

[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 July 21, 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.

Date: July 21, 2004

TEEKAY SHIPPING CORPORATION

By: /s/ Peter Evensen

SIGNATURES

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

TEEKAY SHIPPING CORPORATION
REPORTS RECORD SECOND QUARTER NET INCOME

2nd Quarter Highlights

- Achieved highest ever second quarter net income of \$98.5 million
- Generated highest ever cash flow from vessel operations from fixed-rate contract business of \$76.0 million
- Completed acquisition of Naviera F. Tapias S.A. on April 30, 2004
- Awarded three long-term charter contracts to export LNG from Qatar
- Completed two-for-one stock split effective May 17, 2004

Nassau, The Bahamas, July 21, 2004 Teekay Shipping Corporation today reported net income of \$98.5 million, or \$1.13 per share, for the quarter ended June 30, 2004, compared to net income of \$96.9 million, or \$1.20 per share, for the quarter ended June 30, 2003. The results for the second quarter of 2004 included an unrealized foreign currency translation loss of \$5.2 million, or \$0.06 per share, relating to long-term debt denominated in Euros. The results for the second quarter of 2003 included \$4.7 million, or \$0.06 per share, in write-downs to the carrying value and losses on the sale of certain older vessels. Net voyage revenues⁽¹⁾ for the second quarter of 2004 were \$368.9 million compared to \$353.1 million for the same period in 2003, and income from vessel operations decreased to \$122.1 million from \$127.7 million.

The results for the second quarter of 2004 reflect the inclusion of the results from Naviera F. Tapias S.A. (renamed Teekay Shipping Spain S.A.) from May 1, 2004 and an increase in the Company's existing fixed-rate business, partially offset by the sale of certain older spot vessels over the past 12 months.

Spot tanker rates during the second quarter of 2004 remained strong as Teekay's spot Aframax fleet averaged \$27,567 per calendar-ship day, a slight increase from the average of \$27,327 per calendar-ship day for the same period in 2003. However, unlike 2003 when the strength of spot tanker rates in the second quarter was amplified by the temporary disruption of oil supplies from Venezuela, which resulted in an increase in longer-haul West Africa and Middle East oil production, the strong market in 2004 has been primarily the result of fundamental oil demand growth.

Net income for the six months ended June 30, 2004 was \$287.6 million, or \$3.32 per share, compared to \$150.5 million, or \$1.86 per share, for the same period last year. The results for the six months ended June 30, 2004 included a \$5.2 million, or \$0.06 per share unrealized foreign currency translation loss relating to the above-mentioned Euro denominated debt. The results for the six months ended June 30, 2003 included \$30.5 million, or \$0.38 per share in write-downs to the carrying value of certain older vessels, and a \$4.9 million, or \$0.06 per share, write-down in the carrying value of certain marketable securities. Net voyage revenues⁽¹⁾ for the six months ended June 30, 2004 were \$816.5 million, compared to \$566.0 million in the same period last year, while income from vessel operations increased to \$330.7 million from \$205.4 million.

Expansion of Teekay's LNG Platform into Qatar

On July 1, 2004, the Company announced that it had been awarded long-term contracts to charter three liquefied natural gas (LNG) carriers to Ras Laffan Liquefied Natural Gas Co. Limited (RasGas II), a joint venture company between Exxon Mobil Corporation and Qatar Petroleum. The vessels will be chartered to RasGas II for a period of 20 years (with options to extend up to 35 years), commencing in late 2006 and early 2007. Concurrently, the Company placed orders for three 151,700 m³ LNG carriers from Daewoo Shipbuilding and Marine Engineering Co. Ltd. for approximately \$510 million. At this time, these are the largest LNG ships ever ordered. Qatar Gas Transport Company is expected to acquire a 30% interest in the vessels through a joint venture with Teekay.

