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

FORM 10-K

(Mark One)

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the fiscal year ended December 31, 2006

OR

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period to

Commission File Number 001-32505

TRANSMONTAIGNE PARTNERS L.P.

(Exact name of registrant as specified in its charter)

Delaware	**34-2037221**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Suite 3100, 1670 Broadway
Denver, Colorado 80202
(Address, including zip code, of principal executive offices)

(303) 626-8200
(Telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Limited Partner Units	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

NONE

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated Filer ☐ Accelerated Filer ☒ Non-accelerated Filer ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

The aggregate market value of common limited partner units held by non-affiliates of the Registrant was $120,601,600.

The aggregate market value was computed by reference to the last sale price ($32.00 per common unit) of the Registrant's common limited partner units on the New York Stock Exchange on March 2, 2007.

The number of the registrant's common limited partner units outstanding on March 2, 2007 was 3,972,500.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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Our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, and any amendments to such reports, will be available free of charge on our website at *www.transmontaignepartners.com* under the heading "Unitholder Information" "SEC Filings" as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including the following:

- certain statements, including possible or assumed future results of operations, in "Management's Discussion and Analysis of Financial Condition and Results of Operations;"
- any statements contained in this annual report regarding the prospects for our business or any of our services or our ability to pay distributions;
- any statements preceded by, followed by or that include the words "may," "seeks," "believes," "expects," "anticipates," "intends," "continues," "estimates," "plans," "targets," "predicts," "attempts," "is scheduled," or similar expressions; and
- other statements contained in this annual report regarding matters that are not historical facts.

Our business and results of operations are subject to risks and uncertainties, many of which are beyond our ability to control or predict. Because of these risks and uncertainties, actual results may differ materially from those expressed or implied by forward-looking statements, and investors are cautioned not to place undue reliance on such statements, which speak only as of the date thereof.

Important factors, many of which are described in more detail in "Item 1A. Risk Factors," that could cause actual results to differ materially from our expectations include, but are not limited to:

- a reduction in revenues from any of our significant customers upon which we rely for a substantial majority of our revenues;
- debt levels and restrictions in our debt agreements that may limit our operational flexibility;
- the impact on our facilities or operations of extreme weather conditions, such as hurricanes, and other events, such as terrorist attacks or war and costs associated with environmental compliance and remediation;
- failure by any of our significant customers to continue to engage us to provide services after the expiration of existing terminaling services agreements, or our failure to secure comparable alternative arrangements;
- the continued creditworthiness of, and performance by our significant customers;
- the availability of acquisition opportunities and successful integration and future performance of acquired facilities;
- timing, cost and other economic uncertainties related to the construction of new tank capacity or facilities;
- conflicts of interest and the limited fiduciary duties of our general partner, which is controlled by TransMontaigne Inc.;
- our failure to avoid federal income taxation as a corporation or the imposition of state level taxation; and
- the impact of current and future laws and governmental regulations, general economic, market or business conditions;

We do not intend to update these forward-looking statements except as required by law.

Part I

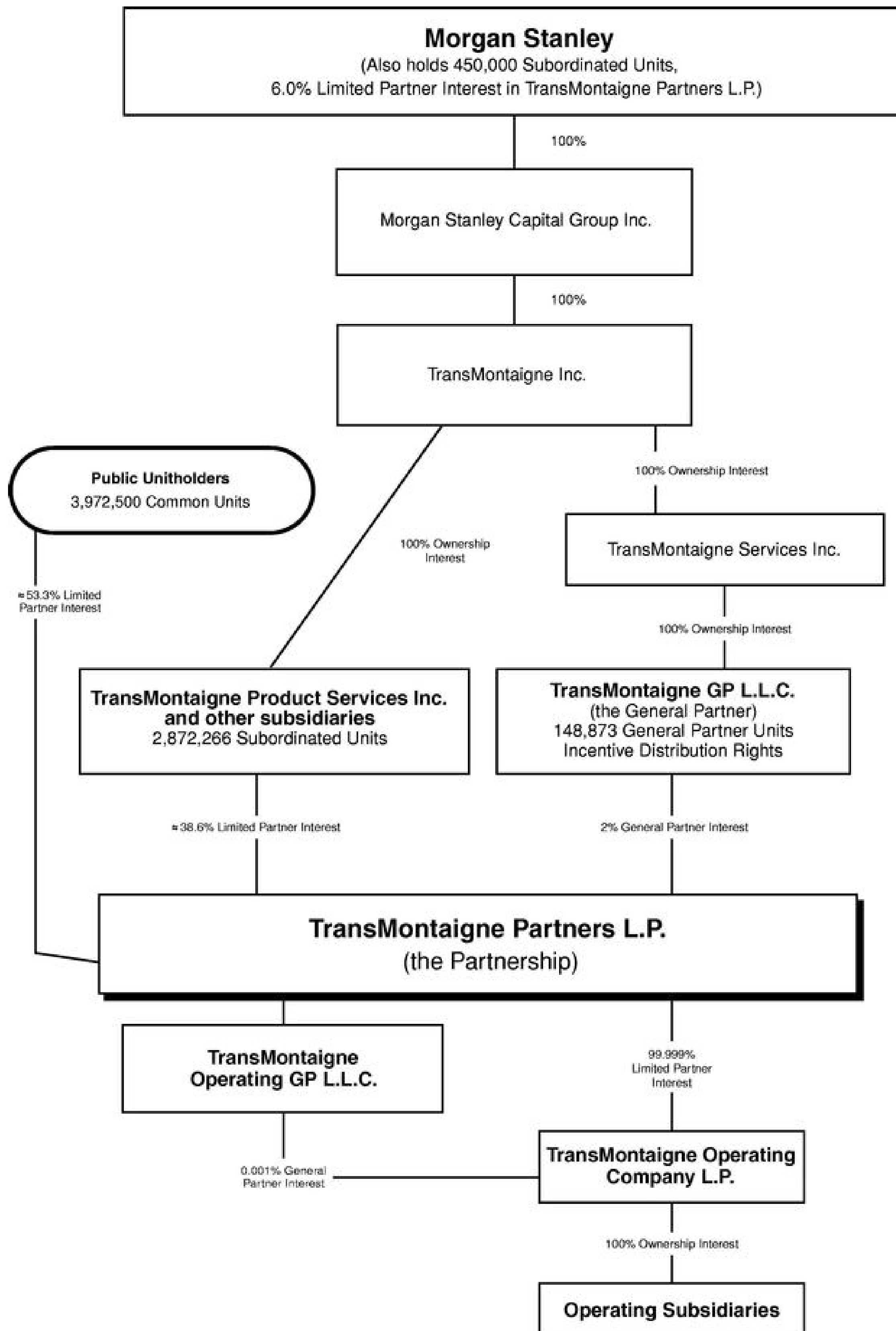
ITEMS 1 AND 2. BUSINESS AND PROPERTIES

OVERVIEW

TransMontaigne Partners L.P. is a publicly traded Delaware limited partnership formed in February 2005 by TransMontaigne Inc. We commenced operations upon the closing of our initial public offering on May 27, 2005. Effective December 31, 2005, we changed our year end for financial and tax reporting purposes from June 30 to December 31. Our common units are traded on the New York Stock Exchange under the symbol "TLP." Our principal executive offices are located at 1670 Broadway, Denver, Colorado 80202; our telephone number is (303) 672-8200. Unless the context requires otherwise, references to "we," "us," "our," "TransMontaigne Partners," "Partners" or the "partnership" are intended to mean TransMontaigne Partners L.P., our wholly-owned and controlled operating limited partnerships and their subsidiaries. References to TransMontaigne Inc. are intended to mean TransMontaigne Inc. and its subsidiaries other than TransMontaigne GP L.L.C., our general partner, TransMontaigne Partners and subsidiaries of TransMontaigne Partners.

