



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
MARKET REGULATION

September 18, 2006

M. Christopher Hall, Esq.
Perkins Coie LLP
1120 NW Couch Street, Tenth Floor
Portland, OR 97209-4128

Re: Mandatory Cash Tender Offer for Petrojarl ASA by TPO Investments AS
File No. TP 06-102

Dear Mr. Hall:

This is in response to your letter dated September 18, 2006. A copy of that letter is attached with this response. By including a copy of your correspondence, we avoid having to repeat or summarize the facts you presented. The defined terms in this letter have the same meaning as in your letter, unless otherwise noted.

On the basis of your representations and the facts presented, but without necessarily concurring in your analysis, the United States Securities and Exchange Commission ("Commission") hereby grants an exemption from Rule 14e-5 under the Securities Exchange Act of 1934 ("Exchange Act") to permit the Prospective Purchasers to purchase or arrange to purchase Petrojarl ASA ("Petrojarl") Shares pursuant to the Offer, particularly in light of the following facts:

- The Offer is required to be conducted in accordance with Norwegian law, in particular the Norwegian Securities Trading Act of 1997 ("NSTA");
- Petrojarl, a public limited company incorporated and registered under the laws of Norway, is a "foreign private issuer," as defined in Rule 3b-4(c) under the Exchange Act;
- Any purchases of Shares of Petrojarl by the Prospective Purchasers will be subject to the NSTA, which among other things requires that the Offer Price be increased to match any purchases made outside the Offer at a price per Share higher than the Offer Price; and
- The existence of the Memorandum of Understanding on Exchange of Information between the Commission and the Banking, Insurance and Securities Commission of Norway Concerning Consultation and Cooperation in the Administration and Enforcement of Securities Laws, dated September 24, 1991.

The Commission grants this exemption from Rule 14e-5 under the Exchange Act to permit the Prospective Purchasers to purchase or arrange to purchase Shares otherwise than pursuant to the Offer, subject to the following conditions:

1. No purchases or arrangements to purchase Shares, otherwise than pursuant to the Offer, shall be made in the United States;
2. The Offer Documents shall disclose prominently the possibility of, or the intention to make, purchases of Shares by the Prospective Purchasers during the Offer;
3. The Prospective Purchasers shall disclose in the United States, to the extent such information is made public in Norway pursuant to Norwegian law, information regarding all purchases of Shares otherwise than pursuant to the Offer since the announcement date, including the dates of such purchases, the number of Shares purchased on any given date, and the average market price of such purchases;
4. The Prospective Purchasers shall provide to the Division of Market Regulation ("Division"), upon request, a daily time-sequenced schedule of all purchases of Shares made by any of the them during the Offer, on a transaction-by-transaction basis, including:
 - a. size, broker (if any), time of execution, and price of purchase; and
 - b. if not executed on the Oslo Stock Exchange, the exchange, quotation system, or other facility through which the purchase occurred;
5. Upon the request of the Division, the Prospective Purchasers shall transmit the information as specified in paragraphs 4.a. and 4.b. above to the Division at its offices in Washington, D.C. within 30 days of its request;
6. The Prospective Purchasers shall comply with the applicable requirements under Norwegian law, including the NSTA;
7. The Prospective Purchasers shall retain all documents and other information required to be maintained pursuant to this exemption for a period of not less than two years from the date of the termination of the Offer;
8. Representatives of the Prospective Purchasers shall be made available (in person at the offices of the Division in Washington, D.C. or by telephone) to respond to inquiries of the Division relating to their records; and
9. Except as otherwise exempted herein, the Prospective Purchasers shall comply with Rule 14e-5.

The foregoing exemption from Rule 14e-5 under the Exchange Act expressed above is based solely on your representations and the facts presented, and is strictly limited to the application of this rule to the proposed transactions. Such transactions should be discontinued, pending presentation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations.

M. Christopher Hall, Esq.

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In addition, we direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws, including Sections 10(b) and 14(e) of the Exchange Act and Rule 10b-5 thereunder. The participants in the Offer must comply with these and any other applicable provisions of the federal securities laws. The Division expresses no view with respect to any other questions that the proposed transactions may raise, including, but not limited to, the adequacy of disclosure concerning, and the applicability of any other federal or state laws to, the proposed transactions.

For the Commission, by the Division of Market
Regulation pursuant to delegated authority,

A handwritten signature in black ink, appearing to read "James A. Brigagliano". The signature is written in a cursive, flowing style.

