TEEKAY CORP
Form 424B3
August 16, 2016
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-211069

PROSPECTUS

Teekay Corporation

Offer to Exchange All Outstanding, Unregistered

$200,000,000 8.5% Senior Notes due 2020 (CUSIP Nos. 87900YAB9 and

Y8564WAC7)

For New, Registered

8.5% Senior Notes due 2020 (CUSIP No. 87900YAA1)

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, all of the $200,000,000 aggregate principal amount of our outstanding, unregistered 8.5% Senior Notes due 2020 (CUSIP No. 87900YAB9 and Y8564WAC7) (or the *original notes*) issued on November 16, 2015 for new, registered 8.5% Senior Notes due 2020 (CUSIP No. 87900YAA1) (or the *exchange notes*), which are an additional issuance of and will be fully fungible with our outstanding 8.5% Senior Notes due 2020 in an aggregate principal amount of $450,000,000 that were issued on January 27, 2010 (or the *January 27 notes*). The exchange notes being offered hereby will have the same CUSIP number assigned to the January 27 notes and will vote together as one series with the January 27 notes and any original notes that remain outstanding after closing of the exchange offer. We refer to the January 27 notes, the original notes and the exchange notes collectively as the notes.

Material terms of the exchange offer

The exchange offer expires at 5:00 p.m., New York City time, on September 14, 2016, unless we extend it.

All outstanding original notes that are validly tendered and not validly withdrawn will be exchanged.

You may withdraw your tender of original notes any time before the exchange offer expires.

The terms of the exchange notes are substantially identical to those of the original notes, except that the exchange notes will not have securities law transfer restrictions and the registration rights relating to the original notes and the exchange notes will not provide for the payment of additional interest under circumstances relating to the timing of the exchange offer.

If you are eligible to participate in the exchange offer and do not tender your original notes, your original notes will continue to accrue interest, but you will not have further exchange or registration rights and will continue to hold original notes subject to restrictions on transfer.

No established trading market for the exchange notes currently exists. The notes will not be listed on any securities exchange or included in any automated quotation system.

Each broker-dealer that receives exchange 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 exchange notes. The letter of transmittal for the exchange offer states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended (or the *Securities Act*). 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 exchange notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that for a period of 180 days beginning when the exchange notes are issued to make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of distribution.

See Risk factors beginning on page 21 for a discussion of risk factors that you should consider before deciding to exchange your original notes for exchange 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 August 16, 2016.

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You should rely only upon the information contained in this prospectus or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any state or jurisdiction where the offer or sale of such securities is not permitted. You should assume that information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. We will provide you without charge upon your request, a copy of any documents that we incorporate by reference, other than exhibits to those documents that are not specifically incorporated by reference into those documents. You may request a copy of a document, at no cost, by request directed to us at the following address or telephone number:

Teekay Corporation

4th Floor, Belvedere Building

69 Pitts Bay Road

Hamilton, HM 08, Bermuda

Attention: Corporate Secretary

Telephone: (441) 298-2530

TO ENSURE TIMELY DELIVERY, YOU MUST REQUEST THE INFORMATION NO LATER THAN FIVE BUSINESS DAYS BEFORE THE COMPLETION OF THE EXCHANGE OFFER. THEREFORE, YOU MUST MAKE ANY REQUEST ON OR BEFORE SEPTEMBER 7, 2016.

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Glossary of terms

We have included below the definitions for certain terms used in this prospectus:

Adjusted EBITDA	Adjusted EBITDA represents EBITDA before restructuring charges, unrealized foreign exchange gain (loss), loss on notes repurchased, asset impairments, loan loss provisions, net gain (loss) on sale of vessels and equipment, amortization of in-process revenue contracts, unrealized losses (gains) on derivative instruments, realized losses (gains) on interest rate swaps and interest rate swap amendments and terminations, write-down of equity-accounted-for investments and share of the above items in non-consolidated joint ventures.
Aframax tanker	An oil tanker generally between 80,000 and 120,000 dwt in size. Certain external statistical compilations define an Aframax tanker slightly differently, some as high as 125,000 dwt and others as low at 70,000 dwt. External data used in this prospectus has been adjusted so that the definition is consistent throughout.
Bareboat charter	A charter in which the customer (the charterer) pays a fixed daily rate for a fixed period of time for the full use of the vessel and becomes responsible for all crewing, management and navigation of the vessel and the expenses therefor.
Bunker fuel	Any hydrocarbon mineral oil used or intended to be used for the operation or propulsion of a ship.
Charter	The hiring of a vessel, or use of its carrying capacity, for either (1) a specified period of time or (2) a specific voyage or set of voyages.
Chartered in	Vessels to which the operator has access pursuant to a charter. Also commonly referred to as in-chartered vessels.
Charterer	The party that charters a vessel.
Commercial management	Management of the employment of a vessel, including marketing the vessel for hire under time charters or under voyage charters in the spot market.