We are a refined petroleum products terminaling and transportation company with operations along the Gulf Coast, in Brownsville, Texas, along the Mississippi and Ohio rivers and in the Midwest. We provide integrated terminaling, storage, transportation and related services for companies engaged in the distribution and marketing of refined petroleum products and crude oil, including TransMontaigne Inc. We handle light refined products, heavy refined products, crude oil, chemicals and fertilizers. Light refined products include gasolines, distillates and jet fuels, and heavy refined products include residual fuel oils and asphalt. We do not purchase or market products that we handle or transport. Therefore, we do not have material direct exposure to changes in commodity prices, except for the value of product gains and losses arising from our terminaling services agreements with our customers.

We are controlled by our general partner, TransMontaigne GP L.L.C., which is a wholly-owned subsidiary of TransMontaigne Inc. Effective September 1, 2006, Morgan Stanley Capital Group Inc., which we refer to as Morgan Stanley Capital Group, acquired all of the issued and outstanding capital stock of TransMontaigne Inc. As a result, Morgan Stanley, which is the parent company of Morgan Stanley Capital Group, became the indirect owner of 100% of our general partner. The following diagram depicts our current organization and structure.



Morgan Stanley
(Also holds 450,000 Subordinated Units,
6.0% Limited Partner Interest in TransMontaigne Partners L.P.)
100%
Morgan Stanley Capital Group Inc.
100%
TransMontaigne Inc.
Public Unitholders
3,972,500 Common Units
100% Ownership Interest
100% Ownership Interest
TransMontaigne Services Inc.
≈53.3% Limited Partner Interest
100% Ownership Interest
TransMontaigne Product Services Inc. and other subsidiaries
2,872,266 Subordinated Units
TransMontaigne GP L.L.C.
(the General Partner)
148,873 General Partner Units
Incentive Distribution Rights
≈38.6% Limited Partner Interest
2% General Partner Interest
TransMontaigne Partners L.P.
(the Partnership)
TransMontaigne Operating GP L.L.C.
99.999% Limited Partner Interest
0.001% General Partner Interest
TransMontaigne Operating Company L.P.
100% Ownership Interest
Operating Subsidiaries

TransMontaigne Inc., formed in 1995, is a terminaling, distribution and marketing company that markets refined petroleum products to wholesalers, distributors, marketers and industrial and commercial end users throughout the United States, primarily in the Gulf Coast, East Coast and Midwest regions. TransMontaigne Inc. also provides supply chain management services to various customers throughout the United States. TransMontaigne Inc. relies on us to provide substantially all of the integrated terminaling services it requires to support its operations along the Gulf Coast, in Brownsville, Texas, along the Mississippi and Ohio rivers, and in the Midwest.

Morgan Stanley Capital Group is the principal commodities trading arm of Morgan Stanley. Morgan Stanley Capital Group is a leading global commodity trader involved in proprietary and counterparty-driven trading in numerous commodities markets including crude oil, refined petroleum products, natural gas and natural gas liquids, coal, electric power, base and precious metals and others. Morgan Stanley Capital Group engages in trading both physical commodities, like refined petroleum products that we handle in our terminals, and exchange or over-the-counter commodities derivative instruments. Morgan Stanley Capital Group has also made acquisitions, including the acquisition of TransMontaigne Inc., that complement Morgan Stanley's commodity trading activities.

Our existing facilities are located in four geographic regions, which we refer to as our Gulf Coast, Brownsville, River and Midwest facilities.

- *Gulf Coast*. Our Gulf Coast facilities consist of eight refined product terminals, seven of which are located in Florida and one of which is located in Mobile, Alabama, with approximately 5.8 million barrels of aggregate active storage capacity.

- *Brownsville*. Our Brownsville terminal complex in Brownsville, Texas, has approximately 2.2 million barrels of aggregate active storage capacity. This includes a liquefied petroleum gas terminaling facility with aggregate active storage capacity of approximately 15,000 barrels. We operate a bi-directional refined products pipeline for PMI Trading Limited, or PMI, for deliveries to and from Mexico.

- *River*. Our River facilities are comprised of 12 refined product terminals located along the Mississippi and Ohio rivers with approximately 2.7 million barrels of aggregate active storage capacity. Our River facilities also include a dock facility in Baton Rouge, Louisiana that is interconnected to the Colonial Pipeline.

- *Midwest*. Our Midwest facilities consist of a 67-mile, interstate refined products pipeline, which we refer to as the Razorback Pipeline; and three refined product terminals with approximately 561,000 barrels of aggregate active storage capacity.

RECENT ACQUISITIONS

On December 29, 2006, we acquired the River and Brownsville facilities from TransMontaigne Inc. for an aggregate purchase price of $135 million. We financed the acquisition of the River and Brownsville facilities through additional borrowings under our amended and restated senior secured credit agreement. The acquisition was approved by the conflicts committee of the board of directors of our general partner.

On January 1, 2006, we acquired a refined product terminal in Mobile, Alabama from TransMontaigne Inc. for approximately $17.9 million.

INDUSTRY OVERVIEW

Refined product terminaling and pipeline transportation companies, such as TransMontaigne Partners, facilitate the movement of refined products to consumers around the country. Consumption of refined products in the United States exceeds domestic production, which necessitates the importing

of refined products from other countries. Moreover, a substantial majority of the petroleum product refining that occurs in the United States is concentrated in the Gulf Coast region, which necessitates the transportation of domestic product to other areas, such as the East Coast, Florida, Midwest and West Coast regions of the country. Terminaling and pipeline transportation companies receive, store, blend, treat and distribute refined products, both domestic and imported, as they are transported from refineries to retailers and end-users.

