



TEEKAY TANKERS LTD.



# Bank of America Merrill Lynch Global Transportation Conference

June 15, 2010



NYSE : TNK

[www.teekaytankers.com](http://www.teekaytankers.com)

# Safe Harbor

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: tanker market fundamentals, including the balance of supply and demand in the tanker market, and spot tanker charter rates; performance of Teekay Corporation's Aframax and Suezmax commercial tonnage pools; the estimated dividend per share for the quarter ending June 30, 2010 and illustrative fiscal 2010 dividend based on various spot tanker rates; results of the Company's mix of spot market and time-charter trading; future growth through vessel dropdowns from Teekay Corporation; and the strength of the Company's liquidity position, its debt profile and the Company's ability to generate surplus cash flow and pay dividends. 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 the production of or demand for oil; changes in trading patterns significantly affecting overall vessel tonnage requirements and spot tanker rates; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; the potential for early termination of short- or medium-term contracts and inability of the Company to renew or replace short- or medium-term contracts; changes in interest rates and the capital markets; increases in the Company's expenses, including any unscheduled drydocking expenses; the Company's ability to raise financing to purchase additional vessels; the ability of Teekay Tankers' board of directors to establish cash reserves for the prudent conduct of Teekay Tankers' business or otherwise; and other factors discussed in Teekay Tankers' filings from time to time with the United States Securities and Exchange Commission, including its Report on Form 20-F for the fiscal year ended December 31, 2009. 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 Tankers Highlights

- » Benefiting from recovery in global GDP and oil demand
- » Fixed-rate time-charter contracts with creditworthy counterparties provide cash flow stability
  - All spot revenue can be paid out as dividends
- » Ability to leverage Teekay Corporation's premier global franchise, operational excellence and financial strength
  - Built-in growth opportunities from sponsor



# Business Strategy is Straight Forward

- » Pay out all cash available for distribution after any debt principal payments and reserves for drydocking or other capex
- » Maximize cash flow by:
  - Tactically managing our mix of spot and short-term charter contracts
  - Participating in the Teekay commercial tonnage pools
- » Expand our fleet through accretive acquisitions



