Teekay Offshore

Q1-19 Earnings Presentation

April 30, 2019

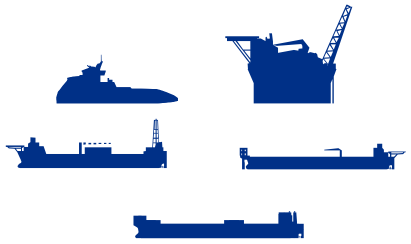
Forward Looking Statement

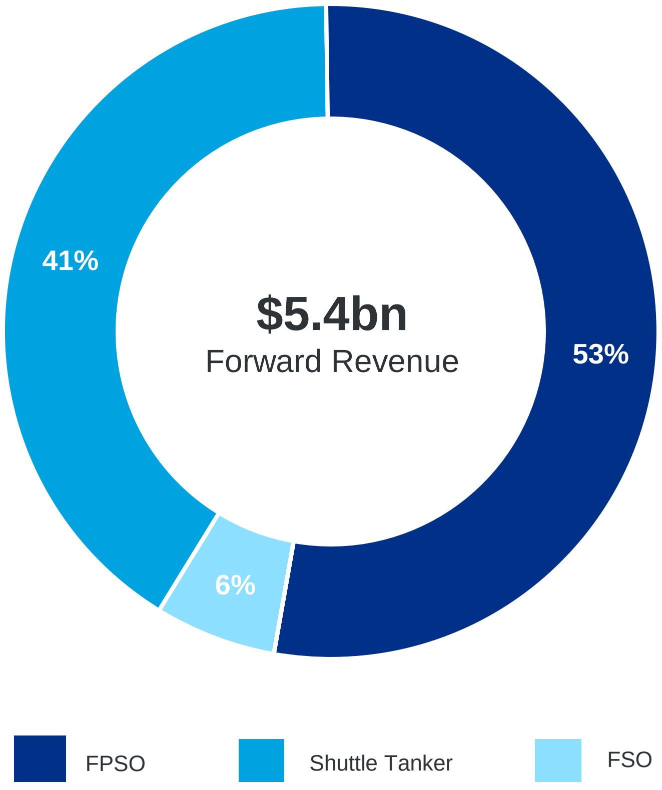
This presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including, among others: the timing and certainty of the effectiveness of the agreement with Alpha to develop the Cheviot field, including satisfaction by Alpha of the financing and other conditions precedent to its effectiveness, which conditions remain out of our control; the anticipated financing for two newbuilds; the closing and timing of the expected refinancing of the ShuttleCo revolving credit facility, and the expected related reduction in debt amortization; the expected recording of gains on sales of the Pattani Spirit FSO unit and Alexita Spirit shuttle tanker; the timing of shuttle tanker newbuilding deliveries and the commencement of related contracts; and the effect of recently completed financing transactions on the Partnership's future debt maturity profile. 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 exploration, production and storage of offshore oil and gas, either generally or in particular regions that would impact expected future growth, particularly in or related to North Sea, Brazil and East Coast of Canada offshore fields; shipyard delivery delays and cost overruns; delays in the commencement of charter contracts; the Partnership's ability to collect the amounts due under the settlement agreement with Petrobras; the ability of Alpha to satisfy all of the conditions precedent relating to the contract with Alpha, including obtaining required funding for the project and the timing of any such satisfaction; the outcome of discussions and negotiations relating to financing transactions and the terms of the related credit facilities; 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, 2018. 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.

Teekay Offshore

~2,000
Employees

57
Vessels





Blue Chip Customers

(1) As of March 31, 2019. Based on existing contracts but excludes extension options and oil tariff revenues; includes existing vessels plus proportionate share of equity-accounted vessels and estimated Varg/Alpha revenues

Highlights

Q1-19 Results

Adjusted EBITDA of $188 million in Q1-19, decreased by $101 million from Q4-18, primarily due to $91 million Petrobras settlement recognized in the fourth quarter

New Shuttle Contract

Signed six-year CoA with BP for the Lancaster field for 0.3 vessel equivalents

Piranema Extension

Entered into a contract extension for the Piranema FPSO with Petrobras for up to three years, from February 2019

