NABORS INDUSTRIES INC
Form S-4
July 23, 2018

Use these links to rapidly review the document
TABLE OF CONTENTS

Table of Contents

As filed with the Securities and Exchange Commission on July 20, 2018

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Nabors Industries, Inc.
Nabors Industries Ltd.

(Exact name of registrant as specified in its charter)

NABORS INDUSTRIES, INC.	NABORS INDUSTRIES LTD.
DELAWARE (State or other jurisdiction of organization of incorporation)	**BERMUDA** (State or other jurisdiction of organization of incorporation)
1381 (Primary Standard Industrial Classification Code Number)	**1381** (Primary Standard Industrial Classification Code Number)
93-0711613 (I.R.S. Employer Identification No.)	**98-0363970** (I.R.S. Employer Identification No.)

515 WEST GREENS ROAD, SUITE 1200
HOUSTON, TEXAS 77067
TELEPHONE: (281) 874-0035
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

CROWN HOUSE
4 PAR-LA-VILLE ROAD
SECOND FLOOR
HAMILTON, HM08
BERMUDA
TELEPHONE: (441) 292-1510
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Joseph G. Walker
Deputy General Counsel
Nabors Corporate Services, Inc.
515 West Greens Road, Suite 1200
Houston, Texas 77067
Telephone: (281) 874-0035

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:
James Ball, Esq.
Brett Nadritch, Esq.
Charles Conroy, Esq.
Milbank, Tweed, Hadley & McCloy LLP
28 Liberty Street
New York, New York 10005
Telephone: (212) 530-5000

Approximate date of commencement of proposed sale of the securities to the public:
As soon as practicable after this registration statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o
		(Do not check if a smaller reporting company)	Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. o

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) o

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
5.75% Senior Notes due 2025	$800,000,000	100%	$800,000,000	$99,600
Guarantees of 5.75% Senior Notes due 2025	N/A	N/A	N/A	(3)

(1) Estimated solely for purposes of calculating the amount of the registration fee in accordance with Rule 475(f) under the Securities Act of 1933, as amended (the "Securities Act").

(2) Calculated pursuant to Rule 457(f) under the Securities Act.

(3) No additional registration fee is due for the guarantees pursuant to Rule 457(n) under the Securities Act.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. We may not complete the exchange offer and issue the securities until the registration statement filed with the Securities and Exchange Commission relating to these securities is effective. This prospectus is not an offer to sell these securities nor a solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 20, 2018

PROSPECTUS

Nabors Industries, Inc.
Nabors Industries Ltd.

OFFER TO EXCHANGE

$800,000,000 OF 5.75% SENIOR NOTES DUE 2025 REGISTERED UNDER THE SECURITIES ACT FOR $800,000,000 OF 5.75% SENIOR NOTES DUE 2025

This is an offer to exchange up to $800,000,000 of 5.75% Senior Notes due 2025 (the "New Notes") that have been registered under the Securities Act of 1933, as amended (the "Securities Act") for a like principal amount of 5.75% Senior Notes due 2025 (the "Old Notes") that you now hold.

The exchange of outstanding Old Notes for New Notes in the exchange offer will not constitute a taxable event for United States ("U.S.") federal income tax purposes. The terms of the New Notes to be issued in the exchange offer are substantially identical to the Old Notes, except that the New Notes will be freely tradable and will not need (or benefit from) the registration and related rights pursuant to which we are conducting this exchange offer, including an increase in the interest rate related to defaults in our agreement to carry out this exchange offer. All untendered Old Notes will continue to be subject to the restrictions on transfer set forth in the Old Notes and in the applicable indenture.

There is no existing public market for your Old Notes, and there is currently no public market for the New Notes to be issued to you in the exchange offer.

Each broker-dealer that receives New Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes in exchange for Old Notes where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed to make this prospectus available for a period of 180 days from the effective date of the registration statement for the exchange offer (or such shorter period during which broker-dealers are required by law to deliver this prospectus) to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

See "Risk Factors" beginning on page 12 for a description of the business and financial risks associated with the New Notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2018.

Table of Contents

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to exchange the notes only in jurisdictions where these offers and exchanges are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus.

TABLE OF CONTENTS

In this prospectus, unless otherwise indicated or the context otherwise requires, references to (1) "Nabors" mean Nabors Industries Ltd., a Bermuda exempted company, (2) "we," "our" and "us" generally mean Nabors, together with its consolidated subsidiaries, and (3) "Nabors Delaware" mean Nabors Industries, Inc., a Delaware corporation, wholly owned indirect subsidiary of Nabors and the issuer of the old and New Notes.

The Old Notes were issued on January 23, 2018 and are sometimes referred to collectively with the New Notes offered pursuant to this prospectus as the "notes."

Rather than repeat certain information in this prospectus that we have already included in reports filed with the Securities and Exchange Commission, we are incorporating this information by reference, which means that we can disclose important business, financial and other information to you by referring to those publicly filed documents that contain the information. The information incorporated by reference is not included in or delivered with this prospectus. See "Incorporation by Reference."

We will provide without charge to each person to whom this prospectus is delivered, including each beneficial owner of Old Notes, upon written or oral request of such person, a copy of any or all documents that are incorporated into this prospectus by reference, other than exhibits to such documents, unless such exhibits are specifically incorporated by reference into the documents that this prospectus incorporates. You should direct such requests to: Nabors Corporate Services, Inc., 515 West Greens Road, Suite 1200, Houston, Texas 77067, Attention: Investor Relations, phone number (281) 874-0035.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights the information contained elsewhere in or incorporated by reference into this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. You should read the following summary together with the more detailed information and consolidated financial statements and the notes to those statements included elsewhere in or incorporated by reference in this prospectus.

Nabors Industries, Inc.

Nabors Delaware is a Delaware holding company and an indirect, wholly owned subsidiary of Nabors. Prior to the corporate reorganization that was completed on June 24, 2002, Nabors Delaware was a publicly traded corporation. Nabors Delaware was incorporated in Delaware on May 3, 1978. Nabors Delaware's principal executive offices are located at 515 West Greens Road, Suite 1200, Houston, Texas 77067, and its telephone number at that address is (281) 874-0035.

Nabors Industries Ltd.

Since its founding in 1952, Nabors has grown from a small land drilling business in Canada to one of the world's largest drilling contractors. Today, Nabors owns and operates one of the world's largest land-based drilling rig fleets and is a provider of offshore rigs in the U.S. and numerous international markets. Nabors also provides directional drilling services, performance tools, and innovative technologies for its own rig fleet and those of third parties. In today's performance-driven environment, Nabors believes it is well positioned to seamlessly integrate downhole hardware, surface equipment and software solutions into its AC rig designs. Leveraging our advanced drilling automation capabilities, Nabors' highly skilled workforce continues to set new standards for operational excellence and transform the industry.

Our business is comprised of our global land-based and offshore drilling rig operations and other rig related services and technologies, consisting of equipment manufacturing, rig instrumentation and optimization software. We also specialize in wellbore placement solutions and are a leading provider of directional drilling and measurement while drilling ("MWD") systems and services. Our business consists of five reportable segments: U.S. Drilling, Canada Drilling, International Drilling, Drilling Solutions and Rig Technologies.

With operations in over 25 countries, we are a global provider of drilling and drilling-related services for land-based and offshore oil and natural gas wells, with a fleet of rigs and drilling-related equipment which, as of March 31, 2018, included:

- 407 actively marketed rigs for land-based drilling operations in the U.S., Canada and approximately 20 other countries throughout the world; and
- 38 actively marketed rigs for offshore drilling operations in the U.S. and multiple international markets.

Corporate Information

Nabors was formed as a Bermuda exempted company on December 11, 2001. Through predecessors and acquired entities, Nabors has been continuously operating in the drilling sector since the early 1900s. Nabors' principal executive offices are located at Crown House, 4 Par-La-Ville Road, Second Floor, Hamilton, HM08, Bermuda and its telephone number at that address is +1 (441) 292-1510.

Table of Contents

The Exchange Offer

Notes Offered for Exchange	Nabors Delaware is offering up to $800,000,000 in aggregate principal amount of its new 5.75% Senior Notes due 2025 in exchange for an equal aggregate principal amount of its old 5.75% Senior Notes due 2025 on a one-for-one basis and in satisfaction of Nabors Delaware's obligations under the registration rights agreement dated January 23, 2018 between Nabors Delaware and the initial purchasers of the Old Notes (the "Registration Rights Agreement"). The Old Notes were issued in a private transaction for resale pursuant to Rule 144A and Regulation S under the Securities Act. The New Notes have substantially the same terms as the Old Notes you hold, except that the New Notes have been registered under the Securities Act, and therefore will be freely tradeable by holders other than our affiliates, will not need (or benefit from) the registration and related rights pursuant to which Nabors Delaware is conducting this exchange offer and will not be entitled to an increase in the interest rate related to defaults in our agreement to carry out this exchange offer.
The Exchange Offer	Nabors Delaware is offering to exchange $2,000 principal amount at maturity of New Notes for each $2,000 principal amount at maturity of your Old Notes. In order to be exchanged, your Old Notes must be properly tendered and accepted. All Old Notes that are validly tendered and not withdrawn will be exchanged.
Required Representations	By tendering your Old Notes to Nabors Delaware, you represent that: i. any New Notes received by you will be acquired in the ordinary course of your business; ii. you have no arrangement or understanding with anyone to participate in the distribution of the Old Notes or the New Notes within the meaning of the Securities Act; iii. you are not an affiliate, within the meaning of Rule 501(b) of Regulation D of the Securities Act, of Nabors Delaware or Nabors, or if you are an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable; iv. you are not engaged in, and do not intend to engage in, the distribution of the New Notes; and v. if you are a broker-dealer, you will receive New Notes for your own account in exchange for Old Notes that were acquired as a result of market-making activities or other trading activities and that you will deliver a prospectus in connection with any resale of such New Notes.

Table of Contents

	See "The Exchange Offer Representations Nabors Delaware Needs From You Before You May Participate in the Exchange Offer" and "Plan of Distribution."
Those Excluded from the Exchange Offer	You may not participate in the exchange offer if you are:
	a holder of Old Notes in any jurisdiction in which the exchange offer is not, or your acceptance will not be, legal under the applicable securities or blue sky laws of that jurisdiction; or
	a holder of Old Notes who is an affiliate, within the meaning of Rule 501(b) of Regulation D of the Securities Act, of Nabors Delaware or Nabors, except if such affiliate complies with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.
Consequences of Failure to Properly Tender Old Notes in the Exchange	After the exchange offer is complete, you will no longer be entitled to exchange your Old Notes for registered notes. If you do not exchange your Old Notes for New Notes in the exchange offer, your Old Notes will continue to have the restrictions on transfer contained in the Old Notes and in the Indenture dated as of January 23, 2018 among Nabors Delaware, Nabors, Wilmington Trust, National Association, as trustee, and Citibank, N.A., as securities administrator, referred to as the "Indenture." In general, your Old Notes may not be offered or sold unless registered under the Securities Act, or if there is an exemption from, or the transaction is not governed by, the Securities Act and applicable state securities laws. Nabors Delaware has no current plans to otherwise register your Old Notes under the Securities Act. If a substantial amount of the Old Notes is exchanged for a like amount of the New Notes, the liquidity and the trading market for your untendered Old Notes could be adversely affected. See "The Exchange Offer Consequences of Failure to Properly Tender Old Notes in the Exchange." We will not be responsible for or indemnify you against any liability you may incur under the Securities Act. Under some circumstances, however, holders of the Old Notes, including holders who are not permitted to participate in the exchange offer or who may not freely sell New Notes received in the exchange offer, may require Nabors Delaware to file, and to cause to become effective, a shelf registration statement covering resales of the Old Notes by these holders.
Expiration Date	The exchange offer expires at 5:00 p.m., Eastern time, on , 2018, the expiration date, unless Nabors Delaware extends the offer (the "Expiration Date"). Nabors Delaware does not currently intend to extend the expiration date.

