

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
TEEKAY OFFSHORE PARTNERS LP		98-0512555	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
RYAN HAMILTON	+1 604 844 6654	INVESTOR.RELATIONS@TEEKAY.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
SUITE NO. 1778, 48 PAR-LA-VILLE ROAD		HAMILTON, HM 11 BERMUDA	
8 Date of action		9 Classification and description	
SEE BELOW		SEE ATTACHED STATEMENT	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
SEE ATTACHED STMT	N/A	SEE ATTACHED STMT	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶
 SEE ATTACHED STATEMENT.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶
 SEE ATTACHED STATEMENT.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶
 BASED ON TEEKAY OFFSHORE'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS, THE FULL AMOUNT OF THE DISTRIBUTIONS PAID PER COMMON UNIT, PER SERIES A CUMULATIVE REDEEMABLE PREFERRED UNIT, PER SERIES B CUMULATIVE REDEEMABLE PREFERRED UNIT, PER SERIES C CUMULATIVE CONVERTIBLE PREFERRED UNIT, PER SERIES C-1 CUMULATIVE CONVERTIBLE PREFERRED UNIT, AND PER SERIES D CUMULATIVE CONVERTIBLE PREFERRED UNIT SHOULD REDUCE THE BASIS OF EACH COMMON UNIT, EACH SERIES A CUMULATIVE REDEEMABLE PREFERRED UNIT, EACH SERIES B CUMULATIVE REDEEMABLE PREFERRED UNIT, EACH SERIES C CUMULATIVE CONVERTIBLE PREFERRED UNIT, EACH SERIES C-1 CUMULATIVE CONVERTIBLE PREFERRED UNIT AND EACH SERIES D CUMULATIVE CONVERTIBLE PREFERRED UNIT HELD BY EACH UNITHOLDER ON THE DATES OF RECORD.

Part II Organizational Action (continued)


17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
IRC 316 AND 301(c).

18 Can any resulting loss be recognized? ►
FOR U.S. FEDERAL INCOME TAX PURPOSES, THE DISTRIBUTIONS WILL NOT RESULT IN ANY TAX LOSS FOR ANY COMMON UNITHOLDERS, SERIES A CUMULATIVE REDEEMABLE PREFERRED UNITHOLDERS, SERIES B CUMULATIVE REDEEMABLE PREFERRED UNITHOLDERS, SERIES C CUMULATIVE CONVERTIBLE PREFERRED UNITHOLDERS, SERIES C-1 CUMULATIVE CONVERTIBLE PREFERRED UNITHOLDERS, OR SERIES D CUMULATIVE CONVERTIBLE PREFERRED UNITHOLDERS.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
SEE ATTACHED STATEMENT.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.


Sign Here

Signature ► 

Date ► 31st January, 2017

Print your name ► Edith Robinson

Title ► Secretary, Teekay Offshore GP L.L.C.
general partner of Teekay Offshore Partners L.P.

Paid Preparer Use Only	Print/Type preparer's name SUSAN MCKILLIGAN	Preparer's signature 	Date 31/01/17	Check <input type="checkbox"/> if self-employed	PTIN P01491547
	Firm's name ► PRICEWATERHOUSECOOPERS LLP			Firm's EIN ► 98-0189320	
	Firm's address ► #1400-250 HOWE ST., VANCOUVER, BC, CANADA V6C 3S7			Phone no. 604-806-7000	

Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Issuer: Teekay Offshore Partners LP
EIN: 08-0512555

Part I, Items 9,
10 and 12

Common Units
CUSIP # - Y8565J101
Ticker Symbol - TOO

Series A Cumulative Redeemable Preferred Units
CUSIP # - Y8565J127
Ticker Symbol - TOO PR A

Series B Cumulative Redeemable Preferred Units
CUSIP # - Y8565J135
Ticker Symbol - TOO PR B

Series C Cumulative Convertible Preferred Units
CUSIP # - N/A
Ticker Symbol - N/A