Strong Towage Results

Significant improvement to $4 million adjusted EBITDA in Q1-19 from -$1 million in Q4-18, driven by high fleet utilization from the Kaombo Sul project

Financing

Good progress made on the extensive 2019 financing and refinancing program, including securing a new $414 million long-term debt facility to finance four LNG-fueled Suezmax DP2 shuttle tanker newbuildings

Solid Operational Performance in Q1-19

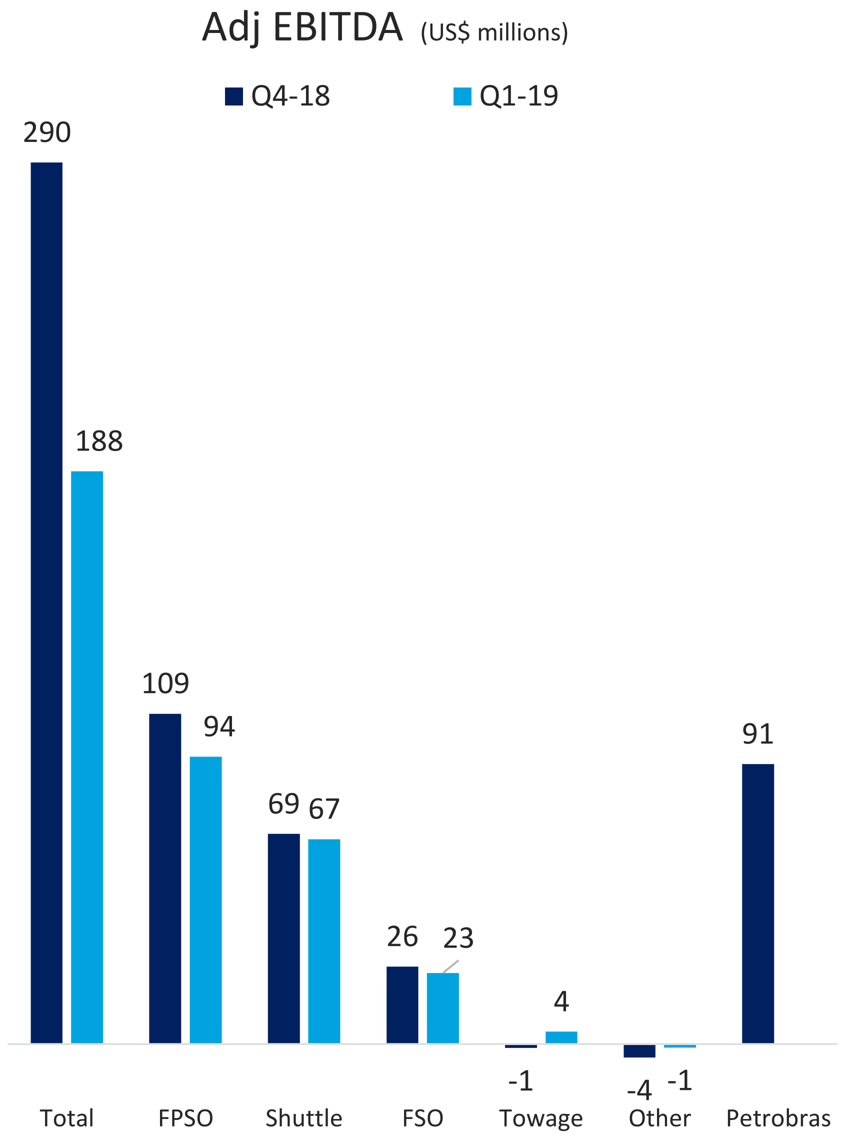
Adjusted EBITDA of $188 million, decreased by $101 million from Q4-18, primarily due to the $91 million Petrobras settlement

FPSO
Adjusted EBITDA of $94 million in Q1-19, decreased by $14 million from Q4-18, driven primarily by $6 million decrease from amortization of non-cash deferred revenue from the Piranema Spirit FPSO and maintenance bonus received from the Libra FPSO in Q4-18

