

- **The duration of some of our FPSO contracts is the life of the relevant oil field or is subject to extension by the field operator or vessel charterer. If the oil field no longer produces oil or is abandoned or the contract term is not extended, we will no longer generate revenue under the related contract and will need to seek to redeploy affected vessels.** FPSO contracts under which our FPSO units operate are subject to extensions beyond their initial term. The likelihood of these contracts being extended may be negatively affected by reductions in oil field reserves, low oil prices generally or other factors. If we are unable to promptly redeploy any affected vessels at rates at least equal to those under the contracts, if at all, our operating results will be harmed. Any potential redeployment may not be under long-term contracts, which may affect the stability of our cash flow and our ability to make cash distributions. FPSO units, in particular, are specialized vessels that have very limited alternative uses and high fixed costs. In addition, FPSO units typically require substantial capital investments prior to being redeployed to a new field and production service agreement. Any idle time prior to the commencement of a new contract or our inability to redeploy the vessels at acceptable rates may have an adverse effect on our business and operating results.
- **We do not control access to cash flow generated by our investments in equity-accounted joint ventures.** We do not have control over the operations of, nor do we have any legal claim to the revenue and expenses of our investments in, our equity-accounted joint ventures. Consequently, the cash flow generated by our investments in equity-accounted joint ventures may not be available for use by us in the period that such cash flows are generated.

RECENT DEVELOPMENTS AND RESULTS OF OPERATIONS

The results of operations that follow have first been divided into (a) our controlling interests in our publicly-traded subsidiaries Teekay LNG and Teekay Tankers and (b) Teekay Parent. Within these groups, we have further subdivided the results into their respective lines of business. The following table (a) presents revenues and income (loss) from vessel operations for each of Teekay LNG and Teekay Tankers, and for Teekay Parent, and (b) reconciles these amounts to our consolidated financial statements.

(in thousands of U.S. dollars)	Revenues		Income (loss) from vessel operations	
	2019	2018	2019	2018
Teekay LNG	601,256	510,762	299,253	148,599
Teekay Tankers	943,917	776,493	123,883	7,204
Teekay Parent	413,806	451,659	(219,094)	8,516
Elimination of intercompany ⁽¹⁾	(13,588)	(10,426)	—	—
Teekay Corporation Consolidated	1,945,391	1,728,488	204,042	164,319

- (1) During 2019, Teekay Tankers' ship-to-ship transfer business provided operational and maintenance services to Teekay LNG Bahrain Operations L.L.C., an entity wholly-owned by Teekay LNG, for the LNG receiving and regasification terminal in Bahrain. Also during 2019, the *Magellan Spirit* LNG carrier was chartered by Teekay LNG to Teekay Parent for a short period of time. During 2018, Teekay Parent chartered in two LNG carriers from Teekay LNG until March and April 2018.