TEEKAY OFFSHORE PARTNERS L.P.

Fourth Quarter and Fiscal 2012 Earnings Presentation

February 22, 2013

Forward Looking Statements

This presentation 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: factors affecting the Partnership's future growth prospects and stability of its distributable cash flow, including the timing of the acquisition of the *Voyageur Spirit* FPSO from Teekay; the impact of the *Voyageur Spirit* FPSO acquisition and BG shuttle tanker newbuildings on the Partnership's cash flows; the potential acquisition of a HiLoad Dynamic Positioning unit from Remora AS and associated 10-year time-charter contract with Petroleo Brasileiro SA; the potential for the Partnership to acquire future HiLoad projects developed by Remora AS; the potential conversion of the *Navion Clipper* into an FSO and associated 10-year charter contract; the potential for Teekay to offer additional vessels to the Partnership and the Partnership's acquisition of any such vessels, including the *Petrojarl Foinaven*, the *Cidade de Itajai*, the *Hummingbird Spirit* and the newbuilding FPSO unit that will service the Knarr field under contract with BG Norge Limited; the timing of delivery of vessels under construction or conversion; the timing and amount of future increases to the Partnership's quarterly cash distribution, including the cash distribution for the first quarter of 2013 to be paid in May 2013; preliminary results of discontinued operation; and the potential for the Partnership to acquire other vessels or offshore projects from Teekay or directly from third parties. 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: vessel operations and oil production volumes; significant changes in oil prices; variations in expected levels of field maintenance; increased operating expenses; different-than-expected levels of oil production in the North Sea and Brazil offshore fields; potential early termination of contracts; potential delays to the commencement of the *Voyageur Spirit* FPSO charter contract or the BG time charters; failure of Teekay to offer to the Partnership additional vessels; the inability of the joint venture between Teekay and Odebrecht to secure new Brazil FPSO projects that may be offered for sale to the Partnership; the inability of Remora to develop future HiLoad DP units; failure to obtain required approvals by the Conflicts Committee of Teekay Offshore's general partner to acquire other vessels or offshore projects from Teekay or third parties; the Partnership's ability to raise adequate financing to purchase additional assets; finalization of the time-charter contract relating to the HiLoad DP unit and of negotiations and documentation relating to the proposed FSO project; 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, 2011. 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.

Recent Highlights

- Generated Q4-12 distributable cash flow of $45.9 million
- Declared and paid a cash distribution of $0.5125 per unit on February 14, 2013
- Acquisition of the *Voyageur Spirit* FPSO expected to be completed in March 2013 upon commencement of 5-year charter
  - Partnership intends to increase cash distribution in connection with this acquisition
- Signed letter of intent to provide an FSO to Salamander Energy under a 10-year charter (plus extension options)
  - Partnership will convert the *Navion Clipper* for an estimated fully built-up cost of $50 million
  - Charter is expected to commence in mid-2014
- *Cidade de Itajai* FPSO, jointly-owned by Teekay/Odebrecht, achieved first oil in mid-February 2013 and commenced a 9-year charter (plus extension options) with Petrobras
  - Teekay is required to offer Teekay Offshore its 50% interest within one year of the contract commencement
- Total liquidity of $587 million as of December 31, 2012, pro forma for net proceeds from NOK 1,300 million in unsecured bonds (net of NOK 388.5 million repurchase of existing bonds)

Signed LOI for Salamander FSO Project

- TOO will supply an FSO to Salamander Energy (LSE: SMDR) for their Bualuang Field in the Gulf of Thailand
  - Estimated fully-built-up cost of $50 million (1993-built *Navion Clipper* shuttle tanker)
  - 10-year charter contract (with options to extend up to an additional 5 years)
  - Contract start-up mid-2014
- Bualuang Field initially brought on-stream in 2008
- FSO is integral to field redevelopment plans that will enable lower cost production