Shuttle Tanker
Adjusted EBITDA of $67 million in Q1-19, decreased by $2 million from Q4-18~' excluding the Petrobras settlement of $55 million

FSO
Adjusted EBITDA of $23 million in Q1-19, decreased by $2 million from Q4-18, driven primarily by absence of a positive Randgrid contract amendment in Q4-18 and fewer days in Q1-19

Towage
Adjusted EBITDA of $4 million in Q1-19, increased by $5 million from Q4-18 from higher utilization



FPSO Segment

Contract Extension

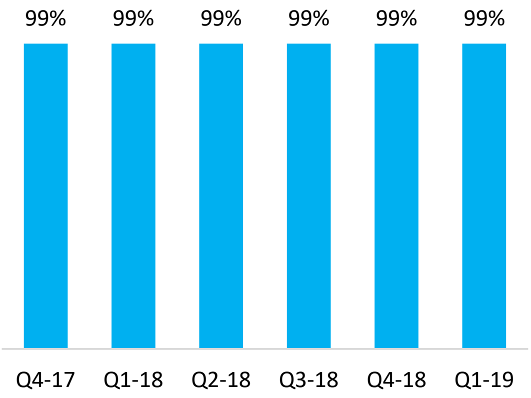
Signed Piranema Spirit FPSO contract extension agreement with Petrobras for up to 3 years, from February 2019. Expected to improve 2019 EBITDA by $25 million compared to being off contract. Termination rights with 10 months advance notice

Project Updates

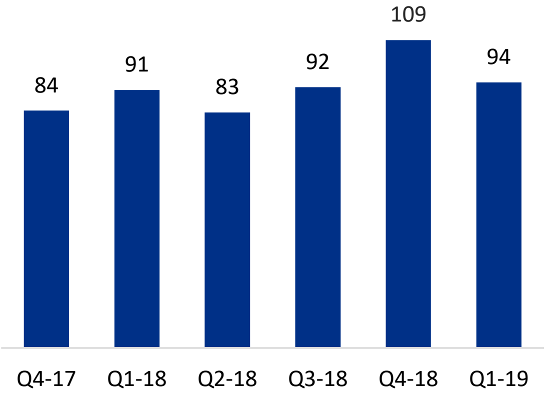
Continue to work closely with Alpha Petroleum in their attempts to complete the financing of the development of the UK Cheviot field and to effect the new charter contract for the redeployment of the Petrojarl Varg FPSO and expect a decision in the second quarter

Petrojarl Cidade Rio das Ostras arrived in Namibia in March for warm lay-up

Commercial Uptime



Adj EBITDA (US$ millions)



Shuttle Tanker Segment

New Contract

Signed six-year CoA with BP for the Lancaster field for 0.3 vessel equivalents

Newbuildings

Shuttle tanker newbuild program delivering in late-2019 through early-2021 on time and budget

First newbuild Aurora Spirit launched in late March 2019

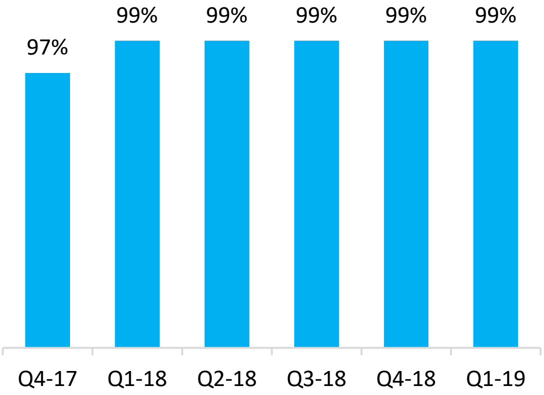
Received the Rystad Innovation Award and the Tanker Shipping & Trade Environmental Award for the LNG fueled E-shuttle tanker design