Refining. Refineries in the Gulf Coast region refine crude oil into various "light oils" and "heavy oils." Light oils include gasolines and distillates, such as diesel fuels, heating oils and jet fuels. Heavy oils include residual fuel oils and asphalt. These products have various characteristics, such as sulfur content, octane level, Reid-vapor pressure and other chemical characteristics. Refined petroleum products of specific grade and characteristics are substantially identical in composition from one refinery to another and are referred to as being "fungible." The refined products initially are stored at the refineries' own terminal facilities. The refineries owned by major oil companies then schedule for delivery some of their product output to satisfy their own retail delivery obligations, at branded gasoline stations, for example, and sell the remainder of their product output to independent marketing and distribution companies or traders, such as TransMontaigne Inc. and Morgan Stanley Capital Group, for resale. The major refineries typically prefer to sell their excess product to independent marketing and distribution companies rather than to other refineries and integrated oil companies, which are their primary competitors.

Transportation. For an independent distribution and marketing company, such as TransMontaigne Inc. to distribute product in the wholesale markets, it must first schedule that product for shipment by tankers or barges or on common carrier pipelines to a terminal.

Product is transported to marine terminals, such as our Gulf Coast terminals and Baton Rouge, Louisiana dock facility, by tankers or barges. Because there are economies of scale in transporting products by vessel, marine terminals with larger storage capacities for various commodities have the ability to offer their customers lower per-barrel freight costs to a greater extent than do terminals with smaller storage capacities.

Product reaches inland terminals, such as our Mt. Vernon, Rogers and Oklahoma City terminals, by common carrier pipelines. Common carrier pipelines are pipelines with published tariffs that are regulated by the Federal Energy Regulatory Commission, or FERC, or state authorities. These pipelines ship product in batches, with each batch generally consisting of fungible product owned by several different companies. As a batch of product is shipped on a pipeline, each terminal operator along the way draws the volume of fungible product that is scheduled for that facility as the batch passes in the pipeline. Consequently, each terminal operator must monitor the type of product in the common carrier pipeline to determine when to draw product scheduled for delivery to that terminal. In addition, both the common carrier pipeline and the terminal operator monitor the volume of product drawn to ensure that the amount scheduled for delivery at that location is actually received.

At both inland and marine terminals, the various refined petroleum products are segregated and stored in tanks. Because the characteristics of gasoline are required to be changed at least twice per year in many locations to meet government regulations, regular unleaded gasoline produced for winter cannot be stored in a tank together with regular unleaded gasoline produced for summer.

Delivery. Most terminals have a tanker truck loading facility commonly referred to as a "rack." Often, commercial and industrial end-users and independent retailers rely on independent trucking companies to pick up product at the rack and transport it to the end-user or retailer at its location. Each truck holds an aggregate of approximately 8,000 gallons (approximately 190 barrels) of various products in different compartments. The driver swipes a magnetic card that identifies the customer purchasing the product, the carrier and the driver as well as the products to be pumped into the truck.

A computerized system electronically reviews the credentials of the carrier, including insurance and certain mandated certifications, the credit of the customer and confirms the customer is within product allocation limits. When all conditions are verified as being current and correct, the system authorizes the delivery of the product to the truck. As product is being loaded into the truck, additives are injected into products, including all gasolines, to conform to government specifications and individual customer requirements. If a truck is loading gasoline for retail sale by an independent gasoline station, generic additives will be added to the gasoline as it is loaded into the truck. If the gasoline is for delivery to a branded retail gasoline station, the proprietary additive compound of that particular retailer will be added to the gasoline as it is loaded. The type and amount of additive are electronically and mechanically controlled by equipment located at the truck loading rack. Approximately one to two gallons of additive are injected into an 8,000 gallon truckload of gasoline.

At marine terminals, the product will be stored in tanks and may be delivered to tanker trucks over a rack in the same manner as at an inland terminal. Product also may be delivered to cruise ships and other vessels, known as bunkering, either at the dock, through a pipeline or truck, or by barge. Cruise ships typically purchase approximately 6,000 to 8,000 barrels, the equivalent of approximately 42 tanker truckloads, of product per refueling. Bunker fuel is a mixture of residual fuel oil and distillate. Each large vessel generally requires its own mixture of bunker fuel to match the distinct characteristics of that ship's engines and turbines. Because the mixture for each ship requires precision to mix and deliver, cruise ships often prefer to refuel in United States ports with experienced companies.

OUR OPERATIONS

Our existing terminal facilities are located in the United States along the Gulf Coast, in Brownsville, Texas, along the Mississippi and Ohio rivers and in the Midwest. We use our terminaling facilities to, among other things:

- receive refined products from the pipeline, ship, barge or railcar making delivery on behalf of our customers, and transfer those products to the tanks located at our terminals;
- store the refined products in our tanks for our customers;
- monitor the volume of the refined products stored in our tanks;
- distribute the refined products out of our terminals in small lots or truckloads via the truck racks and other distribution equipment located at our terminals, including pipelines;
- heat residual fuel oils and asphalt stored in our tanks, and provide other ancillary services related to the throughput process; and
- operate and manage for PMI a 17-mile bi-directional refined products pipeline that connects our Brownsville terminal complex to a terminal facility located in Matamoros, Tamaulipas, Mexico.

We derive revenues from our refined product terminals by charging fees for providing the following integrated terminaling and related services: throughput and additive injection fees based on the volume of product distributed at a contracted rate per barrel, terminaling storage fees based on a per barrel of storage capacity per month, and ancillary services including heating and mixing of stored products, product transfer services, and product gains and losses arising from the terminaling services agreements with our customers. We generate revenues at the Razorback Pipeline by charging a tariff regulated by FERC, based on the volume of product transported and the distance from the origin point to the delivery point. We also generate management fees associated with the bi-directional refined products pipeline that we manage and operate for PMI on a cost-plus basis.

TransMontaigne Inc. and Marathon Petroleum Company LLC, which we refer to as Marathon, are the principal customers at our Florida and Midwest facilities, TransMontaigne Inc. is our principal customer at our Midwest facilities and our principal customers at our Brownsville and River facilities

include: Valero Energy Corporation and its affiliates, which we refer to as Valero, Morgan Stanley Capital Group and PMI. Financial information for each reportable segment is included in Note 15 of the Notes to consolidated financial Statements in Item 8 of this annual report.

The locations and approximate aggregate active storage capacity at our terminal facilities as of December 31, 2006 are as follows:

Locations	Active Storage Capacity (shell bbls)
Gulf Coast Facilities	
Florida	
Port Everglades Complex	
Port Everglades—North	1,614,000
Port Everglades—South	378,000(1)
Jacksonville	271,000
Cape Canaveral	727,000
Port Manatee	1,385,000
Fisher Island	672,000
Tampa	496,000
Mobile, AL	235,000
Gulf Coast Total	5,778,000
Midwest Facilities	
Rogers and Mt. Vernon (aggregate amounts)	404,000
Oklahoma City	157,000
Midwest Total	561,000
Brownsville, Texas Terminal Complex	2,215,000
River Facilities	
Arkansas City, AR	769,000
Evansville, IN	218,000
New Albany, IN	201,000
Greater Cincinnati, KY	200,000
Henderson, KY	133,000
Louisville, KY	181,000
Owensboro, KY	145,000
Paducah, KY Complex	288,000
Baton Rouge Dock	—
Greenville, MS (Clay Street)	150,000
Greenville, MS (Industrial Road)	56,000
Cape Girardeau, MO	140,000
East Liverpool, OH	227,000
River Total	2,708,000
TOTAL CAPACITY	11,262,000

(1) Reflects our ownership interest net of CITGO Petroleum Corporation's ownership interest in certain tank capacity.

