TEEKAY OFFSHORE PARTNERS L.P.
4th Floor, Belvedere Building, 69 Pitts Bay Road,
Hamilton, HM 08, Bermuda

EARNINGS RELEASE

TEEKAY OFFSHORE PARTNERS REPORTS SECOND QUARTER RESULTS

Highlights

- Generated distributable cash flow of $9.0 million in the second quarter of 2009, down from $10.0 million in the previous quarter.
- Declared and paid cash distribution of $0.45 per unit for the second quarter of 2009.
- Completed follow-on public equity offering in August 2009, raising $104.3 million in net proceeds used to repay drawn revolver debt and for general corporate purposes.
- Received a formal offer from Teekay Corporation to acquire the *Petrojarl Varg* FPSO unit and associated fixed-rate contract.

Hamilton, Bermuda, September 3, 2009 - Teekay Offshore GP LLC, the general partner of Teekay Offshore Partners L.P. *(Teekay Offshore* or *the Partnership)* (NYSE: TOO) today reported its results for the quarter ended June 30, 2009. During the second quarter, the Partnership generated distributable cash flow(1) of $9.0 million, a decrease from $10.0 million in the quarter ended March 31, 2009, primarily as a result of lower shuttle tanker utilization, partially offset by decreases in operating expenses and time-charter hire expense in the second quarter of 2009 as compared to the previous quarter.

On July 23, 2009, the Partnership declared a cash distribution of $0.45 per unit for quarter ended June 30, 2009. The cash distribution was paid on August 14, 2009, to all unitholders of record on July 29, 2009.

"Consistent with our previous guidance, the Partnership's second quarter 2009 results were affected by several factors which reduced income from vessel operations and distributable cash flow for the quarter," commented Peter Evensen, Chief Executive Officer of Teekay Offshore GP LLC. "These include costs related to higher than anticipated operating expenses primarily related to our North Sea shuttle tanker operations, restructuring costs associated with the re-flagging of certain of our shuttle tankers, lower shuttle tanker utilization as a result of reduced oil production and seasonal field maintenance, and reduced revenues due to start-up delays at some of the new North Sea fields." Mr. Evensen added, "We continue to make progress on re-flagging and other initiatives as demonstrated by our lower operating expenses in the second quarter, compared to the previous quarter, and we are still targeting further reductions. In addition, proceeds from our recently completed follow-on equity offering have resulted in a stronger balance sheet and increased liquidity which could be utilized by the Partnership to make future accretive acquisitions. We are excited about the recent offer from our sponsor, Teekay Corporation, for us to acquire the *Petrojarl Varg* FPSO. The offer is currently under review by our Conflicts Committee and we expect to be in a position to respond within the coming weeks."

Teekay Offshore's Fleet

The following table summarizes Teekay Offshore's fleet, including vessels owned by OPCO, as of August 31, 2009:

	Number of Vessels		
	Owned Vessels	Chartered-in Vessels	Total
Shuttle Tanker Segment	27*	8	35
Conventional Tanker Segment	11	-	11
FSO Segment	5	-	5
Total	**43**	**8**	**51**

* Includes five shuttle tankers in which OPCO's ownership interest is 50% and two shuttle tankers directly owned by Teekay Offshore, of which one is 50% owned.

(1) Distributable cash flow is a non-GAAP financial measure used by certain investors to measure the financial performance of the Partnership and other master limited partnerships. Please see *Appendix B* for a reconciliation of this non-GAAP measure to the most directly comparable GAAP financial measure.

Future Growth Opportunities

Pursuant to an Omnibus Agreement that Teekay Offshore entered into in connection with its initial public offering in December 2006, Teekay Corporation (*Teekay*) is obligated to offer to the Partnership its interest in certain shuttle tankers, Floating Storage and Offloading units (*FSO*) and Floating Production Storage and Offloading *(FPSO)* units and joint ventures it may acquire in the future, provided the vessels are servicing contracts in excess of three years in length. Teekay Offshore also may acquire additional limited partner interests in OPCO or vessels that Teekay may offer the Partnership from time to time in the future.

Shuttle Tankers

Teekay has ordered four Aframax shuttle tanker newbuildings that are scheduled to deliver in 2010 and 2011, for a total delivered cost of approximately $460 million. Teekay Offshore anticipates that these vessels will be offered to the Partnership pursuant to the Omnibus Agreement and will be used to service either new long-term, fixed-rate contracts Teekay may be awarded prior to the vessel deliveries or OPCO's contracts-of-affreightment in the North Sea.