Capex

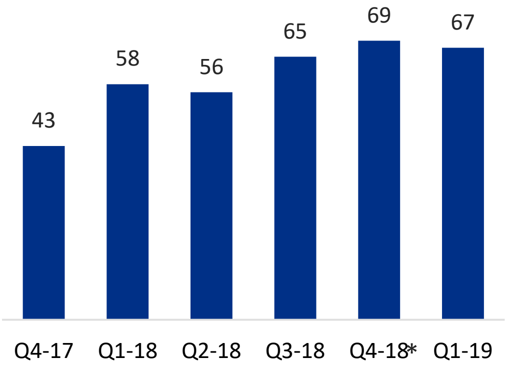
Total newbuilding program capex of approximately $820 million excluding capitalized interest

Remaining capex of $664 million as of Q1-19

On-hire



Adj EBITDA (US$ millions)



*excludes impact of Petrobras settlement

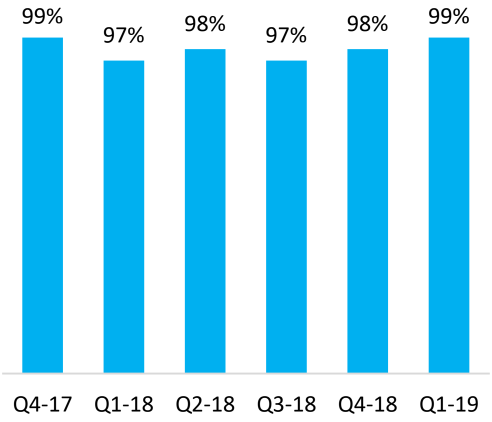
FSO Segment

FSO project update

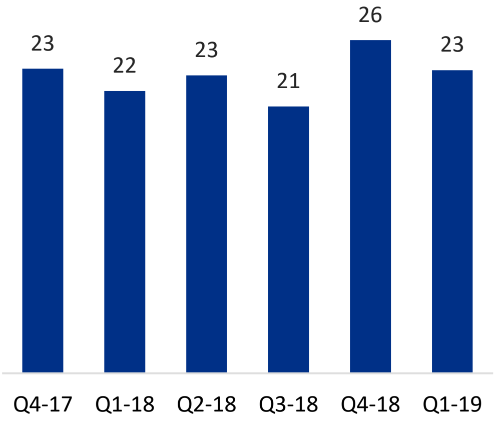
Pattani Spirit sold in April 2019 for $16 million

No outstanding debt related to the vessel

On-hire



Adj EBITDA (US$ millions)



Towage Segment

Project Updates

Five vessels performing mobilization and field installation services for Total's Kaombo Sul project in Angola

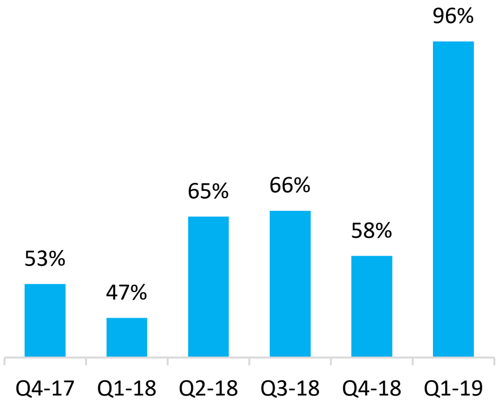
Fleet utilization increased to 96% in Q1-19

Return to profitability

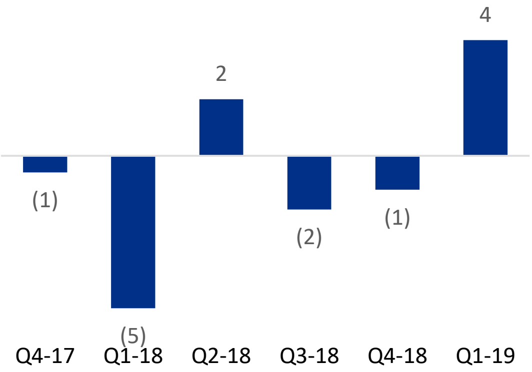
Significantly improvement to $4 million adjusted EBITDA in Q1-19 from -$1 million in Q4-18

Generally low earnings visibility but expect positive EBITDA for full year 2019

Fleet Utilization



Adj EBITDA (US$ millions)



