TEEKAY

STRATEGIC PARTNERSHIP WITH BROOKFIELD

July 27, 2017

Photo Credit: Hans Erik Unneland

Forward Looking Statement

In addition to historical information, this presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) that involve risks and uncertainties. Forward-looking statements in this presentation include, in particular, statements regarding: the financing and recapitalization transactions proposed by Teekay Offshore Partners L.P. (the “Partnership”), the timing of completion of such transactions, and the expected effects of the completion of such transactions on the financial condition, access to capital, cost of capital, operating results, operational capabilities, and prospects of the Partnership and Teekay Corporation; the post-closing structure and management of the Partnership; pro forma capitalization and projected financial results; required capital expenditures for existing projects; future growth prospects, business strategy and other plans and objectives for future operations; future debt maturity profile and liquidity; cash settlement amounts for interest rate swaps; the shuttle tanker market fundamentals, projections and trends, including the balance of supply and demand in the shuttle tanker market and changes in rates; and reimbursement of cost of Volatile Organic Compound plant by Norwegian government. Forward-looking statements are necessary estimates reflecting the judgment of management, involve known and unknown risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially include, but are not limited to, failure to satisfy conditions to closing of the transactions; failure to finalize negotiations relating to certain refinancings; failure to realize expected benefits of the transactions; lower than expected revenues or higher than expected costs and expenses; customer and market receptivity to changes relating to the transactions; and those factors discussed in the Partnership's filings from time to time with the U.S. Securities and Exchange Commission, including its Annual Report on Form 20-F for the fiscal year ended December 31, 2016. The Partnership expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Partnership's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

Strategic Partnership

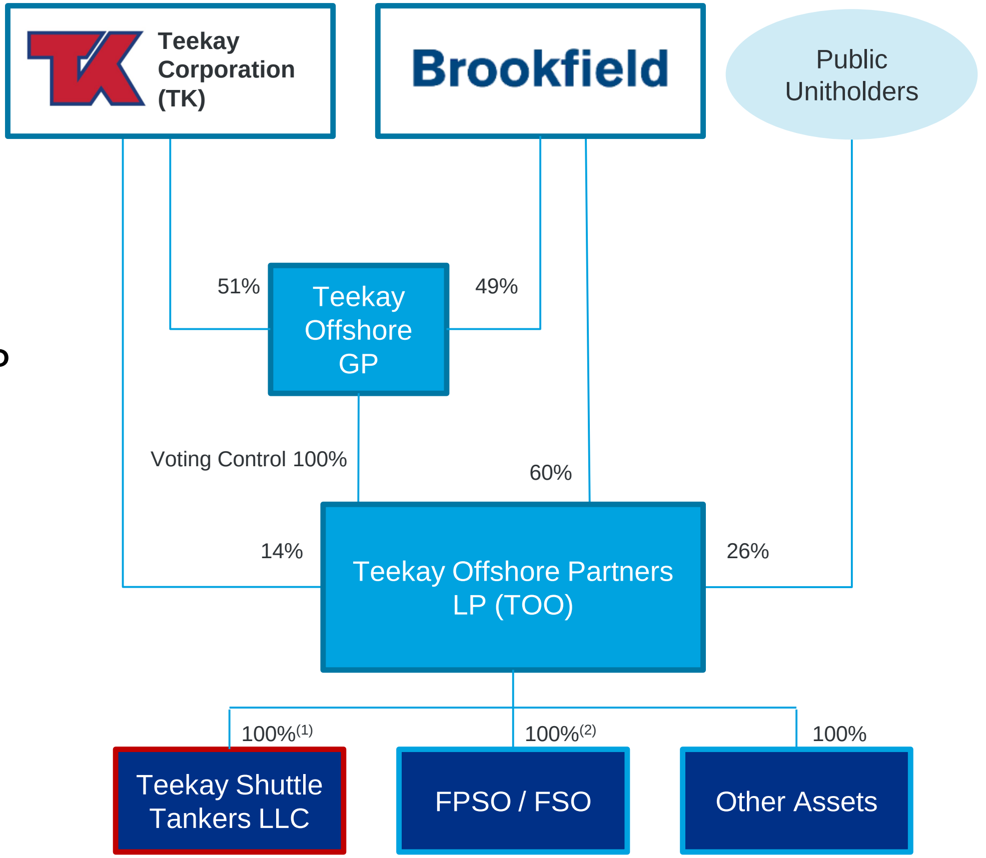
Brookfield

Teekay operational platform + Brookfield's global business platform and access to capital creates one of the world's strongest offshore infrastructure companies