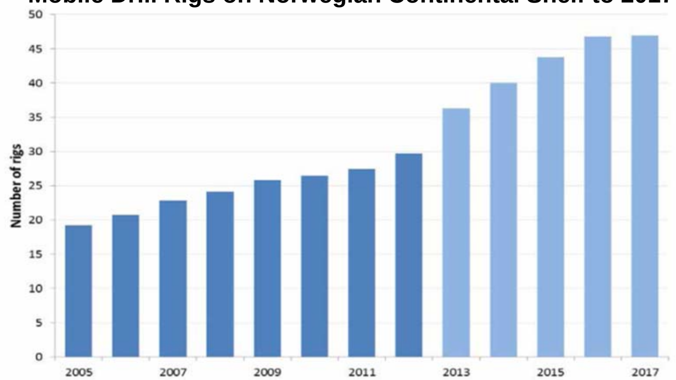
Setup will be similar to the *Pattani Spirit* with external turret mooring system

Innovation and Increasing Oil Production Driving Interaction with Customers

- Recently acquired innovative solutions give Teekay Offshore the broadest service offering in the offshore space:
  - Transportation – shuttle tankers and **Remora DP units**
  - Storage - FSOs
  - Production – ship-shape or **Sevan cylindrical** FPSOs
- Strategically focused on growing oil producing regions that value innovative solutions:
  - North Sea: (E.ON and Centrica) => Sevan cylindrical FPSOs, large-scale FSOs
  - Brazil: (Petrobras) => Remora DP unit
- Currently engaged on 5 FEED studies for FSO and FPSO projects valued at +$3bn

Key Leading Indicator

Mobile Drill Rigs on Norwegian Continental Shelf to 2017



Source: Norwegian Petroleum Directorate, The Shelf in 2012

- Production lags exploration and drilling by roughly 10 years or more on the Norwegian Continental Shelf (NCS)
- Increasing amount of drilling on the NCS suggests project pipeline for FPSOs & FSOs should be strong in the long-term

Fleet Renewal Has Temporarily Reduced Cash Flow and Net Debt

- Since Jan 2011, DCF[1] has been reduced as older ships sold or laid-up and related charters terminated or expired:

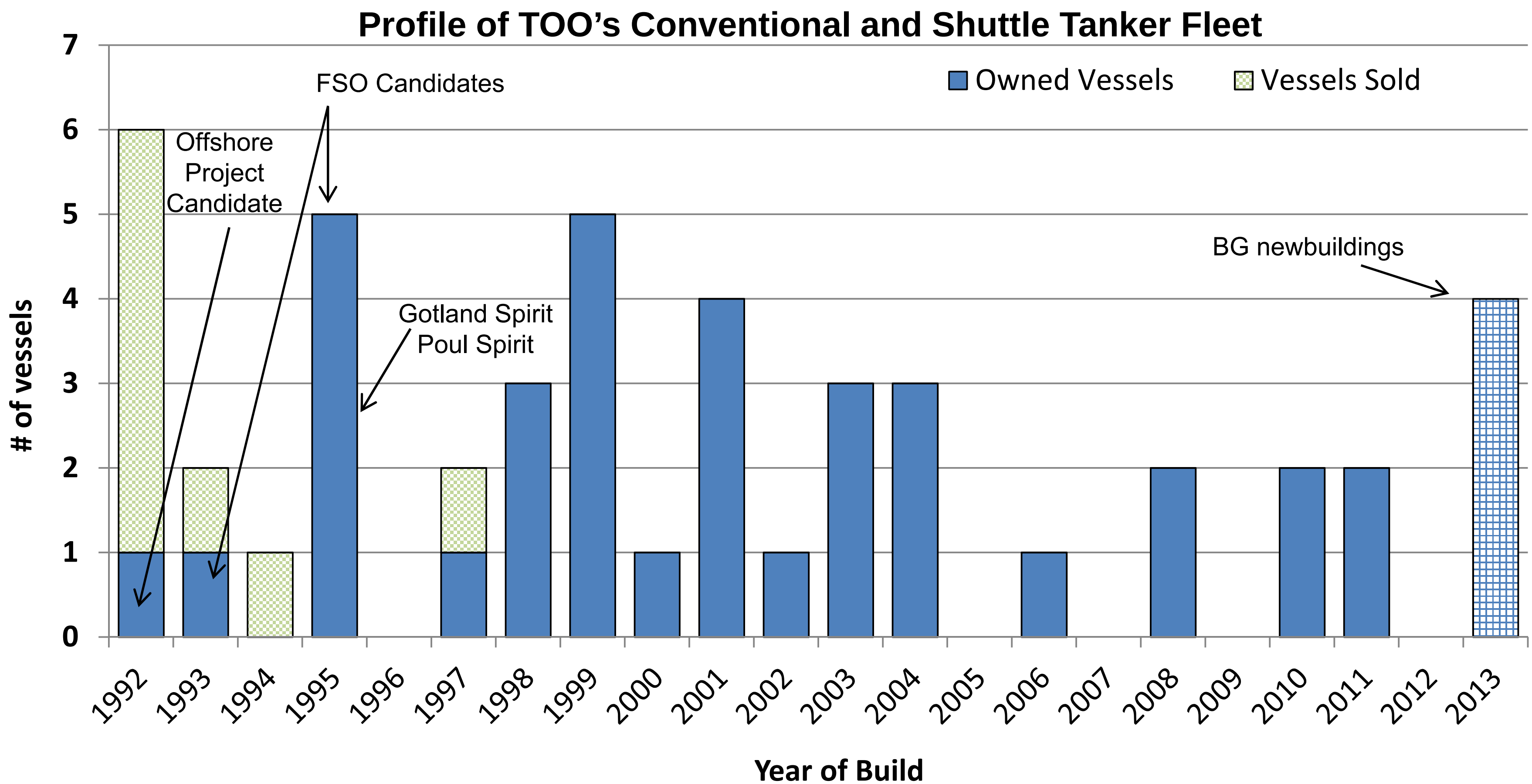
Date of Contract Termination	Vessel Name	Vessel Type	Year Built	Current Status	Annual DCF[1] Lost
Aug 2011	Scotia Spirit	Conventional Tanker	1993	Sold Q3-11	
Dec 2011	Luzon Spirit	Conventional Tanker	1992	Sold Q4-12	
Dec 2011	Leyte Spirit	Conventional Tanker	1992	Sold Q1-13	
May 2012	Hamane Spirit	Conventional Tanker	1997	Sold Q2-12	
Nov 2012	Torben Spirit	Conventional Tanker	1994	Sold Q4-12	
Total Conventional Tankers					*$21.5 million*
March 2011	Karratha Spirit	FSO	1988	Sold Q1-11	
Total FSOs					*$0.5 million*
March 2011	Basker Spirit	Shuttle Tanker	1992	Sold Q1-13	
April 2012	Navion Torinita	Shuttle Tanker	1992	Lay-up Q2-12	
July 2012	Navion Fennia	Shuttle Tanker	1992	Sold Q3-12	
Nov 2012	Navion Savonita	Shuttle Tanker	1992	Sold Q4-12	
Nov 2012	Navion Clipper	Shuttle Tanker	1993	Lay-up Q1-13	
Total Shuttle Tankers					*$14.5 million*

- $17 million of charter termination fees and $61 million of sale proceeds have been used to repay debt/reinvest

- Expect 1995-built conventional tanker *Poul Spirit* to leave fleet in 1H 2013 and 1995-built conventional tanker *Gotland Spirit* to leave fleet in Q3 2013

- [1] Distributable Cash Flow (DCF) is a non-GAAP financial measure used by certain investors to measure the financial performance of the Partnership and other master limited partnerships.

