

**TEEKAY OFFSHORE PARTNERS L.P.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(in thousands of U.S. dollars)

<b>Three Months Ended March 31, 2012</b>					
<b>(unaudited)</b>					
	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment</b>	<b>Total</b>
Income from vessel operations	24,356	6,984	4,587	17,819	53,746
Depreciation and amortization	31,371	3,256	2,258	12,726	49,611
Unrealized gains from the change in fair value of designated foreign exchange forward contracts	(20)	-	-	-	(20)
Realized gains from the settlements of non-designated foreign exchange forward contracts	1,061	-	-	137	1,198
Amortization of intangible and in process revenue contract	-	-	-	(3,093)	(3,093)
Falcon Spirit revenue accounted for as direct financing lease	-	-	(1,463)	-	(1,463)
Falcon Spirit cash flow from time-charter contracts	-	-	2,104	-	2,104
<b>Cash flow from vessel operations</b> <sup>(1)</sup>	<b>56,768</b>	<b>10,240</b>	<b>7,486</b>	<b>27,589</b>	<b>102,083</b>

<b>Three Months Ended March 31, 2011</b>					
<b>(unaudited)</b>					
	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment</b>	<b>Total</b>
Income from vessel operations	17,008	15,098	940	10,565	43,611
Depreciation and amortization	27,432	6,045	3,181	8,912	45,570
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	54	-	-	-	54
Realized losses from the settlements of non-designated foreign exchange forward contracts	418	-	-	-	418
Amortization of drydock expenditures on in-chartered vessel	845	-	-	-	845
Amortization of intangible	-	-	-	19	19
Amortization of deferred gain	(105)	-	-	-	(105)
Falcon Spirit revenue accounted for as direct financing lease	-	-	(1,557)	-	(1,557)
Falcon Spirit cash flow from time-charter contracts	-	-	2,069	-	2,069
Write-down of vessel and loss on sale of vessel	-	900	171	-	1,071
<b>Cash flow from vessel operations</b> <sup>(1)</sup>	<b>45,652</b>	<b>22,043</b>	<b>4,804</b>	<b>19,496</b>	<b>91,995</b>

- (1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and amortization of deferred gains and in-process revenue contract, includes the realized gains (losses) on the settlements foreign exchange forward contracts and adjusting for direct financing leases to a cash basis. 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.

**Three Months Ended March 31, 2012**

**(unaudited)**

	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment</b>	<b>Total</b>
Revenues	144,927	26,887	15,025	57,759	244,598
Voyage expenses	27,155	8,986	340	-	36,481
Net revenues <sup>(1)</sup>	117,772	17,901	14,685	57,759	208,117

**Three Months Ended March 31, 2011**

**(unaudited)**

	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment</b>	<b>Total</b>
Revenues	138,232	35,763	17,491	42,285	233,771
Voyage expenses	19,028	6,146	291	-	25,465
Net revenues <sup>(1)</sup>	119,204	29,617	17,200	42,285	208,306

- (1) Net revenues represents 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 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 revenues or any other indicator of the Partnership's performance required by United States generally accepted accounting principles.