Table of Contents

Conditions to the Exchange Offer	The exchange offer has customary conditions that may be waived by Nabors Delaware. There is no minimum amount of Old Notes that must be tendered to complete the exchange offer.
Procedures for Tendering Your Old Notes	A tendering holder must, on or prior to the expiration date, transmit an agent's message to the exchange agent at the address listed in this prospectus. See "The Exchange Offer Procedures for Tendering."
Special Procedures for Beneficial Owners	If you beneficially own Old Notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your Old Notes in the exchange offer, you should contact the registered holder promptly and instruct it to tender on your behalf.
Guaranteed Delivery Procedures for Tendering Old Notes	None.
Withdrawal Rights	You may withdraw the tender of your Old Notes at any time prior to 5:00 p.m., Eastern time, on the Expiration Date by delivering a written notice of withdrawal to the exchange agent in conformity with the procedures discussed under "The Exchange Offer Withdrawal Rights."
U.S. Tax Considerations	The exchange of your Old Notes for New Notes will not constitute a taxable event for U.S. federal income tax purposes. Rather, the New Notes you receive in the exchange offer will be treated as a continuation of your investment in the Old Notes. For additional information regarding U.S. federal income tax considerations, you should read the discussion under "Certain U.S. Federal Income Tax Considerations."
Use of Proceeds	Nabors Delaware will not receive any proceeds from the issuance of the New Notes in the exchange offer. Nabors Delaware will pay all expenses incidental to the exchange offer.
Registration Rights Agreement	When Nabors Delaware issued the Old Notes on January 23, 2018 it entered into the Registration Rights Agreement with the initial purchasers of the Old Notes. Under the terms of the Registration Rights Agreement, Nabors Delaware agreed to file with the Securities and Exchange Commission (the "SEC") and use its reasonable best efforts to cause to become effective by November 19, 2018, a registration statement relating to an offer to exchange the New Notes for the Old Notes.

Table of Contents

If Nabors Delaware does not complete the exchange offer by December 19, 2018, the interest rate borne by the Old Notes will be increased 0.25% per annum until the exchange offer is completed or until the Old Notes are freely transferable under Rule 144 of the Securities Act. In addition, if the exchange offer registration statement ceases to be effective or usable in connection with resales of the New Notes during periods specified in the Registration Rights Agreement, the interest rate borne by the notes will be increased 0.25% per annum until the registration defects are cured.

Resales

Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties, Nabors Delaware believes that the New Notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act as long as:

any New Notes you receive in the exchange offer will be acquired by you in the ordinary course of your business;

you have no arrangement or understanding with any person to participate in the distribution (as defined in the Securities Act) of the Old Notes or the New Notes; and

you are not our affiliate (as defined in Rule 501(b) of Regulation D of the Securities Act), or, if you are our affiliate, you comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

If you are engaged in or intend to engage in or have any arrangement or understanding with any person to participate in the distribution of the New Notes:

you cannot rely on the applicable interpretations of the staff of the SEC; and

you must comply with the registration requirements of the Securities Act in connection with any resale transaction.

Each broker or dealer that receives New Notes for its own account in exchange for Old Notes that were acquired as a result of market-making or other trading activities may be a statutory underwriter and must acknowledge that it will comply with the registration and prospectus delivery requirements of the Securities Act in connection with any offer, resale, or other transfer of the New Notes issued in the exchange offer, including information with respect to any selling holder required by the Securities Act in connection with any resale of the New Notes, and must confirm that it has not entered into any arrangement or understanding with Nabors Delaware, Nabors or any of their affiliates to distribute the New Notes.

Table of Contents

	Furthermore, any broker-dealer that acquired any of its Old Notes directly from Nabors Delaware:
	may not rely on the applicable interpretation of the position of the staff of the SEC set forth in the Shearman & Sterling (available July 2, 1993), Morgan Stanley & Co. Incorporated (available June 5, 1991) and Exxon Capital Holdings Corporation (available May 13, 1988) no-action letters and similar no-action letters (collectively, the "Exxon Capital Letters"); and
	must also be named as a selling noteholder in connection with the registration and prospectus delivery requirements of the Securities Act relating to any resale transaction. See "Plan of Distribution" and "The Exchange Offer Purpose and Effect of Exchange Offer Registration Rights."
Broker-Dealers	Each broker-dealer that receives New Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will comply with the registration and prospectus delivery requirements of the Securities Act in connection with any offer, resale or other transfer of such New Notes, including information with respect to any selling holder required by the Securities Act in connection with the resale of the New Notes and must confirm that it has not entered into any arrangement or understanding with Nabors Delaware or Nabors or any of their affiliates to distribute the New Notes. Nabors Delaware has agreed that for a period of 180 days after the effective date of the registration statement for the exchange offer (or such shorter period during which broker-dealers are required by law to deliver this prospectus), it will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."
Exchange Agent	Citibank is serving as the exchange agent. Its address, telephone number and facsimile number are: Citibank, N.A. 480 Washington Boulevard, 30th Floor Jersey City, New Jersey 07310 Telephone: (800) 422-2066 Fax: (201) 258-3567

Please review the information under the heading "The Exchange Offer" for more detailed information concerning the exchange offer.

Table of Contents

The New Notes

The summary below describes the principal terms of the New Notes to be issued in exchange for the Old Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of the New Notes" section of the prospectus contains a more detailed description of the terms and conditions of the New Notes.

Issuer	Nabors Industries, Inc.
Guarantor	Nabors Industries Ltd.
Securities Offered	$800,000,000 aggregate principal amount of 5.75% Senior Notes due 2025.
	The terms of the New Notes will be identical in all material respects to the terms of the Old Notes, except that the New Notes have been registered under the Securities Act, and therefore will not contain transfer restrictions and related legends, the New Notes will bear a different CUSIP number, and the New Notes will not contain the provisions for an increase in the interest rate related to defaults in the agreement to carry out this exchange offer.
Maturity	February 1, 2025.
Interest Rate	5.75% per annum.
Interest Payment Dates	February 1 and August 1 of each year. Interest on the New Notes will begin to accrue upon the last interest payment date on which interest was paid on the Old Notes surrendered in exchange for the New Notes or, if no interest has been paid on such Old Notes, from January 23, 2018. The first interest payment date under the notes is August 1, 2018.
Guarantee	Nabors will fully and unconditionally guarantee the due and punctual payment of the principal of, premium, if any, and interest on the New Notes and any other obligations of Nabors Delaware under the New Notes when and as they become due and payable, whether at maturity, upon redemption, by acceleration or otherwise if Nabors Delaware is unable to satisfy these obligations. The guarantee provides that, in the event of a default on the New Notes, the holders of the New Notes may institute legal proceedings directly against Nabors to enforce the guarantee without first proceeding against Nabors Delaware. See "Description of the New Notes Guarantee."
Ranking	The New Notes will:
	be unsecured,
	be effectively junior in right of payment to any of Nabors Delaware's future secured debt to the extent of the value of the collateral securing such debt,
	rank equally in right of payment with any of Nabors Delaware's existing and future unsubordinated debt,

Table of Contents

	be senior in right of payment to any of Nabors Delaware's future senior subordinated or subordinated debt, and
	be structurally subordinated to the creditors, including trade creditors, of Nabors Delaware's subsidiaries.
	Nabors' guarantee of Nabors Delaware's obligations under the New Notes will be a direct, unsecured and unsubordinated obligation of the guarantor and will have the same ranking with respect to indebtedness of Nabors as the New Notes will have with respect to Nabors Delaware's indebtedness. See "Description of the New Notes Guarantee."
Optional Redemption	The Notes will be subject to redemption by Nabors Delaware, prior to November 1, 2024 (three months prior to maturity of the notes), in whole at any time or in part from time to time at "make-whole" prices described in this prospectus, plus accrued and unpaid interest up to but excluding the redemption date. In addition, any time on or after November 1, 2024 (three months prior to maturity of the notes) Nabors Delaware may, at its option, redeem the notes in whole at any time and in part from time to time, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest up to but excluding the redemption date. See "Description of the New Notes Optional Redemption."
Change of Control Offer	If a change of control triggering event as described herein occurs, each holder of the New Notes may require Nabors Delaware to purchase all or a portion of such holder's New Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, up to but excluding the date of purchase. See "Description of the New Notes Change of Control Offer."
Use of Proceeds	Nabors Delaware will not receive any cash proceeds from the exchange offer. See "Use of Proceeds."
Covenants	Nabors Delaware will issue the New Notes under the Indenture. The Indenture limits the ability of Nabors and its subsidiaries to incur liens and to enter into sale and lease-back transactions. In addition, the Indenture limits both Nabors Delaware's and Nabors' ability to enter into mergers, consolidations, amalgamations or transfers of substantially all of our or its assets as an entirety unless the successor company assumes Nabors Delaware's or Nabors' obligations under the Indenture. These covenants are subject to a number of important qualifications and limitations. See "Description of the New Notes Covenants."

Table of Contents

No Prior Market	There is currently no established trading market for the New Notes. The New Notes generally will be freely transferable but will also be new securities for which there will not initially be a market. Accordingly, there can be no assurance as to the development or liquidity of any market for the New Notes. Goldman Sachs & Co. LLC, Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Morgan Stanley & Co. LLC, Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, HSBC Securities (USA) Inc., Mizuho Securities USA LLC, MUFG Securities Americas Inc., PNC Capital Markets LLC, BBVA Securities Inc., SMBC Nikko Securities America, Inc., ANZ Securities, Inc. and Intrepid Partners, LLC, the initial purchasers of the Old Notes, advised us in connection with the offering of the Old Notes that they intend to make a market in the New Notes. However, none are obligated to do so, and any market-making with respect to the New Notes may be discontinued without notice. Nabors Delaware does not intend to apply for a listing of the New Notes on any securities exchange or an automated dealer quotation system.