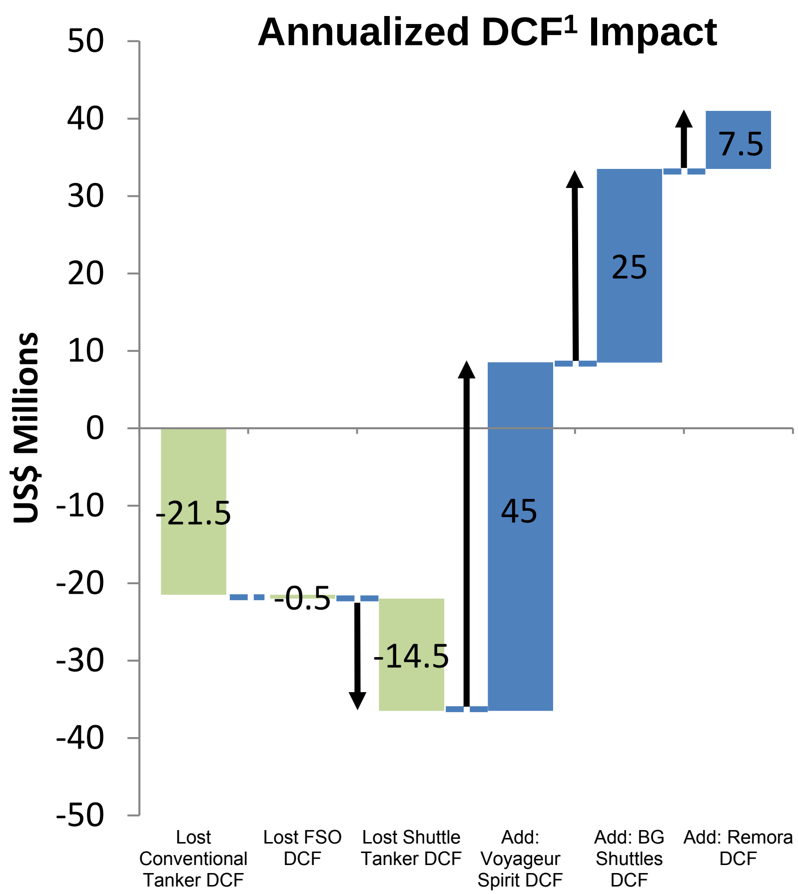
Conventional and Shuttle Tanker Fleet Renewal Now Largely Complete



- Recently sold vessels were some of the oldest in TOO's fleet
- Expect certain older vessels (e.g. 1993-built *Navion Clipper*) to be converted to FSOs
- Average age of remaining trading fleet ~9.5 years compared with average trading life of 25 years

New Projects Will Rebuild Cash Flow

- Voyageur Spirit FPSO
  - To be acquired upon commencement of charter expected in mid-March 2013
  - Expected to generate annual CFVO[1] of approximately $70 million and DCF[1] of approximately $45 million
- 4 x BG Shuttle Tankers
  - Expected to commence charters in June, July, October 2013 and January 2014
  - Expected to generate annual CFVO[1] of approximately $55 million and DCF[1] of approximately $25 million
- Remora HiLoad DP Unit
  - Expected to commence charter in early-2014
  - Expected to generate annual CFVO[1] of approximately $12 million and DCF[1] of approximately $7.5 million



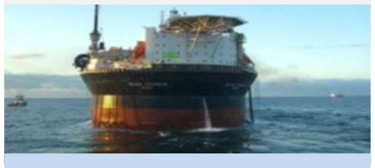
Remaining FPSOs at Teekay Corp. – Cidade de Itajai (50%), Hummingbird Spirit, Foinaven, Knarr, Banff, Petrojarl 1

[1] See Q4-2012 Earnings Release for a definition of Cash Flow from Vessel Operations (CFVO) and Distributable Cash Flow (DCF)

Visible Growth Opportunities for Teekay Offshore

NEAR-TERM | MEDIUM-TERM | LONGER-TERM

Acquisition Pending



Voyageur Spirit (E.ON)

Acquisition Pending

HiLoad DP Unit (Petrobras)