**TNK has paid a dividend each quarter since IPO,  
a total of \$5.27 per share**

# Recent Acquisitions Fit with Tactical Fleet Management

Name Y/ Built Dwt

Matterhorn Spirit 2005 114,800

Kaveri Spirit 2005 149,985

Ashkini Spirit 2003 165,200

Kanata Spirit 1999 113,000

Sotra Spirit 1995 95,400

Helga Spirit 2005 115,515

Erik Spirit 2005 115,500

Narmada Spirit 2003 159,200

Everest Spirit 2004 115,000

Nassau Spirit 1999 107,100

Kyeema Spirit 1999 113,300

Kareela Spirit 1999 113,100

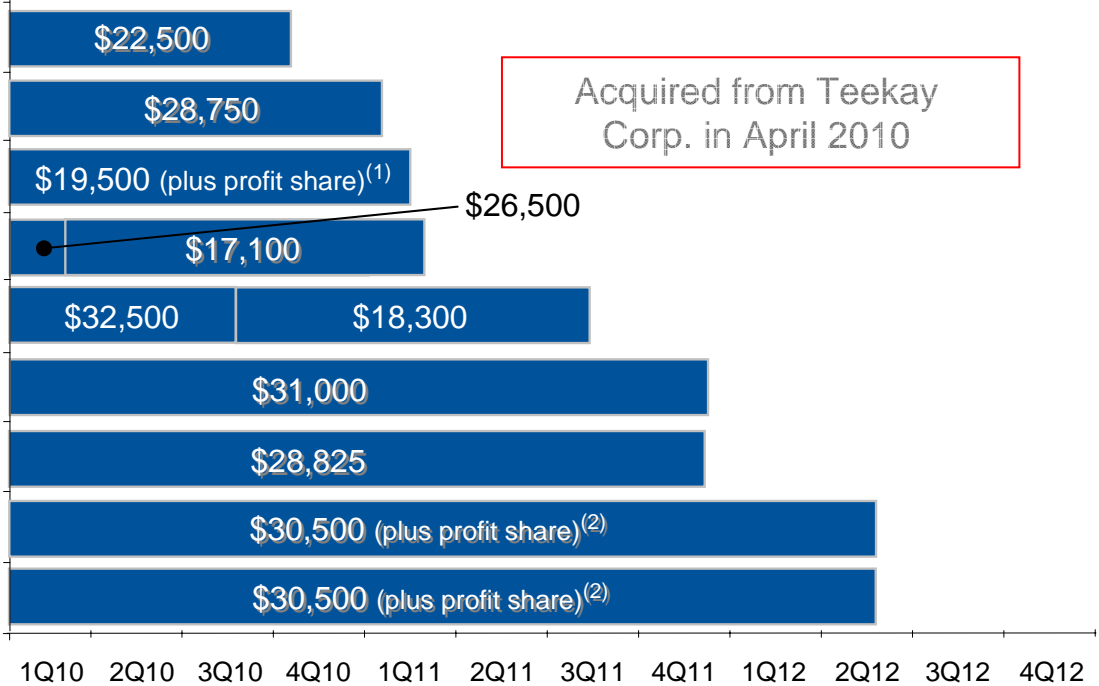
Yamuna Spirit 2002 159,435

Ganges Spirit 2002 159,500

Trading in Teekay Pools

## Fleet Coverage (by Revenue Days)

	Fixed	Spot
2010E	60%	40%
2011E	34%	66%
2012E	6%	94%

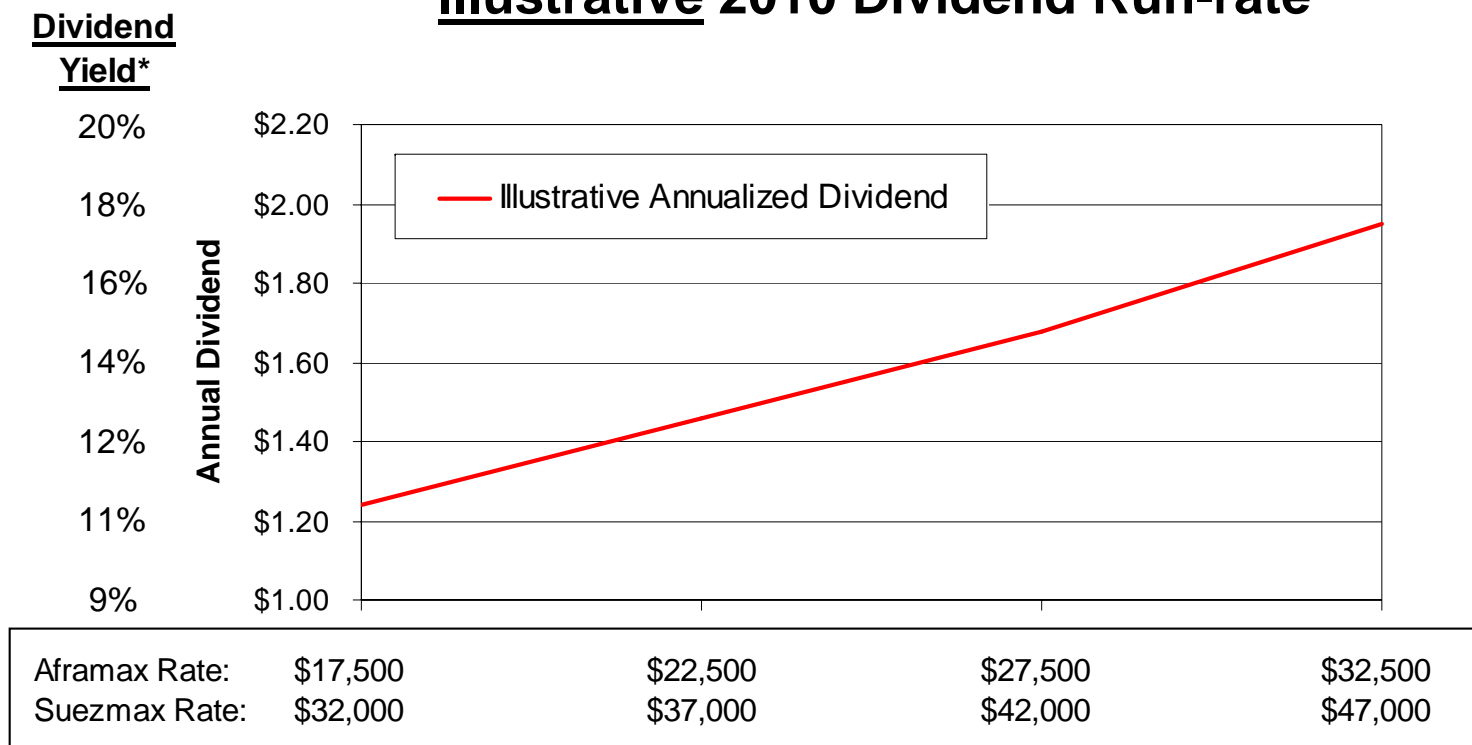


(1) Time-charter commenced January 2010. Profit share above the minimum rate of \$19,500 per day entitles Teekay Tankers to 50% of the difference between the average TD5 BITR rate and the minimum rate.  
 (2) Profit share above \$30,500 per day entitles Teekay Tankers to the first \$3,000 per day plus 50% thereafter of vessel's incremental Gemini Pool earnings, settled in the second quarter of each year.