Table of Contents

FORWARD-LOOKING STATEMENTS

We discuss expectations regarding our future markets, demand for our products and services, and our performance in our offering memoranda, registration statements, prospectuses, annual, quarterly and current reports, press releases, and other written and oral statements. Statements relating to matters that are not historical facts are "forward-looking statements." These "forward-looking statements" are based on an analysis of currently available competitive, financial and economic data and our operating plans. They are inherently uncertain and investors should recognize that events and actual results could turn out to be significantly different from our expectations. By way of illustration, when used in this document, words such as "anticipate," "believe," "expect," "plan," "intend," "estimate," "project," "will," "should," "could," "may," "predict" and similar expressions are intended to identify forward-looking statements.

You should consider the following key factors when evaluating these forward-looking statements:

- fluctuations and volatility in worldwide prices of and demand for oil and natural gas;
- fluctuations in levels of oil and natural gas exploration and development activities;
- fluctuations in the demand for our services;
- competitive and technological changes and other developments in the oil and gas and oilfield services industries;
- our ability to renew customer contracts in order to maintain competitiveness;
- the existence of operating risks inherent in the oil and gas and oilfield services industries;
- the possibility of the loss of one or a number of our large customers;
- the impact of long-term indebtedness and other financial commitments on our financial and operating flexibility;
- our access to and the cost of capital, including the impact of a downgrade in our credit rating, covenant restrictions, availability under our unsecured revolving credit facility, and future issuances of debt or equity securities;
- our dependence on our operating subsidiaries and investments to meet our financial obligations;
- our ability to retain skilled employees;
- our ability to complete, and realize the expected benefits of strategic transactions, including our joint venture in Saudi Arabia and recent acquisition of Tesco Corporation;
- the recent changes in U.S. tax laws and the possibility of changes in other tax laws and other laws and regulations;

- the possibility of political or economic instability, civil disturbance, war or acts of terrorism in any of the countries in which we do business; and
- general economic conditions, including the capital and credit markets.

Our businesses depend, to a large degree, on the level of spending by oil and gas companies for exploration, development and production activities. Therefore, a sustained increase or decrease in the price of oil or natural gas, that has a material impact on exploration, development and production activities, could also materially affect our financial position, results of operations and cash flows.

The above description of risks and uncertainties is by no means all-inclusive, but highlights certain factors that we believe are important for your consideration. For a more detailed description of risk factors, please see the section entitled "Risk Factors" below and in Nabors' Annual Report on

Table of Contents

Form 10-K for the year ended December 31, 2017 filed with the SEC on March 1, 2018 as amended by Amendment No. 1 to Nabors' Annual Report on Form 10-K filed with the SEC on March 29, 2018 (collectively, the "2017 Form 10-K").

All forward-looking statements contained or incorporated by reference in this prospectus are based on information available to us at the time made. We do not intend to update or revise any forward-looking statements that we may make in this prospectus or the documents incorporated herein by reference, whether as a result of new information, future events or otherwise.

Table of Contents

RISK FACTORS

You should carefully consider the risks described below and in the documents incorporated herein by reference, including the risks described under "Item 1A Risk Factors" in Nabors' 2017 Form 10-K, before tendering your Old Notes in the exchange offer. The risks described below and incorporated by reference are not the only ones facing us. Additional risks not currently known to us or that we currently deem immaterial may also impair our business operations.

Nabors' significant level of consolidated debt could adversely affect its consolidated financial condition and financial and operating flexibility and prevent it and Nabors Delaware from fulfilling their respective obligations under the Indenture and the New Notes.

As of March 31, 2018, Nabors' outstanding consolidated total outstanding indebtedness was $4.3 billion, resulting in a gross debt to capital ratio of 0.61:1 and a net debt to capital ratio of 0.59:1. On May 14, 2018, Nabors consummated concurrent offerings of 35,000,000 of its common shares at a price to the public of $7.75 per share and 5,750,000 of its mandatory convertible preferred shares, series A at a price to the public of $50 per share. On June 8, 2018, the underwriters exercised in full their option to purchase 5,250,000 additional common shares, the closing of which occurred on June 11, 2018. As of March 31, 2018, after giving effect to these offerings, including the use of proceeds therefrom, our total shareholders' equity would have been $3.3 billion, our net debt would have been $3.3 billion, and we would have had a net debt to capital ratio of 0.50:1. The gross debt to capital ratio is calculated by dividing total debt by total capitalization (total debt *plus* shareholders' equity). The net debt to capital ratio is calculated by dividing net debt by net capitalization. Net debt is defined as total debt *minus* the sum of cash and cash equivalents and short-term investments. Net capitalization is defined as net debt *plus* shareholders' equity. The gross debt to capital ratio and the net debt to capital ratio are not measures of operating performance or liquidity defined by generally accepted accounting principles in the U.S. ("U.S. GAAP") and may not be comparable to similarly titled measures presented by other companies. Both of these ratios are methods for calculating the amount of leverage a company has in relation to its capital. As of March 31, 2018, after giving effect to the offerings, including the use of proceeds therefrom, we would have been able to borrow $2.25 billion under our revolving credit facility, subject to compliance with the conditions and covenants of that facility including the facility's requirement to maintain a net debt to capital ratio not in excess of 0.60:1. If we fail to perform our obligations under the facility's covenants, the revolving credit commitment could be terminated, and any outstanding borrowings under the facility could be declared immediately due and payable.

Nabors' level of consolidated indebtedness could adversely affect its consolidated financial condition, financial and operational flexibility, and prevent it and Nabors Delaware from fulfilling their respective obligations under the Indenture, long-term debt and revolving credit facility. In addition, Nabors and its subsidiaries have various financial commitments, such as leases, firm transportation and processing, contracts and purchase commitments. Our ability to service our debt and other financial obligations, including the New Notes, depends in large part upon the level of cash flows generated by our operating subsidiaries' operations, our ability to monetize and/or divest non-core assets, availability under our unsecured revolving credit facility and our ability to access the capital markets and/or other sources of financing. If we cannot repay or refinance our debt as it becomes due, we may be forced to sell assets or reduce funding in the future for working capital, capital expenditures and general corporate purposes.

Nabors and its subsidiaries will still be able to incur substantially more debt as Nabors attempts to take advantage of market opportunities to refinance indebtedness and to reduce its borrowing costs. The terms of the Indenture governing the New Notes and the agreements governing Nabors' other indebtedness permit additional borrowings and any such borrowings may be effectively senior in right of payment to the New Notes and the related guarantee.

Table of Contents

If you do not elect to exchange your Old Notes for New Notes, you will hold securities that are not registered and that contain restrictions on transfer.

The Old Notes that are not tendered and exchanged will remain restricted securities. If the exchange offer is completed, Nabors Delaware will not be required to register any remaining Old Notes, except in the very limited circumstances described in the Registration Rights Agreement for the Old Notes. That means that if you wish to offer, sell, pledge or otherwise transfer your Old Notes at some future time, they may be offered, sold, pledged or transferred only if an exemption from registration under the Securities Act is available or, outside of the U.S., to non-U.S. persons in accordance with the requirements of Regulation S under the Securities Act. Any remaining Old Notes will continue to bear a legend restricting transfer in the absence of registration or an exemption from registration.

To the extent that Old Notes are tendered and accepted in connection with the exchange offer, any trading market for remaining Old Notes could be adversely affected.

You must comply with the exchange offer procedures in order to receive freely tradeable, New Notes.

Delivery of New Notes in exchange for Old Notes tendered and accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of the following:

- a book-entry confirmation of a book-entry transfer of Old Notes into the exchange agent's account at DTC, New York, New York as a depository;
- a completed and signed Agent's Message; and
- any other documents required by the exchange offer.

Therefore, holders of Old Notes who would like to tender Old Notes in exchange for New Notes should be sure to allow enough time for the Old Notes to be delivered on time. Nabors Delaware is not required to notify you of defects or irregularities in tenders of Old Notes for exchange. Old Notes that are not tendered or that are tendered but that Nabors Delaware does not accept for exchange will, following consummation of the exchange offer, continue to be subject to the existing transfer restrictions under the Securities Act and, upon consummation of the exchange offer, certain registration and other rights under the Registration Rights Agreement will terminate. See "The Exchange Offer Procedures for Tendering Your Old Notes" and "The Exchange Offer Consequences of Exchanging or Failing to Exchange Old Notes."

Some holders who exchange their Old Notes may be deemed to be underwriters, and these holders will be required to comply with the registration and prospectus delivery requirements in connection with any resale transaction.

If you exchange your Old Notes in the exchange offer for the purpose of participating in a distribution of the New Notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Although the New Notes are designated as "Senior," your right to receive payment on the New Notes and the guarantee is unsecured and will be effectively subordinated to any future secured debt of Nabors Delaware, in the case of the New Notes, and Nabors, in the case of the guarantee, to the extent of the value of the collateral therefor, and the New Notes and the guarantee will be effectively subordinated to future indebtedness and other liabilities of Nabors Delaware's and Nabors' subsidiaries, respectively.

The New Notes are general senior unsecured obligations and therefore will be effectively subordinated to Nabors Delaware's future secured indebtedness, and Nabors' guarantee is effectively

Table of Contents

subordinated to the claims of future secured creditors of Nabors, in each case, to the extent of the collateral therefor. The Indenture will permit Nabors and Nabors Delaware to incur certain secured obligations without equally and ratably securing the New Notes. For example, under the covenant described under "Description of the New Notes Covenants Limitation on Liens," we may, without securing the New Notes, incur secured debt that, together with certain sale-leaseback transactions, does not exceed 10% of our Consolidated Net Tangible Assets. If Nabors Delaware defaults on the New Notes or certain other indebtedness, or becomes bankrupt, liquidates or reorganizes, any secured creditors could use their collateral to satisfy their secured indebtedness before you would receive any payment on the New Notes. If the value of such collateral is not sufficient to pay any secured indebtedness in full, Nabors Delaware's secured creditors would share the value of its other assets, if any, with you and the holders of other claims against Nabors Delaware which rank equally with the New Notes. The guarantee of the New Notes will have a similar ranking with respect to secured indebtedness of Nabors as the New Notes do with respect to Nabors Delaware's secured indebtedness.

In addition, Nabors Delaware and Nabors derive substantially all their income from, and hold substantially all their assets through, their respective subsidiaries, none of which will guarantee the New Notes. As a result, Nabors Delaware and Nabors will depend on distributions from each of their subsidiaries in order to meet payment obligations under any debt securities, including the New Notes and the guarantee and Nabors Delaware's and Nabors' other obligations. Accordingly, Nabors Delaware's and Nabors' rights to receive any assets of any subsidiary, and therefore the right of Nabors Delaware's and Nabors' creditors to participate in those assets, will be structurally subordinated to the claims of that subsidiary's creditors, including trade creditors.

As holding companies, Nabors Delaware and Nabors depend on subsidiaries to meet their financial obligations.

