

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

(in thousands of U.S. dollars)

**Three Months Ended June 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	11,279	10,394	2,982	11,025	35,680
Depreciation and amortization	28,704	5,557	2,991	8,911	46,163
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	14	-	-	-	14
Realized gains from the settlements of non-designated foreign exchange forward contracts	1,204	-	-	-	1,204
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	-	-	(1,545)	-	(1,545)
Falcon Spirit cash flow from time-charter contracts	-	-	2,092	-	2,092
Write-down of vessel	-	8,194	-	-	8,194
Variable interest entity	2,610	-	-	-	2,610
<b>Cash flow from vessel operations</b> <sup>(1)</sup>	<b>44,551</b>	<b>24,145</b>	<b>6,520</b>	<b>19,955</b>	<b>95,171</b>

**Three Months Ended June 30, 2010**

**(unaudited)**

	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment</b> <sup>(2)</sup>	<b>Total</b>
Income from vessel operations	17,611	8,872	5,085	11,518	43,086
Depreciation and amortization	29,280	5,921	3,829	8,894	47,924
Unrealized losses from the change in fair value of designated foreign exchange forward contracts	2,052	-	-	(14)	2,038
Realized losses from the settlements of non-designated foreign exchange forward contracts	(340)	-	-	-	(340)
Amortization of drydock expenditures on in-chartered vessel	845	-	-	-	845
Amortization of intangible	-	-	-	16	16
Amortization of deferred gain	(105)	-	-	-	(105)
Falcon Spirit revenue accounted for as direct financing lease	-	-	(1,588)	-	(1,588)
Falcon Spirit cash flow from time-charter contracts	-	-	2,078	-	2,078
Dropdown Predecessor cash flow from vessel operations	-	-	-	(4,901)	(4,901)
<b>Cash flow from vessel operations</b> <sup>(1)</sup>	<b>49,343</b>	<b>14,793</b>	<b>9,404</b>	<b>15,513</b>	<b>89,053</b>

(1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense and amortization of deferred gains, includes the realized gains (losses) on the settlements foreign exchange forward contracts and excludes the cash flow from vessel operations relating to the Partnership's Dropdown Predecessor 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 (loss) income or any other indicator of the Partnership's performance required by United States generally accepted accounting principles.

(2) Cash flow from vessel operations for FSPO segment includes the cash flows generated by the *Rio das Ostras* FPSO unit subsequent to its acquisition by the Partnership on October 1, 2010. Results for the *Rio das Ostras* FPSO unit for the periods prior to its acquisition by the Partnership when it was owned and operated by Teekay Corporation, are referred to as the Dropdown Predecessor.

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

(in thousands of U.S. dollars)

**Three Months Ended June 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	139,183	37,454	14,947	42,561	234,145
Voyage expenses	25,712	6,539	321	-	32,572
Net revenues <sup>(1)</sup>	113,471	30,915	14,626	42,561	201,573

**Three Months Ended June 30, 2010**

**(unaudited)**

	<b>Shuttle Tanker Segment</b>	<b>Conventional Tanker Segment</b>	<b>FSO Segment</b>	<b>FPSO Segment<sup>(2)</sup></b>	<b>Total</b>
Revenues	144,295	26,431	18,419	37,693	226,838
Voyage expenses	30,031	4,842	76	-	34,949
Net revenues <sup>(1)</sup>	114,264	21,589	18,343	37,693	191,889

(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.

(2) Net revenues for the *Rio das Ostras* FPSO unit for the periods prior to its acquisition by the Partnership on October 1, 2010 when it was owned and operated by Teekay Corporation, is referred to as the Dropdown Predecessor.