the preceding quarter, primarily driven by strong global economic growth and seasonal factors. The International Energy Agency (IEA) reported annual global oil demand growth of 2.0% during 2003 and as of February 11, 2004, was forecasting average oil demand of 79.9 mb/d for 2004, an increase of 1.8% over 2003.

Global oil supply increased by 2.3 mb/d to 81.4 mb/d in the fourth quarter of 2003 compared to third quarter levels, as the recovery in Iraqi exports helped increase OPEC production by 1.3 mb/d. Non-OPEC production rose by 1.0 mb/d, led by the former Soviet Union and West Africa. Rising Iraqi crude oil exports routed through the Arabian Gulf, coupled with increasing Asian demand for crude oil from longer-haul sources helped to support tanker tonne-mile demand in the fourth quarter. In February 2004, OPEC (excluding Iraq) announced a reduction in oil

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production quotas by 1 mb/d effective April 1, 2004, in anticipation of the normal seasonal reduction in oil demand.

The size of the world tanker fleet increased to 316.8 million deadweight tonnes (mdwt) as of December 31, 2003, up 0.9% from the end of the previous quarter. Deletions aggregated 3.4 mdwt in the fourth quarter, compared to 7.1 mdwt in the previous quarter, while deliveries of tanker newbuildings during the fourth quarter totaled 5.7 mdwt, down from 8.4 mdwt in the previous quarter. Overall for 2003, the world tanker fleet grew by 9.2 mdwt, or 3.1%, compared to the end of 2002.

As of December 31, 2003, the world tanker order book rose to 77.7 mdwt, representing 24.5% of the total world tanker fleet compared to 72.1 mdwt, or 22.9%, at the end of the previous quarter, and up from 59.4 mdwt, or 19.3%, as of December 31, 2002. The Aframax tanker order book increased from 151 vessels as of September 30, 2003 to 155 vessels as of December 31, 2003.

On December 9, 2003, the International Maritime Organization (IMO), the global maritime regulatory body, announced regulations accelerating the phase-out of single-hull tankers. The new regulations are scheduled to come into effect on April 5, 2005 by which time approximately 10% of the existing world tanker fleet will be banned from worldwide trading. The regulations will also impose a more rigorous inspection regime for older tankers and ban the carriage of heavy oils on single-hull tankers. It is expected that a further 27% of the existing world tanker fleet will be excluded from a majority of oil tanker trades by 2010.

Bjorn Moller commented, "As one of the world's largest operators of high-quality modern tonnage, we view the amended IMO rules as positive news for Teekay. The tanker market is already finely balanced and the mandated elimination of approximately 1 out of every 10 tankers in the world fleet over the next 13 months, coupled with the forecasted increase in global oil demand, should keep the tanker market tightly balanced."

### Teekay Fleet

As of December 31, 2003, the Teekay fleet (excluding vessels managed for third parties) consisted of 150 vessels, including 55 chartered-in vessels and 12 newbuilding tankers on order. During the quarter, the Company sold the COOK SPIRIT (1987-built Aframax tanker) and the SINGAPORE SPIRIT (1987-built Aframax tanker) and its remaining four Panamax OBO vessels, which the Company chartered-back through the end of January 2004. The Company also sold the BAHAMAS SPIRIT (1998-built Aframax tanker), the KIOWA SPIRIT (1999-built Aframax tanker) and the KOA SPIRIT (1999-built Aframax tanker) to a German limited partnership. These three vessels are chartered-back to Teekay at favorable rates for a period of 10 years, with purchase options. The Company took delivery of the Suezmax newbuilding AFRICAN SPIRIT during the quarter, which commenced service under long-term fixed-rate charter to ConocoPhillips and acquired the NAVION FENNIA (a 1992-built double-hull Aframax shuttle tanker) from Fortum Oyj.