Nabors Delaware and Nabors are holding companies with no significant assets other than the equity interests in their subsidiaries. In order to meet their financial needs and obligations, including any obligation to make payments on the New Notes offered hereby, they rely exclusively on repayments of interest and principal on intercompany loans that they have made to operating subsidiaries and income from dividends and other cash flow from such subsidiaries. There can be no assurance that such operating subsidiaries will generate sufficient net
inco **December 31, 2014** **December 31, 2013**

Realized losses relating to:

Interest rate swaps

(33,072) (32,106) (30,967) (125,424) (122,439)

Termination of interest rate swap agreements

(2,319) (1,319) (35,985)

Foreign currency forward contracts

(2,828) (434) (694) (4,436) (2,027)

(38,219)	(32,540)	(31,661)	(131,179)	(160,451)

Unrealized (losses) gains relating to:

Interest rate swaps

(53,111) 31,560 34,142 (86,045) 182,800

Foreign currency forward contracts

(14,154) (3,897) 394 (16,926) (3,935)

Stock purchase warrants

2,180 (915) 2,475

(65,085) 26,748 34,536 (100,496) 178,865

Total realized and unrealized (losses) gains on non-designated derivative instruments	(103,304)	(5,792)	2,875	(231,675)	18,414

(3) The Company recognized asset impairments of $4.8 million for the three months ended September 30, 2014 and the year ended December 31, 2014 related to the impairment of one 1990s-built shuttle tanker owned by Teekay Offshore. The impairment was the result of the current contract expiring in December 2014 which at the time was expected to be re-chartered at a lower rate. The Company recognized asset impairments and provisions of $110.1 million and $167.6 million for the three months and year ended December 31, 2013, respectively, related to impairment charges on four conventional tankers sold to TIL in 2014 and six shuttle tankers, including two shuttle tankers which Teekay Offshore owns through a 50 percent-owned consolidated subsidiary and two shuttle tankers which Teekay Offshore owns through a 67 percent-owned subsidiary. The shuttle tanker impairments were the result of the re-contracting of two of the vessels at lower rates than expected during the third quarter of 2013, the cancellation of a short-term contract in September 2013 and a change in expectations for a contract renewal for a shuttle tanker operating in Brazil.

(4) The Company recovered $2.5 million for the year ended December 31, 2014, related to a receivable for an FPSO FEED study completed in 2013, which was previously provided for. The Company recognized $24.8 million recovery for the three months ended December 31, 2013 related to the reversal of loss provisions relating to investment in term loans and advances to a joint venture partner s parent entity, partially offset by a FEED study receivable deemed not collectible at the time. The Company recognized $0.7 million provision for the year ended December 31, 2013 related to a FEED study receivable deemed not collectible at the time, partially offset by the reversal of loss provisions relating to investment in term loans and advances to a joint venture partner s parent entity.

(5) The Company s proportionate share of items within equity income as identified in *Appendix A* of this release, is as detailed in the table below. By excluding these items from equity income, the resulting adjusted equity income is a normalized amount that can be used to evaluate the financial performance of the Company s equity accounted investments.

	Three Months Ended			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Equity income	25,417	39,932	35,098	128,114	136,538
Proportionate share of unrealized losses (gains) on derivative instruments	2,082	(6,113)	(6,607)	(1,132)	(30,863)
Dilution gain on share issuance by TIL				(4,108)	
Other[(i)]		(8,117)		(16,923)	4,100
Equity income adjusted for items in *Appendix A*	27,499	25,702	28,491	105,951	109,775

(i) Includes gains on sale of vessels in Exmar LPG BVBA joint venture during 2014 and restructuring accruals and loan loss provision in Sevan Marine ASA during 2013.

TEEKAY CORPORATION

SUMMARY CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	As at December 31, 2014 (unaudited)	As at September 30, 2014 (unaudited)	As at December 31 2013 (unaudited)
ASSETS			
Cash and cash equivalents	806,904	705,896	614,660
Other current assets	473,872	498,347	622,771
Restricted cash current	33,653	3,142	4,748
Restricted cash long-term	85,698	498,537	497,984
Assets held for sale(1)		6,758	176,247
Vessels and equipment	6,399,747	6,377,906	6,554,820
Advances on newbuilding contracts and conversion costs	1,706,500	1,496,350	796,324
Derivative assets	14,415	137,411	92,837
Investment in equity accounted investees	873,421	854,669	690,309
Investment in term loans			211,579
Investment in direct financing leases	704,953	767,934	727,262
Other assets	501,812	481,649	291,723
Intangible assets	94,666	97,886	107,898
Goodwill	168,571	168,571	166,539
Total assets	11,864,212	12,095,056	11,555,701
LIABILITIES AND EQUITY			
Accounts payable and accrued liabilities	480,049	507,739	565,239
Liabilities associated with assets held for sale(1)			168,007
Current portion of long-term debt	658,556	736,285	1,028,093
Long-term debt	6,141,492	6,523,719	5,679,706
Derivative liabilities	626,139	562,064	443,569
In-process revenue contracts	173,412	183,299	179,852
Other long-term liabilities	383,089	345,688	271,621
Redeemable non-controlling interest	12,842	17,286	16,564
Equity:			
Non-controlling interests	2,290,305	2,117,953	2,071,262
Stockholders of Teekay	1,098,328	1,101,023	1,131,788
Total liabilities and equity	11,864,212	12,095,056	11,555,701

(1) In connection with the expected sale of a shuttle tanker to Teekay Offshore s 50/50 joint venture with Odebrecht for conversion to an FPSO unit, which is expected to commence a 12-year contract in early-2017, the vessel and equipment related to the vessel were classified as Assets held for sale as at September 30, 2014. In the fourth quarter of 2014, Teekay Offshore sold the shuttle tanker to the joint venture. In connection with the 2014 sale of four conventional tanker owning companies to TIL, the vessels and equipment, long-term debt and working capital related to the four vessel-owning companies were classified as Assets held for sale and Liabilities associated with assets held for sale as at December 31, 2013.

- more -

TEEKAY CORPORATION

SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)

	Year Ended December 31	
	2014 (unaudited)	**2013 (unaudited)**
Cash and cash equivalents provided by (used for)		
OPERATING ACTIVITIES		
Net operating cash flow	446,317	292,584
FINANCING ACTIVITIES		
Net proceeds from long-term debt	3,365,045	2,451,828
Scheduled repayments of long-term debt	(1,770,437)	(706,003)
Prepayments of long-term debt	(1,331,469)	(1,017,818)
Decrease in restricted cash	380,953	31,776
Net proceeds from equity issuances of subsidiaries	452,061	446,893
Equity contribution by joint venture partner	27,267	4,934
Distribution from subsidiaries to non-controlling interests	(360,820)	(269,987)
Cash dividends paid	(91,004)	(90,265)
Other	55,165	15,219
Net financing cash flow	726,761	866,577
INVESTING ACTIVITIES		
Expenditures for vessels and equipment	(994,931)	(753,755)
Proceeds from sale of vessels and equipment	180,638	47,704
Recovery of (investment in) term loans	4,814	(12,552)
Advances to equity accounted investees	(87,130)	(14,466)
Investment in equity accounted investments	(79,602)	(157,762)
Investment in direct financing lease assets		(307,950)
Direct financing lease payments received	22,856	17,289
Investment in CVI Ocean Transportation II Inc.	(25,000)	
Other	(2,479)	(2,500)
Net investing cash flow	(980,834)	(1,183,992)
Increase (decrease) in cash and cash equivalents	192,244	(24,831)

Cash and cash equivalents, beginning of the year	614,660	639,491
Cash and cash equivalents, end of the year	806,904	614,660

- more -

TEEKAY CORPORATION

APPENDIX A SPECIFIC ITEMS AFFECTING NET INCOME

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

Set forth below is a reconciliation of the Company s unaudited adjusted net income attributable to stockholders of Teekay, a non-GAAP financial measure, to net loss attributable to stockholders of Teekay as determined in accordance with GAAP. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company s financial performance. The items below are also typically excluded by securities analysts in their published estimates of the Company s financial results. Adjusted net income attributable to the stockholders of Teekay is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP.

	Three Months Ended December 31, 2014 (unaudited)		Year Ended December 31, 2014 (unaudited)	
	$	**$ Per Share [1]**	**$**	**$ Per Share [1]**
Net income GAAP basis	2,503		124,002	
Adjust for: Net income attributable to non-controlling interests	(16,159)		(178,759)	
Net loss attributable to stockholders of Teekay	**(13,656)**	**(0.19)**	**(54,757)**	**(0.76)**
Add (subtract) specific items affecting net income:				
Unrealized losses from derivative instruments [2]	67,167	0.93	99,364	1.38
Foreign exchange loss (gain) [3]	342		(17,384)	(0.24)
Net gain on sale of vessels and loan loss recoveries [4]	(2,839)	(0.04)	(32,954)	(0.46)
Asset impairments [5]			4,759	0.07
Dilution gain on share issuance by TIL [6]			(4,108)	(0.06)
Loss on bond repurchases	6,839	0.09	7,699	0.11
Impact of lease termination [7]	12,978	0.18	12,978	0.18
Pre-operational costs [8]	2,609	0.04	15,641	0.22
Non-recurring adjustment to deferred taxes	4,200	0.06	4,200	0.06
Other [9]	7,547	0.10	6,402	0.09
Non-controlling interests share of items above [10]	(54,517)	(0.75)	(40,367)	(0.57)
Total adjustments	44,326	0.61	56,230	0.78
Adjusted net income attributable to stockholders of Teekay	**30,670**	**0.42**	**1,473**	**0.02**

(1) Fully diluted per share amounts.
(2) Reflects the unrealized losses relating to the change in the mark-to-market value of derivative instruments that are not designated as hedges for accounting purposes, including those included in equity income from joint ventures.
(3) Foreign currency exchange gains and losses primarily relate to the Company s debt denominated in Euros and Norwegian Kroner in addition to the unrealized gains and losses on cross currency swaps used to hedge the principal and interest on the Norwegian Kroner bonds. Nearly all of the Company s foreign currency exchange gains and losses are unrealized.
(4) Includes the gain on sale of a shuttle tanker to Teekay Offshore s 50/50 joint venture with Odebrecht, the Company s share of the gain on sale of vessels in the Exmar LPG BVBA joint venture, a net gain on the sale of an office building, a net gain on the sale of six vessels to TIL, and the recovery of FPSO FEED study costs previously provided for.
(5) Relates to the impairment of a shuttle tanker.
(6) Relates to the unrealized gain on the TIL stock purchase warrants issued to the Company and Teekay Tankers in connection with TIL s formation and initial funding.
(7) Relates to the capital lease termination for the RasGas II LNG Carriers in December 2014.
(8) Relates to pre-operational costs and realized losses on interest rate swaps for the *Knarr* FPSO unit.
(9) Other primarily relates to a net restructuring charge, a permanent impairment charge on marketable securities, Norwegian pension termination costs and the write-off of mobilization costs relating to the HiLoad DP unit.
(10) Items affecting net income include items from the Company s wholly-owned subsidiaries, its consolidated non-wholly-owned subsidiaries and its proportionate share of items from equity accounted for investments. The specific items affecting net income are analyzed to determine whether any of the amounts originated from a consolidated non-wholly-owned subsidiary. Each amount that originates from a consolidated non-wholly-owned subsidiary is multiplied by the non-controlling interests percentage share in this subsidiary to arrive at the non-controlling interests share of the amount. The amount identified as Non-controlling interests share of items above in the table above is the cumulative amount of the non-controlling interests proportionate share of items listed in the table.