James A. Brigagliano
Acting Associate Director
Division of Market Regulation

Attachment



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September 18, 2006

VIA EMAIL AND FEDERAL EXPRESS

James A. Brigagliano, Esq.
Acting Associate Director
Division of Market Regulation
Securities and Exchange Commission
100 F Street, N.W.
Washington, D.C. 20549

Re: Mandatory Cash Tender Offer for Petrojarl ASA by TPO Investments AS

Dear Mr. Brigagliano:

We are writing on behalf of our client, TPO Investments AS, a private limited liability company incorporated and registered under the laws of Norway ("*TPO*"), to follow up on our recent conversations and to request that the Securities and Exchange Commission (the "*Commission*") grant exemptive relief from the provisions of Rule 14e-5 under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*") with respect to the tender offer described below.

I. Background Information

TPO is making an offer for any and all of the outstanding Ordinary Shares, 2.00 Norwegian kroner ("*NOK*") nominal value per share (the "*Shares*"), and American Depositary Shares, each representing one Share (the "*ADSs*"), of Petrojarl ASA ("*Petrojarl*"), a public limited company incorporated and registered under the laws of Norway, at a price of NOK 70 per Share and per ADS, net to the seller in cash, without interest (the "*Offer Price*").

[21785-0004/SB062550.055]

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A. Petrojarl

Petrojarl is one of the largest operators of floating production, storage and offloading vessels ("*FPSOs*") measured by production capacity and number of vessels. An FPSO is a ship-shaped vessel deployed to produce, process, store and offload hydrocarbons from offshore fields. The FPSO may be connected to wells on the seafloor through risers or to a platform. The FPSOs are suitable for a wide range of field sizes and water depths. Thus, they are reusable, allowing their cost to be spread over a number of field developments. Petrojarl owns and operates four FPSO, operates two shuttle tankers and charters one storage tanker on a time charter basis. The FPSOs have a combined maximum production capacity of 339,000 barrels of oil per day and a crude oil storage capacity of one million barrels. All four FPSOs are double hulled, rated for harsh environments and capable of working in deepwater fields.

In August 2006, Petrojarl and Teekay formed a joint venture, Teekay Petrojarl Offshore LP, to pursue new opportunities in the FPSO business. Each partner has agreed to pursue all such projects exclusively through the joint venture, other than projects existing at the time of the agreement or redeployment opportunities for then-existing FPSO units and FSO units, including all current FSO units in OPCO. Either party may pursue, alone or with third parties, any projects the other partner declines for the joint venture to pursue. The joint venture partners will share cash flow of the joint venture in proportion to their relative capital contributions and each partner will have equal voting power on a four-person governing board.

Petrojarl is a foreign private issuer as defined in Rule 3b-4(c) under the Exchange Act. Petrojarl Shares are listed on Oslo Børs under the ticker symbol "PETRO." Accordingly, Petrojarl is subject to the Norwegian Securities Trading Act of 1997 (the "*NSTA*") and the supervision and regulation of the Oslo Stock Exchange. Petrojarl is exempt from the registration requirements of Section 12 of the Exchange Act pursuant to Rule 12g3-2(b) thereunder (Commission file number 82-34970). In addition, Petrojarl has a Level I sponsored American Depository Receipt program operated by Citibank, N.A., as depository (the "*Depository*"), evidencing ADSs.

On September 15, 2006, a total of 74,999,990 Shares were issued and outstanding, including 3,090,319 ADSs. TPO estimates that, as of August 18, 2006, the last trading day thirty days prior to the commencement of the Offer, and as of September 7, 2006, holders resident in the United States held approximately 14% and 30%,

respectively, of the Shares and ADSs that are subject to the Offer. These estimated percentages exclude Shares and ADSs, if any, held by TPO and any holders of greater than 10% of the subject securities on the applicable date.

B. TPO

TPO is a wholly-owned subsidiary of TPO Investments Inc., a Marshall Islands company, which in turn is wholly-owned by Teekay Shipping Corporation, a Marshall Islands corporation ("*Teekay*"). TPO is a single purpose company which was incorporated June 19, 2006 and its only material assets are the Shares of Petrojarl it owns. Teekay has its executive headquarters in Nassau, The Bahamas, and has its main operational office in Vancouver, Canada. Teekay estimates that it transports more than 10% of the world's seaborne oil and has expanded into the liquefied natural gas shipping sector through its subsidiary, Teekay LNG Partners L.P. Teekay carries on its business through four business units: Teekay Gas Services; Teekay Navion Shuttle Tankers & Offshore; Teekay Tanker Services; and Teekay Marine Services. With a fleet of more than 145 tankers, offices in 17 countries and 5,100 seagoing and shore-based employees, Teekay provides a comprehensive set of marine services to the world's leading oil and gas companies, helping them seamlessly link their upstream energy production to their downstream processing operations.