(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 website at 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 of Teekay's three main segments, the spot tanker segment, the fixed-rate tanker segment and the Company's new fixed-rate LNG segment (see the Teekay Fleet section of this release for further details):

| (in thousands of U.S. dollars) | <u>Three Months Ended</u> | | | | Spot Tanker Segment |
|-----------------------------------|---------------------------|---------------------------|------------------------|---------|---------------------|
| | Spot Tanker Segment | Fixed-Rate Tanker Segment | Fixed-Rate LNG Segment | Total | |
| | | | | | |
| Net voyage revenues | 202,965 | 158,065 | 7,884 | 368,914 | 222,1 |
| Vessel operating expenses | 23,752 | 28,376 | 1,637 | 53,765 | 32,4 |
| Time-charter hire expense | 60,369 | 46,205 | - | 106,574 | 50,8 |
| Depreciation & amortization | 25,976 | 32,493 | 2,377 | 60,846 | 27,8 |
| Cash flow from vessel operations* | 106,523 | 70,490 | 5,506 | 182,519 | 125,9 |

* 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 website at www.teekay.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

Fixed-Rate Tanker Segment

For the quarter ended June 30, 2004, cash flow from vessel operations from the Company's fixed-rate tanker segment increased to \$70.5 million from \$56.2 million for the second quarter of 2003, primarily due to the addition of five conventional tankers on charter to ConocoPhillips and the inclusion of Teekay Shipping Spain's fixed-rate Suezmax tanker results from May 1, 2004.

Fixed-Rate LNG Segment

The acquisition of Tapias established Teekay's presence in LNG shipping, the fastest growing sector of sea-borne energy transportation. The LNG segment operating results for the second quarter of 2004 consists of Teekay Shipping Spain's two existing LNG carriers from May 1, 2004, which generated \$5.5 million of cash flow from vessel operations. In July 2004, the Company took delivery of a third newbuilding LNG carrier, which commenced service under a 25-year charter contract and a fourth newbuilding LNG carrier is expected to deliver in the fourth quarter of 2004. In addition, the three LNG carriers ordered for the RasGas II project are expected to deliver in late 2006 and early 2007.

Fixed-Rate LNG Segment

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Spot Tanker Segment

Cash flow from vessel operations from the Company's spot tanker segment for the quarter ended June 30, 2004 decreased to \$106.5 million from \$126.0 million in the second quarter of 2003, primarily due to the sale of a number of older single-hull vessels during the last 12 months, partially offset by newbuilding deliveries and additional in-chartered vessels. On a net basis, these fleet changes reduced the total number of calendar ship days for the spot tanker segment by 691 days in the second quarter of 2004 compared to the second quarter of 2003.

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

| | Three Months Ended | | | Six Mo June 30, 2003 |
|---------------------------------------|--------------------|----------------|---------------|-------------------------|
| | June 30, 2004 | March 31, 2004 | June 30, 2003 | |
| Spot Tanker Segment | | | | |
| Very Large Crude Carrier Fleet | | | | |
| Calendar-Ship Days | 273 | 273 | 176 | 54 |
| TCE per calendar-ship-day | \$54,788 | \$71,062 | \$43,261 | \$62,92 |
| Suezmax Tanker Fleet | | | | |
| Calendar-Ship Days | 647 | 561 | 612 | 1,20 |
| TCE per calendar-ship-day | \$36,879 | \$65,018 | \$45,180 | \$49,94 |
| Aframax Tanker Fleet | | | | |
| Calendar-Ship Days | 5,152 | 5,122 | 5,597 | 10,27 |
| TCE per calendar-ship-day | \$27,567 | \$40,235 | \$27,327 | \$33,88 |
| Oil/Bulk/Ore Fleet | | | | |
| Calendar-Ship Days | - | 157 | 646 | 15 |
| TCE per calendar-ship-day | - | \$20,822 | \$17,209 | \$20,82 |
| Large Product Tanker Fleet | | | | |
| Calendar-Ship Days | 503 | 395 | 177 | 89 |
| TCE per calendar-ship-day | \$20,332 | \$27,478 | \$42,881 | \$23,47 |
| Small Product Tanker Fleet | | | | |
| Calendar-Ship Days | 902 | 847 | 960 | 1,74 |
| TCE per calendar-ship-day | \$13,188 | \$13,510 | \$12,155 | \$13,34 |

Tanker Market Overview

During the second quarter of 2004, tanker freight rates declined from the near record levels reached in the prior quarter, yet remained at relatively high levels when compared to historical averages due to continued favourable tanker market fundamentals.