## Spot Traded Fleet Provides Significant Operating Leverage

- » At Q1-10 average Aframax and Suezmax spot rates of \$17,500 and \$32,000 per day, respectively, TNK could pay an illustrative 2010 dividend of \$1.24 per share
- » Every \$5,000 per day in spot TCE provides an additional \$0.22 per share to annual dividend

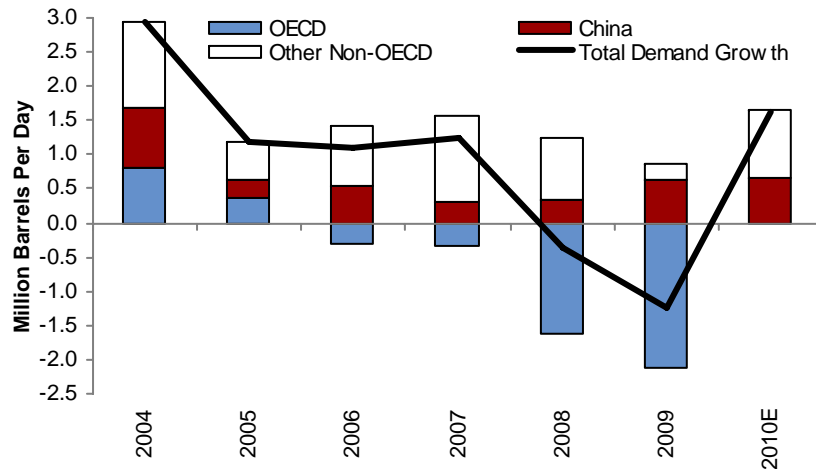
### Illustrative 2010 Dividend Run-rate



\* Estimated dividend yield based on June 10, 2010 closing share price of \$11.28

# Strongest Oil Demand Growth Since 2004

## Non-OECD Driving Oil Demand Growth

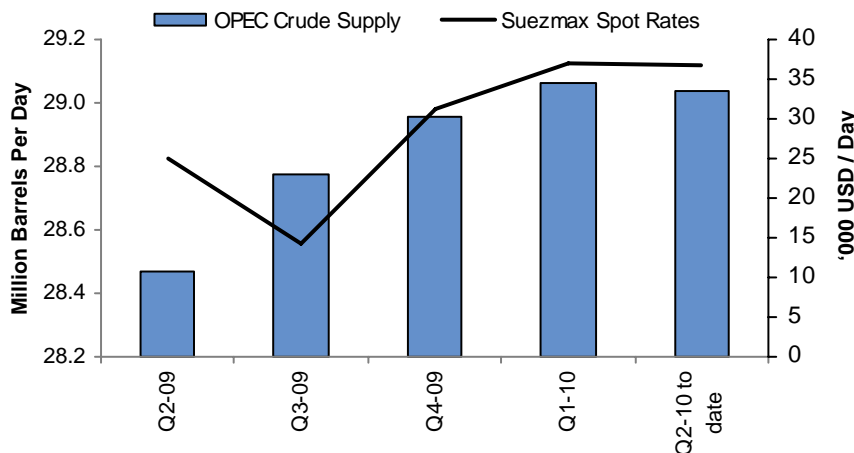


Source: IEA

## Oil Market Fundamentals

- ▶ 2010 expected to be the strongest year for oil demand growth since 2004 led by non-OECD
- ▶ 16% yr-on-yr increase in crude oil imports into China is supporting the crude tanker market
- ▶ Chinese crude imports being driven by:
  - ▶ Increasing refinery capacity
  - ▶ Higher domestic demand
  - ▶ Stockpiling
- ▶ Key factor is end of demand destruction in OECD