II. The Offer

A. Transaction Structure

Under Chapter 4 of the NSTA, Section 4-1, if a person acquires shares representing more than 40% of the voting rights in a Norwegian company whose shares are quoted on a Norwegian stock exchange, such person must – subject to certain exceptions not relevant here – make a "mandatory offer" to purchase all remaining shares of the target company. The mandatory offer must permit shareholders to tender their securities entirely for cash consideration. TPO acquired a total of 30,413,900 Shares, representing 40.55% of Petrojarl's total voting power, and accordingly, TPO advised the Oslo Stock Exchange on August 31, 2006, as required by Norwegian law, that it intended to commence an offer to acquire all remaining Shares solely for cash (the "*Offer*").

The Offer will be made in cash and will be structured as a single offer made concurrently in Norway, the United States and other jurisdictions where the offer may

be legally extended. The Offer will be structured to comply with (i) the rules and regulations of the NSTA and the Oslo Stock Exchange and (ii) except as otherwise exempted, Section 14(e) of the Exchange Act and Regulation 14E thereunder. TPO's primary objective in structuring the Offer is to allow for participation by holders the Petrojarl Shares and ADSs in the United States, while complying with the requirements applicable to the Offer in each such jurisdiction to the greatest extent practicable. The documents used in connection with the Offer (the "*Offer Documents*") have been prepared with a view to complying with the applicable rules and regulations of the NSTA and the Oslo Stock Exchange and, except as otherwise requested herein, Section 14(e) of the Exchange Act and Regulation 14E thereunder. Since Petrojarl does not have any class of equity securities registered under Section 12 of the Exchange Act, the Offer is not subject to compliance with Section 14(d) of the Exchange Act or Regulation 14D thereunder.

The Offer will extend to Shares held of record or that are beneficially owned by U.S. residents and to ADSs. All cash consideration will be paid in NOK. Payment of the Offer Price for each Share or ADS tendered in the United States will be payable in NOK to the Depositary, who will act as agent for the purpose of receiving payments from TPO and transmitting such payments to holders tendering Shares and ADSs in the U.S. that have been accepted for payment, and converted by the Depositary into U.S. dollars at the applicable conversion rate available at that time in the open market. DnB NOR Bank ASA has provided TPO with a guarantee of payment of the Offer Price, which will support payment of the Offer Price to all holders of Shares and ADSs, including any holders who are U.S. residents and holders of ADSs.

The Offer will be open for at least 20 U.S. business days and commenced in both Norway and the U.S. by the mailing of the Offer Documents to the shareholders. To the extent practical, the Offer Documents will be mailed from the United States for holders of Shares who are U.S. residents and holders of ADSs and from Norway for all other holders of Shares. In addition, a summary advertisement will be published in *The Wall Street Journal* on the date of commencement of the Offer. Because of the difference in time zones, The Offer will expire on at 4:30 pm Central European Time, or 10:30 am Eastern Standard Time, on October 18, 2006, which would satisfy the requirement under Rule 14e-1(a) of keeping a tender offer open for at least 20 U.S. business days.

B. Discussion and Request for Exemptive Relief from Rule 14e-5: Purchases Outside the Offer

Under Norwegian law, TPO, acting directly and through their agents, financial advisors and other nominees or brokers, or through one of their wholly-owned subsidiaries (collectively, the "*Prospective Purchasers*"), are each permitted to purchase Shares in the open market, pursuant to contractual arrangements or otherwise prior to and during the pendency, but outside, of the Offer, subject to certain limitations. Norwegian law provides protections to shareholders by requiring, among other things, that, if purchases are made outside the Offer at a price per Share higher than the Offer Price, TPO increase the Offer Price to match the higher price. If TPO makes any purchases outside the Offer at a price per Share higher than the Offer Price, TPO must immediately disclose, through the Oslo Stock Exchange, that it paid a higher price per Share and that the Offer Price is increased to that level, as required pursuant to Norwegian law. If the expiration date of the Offer is less than two weeks from the announcement of a higher Offer Price, the Offer must be extended so that at least two weeks remain in the Offer following the announcement. If purchases are made outside of the Offer at a price per Share that does not exceed the Offer Price, no additional disclosure is required under Norwegian law. However, when an offeror's share ownership exceeds certain levels, whether through acceptances of the Offer or purchases outside the Offer, the offeror must disclose its shareholdings through the Oslo Stock Exchange. These notices will be required if and when TPO's ownership of the Shares and ADSs exceeds 50%, 66 2/3% and 90% of the total voting rights of Petrojarl.