Global oil demand, an underlying driver of tanker demand, continued to be strong averaging 80.4 million barrels per day (mb/d) during the second quarter of 2004, a decline of 1.1 mb/d from the previous quarter but 3.9 mb/d higher than the second quarter of 2003. The year-on-year increase in global oil demand during the second quarter of 2004 was attributable mainly to the recovery of the global economy. On July 13, 2004, the International Energy Agency (IEA) raised its forecast for 2004 oil demand to 81.4 mb/d, which represents a 2.5 mb/d, or 3.2% increase over 2003 demand, the highest growth rate in 25 years. For 2005, the IEA forecasts a further increase in oil demand of 1.8 mb/d, or 2.2% over 2004, to 83.2 mb/d.

Global oil supply grew by 0.1 mb/d to 81.9 mb/d in the second quarter of 2004 compared with the first quarter of 2004. OPEC production rose by 0.2 mb/d due to increased output from Saudi Arabia while non-OPEC production levels declined by 0.1 mb/d as a result of a decrease in North American and European output. At its June 3, 2004 meeting, OPEC raised its production quota by 2.0 mb/d to 25.5 mb/d, effective on July 1, 2004 in a bid to meet strong global oil demand. On July 15, 2004, OPEC announced that it would raise its output quota by a further 0.5 mb/d, effective on August 1, 2004.

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The size of the world tanker fleet increased to 324.0 million deadweight tonnes (mdwt) as of June 30, 2004, up 0.8% from the end of the previous quarter. Deletions totaled 2.8 mdwt in the second quarter of 2004 down from 4.1 mdwt in the previous quarter. Deliveries of tanker newbuildings during the second quarter of 2004 totaled 5.6 mdwt compared to the 8.5 mdwt in the previous quarter.

As of June 30, 2004, the world tanker orderbook stood at 84.9 mdwt, representing 26.2% of the total world tanker fleet compared to 81.6 mdwt or 25.4% at the end of the previous quarter.

Teekay Fleet

As at July 1, 2004, Teekay's fleet (excluding vessels managed for third parties) consisted of 168 vessels, including 51 chartered-in vessels and 20 newbuildings on order. During the second quarter, the Company took delivery of three newbuildings: the EVEREST SPIRIT (Aframax tanker) and the AXEL SPIRIT (Aframax tanker) which will trade in the spot market; and the NORDIC RIO (Suezmax tanker) which completed its conversion to a shuttle tanker and commenced on long-term charter to Petrobras Transporte S.A.

The following table summarizes the Teekay fleet as at July 1, 2004 (incorporating the three LNG vessels ordered as part of the RasGas II contracts):

| | Number of Vessels (| |
|--|---------------------|-------------------------|
| | Owned Vessels | Chartered-in Vessels |
| Spot Tanker Segment: | | |
| Very Large Crude Carriers | 1 | 2 |
| Suezmax Tankers | 4 | 5 |
| Aframax Tankers | 44 | 14 |
| Large Product Tankers | - | 6 |
| Small Product Tankers | - | 10 |
| Total Spot Tanker Segment | 49 | 37 |
| Fixed-Rate Tanker Segment: | | |
| Shuttle Tankers (2) | 30 | 13 |
| Conventional Tankers | 11 | - |
| Floating Storage & Offtake (FSO) Units (3) | 4 | - |
| LPG / Methanol Carriers | 1 | 1 |
| Total Fixed-Rate Tanker Segment | 46 | 14 |
| Fixed-Rate LNG Segment | 2 | - |
| Total | 97 | 51 |

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

(2) Includes seven shuttle tankers of which the Company's ownership interests range from 50% to 70.25%.

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

During the second quarter, as part of its ongoing fleet renewal program, the Company entered into agreements to sell four of its single-hull vessels: the MUSASHI SPIRIT (1993-built VLCC), the PACIFIC SPIRIT (1988-built Aframax tanker), the SHILLA SPIRIT (1990-built Aframax tanker), and the ULSAN SPIRIT (1990-built Aframax tanker) for total gross proceeds of approximately \$102 million. These vessels are expected to deliver to the buyers during the third quarter, at which time the Company expects to record a gain of approximately \$25 million on the sale of the vessels. In addition, in July 2004 the Company took delivery of two newbuildings: the ESTHER SPIRIT (Aframax tanker) which entered the spot tanker fleet and the GALICIA SPIRIT (LNG carrier), acquired as part of the Tapias transaction, which commenced service under a 25-year fixed-rate charter contract to Union Fenosa Gas S.A.

