

Teekay Offshore Partners L.P.
Form SC 13D/A
September 28, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 13D/A
Under the Securities Exchange Act of 1934
(Amendment No. 2)*

Teekay Offshore Partners L.P.
(Name of Issuer)

Common Units, representing limited partner interests

(Title of Class of Securities)

Y8565J 10 1

(CUSIP Number)

Edith Robinson

4th Floor, Belvedere Building

69 Pitts Bay Road

Hamilton, HM 08, Bermuda

Telephone: (441) 298-2530

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

September 25, 2017

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP NO. Y8565J 10 1

1. Names of Reporting Persons

I.R.S. Identification Nos. of above persons (entities only)

Teekay Corporation 98-0224774

2. Check the Appropriate Box if a Member of a Group

(a) (b)

3. SEC Use Only

4. Source of Funds

OO

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

The Republic of the Marshall Islands

Number of **7. Sole Voting Power**

Shares

Beneficially 56,587,484

8. Shared Voting Power

Owned By

Each

0

Reporting **9. Sole Dispositive Power**

Person

With 56,587,484

10. Shared Dispositive Power

0

11. Aggregate Amount Beneficially Owned by Each Reporting Person

56,587,484^

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares

13. Percent of Class Represented by Amount in Row (11)

13.8%*

14. Type of Reporting Person

CO

^ This amount excludes securities of the issuer beneficially owned by Brookfield Asset Management Inc. and its affiliates. See Item 5.

* As of the date of this Amendment No. 2 to the Schedule 13D filed by Teekay Corporation (formerly Teekay Shipping Corporation) on December 26, 2006, as amended on August 1, 2017 (this Amendment), Teekay Corporation beneficially owns 56,587,484 common units (Common Units) representing limited partner interests in Teekay Offshore Partners L.P. (the Issuer), which (i) excludes the 2% general partner interest held by Teekay Offshore GP L.L.C., the general partner of the Issuer (the General Partner), and (ii) excludes warrants to purchase an additional 14,500,000 Common Units that are not currently exercisable, but will become exercisable during the period commencing on the first date that the ten-day volume-weighted average price of the Common Units is equal to or greater than \$4.00 per unit and ending on September 25, 2024. In addition, as of the date of this Amendment, Teekay Corporation beneficially owns 51% of the limited liability company interests in the General Partner, which may be reduced to 49% upon the occurrence of certain events. The General Partner has a 2% general partner interest in the Issuer and incentive distribution rights, which represent the right to receive an increasing percentage of quarterly distributions in excess of specified amounts. The beneficial owners of the General Partner, including Teekay Corporation, are the indirect beneficial owners of the General Partner's general partner interest in the Issuer and the associated incentive distribution rights. This calculation is based on 410,045,210 Common Units outstanding as of September 25, 2017, immediately following the closing of the transactions described herein.

Explanatory Note:

This Amendment No. 2 (this Amendment) amends and supplements the statement on Schedule 13D filed by Teekay Corporation (formerly Teekay Shipping Corporation) on December 26, 2006, as amended on August 1, 2017 (the Prior Schedule 13D). Except as specifically provided herein, this Amendment does not modify any of the information previously reported on the Prior Schedule 13D. All capitalized terms contained herein but not otherwise defined shall have the meanings ascribed to such terms in the Prior Schedule 13D.

Item 4. Purpose of Transaction

This Amendment amends and restates Item 4 of the Prior Schedule 13D in its entirety as set forth below:

The Reporting Person, directly or through its subsidiaries, has disposed of a portion of its limited liability company interests in the General Partner of the Issuer, and acquired securities of the Issuer, in connection with the closing of the transactions contemplated by the following agreements entered into on July 26, 2017 and described in Item 6 of the Prior Schedule 13D: (i) the Purchase Agreement (the GP Purchase Agreement) between Teekay Holdings Limited, a wholly owned subsidiary of the Reporting Person (Teekay Holdings) and Brookfield TK TOGP L.P. (Brookfield TOGP), pursuant to which Teekay Holdings has sold 49% of the limited liability company interests in the General Partner to Brookfield TOGP for an aggregate purchase price of \$4 million, with an option for Brookfield TOGP to acquire an additional 2% of the limited liability company interests in the General Partner upon the occurrence of certain events described in Item 6 of the Prior Schedule 13D, (ii) the Investment Agreement between the Issuer and Teekay Holdings, pursuant to which the Issuer has sold (a) 12,000,000 Common Units (the Teekay Purchased Common Units) and (b) warrants to purchase 3,059,055 Common Units (the Teekay Purchased Warrants) and, together with the Teekay Purchased Common Units, the Teekay Purchased Securities) to Teekay Holdings for an aggregate purchase price of \$30 million (the Teekay Investment Agreement), (iii) the Investment Agreement between the Issuer and Brookfield TK TOLP L.P. (Brookfield TOLP), pursuant to which the Issuer has sold (a) 244,000,000 Common Units (the Brookfield Purchased Common Units) and (b) warrants to purchase 62,440,945 Common Units (the Brookfield Purchased Warrants) and, together with the Brookfield Purchased Common Units, the Brookfield Purchased Securities) to Brookfield TOLP for an aggregate purchase price of \$610 million (the Brookfield Investment Agreement), and (iv) the Amended and Restated Subordinate Promissory Note (the Amended and Restated Promissory Note), pursuant to which, among other things, the Subordinate Promissory Note issued by the Issuer to the Reporting Person on July 1, 2016 in the principal amount of \$200 million has been assigned by the Reporting Person to, and assumed by, Brookfield TOLP for a purchase price of \$140 million plus 11,440,945 of the Brookfield Purchased Warrants. The transactions contemplated by the GP Purchase Agreement, the Teekay Investment Agreement, the Brookfield Investment Agreement and the Amended and Restated Promissory Note are collectively referred to in this Amendment as the Transactions.