Subject to certain exceptions, Rule 14e-5 prohibits a covered person from, directly or indirectly, purchasing or arranging to purchase any equity securities in a tender offer, except as part of the tender offer. This prohibition applies from the time the offer is publicly announced until the offer expires. Rule 14e-5 defines a covered person as: (i) the offeror, its dealer-managers, and any of their respective affiliates; (ii) any advisors of the foregoing whose compensation is dependent on the completion of the offer; and (iii) any person acting in concert either directly or indirectly with any of the foregoing. Purchases by TPO and other covered persons acting on their behalf of Shares outside the Offer may not fall within any of the excepted activities specifically outlined in Rule 14e-5. Accordingly, in the absence of exemptive relief, such purchases, although permitted and regulated by Norwegian law, may be prohibited by Rule 14e-5 after the public announcement of the Offer.

Based on the foregoing, we request that each of the Prospective Purchasers be granted exemptive relief from the provisions of Rule 14e-5 in order to permit purchases of Shares outside the Offer by any Prospective Purchaser (by or on behalf of TPO) that would otherwise be prohibited by Rule 14e-5, including market transactions, privately negotiated transactions and block trades. The foregoing request for exemptive relief will be subject to the following conditions:

(a) No purchases or arrangements to purchase Shares or ADSs, otherwise than pursuant to the Offer, will be made in the United States;

(b) Disclosure of the possibility of such purchases by the Prospective Purchasers, otherwise than pursuant to the Offer, will be included prominently in the Offer Documents;

(c) The Prospective Purchasers shall disclose in the United States, to the extent such information is made public in Norway pursuant to Norwegian law, information regarding all purchases of Shares otherwise than pursuant to the Offer since the announcement date, including the dates of such purchases, the number of Shares purchased on any given date, and the average market price of such purchases;

(d) TPO shall disclose to the Division of Market Regulation of the Commission (the "*Division of Market Regulation*") upon request, a daily time-sequenced schedule of all purchases of Shares made by any of the Prospective Purchasers during the Offer, on a transaction-by-transaction basis, including size, broker (if any), time of execution, and price of purchase; and if not executed on the Oslo Stock Exchange, the exchange, quotation system, or other facility through which the purchase occurred;

(e) Upon request of the Division of Market Regulation, the TPO shall transmit the information specified in (d) above to the Division of Market Regulation at its offices in Washington, D.C. within 30 days of its request;

(f) The Prospective Purchasers shall comply with the applicable requirements under Norwegian laws, including the NSTA;

(g) The Prospective Purchasers shall retain all documents and other information required to be maintained pursuant to this exemption for a period of not less than two years from the date of the termination of the Offer;

(h) Representatives of the Prospective Purchasers shall be made available to the Division of Market Regulation to respond to inquiries of the Division of Market Regulation relating to such records; and

(i) Except as otherwise exempted herein, the Prospective Purchasers shall comply with Rule 14e-5.

We believe the exemptive relief requested herein under Rule 14e-5 is consistent with that granted by the Commission in comparable situations. See, e.g., *Dritte BV GmbH Tender Offer for Schering Aktiengesellschaft* (avail. April 7, 2006); *Offer by Deutsche Telekom AG for shares of T-Online International AG* (avail. Nov. 3, 2004); *Offer by 91 Profi-Start 2004 GmbH for P&I Personal & Informatik Aktiengesellschaft* (avail. June 24, 2004); and *Offer by DB Sechste Vermögensverwaltungsgesellschaft mbH for Stinnes AG* (avail. Aug. 29, 2002). In addition, similar relief has been granted under old Rule 10b-13 (the predecessor of Rule 14e-5) in *Vodafone Airtouch Plc Offer for Mannesmann Aktiengesellschaft*, File No. TP 00-29 (avail. Dec. 22, 1999). In addition, we note the existence of the Memorandum of Understanding Between the Commission and the Banking, Insurance and Securities Commission of Norway Concerning Consultation and Cooperation in the Administration and Enforcement of Securities Laws, dated September 24, 1991.

Pursuant to 17 C.F.R. 200.81(b), we request on behalf of TPO that this exemptive request and the response be accorded confidential treatment until 120 days after the date of the response to such request or such earlier date as the staff of the Commission is advised that all of the information in this letter has been made public. This request for confidential treatment is made on behalf of TPO for the reason that certain of the facts set forth in this letter have not been made public.

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If you require any further information, please contact the undersigned at (503) 727-2048 or Gwyn McAlpine at (503) 727-2091.

Very truly yours,

Perkins Coie LLP

/s/ 

By: M. Christopher Hall

cc: Art Bensler, Teekay Shipping Corporation
Adrian Dirassar, Teekay Shipping Corporation