FSO Unit

Teekay has recently entered into a fixed-rate FSO contract with a major oil company, which will involve converting one of its existing shuttle tankers to an FSO unit. The conversion is expected to be completed in December 2009 at which time it will commence its charter based in the Qatar offshore region for an initial contracted duration of 7.5 years (plus extension options). Under the Omnibus Agreement, Teekay is obligated to offer its interest in this FSO project to the Partnership within one year after the commencement of the charter.

FPSO Units

On July 9, 2008, Teekay completed the acquisition of the remaining 35.3 percent of Teekay Petrojarl ASA (*Teekay Petrojarl*) it did not previously own. Teekay Petrojarl is a leading operator of FPSO units, with four units operating in the North Sea and one unit operating in Brazil.

In late-August 2009, Teekay made a formal offer to sell one of these FPSO units, the *Petrojarl Varg*, to Teekay Offshore, which is currently being reviewed by the Board of Directors of Teekay Offshore's General Partner and its Conflicts Committee.

In addition, prior to July 9, 2010, Teekay Offshore has the right to acquire Teekay's existing FPSO units that are servicing contracts in excess of three years in length.

Teekay's Remaining Interest in OPCO

Teekay may offer to Teekay Offshore additional limited partner interests in OPCO that Teekay owns. Teekay currently owns 49 percent of OPCO and Teekay Offshore owns the remaining 51 percent.

Financial Summary

The Partnership reported adjusted net income attributable to the partners[(1)] (as detailed in *Appendix* A to this release) of $7.0 million for the quarter ended June 30, 2009, compared to $7.5 million for the previous quarter. Adjusted net income attributable to the partners excludes a number of specific items which had the net effect of increasing net income by $26.5 million and $9.5 million for the quarters ended June 30, 2009 and March 31, 2009, respectively, as detailed in *Appendix A*. Including these items, the Partnership reported net income attributable to the partners of $33.5 million[(3)], on a GAAP basis, for the second quarter of 2009, compared to $16.9 million[(3)], for the previous quarter. Net voyage revenues[(2)] for the second quarter of 2009 decreased to $150.8 million from $158.6 million for the previous quarter.

For accounting purposes, the Partnership is required to recognize the changes in the fair value of certain derivative instruments, as unrealized gains or losses, through the statements of income. This revaluation does not affect the economics of any hedging transactions or have any impact on the Partnership's actual cash flows or the calculation of its distributable cash flow.

Operating Results

The following table highlights certain financial information for Teekay Offshore's three main segments: the shuttle tanker segment, the conventional tanker segment, and the FSO segment (please refer to the "Teekay Offshore's Fleet" section of this release above and *Appendix C* for further details).

	Three Months Ended June 30, 2009 (unaudited)				Three Months Ended March 31, 2009 (unaudited)			
(in thousands of U.S. dollars)	Shuttle Tanker Segment	Conventional Tanker Segment	FSO Segment	Total	Shuttle Tanker Segment	Conventional Tanker Segment	FSO Segment	Total
Net voyage revenues	109,860	25,043	15,888	150,791	119,897	23,862	14,853	158,612
Vessel operating expenses*	34,737	5,942	6,257	46,936	39,522	5,390	5,822	50,734
Time-charter hire expense	29,144	-	-	29,144	32,145	-	-	32,145
Depreciation and amortization	23,185	5,984	5,419	34,588	23,155	5,974	5,402	34,531
Cash flow from vessel operations**	31,833	17,818	8,611	58,262	31,404	17,038	8,591	57,033

* Commencing in the quarter ended March 31, 2009 and applied retroactively, the gains and losses related to non-designated derivative instruments have been reclassified to a separate line item in the Consolidated Statements of Income and are no longer included in the amounts above.

** Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and amortization of deferred gains, and includes the realized gains (losses) on the settlements of foreign currency exchange forward contracts. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Partnership's web site at www.teekayoffshore.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(1) Adjusted net income attributable to the partners is a non-GAAP financial measure. Please refer to *Appendix A* to the Consolidated Statements of Income included in this release for a reconciliation of this non-GAAP measure to the most directly comparable financial measure under United States generally accepted accounting principles (GAAP) and information about specific items affecting net income which are typically excluded by securities analysts in their published estimates of the Partnership's financial results.