- Brookfield attracted to TOO's high quality contracted cash flows and market leading positions in the offshore production and logistics space
- $640 million equity investment significantly strengthens TOO's balance sheet and improves liquidity
- Fully finances TOO's existing growth projects, which will provide significant near-term cash flow growth
- Positions Teekay Offshore to better service its customers and take advantage of future growth opportunities
- Brookfield offers strong strategic alignment and complementary capabilities
  - Operational and capital allocation expertise
  - Geographical footprint
  - Partnering model
  - Track record of investing in the energy value chain

Co-Sponsorship of TOO

- TOO ownership post-transaction
  - GP – 51% TK / 49% Brookfield
  - LP – 60% Brookfield / 14% TK / 26% public
- Board composition: 4 Brookfield, 2 TK and 3 independents
- Brookfield has the option to increase its GP ownership stake to 51% subject to the satisfaction of certain conditions
- Creation of Teekay Shuttle Tankers LLC, a separate wholly-owned entity that will house TOO's shuttle tanker business
- TOO management and operations will remain intact

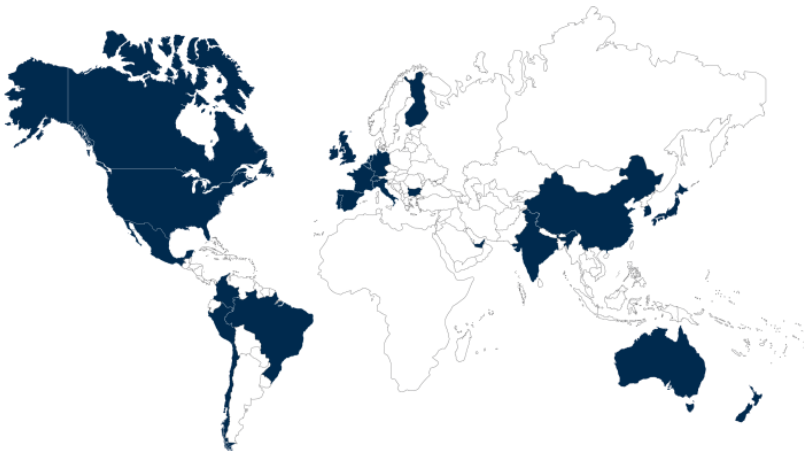


(1) Includes six shuttle tankers owned 50% by TOO and three chartered-in shuttle tankers
(2) Includes two FPSO units owned 50% and one FSO unit owned 89% by TOO

Brookfield

Brookfield Asset Management Overview

Over 100 years of experience as a leading global investor, operator and manager of real assets with ~$250 billion of assets under management



70,000 operating employees

~

700 investment professionals

~

30+ countries

Extensive experience owning and operating businesses in the energy supply chain through global partnerships

One of the world's largest investors, owners and operators of real assets, including energy infrastructure, services and production globally

- ~17,000 km of natural gas transmission pipelines in the U.S. and Brazil
- 600 billion cubic feet of natural gas storage in the U.S. and Canada
- District energy systems delivering heating and cooling to customers from centralized systems in the U.S., Canada and Australia
- Oil and gas exploration and production
  - 100,000+ barrel of oil equivalent per day of oil and gas production
- Well and drilling services

EMBER RESOURCES | Quadrant Energy | Natural Gas Pipeline Company of America LLC | PD PORTS | Greenergy | CWC ENERGY SERVICES | Hammerstone corporation | enwave ENERGY CORPORATION