Brownsville Operations. At our Brownsville terminal facilities, we handle a large volume of liquid product movements between Mexico and south Texas including refined petroleum products, chemicals, vegetable oils, naphtha, wax and propane on behalf of, and

provide integrated terminaling services to, third parties engaged in the distribution and marketing of refined products and natural gas liquids. Our Brownsville facilities receive refined products on behalf of our customers from waterborne vessels, by truck or railcar. We also receive natural gas liquids by pipeline.

We also operate and maintain a 17-mile bi-directional refined products pipeline owned by PMI. The pipeline connects our Brownsville terminal complex to a terminal facility located in Matamoros, Tamuligas, Mexico, approximately seven miles from the United States-Mexico border. The pipeline can accommodate natural gas liquids and refined petroleum products. We operate and manage the pipeline for PMI on a "cost-plus" basis under which we are reimbursed for our expenses and earn a fee equal to a fixed percentage of the costs we incur.

The customers we serve at our Brownsville terminal complex consist principally of wholesale and retail marketers of refined products and industrial and commercial end-users of refined petroleum products, waxes and industrial chemicals. Our principal customers are Morgan Stanley Capital Group and PMI.

Gulf Coast Operations. Our Gulf Coast operations include eight refined product terminals. At our Gulf Coast terminals, we handle refined products and crude oil on behalf of, and provide integrated terminaling services to companies engaged in the distribution and marketing of refined products and crude oil, and the United States government. Our Gulf Coast terminals receive refined products from waterborne vessels on behalf of our customers. In addition, our Jacksonville terminal also receives asphalt by rail and our Port Everglades (North) terminal receives product by rail and truck as well as barge. We distribute by truck or barge at all of our Gulf Coast terminals. In addition, we distribute refined products by pipeline at our Port Everglades and Tampa terminals and by rail at our Port Everglades (North) and Jacksonville terminals. Our Port Everglades (South) terminal is connected by pipeline to our Port Everglades (North) terminal. CITGO Petroleum Corporation retains an ownership interest, ranging from 25% to 50%, in specific tank capacity at our Port Everglades (South) terminal. We operate the Port Everglades (South) terminal, and we are reimbursed by CITGO for a share of our expenses. Our Mobile, Alabama terminal facility receives and distributes refined product by truck and barge.

The principal customers at our Gulf Coast facilities are TransMontaigne Inc. and Marathon. The customers TransMontaigne Inc. serves from our Gulf Coast terminals consist principally of wholesale and retail marketers of refined products, cruise ships, an electric utility and industrial and commercial end-users. The principal products that we handle at our Gulf Coast terminals are light refined products, heavy refined products and crude oil.

River Operations. Our River facilities include twelve refined product terminals along the Mississippi and Ohio rivers and the Baton Rouge, Louisiana dock facility. At our River terminals, we handle refined products, including gasolines and distillates, and fertilizer on behalf of, and provide integrated terminaling services to companies engaged in the distribution and marketing of refined products and industrial and commercial end-users. Our River terminals receive refined products from waterborne vessels on behalf of our customers. We distribute products primarily by truck and waterborne vessels. Our principal customer at our River facilities is Valero.

Midwest Terminals and Pipeline Operations. In Missouri and Arkansas we own and operate the Razorback Pipeline and terminals in Rogers, Arkansas, at the terminus of the pipeline, and Mt. Vernon, Missouri, at the origin of the pipeline. We also own and operate a terminal facility at Oklahoma City, Oklahoma. The Razorback Pipeline is a 67 mile, 8-inch diameter interstate common carrier pipeline that transports light oil refined product on behalf of TransMontaigne Inc. from our terminal at Mt. Vernon, Missouri, where it is interconnected with a pipeline system owned by Magellan Midstream Partners, to our terminal at Rogers, Arkansas. The Razorback Pipeline has a capacity of approximately 30,000 barrels per day. The FERC regulates the transportation tariffs for interstate shipments on the Razorback Pipeline. TransMontaigne Inc. currently is the only shipper on the Razorback Pipeline. TransMontaigne Inc. markets gasolines and distillates from the facilities to wholesale and retail marketers of refined products.

Our Oklahoma City terminal receives gasolines and distillates from the Magellan pipeline for delivery via our truck rack to a major oil company's customers for redistribution to locations throughout the Oklahoma City region.

BUSINESS STRATEGIES

Our primary business objective is to increase distributable cash flow per unit. The most effective means of growing our business and increasing distributions to our unitholders is to expand our asset base and infrastructure, and to increase utilization of our existing infrastructure. We intend to accomplish this by executing the following strategies:

Generate stable cash flows through the use of long-term contracts with our customers. We generate revenues from customers who pay us fees based on the volume of storage capacity contracted for, volume of refined products throughput at our terminals or volume of product transported in the Razorback Pipeline. We have long-term terminaling services agreements with Marathon, Morgan Stanley Capital Group, PMI, TransMontaigne Inc. and Valero. Based on our terminaling services contracts in effect at March 1, 2007, we have minimum revenue commitments from our customers of approximately $50 million for the year ending December 31, 2007. We expect that our actual revenues for the year ending December 31, 2007 will be higher because of throughput agreements with customers that do not contain minimum revenue commitments and because our customers often use other services we provide that are separate from the services covered by the minimum revenue commitments. We believe that the fee-based nature of our business, our minimum revenue commitments from our customers, and the long-term nature of our contracts with many of our customers will provide us with stable cash flows.

Pursue strategic and accretive acquisitions in new and existing markets. We plan to pursue acquisitions from third parties of petroleum product terminaling and transportation facilities that are complementary to those we currently own. We also may purchase facilities outside our existing area of operations. In many cases, we would expect to pursue these acquisitions jointly with TransMontaigne Inc. and Morgan Stanley Capital Group. We also have the right under the omnibus agreement to purchase certain facilities TransMontaigne Inc. purchases or constructs in the future, subject to the negotiation of satisfactory terms and obtaining required consents. We expect that TransMontaigne Inc. will operate the facilities it offers to us pursuant to the omnibus agreement for a period of up to two years, during which time TransMontaigne Inc.'s marketing operations will seek to increase the utilization of the facilities as well as its knowledge of the areas in which the facilities operate. We believe we will benefit from TransMontaigne Inc.'s operation of such facilities because we anticipate TransMontaigne Inc. will be more likely to enter into a long-term terminaling services agreement that includes a minimum revenue commitment with us once it has gained greater operating and market knowledge with respect to the facilities. In light of the recent industry trend of large energy companies divesting their distribution and logistic assets, we believe there will continue to be significant acquisition opportunities.

