

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

**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 unit holders.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is 2011. Unit holders as of the following dates of record should reduce the basis of each unit held on those dates, by the following amounts per unit:

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

The reduction in basis is cumulative such that a unit holder who was the unit holder of record for all 4 distributions would be required to reduce its basis by a total of \$1.865 per unit.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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 ▶ *Mark Cave*

Date ▶ 13 MARCH 2012

Print your name ▶ MARK CAVE

Title ▶ SECRETARY

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
SUSAN MCKILLIGAN	<i>Susan McKilligan</i>	03/12/12		P01491547
Firm's name ▶	PRICEWATERHOUSECOOPERS LLP		Firm's EIN ▶	98-0189320
Firm's address ▶	250 HOWE STREET, SUITE 700, VANCOUVER, BC V6C 3S7		Phone no.	604-806-7000