Series C-1 Cumulative Convertible Preferred Units
CUSIP # - N/A
Ticker Symbol - N/A

Series D Cumulative Convertible Preferred Units
CUSIP # - N/A
Ticker Symbol - N/A

During the year ended December 31, 2016, Teekay Offshore Partners LP ("Teekay Offshore") declared the following cash distributions to the common unitholders on the dates of record:

	Date of Record	Amount per Unit	Date Paid
Common Units	February 5, 2016	\$0.1100	February 12, 2016
	April 29, 2016	\$0.1100	May 13, 2016
	July 29, 2016	\$0.1100	August 12, 2016
	November 4, 2016	\$0.1100	November 10, 2016

During the year ended December 31, 2016, Teekay Offshore declared the following cash distributions to the Series A Cumulative Redeemable Preferred unitholders on the dates of record:

	Date of Record	Amount per Unit	Date Paid
Series A Cumulative Redeemable Preferred Units	February 5, 2016	\$0.4531	February 12, 2016
	May 6, 2016	\$0.4531	May 13, 2016
	August 8, 2016	\$0.4531	August 15, 2016
	November 8, 2016	\$0.4531	November 15, 2016

During the year ended December 31, 2016, Teekay Offshore declared the following cash distributions to the Series B Cumulative Redeemable Preferred unitholders on the dates of record:

	Date of Record	Amount per Unit	Date Paid
Series B Cumulative Redeemable Preferred Units	February 5, 2016	\$0.5313	February 12, 2016
	May 6, 2016	\$0.5313	May 13, 2016
	August 8, 2016	\$0.5313	August 15, 2016
	November 8, 2016	\$0.5313	November 15, 2016

During the year ended December 31, 2016, Teekay Offshore declared the following cash distributions to the Series C Cumulative Convertible Preferred unitholders on the dates of record:

	Date of Record	Amount per Unit	Date Paid
Series C Cumulative Convertible Preferred Units	February 5, 2016	\$0.5149	February 12, 2016
	May 6, 2016	\$0.5149	May 13, 2016

During the year ended December 31, 2016, Teekay Offshore declared the following stock distributions to the Series C-1 Cumulative Convertible Preferred unitholders on the dates of record:

	Date of Record	Amount per Unit	Date Paid
Series C-1 Cumulative Convertible Preferred Units	August 8, 2016	\$0.5149	August 15, 2016
	November 8, 2016	\$0.5149	November 15, 2016

During the year ended December 31, 2016, Teekay Offshore declared the following stock distributions to the Series D Cumulative Convertible Preferred unitholders on the dates of record:

	Date of Record	Amount per Unit	Date Paid
Series D Cumulative Convertible Preferred Units	August 8, 2016	\$0.3354	August 15, 2016
	November 8, 2016	\$0.6563	November 15, 2016

Dividends paid in excess of the current and accumulated earnings and profits of a corporation reduce the basis of the shares of the corporation pursuant to Internal Revenue Code ("IRC") §301(c)(2) and §316(a).

Based on the current and accumulated earnings and profits of Teekay Offshore, the full amount of the distributions paid per unit as of the dates of record should reduce the basis of each common unitholder, and each Series A and Series B cumulative redeemable preferred unitholders and each Series C, Series C-1 and Series D cumulative convertible preferred unitholders as follows:

Common Units	\$0.11 per common unit for holders on February 05, 2016 \$0.11 per common unit for holders on April 29, 2016 \$0.11 per common unit for holders on July 29, 2016 \$0.11 per common unit for holders on November 04, 2016
Series A Cumulative Redeemable Preferred Units	\$0.4531 per Series A cumulative redeemable preferred unit for holders on February 05, 2016 \$0.4531 per Series A cumulative redeemable preferred unit for holders on May 06, 2016 \$0.4531 per Series A cumulative redeemable preferred unit for holders on August 08, 2016 \$0.4531 per Series A cumulative redeemable preferred unit for holders on November 08, 2016
Series B Cumulative Redeemable Preferred Units	\$0.5313 per Series B cumulative redeemable preferred unit for holders on February 05, 2016 \$0.5313 per Series B cumulative redeemable preferred unit for holders on May 06, 2016 \$0.5313 per Series B cumulative redeemable preferred unit for holders on August 08, 2016 \$0.5313 per Series B cumulative redeemable preferred unit for holders on November 08, 2016
Series C Cumulative Convertible Preferred Units	\$0.5149 per Series C cumulative convertible preferred unit for holders on February 05, 2016 \$0.5149 per Series C cumulative convertible preferred unit for holders on May 06, 2016
Series C-1 Cumulative Convertible Preferred Units	\$0.5149 per Series C cumulative convertible preferred unit for holders on August 08, 2016 \$0.5149 per Series C cumulative convertible preferred unit for holders on November 08, 2016
Series D Cumulative Convertible Preferred Units	\$0.3354 per Series C cumulative convertible preferred unit for holders on August 08, 2016 \$0.6563 per Series C cumulative convertible preferred unit for holders on November 08, 2016

The reportable tax year is 2016. Unitholders as of the following dates of record should reduce the basis of each unit held on those dates by the following amounts per unit:

Common Units	\$0.11 per common unit for holders on February 05, 2016
	\$0.11 per common unit for holders on April 29, 2016
	\$0.11 per common unit for holders on July 29, 2016
	\$0.11 per common unit for holders on November 04, 2016

The reduction in basis is cumulative such that a unitholder who was the unitholder of record for all four distributions would be required to reduce its basis by a total of \$0.44 per unit.

Series A Cumulative Redeemable Preferred Units	\$0.4531 per Series A cumulative redeemable preferred unit for holders on February 05, 2016
	\$0.4531 per Series A cumulative redeemable preferred unit for holders on May 06, 2016
	\$0.4531 per Series A cumulative redeemable preferred unit for holders on August 08, 2016
	\$0.4531 per Series A cumulative redeemable preferred unit for holders on November 08, 2016

The reduction in basis is cumulative such that a unitholder who was the unitholder of record for all four distributions would be required to reduce its basis by a total of \$1.8124 per unit.

Series B Cumulative Redeemable Preferred Units	\$0.5313 per Series B cumulative redeemable preferred unit for holders on February 05, 2016
	\$0.5313 per Series B cumulative redeemable preferred unit for holders on May 06, 2016
	\$0.5313 per Series B cumulative redeemable preferred unit for holders on August 08, 2016
	\$0.5313 per Series B cumulative redeemable preferred unit for holders on November 08, 2016

The reduction in basis is cumulative such that a unitholder who was the unitholder of record for all four distributions would be required to reduce its basis by a total of \$2.1252 per unit.

Series C Cumulative Convertible Preferred Units	\$0.5149 per Series C cumulative convertible preferred unit for holders on February 05, 2016
	\$0.5149 per Series C cumulative convertible preferred unit for holders on May 06, 2016

The reduction in basis is cumulative such that a unitholder who was the unitholder of record for both distributions would be required to reduce its basis by a total of \$1.0298 per unit.

Series C-1 Cumulative Convertible Preferred Units	\$0.5149 per Series C cumulative convertible preferred unit for holders on August 08, 2016
	\$0.5149 per Series C cumulative convertible preferred unit for holders on November 08, 2016

The reduction in basis is cumulative such that a unitholder who was the unitholder of record for both distributions would be required to reduce its basis by a total of \$1.0298 per unit.

Series D Cumulative Convertible Preferred Units	\$0.3354 per Series C cumulative convertible preferred unit for holders on August 08, 2016
	\$0.6563 per Series C cumulative convertible preferred unit for holders on November 08, 2016

The reduction in basis is cumulative such that a unitholder who was the unitholder of record for both distributions would be required to reduce its basis by a total of \$0.9917 per unit.