We believe that our affiliation with TransMontaigne Inc. and Morgan Stanley Capital Group will provide us with a competitive advantage in situations where potential acquisition candidates have an element of commodity price risk inherent in their operations. We expect to be able to pursue such acquisitions jointly with TransMontaigne Inc. and Morgan Stanley Capital Group in a manner that minimizes commodity price exposure to us. In these circumstances, TransMontaigne Inc. or Morgan Stanley Capital Group may assume most or all of the direct commodity price exposure inherent in the acquired business and incorporate these risks into their overall trading, distribution and marketing operations. We currently have no direct commodity price risk because we do not own any of the products throughput at our terminals or transported on the pipelines we own or manage.

Maximize the benefits of our relationship with TransMontaigne Inc. and Morgan Stanley Capital Group. We believe that our exclusive options with TransMontaigne Inc. to purchase additional refined product terminals, and our affiliation with Morgan Stanley Capital Group, will provide us opportunities to acquire additional terminaling and transportation facilities and expand our operations in a manner that allows us to achieve substantial utilization of our facilities because of the strategic fit between our

infrastructure with Morgan Stanley Capital Group's global supply capabilities and TransMontaigne Inc.'s marketing business. In addition, our relationship with TransMontaigne Inc. and Morgan Stanley Capital Group will provide us with access to a significant pool of management talent and strong relationships throughout the energy industry that we intend to utilize to implement our strategies. TransMontaigne Inc. and Morgan Stanley Capital Group intend to utilize us as the primary growth vehicle for their terminaling and transportation business and to support their physical trading and delivery businesses. As a result, we expect to have the opportunity to participate with TransMontaigne Inc. and Morgan Stanley Capital Group in considering transactions that we would not be able to pursue on our own.

Execute cost-effective expansion and asset enhancement opportunities. We continually evaluate opportunities to expand our existing asset base and we will consider constructing new refined product terminals and expanding existing terminal capacity where product demand is expected to increase. In addition, for markets served by waterborne terminals, larger terminal capacity can help significantly reduce freight costs for our customers because they can bring in larger shipments on a single vessel. As a result, we are actively examining our opportunities to expand our active storage capacity at our Gulf Coast terminals. We have been approved to expand the storage capacity at our Port Everglades terminal complex facilities by approximately 1.4 million barrels. We will continue to evaluate adding new tanks or bringing out-of-service tankage into commercial service in order to meet increasing demand for integrated terminaling services.

COMPETITIVE STRENGTHS

We believe we are well-positioned to successfully execute our business strategies using the following competitive strengths:

We benefit from the strategic fit between our operations and the operations of Morgan Stanley Capital Group and TransMontaigne Inc. Morgan Stanley is a leading global energy trading company with extensive trading activities focused on the energy markets, including crude oil and refined petroleum products. Morgan Stanley Capital Group's trading and risk management activities cover a broad spectrum of the energy industry with extensive resources dedicated to refined product supply and transportation. TransMontaigne Inc. is a leading distributor of unbranded refined petroleum products to independent wholesalers and industrial and commercial end users delivering approximately 300,000 barrels per day. These operations of Morgan Stanley Capital Group and TransMontaigne Inc. fit strategically with our broad geographical terminal and transportation distribution capability. Our long-term terminaling service agreements with TransMontaigne Inc. and Morgan Stanley Capital Group, enable them to support their refined product supply, risk management and marketing businesses and, at the same time, provide us with steady revenues and help ensure that our facilities are more fully utilized.

Our relationships with TransMontaigne Inc., including our exclusive options to purchase additional refined product terminals, and with Morgan Stanley Capital Group enhance our ability to make strategic acquisitions. Our exclusive options offer us an attractive means of expanding our asset base by allowing us to purchase from TransMontaigne Inc. additional refined product terminals that complement our existing operations. The facilities subject to the options support TransMontaigne Inc.'s marketing operations and Morgan Stanley Capital Group's trading activities, thereby allowing us to achieve substantial utilization of the facilities. In addition, TransMontaigne Inc. generally is required to offer us the opportunity to buy terminal and transportation facilities it purchases or constructs in the future. In connection with any purchase of terminaling and transportation facilities from TransMontaigne Inc., we expect to have the opportunity to negotiate an appropriate terminaling services agreement with TransMontaigne Inc. relating to the new facilities. We believe the value of any terminaling facilities we acquire will be enhanced if we can concurrently obtain a long-term terminaling services agreement with TransMontaigne Inc. or Morgan Stanley Capital Group and, therefore, our efforts to make strategic

acquisitions will be improved by our ability to jointly pursue these acquisitions with TransMontaigne Inc. and Morgan Stanley Capital Group.

We have a substantial presence in Florida, which has above-average population growth and significant cruise ship activity, and is not currently served by any local refinery or interstate refined product pipeline. Seven of our terminals serve TransMontaigne Inc.'s and our other customers' operations in metropolitan areas in Florida, which we believe to be an attractive area for the following reasons:

- Refined petroleum products are largely distributed in Florida through terminals with waterborne access, such as our terminals, because Florida has no refineries or interstate refined product pipelines.
- Florida's population is one of the fastest-growing in the United States, resulting in additional potential demand for refined petroleum products.
- The ports served by our terminals are among the top cruise ship ports in the United States, with year-round demand.

The terminaling services agreements we have with TransMontaigne Inc. and other significant customers will provide us with predictable cash flows. We are well-positioned to execute our strategy of expanding our asset base because our existing operations generate predictable revenues. We have a high occupancy rate of our storage capacity, which enables us to focus on expanding existing terminal capacities and acquiring additional terminal capacity for our current and future customers. A detailed discussion of the terms of several of our significant terminaling services agreements is provided below under "—Significant Customer Relationships—Terminaling Services Agreements."

Our geographical diversification allows us to provide customers with broad geographical presence to meet their needs. With the addition of the Brownsville terminal complex and the River facilities, we have significantly increased the geographic distribution of our terminals. Brownsville is the primary point of receipt and delivery for refined petroleum products and other chemicals between the United States and Mexico. Our Brownsville terminal complex handles a variety of products in addition to refined petroleum products, such as: liquefied petroleum gas, or LPG, naphtha, wax, fertilizer and chemicals. The River facilities significantly expand our terminal facilities outside of the Gulf Coast and the Midwest. As a result, we are able to provide more services to customers in more areas, and to serve customers that were not operating in our prior geographic areas.

