

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

(in thousands of U.S. dollars)

	<u>Three Months Ended September 30, 2009</u>				<b>Total</b>
	<u>(unaudited)</u>				
	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment<sup>(3)</sup></b>	
Income from vessel operations <sup>(1)</sup>	14,676	11,257	1,271	11,670	38,874
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)	-	-	(52)	(93)
Amortization of drydock expenditures on in-chartered vessel	622	-	-	-	622
Amortization of deferred gain	(105)	-	-	-	(105)
Other non-cash items attributable to Dropdown Predecessor	-	-	-	(13,697)	(13,697)
<b>Cash flow from vessel operations <sup>(2)</sup></b>	<b>36,192</b>	<b>17,465</b>	<b>6,741</b>	<b>3,398</b>	<b>63,796</b>

	<u>Three Months Ended June 30, 2009</u>				<b>Total</b>
	<u>(unaudited)</u>				
	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment<sup>(3)</sup></b>	
Income from vessel operations <sup>(1)</sup>	10,265	11,834	3,192	5,761	31,052
Depreciation and amortization	23,185	5,984	5,419	5,633	40,221
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	(1,232)	-	-	(222)	(1,454)
Realized losses from the settlements of non-designated foreign exchange forward contracts	(679)	-	-	(151)	(830)
Amortization of drydock expenditures on in-chartered vessel	399	-	-	-	399
Amortization of deferred gain	(105)	-	-	-	(105)
Other non-cash items attributable to Dropdown Predecessor	-	-	-	(11,021)	(11,021)
<b>Cash flow from vessel operations <sup>(2)</sup></b>	<b>31,833</b>	<b>17,818</b>	<b>8,611</b>	<b>-</b>	<b>58,262</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. The amounts included related to the Dropdown Predecessor are preliminary, and will be finalized for inclusion in the Partnership's Form 6-K filing for the third quarter of 2009. Any revisions to the preliminary Dropdown Predecessor figures are only expected to impact the accounting for periods prior to the date the *Petrojarl Varg* FPSO was acquired by the Partnership, and therefore will have no effect on the adjusted net (loss) income or distributable cash flow of the Partnership for any period, including the third quarter of 2009.

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

(in thousands of U.S. dollars)

**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	27,954	206,938
Voyage expenses	23,381	6,610	272	-	30,263
Net voyage revenues <sup>(1)</sup>	109,413	24,799	14,509	27,954	176,675

**Three Months Ended June 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	125,792	31,128	16,100	22,879	195,899
Voyage expenses	15,932	6,085	212	-	22,229
Net voyage revenues <sup>(1)</sup>	109,860	25,043	15,888	22,879	173,670

- (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 acquisition by the Partnership when it was owned and operated by Teekay Corporation, are referred to as the Dropdown Predecessor. The amounts included related to the Dropdown Predecessor are preliminary, and will be finalized for inclusion in the Partnership's Form 6-K filing for the third quarter of 2009. Any revisions to the preliminary Dropdown Predecessor figures are only expected to impact the accounting for periods prior to the date the *Petrojarl Varg* FPSO was acquired by the Partnership, and therefore will have no effect on the adjusted net (loss) income or distributable cash flow of the Partnership for any period, including the third quarter of 2009.