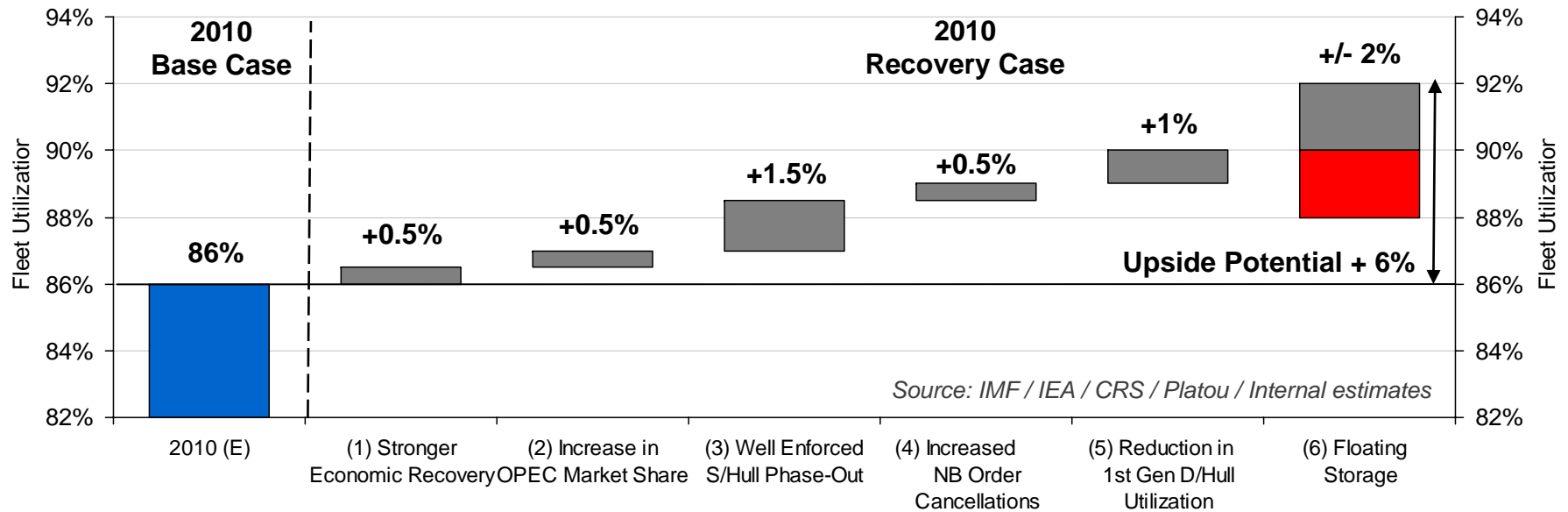
## OPEC Supplying More Oil To The Market



Source: IEA / Clarkson Research Services

- ▶ April 2010 OPEC crude oil production ~0.9 mb/d (~3%) higher than in April 2009 despite official production quota staying unchanged
- ▶ Call on OPEC crude expected to increase in 2H-10 as global oil demand recovers and as onshore oil stocks get drawn down further

# 2010 Tanker Fleet Utilization Outlook



2010 FACTORS	BASE CASE	RECOVERY CASE
(1) Global GDP Growth	4.2%	5%
(1) Global Oil Demand Growth	1.9%	2.5%
(2) OPEC Market Share	+0.5 mb/d	+1 mb/d
<b>Tanker Demand Growth</b>	<b>7%</b>	<b>8%</b>
(3) S/Hull Tanker Removals	- 23 mdwt (45% of s/hull fleet)	- 33 mdwt (65% of s/hull fleet)
(4) NB Order Cancellations	- 2.5 mdwt (5% of deliveries)	- 5 mdwt (10% of deliveries)
(5) Utilization of 1 <sup>st</sup> Gen. D/Hulls	-	- 4 mdwt (10% Inefficiency)
(6) Floating Storage	~4% of the fleet	~6% of the fleet
<b>Effective Net Supply Growth</b>	<b>5%</b>	<b>0%</b>
<b>FLEET UTILIZATION</b>	<b>Increases 2% to 86%</b>	<b>Increases 8% to 92%</b>