Financing Update

Good progress made on the extensive 2019 financing and refinancing program

Shuttle Newbuilds 1-4

$414 million senior secured financing closed in April 2019 with Canadian and Norwegian Export Credit Agencies and commercial banks

Interest rate of LIBOR + 2.25%, tenor up to 12 years and average profile of 18 years

FPSO Fleet Refinancing

$100 million RCF for Piranema, Voyageur and Varg closed in April 2019 with commercial banks

Refinancing current facility that matures end of April 2019 with a balloon payment of $35 million

New facility has a three-year tenor, reducing to $45 million, bearing LIBOR + 3.00%

Shuttle RCF Refinancing

Refinancing of outstanding $450 million RCF with commercial banks

LIBOR + 2.50%, tenor of 5 years and annual amortization reduced from $100 million to $54 million

Substantially oversubscribed and subject to customary documentation with closing planned in May

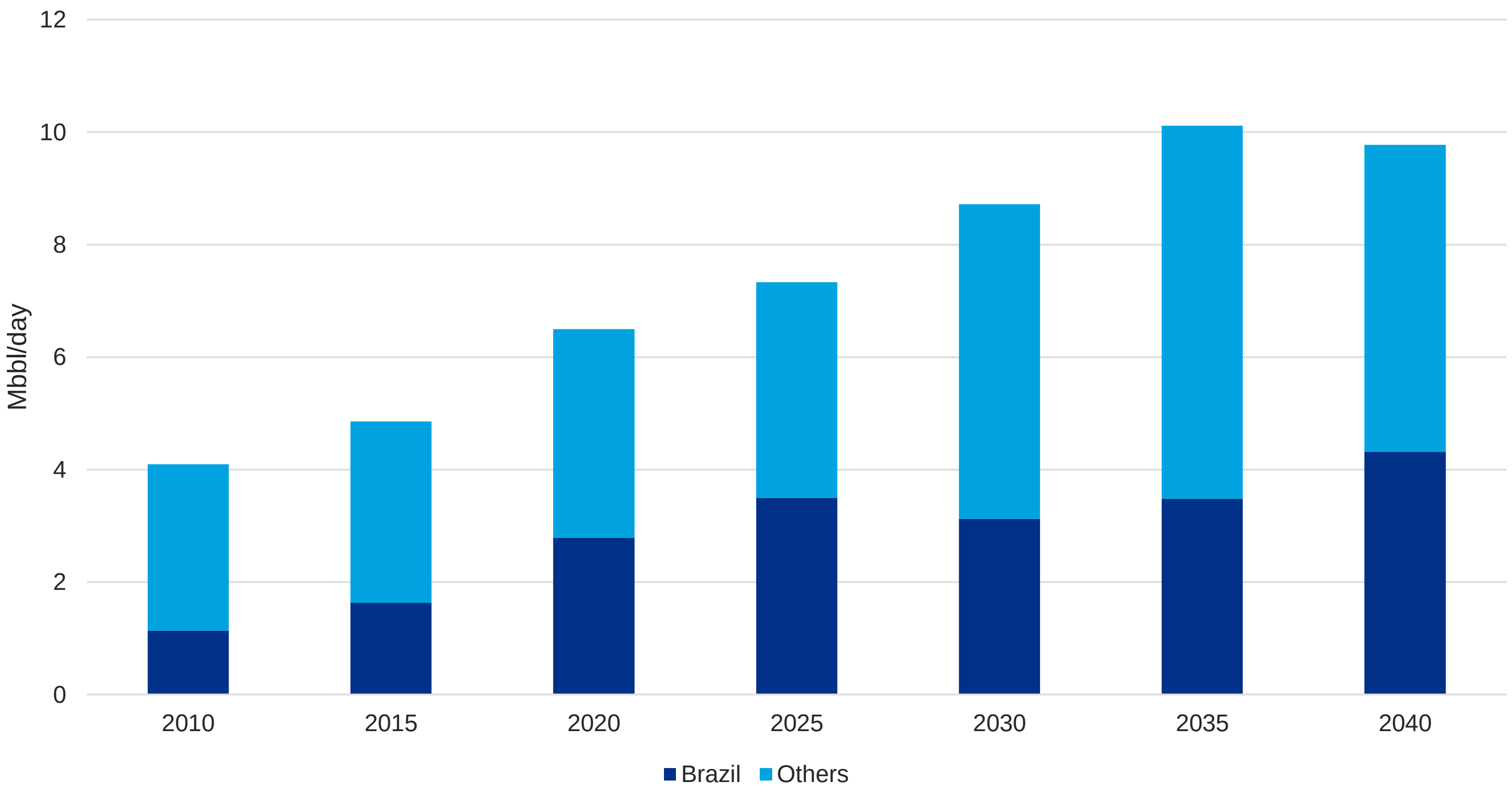
Shuttle Newbuilds 5-6

Sale and Leaseback transaction progressing with closing planned in Q2-19

Recovery Underway in TOOs Core Markets

Demand for FPSOs and shuttle tankers driven by deepwater production

Strong Growth in Deepwater Production

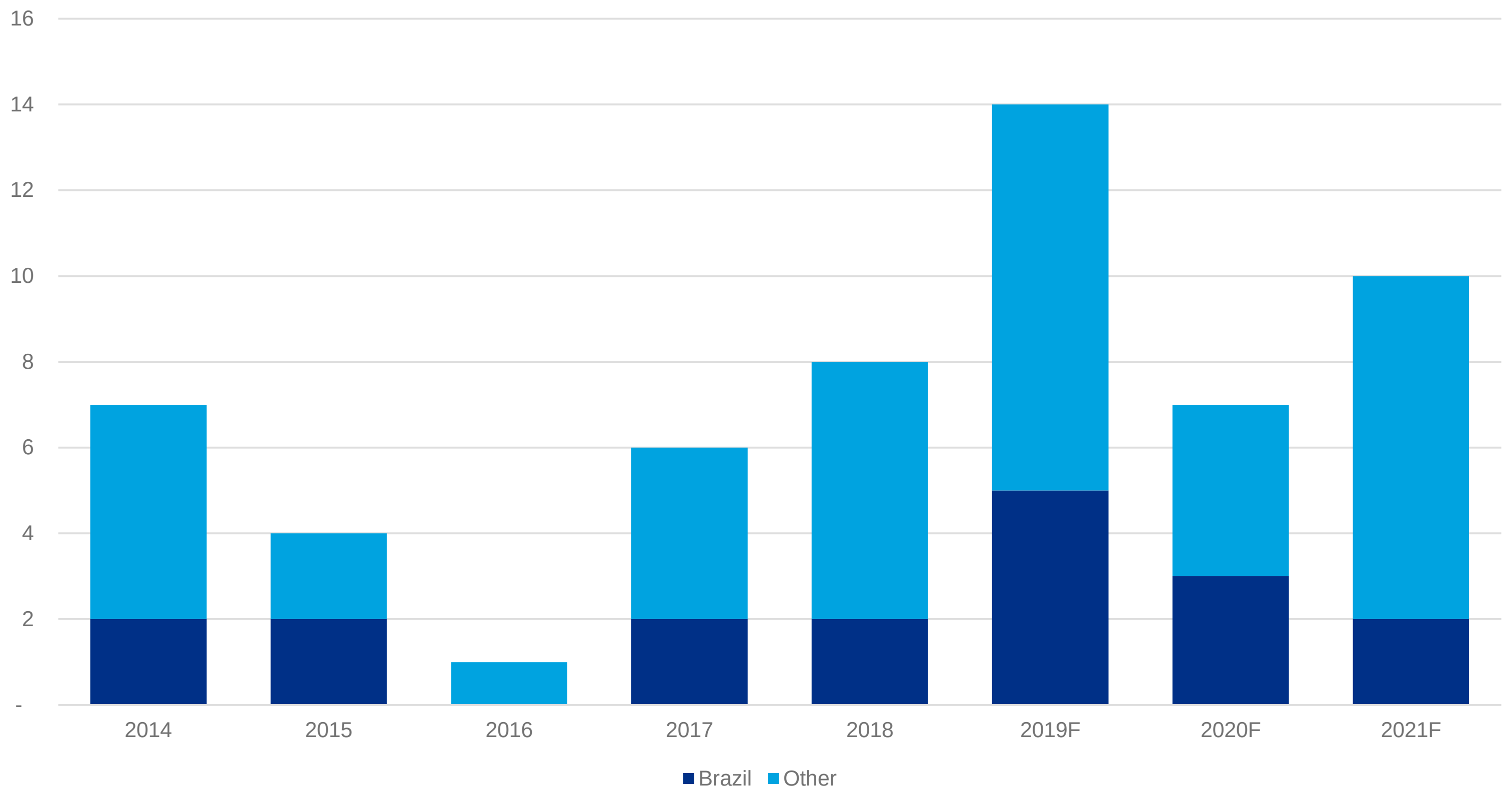


Source: Rystad

The Return of FPSO Tenders

- Smaller fields in the North Sea
- Expectation of large FPSOs for Brazil of $1.5-2bn each
- Limited supplier capacity
- $8-10bn in investments required for the next five Petrobras FPSO projects