Transforming TOO's Capital Structure

Stabilizing equity base	• $610m (Brookfield) + $30m (TK) of new TOO common equity at $2.50 per unit plus warrants • Common unit distributions reduced to $0.01/quarter
Reducing high cost capital on preferred equity	• Pref. C-1s – to be retired with cash, at a discount to par (cash savings of $18m p.a.) • Pref. Ds – to be retired with cash, at a discount to par (cash savings of $10m p.a.), plus a reduction in the exercise price of the second tranche of warrants
Extending maturities on debt and swaps	• TK to sell existing $200m parent loan to Brookfield at a discount to par and Brookfield to extend loan maturity to 2022 • In the process of refinancing a significant portion of existing TOO NOK bonds due in late-2018 / early-2019 with proceeds from a new, 5-year, up to $250m unsecured bond at 'carve out' Teekay Shuttle Tankers • New, 5-year, $600m facility at Teekay Shuttle Tankers to refinance a majority of the shuttle tanker fleet and extend term • Agreement in principle to extend the mandatory prepayment on the *Arendal Spirit* UMS debt facility out to September 30, 2018 • Extending termination options on certain interest rate swaps by 2-years (2021), releasing TK guarantee and resetting rate
Enhancing capacity for growth	• Fully finances existing growth projects delivering through Q1-18 • Ordered two shuttle tanker newbuilds + options for two additional vessels

TOO Current and Pro Forma Capitalization

TOO Capitalization	30-Jun-17	Transaction Adjustments		30-Jun-17
US$ millions	Status Quo	New Equity	Discount	Pro Forma
Total Cash	$212	*$390*		$602
Total Debt	$3,344			$3,344
Total Prefs	$579	*($250)*	*($54)*	$275
Book Equity	$848	*$640*		$1,488

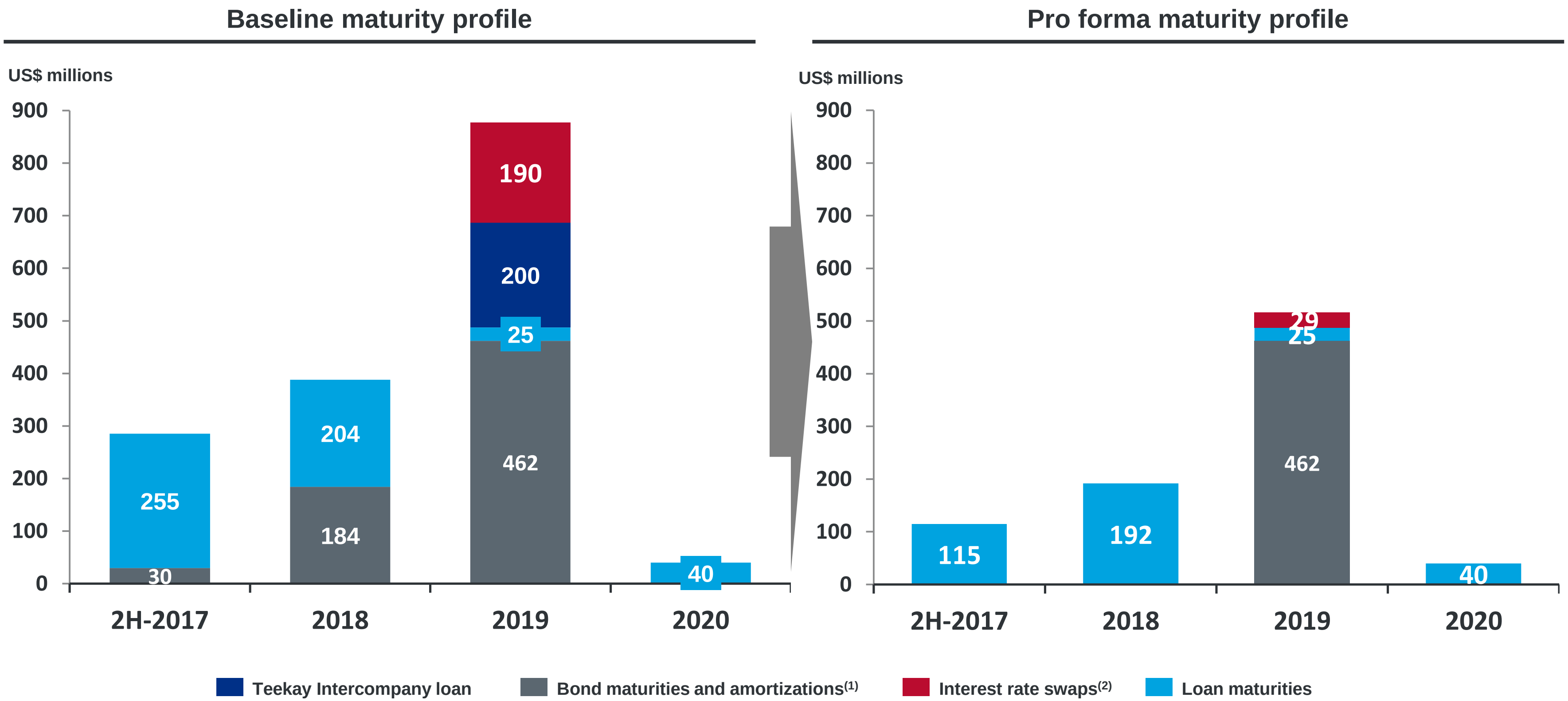
Expected near-term uses of cash proceeds