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Liquidity and Capital Expenditures

As at June 30, 2004, the Company had total liquidity of \$540.8 million, comprising \$215.7 million in cash and cash equivalents and \$321.1 million in undrawn medium-term revolving credit facilities.

As at July 1, 2004, including the RasGas II LNG newbuildings, the Company had approximately \$1,132 million in remaining capital commitments relating to its 20 newbuildings on order. Of this, approximately \$312 million was due during the second half of 2004, \$378 million in 2005, \$250 million in 2006 and \$192 million due in 2007 and early 2008. For the remaining capital commitments, long-term financing arrangements totaling approximately \$897 million exist for 15 of the 20 newbuildings on order.

Sale of A/S Dampskibsselskabet TORM Shares

On July 16, 2004, the Company announced that it had sold its 16 percent stake in A/S Dampskibsselskabet TORM (TORM), acquired in July 2003 for a total cost of \$37.3 million, for total proceeds of approximately \$130.2 million. The Company has recognized a gain on sale of \$2.2 million in the second quarter of 2004 and will recognize an additional gain of approximately \$88 million in the third quarter of 2004, representing a total return of over 250% (including \$5.7 million in dividends received in the second quarter of 2004).

About Teekay

Teekay Shipping Corporation transports more than 10 percent of the world's sea-borne oil and is also expanding its position in the rapidly growing liquefied natural gas shipping sector. With a fleet of over 160 tankers, offices in 14 countries and approximately 5,500 seagoing and shore-based employees, the Company provides a uniquely-wide range 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 in the global energy industry 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 July 22, 2004, to discuss the results for the quarter. 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. The presentation will be available on the web site prior to the conference call. A recording of the call will be available until July 29, 2004 by dialing (719) 457-0820, access code 516648, or via the Company's web site until August 22, 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)

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| | <u>June 30,</u> <u>2004</u> <u>(unaudited)</u> | <u>Three Months Ended</u> <u>March 31,</u> <u>2004</u> <u>(unaudited)</u> | <u>June 30,</u> <u>2003</u> <u>(unaudited)</u> |
|---|--|--|--|
| VOYAGE REVENUES | 477,622 | 551,451 | 462,271 |
| OPERATING EXPENSES | | | |
| Voyage expenses | 108,708 | 103,884 | 109,187 |
| Vessel operating expenses | 53,765 | 48,912 | 55,530 |
| Time-charter hire expense | 106,574 | 108,665 | 93,483 |
| Depreciation and amortization | 60,846 | 53,614 | 49,775 |
| General and administrative | 25,816 | 27,625 | 20,597 |
| Vessel write-downs/(gain) loss on sale of vessels | (450) | (603) | 4,711 |
| Restructuring charge | 240 | 762 | 1,312 |
| | 355,499 | 342,859 | 334,595 |
| Income from vessel operations | 122,123 | 208,592 | 127,676 |
| OTHER ITEMS | | | |
| Interest expense | (30,672) | (21,563) | (21,700) |
| Interest income | 4,883 | 1,254 | 1,287 |
| Income tax expense | (6,086) | (2,149) | (13,864) |
| Equity income from joint ventures | 3,288 | 1,836 | 1,611 |
| Other - net | 5,007 | 1,039 | 1,865 |
| | (23,580) | (19,583) | (30,801) |
| Net income | 98,543 | 189,009 | 96,875 |
| Earnings per common share | | | |
| - Basic | \$1.19 | \$2.32 | \$1.22 |
| - Diluted | \$1.13 | \$2.18 | \$1.20 |
| Weighted-average number of common shares outstanding | | | |
| - Basic | 82,603,379 | 81,620,792 | 79,651,592 |
| - Diluted * | 87,340,951 | 86,522,164 | 81,045,440 |