As of the date of this Amendment, other than as disclosed herein and in the Prior Schedule 13D, the Reporting Person has no plan or proposal that relates to, or would result in, any of the items set forth in the instructions to this Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer

This Amendment amends and restates Item 5 of the Prior Schedule 13D in its entirety as set forth below:

(a) As of the date of this Amendment, the Reporting Person beneficially owns and has sole dispositive and voting power with respect to 56,587,484 Common Units, representing 13.8% of the outstanding Common Units of the Issuer as of September 25, 2017 immediately following the closing of the Transactions, and holds warrants to purchase an

additional 14,500,000 Common Units that are not currently exercisable, but will become exercisable during the period commencing on the first date that the ten-day volume-weighted average price of the Common Units is equal to or greater than \$4.00 per unit and ending on September 25, 2024. In addition, as of the date of this Amendment, the Reporting Person beneficially owns 51% of the limited liability company interests in the General Partner, which may be further reduced to 49% upon the occurrence of certain events described in Item 6 of the Prior Schedule 13D.

As described in Item 6 of the Prior Schedule 13D, the Reporting Person and its affiliates have entered into agreements with certain affiliates of Brookfield Asset Management Inc. (BAM) that provide such affiliates with certain governance and other rights with respect to the Issuer and, as a result of such agreements, the Reporting Person and Brookfield Asset Management Inc. and certain of its affiliates (collectively, the Brookfield TK Entities) may be deemed to have formed a group within the meaning of Section 13(d)(5) of the Securities Exchange Act of 1934, as amended. The Brookfield TK Entities have informed the Reporting Person that the Brookfield TK Entities beneficially own 244,000,000 Common Units and warrants exercisable for 51,000,000 Common Units. Such amounts exclude 175,207 Common Units and 675,000 warrants to purchase Common Units held by affiliates of BAM not party to the aforementioned agreements. Not including Common Units to be issued upon the exercise of warrants held by the Reporting Person, the Reporting Person and the Brookfield TK Entities, collectively, may be deemed to beneficially own 351,587,484 Common Units of the Issuer, constituting approximately 76.3% of the 461,045,210 Common Units, comprised of 410,045,210 Common Units outstanding as of September 25, 2017, immediately following the closing of the Transactions, and 51,000,000 Common Units to be issued upon the exercise of warrants held by the Brookfield TK Entities. Including Common Units to be issued upon the exercise of warrants held by the Reporting Person, which warrants are not currently exercisable, but will become exercisable during the period commencing on the first date that the ten-day volume-weighted average price of the Common Units is equal to or greater than \$4.00 per unit and ending on September 25, 2024, the Reporting Person and the Brookfield TK Entities, collectively, may be deemed to beneficially own 366,087,484 Common Units of the Issuer, constituting approximately 77.0% of the 475,545,210 Common Units, comprised of 410,045,210 Common Units outstanding as of September 25, 2017, immediately following the closing of the Transactions, and 65,500,000 Common Units to be issued upon the exercise of the warrants held by the Brookfield TK Entities and the Reporting Person. The Reporting Person expressly disclaims beneficial ownership of the securities beneficially owned by the Brookfield TK Entities. The Reporting Person expressly retains the sole voting and investment power of the Common Units that the Reporting Person beneficially owns.

(b) The Reporting Person has the sole power to vote or direct the vote and to dispose or direct the disposition of the Common Units owned by the Reporting Person.

(c) Except as described herein, the Reporting Person has not effected any transactions in the Common Units during the past 60 days.

(d) No other person is known by the Reporting Person to have the right to receive or the power to direct the receipt of distributions from, or the proceeds from the sale of, Common Units beneficially owned by the Reporting Person.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: September 27, 2017

Teekay Corporation

/s/ Edith Robinson
Name: Edith Robinson

Title: Assistant Corporate Secretary