

**TEEKAY OFFSHORE PARTNERS L.P.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

(in thousands of U.S. dollars)

<b>Three Months Ended December 31, 2009</b>					
<b>(unaudited)</b>					
	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment<sup>(3)</sup></b>	<b>Total</b>
Income from vessel operations <sup>(1)</sup>	6,089	12,795	2,292	6,001	27,177
Depreciation and amortization	28,003	5,876	5,472	5,633	44,984
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	480	-	-	-	480
Realized losses from the settlements of non-designated foreign exchange forward contracts	(125)	-	-	-	(125)
Amortization of drydock expenditures on in-chartered vessel	800	-	-	-	800
Amortization of intangible asset	-	-	-	19	19
Amortization of deferred gain	(105)	-	-	-	(105)
<b>Cash flow from vessel operations <sup>(2)</sup></b>	<b>35,142</b>	<b>18,671</b>	<b>7,764</b>	<b>11,653</b>	<b>73,230</b>

<b>Three Months Ended September 30, 2009</b>					
<b>(unaudited)</b>					
	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment<sup>(3)</sup></b>	<b>Total</b>
Income from vessel operations <sup>(1)</sup>	15,576	11,257	1,271	9,241	37,345
Depreciation and amortization	23,670	6,208	5,470	5,633	40,981
Unrealized gains from the change in fair value of designated foreign exchange forward contracts	(2,630)	-	-	(156)	(2,786)
Realized losses from the settlements of non-designated foreign exchange forward contracts	(41)	-	-	(53)	(94)
Amortization of drydock expenditures on in-chartered vessel	622	-	-	-	622
Amortization of deferred gain	(105)	-	-	-	(105)
Other non-cash items attributable to Dropdown Predecessor <sup>(3)</sup>	-	-	-	(11,267)	(11,267)
<b>Cash flow from vessel operations <sup>(2)</sup></b>	<b>37,092</b>	<b>17,465</b>	<b>6,741</b>	<b>3,398</b>	<b>64,696</b>

- (1) Commencing in 2009, and applied retroactively, the gains and losses related to non-designated derivative instruments have been reclassified to a separate line item in the Statements of Income (Loss) and are no longer included in the amounts above.
- (2) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and amortization of deferred gains, and includes the realized gains (losses) on the settlements foreign exchange forward contracts. Cash flow from vessel operations is included because certain investors use this data to measure a company's financial performance. Cash flow from vessel operations is not required by United States generally accepted accounting principles and should not be considered as an alternative to net income or any other indicator of the Partnership's performance required by United States generally accepted accounting principles.
- (3) Cash flow from vessel operations for the FPSO segment reflects only the cash flows generated by the *Petrojarl Varg* FPSO subsequent to its acquisition by the Partnership on September 10, 2009. Results for the *Petrojarl Varg* FPSO, for the periods prior to its acquisition by the Partnership when it was owned and operated by Teekay Corporation, are referred to as the Dropdown Predecessor.

**TEEKAY OFFSHORE PARTNERS L.P.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED**

(in thousands of U.S. dollars)

**Three Months Ended December 31, 2009**

**(unaudited)**

	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment</b>	<b>Total</b>
Voyage revenues	137,743	31,921	16,736	26,996	213,396
Voyage expenses	28,546	5,460	615	-	34,621
Net voyage revenues <sup>(1)</sup>	109,197	26,461	16,121	26,996	178,775

**Three Months Ended September 30, 2009**

**(unaudited)**

	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment<sup>(2)</sup></b>	<b>Total</b>
Voyage revenues	132,794	31,409	14,781	25,525	204,509
Voyage expenses	22,481	6,610	272	-	29,363
Net voyage revenues <sup>(1)</sup>	110,313	24,799	14,509	25,525	175,146

- (1) Net voyage revenues represents voyage revenues less voyage expenses where voyage expenses is comprised of all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net voyage revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies; however, it is not required by United States generally accepted accounting principles and should not be considered as an alternative to voyage revenues or any other indicator of the Partnership's performance required by United States generally accepted accounting principles.
- (2) Net voyage revenues for the *Petrojarl Varg* FPSO for the periods prior to its September 10, 2009 acquisition by the Partnership when it was owned and operated by Teekay Corporation, are referred to as the Dropdown Predecessor.