

TEEKAY SHIPPING CORP
Form 6-K
July 22, 2004

**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: July 21, 2004

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 X 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 X

[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 X

[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 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.

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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> <u>(unaudited)</u>		
	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> <u>(unaudited)</u>		
	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> <u>(unaudited)</u>		
	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.