

Denne meldingen til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS.

To the Bondholders in:

**ISIN NO 001 080170.7 – Teekay Shuttle Tankers L.L.C. 7.125% Senior Unsecured
USD 250,000,000 Bond Issue 2017/2022**

10 September 2019

Summons to Bondholders' Meeting

Nordic Trustee AS acts as Bond Trustee for the above mentioned Bond Issue.

All capitalised terms used and not otherwise defined herein shall have the same meaning assigned to them in the bond agreement dated 9 August 2017 (the “**Bond Terms**”) for the 7.125 per cent Senior Unsecured USD 250,000,000 Bond Issue 2017/2022 with ISIN NO 001 080170.7 between Teekay Shuttle Tankers L.L.C. (the “**Issuer**”) and Nordic Trustee AS (previously Nordic Trustee ASA) (the “**Bond Trustee**”).

The information in this summons regarding the Issuer is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

1. Background

The Issuer is part of the Teekay Offshore Partners group and is in the business of owning, operating and chartering shuttle tanker vessels. The Issuer issued the Bonds in an aggregate principal amount of USD 250,000,000 on 15 August 2017, all of which remains outstanding at the date hereof. The Bonds are listed on Oslo Børs.

The Issuer is proposing certain formal amendments to the Bond Terms as further described in section 2 (Summary of proposed amendments) and Schedule 2 (Form of Amendment Agreement) below (the “**Proposal**”).

2. Summary of proposed amendments

The proposed, detailed amendments to the Bond Terms are set out in Schedule 2 (Form of Amendment Agreement) (the “**Amendment Agreement**”), the main changes being:

- (i) The Change of Control Event pertaining to the continued listing of the common units of Teekay Offshore Partners L.P. (“**TOO**”) on the New York Stock Exchange (or another recognized stock exchange) shall be deleted in its entirety and be replaced by a definition whereby it shall constitute a Change of Control Event if any person or group of persons acting in concert, other than Brookfield Business Partners L.P. and its affiliates and institutional partners from time to time, gains Decisive Influence over the Issuer, and

- (ii) The addition of an information undertaking from the Issuer to procure that TOO shall continue to provide, upon the request of the Bond Trustee, relevant financial statements of TOO (or any permitted successor entity) (as defined in Schedule 2) to the Bond Trustee for distribution to the Bondholders, even in the event that public reporting of TOO accounts to the SEC is discontinued.
- (iii) In consideration for the consent to the changes to be given in (i) and (ii) above by the Bondholders, the price to be paid by the Issuer for the Outstanding Bonds on the Maturity Date will be 101 per cent. of the Nominal Amount (plus accrued interest on redeemed amount).

3. Conditions

The Proposal shall be effective from the date of which the conditions precedent set out in clause 3 (Conditions Precedent) of the Amendment Agreement have been satisfied (or waived), as determined by the Bond Trustee, however, so that the Bond Terms will remain unchanged unless the Amendment Agreement has been duly executed and each of the other conditions precedent set out in clause 3 (Conditions Precedent) of the Amendment Agreement have been satisfied (or waived), as determined by the Bond Trustee, no later than 5 Business Days following the Bondholders' Meeting.

4. Evaluation of the Proposal

4.1 The Issuer's evaluation

The Issuer believes the substantive effect of the Proposal to Bondholders is neutral, and that no material change will result therefrom. With equivalent reporting requirements pertaining to TOO maintained regardless of whether the common units become de-listed, the proposed amendment will result in no substantive difference from the Bondholders' point of view.

4.2 Bond Trustee evaluation and no-reliance

The Proposal is put forward to the Bondholders without further evaluation or recommendation from the Bond Trustee, and the Bond Trustee emphasises that each Bondholder should cast its vote in the Bondholders' Meeting based on its own evaluation of the Proposal. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly. The Bond Trustee urges each Bondholder to seek advice in order to evaluate the Proposal.

For further questions to the Bond Trustee, please contact Lars Erik Lærum at laerum@nordictrustee.com or +47 22 87 94 06.