(2) Net voyage revenues represents voyage revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net voyage revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Partnership's web site at www.teekayoffshore.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(3) Commencing in 2009, and applied retroactively in accordance with SFAS 160, the Partnership's GAAP net income is presented before non-controlling interest on the Statements of Income. Net income attributable to Partners represents the net income attributable to the limited partners and general partner of Teekay Offshore.

Shuttle Tanker Segment

Cash flow from vessel operations from the Partnership's shuttle tanker segment was consistent with the previous quarter, increasing slightly to $31.8 million for the second quarter of 2009, compared to $31.4 million for the previous quarter, primarily due to decreases in vessel operating expenses and time charter hire expense. This was partially offset by a decrease in net voyage revenues resulting from lower shuttle tanker utilization due to reduced oil production, seasonal maintenance of oil fields and start-up delays at certain new North Sea oil fields.

Conventional Tanker Segment

Cash flow from vessel operations from the Partnership's conventional tanker segment increased slightly to $17.8 million in the second quarter of 2009 from $17.0 million in the first quarter of 2009.

FSO Segment

Cash flow from vessel operations from the Partnership's FSO segment was unchanged at $8.6 million for the second and first quarters of 2009.

Follow-on Equity Offering and Liquidity

On August 4, 2009, the Partnership completed a follow-on equity offering for a total of 7.475 million common units (including underwriters' overallotment option which was exercised in full), generating net proceeds of $104.3 million. Proceeds from the offering were used to repay amounts drawn under one of the Partnership's revolving credit facilities and for general corporate purposes.

As of June 30, 2009, the Partnership had total liquidity of $242.6 million, which consisted of $97.3 million in cash and cash equivalents and $145.3 million in undrawn revolving credit facilities. This excludes the $104.3 million in net proceeds from the equity offering completed in August 2009.

About Teekay Offshore Partners L.P.

Teekay Offshore Partners L.P., a publicly-traded master limited partnership formed by Teekay Corporation (NYSE: TK), is an international provider of marine transportation and storage services to the offshore oil industry. Teekay Offshore owns a 51 percent interest in and controls Teekay Offshore Operating L.P., a Marshall Islands limited partnership with a fleet of 33 shuttle tankers (including eight chartered-in vessels), four FSO units, nine double-hull conventional oil tankers and two lightering vessels. In addition, Teekay Offshore has direct ownership interests in two shuttle tankers and one FSO unit. Teekay Offshore also has rights to participate in certain FPSO opportunities.

Teekay Offshore's common units trade on the New York Stock Exchange under the symbol "TOO".

For Investor Relations enquiries contact:
Kent Alekson
Tel: +1 (604) 609-6442

For Media enquiries contact:
Nicole Breuls
Tel: +1 (604) 844-6631

Web site: www.teekayoffshore.com

TEEKAY OFFSHORE PARTNERS L.P.
SUMMARY CONSOLIDATED STATEMENTS OF INCOME
(in thousands of U.S. dollars, except unit data)

	Three Months Ended			Six Months Ended	
	June 30, 2009 (unaudited)	March 31, 2009 (unaudited)	June 30, 2008 (unaudited)	June 30, 2009 (unaudited)	June 30, 2008 (unaudited)
VOYAGE REVENUES	173,020	183,425	224,484	356,445	429,416
OPERATING EXPENSES					
Voyage expenses	22,229	24,813	59,811	47,042	111,188
Vessel operating expenses[(1)]	46,936	50,734	45,768	97,670	87,699
Time-charter hire expense	29,144	32,145	32,262	61,289	65,908
Depreciation and amortization	34,588	34,531	36,447	69,119	69,359
General and administrative[(1)]	13,351	11,922	15,778	25,273	31,604
Restructuring charge[(2)]	1,481	2,201	-	3,682	-
	147,729	156,346	190,066	304,075	365,758
Income from vessel operations	25,291	27,079	34,418	52,370	63,658
OTHER ITEMS					
Interest expense	(9,089)	(10,568)	(15,658)	(19,657)	(36,924)
Interest income	128	826	1,051	954	2,300
Realized and unrealized gain (loss) on derivative instruments [(3)]	44,256	17,584	39,166	61,840	(6,249)
Foreign exchange loss [(1)]	(1,353)	(2,248)	(1,110)	(3,601)	(3,573)
Income tax recovery (expense)	3,037	(4,138)	6,826	(1,101)	5,913
Other income – net	1,910	3,081	3,030	4,991	6,372
Net income	64,180	31,616	67,723	95,796	31,497
Net income attributable to:					
Non-controlling interests [(4)]	30,715	14,676	42,498	45,391	19,021
Dropdown Predecessor	-	-	848	-	1,333
Partners	33,465	16,940	24,377	50,405	11,143
Limited partners' units outstanding:					
Weighted-average number of common units outstanding					
- Basic and diluted	20,425,000	20,425,000	11,151,648	20,425,000	10,475,824
Weighted-average number of subordinated units outstanding					
- Basic and diluted	9,800,000	9,800,000	9,800,000	9,800,000	9,800,000
Weighted-average number of total units outstanding					
- Basic and diluted	30,225,000	30,225,000	20,951,648	30,225,000	20,275,824

