

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
IRC 301(c) AND 316.

18 Can any resulting loss be recognized? ►

FOR U.S. FEDERAL INCOME TAX PURPOSES, THE DISTRIBUTIONS WILL NOT RESULT IN ANY TAX LOSS FOR ANY SERIES A CUMULATIVE REDEEMABLE PREFERRED UNITHOLDERS, SERIES B CUMULATIVE REDEEMABLE PREFERRED UNITHOLDERS OR SERIES E FIXED-TO-FLOATING RATE CUMULATIVE REDEEMABLE PERPETUAL PREFERRED UNITHOLDERS.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
SEE ATTACHED STATEMENT.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ► *[Handwritten Signature]*

Date ► 6 February 2020

Print your name ► Edith Robiusion

Title ► VP + Company Secretary Teekay Offshore SP L.L.C.

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	SUSAN MCKILLIGAN	<i>[Handwritten Signature]</i>	02/05/2020		P01491547
	Firm's name ► PRICEWATERHOUSECOOPERS LLP	Firm's EIN ► 98-0189320		Phone no.1 604 806 7000	
Firm's address ► #1400-250 HOWE ST., VANCOUVER, BC, CANADA V6C 3S7					

Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Issuer: Teekay Offshore Partners LP
EIN: 98-0512555

Part I, Items 9, 10 and 12	Series A Cumulative Redeemable Preferred Units CUSIP # - Y8565J127 Ticker Symbol - TOO PR A
	Series B Cumulative Redeemable Preferred Units CUSIP # - Y8565J135 Ticker Symbol - TOO PR B
	Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units CUSIP # - Y8565J176 Ticker Symbol - TOO ^{AE}

Part II, Item 14

During the year ended December 31, 2019, Teekay Offshore declared the following cash distributions to the Series A Cumulative Redeemable Preferred unitholders on the dates of record:

	Date of Record	Amount per Unit	Date Paid
Series A Cumulative Redeemable Preferred Units	February 8, 2019	\$0.4531	February 15, 2019
	May 8, 2019	\$0.4531	May 15, 2019
	August 8, 2019	\$0.4531	August 15, 2019
	November 8, 2019	\$0.4531	November 15, 2019

During the year ended December 31, 2019, Teekay Offshore declared the following cash distributions to the Series B Cumulative Redeemable Preferred unitholders on the dates of record:

	Date of Record	Amount per Unit	Date Paid
Series B Cumulative Redeemable Preferred Units	February 8, 2019	\$0.5313	February 15, 2019
	May 8, 2019	\$0.5313	May 15, 2019
	August 8, 2019	\$0.5313	August 15, 2019
	November 8, 2019	\$0.5313	November 15, 2019

During the year ended December 31, 2019, Teekay Offshore declared the following cash distributions to the Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred unitholders on the dates of record:

	Date of Record	Amount per Unit	Date Paid
Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	February 8, 2019	\$0.5547	February 15, 2019
	May 8, 2019	\$0.5547	May 15, 2019
	August 8, 2019	\$0.5547	August 15, 2019
	November 8, 2019	\$0.5547	November 15, 2019

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 Series A and Series B cumulative redeemable preferred unitholder and each Series E fixed-to-floating rate cumulative redeemable perpetual preferred unitholder as follows:

Series A Cumulative Redeemable Preferred Units	\$0.4531 per Series A cumulative redeemable preferred unit for holders on February 08, 2019
	\$0.4531 per Series A cumulative redeemable preferred unit for holders on May 08, 2019
	\$0.4531 per Series A cumulative redeemable preferred unit for holders on August 08, 2019
	\$0.4531 per Series A cumulative redeemable preferred unit for holders on November 08, 2019

Series B Cumulative Redeemable Preferred Units	\$0.5313 per Series B cumulative redeemable preferred unit for holders on February 08, 2019
	\$0.5313 per Series B cumulative redeemable preferred unit for holders on May 08, 2019
	\$0.5313 per Series B cumulative redeemable preferred unit for holders on August 08, 2019
	\$0.5313 per Series B cumulative redeemable preferred unit for holders on November 08, 2019

Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	\$0.5547 per Series E fixed-to-floating rate cumulative redeemable perpetual preferred unit for holders on February 08, 2019
	\$0.5547 per Series E fixed-to-floating rate cumulative redeemable perpetual preferred unit for holders on May 08, 2019
	\$0.5547 per Series E fixed-to-floating rate cumulative redeemable perpetual preferred unit for holders on August 08, 2019
	\$0.5547 per Series E fixed-to-floating rate cumulative redeemable perpetual preferred unit for holders on November 08, 2019

Part II, Items 16 & 19 The reportable tax year is 2019. Unitholders as of the following dates of record should reduce the basis of each unit held on those dates by the following amounts per unit:

Series A Cumulative	\$0.4531 per Series A cumulative redeemable preferred unit for holders on February 08, 2019
Redeemable Preferred Units	\$0.4531 per Series A cumulative redeemable preferred unit for holders on May 08, 2019
	\$0.4531 per Series A cumulative redeemable preferred unit for holders on August 08, 2019
	\$0.4531 per Series A cumulative redeemable preferred unit for holders on November 08, 2019

The reduction in basis is cumulative such that a unitholder who was the unitholder of record for all four distributions would be required to reduce its basis by a total of \$1.8124 per unit.

Series B Cumulative	\$0.5313 per Series B cumulative redeemable preferred unit for holders on February 08, 2019
Redeemable Preferred Units	\$0.5313 per Series B cumulative redeemable preferred unit for holders on May 08, 2019
	\$0.5313 per Series B cumulative redeemable preferred unit for holders on August 08, 2019
	\$0.5313 per Series B cumulative redeemable preferred unit for holders on November 08, 2019

The reduction in basis is cumulative such that a unitholder who was the unitholder of record for all four distributions would be required to reduce its basis by a total of \$2.1252 per unit.

Series E Fixed-to-Floating Rate	\$0.5547 per Series E fixed-to-floating rate cumulative redeemable perpetual preferred unit for holders on February 08, 2019
Cumulative Redeemable	\$0.5547 per Series E fixed-to-floating rate cumulative redeemable perpetual preferred unit for holders on May 08, 2019
Perpetual Preferred Units	\$0.5547 per Series E fixed-to-floating rate cumulative redeemable perpetual preferred unit for holders on August 08, 2019
	\$0.5547 per Series E fixed-to-floating rate cumulative redeemable perpetual preferred unit for holders on November 08, 2019

The reduction in basis is cumulative such that a unitholder who was the unitholder of record for all four distributions would be required to reduce its basis by a total of \$2.2188 per unit.