Letter of Intent Signed

FSO (Salamander Energy)

Petrojarl Banff (CNR)

Directly Ordered by TOO

4 NB Shuttle Tankers (BG)

Knarr FPSO (BG)

Petrojarl Foinaven (BP)

Engaged on 5 FEED studies for FPSOs (ship-shape and cylindrical) and FSOs valued at +$3bn with units delivering in 2016 and 2017

Cidade de Itajai (50%) (Petrobras)

Hummingbird (Centrica/Antrim)

Petrojarl I (Statoil)

Omnibus Agreements with Sevan and Remora AS expected to provide additional growth opportunities

Adjusted Operating Results for Q4 2012 vs. Q3 2012

UNAUDITED (in thousands of US dollars)	Three Months Ended December 31, 2012				Three Months Ended September 30, 2012
	As Reported	Appendix A Items (1)	Reclass for Realized Gains/Losses on Derivatives (2)	TOO Adjusted Income Statement	TOO Adjusted Income Statement
NET REVENUES					
Revenues	238,303	(2,280)	-	236,023	223,970
Voyage expenses	26,881	-	-	26,881	22,968
Net revenues	211,422	(2,280)	-	209,142	201,002
OPERATING EXPENSES					
Vessel operating expense	78,710	-	(1,104)	77,606	69,116
Time charter hire expense	15,493	-	-	15,493	14,910
Depreciation and amortization	47,029	-	-	47,029	47,549
General and administrative	17,722	(146)	-	17,576	19,082
Write down of vessels	13,529	(13,529)	-	-	-
Loss on sale of vessels	778	(778)	-	-	-
Restructuring charge	1,115	(1,115)	-	-	-
Total operating expenses	174,376	(15,568)	(1,104)	157,704	150,657
Income from vessel operations	37,046	13,288	1,104	51,438	50,345
OTHER ITEMS					
Interest expense	(10,892)	-	(14,060)	(24,952)	(25,853)
Interest income	493	-	-	493	184
Realized and unrealized gain on non-designated derivatives	31,187	(44,811)	13,624	-	-
Foreign exchange gain	2,272	(1,604)	(668)	-	-
Income taxes recovery (expense)	11,041	(8,748)	-	2,293	(1,025)
Other - net	314	107	-	421	699
Total other items	34,415	(55,056)	(1,104)	(21,745)	(25,995)
Net income from continuing operations	71,461	(41,768)	-	29,693	24,350
Net (loss) income from discontinued operations	(5,759)	5,448	-	(311)	505
Less: Net (income) loss attributable to non-controlling interests	2,982	(3,277)	-	(295)	(543)
ADJUSTED NET INCOME ATTRIBUTABLE TO THE PARTNERSHIP	68,684	(39,597)	-	29,087	24,312

(1) See Appendix A to the Partnership's Q4-12 earnings release for description of Appendix A items.

(2) Reallocating the realized gains/losses to their respective line as if hedge accounting had applied. Please refer to footnotes (3) and (4) to the Summary Consolidated Statements of Income in the Q4-12 earnings release.

Distributable Cash Flow and Cash Distribution

	Three Months Ended December 31, 2012 (unaudited)	
Net income	65,702	
Add (subtract):		
Depreciation and amortization	47,029	
Write down of vessels	13,529	
Non-cash items in discontinued operations	5,668	
Distributions relating to equity financing of newbuilding installments	2,384	
Loss on sale of vessels	778	
Unrealized gains on non-designated derivative instruments	(44,811)	
Estimated maintenance capital expenditures	(26,573)	
Deferred income tax recovery	(9,401)	
Foreign exchange and other, net	(3,250)	
Distributable Cash Flow before Non-Controlling Interest	**51,055**	
Non-controlling interests' share of DCF	(5,126)	
Distributable Cash Flow	**45,929**	**A**
Total Distributions	**44,209**	**B**
Coverage Ratio	**1.04**	**=A/B**