(1) The Partnership has entered into foreign exchange forward contracts, which are economic hedges of vessel operating expenses and general and administrative expenses. Certain of these forward contracts have been designated as cash flow hedges pursuant to United States generally accepted accounting principles (GAAP). Unrealized gains and losses arising from hedge ineffectiveness from such forward contracts are reflected in vessel operating expenses, general and administrative expenses, and foreign exchange gains (losses) in the above Statements of Income as detailed in the table below:

	Three Months Ended			Six Months Ended	
	June 30, 2009	March 31, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Vessel operating expenses	716	735	246	1,451	(199)
General and administrative	516	1,202	91	1,718	(140)
Foreign exchange loss	-	-	(443)	-	8

(2) Restructuring charges were incurred in connection with the re-flagging of certain of the Partnership's vessels, which will result in lower future crewing costs. The Partnership expects to incur an additional $0.7 million in similar restructuring charges in the second half of 2009.

(3) Commencing in the three months ended March 31, 2009, and applied retroactively, the realized and unrealized gains and losses related to derivative instruments that are not designated as hedges for accounting purposes have been reclassified to a separate line item in the statements of income. The realized gains (losses) relate to the amounts the Partnership actually paid to settle such derivative instruments and the unrealized gains (losses) relate to the change in fair value of such derivative instruments as detailed in the table below:

	Three Months Ended			Six Months Ended	
	June 30, 2009	**March 31, 2009**	**June 30, 2008**	**June 30, 2009**	**June 30, 2008**
Realized (losses) gains relating to:					
Interest rate swaps	(9,196)	(8,459)	(3,141)	(17,656)	(3,681)
Foreign currency forward contract	(679)	(2,934)	44	(3,612)	44
	(9,875)	(11,393)	(3,097)	(21,268)	(3,637)
Unrealized gains (losses) relating to:					
Interest rate swaps	52,931	26,626	41,952	79,557	(3,431)
Foreign currency forward contracts	1,200	2,351	311	3,551	819
	54,131	28,977	42,263	83,108	(2,612)
Total realized and unrealized gains (losses) on non designated derivative instruments	44,256	17,584	39,166	61,840	(6,249)

(4) Commencing in 2009, and applied retroactively in accordance with SFAS 160, net income includes the net income attributable to non-controlling interests.

TEEKAY OFFSHORE PARTNERS L.P.
SUMMARY CONSOLIDATED BALANCE SHEETS
(in thousands of U.S. dollars)

	As at June 30, 2009 (unaudited)	As at March 31, 2009 (unaudited)	As at December 31, 2008 (unaudited)
ASSETS			
Cash and cash equivalents	97,290	147,837	131,488
Other current assets	98,635	92,675	100,470
Vessels and equipment	1,658,129	1,680,279	1,708,006
Other assets	56,211	61,260	67,725
Intangible assets	40,761	43,026	45,290
Goodwill	127,113	127,113	127,113
Total Assets	2,078,139	2,152,190	2,180,092
LIABILITIES AND EQUITY			
Accounts payable and accrued liabilities	49,955	57,944	54,368
Other current liabilities	51,479	33,921	29,734
Current portion of long-term debt	85,417	118,598	125,503
Current portion of derivative instruments	41,168	48,815	54,937
Long-term debt	1,407,103	1,435,656	1,440,933
Other long-term liabilities	82,235	143,801	172,368
Equity:			
Non-controlling interest	228,520	206,102	201,383
Partners’ equity	132,262	107,353	100,866
Total Liabilities and Equity	2,078,139	2,152,190	2,180,092

TEEKAY OFFSHORE PARTNERS L.P.

SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)

	Six Months Ended June 30,	
	2009 (unaudited)	2008 (unaudited)
Cash and cash equivalents provided by (used for)		
OPERATING ACTIVITIES		
Net operating cash flow	92,735	102,227
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	-	111,338
Scheduled repayments of long-term debt	(18,917)	(14,298)
Prepayments of long-term debt	(55,000)	(41,000)
Net advances to affiliates	-	(46,544)
Prepayments of joint venture partner advances	(2,237)	-
Proceeds from equity offering	-	209,184
Expenses from equity offering	(12)	(5,431)
Distribution to Teekay Corporation relating to purchase of SPT Explorer L.L.C. and SPT Navigator L.L.C.	-	(16,661)
Excess of purchase price over the contributed basis of a 25% interest in Teekay Offshore Operating L.P.	-	(93,782)
Cash distributions paid	(56,096)	(62,788)
Other	(644)	(1,319)
Net financing cash flow	(132,906)	38,699
INVESTING ACTIVITIES		
Expenditures for vessels and equipment	(5,227)	(49,055)
Investment in direct financing lease assets	-	(29)
Direct financing lease payments received	11,200	11,701
Purchase of 25% interest in Teekay Offshore Operating L.P.	-	(111,746)
Net investing cash flow	5,973	(149,129)
Decrease in cash and cash equivalents	(34,198)	(8,203)
Cash and cash equivalents, beginning of the period	131,488	121,224
Cash and cash equivalents, end of the period	97,290	113,021

TEEKAY OFFSHORE PARTNERS L.P.

APPENDIX A – SPECIFIC ITEMS AFFECTING NET INCOME

(in thousands of U.S. dollars)

Set forth below is a reconciliation of the Partnership's unaudited adjusted net income attributable to the partners, a non-GAAP financial measure, to net income as determined in accordance with GAAP, adjusted for some of the significant items of income and expense that affected the Partnership's net income for the three months ended June 30, 2009 and March 31, 2009, all of which items are typically excluded by securities analysts in their published estimates of the Partnership's financial results:

	Three Months Ended June 30, 2009 (unaudited)	Three Months Ended March 31, 2009 (unaudited)
Net income – GAAP basis	64,180	31,616
Adjustments:		
Net income attributable to non-controlling interests	(30,715)	(14,676)
Net income attributable to the partners	**33,465**	**16,940**
Add (subtract) specific items affecting net income:		
Restructuring charges (1)	1,481	2,201
Foreign currency exchange losses (2)	121	311
Deferred income tax expense relating to unrealized foreign exchange gains (3)	1,904	8,364
Unrealized gains on derivative instruments (4)	(54,131)	(28,977)
Non-controlling interests' share of items above (5)	24,116	8,628
Total adjustments	(26,509)	(9,473)
Adjusted net income attributable to the partners	**6,956**	**7,467**

(1) Restructuring charges were incurred in connection with the re-flagging of certain of the Partnership's vessels, which will result in lower future crewing costs.

(2) Foreign currency exchange gains (losses) primarily relate to the Partnership's revaluation of all foreign currency-denominated monetary assets and liabilities based on the prevailing exchange rate at the end of each reporting period and also includes the unrealized gains and losses, arising from hedge ineffectiveness, from foreign exchange forward contracts that are or have been designated as hedges for accounting purposes.

(3) Portion of deferred income tax expense related to unrealized foreign exchange gains and losses.

(4) Reflects the unrealized gain or loss due to changes in the mark-to-market value of derivative instruments that are not designated as hedges for accounting purposes.

(5) Primarily relates to Teekay's non-controlling interest share of the items noted above.

TEEKAY OFFSHORE PARTNERS L.P.
APPENDIX B –RECONCILIATION OF NON-GAAP FINANCIAL MEASURE

(in thousands of U.S. dollars)

Description of Non-GAAP Financial Measure – Distributable Cash Flow (*DCF*)

Distributable cash flow represents net income adjusted for depreciation and amortization expense, non-controlling interest, non-cash items, estimated maintenance capital expenditures, gains and losses on vessel sales, unrealized gains and losses from derivatives, non-cash income taxes and unrealized foreign exchange related items. Maintenance capital expenditures represent those capital expenditures required to maintain over the long-term the operating capacity of, or the revenue generated by, the Partnership's capital assets. Distributable cash flow is a quantitative standard used in the publicly-traded partnership investment community to assist in evaluating a partnership's ability to make quarterly cash distributions. Distributable cash flow is not defined 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. The table below reconciles distributable cash flow to net income.