FPSO Project Sanctions 2014-21

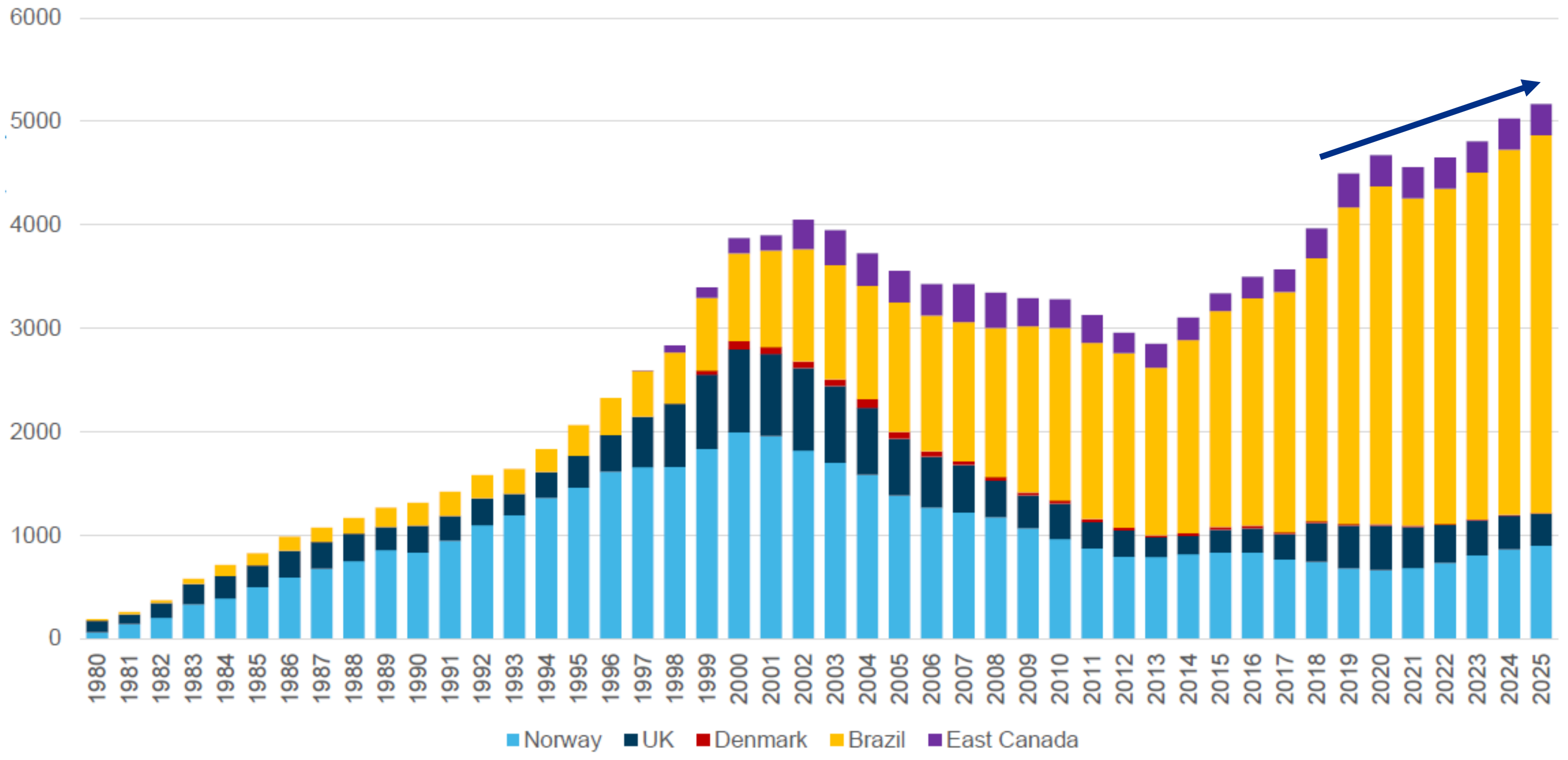


Source: Rystad

Attractive Shuttle Market Outlook

- **Increased shuttle tanker demand driven by more lifting points and increasing production**
- **Global fleet expected to decline**
- **39% of DP2 fleet retiring by 2025**
- **Average age of existing fleet is 11 years**
- **Limited newbuilds to be delivered over the next few years**

Historical/ Forecast Production (kbd) from Shuttle Fields



Source: Clarksons

2019 Priorities

- Maintain safety standards and operational excellence
- Secure FPSO charter extensions and redeployments
- Increase profitability in existing business
- Execute contemplated financing initiatives
- Strengthen balance sheet through de-levering

Appendix

Q2 2019 Outlook – Teekay Offshore Partners

Adjusted EBITDA (in USD millions)	**Q1 2019**	**Q2 2019 Outlook (compared to Q1 2019)**
Net revenues	$303m	• $15m decrease as the *Piranema* FPSO in-process revenue was fully amortized in Q1-19 • $7m decrease as the *Petrojarl Cidade de Rio das Ostras* FPSO contract ended in March 2019 • $3m decrease in the Shuttle segment due to the planned dry dockings of *Nordic Rio* and *Peary Spirit* in Q2-19 • $2m decrease in the Conventional segment due to the redelivery of *Blue Power* and *Blue Pride* in March 2019 and April 2019, respectively • Decrease in the Towage segment primarily due to lower utilization
Vessel operating expenses	($102m)	• $5m to $7m increase in the FPSO segment mainly due to timing of repairs and maintenance across the fleet • $2m increase in the FSO segment mainly due to timing of repairs and maintenance on *Randgrid* • $2m increase in the UMS segment related to an insurance settlement in Q1-19
