

**Report of Organizational Actions  
 Affecting Basis of Securities**

▶ 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>COMMON UNITS</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 2012, Teekay Offshore Partners LP ("Teekay Offshore") declared the following cash distributions to the common unitholders on the date of record:**

Date of Record:	Amount per Unit:	Date Paid:
<b>February 1, 2012</b>	<b>\$0.50</b>	<b>February 14, 2012</b>
<b>April 23, 2012</b>	<b>\$0.5125</b>	<b>May 14, 2012</b>
<b>July 25, 2012</b>	<b>\$0.5125</b>	<b>August 10, 2012</b>
<b>October 24, 2012</b>	<b>\$0.5125</b>	<b>November 9, 2012</b>

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, the full amount of the distributions paid per unit as of the dates of record should reduce the basis of each common unitholder as follows:**

- **\$0.50 per unit for holders on February 1, 2012**
- **\$0.5125 per unit for holders on April 23, 2012**
- **\$0.5125 per unit for holders on July 25, 2012**
- **\$0.5125 per unit for holders on October 24, 2012**

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