	Three Months Ended June 30, 2009 (unaudited)
Net income	64,180
Add:	
Depreciation and amortization	34,588
Less:	
Income tax recovery	(3,158)
Foreign exchange and other, net	(525)
Unrealized gains on non-designated derivative instruments	(54,131)
Estimated maintenance capital expenditures	(20,288)
Distributable Cash Flow before Non-Controlling Interest	**20,666**
Non-controlling interests' share of DCF	(11,630)
Distributable Cash Flow	**9,036**

TEEKAY OFFSHORE PARTNERS L.P.
APPENDIX C –SUPPLEMENTAL SEGMENT INFORMATION

(in thousands of U.S. dollars)

Three Months Ended June 30, 2009
(unaudited)

	Shuttle Tanker Segment	Conventional Tanker Segment	FSO Segment	Total
Net voyage revenues [1]	109,860	25,043	15,888	150,791
Vessel operating expenses[2]	34,737	5,942	6,257	46,936
Time-charter hire expense	29,144	-	-	29,144
Depreciation and amortization	23,185	5,984	5,419	34,588
General and administrative[2]	11,048	1,283	1,020	13,351
Restructuring charges	1,481	-	-	1,481
Income from vessel operations	10,265	11,834	3,192	25,291

Three Months Ended March 31, 2009
(unaudited)

	Shuttle Tanker Segment	Conventional Tanker Segment	FSO Segment	Total
Net voyage revenues [1]	119,897	23,862	14,853	158,612
Vessel operating expenses[2]	39,522	5,390	5,822	50,734
Time-charter hire expense	32,145	-	-	32,145
Depreciation and amortization	23,155	5,974	5,402	34,531
General and administrative[2]	10,048	1,434	440	11,922
Restructuring charges	2,201	-	-	2,201
Income from vessel operations	12,826	11,064	3,189	27,079

(1) Net voyage revenues represents voyage revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net voyage revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Partnership’s web site at www.teekayoffshore.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(2) Commencing in the quarter ended March 31, 2009, and applied retroactively, the gains and losses related to derivative instruments that are not designated as hedges for accounting purposes have been reclassified to a separate line item in the Statements of Income and are no longer included in the amounts above.

FORWARD LOOKING STATEMENTS

This release contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including statements regarding: the impact on the Partnership's operating expenses due to the re-flagging of certain shuttle tankers and other cost management initiatives; the impact on the Partnership's shuttle tanker fleet utilization as a result of reduced oil production, seasonal maintenance on certain North Sea oil facilities and start-up delays on certain North Sea oil fields; the Partnership's future growth prospects; the potential for Teekay to offer up to four Aframax shuttle tanker newbuildings either with new long-term fixed-rate contracts, or to service the contracts-of-affreightment in the North Sea; Teekay's recent offer to sell the *Petrojarl Varg* FPSO unit to the Partnership and the potential for Teekay to offer Teekay Petrojarl's other existing FPSO units, and the expected accretion to the Partnership's distributable cash flow from such FPSO acquisitions; the timing and certainty of the Partnership's acceptance, or election, to acquire the FPSOs and FSO from Teekay; the potential for Teekay to secure future FPSO projects; the potential for Teekay to offer to Teekay Offshore additional limited partner interests in OPCO; and the Partnership's exposure to foreign currency fluctuations. The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: changes in production of offshore oil, either generally or in particular regions; changes in trading patterns significantly affecting overall vessel tonnage requirements; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; the potential for early termination of long-term contracts and inability of the Partnership or OPCO to renew or replace long-term contracts; higher than expected increases in vessel operating expenses; the failure of Teekay to offer additional assets to Teekay Offshore; required approvals by the Conflicts Committee of Teekay Offshore's General Partner to acquire assets from Teekay, including the Petrojarl Varg FPSO; the Partnership's ability to raise financing to purchase additional vessels and/or interests in OPCO; changes to the amount or proportion of revenues, expenses, or debt service costs denominated in foreign currencies; and other factors discussed in Teekay Offshore's filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2008. 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.

- end -