

Teekay Offshore Partners L.P.
Form FWP
January 16, 2018

Issuer Free Writing Prospectus

Filed Pursuant to Rule 433

Registration No. 333-221745

Dated January 16, 2018

Relating to Preliminary Prospectus Supplement

Dated January 16, 2018

PRICING TERM SHEET

8.8750% Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units

(Liquidation Preference \$25.00 per Unit)

January 16, 2018

Issuer:	Teekay Offshore Partners L.P.
Securities Offered:	8.8750% Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (the Series E Preferred Units)
Number of Firm Units:	4,600,000 units
Number of Option Units:	690,000 units
Public Offering Price:	\$25.00 per unit; \$115,000,000 total (assuming no exercise of the option to purchase additional units)
Underwriting Discounts:	\$0.7875 per unit; \$3,622,500 total assuming no exercise of the option to purchase additional units)
Maturity Date:	Perpetual (unless redeemed by the Issuer on or after February 15, 2025)
Ratings:	The Series E Preferred Units will not be rated by any nationally recognized statistical rating organization
Trade Date:	January 16, 2018
Settlement Date:	January 23, 2018 (T+5)

Liquidation Preference: \$25.00, plus accrued and unpaid distributions

Distribution Rate: From and including the original issue date to, but not including, February 15, 2025, the distribution rate for the Series E Preferred Units will be 8.8750% per annum per \$25.00 of the liquidation preference per unit (equal to \$2.21875 per unit per annum). From and including February 15, 2025, the distribution rate will be a floating rate equal to three-month LIBOR plus a spread of 640.7 basis points per annum per \$25.00 of liquidation preference per unit.

Distribution Payment Dates: Quarterly on each February 15, May 15, August 15 and November 15. The initial distribution on the Series E Preferred Units will be payable on May 15, 2018 in an amount equal to \$0.69028 per unit.

Optional Redemption: On or after February 15, 2025, the Issuer may, at its option, redeem the Series E Preferred Units, in whole or in part, at any time or from time to time, at a redemption price of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption.

CUSIP/ISIN: Y8565J 176 / MHY8565J1762

Joint Book-Running Managers: Morgan Stanley & Co. LLC
UBS Securities LLC
J.P. Morgan Securities LLC
Stifel, Nicolaus & Company, Incorporated

Co-Managers: Commonwealth Bank of Australia
ING Financial Markets LLC
Scotia Capital (USA) Inc.

Listing: The Issuer intends to file an application to list the Series E Preferred Units on the New York Stock Exchange under the symbol TOOPRE . If the application is approved, trading of the Series E Preferred Units on the New York Stock Exchange is expected to commence within 30 days after their original issue date.

ADDITIONAL INFORMATION:

All information (including financial information) presented in the Preliminary Prospectus Supplement is deemed to have changed to the extent affected by the changes described herein.

This communication is intended for the sole use of the person to whom it is provided by us. This communication does not constitute an offer to sell the Series E Preferred Units and is not soliciting an offer to buy the Series E Preferred Units in any jurisdiction where the offer or sale is not permitted.

The issuer has filed a registration statement (including a prospectus supplement and a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus supplement and prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may obtain these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus supplement and prospectus if you request it by calling Morgan Stanley & Co. LLC at 1-866-718-1649, UBS Securities LLC at 1-888-827-7275, J.P. Morgan Securities LLC at 1-212-834-4533 or Stifel, Nicolaus & Company, Incorporated at 1-855-300-7136.

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