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

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

| | <u>As at June 30,</u> <u>2004</u> <u>(unaudited)</u> |
|---|--|
| ASSETS | |
| Cash and cash equivalents | 215,743 |
| Other current assets | 242,557 |
| Restricted cash - current | 77,120 |
| Restricted cash - long-term | 318,339 |
| Marketable securities - long-term | 139,654 |
| Vessels and equipment | 3,184,503 |
| Advances on newbuilding contracts | 321,130 |
| Other assets | 203,874 |
| Intangible assets | 293,968 |
| Goodwill | 179,303 |
| Total Assets | 5,176,191 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | |
| Accounts payable and accrued liabilities | 148,262 |
| Current portion of long-term debt | 213,000 |
| Long-term debt | 2,605,789 |
| Other long-term liabilities | 211,637 |
| Minority interest | 14,179 |
| Stockholders' equity | 1,983,324 |
| Total Liabilities and Stockholders' Equity | 5,176,191 |

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

| | <u>Six Months E</u> <u>June 30</u> <u>2004</u> <u>(unaudited)</u> |
|---|--|
| Cash and cash equivalents provided by (used for) | |
| OPERATING ACTIVITIES | |
| Net cash flow from operating activities | 390,052 |
| FINANCING ACTIVITIES | |
| Net proceeds from long-term debt | 874,236 |
| Scheduled repayments of long-term debt | (76,662) |
| Prepayments of long-term debt | (704,170) |
| Other | 1,214 |
| Net cash flow from financing activities | 94,618 |
| INVESTING ACTIVITIES | |
| Expenditures for vessels and equipment | (257,588) |
| Expenditures for the purchase of Naviera F. Tapias S.A. | (286,112) |
| Expenditures for the purchase of Navion ASA | - |
| Proceeds from disposition of assets | 8,806 |

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| | |
|---|------------------|
| Other | (26,317) |
| Net cash flow from investing activities | (561,211) |
| (Decrease) increase in cash and cash equivalents | (76,541) |
| Cash and cash equivalents, beginning of the period | 292,284 |
| Cash and cash equivalents, end of the period | 215,743 |

TEEKAY SHIPPING CORPORATION
APPENDIX A SUPPLEMENTAL INFORMATION
(in thousands of U.S. dollars)

Three Months Ended June 30, 2004
(unaudited)

| | Spot Tanker Segment | Fixed-Rate Tanker Segment | Fixed-Rate LNG Segment |
|--|------------------------|------------------------------|---------------------------|
| Net voyage revenues | 202,965 | 158,065 | 7,884 |
| Vessel operating expenses | 23,752 | 28,376 | 1,637 |
| Time-charter hire expense | 60,369 | 46,205 | - |
| Depreciation and amortization | 25,976 | 32,493 | 2,377 |
| General and administrative | 12,081 | 12,994 | 741 |
| Vessel write-downs/(gain) loss on sale of vessels | (450) | - | - |
| Restructuring charge | 240 | - | - |
| Income from vessel operations | 80,997 | 37,997 | 3,129 |

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 | - |
| Vessel write-downs/(gain) loss on sale of vessels | (603) | - | - |
| Restructuring charge | 762 | - | - |
| Income from vessel operations | 167,010 | 41,582 | - |

Three Months Ended June 30, 2003
(unaudited)

| | Spot Tanker Segment | Fixed-Rate Tanker Segment | Fixed-Rate LNG Segment |
|--|------------------------|------------------------------|---------------------------|
|--|------------------------|------------------------------|---------------------------|

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| | | | |
|--------------------------------|---------|---------|---|
| Net voyage revenues | 222,186 | 130,898 | - |
| Vessel operating expenses | 32,415 | 23,115 | - |
| Time-charter hire expense | 50,828 | 42,655 | - |
| Depreciation and amortization | 27,800 | 21,975 | - |
| General and administrative | 12,993 | 7,604 | - |
| Vessel write-downs/(gain) loss | | | |
| on sale of vessels | 4,711 | - | - |
| Restructuring charge | - | 1,312 | - |
| Income from vessel operations | 93,439 | 34,237 | - |

TEEKAY SHIPPING CORPORATION
APPENDIX A SUPPLEMENTAL INFORMATION CONTINUED
(in thousands of U.S. dollars)

Six Months Ended June 30, 2004
(unaudited)

| | Spot Tanker Segment | Fixed-Rate Tanker Segment | Fixed-Rate LNG Segment |
|--------------------------------|------------------------|------------------------------|---------------------------|
| Net voyage revenues | 491,046 | 317,551 | 7,884 |
| Vessel operating expenses | 47,205 | 53,835 | 1,637 |
| Time-charter hire expense | 119,924 | 95,315 | - |
| Depreciation and amortization | 50,862 | 61,221 | 2,377 |
| General and administrative | 25,099 | 27,601 | 741 |
| Vessel write-downs/(gain) loss | | | |
| on sale of vessels | (1,053) | - | - |
| Restructuring charge | 1,002 | - | - |
| Income from vessel operations | 248,007 | 79,579 | 3,129 |