Contract of affreightment	A contract where the vessel operator commits to be available to transport the quantity of cargo requested by the customer from time to time over a specified trade route within a given period of time.
Deepwater	Water with depths of more than 1,000 feet.
DP	Dynamic positioning.
Drydock	A dock that may be drained of water to allow for the inspection and repair of a ship s hull.
Dwt	Deadweight, a measure of oil tanker carrying capacity, usually in tonnes, based upon weight of cargo and other items necessary to submerge the vessel to its maximum permitted draft.

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EBITDA	Earnings before interest, taxes, depreciation and amortization.
FPSO unit	Floating production, storage and offloading unit. An FPSO unit is a type of floating tank system designed to process and store crude oil. An FPSO unit typically has onboard the capability to carry out the oil separation process, obviating the need for such facilities to be located on the fixed platform. The processed oil is periodically offloaded onto shuttle tankers or ocean-going barges for transport to shore.
FSO unit	Floating storage and offtake unit. An FSO unit is an oil tanker that has been moored in an oil field and modified to store oil.
GAAP	Accounting principles generally accepted in the United States.
Hire rate	The agreed sum or rate to be paid by the customer for the use of the vessel.
Lightering	Conveying cargo with another vessel known as a lighter from a ship to shore or vessel.
Liquefaction	The process of liquefying natural gas.
LNG	Liquefied natural gas.
LNG carrier	A tank ship designed for transporting liquefied natural gas.
Long-term charter	A charter for a term three years or more.
LPG	Liquefied petroleum gas.
LPG carrier	A tank ship designed for transporting liquefied petroleum gas.
LR2 tanker	Long range 2 product tanker.
MR tanker	Medium range product tanker.

Net revenue	Revenues less voyage expenses.
Newbuilding	A new vessel under construction.
OECD	Organisation for Economic co-operation and Development.
Off-hire	The time during which a vessel is not available for service.
Pooling arrangement	Arrangements that enable participating vessels to combine their revenues. Pools are administered by a pool manager that secures employment for the participating vessels.
Product tanker	A vessel designed to carry a variety of liquid products varying from crude oil to clean or refined petroleum products, acids and other chemicals, as well as edible oils. The tanks are coated to prevent product contamination and hull corrosion. The vessel may have

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	equipment designed for the loading and unloading of cargoes with a high viscosity.
Scrapping	The process by which a vessel is stripped of equipment and broken up, generally for reprocessing of its steel.
Short-term charter	A charter for a term less than three years.
Shuttle tanker	A dynamically-positioned vessel generally between 80,000 and 150,000 dwt in size that contains sophisticated equipment designed to transport oil from offshore production platforms, FPSO units or FSO units to onshore storage and refinery facilities, often in harsh weather conditions.
Spot market	The market for chartering a vessel for single voyages.
Suezmax tanker	A vessel with capacity ranging from 120,000 dwt to 200,000 dwt. The term is derived from the maximum length, breadth and draft of a vessel capable of passing fully loaded through the Suez Canal.
Teekay Parent	Teekay Parent includes all the assets, liabilities, results of operations and cash flows from Teekay Corporation and its non-publicly-traded subsidiaries.
Time charter	A charter in which the customer pays for the use of a vessel s cargo capacity for a specified period of time. The shipowner provides the vessel with crew, stores and provisions, ready in all aspects to load cargo and proceed on a voyage as directed by the customer. The customer usually pays for bunkering and all voyage-related expenses, including canal tolls and port charges.
Towage vessels	Long-distance towing and offshore installation vessels that are used for the towage, station-keeping, installation and decommissioning of large floating objects such as exploration, production and storage units, including FPSO units, floating liquefied natural gas (or *FLNG*) units and floating drill rigs.
UMS	Unit for maintenance and safety. Also referred to as a floating accommodation unit, or FAU.

VLCC tanker	Very large crude carriers.
Voyage charter	A charter in which the customer pays for the use of a vessel s cargo capacity for one, or sometimes more than one, voyage between specified ports. Under this type of charter, the shipowner pays all the operating costs of the vessel (including bunker fuel, canal and port charges, pilotage, towage and vessel s agency) while payment for cargo handling charges are subject of agreement between the parties. Freight is generally paid per unit of cargo, such as a ton, based on an agreed quantity, or as a lump sum irrespective of the quantity loaded.

