

**TEEKAY OFFSHORE PARTNERS L.P.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

(in thousands of U.S. dollars)

**Three Months Ended September 30, 2012**

**(unaudited)**

	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment</b>	<b>Total</b>
Income from vessel operations	19,917	7,122	1,112	13,330	41,481
Depreciation and amortization	30,212	2,580	2,250	12,726	47,768
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	60	-	-	-	60
Realized gains (losses) from the settlements of non-designated foreign exchange forward contracts	586	-	-	(356)	230
Amortization of intangible and non cash portion of revenue contracts	-	-	-	(3,910)	(3,910)
Write-down of vessel and loss on sale of vessel	9,193	-	-	-	9,193
Falcon Spirit revenue accounted for as direct financing lease	-	-	(1,421)	-	(1,421)
Falcon Spirit cash flow from time-charter contracts	-	-	2,127	-	2,127
<b>Cash flow from vessel operations</b> <sup>(1)</sup>	59,968	9,702	4,068	21,790	95,528

**Three Months Ended September 30, 2011**

**(unaudited)**

	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment</b>	<b>Total</b>
Income from vessel operations	14,008	1,000	3,930	11,098	30,036
Depreciation and amortization	29,102	5,572	2,945	9,284	46,903
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	142	-	-	-	142
Realized gains from the settlements of non-designated foreign exchange forward contracts	1,950	-	-	-	1,950
Amortization of drydock expenditures on in-chartered vessel	845	-	-	-	845
Amortization of intangible	-	-	-	19	19
Amortization of deferred gain	(105)	-	-	-	(105)
Falcon Spirit revenue accounted for as direct financing lease	-	-	(1,534)	-	(1,534)
Falcon Spirit cash flow from time-charter contracts	-	-	2,115	-	2,115
Write-down of vessels	8,319	15,642	-	-	23,961
Variable interest entity	895	-	-	-	895
<b>Cash flow from vessel operations</b> <sup>(1)</sup>	55,156	22,214	7,456	20,401	105,227

- (1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and amortization of deferred gains and in-process revenue contract, loss on sale of vessel and write-down of vessels, includes the realized gains (losses) on the settlements foreign exchange forward contracts, excludes the cash flow from vessel operations relating to the Partnership's Variable Interest Entities 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.

**Three Months Ended September 30, 2012**  
**(unaudited)**

	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment</b>	<b>Total</b>
Revenues	137,616	19,773	12,664	57,903	227,956
Voyage expenses	20,182	3,553	490	-	24,225
Net revenues <sup>(1)</sup>	117,434	16,220	12,174	57,903	203,731

**Three Months Ended September 30, 2011**  
**(unaudited)**

	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment</b>	<b>Total</b>
Revenues	145,647	37,082	15,105	42,066	239,900
Voyage expenses	22,822	7,882	392	-	31,096
Net revenues <sup>(1)</sup>	122,825	29,200	14,713	42,066	208,804

- (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.