- more -

TEEKAY CORPORATION

APPENDIX A SPECIFIC ITEMS AFFECTING NET (LOSS) INCOME

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

Set forth below is a reconciliation of the Company s unaudited adjusted net income (loss) attributable to stockholders of Teekay, a non-GAAP financial measure, to net loss attributable to stockholders of Teekay as determined in accordance with GAAP. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company s financial performance. The items below are also typically excluded by securities analysts in their published estimates of the Company s financial results. Adjusted net income (loss) attributable to the stockholders of Teekay is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP.

	Three Months Ended December 31, 2013 (unaudited)		**Year Ended December 31, 2013 (unaudited)**	
	$	**$ Per Share [(1)]**	**$**	**$ Per Share [(1)]**
Net (loss) income GAAP basis	(7,112)		35,480	
Adjust for: Net income attributable to non-controlling interests	(63,753)		(150,218)	
Net loss attributable to stockholders of Teekay	**(70,865)**	**(1.00)**	**(114,738)**	**(1.63)**
Add (subtract) specific items affecting net loss:				
Unrealized gains from derivative instruments [(2)]	(41,143)	(0.58)	(205,089)	(2.91)
Foreign exchange loss [(3)]	4,496	0.06	16,581	0.24
Restructuring charges [(4)]	2,617	0.04	6,921	0.10
Asset impairments and loan loss provisions [(5)]	85,300	1.20	168,353	2.39
Non-recurring adjustments to tax accruals	4,859	0.07	4,859	0.07
Realized loss on termination of interest rate swap			31,798	0.45
Other [(6)]	2,001	0.03	10,236	0.15
Non-controlling interests share of items above [(7)]	13,870	0.20	1,193	0.02
Total adjustments	72,000	1.02	34,852	0.51
Adjusted net income (loss) attributable to stockholders of Teekay	**1,135**	**0.02**	**(79,886)**	**(1.12)**

(1) Fully diluted per share amounts.

(2) Reflects the unrealized gains or losses relating to the change in the mark-to-market value of derivative instruments that are not designated as hedges for accounting purposes, including those included in equity

income from joint ventures, and the ineffective portion of foreign currency forward contracts designated as hedges for accounting purposes.

(3) Foreign currency exchange gains and losses primarily relate to the Company s debt denominated in Euros and Norwegian Kroner in addition to the unrealized gains and losses on cross currency swaps used to hedge the principal and interest on the Norwegian Kroner bonds. Nearly all of the Company s foreign currency exchange gains and losses are unrealized.

(4) Restructuring charges primarily relate to the reorganization of the Company s marine operations, and termination of crew upon sale of two conventional tankers in Teekay LNG.

(5) Relates to impairment of four conventional tankers to be sold to TIL, and six shuttle tankers, of which Teekay Offshore owns two shuttle tankers through a 50 percent-owned subsidiary and two shuttle tankers through a 67 percent-owned subsidiary. The asset impairments and provisions also include a loss provision for an FPSO FEED receivable, partially offset by the reversal of previously recorded loss provision relating to investments in term loans and a loan to a joint venture partner.

(6) Other primarily relates to recognition of unrealized loss on marketable securities, pension fund closure, pre-operational costs for an FPSO unit nearing completion, realized (gain) loss on foreign exchange forward contracts relating to certain capital acquisition expenditures, gain on sale of equipment, gain (loss) on sale of three conventional tankers and a loan loss provision in Sevan Marine ASA.

(7) Items affecting net (loss) income include items from the Company s wholly-owned subsidiaries, its consolidated non-wholly-owned subsidiaries and its proportionate share of items from equity-accounted for investments. The specific items affecting net (loss) income are analyzed to determine whether any of the amounts originated from a consolidated non-wholly-owned subsidiary. Each amount that originates from a consolidated non-wholly-owned subsidiary is multiplied by the non-controlling interests percentage share in this subsidiary to arrive at the non-controlling interests share of the amount. The amount identified as Non-controlling interests share of items above in the table above is the cumulative amount of the non-controlling interests proportionate share of items listed in the table.

14

- more -

TEEKAY CORPORATION

APPENDIX B SUPPLEMENTAL FINANCIAL INFORMATION

SUMMARY BALANCE SHEET AS AT DECEMBER 31, 2014

(in thousands of U.S. dollars)

(unaudited)

	Teekay Offshore	Teekay LNG	Teekay Tankers	Teekay Parent	Consolidation Adjustments (1)	Total
ASSETS						
Cash and cash equivalents	252,138	159,639	162,797	232,330		806,904
Other current assets	143,727	15,240	84,667	230,238		473,872
Restricted cash	46,760	45,997		26,594		119,351
Vessels and equipment	2,966,104	1,751,583	828,291	853,769		6,399,747
Advances on newbuilding contracts and conversion costs	217,361	237,647		1,251,492		1,706,500
Derivative assets	4,660	441	4,657	4,657		14,415
Investment in equity accounted investees	54,955	709,964	65,517	70,219	(27,234)	873,421
Investment in direct financing leases	22,458	682,495				704,953
Other assets	57,321	226,193	13,279	205,019		501,812
Advances to (from) affiliates	44,225	11,942	6,151	(62,318)		
Equity investment in subsidiaries				489,742	(489,742)	
Intangibles and goodwill	135,555	123,277		4,405		263,237
TOTAL ASSETS	3,945,264	3,964,418	1,165,359	3,306,147	(516,976)	11,864,212
LIABILITIES AND EQUITY						
Accounts payable and accrued liabilities	108,746	56,245	20,101	294,957		480,049
Advances from (to) affiliates	108,941	43,205	10,395	(162,541)		
Current portion of long-term debt	258,014	161,657	41,959	196,926		658,556
Long-term debt	2,178,009	1,826,017	614,104	1,523,362		6,141,492
Derivative liabilities	343,072	183,855	18,225	80,987		626,139
In process revenue contracts	88,549	37,396		47,467		173,412
Other long-term liabilities	44,238	108,672	4,852	225,327		383,089
Redeemable non-controlling interest	12,842					12,842
Equity:						

Non-controlling interests (2)	47,850	9,619		1,334	2,231,502	2,290,305
Equity attributable to stockholders/unitholders of publicly-listed entities	755,003	1,537,752	455,723	1,098,328	(2,748,478)	1,098,328
TOTAL LIABILITIES AND EQUITY	3,945,264	3,964,418	1,165,359	3,306,147	(516,976)	11,864,212
NET DEBT (3)	2,137,125	1,782,038	493,266	1,461,364		5,873,793

(1) Consolidation Adjustments column includes adjustments which eliminates transactions between subsidiaries Teekay Offshore, Teekay LNG and Teekay Tankers and Teekay Parent and Teekay Tanker s investment in Tanker Operations.

(2) Non-controlling interests in the Teekay Offshore and Teekay LNG columns represent the respective joint venture partners share of joint venture net assets. Non-controlling interest in the Consolidation Adjustments column represents the public s share of the net assets of Teekay s publicly-traded subsidiaries.

(3) Net debt represents current and long-term debt less cash and, if applicable, current and long-term restricted cash.

15

- more -

TEEKAY CORPORATION

APPENDIX B SUPPLEMENTAL FINANCIAL INFORMATION

SUMMARY STATEMENT OF (LOSS) INCOME FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

(in thousands of U.S. dollars)

(unaudited)

	Teekay Offshore	Teekay LNG	Teekay Tankers	Teekay Parent	Consolidation Adjustments [1]	Total
Revenues	260,461	99,339	75,931	137,651	(28,393)	544,989
Voyage expenses	(24,208)	(373)	(2,061)	(57)	1,486	(25,213)
Vessel operating expenses	(84,294)	(23,694)	(23,708)	(68,637)		(200,333)
Time-charter hire expense	(7,618)		(13,687)	(31,569)	28,559	(24,315)
Depreciation and amortization	(51,832)	(23,178)	(12,774)	(21,454)		(109,238)
General and administrative	(20,575)	(5,619)	(2,714)	(5,081)	(520)	(34,509)
Gain (loss) on sale of vessels and equipment	3,121			(282)		2,839
Restructuring charges		242		(6,916)	(92)	(6,766)
Income (loss) from vessel operations	75,055	46,717	20,987	3,655	1,040	147,454
Interest expense	(24,982)	(15,768)	(2,078)	(14,506)		(57,334)
Interest income	207	302	40	916		1,465
Realized and unrealized (losses) gains on derivative instruments	(59,495)	(23,114)	(189)	(20,506)		(103,304)
Income tax recovery (expense)	734	(6,427)	364	4,253	5	(1,071)
Equity income (loss)	1,764	23,471	1,007	(100)	(725)	25,417
Equity in earnings of subsidiaries [2]				17,649	(17,649)	
Foreign exchange (loss) gain	(11,590)	5,769	242	2,691	(238)	(3,126)
Other net	597	200	(114)	(7,668)	(13)	(6,998)
Net (loss) income	(17,710)	31,150	20,259	(13,616)	(17,580)	2,503
Less: Net (income) loss attributable to non-controlling interests [3]	(5,547)	1,806		(40)	(12,378)	(16,159)
Net (loss) income attributable to stockholders/unitholders of publicly-listed entities	**(23,257)**	**32,956**	**20,259**	**(13,656)**	**(29,958)**	**(13,656)**

CFVO - Consolidated (4)(5)	120,338	74,049	33,761	17,951	1,040	247,139
CFVO - Equity Investments (6)	5,133	50,947	3,198	2,851	(1,040)	61,089
CFVO - Total	125,471	124,996	36,959	20,802		308,228

(1) Consolidation Adjustments column includes adjustments which eliminates transactions between subsidiaries Teekay Offshore, Teekay LNG and Teekay Tankers and Teekay Parent and results from Tanker Operations.

(2) Teekay Corporation s proportionate share of the net earnings of its publicly-traded subsidiaries.

(3) Net (income) loss attributable to non-controlling interests in the Teekay Offshore and Teekay LNG columns represent the joint venture partners share of the net income or loss of their respective joint ventures. Net income attributable to non-controlling interest in the Consolidation Adjustments column represents the public s share of the net income of Teekay s publicly-traded subsidiaries.

(4) Cash flow from vessel operations (*CFVO*) represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write downs, gains or losses on the sale of vessels, and adjustments for direct financing leases to a cash basis, but includes realized gains and losses on the settlement of foreign currency forward contracts and a derivative charter contract. CFVO Consolidated represents CFVO from vessels that are consolidated on the Company s financial statements. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to assess the financial performance of shipping companies. Please see *Appendix C* and *Appendix E* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(5) In addition to the CFVO generated by its directly owned and chartered-in assets, Teekay Parent also receives cash dividends and distributions from its publicly-traded subsidiaries. For the three months ended December 31, 2014, Teekay Parent received cash dividends and distributions from these subsidiaries totaling $45.3 million. The dividends and distributions received by Teekay Parent include, among others, those made with respect to its general partner interests in Teekay Offshore and Teekay LNG. Please refer to *Appendix D* to this release for further details.

