

TEEKAY SHIPPING CORP
Form 6-K
August 17, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2006

Commission file number 1- 12874

TEEKAY SHIPPING CORPORATION
(Exact name of Registrant as specified in its charter)

Bayside House
Bayside Executive Park
West Bay Street & Blake Road
P.O. Box AP-59212, Nassau, Bahamas
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form Form
20-F 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).

Yes No

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Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82-_____

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TEEKAY SHIPPING CORPORATION AND SUBSIDIARIES

REPORT ON FORM 6-K FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2006

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ITEM 1 - FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Teekay Shipping Corporation

We have reviewed the consolidated balance sheet of Teekay Shipping Corporation and subsidiaries as of June 30, 2006, the related consolidated statements of income for the three and six months ended June 30, 2006 and 2005, and the related consolidated statements of cash flows for the six months ended June 30, 2006 and 2005. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Teekay Shipping Corporation and subsidiaries as of December 31, 2005, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the year then ended, and in our report dated February 21, 2006, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the consolidated balance sheet as of December 31, 2005, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Vancouver, Canada,

August 2, 2006

/s/ ERNST & YOUNG
LLP
Chartered Accountants

TEEKAY SHIPPING CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(in thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	\$	\$	\$	\$
VOYAGE REVENUES	422,587	480,140	948,583	997,551
OPERATING EXPENSES				
Voyage expenses	111,417	98,296	245,028	196,825
Vessel operating expenses	51,703	51,341	104,927	105,781
Time-charter hire expense	94,703	124,454	199,127	233,036
Depreciation and amortization	50,157	50,306	100,641	104,389
General and administrative (note 9)	41,456	40,179	81,716	73,877
Writedown / (gain) on sale of vessels and equipment (note 11)	1,650	(15,894)	1,043	(117,747)
Restructuring charge (note 12)	2,579	-	4,466	-
Total operating expenses	353,665	348,682	736,948	596,161
Income from vessel operations	68,922	131,458	211,635	401,390
OTHER ITEMS				
Interest expense	(36,729)	(33,319)	(73,487)	(71,016)
Interest income	13,585	8,426	25,686	16,656
Equity (loss) income from joint ventures	(851)	2,884	294	5,711
Foreign exchange (loss) gain (note 6)	(21,804)	21,665	(33,268)	47,539
Other - net (note 12)	(2,730)	(26,545)	(8,763)	(16,665)
Total other items	(48,529)	(26,889)	(89,538)	(17,775)
Net income (note 13)	20,393	104,569	122,097	383,615
Per common share amounts				
- Basic earnings (note 15)	0.27	1.31	1.67	4.72
- Diluted earnings (note 15)	0.27	1.23	1.62	4.42
- Cash dividends declared	0.2075	0.1375	0.415	0.275
Weighted average number of common shares (note 15)				
- Basic	74,253,710	79,953,740	73,209,590	81,279,750
- Diluted	75,784,914	85,314,815	75,509,284	86,741,711

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

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TEEKAY SHIPPING CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEETS

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