TEEKAY OFFSHORE PARTNERS L.P.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(in thousands of U.S. dollars)

	Three Months Ended December 31, 2010 (unaudited)				
	Shuttle Tanker Segment	**Conventional Tanker Segment**	**FSO Segment**	**FPSO Segment**	**Total**
Income from vessel operations	8,149	9,505	3,316	10,752	31,722
Depreciation and amortization	29,353	8,620	3,537	8,720	50,230
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	341	-	-	-	341
Realized losses from the settlements of non-designated foreign exchange forward contracts	(384)	-	-	-	(384)
Amortization of drydock expenditures on in-chartered vessel	845	-	-	-	845
Amortization of intangible	-	-	-	18	18
Amortization of deferred gain	(105)	-	-	-	(105)
Falcon Spirit revenue accounted for as direct financing lease	-	-	(1,564)	-	(1,564)
Falcon Spirit cash flow from time-charter contracts	-	-	2,105	-	2,105
Loss on write down of vessel	9,441	-	-	-	9,441
Variable interest entities	1,752	-	-	-	1,752
Cash flow from vessel operations (1)	49,392	18,125	7,394	19,490	94,401

	Three Months Ended September 30, 2010 (unaudited)				
	Shuttle Tanker Segment(2)	**Conventional Tanker Segment**	**FSO Segment**	**FPSO Segment**(2)	**Total**
Income from vessel operations	15,119	7,693	4,165	3,437	30,414
Depreciation and amortization	27,569	7,239	3,479	8,892	47,179
Unrealized gains from the change in fair value of designated foreign exchange forward contracts	(16)	-	-	34	18
Realized losses from the settlements of non-designated foreign exchange forward contracts	(150)	-	-	(260)	(410)
Amortization of drydock expenditures on in-chartered vessel	845	-	-	-	845
Amortization of intangible	-	-	-	20	20
Amortization of deferred gain	(105)	-	-	-	(105)
Falcon Spirit revenue accounted for as direct financing lease	-	-	(1,584)	-	(1,584)
Falcon Spirit cash flow from time-charter contracts	-	-	2,101	-	2,101
Dropdown Predecessor cash flow from vessel operations	2,374	-	-	(2,961)	(587)
Cash flow from vessel operations (1)	45,636	14,932	8,161	9,162	77,891

(1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and amortization of deferred gains, includes the realized gains (losses) on the settlements foreign exchange forward contracts and excludes the cash flow from vessel operations relating to the Partnership's Variable Interest Entities and Dropdown Predecessor and adjusting for direct financing leases to a cash basis. 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.

(2) Cash flow from vessel operations for the Shuttle Tanker and FSPO segments includes the cash flows generated by the *Amundsen Spirit* newbuilding shuttle tanker and the *Rio das Ostras* FPSO unit, respectively, subsequent to their acquisition by the Partnership on October 1, 2010. Results for the *Amundsen Spirit* newbuilding shuttle tanker and the *Rio das Ostras* FPSO unit, for the periods prior to their acquisition by the Partnership when they were owned and operated by Teekay Corporation, are referred to as the Dropdown Predecessor.

	Three Months Ended December 31, 2010 (unaudited)				
	Shuttle Tanker Segment	**Conventional Tanker Segment**	**FSO Segment**	**FPSO Segment**	**Total**
Revenues	139,884	30,570	18,198	40,611	229,263
Voyage expenses	20,750	5,092	309	-	26,151
Net revenues [1]	119,134	25,478	17,889	40,611	203,112

	Three Months Ended September 30, 2010 (unaudited)				
	Shuttle Tanker Segment[2]	**Conventional Tanker Segment**	**FSO Segment**	**FPSO Segment[2]**	**Total**
Revenues	133,375	26,284	17,031	34,176	210,866
Voyage expenses	24,625	4,168	254	-	29,047
Net revenues [1]	108,750	22,116	16,777	34,176	181,819

(1) Net revenues represents 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 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 revenues or any other indicator of the Partnership's performance required by United States generally accepted accounting principles.

(2) Net revenues for the *Amundsen Spirit* newbuilding shuttle tanker and the *Rio das Ostras* FPSO unit for the periods prior to their October 1, 2010 acquisition by the Partnership when they were owned and operated by Teekay Corporation, are referred to as the Dropdown Predecessor.