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Forward-looking statements

All statements, other than statements of historical fact, included in or incorporated by reference into this prospectus are forward-looking statements. In addition, we and our representatives may from time to time make other oral or written statements that are also forward-looking statements. Such statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business, and the markets in which we operate. In some cases, you can identify the forward-looking statements by the use of words such as may, will, could, should, would, expect, plan, anticipate, intend, forecast, believe, estimate, predict, propose, potential, of these terms or other comparable terminology.

Forward-looking statements in this prospectus or incorporated by reference herein include, among others, statements about the following matters:

our growth strategy, growth prospects and objectives for future operations;

our future financial condition and results of operations and our future revenues, expenses and capital expenditures, and our expected financial flexibility to pursue capital expenditures, acquisitions and other expansion opportunities;

our dividend policy and the distribution and dividend policies of our publicly-listed subsidiaries, Teekay Offshore Partners L.P., Teekay LNG Partners L.P. and Teekay Tankers, including the temporary nature of current reduced distribution levels for Teekay Offshore Partners L.P. and Teekay LNG Partners L.P.;

our long-term plans for Teekay Parent (representing Teekay Corporation and its subsidiaries other than its three publicly-traded subsidiaries) to become an exclusive asset manager and project developer, including through the anticipated sale of its remaining floating production, storage and offloading (or *FPSO*) units over the next several years and to use the net proceeds to repay debt, with the related objective of ultimately becoming net debt free and for its publicly-traded subsidiaries to directly own all operating assets and to directly participate in mergers and acquisitions and organic growth opportunities;

offshore, liquefied natural gas (or *LNG*), liquefied petroleum gas (or *LPG*) and tanker market conditions and fundamentals, including the balance of supply and demand in these markets and spot tanker charter rates and oil production in the tanker market;

the relative size of the newbuilding orderbooks and the pace of future newbuilding orders in the liquefied gas, offshore and tanker industries generally;

repayment of deferred charter hire for the two LNG carriers relating to the Yemen LNG project;

our ability to maximize the use of our vessels, including the redeployment or disposition of vessels no longer under long-term charter;

our chartering strategy, including the ability of Teekay Tankers Ltd. to take advantage of spot market opportunities, and the stability of our cash flows;

our retention and expansion of market share, level of business with existing and new customers and ability to enter into new markets, including adjacent business areas;

expected costs, capabilities, delivery dates of and financing for newbuildings, acquisitions and conversions;

the exercise of options to order additional newbuilding vessels, and the chartering of any such vessels;

the impact of the recent ship-to-ship transfer business acquisition on Teekay Tankers Ltd. s cash flows and fleet utilization;

the ability of Tanker Investments Ltd. (or *TIL*) to benefit from the cyclical tanker market;

our ability to obtain charter contracts for newbuildings or other vessels;

expected financing for our transportation joint venture relating to the LNG project located on the Yamal Peninsula in Northern Russia;

the future valuation or impairment of goodwill;

our expectations as to any impairment of our vessels;

future debt refinancings and our ability to fulfill our debt obligations;

the impact from a decline in the market value of the securities pledged as collateral for one of our revolving credit facilities;

compliance with financing agreements and the expected effect of restrictive covenants in such agreements;

the ability of OOG-TK Libra & Co KG to drawdown on its $804 million long-term loan facility for the new FPSO unit conversion for the Libra field;

operating expenses, availability of crew and crewing costs, number of off-hire days, dry-docking requirements and durations and the adequacy and cost of insurance;

the effectiveness of our risk management policies and procedures and the ability of the counterparties to our derivative contracts to fulfill their contractual obligations;

expected uses of proceeds from vessel or securities transactions, including the use of net proceeds from the offering of the original notes;

the timing and amount of dividends distributed by our equity accounted joint ventures;

our expectations regarding whether the U.K. taxing authority can successfully challenge the tax benefits available under certain of our former and current leasing arrangements, and the potential financial exposure to us if such a challenge is successful;

the exercise of any counterparty s rights to terminate a lease, or to obligate us to purchase a leased vessel, or failure to exercise such rights, including the rights under the leases and charters for two of Teekay LNG Partners L.P. s Suezmax tankers;

the impact of recent and future regulatory changes or environmental liabilities;