(6) CFVO Equity Investments represents the Company s proportionate share of CFVO from its equity accounted vessels and other investments. Please see *Appendix C* and *Appendix E* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

TEEKAY CORPORATION

APPENDIX B SUPPLEMENTAL FINANCIAL INFORMATION

SUMMARY STATEMENT OF INCOME (LOSS) FOR THE YEAR ENDED DECEMBER 31, 2014

(in thousands of U.S. dollars)

(unaudited)

	Teekay Offshore	Teekay LNG	Teekay Tankers	Teekay Parent	Consolidation Adjustments (1)	Total
Revenues	1,019,539	402,928	235,593	450,774	(114,914)	1,993,920
Voyage expenses	(112,540)	(3,321)	(9,984)	(8,607)	6,605	(127,847)
Vessel operating expenses	(352,209)	(95,808)	(93,022)	(268,280)		(809,319)
Time-charter hire expense	(31,090)		(22,160)	(127,431)	113,462	(67,219)
Depreciation and amortization	(198,553)	(94,127)	(50,152)	(80,072)		(422,904)
General and administrative	(67,516)	(23,860)	(11,959)	(35,091)	(2,491)	(140,917)
Asset impairments	(4,759)					(4,759)
Loan loss recoveries				2,521		2,521
Gain (loss) on sale of vessels and equipment	3,121		9,955	433		13,509
Restructuring recovery (charge)	225	(1,989)		(7,970)	(92)	(9,826)
Income (loss) from vessel operations	256,218	183,823	58,271	(73,723)	2,570	427,159
Interest expense	(88,381)	(60,414)	(8,741)	(51,025)	32	(208,529)
Interest income	719	3,052	287	2,769		6,827
Realized and unrealized losses on derivative instruments	(143,703)	(44,682)	(1,712)	(41,578)		(231,675)
Income tax (expense) recovery	(2,179)	(7,567)	154	(419)	(162)	(10,173)
Equity income (loss)	10,341	115,478	5,228	(851)	(2,082)	128,114
Equity in earnings of subsidiaries (2)				115,441	(115,441)	
Foreign exchange (loss) gain	(16,140)	28,401	138	1,375	(343)	13,431
Other net	781	836	3,517	(6,634)	348	(1,152)
Net income (loss)	17,656	218,927	57,142	(54,645)	(115,078)	124,002
Less: Net income attributable to non-controlling interests (3)	(10,503)	(13,489)		(112)	(154,655)	(178,759)
Net income (loss) attributable to stockholders/unitholders of publicly-listed entities	**7,153**	**205,438**	**57,142**	**(54,757)**	**(269,733)**	**(54,757)**

CFVO - Consolidated [4][5]	445,891	288,588	98,468	(24,815)	2,570	810,702
CFVO - Equity Investments [6]	25,721	201,810	8,594	4,946	(2,570)	238,500
CFVO - Total	471,612	490,398	107,062	(19,869)		1,049,202

(1) Consolidation Adjustments column includes adjustments which eliminates transactions between subsidiaries Teekay Offshore, Teekay LNG and Teekay Tankers and Teekay Parent and results from Tanker Operations.

(2) Teekay Corporation s proportionate share of the net earnings of its publicly-traded subsidiaries.

(3) Net income attributable to non-controlling interests in the Teekay Offshore and Teekay LNG columns represent the joint venture partners share of the net income of their respective joint ventures. Net income attributable to non-controlling interest in the Consolidation Adjustments column represents the public s share of the net income loss of Teekay s publicly-traded subsidiaries.

(4) Cash flow from vessel operations (*CFVO*) represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write downs, gains or losses on the sale of vessels, and adjustments for direct financing leases to a cash basis, but includes realized gains and losses on the settlement of foreign currency forward contracts and a derivative charter contract. CFVO Consolidated represents CFVO from vessels that are consolidated on the Company s financial statements. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to assess the financial performance of shipping companies. Please see *Appendix C* and *Appendix E* to this release for a reconciliation of this non-GAAP financial measure as used in this release to the most directly comparable GAAP financial measure.

17

- more -

(5) In addition to Teekay Parent s CFVO, Teekay Parent also receives cash dividends and distributions from its publicly-traded subsidiaries. For the year ended December 31, 2014, Teekay Parent received cash dividends and distributions from these subsidiaries totaling $176.0 million. The dividends and distributions received by Teekay Parent include, among others, those made with respect to its general partner interests in Teekay Offshore and Teekay LNG. Please refer to *Appendix D* to this release for further details.

(6) CFVO Equity investments represents the Company s proportionate share of CFVO from its equity accounted vessels and other investments. Please see *Appendix C* and *Appendix E* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP measure.

- more -

TEEKAY CORPORATION

APPENDIX C SUPPLEMENTAL FINANCIAL INFORMATION

TEEKAY PARENT SUMMARY OPERATING RESULTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

(in thousands of U.S. dollars)

(unaudited)

Set forth below is a reconciliation of unaudited cash flow from vessel operations, a non-GAAP financial measure, to income (loss) from vessel operations as determined in accordance with GAAP, for Teekay Parent s primary operating segments. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate Teekay Parent s financial performance. Disaggregated cash flow from vessel operations for Teekay Parent, as provided below, is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP.

	Owned Conventional Tankers	**In-Chartered Conventional Tankers(1)**	**FPSOs**	**Other (2)**	**Corporate G&A**	**Teekay Parent Total**
Revenues	2,405	24,303	89,394	21,549		137,651
Voyage expenses	206	(561)	(9)	307		(57)
Vessel operating expenses	(916)	(8,079)	(51,789)	(7,853)		(68,637)
Time-charter hire expense		(13,080)	(7,279)	(11,210)		(31,569)
Depreciation and amortization	(713)		(20,854)	113		(21,454)
General and administrative	(146)	(785)	(4,800)	2,317	(3,767)	(7,181)
Success fee from daughter				2,100		2,100
Loss on sale of vessels and equipment (3)			(282)			(282)
Restructuring charges		(6,865)		(51)		(6,916)
Income (loss) from vessel operations	836	(5,067)	4,381	7,272	(3,767)	3,655
Reconciliation of income (loss) from vessel operations to cash flow from vessel operations						
Income (loss) from vessel operations	836	(5,067)	4,381	7,272	(3,767)	3,655
Depreciation and amortization	713		20,854	(113)		21,454
Loss on sale of vessels and equipment (3)			282			282
			(5,943)			(5,943)

Amortization of in-process revenue contracts and other						
Realized losses from the settlements of non-designated derivative instruments			(1,497)			(1,497)
CFVO - Consolidated[4][5]	1,549	(5,067)	18,077	7,159	(3,767)	17,951
CFVO - Equity[6]	2,353		298	200		2,851
CFVO - Total	**3,902**	**(5,067)**	**18,375**	**7,359**	**(3,767)**	**20,802**

(1) Includes fully reimbursed restructuring costs related to a conventional tanker managed by the Company.

(2) Includes results of two chartered-in LNG carriers owned by Teekay LNG and two chartered-in FSO units owned by Teekay Offshore, fees earned from managing TIL vessel transactions of $0.5 million included in revenues and a one-time $2.1 million business development fee received from Teekay Offshore upon the acquisition of the *Petrojarl I* FPSO unit in December 2014.

(3) Teekay Parent recognized an adjustment to a gain on sale of an office building.

(4) Cash flow from vessel operations *(CFVO)* represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write downs, gains or losses on the sale of vessels, and adjustments for direct financing leases to a cash basis, but includes realized gains and losses on the settlement of foreign currency forward contracts and a derivative charter contract. CFVO Consolidated represents Teekay Parent s CFVO from vessels that are consolidated on the Company s financial statements. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to assess the financial performance of shipping companies. Please see *Appendix E* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(5) In addition to the CFVO generated by its directly owned and chartered-in assets, Teekay Parent also receives cash dividends and distributions from its publicly-traded subsidiaries. For the three months ended December 31, 2014, Teekay Parent received cash dividends and distributions from these subsidiaries totaling $45.3 million. The dividends and distributions received by Teekay Parent include, among others, those made with respect to its general partner interests in Teekay Offshore and Teekay LNG. Please refer to *Appendix D* to this release for further details.

(6) CFVO Equity Investments represents Teekay Parent s proportionate share of CFVO from its equity accounted vessels and other investments. Please see *Appendix E* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

TEEKAY CORPORATION

APPENDIX C SUPPLEMENTAL FINANCIAL INFORMATION

TEEKAY PARENT SUMMARY OPERATING RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2014

(in thousands of U.S. dollars)

(unaudited)

Set forth below is a reconciliation of unaudited cash flow from vessel operations, a non-GAAP financial measure, to income (loss) from vessel operations as determined in accordance with GAAP, for Teekay Parent s primary operating segments. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate Teekay Parent s financial performance. Disaggregated cash flow from vessel operations for Teekay Parent, as provided below, is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP.

	Owned Conventional Tankers	In-Chartered Conventional Tankers(1)	FPSOs	Other (2)	Corporate G&A	Teekay Parent Total
Revenues	18,901	75,475	259,945	96,453		450,774
Voyage expenses	(5,597)	(3,258)	(15)	263		(8,607)
Vessel operating expenses	(5,025)	(24,608)	(212,159)	(26,488)		(268,280)
Time-charter hire expense		(54,720)	(29,623)	(43,088)		(127,431)
Depreciation and amortization	(2,216)		(78,630)	774		(80,072)
General and administrative	(823)	(3,169)	(21,778)	3,834	(16,855)	(38,791)
Success fee from daughter				3,700		3,700
Loan loss recoveries(3)			2,521			2,521
(Loss) gain on sale of vessels and equipment(3)	(502)		935			433
Restructuring charges		(6,865)		(1,105)		(7,970)
Income (loss) from vessel operations	4,738	(17,145)	(78,804)	34,343	(16,855)	(73,723)
Reconciliation of income (loss) from vessel operations to cash flow from vessel operations						
Income (loss) from vessel operations	4,738	(17,145)	(78,804)	34,343	(16,855)	(73,723)
Depreciation and amortization	2,216		78,630	(774)		80,072

Loan loss recoveries[3]			(2,521)			(2,521)
Loss (gain) on sale of vessels and equipment [3]	502		(935)			(433)
Amortization of in-process revenue contracts and other			(25,683)			(25,683)
Realized losses from the settlements of non-designated derivative instruments	(285)		(2,242)			(2,527)
CFVO - Consolidated[4][5]	7,171	(17,145)	(31,555)	33,569	(16,855)	(24,815)
CFVO - Equity[6]	5,635		(628)	(61)		4,946
CFVO - Total	**12,806**	**(17,145)**	**(32,183)**	**33,508**	**(16,855)**	**(19,869)**

(1) Includes fully reimbursed restructuring costs related to a conventional tanker managed by the Company.

