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To the bondholders in:

ISIN NO 0010801707 **Teekay Shuttle Tankers L.L.C. 7.125% senior unsecured**
ISIN NO 0010801681 **USD 250,000,000 bonds 2017/2022**
ISIN NO 0010801699

Oslo, 9 October 2017

Information to Bondholders – Merger of Bonds

Nordic Trustee AS acts as bond trustee (the "**Bond Trustee**") for the holders of bonds in the above-mentioned bond issue (the "**Bond Issue**") issued by Teekay Shuttle Tankers L.L.C. (the "**Issuer**") pursuant to the bond terms dated 9 August 2017 (the "**Bond Agreement**")

Reference is made to Teekay Offshore Partners L.P.'s announcements on 25 September 2017 regarding closing of the strategic transaction with Brookfield and on 5 October 2017 regarding the repurchase of outstanding bonds with ISIN NO 001063532.9 ("**TOP 02**") and ISIN NO 001067012.8 ("**TOP 04**").

On 9 October 2017, the temporary ISIN series (ISIN NO 0010801681 and ISIN NO 0010801699) for Teekay Shuttle Tankers L.L.C. 7.125% Senior Unsecured bonds 2017/2022 (the "**Temporary ShuttleCo Bonds**") issued against in-kind delivery of TOP 02 and TOP 04 bonds will be permanently merged with the surviving Bonds with ISIN NO 0010801070.7 ("**Surviving ShuttleCo Bonds**"). The merger will be carried out by conversion of Temporary ShuttleCo Bonds into Surviving ShuttleCo Bonds in the ratio of 1:1.

Yours sincerely

Nordic Trustee AS


Lars Erik Lærum