

Amended

Form **8937**
 (December 2011)
 Department of the Treasury
 Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name TEEKAY OFFSHORE PARTNERS LP		2 Issuer's employer identification number (EIN) 98-0512555	
3 Name of contact for additional information KENT ALEKSON	4 Telephone No. of contact +1 604 844 6654	5 Email address of contact investor.relations@teekayoffshore.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact SUITE NO. 1778, 48 PAR-LA-VILLE ROAD		7 City, town, or post office, state, and Zip code of contact HAMILTON, HM 11 BERMUDA	
8 Date of action SEE BELOW		9 Classification and description Distribution to common units in excess of current and accumulated earnings and profits	
10 CUSIP number Y8565J101	11 Serial number(s) N/A	12 Ticker symbol TOO	13 Account number(s)

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 ▶ **During the year ended 2011, Teekay Offshore Partners LP ("Teekay Offshore") declared the following cash distributions to the common unit holders on the date of record:**

Date of Record:	Amount per Unit:	Date Paid:
February 7, 2011	\$0.475	February 14, 2011
May 6, 2011	\$0.50	May 13, 2011
August 5, 2011	\$0.50	August 12, 2011
November 2, 2011	\$0.50	November 14, 2011

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 ▶ **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, a portion of the distributions paid per unit as of the dates of record should reduce the basis of each common unit holder as follows:

- \$0.449 per unit for holders on February 7, 2011
- \$0.472 per unit for holders on May 6, 2011
- \$0.472 per unit for holders on August 5, 2011
- \$0.472 per unit for holders on November 2, 2011

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, a portion of the amount of the distributions paid per common unit should reduce the basis of each common unit held by each unit holder on the dates of record.**