4.3 Further information

For further information about the Issuer, please visit Teekay Offshore Partners' website www.teekay.com/business/offshore/

The Issuer has engaged DNB Markets, a part of DNB Bank ASA as its financial advisor (the “**Advisor**”) with respect to the Proposal. Accordingly, Bondholders may contact the Advisor at bond.syndicate@dnb.no for further information on the Proposal.

The Issuer has advised that it has secured indicative support from Bondholders representing more than 50 per cent of the Bonds.

5. Summons for Bondholders’ Meeting

The Bondholders are hereby summoned to a Bondholders’ Meeting:

Time: 24 September 2019 at 13:00 hours (Oslo time)

Place: The premises of Nordic Trustee AS,
Kronprinsesse Märthas plass 1, 0160 Oslo – 7th floor

Agenda:

1. Approval of the Summons
2. Approval of the agenda
3. Election of two persons to co-sign the minutes together with the chairman
4. Request for adoption of the Proposal

It is proposed that the Bondholders’ Meeting resolve the following:

“The Bondholders’ Meeting approves the Proposal as described in section 2 (Summary of proposed amendments) and Schedule 2 (Form of Amendment Agreement) of the summons to this Bondholders’ Meeting.

The Bond Trustee is hereby authorized to prepare, negotiate, finalize and enter into the necessary agreements in connection with documenting the decisions made at the Bondholders’ Meeting as well as carry out necessary completion work, including agreeing on necessary amendments to the Bond Terms and any other Finance Document.”

* * * *

To approve the Proposal, Bondholders representing more than two-thirds of the Voting Bonds represented (in person or by proxy) at the Bondholders’ Meeting must vote in favour of the Proposal. In order to have a quorum at least ½ of the Voting Bonds must be represented at the relevant Bondholders’ Meeting.

If the above resolutions are not adopted as proposed herein, the Bond Terms will remain unchanged.

Please find attached a Bondholder’s Form from the Securities Depository (VPS) as Schedule 1 hereto, indicating your bondholding at the printing date. The Bondholder’s Form will serve

as proof of ownership of the Bonds and of the voting rights at the Bondholders' Meeting. (If the Bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

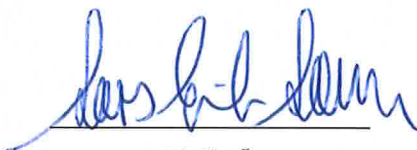
The individual Bondholder may authorise the Bond Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising the Bond Trustee to vote, must then be returned to Nordic Trustee AS in due time before the meeting is scheduled (by scanned e-mail, telefax or post to mail@nordictrustee.com, +47 22 87 94 10, or Nordic Trustee AS, PO Box 1470 Vika, 0116 Oslo, Norway).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' Meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail (as set out at the first page of this letter) within 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely

Nordic Trustee AS



Lars Erik Lærum

Enclosed:

Schedule 1 – Bondholder's Form

Schedule 2 – Form of Amendment Agreement

ISIN: NO 001 080170.7

Amendment Agreement

to

the Bond Terms

between

Teekay Shuttle Tankers L.L.C.
(the “Issuer”)

and

Nordic Trustee AS
(the “Bond Trustee”)

on behalf of

the bondholders
(the “Bondholders”)

in bond issue

7.125 per cent Senior Unsecured USD 250,000,000 Bonds 2017/2022

THIS AMENDMENT AGREEMENT (the “**Amendment Agreement**”) is dated [●] September 2019 and made between

- (1) **Teekay Shuttle Tankers L.L.C.** (a limited liability company existing under the laws of Marshall Islands with registration number 963965), LEI code 549300HNHHJ4SJVPDR57 as issuer (the “**Issuer**”); and
- (2) **Nordic Trustee AS** (previously named Nordic Trustee ASA, a company existing under the laws of Norway with registration number 963 342 624) as bond trustee (the “**Bond Trustee**”).

Capitalised terms used but not defined herein shall have the meaning ascribed to such term in the Bond Terms (as defined below).