Through TransMontaigne Inc. and Morgan Stanley Capital Group, our general partner has access to a knowledgeable management team with significant experience in the energy industry and in executing acquisition and expansion strategies. The members of our general partner's management team have significant experience with regard to the implementation of acquisition, operating and growth strategies in many facets of the energy industry, including crude oil marketing and transportation; natural gas and natural gas liquid gathering, processing, transportation and marketing; propane storage, transportation and marketing; and refined petroleum product storage, transportation and marketing. Over the course of their respective careers, members of our general partner's management team have established strong, long-standing relationships within the energy industry, which we believe will enable us to grow and expand our business through both acquisition and internal expansion. In addition, through our affiliation with Morgan Stanley Capital Group, we have strong relationships throughout the energy industry.

COMPETITION

We face competition from other terminals and pipelines that may be able to supply our customers with refined product integrated terminaling and transportation services on a more competitive basis. We compete with national, regional and local terminal and transportation companies, including the major integrated oil companies, of widely varying sizes, financial resources and experience. These competitors include BP p.l.c., Chevron U.S.A. Inc., CITGO Petroleum Corporation, Conoco Phillips, Exxon Mobil Corporation, Amerada Hess Corporation, Holly Corporation and its affiliate Holly Energy Partners, L.P., Kinder Morgan, Inc. and its affiliate Kinder Morgan Energy Partners, L.P., Magellan Midstream Partners, L.P., Marathon Ashland Petroleum, LLC, Motiva Enterprises LLC, Murphy Oil Corporation, Sunoco, Inc. and its affiliate Sunoco Logistics Partners L.P., Valero L.P. and terminals in the Caribbean. In particular, our ability to compete could be harmed by factors we cannot control, including:

- price competition from terminal and transportation companies, some of which are substantially larger than us and have greater financial resources, and control substantially greater refined product storage capacity, than we do;

- the perception that another company can provide better service; and

- the availability of alternative supply points, or supply points located closer to our customers' operations.

We also compete with national, regional and local terminal and transportation companies for acquisition and expansion opportunities. Some of these competitors are substantially larger than us and have greater financial resources and lower costs of capital than we do.

SIGNIFICANT CUSTOMER RELATIONSHIPS

We have several significant customer relationships that we expect to continue to derive the substantial majority of our revenues from for the foreseeable future. These relationships include:

Customer	Location
TransMontaigne Inc.	Gulf Coast, Midwest and Brownsville, Texas facilities
Morgan Stanley Capital Group	Brownsville, Texas facilities
Valero	River and Brownsville, Texas facilities
Marathon	Gulf Coast and River facilities
PMI	Brownsville, Texas facilities

Our Relationship With TransMontaigne Inc. And Morgan Stanley Capital Group

General. A significant portion of our business is devoted to providing integrated terminaling and transportation services to TransMontaigne Inc. Pursuant to the terms of our terminaling services agreement with TransMontaigne Inc., we expect to continue to derive a substantial portion of our revenues from TransMontaigne Inc. for the foreseeable future.

We are controlled by our general partner, TransMontaigne GP L.L.C., which is a wholly-owned subsidiary of TransMontaigne Inc. TransMontaigne Inc., formed in 1995, is a terminaling, distribution and marketing company that markets refined petroleum products to wholesalers, distributors, marketers and industrial and commercial end users throughout the United States, primarily in the Gulf Coast, East Coast and Midwest regions. TransMontaigne Inc. also provides supply chain management services to various customers throughout the United States. At December 31, 2006, TransMontaigne Inc. owned 26 refined product terminals, of which 24 terminals are subject to our exclusive options to purchase, 14 tug boats and 20 barges, a hydrant system in Port Everglades, and its distribution and marketing

business. TransMontaigne Inc.'s marketing operations generally consist of the distribution and marketing of refined petroleum products through contract and rack spot sales in the physical markets, and providing related value-added fuel procurement and supply chain management services. On September 1, 2006, a wholly-owned subsidiary of Morgan Stanley Capital Group purchased all of the issued and outstanding common stock of TransMontaigne Inc. TransMontaigne Inc. and Morgan Stanley Capital Group have a significant interest in our partnership through their indirect ownership of approximately 44.6% limited partner interest and a 2% general partner interest.

Morgan Stanley Capital Group is a leading global commodity trader involved in proprietary and counterparty-driven trading in numerous commodities markets including crude oil and refined petroleum products, natural gas and natural gas liquids, coal, electric power, base and precious metals and others. Morgan Stanley Capital Group has been actively trading crude oil and products for over 20 years and on a daily basis trades millions of barrels of physical crude oil and refined petroleum products and exchange-traded and over-the-counter crude oil and refined petroleum product derivative instruments. Morgan Stanley Capital Group also invests as principal in acquisitions, including the acquisition of TransMontaigne Inc., that complement Morgan Stanley's commodity trading activities. Morgan Stanley Capital Group has substantial strategic long-term storage capacity located on all three coasts of the United States, in Northwest Europe and Asia.

Exclusive Options to Purchase Additional Refined Product Terminals. TransMontaigne Inc. has granted us an exclusive option to purchase its refined product terminals located at various points along the Plantation and Colonial pipeline corridors, which extend from the Gulf Coast through the Southeast and Mid-Atlantic regions, with a current aggregate active storage capacity of approximately 8.5 million barrels. The option with respect to the terminals along the Plantation and Colonial pipeline corridors will be exercisable for one year beginning in December 2007.

The exercise of the option will be subject to the negotiation of a purchase price and a terminaling services agreement relating to the terminals proposed to be purchased, and may be conditioned on obtaining various consents. Such consents may include consents of the holders of TransMontaigne Inc.'s credit facilities or governmental consents.

The exercise price would be determined according to a process in which, within 45 days of our notification that we wish to exercise the option, TransMontaigne Inc. would propose to our general partner the terms on which it would be willing to sell the terminals, including the terms of a terminaling services agreement. Within 45 days after TransMontaigne Inc.'s delivery of its proposed terms, we would propose a cash purchase price for the terminals. If we cannot agree on a purchase price after negotiating in good faith for 60 days, TransMontaigne Inc. would have the right to seek an alternative purchaser willing to pay at least 105% of the purchase price we proposed; if an alternative transaction on such terms has not been consummated within six months, we would have the right to purchase the terminals at the price we originally proposed. If we do not exercise this right, TransMontaigne Inc. would be free to retain or sell the facilities without restriction.

TransMontaigne Inc. also has offered to sell us tangible assets it acquires or constructs in the future. These circumstances are discussed in greater detail under "Item 13. Certain Relationships and Related Transactions—Omnibus Agreement; Obligation to Offer to Sell Acquired or Constructed Assets."