(2) Includes the results of two chartered-in LNG carriers owned by Teekay LNG and two chartered-in FSO units owned by Teekay Offshore, interest income received from an investment in term loan, fees earned from managing TIL vessel transactions of $4.5 million included in revenues, and $3.7 million in business development fees received from Teekay Offshore upon the acquisition of ALP Maritime Services B.V. in March 2014 and *Petrojarl I* FPSO unit in December 2014.

(3) Teekay Parent recognized a loss relating to the sale of four conventional tankers to TIL, a recovery of a receivable for an FPSO FEED study which had previously been provided for, and a gain on sale of an office building.

(4) Cash flow from vessel operations *(CFVO)* represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write downs, gains or losses on the sale of vessels, adjustments for direct financing leases to a cash basis, but includes

realized gains and losses on the settlement of foreign currency forward contracts and a derivative charter contract. CFVO Consolidated represents Teekay Parent s CFVO from vessels that are consolidated on the Company s financial statements. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to assess the financial performance of shipping companies. Please see *Appendix E* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(5) In addition to the CFVO generated by its directly owned and chartered-in assets, Teekay Parent also receives cash dividends and distributions from its publicly-traded subsidiaries. For the year ended December 31, 2014, Teekay Parent received cash dividends and distributions from these subsidiaries totaling $176.0 million. The dividends and distributions received by Teekay Parent include, among others, those made with respect to its general partner interests in Teekay Offshore and Teekay LNG. Please refer to *Appendix D* to this release for further details.

(6) CFVO Equity Investments represents Teekay Parent s proportionate share of CFVO from its equity accounted vessels and other investments. Please see *Appendix E* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

22

- more -

TEEKAY CORPORATION

APPENDIX D SUPPLEMENTAL FINANCIAL INFORMATION

TEEKAY PARENT FREE CASH FLOW

(in thousands of U.S. dollars)

(unaudited)

Set forth below is an unaudited calculation of Teekay Parent free cash flow for the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014, and December 31, 2013. The Company defines free cash flow, a non-GAAP financial measure, as the sum of (a) cash flow from vessel operations attributed to its directly-owned and in-chartered assets, net of interest expense and drydock expenditures in the respective period (collectively, *OPCO*) plus (b) distributions received as a result of ownership interests in its publicly-traded subsidiaries (Teekay LNG, Teekay Offshore, and Teekay Tankers), net of Teekay Parent corporate general and administrative expenditures in the respective period (collectively, *GPCO*).

	Three Months Ended				
	December 31, 2014	**September 30, 2014**	**June 30, 2014**	**March 31, 2014**	**December 31, 2013**
Teekay Parent OPCO Cash Flow					
Teekay Parent cash flow from vessel operations [(1)]					
Owned Conventional Tankers	1,549	277	855	4,490	232
In-Chartered Conventional Tankers	(5,067)	(4,441)	(4,818)	(2,819)	(9,292)
FPSOs	18,077	(10,027)	(25,700)	(13,906)	(4,932)
Other [(2)]	7,679	5,021	9,748	12,408	3,355
Total [(3)]	22,238	(9,170)	(19,915)	173	(10,637)
Less:					
Net interest expense [(4)]	(15,056)	(13,000)	(15,015)	(16,151)	(12,039)
Dry docking expenditures	(3,652)	(2,673)	(378)	(549)	(2,056)
Teekay Parent OPCO Cash Flow	3,530	(24,843)	(35,308)	(16,527)	(24,732)
Teekay Parent GPCO Cash Flow					
Daughter company distributions to Teekay Parent [(5)]					
Limited Partner interest [(6)]					

Teekay LNG Partners	17,646	17,439	17,439	17,439	17,439
Teekay Offshore Partners	12,819	12,819	12,819	12,819	12,819
General partner interest					
Teekay LNG Partners	8,650	7,883	7,883	7,568	7,566
Teekay Offshore Partners	5,262	4,880	4,880	4,868	4,867
Other Dividends					
Teekay Tankers (6)(7)	881	756	629	629	629
Total Daughter Distributions	45,258	43,777	43,650	43,323	43,320
Less: Corporate general and administrative expenses	(3,767)	(4,068)	(3,362)	(5,658)	(6,314)
Total Parent GPCO Cash Flow	41,491	39,709	40,288	37,665	37,006
TOTAL TEEKAY PARENT FREE CASH FLOW	45,021	14,866	4,980	21,137	12,274
Total Teekay Parent Free Cash Flow per share	0.62	0.21	0.07	0.30	0.17
Weighted-average number of common shares - Basic	72,498,974	72,393,072	72,036,526	71,328,577	70,781,695

23

- more -

(1) Cash flow from vessel operations (*CFVO*) represents income from vessel operations before depreciation and amortization expense, vessel/goodwill write downs, gains or losses on the sale of vessels, and adjustments for direct financing leases to a cash basis, but includes realized gains and losses on the settlement of foreign currency forward contracts and a derivative charter contract. CFVO is a non-GAAP financial measure used by certain investors to assess the financial performance of shipping companies. For further details on CFVO for the three months ended December 31, 2014, including a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure, please refer to *Appendix C* to this release; for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure for the three months ended September 30, 2014, June 30, 2014, March 31, 2014, and December 31, 2013, please refer to *Appendix E* to this release.

(2) Includes $0.5 million for the three month period ended December 31, 2014 and $0.8 million for the three month period ended September 30, 2014 relating to 50 percent of the CFVO from Tanker Operations.

(3) Excludes corporate general and administrative expenses relating to GPCO.

(4) The three month periods ended December 31, 2014 and September 30, 2014 exclude a realized loss on an interest rate swap related to the debt facility secured by the *Knarr* FPSO unit of $5.3 million and $4.1 million, respectively. Net interest expense is a non-GAAP financial measure that includes realized gains and losses on interest rate swaps. Please see *Appendix E* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(5) Cash dividend and distribution cash flows are shown on an accrual basis for dividends and distributions declared for the respective period.

(6) Common share/unit dividend/distribution cash flows to Teekay Parent are based on Teekay Parent s ownership on the ex-dividend date for the respective publicly traded subsidiary and period as follows:

	Three Months Ended				
	December 31, 2014	**September 30, 2014**	**June 30, 2014**	**March 31, 2014**	**December 31, 2013**
Teekay LNG Partners					
Distribution per common unit	$ 0.7000	$ 0.6918	$ 0.6918	$ 0.6918	$ 0.6918
Common units owned by Teekay Parent	25,208,274	25,208,274	25,208,274	25,208,274	25,208,274
Total distribution	$ 17,645,792	$ 17,439,084	$ 17,439,084	$ 17,439,084	$ 17,439,084
Teekay Offshore Partners					
Distribution per common unit	$ 0.5384	$ 0.5384	$ 0.5384	$ 0.5384	$ 0.5384
Common units owned by Teekay Parent	23,809,468	23,809,468	23,809,468	23,809,468	23,809,468
Total distribution	$ 12,819,018	$ 12,819,018	$ 12,819,018	$ 12,819,018	$ 12,819,018
Teekay Tankers Ltd.					
Dividend per share	$ 0.03	$ 0.03	$ 0.03	$ 0.03	$ 0.03
Shares owned by Teekay Parent (7)	29,364,141	25,197,475	20,976,530	20,976,530	20,976,530
Total dividend	$ 880,924	$ 755,924	$ 629,296	$ 629,296	$ 629,296

(7) Includes Class A and Class B shareholdings.

24

- more -

TEEKAY CORPORATION

APPENDIX E RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

CASH FLOW FROM VESSEL OPERATIONS - CONSOLIDATED

(in thousands of U.S. dollars)

(unaudited)

Set forth below is an unaudited calculation of consolidated CFVO for the three months ended December 31, 2014 and December 31, 2013. CFVO, a non-GAAP financial measure, represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write-downs, gains or losses on the sale of vessels, and adjustments for direct financing leases to a cash basis, but includes realized gains or losses on the settlement of foreign exchange forward contracts and a derivative charter contract. CFVO is included because certain investors use this data to assess a company s financial performance. CFVO is not required by GAAP and should not be considered as an alternative to net income or any other indicator of the Company s performance required by GAAP.

	Three Months Ended December 31, 2014 (unaudited)					
	Teekay Offshore	**Teekay LNG**	**Teekay Tankers**	**Teekay Parent**	**Consolidation Adjustments**	**Teekay Corporation Consolidated**
Income (loss) from vessel operations	75,055	46,717	20,987	3,655	1,040	147,454
Depreciation and amortization	51,832	23,178	12,774	21,454		109,238
Amortization of in process revenue contracts and other	(3,212)	(406)		(5,943)		(9,561)
Realized losses from the settlements of non-designated derivative instruments	(1,331)			(1,497)		(2,828)
(Gain) loss on sale of vessels and equipment	(3,121)			282		(2,839)
Cash flow from time-charter contracts, net of revenue accounted for as direct finance leases	1,115	4,560				5,675
Cash flow from vessel operations - Consolidated	120,338	74,049	33,761	17,951	1,040	247,139

	Three Months Ended December 31, 2013 (unaudited)					
	Teekay Offshore[(1)]	**Teekay LNG**	**Teekay Tankers**	**Teekay Parent**	**Consolidation Adjustments**	**Teekay Corporation**

					Consolidated
Income (loss) from vessel operations	43,800	51,260	17,171	(111,733)	498
Depreciation and amortization	52,311	24,145	12,113	21,140	109,709
Amortization of in process revenue contracts and other	(3,212)	(1,341)		(10,691)	(15,244)
Realized losses from the settlements of non designated derivative instruments	(253)			(441)	(694)
Asset impairments and provisions (recoveries)	19,280	(3,804)	(14,910)	84,734	85,300
Gain on sale of vessels and equipment				40	40
Cash flow from time-charter contracts, net of revenue accounted for as direct finance leases	913	3,950			4,863
Cash flow from vessel operations - Consolidated	112,839	74,210	14,374	(16,951)	184,472

(1) The results of Teekay Offshore include the results from both continuing and discontinued operations.

TEEKAY CORPORATION

APPENDIX E RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

CASH FLOW FROM VESSEL OPERATIONS EQUITY ACCOUNTED VESSELS

(in thousands of U.S. dollars)

(unaudited)

Set forth below is an unaudited calculation of cash flow from vessel operations for equity accounted vessels for the three months ended December 31, 2014 and December 31, 2013. CFVO, a non-GAAP financial measure, represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write-downs, gains or losses on the sale of vessels, and adjustments for direct financing leases to a cash basis, but includes realized gains or losses on the settlement of foreign exchange forward contracts and a derivative charter contract. CFVO from equity accounted vessels represents the Company s proportionate share of CFVO from its equity accounted vessels and other investments. CFVO is included because certain investors use this data to assess a company s financial performance. CFVO is not required by GAAP and should not be considered as an alternative to net income or any other indicator of the Company s performance required by GAAP.