- Existing Growth Projects
- Pay-down Debt / Swaps
- Build Liquidity

All figures presented on consolidated TOO. Debt and cash balances estimated as at June 30, 2017.

Transaction Extends TOO's Maturity Profile

Over $700 million of maturities extended

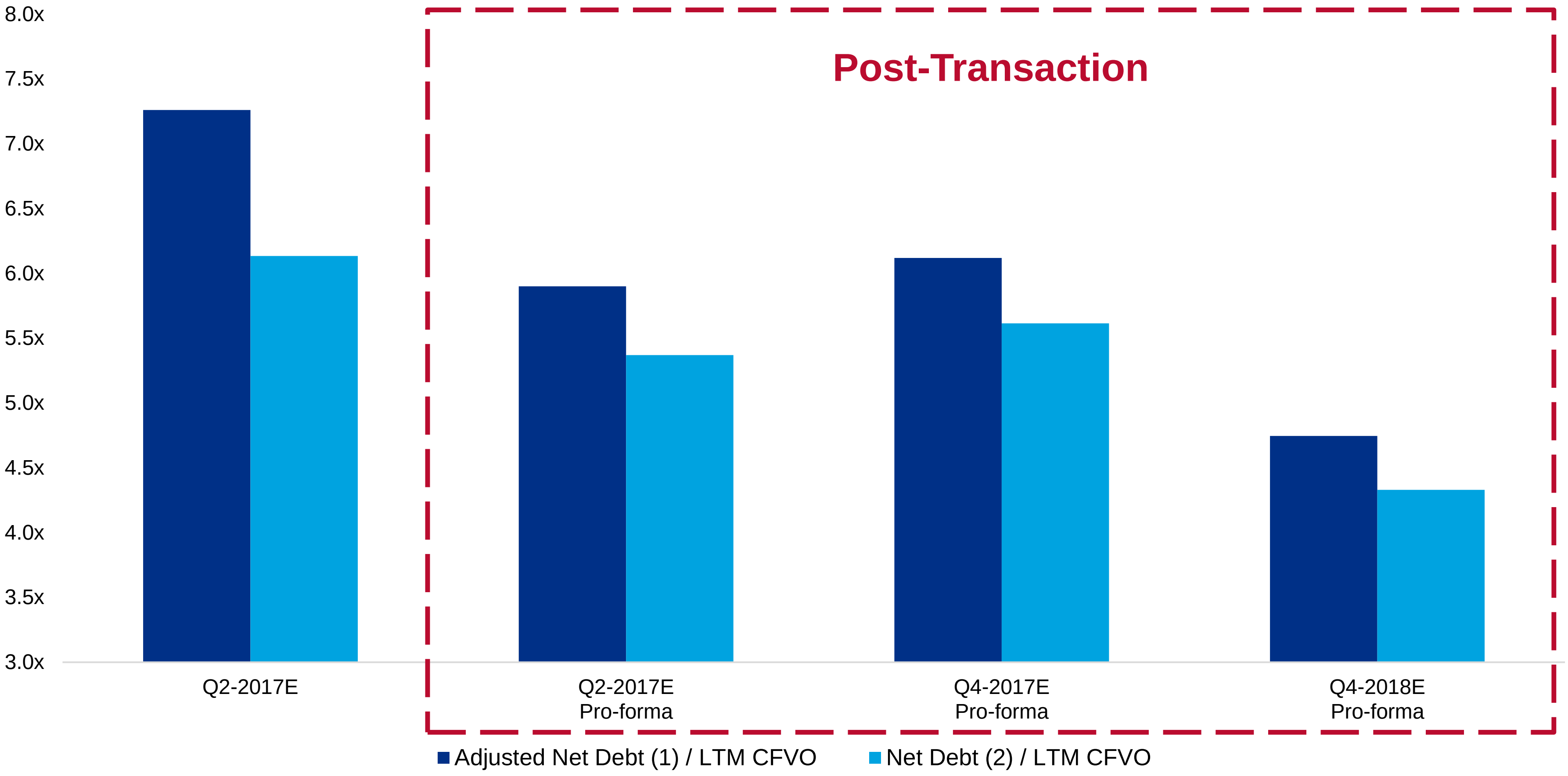


Note that figures assume all initiatives completed and on contemplated terms

(1) Principal amounts are net of restricted cash and include cross currency swap maturities based on the mark-to-market as of June 30, 2017.

(2) Deferral of interest rate swap terminations based on the mark-to-market as of June 30, 2017. Actual cash settlement amounts for interest rate swaps are expected to be lower than the figures in the graphs above, based on amortization of the mark-to-market value and forward LIBOR rates as at June 30, 2017.