The following is a summary of the Teekay fleet as of December 31, 2003:

	Number of Vessels		
	Owned Vessels	Chartered-in Vessels	Newbuild On Order
<b>Spot Tanker Segment:</b>			
VLCCs	1	2	
Suezmaxes	1	5	
Aframaxes (1)	43	15	
OBOs	-	5	
Large Product Tankers	-	3	
Small Product Tankers	-	9	
Total Spot Tanker Segment	45	39	

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<b>Fixed-Rate Segment:</b>		
Shuttle Tankers (2)	28	13
Conventional Tankers	6	-
Floating Storage & Offtake (FSO) Units (3)	3	-
LPG / Methanol Carriers	1	3
<hr style="border-top: 1px dashed black;"/>		
Total Fixed-Rate Segment	38	16
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<b>Total</b>	<b>83</b>	<b>55</b>
<hr style="border-top: 1px dashed black;"/>		

- (1) Includes one Aframax to be converted to an FSO and scheduled to commence service under a long-term contract during the second quarter of 2004.
- (2) Includes six shuttle tankers of which the Company's ownership interest ranges from 50% to 65.5%.
- (3) Includes one FSO unit of which the Company's ownership interest is 89%

Subsequent to December 31, 2003, the Company ordered six high-specification newbuilding Aframax tankers expected to deliver in 2006, 2007 and early 2008. Two of the vessels will be chartered to Teekay's 50% owned joint venture company, Skaugen PetroTrans, to be used in the ship-to-ship transfer trade. In January 2004, the Company took delivery of three newbuildings: the AUSTRALIAN SPIRIT (Aframax tanker) and the ASIAN SPIRIT (Suezmax tanker) immediately commenced service under fixed-rate contracts to ConocoPhillips; and the NORDIC BRASILIA (Suezmax tanker), presently trading in the spot market, will commence on charter to Transpetro by the third quarter of 2004 after conversion to a shuttle tanker.

### **Liquidity and Capital Expenditures**

As of December 31, 2003, the Company had total liquidity of \$774.8 million, comprising \$292.3 million in cash and cash equivalents and \$482.5 million in undrawn medium-term revolving credit facilities.

As at January 31, 2004, the Company had approximately \$550 million in remaining capital commitments relating to its 15 newbuildings on order. Of this, approximately \$225 million is due during the remainder of 2004, \$95 million in 2005, \$107 million in 2006 and \$123 million due in 2007 and early 2008. Long-term financing arrangements totaling approximately \$255 million exist for 8 of the 15 newbuildings on order.

### **Other Investments**

#### **Torm**

In July 2003, the Company purchased a 16% stake in A/S Dampskibsselskabet TORM, a leading operator of product tankers, for \$37.3 million. The market value of this investment as at December 31, 2003 was \$90.2 million, resulting in an unrealized gain of \$52.9 million, which is included in the Company's Stockholders' Equity as at December 31, 2003.

As at January 31, 2004, the value of Teekay's investment in TORM had increased to \$137.9 million.

#### **Nordic American Tanker Shipping**

Subsequent to December 31, 2003, Teekay sold its remaining interest in Nordic American Tanker Shipping Ltd. for proceeds of approximately \$5.6 million and will record a nominal accounting gain in the first quarter of 2004 relating to this sale.

**About Teekay**

Teekay is the world's leading provider of international crude oil and petroleum product transportation services, transporting more than 10% of the world's sea-borne oil.

With offices in 13 countries, Teekay employs more than 4,500 seagoing and shore-based staff around the world. The Company has earned a reputation for safety and excellence in providing transportation services to major oil companies, oil traders and government agencies worldwide.

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. EST (8:00 a.m. PST) on February 26, 2004, to discuss the results for the quarter and year end. 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 March 5, 2004 by dialing (719) 457-0820, access code 702095, or via the Company's web site until March 26, 2004.

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**TEEKAY SHIPPING CORPORATION**

**SUMMARY CONSOLIDATED STATEMENTS OF INCOME**

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

	<u>December 31,</u> <u>2003</u> <u>(unaudited)</u>	<u>Three Months Ended</u> <u>September 30,</u> <u>2003</u> <u>(unaudited)</u>	<u>December 31</u> <u>2002</u> <u>(unaudited)</u>
<b>NET VOYAGE REVENUES</b>			
Voyage revenues	451,048	380,544	222,835
Voyage expenses	110,449	105,686	67,691
Net voyage revenues	340,599	274,858	155,144
<b>OPERATING EXPENSES</b>			
Vessel operating expenses	57,239	55,281	40,620
Time-charter hire expense	102,274	95,955	12,309
Depreciation and amortization	52,447	49,885	39,160
General and administrative	26,362	23,461	14,422