1. The Scope of the Amendment Agreement

- (A) Pursuant to a bond agreement dated 9 August 2017 (the “**Bond Terms**”) for the bond issue “7.125 per cent. Teekay Shuttle Tankers L.L.C. Senior Unsecured USD 250,000,000 Bond Issue 2017/2022” with ISIN NO 001 080170.7 the Issuer has issued a series of Bonds in USD.
- (B) Upon the Issuer’s request, a Bondholders’ Meeting was held on 24 September 2019, in which the Bondholders adopted certain resolutions (the “**Resolutions**”) which, inter alia, involved certain amendments of the Bond Terms.
- (C) According to the Resolutions, the Bond Trustee is authorised to prepare, negotiate, finalize and enter into any necessary agreements to implement the Resolutions.
- (D) The Parties have entered into this Amendment Agreement to document the implementation of the Resolutions.
- (E) This Amendment Agreement is a Finance Document.

IT IS AGREED THAT:

2. Amendments to the Bond Terms

2.1 The Bond Terms is hereby amended as follows:

2.1.1 The following new definitions shall be added to Clause 1.1:

“**Exchange Act**” means the Securities Exchange Act of 1934 of the United States of America.

“**Securities Act**” means the Securities Act of 1933 of the United States of America.

“TOO” means Teekay Offshore Partners L.P. or its successor following an internal reorganization of the Teekay Offshore group of companies, including any conversion of Teekay Offshore Partners L.P. into an alternative corporate form, such as a Limited Liability Company or C-Corporation.

- 2.1.2 The definition of “Change of Control Event” in Clause 1.1 shall be deleted in its entirety and be replaced with the following:

“Change of Control Event” means an event where any person or group of persons acting in concert, other than the Permitted Holders, gains Decisive Influence over the Issuer.

For the purposes hereof “Permitted Holders” shall mean Brookfield Business Partners L.P. and its Affiliates and institutional partners from time to time.

- 2.1.3 Clause 10.1 shall be deleted in its entirety and be replaced with the following:

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 101 per cent. of the Nominal Amount (plus accrued interest on redeemed amount).

- 2.1.4 A new Clause 12.4 (a) shall be added as follows:

For so long as any of the Bonds remain outstanding, the Issuer will procure that TOO make available upon request from the Bond Trustee (on behalf of any Bondholder), the information specified in Rule 144A(d)(4) of the Securities Act with respect to TOO, unless TOO is then subject to Section 13 or 15(d) of the Exchange Act, no later than 10 Business Days after the Bond Trustee having made such request to TOO.

The current Clauses 12.4 (a) – (g) shall be renumbered Clauses 12.4 (b) – (h).

3. Conditions Precedent

This Amendment Agreement shall become effective on the date of delivery of the following conditions precedent documents:

- (i) this Amendment Agreement duly executed by all parties hereto;
- (ii) certified copies of all necessary corporate resolutions of the Issuer to execute this Amendment Agreement to which it is a party;
- (iii) a certified copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of this Amendment Agreement evidencing such individuals’ authorisation to execute such Finance Documents on behalf of the Issuer; and

- (iv) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of this Amendment Agreement).

4. Confirmation of the Bond Terms

Except as expressly amended by the Resolutions and documented by this Amendment Agreement, the Bond Terms and the other Finance Documents shall remain in full force and effect. Any reference in any Finance Document to the Bond Terms shall be a reference to the Bond Terms as amended and/or supplemented by the Resolutions and documented by this Amendment Agreement.

5. Dispute resolution and legal venue

This Amendment Agreement shall be governed by Norwegian law and Clause 19 (*Governing law and jurisdiction*) of the Bond Terms shall apply to this Amendment Agreement as if inserted herein and as if references to this “Bond Terms” were references to this Amendment Agreement.

(signature page follows)

SIGNATORIES:

Issuer:

Teekay Shuttle Tankers L.L.C.

Bond Trustee:

Nordic Trustee AS

By: _____

Name:

Title:

By: _____

Name:

Title:

This Amendment Agreement has been executed in – 2 – two - copies (originals), of which the Parties hereto keep one each.