the results of our charter contract negotiations related to the *Piranema Spirit* FPSO unit;

the expected resolution of legal claims against us, including potential tax challenges to lease transactions, securities claims and the results of our discussions with Sevan Marine ASA (or *Sevan*) regarding Teekay Offshore Partners L.P. s acquisition of Logitel Offshore Pte Ltd;

the impact of future changes in the demand and price of oil;

the ability of Teekay Offshore Partners L.P. to grow its long-distance ocean towage and offshore installation services business;

features and performance of next generation HiLoad dynamic positioning (or *DP*) units and Teekay Offshore Partner L.P. s ability to successfully secure a contract for the HiLoad DP unit;

our hedging activities relating to foreign exchange, interest rate and spot market risks; and

our business strategy and other plans and objectives for future operations.

These and other forward-looking statements are subject to risks, uncertainties and assumptions, including those risks discussed in Risk factors below and those risks discussed in other reports we file with the Securities and Exchange Commission (or *SEC*) and that are incorporated in this prospectus by reference, including, without

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limitation, our Annual Report on Form 20-F for the year ended December 31, 2015. The risks, uncertainties and assumptions involve known and unknown risks and are inherently subject to significant uncertainties and contingencies, many of which are beyond our control.

Forward-looking statements are made based upon management s current plans, expectations, estimates, assumptions and beliefs concerning future events affecting us and, therefore, involve a number of risks and uncertainties, including those risks discussed in Risk factors and the documents incorporated by reference herein. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the effect of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.

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Summary

The following summary highlights selected information contained elsewhere in this prospectus or the documents incorporated by reference herein and does not contain all the information that you should consider before deciding whether to invest in the exchange notes. For a more complete understanding of Teekay Corporation and this offering of exchange notes, we encourage you to carefully read this entire prospectus and the other documents incorporated by reference herein. Unless otherwise indicated or the context otherwise requires, references in this prospectus to Teekay, we, us and our and similar terms refer to Teekay Corporation and its subsidiaries, except that those terms, when used in this prospectus in connection with the exchange notes described herein, shall mean specifically Teekay Corporation and not any of its subsidiaries. References in this prospectus to Teekay Parent refer to the assets, liabilities, results of operations and cash flows of Teekay Corporation and its non-publicly traded subsidiaries. Unless otherwise indicated, all references in this prospectus to dollars and $ are to, and amounts are presented in, U.S. Dollars, and financial information presented in this prospectus is prepared in accordance with generally accepted accounting principles in the United States (or GAAP). References in this prospectus to independent fleet owners or operators mean companies other than private or state controlled entities that operate their own fleets. Unless otherwise indicated, we include as long-term contracts those with an initial term of at least three years.

Overview

We are a leading growth-oriented asset manager and project developer in the marine midstream sector. We provide to the world s leading oil and gas companies a comprehensive set of services, including international crude oil and gas marine transportation, offshore oil production, storage and offloading and other services. We provide these services primarily under long-term, fixed-rate contracts.

On a combined basis, we had consolidated assets of approximately $12.9 billion as of March 31, 2016. As of March 31, 2016, our fleet was comprised of 217 liquefied gas, offshore, and conventional tanker assets (including newbuilding and chartered-in vessels but excluding vessels managed for third parties). We have offices in 15 countries and approximately 7,100 seagoing and shore-based employees. We are the world s third largest independent owner of liquefied natural gas (or *LNG*) carriers, the world s largest independent owner and operator of shuttle tankers and one of the largest independent owners and operators of floating production, storage and offloading (or *FPSO*) units and mid-sized conventional oil tankers. For the year ended December 31, 2015, we generated revenues of approximately $2.4 billion, net revenues of approximately $2.3 billion, net income of $405.5 million and Adjusted EBITDA of $1.4 billion. Net revenues and Adjusted EBITDA are non-GAAP measures. Please read Summary financial and operating data for descriptions of these measures and reconciliations of our revenues to net revenues and of our net loss to Adjusted EBITDA.

Our organizational structure can be divided into (a) Teekay Corporation and its non-publicly traded subsidiaries, which includes their legacy fleet of directly-owned vessels and is collectively referred to herein as *Teekay Parent*, and (b) our controlling interests in our publicly-listed subsidiaries, Teekay LNG Partners L.P. (NYSE: TGP) (or *Teekay LNG*), Teekay Offshore Partners L.P. (NYSE: TOO) (or *Teekay Offshore*), and Teekay Tankers Ltd. (NYSE: TNK) (or *Teekay Tankers*), which are referred to herein as the *Daughter Companies*. We have general and limited partnership interests in Teekay Offshore and Teekay LNG, and a controlling ownership interest in Teekay Tankers. These entities are described below:

Teekay Parent currently owns one conventional tanker, three floating production, storage and offloading (or *FPSO*) units and a minority investment in TIL.