Six Months Ended June 30, 2003
(unaudited)

| | Spot Tanker Segment | Fixed-Rate Tanker Segment | Fixed-Rate LNG Segment |
|--------------------------------|------------------------|------------------------------|---------------------------|
| Net voyage revenues | 395,654 | 170,328 | - |
| Vessel operating expenses | 64,028 | 34,148 | - |
| Time-charter hire expense | 63,739 | 42,655 | - |
| Depreciation and amortization | 54,667 | 34,238 | - |
| General and administrative | 24,582 | 10,742 | - |
| Vessel write-downs/(gain) loss | | | |
| on sale of vessels | 30,498 | - | - |
| Restructuring charge | - | 1,312 | - |
| Income from vessel operations | 158,140 | 47,233 | - |

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; newbuilding delivery dates and the commencement of service under long-term contracts; Qatar Gas Transport Company's ownership interest in the RasGas II LNG vessels; the growth prospects of the LNG shipping sector; the Company's future capital expenditure commitments and the financing requirements for such commitments; and the gain in the third quarter of 2004 relating to the sale of the Company's 16% ownership in TORM and four of its single-hull 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: 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 inability of Teekay to integrate Tapias successfully; 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, 2003. 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.

TEEKAY SHIPPING CORPORATION
APPENDIX B RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(in thousands of U.S. dollars)

| | <u>Three Months Ended June 30, 2004</u> <u>(unaudited)</u> | | |
|--|---|--------------------------------------|-----------------------------------|
| | Spot Tanker Segment | Fixed-Rate Tanker Segment | Fixed-Rate LNG Segment |
| Income from vessel operations | 80,997 | 37,997 | 3,129 |
| Depreciation and amortization | 25,976 | 32,493 | 2,377 |
| Vessel write-downs/(gain) loss on sale of vessels | (450) | - | - |
| Cash flow from vessel operations (1) | 106,523 | 70,490 | 5,506 |

Three Months Ended June 30, 2003
(unaudited)

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| | Spot Tanker Segment | Fixed-Rate Tanker Segment | Fixed-Rate LNG Segment |
|---|---------------------|---------------------------|------------------------|
| Income from vessel operations | 93,439 | 34,237 | - |
| Depreciation and amortization | 27,800 | 21,975 | - |
| Vessel write-downs/(gain) loss on sale of vessels | 4,711 | - | - |
| Cash flow from vessel operations (1) | 125,950 | 56,212 | - |

- (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.

TEEKAY SHIPPING CORPORATION
APPENDIX B RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
CONTINUED
(in thousands of U.S. dollars)

| | <u>Three Months Ended June 30, 2004</u> (unaudited) | | |
|-------------------------|--|---------------------------|------------------------|
| | Spot Tanker Segment | Fixed-Rate Tanker Segment | Fixed-Rate LNG Segment |
| Voyage revenues | 290,688 | 178,935 | 7,999 |
| Voyage expenses | 87,723 | 20,870 | 115 |
| Net voyage revenues (2) | 202,965 | 158,065 | 7,884 |

| | <u>Three Months Ended March 31, 2004</u> (unaudited) | | |
|-------------------------|---|---------------------------|------------------------|
| | Spot Tanker Segment | Fixed-Rate Tanker Segment | Fixed-Rate LNG Segment |
| Voyage revenues | 375,856 | 175,595 | - |
| Voyage expenses | 87,775 | 16,109 | - |
| Net voyage revenues (2) | 288,081 | 159,486 | - |

| | <u>Three Months Ended June 30, 2003</u> (unaudited) | | |
|-------------------------|--|---------------------------|------------------------|
| | Spot Tanker Segment | Fixed-Rate Tanker Segment | Fixed-Rate LNG Segment |
| Voyage revenues | 314,366 | 147,905 | - |
| Voyage expenses | 92,180 | 17,007 | - |
| Net voyage revenues (2) | 222,186 | 130,898 | - |

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- (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.