Transaction Significantly Reduces TOO's Leverage



Note: This slide contains various non-GAAP financial measures. See respective TOO earnings releases for non-GAAP reconciliations for Q3-2016, Q4-2016 and Q1-2017 and Q2-2017 is based on management estimates.

(1) Adjusted Net Debt includes TOO's $200 million intercompany loan and preferred units at par value

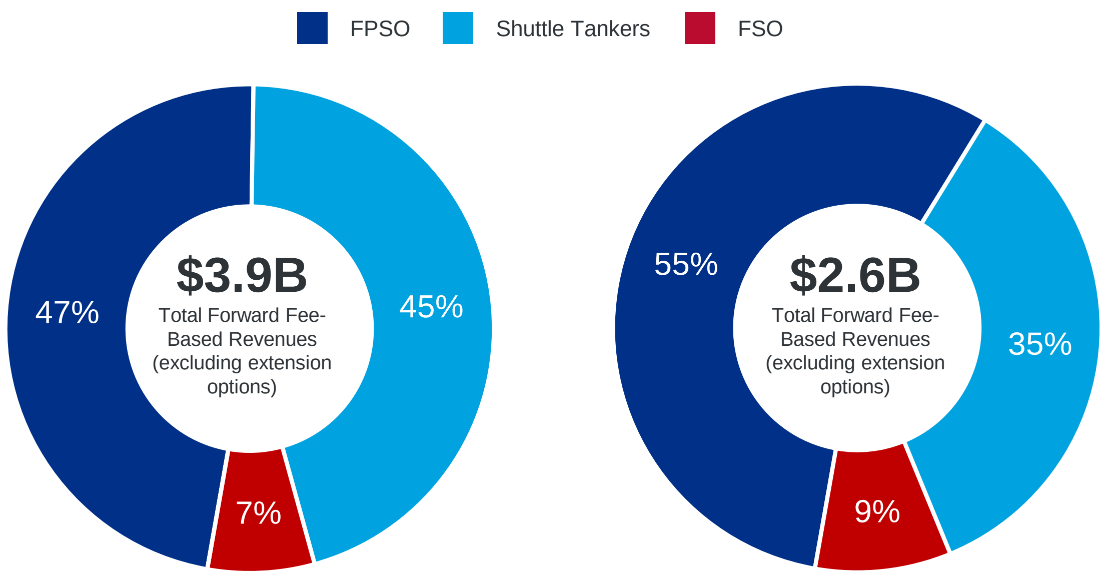
(2) Net Debt includes TOO's $200 million intercompany loan

Large and Diversified Portfolio of Forward Revenues

Contracted forward revenues of $6.5 billion (excluding options) support stable and growing cash flows

Forward revenues from <u>existing operations</u> by segment[(1)]