Teekay LNG primarily operates in the LNG and LPG shipping sectors and includes all of our LNG and LPG carriers. LNG carriers are usually chartered to carry LNG pursuant to long-term time-charter contracts and LPG carriers are mainly chartered to carry LPG on time-charters, contracts of affreightment or spot voyage charters.

Teekay Offshore primarily operates in the offshore oil production, storage and transportation sectors and includes our shuttle tankers, floating storage and off-take (or *FSO*) units, one HiLoad DP unit, a majority of our FPSO units, our units for maintenance and safety (or *UMS*) and our long-distance towing and offshore installation vessels. A substantial majority of these vessels operate under long-term contracts.

Teekay Tankers engages in the conventional tanker business and includes a substantial majority of our conventional crude oil and product tankers, which operate primarily in the spot-tanker market or are subject to time-charters or contracts of affreightment that are priced on a spot-market basis or are short-term, fixed-rate contracts.

Although our corporate structure includes our three publicly-traded subsidiaries, we have four primary lines of business, which consist of liquefied gas carriers, offshore logistics (shuttle tankers, FSO units, UMSs, long-distance towing and offshore installation vessels and the HiLoad DP unit), offshore production (FPSO units), and conventional tankers.

Our customers include major international oil, energy and utility companies such as: BP plc, Canadian Natural Resources Limited, Centrica plc, Chevron Corporation, Petroleo Brasileiro S.A. (or *Petrobras*), Premier Oil plc, Ras Laffan Liquefied Natural Gas Company Limited, Royal Dutch Shell plc and Statoil ASA. We believe that customers partner with us for logistically complex projects under long-term, fixed-rate contracts due to our extensive capabilities, diverse service offerings, global operations platform, financial stability and high-quality fleet and customer service. As we evaluate new business opportunities in the liquefied gas and offshore markets, we seek to enter into contracts that have an initial term of at least five years.

Teekay Parent

Teekay Parent directly owns three FPSO units and one conventional tanker and also in-charters a number of vessels.

Over the past 10 years, Teekay Parent has undergone a major transformation from primarily being an owner of ships in the cyclical spot tanker business to an asset manager and project developer. We intend to (a) continue to reduce debt of Teekay Parent by completing the sales of its remaining three FPSO units and one conventional tanker to its Daughter Companies or third parties over the next several years and using the net proceeds to repay debt and (b) seek, in the future, to grow the distributions of Teekay Offshore and Teekay LNG following their recent temporary reductions. We also intend that Teekay Parent ultimately becomes net debt free (that is, its cash and cash equivalents will exceed its debt levels) and that the Daughter Companies eventually will hold all of the direct ownership interests in our operating assets and will directly pursue their own merger and acquisition and organic growth opportunities.

Teekay LNG

The vessels in Teekay LNG primarily compete in the LNG and LPG markets. Teekay LNG s fleet includes 88 vessels. As of March 31, 2016, Teekay LNG had ownership interests ranging from 20% to 100% in 30 LNG carriers, as well as 20 additional newbuilding LNG carriers on order. In addition, as of March 31, 2016, Teekay LNG had full ownership of six LPG carriers and 50% ownership, through its joint venture agreement with Exmar NV, in another 15 LPG carriers and six newbuilding LPG carriers on order, and three chartered-in LPG carriers.

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Teekay Offshore

Teekay Offshore Offshore logistics

Shuttle tankers

Teekay Offshore s shuttle tankers are primarily subject to long-term, fixed-rate time-charter contracts or bareboat charter contracts for a specific offshore oil field (where a vessel is hired for a fixed period of time) or under contracts of affreightment for various fields. As of March 31, 2016, Teekay Offshore had ownership interests ranging from 50% to 100% in 32 shuttle tankers (including the HiLoad DP unit), and chartered-in three shuttle tankers.

FSO units

Teekay Offshore s FSO units are generally placed on long-term, fixed-rate time-charters or bareboat charters as an integrated part of the field development plan.

As of March 31, 2016, Teekay Offshore had ownership interests in seven FSO units (including one unit currently under conversion).

Towage vessels

Teekay Offshore is the sole provider of long-distance towing and offshore installation vessels with DP2 capability. We expect that Teekay Offshore s towage vessels will operate on time-charter or voyage-charter towage contracts when they deliver.