Terminaling Services Agreements

Terminaling Services Agreement Relating to Gulf Coast (Florida) and Midwest Facilities. We have a terminaling and transportation services agreement with TransMontaigne Inc. relating to our Florida and Midwest terminals that will expire on December 31, 2013. Under this agreement, TransMontaigne Inc. agreed to throughput at our Florida and Midwest terminals and transport on the Razorback Pipeline a volume of refined products that will, at the fee and tariff schedule contained in the agreement, result in

minimum revenues to us of $5 million per quarter, or $20 million per year. TransMontaigne Inc.'s minimum revenue commitment applies only to the Florida terminals and Midwest terminals acquired by us on May 27, 2005, and may not be spread among facilities we subsequently acquire. In exchange for TransMontaigne Inc.'s minimum revenue commitment, we agreed to provide TransMontaigne Inc. approximately 2.6 million barrels of light oil storage capacity and approximately 1.3 million barrels of heavy oil storage capacity at certain of our Florida terminals. If TransMontaigne Inc. fails to meet its minimum revenue commitment in any quarter, it must pay us the amount of any shortfall within 15 business days following receipt of an invoice from us. A shortfall payment may be applied as a credit in the following four quarters after TransMontaigne Inc.'s minimum obligations are met.

Gulf Coast (Mobile) Terminaling Services Agreement. We have a terminaling and transportation services agreement with TransMontaigne Inc. that will expire on December 31, 2012. Under this agreement, TransMontaigne Inc. agreed to throughput at our Mobile terminal certain minimum volumes of refined products that will result in minimum revenues to us of $2.1 million per year. In exchange for TransMontaigne Inc.'s minimum throughput commitment, we agreed to provide TransMontaigne Inc. approximately 46,000 barrels of light oil storage capacity and approximately 65,000 barrels of heavy oil storage capacity at the terminal. If TransMontaigne Inc. fails to meet its minimum revenue commitment in any year, it must pay us the amount of any shortfall within 15 business days following receipt of an invoice from us. A shortfall payment may be applied as a credit in the following year after TransMontaigne Inc.'s minimum obligations are met.

Asphalt Terminaling Services Agreement. On February 20, 2006, we entered into a new five-year terminaling services agreement with Marathon regarding approximately 1.0 million barrels of asphalt storage capacity throughout our Florida facilities. The terminaling services agreement became effective February 20, 2006 at our Jacksonville and Port Manatee, Florida facilities and on May 1, 2006 at our Cape Canaveral and Port Everglades, Florida facilities. Concurrently with the effective dates of the Marathon Agreement, our prior agreement with our former asphalt customer for the use of this storage capacity expired.

River Facilities Terminaling Services Agreement. We have a terminaling services agreement with Valero that will expire on April 1, 2013. Pursuant to the terminaling services agreement, we agreed to provide Valero with approximately 1.0 million barrels of light oil storage capacity at our Cape Girardeau, Evansville, Greenville, Henderson, Owensboro and Paducah terminals. Valero also has a right to match any third-party offer to use or lease any new or converted light oil petroleum product storage capacity that we put into commercial service at any of the terminals subject to the agreement. If Valero fails to exercise its right to match, it has the right to terminate the agreement in its entirety or with respect to the applicable terminal.

Brownsville LPG Terminaling Services Agreement. We have a terminaling and transportation services agreement with TransMontaigne Inc. relating to our Brownsville terminal that will expire on March 31, 2010. Under this agreement, TransMontaigne Inc. agreed to throughput at our terminals certain minimum volumes of natural gas liquids that will result in minimum revenues to us of $1.4 million per year. In exchange for TransMontaigne Inc.'s minimum throughput commitment, we agreed to provide TransMontaigne Inc. approximately 33,700 barrels of storage capacity at our Brownsville, Texas terminal complex.

PMI Terminaling Services Agreements. We have five (5) terminaling services agreements with PMI relating to our Brownsville facilities that, if not renewed, will expire between May 31, 2007 and June 30, 2016. Under these agreements, PMI agreed to throughput and store at our terminals certain minimum volumes of diesel, gasoline, natural gasoline, distillate, and naphtha liquids. We also manage and operate a 17-mile bi-directional pipeline on behalf of PMI on a cost-plus basis.

Morgan Stanley Capital Group Terminaling Services Agreement. On November 1, 2006, we entered into a terminaling services agreement with Morgan Stanley Capital Group relating to our Brownsville facilities that will expire on October 31, 2010. Under this agreement, Morgan Stanley Capital Group agreed to store a specified minimum amount of fuel oils at our terminals that will result in minimum revenues to us of approximately $2.2 million per year. In exchange for its minimum revenue commitment, we agreed to provide Morgan Stanley Capital Group a minimum amount of storage capacity for such fuel oils.

Oklahoma City Terminaling Services Agreement. We have a revenue support agreement with TransMontaigne Inc. that provides that in the event any current third-party terminaling agreement should expire, TransMontaigne Inc. agrees to enter into a terminaling services agreement that will expire no earlier than November 1, 2012. The agreement provides that TransMontaigne Inc. agrees to throughput certain minimum volumes of refined product that will result in minimum revenues to us of $0.8 million per year. TransMontaigne Inc.'s minimum revenue commitment currently is not in effect because a major oil company is under contract for the utilization of the light oil storage capacity at the terminal.

Other Terminaling Services Agreements. We also have terminaling service agreements with other customers at our terminal facilities for throughput and storage of refined petroleum products, LPGs and other products. These agreements include various minimum throughput commitments, storage commitments and other terms, including duration, that we negotiate on a case-by-case basis.

TERMINALS AND PIPELINE CONTROL OPERATIONS

The pipelines we own or operate are operated via geosynchronous satellite, microwave, radio and frame relay communication systems from a central control room located in Atlanta, Georgia. We also monitor activity at our terminals from this control room.

The control center operates with state-of-the-art System Control and Data Acquisition, or SCADA, systems. Our control center is equipped with computer systems designed to continuously monitor operational data, including refined product throughput, flow rates and pressures. In addition, the control center monitors alarms and throughput balances. The control center operates remote pumps, motors, engines, and valves associated with the receipt of refined products. The computer systems are designed to enhance leak-detection capabilities, sound automatic alarms if operational conditions outside of pre-established parameters occur, and provide for remote-controlled shutdown of pump stations on the pipeline. Pump stations and meter-measurement points on the pipeline are linked by satellite or telephone communication systems for remote monitoring and control, which reduces our requirement for full-time on-site personnel at most of these locations.

Despite these controls, during the year ended December 31, 2006, two unrelated releases of product (gasoline and fuel oil, respectively) resulted in aggregate unreimbursed environmental remediation costs and product losses of approximately $1.2 million. Each was due to human error and did not involve any system malfunctions. We have analyzed the causes of these accidents and have taken steps designed to reduce the likelihood of similar events in the future.

SAFETY AND MAINTENANCE

We perform preventive and normal maintenance on the pipeline and terminal systems we operate or own and make repairs and replacements when necessary or appropriate. We also conduct routine and required inspections of the pipeline and terminal tanks we operate or own as required by code or regulation. External coatings and impressed current cathodic protection systems are used to protect against external corrosion. We conduct all cathodic protection work in accordance with National Association of Corrosion Engineers standards. We continually monitor, test, and record the effectiveness of these corrosion inhibiting systems.