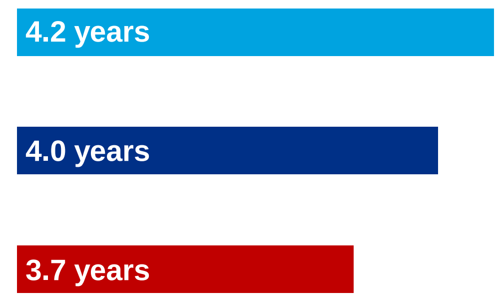
Forward revenues from <u>growth projects</u> by segment[(1)]



2016 CFVO:
~$590M

Run-rate CFVO:
~$200M

Average remaining contract length by segment[(1)]



Cash flow from vessel operations (*CFVO*) represents income from vessel operations before depreciation and amortization expense, amortization of in-process revenue contracts, vessel write-downs, gains or losses on the sale of vessels, and adjustments for direct financing leases to a cash basis, but includes realized gains or losses on the settlement of foreign currency forward contracts. CFVO is a non-GAAP measure.

(1) As of July 1, 2017, excluding extension options

TOO's Growth Pipeline Now Fully Financed

$ millions

Project	Remaining CAPEX ($ millions as at Jun 30, 2017)	Remaining Undrawn Financing ($ millions as at Jun 30, 2017)	2017	2018
ALP Towage Newbuildings	41	45		
Libra FPSO[1] (conversion)	62	45	Petrobras / Total / Shell / CNPC / CNOOC`	Out to 2029
East Coast Canada Shuttle Tankers	259	173	Chevron / Husky / Nalcor / Murphy / CHH / Exxon / Statoil / Suncor / Mosbacher	Firm Period out to 2030; Options out to 2035
Gina Krog FSO[2] (conversion)	64	7	Statoil	Firm period out to 2020; Options out to 2032
Petrojarl I FPSO (upgrade)	94	60 [3]		QGEP Out to end-2022
Total	**520**	**330**		

Short-term charters   Charter contract

Remaining equity CAPEX fully financed → **190**

$200 million of additional annual CFVO from growth projects[2]

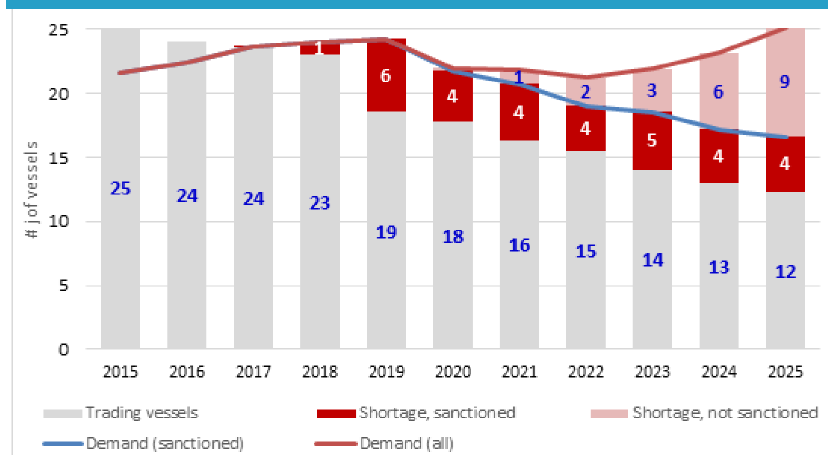
(1) Includes only TOO's 50% proportionate share of the *Libra* FPSO unit.
(2) Excludes amounts reimbursable upon delivery.
(3) Cash funds held in escrow.

Investing in our Market Leading Shuttle Franchise

Strategic partnership allows us to pursue attractive investment opportunities

- TOO has ordered two Suezmax-size, DP2 shuttle tanker newbuildings, plus options for two additional vessels at Samsung Heavy Industries
- Vessels will be based on Teekay's ***New Shuttle Spirit*** design – the next generation of shuttle tankers
  - LNG fueled
  - Lower consumption
  - Lower emissions
- Vessels will deliver in late-2019 and early-2020 to service TOO's existing Master Agreement with Statoil ASA in the North Sea

North Sea supply and demand[2]



(1) Excludes cost of Volatile Organic Compound (VOC) plant which will be fully reimbursable by the Norwegian government.
(2) TOO estimates.

Key Takeaways

Market leading positions

Stable and growing cash flows

Attractive Markets

Capital to pursue future growth

Co-sponsors focused on maximizing shareholder value

BRINGING ENERGY TO THE WORLD