As of March 31, 2016, Teekay Offshore had 100% ownership interests in 10 long-distance towage vessels (including four newbuildings scheduled to deliver in 2016 and 2017 and six vessels that delivered in the first half of 2015).

UMSs

Units for maintenance and safety are used primarily for offshore accommodation, storage and support for maintenance and modification projects on existing offshore installations, or during the installation and decommissioning of large floating exploration, production and storage units, including FPSO units, floating liquefied natural gas (or *FLNG*) units and floating drill rigs. Teekay Offshore s UMS is available for world-wide operations, excluding operations within the Norwegian Continental Shelf, and includes DP3 systems that are capable of operating in deep water and harsh weather environments.

Teekay Offshore has a 100% interest in one UMS unit that delivered in February 2015. In June 2016, Teekay Offshore cancelled the delivery of two UMSs.

Teekay Offshore Offshore production

FPSO units

FPSO units are typically used as production facilities to develop marginal oil fields or deepwater areas remote from existing pipeline infrastructure. Traditionally for large field developments, major oil companies have owned and operated new, custom-built FPSO units. FPSO units for smaller fields have generally been provided by independent FPSO contractors under life-of-field production contracts, where the contract s duration is for the useful life of the oil field. As of March 31, 2016, Teekay Offshore had ownership interests in eight FPSO units (including one unit under conversion and one unit undergoing upgrades).

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Teekay Tankers

Teekay Tankers conventional crude oil tankers and product carriers primarily operate in the spot-tanker market or are subject to time-charters or contracts of affreightment that are priced on a spot-market basis or are short-term, fixed-rate contracts, although some of its tankers are on fixed-rate contracts with an initial duration of at least one year. Most of Teekay Tankers conventional tankers operate pursuant to pooling or revenue sharing commercial management arrangements, each of which is solely managed by us.

Teekay Tankers vessels compete primarily in the Aframax and Suezmax tanker markets. Many major oil companies and other oil trading companies, the primary charterers of our vessels, also operate their own vessels and transport their own oil and oil for third-party charterers in direct competition with independent owners and operators. Teekay Tankers competes principally with other owners in the spot-charter market through the global tanker charter market.

As of March 31, 2016, Teekay Tankers fleet included 58 owned and chartered-in tankers (excluding six ship-to-ship transfer support vessels Teekay Tankers acquired in July 2015).

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Organizational structure

The following chart depicts our simplified organizational structure as of March 31, 2016.

(1) The partnership is controlled by its general partner. Teekay Corporation indirectly owns a 100% beneficial ownership in the general partner. However, in certain limited cases, approval of a majority of the unitholders of the partnership is required to approve certain actions.

(2) Teekay Tankers has two classes of shares: Class A common stock and Class B common stock. Teekay Corporation indirectly owns 100% of the Class B shares which have five votes each but aggregate voting power capped at 49%. As a result of Teekay Corporation s ownership of Class A and Class B shares, it holds aggregate voting power of 53.5% as of March 31, 2016.

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Fleet list

As of March 31, 2016, our total fleet consisted of 217 vessels, including in-chartered vessels and newbuildings on order but excluding vessels we commercially manage for third parties, as summarized in the following table. The ownership interests of Teekay and the Daughter Companies in these vessels, other than chartered-in vessels, range from 20% to 100%.

	Number of vessels			
	Owned vessels	Chartered-in vessels	Newbuildings, conversions or upgrades	Total
Teekay Parent(1)				
FPSO units	3			3
VLCC tanker	1			1
Aframax tankers(2)		2		2
Total Teekay Parent fleet	4	2		6
Teekay Offshore fleet				
Shuttle tankers	29	3	3	35
FPSO units	6		2	8
FSO units	6		1	7
UMS	1		2	3
Towage vessels	6		4	10
Aframax tankers		2		2
Total Teekay Offshore fleet	48	5	12	65
Teekay LNG fleet				
LNG carriers	30		20	50
LPG carriers	21	3	6	30
Suezmax tankers	7			7
MR tankers	1			1
Total Teekay LNG fleet	59	3	26	88
Teekay Tankers fleet(3)				
Aframax tankers	14	10		24
Suezmax tankers	22			22
LR2 tankers	7	2		9
MR tankers	2			2
VLCC tanker	1			1
Total Teekay Tankers fleet	46	12		58

Total Teekay consolidated fleet	**157**	**22**	**38**	**217**