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	238,322	224,582	106,511
Income from vessel operations	102,277	50,276	48,633
<b>OTHER ITEMS</b>			
Interest expense	(23,086)	(21,827)	(14,120)
Interest income	989	799	803
Income tax expense	(13,315)	(6,000)	(1,712)
Write-downs and losses on sale of vessels	(54,048)	(5,843)	-
Other - net	(6,235)	2,922	(498)
	(95,695)	(29,949)	(15,527)
Net income	6,582	20,327	33,106
Earnings per common share			
- Basic	\$0.16	\$0.51	\$0.83
- Diluted	\$0.16	\$0.50	\$0.82
Weighted-average number of common shares outstanding			
- Basic	40,357,275	40,042,702	39,668,835
- Diluted	41,832,176	40,942,172	40,273,565

**TEEKAY SHIPPING CORPORATION**  
**SUMMARY CONSOLIDATED BALANCE SHEETS**  
(in thousands of U.S. dollars)

	<u>As at December 31,</u> <u>2003</u>	<u>As</u>
<b>ASSETS</b>		
Cash and cash equivalents	292,284	
Other current assets	188,249	
Marketable securities long-term	95,511	
Vessels and equipment	2,424,204	
Advances on newbuilding contracts	150,656	
Other assets	187,798	
Intangible assets	118,588	
Goodwill	130,754	
<b>Total Assets</b>	<b>3,588,044</b>	
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Accounts payable and accrued liabilities	171,411	
Current portion of long-term debt	103,221	
Long-term debt	1,533,537	
Other long-term liabilities	112,726	
Minority interest	15,322	
Stockholders equity	1,651,827	
<b>Total Liabilities and Stockholders Equity</b>	<b>3,588,044</b>	

TEEKAY SHIPPING CORPORATION  
SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands of U.S. dollars)

	<u>Years Ended Dec</u> <u>2003</u>
Cash and cash equivalents provided by (used for)	
<b>OPERATING ACTIVITIES</b>	
<b>Net cash flow from operating activities</b>	498,272
<b>FINANCING ACTIVITIES</b>	
Net proceeds from long-term debt	1,980,828
Scheduled repayments of long-term debt	(62,585)
Prepayments of long-term debt	(1,466,815)
Other	(4,591)
<b>Net cash flow from financing activities</b>	446,837
<b>INVESTING ACTIVITIES</b>	
Expenditures for vessels and equipment	(372,433)
Expenditures for drydocking	(42,697)
Expenditure for the purchase of Navion AS	(704,734)
Proceeds from disposition of assets	242,111
Other	(59,697)
<b>Net cash flow from investing activities</b>	(937,450)
<b>Increase in cash and cash equivalents</b>	7,659
Cash and cash equivalents, beginning of the period	284,625
<b>Cash and cash equivalents, end of the period</b>	292,284

TEEKAY SHIPPING CORPORATION  
APPENDIX A - SUPPLEMENTAL INFORMATION

(in thousands of U.S. dollars)

Three Months Ended December 31, 2003  
(unaudited)

Spot Tanker Segment

Fixed-Rate  
Segment

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Net voyage revenues	192,922	147,677
Vessel operating expenses	30,440	26,799
Time-charter hire expense	54,493	47,781
Depreciation and amortization	24,703	27,744
General and administrative	14,267	12,095
Income from vessel operations	69,019	33,258

**Three Months Ended September 30, 2002**  
**(unaudited)**

	<b><u>Spot Tanker Segment</u></b>	<b><u>Fixed-Rate Segment</u></b>
Net voyage revenues	150,471	124,387
Vessel operating expenses	31,793	23,488
Time-charter hire expense	50,112	45,843
Depreciation and amortization	27,004	22,881
General and administrative	14,839	8,622
Income from vessel operations	26,723	23,553

**Three Months Ended December 31, 2002**  
**(unaudited)**

	<b><u>Spot Tanker Segment</u></b>	<b><u>Fixed-Rate Segment</u></b>
Net voyage revenues	116,729	38,415
Vessel operating expenses	31,282	9,338
Time-charter hire expense	12,309	-
Depreciation and amortization	27,851	11,309
General and administrative	12,566	1,856
Income from vessel operations	32,721	15,912

**TEEKAY SHIPPING CORPORATION**  
**APPENDIX A - SUPPLEMENTAL INFORMATION**

(in thousands of U.S. dollars)

**Year Ended December 31, 2003**

	<b><u>Spot Tanker Segment</u></b>	<b><u>Fixed-Rate Segment</u></b>
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Net voyage revenues	739,046	442,393
Vessel operating expenses	126,261	84,435
Time-charter hire expense	168,344	136,279
Depreciation and amortization	106,374	84,863
General and administrative	53,338	31,809
Income from vessel operations	284,729	105,007