Time-charter hire expenses	($13m)	• $4m increase in the Shuttle segment due to an increase of in-charter days to meet CoA obligations • $3m decrease in the Conventional segment due to the redelivery of *Blue Power* and *Blue Pride* in March 2019 and April 2019, respectively
General and administrative expenses	($17m)	• Expected to be in line with Q1-19
Adjusted EBITDA from equity-accounted vessels	$20m	• Expected to be in line with Q1-19
Adjusted EBITDA attributable to non-controlling interest	($3m)	• Expected to be in line with Q1-19
Adjusted EBITDA	**$188m**	

Q2-19 is currently forecasted to be the weakest quarter in 2019

FPSO Charter Summary

Unit	Location	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Libra	Brazil	Petrobras										
Knarr	Norway	Shell										
Petrojarl I	Brazil	Enauta										
Piranema	Brazil	Petrobras										
Itajai	Brazil	Petrobras										
Voyageur	UK	Premier Oil										
Varg	Norway				Alpha Petroleum (1)							
Ostras	Namibia											

Note: Please refer to 20F for contract details
(1) Subject to lifting of CPs

Firm Options Available

FSO Charter Summary

Unit	Location	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Falcon Spirit	Qatar	Qatar Petroleum										
Suksan Salamander	Thailand	Teekay Corporation										
Dampier Spirit	Australia	Jadestone										
Apollo Spirit	UK	TK										
Randgrid	Norway	Equinor										

Note: Please refer to 20F for contract details

Firm Options Available