	Three Months Ended December 31, 2014 (unaudited)		Three Months Ended December 31, 2013 (unaudited)	
	At 100%	**Company s Portion(1)**	**At 100%**	**Company s Portion(2)**
Revenues	277,894	120,796	234,131	109,092
Vessel and other operating expenses	(138,084)	(59,493)	(98,434)	(45,949)
Depreciation and amortization	(33,638)	(14,815)	(34,437)	(17,343)
Income from vessel operations of equity accounted vessels	106,172	46,488	101,260	45,799
Interest expense	(25,280)	(10,806)	(22,832)	(10,754)
Realized and unrealized (loss) gain on derivative instruments	(21,195)	(7,497)	1,408	298
Other income - net	(7,543)	(3,112)	(1,053)	(247)
Net income of equity accounted vessels	52,154	25,073	78,782	35,098
Pro forma equity loss from Teekay Operations		344		
Equity income of equity accounted vessels	52,154	25,417	78,782	35,098

Income from vessel operations of equity accounted vessels	106,172	46,488	101,260	45,799
Depreciation and amortization	33,638	14,815	34,437	17,343
Cash flow from time-charter contracts net of revenue accounted for as direct finance lease	7,937	2,884	7,471	2,711
Amortization of in-process revenue contracts and other	(4,047)	(2,058)	(5,606)	(2,838)
Cash flow from vessel operations of equity accounted vessels(3)	143,700	62,129	137,562	63,017
Pro forma CFVO from Teekay Operations		(1,040)		
Cash flow from vessel operations of equity accounted vessels(3)	**143,700**	**61,089**	**137,562**	**63,017**

(1) The Company s proportionate share of its equity accounted vessels and other investments ranges from 13 percent to 52 percent.

(2) The Company s proportionate share of its equity accounted vessels and other investments ranges from 33 percent to 52 percent.

(3) CFVO from equity accounted vessels represents the Company s proportionate share of CFVO from its equity accounted vessels and other investments.

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TEEKAY CORPORATION

APPENDIX E   RECONCILIATION OF NON-GAAP MEASURES

CASH FLOW FROM VESSEL OPERATIONS   TEEKAY PARENT

(in thousands of U.S. dollars)

(unaudited)

Set forth below is an unaudited calculation of Teekay Parent cash flow from vessel operations for the three months ended September 30, 2014, June 30, 2014, March 31, 2014, and December 31, 2013. CFVO, a non-GAAP financial measure, represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write-downs, gains or losses on the sale of vessels, and adjustments for direct financing leases to a cash basis, but includes realized gains or losses on the settlement of foreign exchange forward contracts and a derivative charter contract. CFVO is included because certain investors use this data to assess a company s financial performance. CFVO is not required by GAAP and should not be considered as an alternative to net income or any other indicator of the Company s performance required by GAAP.

	Three Months Ended September 30, 2014 (unaudited)					
	Owned Conventional Tankers	**In-chartered Conventional Tankers**	**FPSOs**	**Other**	**Corporate G&A**	**Teekay Parent Total**
Teekay Parent (loss) income from vessel operations	(447)	(4,441)	(23,208)	12,083	(4,068)	(20,081)
Depreciation and amortization	713		21,145	(542)		21,316
Gain on sale of vessels and equipment			(1,217)	(7,285)		(8,802)
Amortization of in process revenue contracts and other			(6,580)			(6,580)
Realized gains (losses) from the settlements of non-designated foreign derivative instruments	11		(167)			(156)
Cash flow from vessel operations - Teekay Parent	**277**	**(4,441)**	**(10,027)**	**4,256**	**(4,068)**	**(14,003)**

	Three Months Ended June 30, 2014 (unaudited)	
	FPSOs	**Other**

	Owned Conventional Tankers	In-chartered Conventional Tankers			Corporate G&A	Teekay Parent Total
Teekay Parent (loss) income from vessel operations	(161)	(4,818)	(34,843)	9,810	(3,362)	(33,374)
Depreciation and amortization	710		18,296	(62)		18,944
Loan loss recoveries			(2,521)			(2,521)
Loss on sale of vessels and equipment	340					340
Amortization of in process revenue contracts and other			(6,580)			(6,580)
Realized losses from the settlements of non-designated foreign derivative instruments	(34)		(52)			(86)
Cash flow from vessel operations - Teekay Parent	**855**	**(4,818)**	**(25,700)**	**9,748**	**(3,362)**	**(23,277)**

- more -

	Three Months Ended March 31, 2014 (unaudited)					
	Owned Conventional Tankers	**In-chartered Conventional Tankers**	**FPSOs**	**Other**	**Corporate G&A**	**Teekay Parent Total**
Teekay Parent income (loss) from vessel operations	4,510	(2,819)	(25,135)	12,465	(5,658)	(16,638)
Depreciation and amortization	80		18,335	(57)		18,358
Loss on sale of vessels and equipment	162					162
Amortization of in process revenue contracts and other			(6,580)			(6,580)
Realized losses from the settlements of non-designated foreign derivative instruments	(262)		(526)			(788)
Cash flow from vessel operations - Teekay Parent	**4,490**	**(2,819)**	**(13,906)**	**12,408**	**(5,658)**	**(5,486)**

	Three Months Ended December 31, 2013 (unaudited)					
	Owned Conventional Tankers	**In-chartered Conventional Tankers**	**FPSOs**	**Other**	**Corporate G&A**	**Teekay Parent Total**
Teekay Parent (loss) income from vessel operations	(93,160)	(9,292)	(15,452)	12,485	(6,314)	(111,733)
Depreciation and amortization	2,602		18,995	(457)		21,140
Asset impairments and provisions (recoveries)	90,813		2,634	(8,713)		84,734
Loss on sale of vessel				40		40
Amortization of in process revenue contracts and other			(10,691)			(10,691)
Realized losses from the settlements of non-designated foreign exchange forward contracts	(23)		(418)			(441)
Cash flow from vessel operations - Teekay Parent	**232**	**(9,292)**	**(4,932)**	**3,355**	**(6,314)**	**(16,951)**

- more -

TEEKAY CORPORATION

APPENDIX E RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

NET REVENUES

(in thousands of U.S. dollars)

(unaudited)

Set forth below is an unaudited calculation of net revenues for the three months and year ended December 31, 2014 and December 31, 2013. Net revenues represents revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions. Net revenues is included because certain investors use this data to measure the financial performance of shipping companies. Net revenues is not required by GAAP and should not be considered as an alternative to revenues or any other indicator of the Company s performance required by GAAP.

	Three Months Ended December 31, 2014						Year Ended December 31, 2014
	Teekay Offshore	Teekay LNG	Teekay Tankers	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated	Teekay Corporation Consolidated
Revenues	260,461	99,339	75,931	137,651	(28,393)	544,989	1,993,920
Voyage expense	(24,208)	(373)	(2,061)	(57)	1,486	(25,213)	(127,847)
Net revenues	236,253	98,966	73,870	137,594	(26,907)	519,776	1,866,073

	Three Months Ended December 31, 2013						Year Ended December 31, 2013
	Teekay Offshore[1]	Teekay LNG	Teekay Tankers	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated	Teekay Corporation Consolidated
Revenues	260,654	104,858	42,163	114,455	(28,584)	493,546	1,830,085

Voyage expense	(29,173)	(869)	(2,492)	(707)	1,514	(31,727)	(112,218)
Net revenues	231,481	103,989	39,671	113,748	(27,070)	461,819	1,717,867

(1) The results of Teekay Offshore include the results from both continuing and discontinued operations.

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TEEKAY CORPORATION

APPENDIX E RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

NET INTEREST EXPENSE TEEKAY PARENT

(in thousands of U.S. dollars)

(unaudited)

Set forth below is an unaudited calculation of Teekay Parent net interest expense for the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014, and December 31, 2013. Net interest expense is a non-GAAP financial measure that includes realized gains and losses on interest rate swaps. Net interest expense is not required by GAAP and should not be considered as an alternative to interest expense or any other indicator of the Company s performance required by GAAP.

	Three Months Ended				
	December 31, 2014	**September 30, 2014**	**June 30, 2014**	**March 31, 2014**	**December 31, 2013**
Interest expense	(57,334)	(52,206)	(49,656)	(49,333)	(48,382)
Interest income	1,465	2,786	793	1,783	5,129
Net interest expense - consolidated	(55,869)	(49,420)	(48,863)	(47,550)	(43,253)
Less:					
Non-Teekay Parent net interest expense	(42,279)	(37,944)	(38,088)	(35,135)	(35,130)
Interest expense net of interest income - Teekay Parent	(13,590)	(11,476)	(10,775)	(12,415)	(8,123)
Add:					
Teekay Parent realized losses on interest rate swaps (1)	(1,466)	(1,524)	(4,240)	(3,736)	(3,916)
Net interest expense - Teekay Parent	(15,056)	(13,000)	(15,015)	(16,151)	(12,039)

(1) Realized losses on interest rate swaps exclude realized losses on the interest rate swap related to the debt facility secured by the *Knarr* FPSO unit of $5.3 million for the three months ended December 31, 2014 and $4.1 million for the three months ended September 30, 2014 and exclude a realized gain on the termination of a swap agreement of $1.0 million for the three months ended March 31, 2014.

30

- more -

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: future growth opportunities, market conditions and cash flows; the timing for implementation of the Company s new dividend policy and expectations for future dividend increases by Teekay Parent and distribution increases by its daughter entities; the sale of the *Petrojarl Knarr* FPSO unit to Teekay Offshore and timing for the commencement of the unit s charter contract; the dividend contributions of any future projects awarded to the Company s daughter companies; the total cost and timing for the delivery of newbuilding and conversion projects and timing of commencement of associated time-charter contracts; and the timing, certainty and purchase price of pending and future vessel acquisitions. 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, LNG and LPG, either generally or in particular regions; greater or less than anticipated levels of newbuilding orders or greater or less than anticipated rates of vessel scrapping; changes in trading patterns significantly affecting overall vessel 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 or demand for shuttle tankers, FSO and FPSO units; decreases in oil production by, or increased operating expenses for, FPSO units; fluctuations in global oil prices; trends in prevailing charter rates for shuttle tanker and FPSO contract renewals; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts or complete existing contract negotiations; delays in commencement of operations of FPSO and FSO units at designated fields; changes in the Company s expenses; the Company and its publicly-traded subsidiaries future capital expenditure requirements and the inability to secure financing for such requirements; the amount of future distributions by the Company s daughter companies to the Company; failure by Teekay Offshore and Teekay LNG to complete its vessel acquisitions; the inability of the Company to complete vessel sale transactions to its publicly-traded subsidiaries or to third parties, including obtaining Board of Directors and Conflicts Committee approvals; failure of the respective Board of Directors of the general partners of Teekay Offshore and Teekay LNG to approve future distribution increases; conditions in the United States capital markets; 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, 2013. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company s expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

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