**Year Ended December 31, 2002**

	<b><u>Spot Tanker Segment</u></b>	<b><u>Fixed-Rate Segment</u></b>
Net voyage revenues	397,905	145,967
Vessel operating expenses	127,953	40,082
Time-charter hire expense	49,949	-
Depreciation and amortization	105,407	43,889
General and administrative	47,188	10,058
Income from vessel operations	67,408	51,938

**TEEKAY SHIPPING CORPORATION**  
**APPENDIX B - SUMMARY OF VESSEL WRITE-DOWNS AND OTHER CHARGES**

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

The results for the three months and year ended December 31, 2003 included the following items:

	<b><u>Three Months Ended December 31, 2003 (unaudited)</u></b>
Write-downs and losses on sale of vessels (1)	54,048
Deferred income taxes on unrealized foreign exchange gains (2)	6,530
Restructuring charge and write-down of other assets (3)	6,157
Loss on bond repurchase (4)	5,385
Write-down in carrying value of marketable securities (5)	-
<b>Total vessel write-downs and other charges</b>	<b>72,120</b>

**Per Share Data**

Write-downs and losses on sale of vessels (1)	\$ 1.30
Deferred income taxes on unrealized foreign exchange gains (2)	0.15
Restructuring charge and write-down of other assets (3)	0.14
Loss on bond repurchase (4)	0.13

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Write-down in carrying value of marketable securities (5)	-
<b>Total vessel write-downs and other charges - per share</b>	<b>\$ 1.72</b>

- (1) As previously announced, in the fourth quarter of 2003 the Company took a \$56.8 million non-cash write-down in the carrying value of certain of its vessels due to the International Maritime Organization (IMO) regulations, as discussed in the Tanker Market Overview section to this release. In addition, the Company's depreciation expense relating to its vessels that are affected by the IMO regulations will increase by approximately \$2 million per quarter commencing January 1, 2004, as a result of the shortened useful lives of these vessels.
- (2) Deferred income tax expense relating to unrealized foreign exchange gains on intercompany debt. (3) Primarily related to costs associated with closure of the Company's offices in Oslo, Norway and Melbourne, Australia and severance costs relating to the termination of seafaring staff.
- (4) Accounting loss associated with the repurchase and cancellation of \$57.9 million of the Company's 8.32% (5) First Preferred Ship Mortgage Notes during the fourth quarter of 2003.
- (5) Write-down in the carrying value of the Company's investment in Nordic American Tanker Shipping Ltd.

**TEEKAY SHIPPING CORPORATION**  
**APPENDIX C - RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

(in thousands of U.S. dollars)

	<u>Three Months Ended December 31, 2003</u> <u>(unaudited)</u>	
	<u>Spot Tanker Segment</u>	<u>Fixed-Rate Segment</u>
Income from vessel operations	69,019	33,258
Depreciation and amortization	24,703	27,744
Cash flow from vessel operations (1)	93,722	61,002
	<u>Three Months Ended December 31, 2002</u> <u>(unaudited)</u>	
	<u>Spot Tanker Segment</u>	<u>Fixed-Rate Segment</u>
Income from vessel operations	32,721	15,912
Depreciation and amortization	27,851	11,309
Cash flow from vessel operations (1)	60,572	27,221
	<u>Year Ended December 31, 2003</u>	
	<u>Spot Tanker Segment</u>	<u>Fixed-Rate Segment</u>
Income from vessel operations	284,729	105,007
Depreciation and amortization	106,374	84,863
Cash flow from vessel operations (1)	391,103	189,870

- (1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense. Cash flow from vessel operations is included because such data is used by certain investors 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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#### FORWARD LOOKING STATEMENTS

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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 anticipated financial results in the first quarter of 2004; tanker market fundamentals, including the balance of supply and demand in the tanker market, and spot tanker charter rates; anticipated annualized operating cash flow from the Company's fixed-rate segment in 2004; increases in the Company's fixed-rate contract fleet; newbuilding delivery dates and the commencement of service under long-term contracts; and applicable industry regulations and their effect on the size of the world tanker fleet and on the Company's future depreciation expense. 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 and petroleum products, 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; shipyard production delays; the Company's future capital expenditure requirements; 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, 2002. 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.