We monitor the structural integrity of selected segments of our Razorback Pipeline, which we own, and the bi-directional refined products pipeline that we operate and maintain on behalf of PMI through a program of periodic internal inspections as well as hydrostatic testing that conforms to Federal standards. Beginning in 2002, the Department of Transportation, or DOT, required internal inspections or other integrity testing of all DOT-regulated crude oil and refined product pipelines. We internally tested the Razorback Pipeline in 2004 and have completed all necessary repairs and maintenance.

Maintenance facilities containing equipment for pipe repairs, spare parts, and trained response personnel are located along the Razorback Pipeline and the bi-directional refined products pipeline that we manage for PMI. Employees participate in simulated spill deployment exercises on a regular basis. They also participate in actual spill response boom deployment exercises in planned spill scenarios in accordance with Oil Pollution Act of 1990 requirements. We believe that the pipelines we own and manage have been constructed and are maintained in all material respects in accordance with applicable federal, state, and local laws and the regulations and standards prescribed by the American Petroleum Institute, the DOT, and accepted industry practice.

At our terminals, tanks designed for gasoline storage are equipped with internal or external floating roofs that minimize emissions and prevent potentially flammable vapor accumulation between fluid levels and the roof of the tank. Our terminal facilities have facility response plans, spill prevention and control plans, and other plans and programs to respond to emergencies.

Many of our terminal loading racks are protected with water deluge systems activated by either heat sensors or an emergency switch. Several of our terminals also are protected by foam systems that are activated in case of fire. All of our terminals are subject to participation in a comprehensive environmental management program to assure compliance with applicable air, solid waste, and wastewater regulations.

SAFETY REGULATION

We are subject to regulation by the United States Department of Transportation under the Accountable Pipeline and Safety Partnership Act of 1996, sometimes referred to as the Hazardous Liquid Pipeline Safety Act or HLPSA, and comparable state statutes relating to the design, installation, testing, construction, operation, replacement and management of the pipeline facilities we operate or own. HLPSA covers petroleum and petroleum products and requires any entity that owns or operates pipeline facilities to comply with such regulations and also to permit access to and copying of records and to make certain reports and provide information as required by the Secretary of Transportation. We believe that we are in material compliance with these HLPSA regulations.

The United States Department of Transportation Office of Pipeline Safety, or OPS, has promulgated regulations that require qualification of pipeline personnel. These regulations require pipeline operators to develop and maintain a written qualification program for individuals performing covered tasks on pipeline facilities. The intent of these regulations is to ensure a qualified work force and to reduce the probability and consequence of incidents caused by human error. The regulations establish qualification requirements for individuals performing covered tasks, and amends certain training requirements in existing regulations. We believe that we are in material compliance with these OPS regulations.

We also are subject to OPS regulation for High Consequence Areas, or HCAs, for Category 2 pipeline systems (companies operating less than 500 miles of jurisdictional pipeline). This regulation specifies how to assess, evaluate, repair and validate the integrity of pipeline segments that could impact populated areas, areas unusually sensitive to environmental damage and commercially navigable waterways, in the event of a release. The pipelines we own or manage are subject to these requirements. The regulation requires an integrity management program that utilizes internal pipeline

inspection, pressure testing, or other equally effective means to assess the integrity of pipeline segments in HCAs. The program requires periodic review of pipeline segments in HCAs to ensure adequate preventative and mitigative measures exist. Through this program, we evaluated a range of threats to each pipeline segment's integrity by analyzing available information about the pipeline segment and consequences of a failure in an HCA. The regulation requires prompt action to address integrity issues raised by the assessment and analysis. The complete baseline assessment of all segments must be performed by February 17, 2009, with intermediate compliance deadlines prior to that date. We have completed baseline assessments for all segments.

Our terminals also are subject to various state regulations regarding our storage of refined product in aboveground storage tanks. These regulations require, among other things, registration of tanks, financial assurances and inspection and testing, consistent with the standards established by the American Petroleum Institute. We have completed baseline assessments for all of the segments and believe that we are in material compliance with these aboveground storage tank regulations.

We also are subject to the requirements of the federal Occupational Safety and Health Act, or OSHA, and comparable state statutes that regulate the protection of the health and safety of workers. In addition, the OSHA hazard communication standard, the EPA community right-to-know regulations under Title III of the Federal Superfund Amendment and Reauthorization Act, and comparable state statutes require us to organize and disclose information about the hazardous materials used in our operations. Certain parts of this information must be reported to employees, state and local governmental authorities, and local citizens upon request. We believe that we are in material compliance with OSHA and state requirements, including general industry standards, record keeping requirements and monitoring of occupational exposures.

In general, we expect to increase our expenditures during the next decade to comply with higher industry and regulatory safety standards such as those described above. Although we cannot estimate the magnitude of such expenditures at this time, we do not believe that they will have a material adverse impact on our results of operations.

ENVIRONMENTAL MATTERS

Our operations are subject to stringent and complex laws and regulations pertaining to health, safety and the environment. As an owner or operator of refined petroleum product terminals and pipelines, we must comply with these laws and regulations at federal, state and local levels. These laws and regulations can restrict or impact our business activities in many ways, such as:

- requiring remedial action to mitigate releases of hydrocarbons, hazardous substances or wastes caused by our operations or attributable to former operators;
- requiring capital expenditures to comply with environmental control requirements; and
- enjoining the operations of facilities deemed in non-compliance with permits issued pursuant to such environmental laws and regulations.

Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements, and the issuance of orders enjoining future operations. Certain environmental statutes impose strict, joint and several liability for costs required to clean up and restore sites where hydrocarbons, hazardous substances or wastes have been released or disposed of. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hydrocarbons, hazardous substances or other wastes into the environment.

The trend in environmental regulation is to place more restrictions and limitations on activities that may affect the environment. As a result, there can be no assurance as to the amount or timing of future expenditures for environmental compliance or remediation, and actual future expenditures may be different from the amounts we currently anticipate. We try to anticipate future regulatory requirements that might be imposed and to plan accordingly to remain in compliance with changing environmental laws and regulations and to minimize the costs of such compliance.

We do not believe that compliance with federal, state or local environmental laws and regulations will have a material adverse effect on our business, financial position or results of operations. In addition, we believe that the various environmental activities in which we are presently engaged are not expected to materially interrupt or diminish our operational ability. We cannot assure you, however, that future events, such as changes in existing laws, the promulgation of new laws, or the development or discovery of new facts or conditions will not cause us to incur significant costs. The following is a discussion of certain material environmental and safety concerns that relate to our business.

During 2006, two unrelated releases of product at our facilities, each of which was caused by human error and did not involve any system malfunctions, resulted in approximately $1.2 million in unreimbursed environmental remediation costs and product losses. Remediation has been completed on one site, while assessment and remediation is ongoing at the second site pursuant to a remediation plan negotiated with the state environmental agency overseeing the remediation project.

Water

The Federal Water Pollution Control Act of 1972, renamed and amended as the Clean Water Act or CWA, imposes strict controls against the discharge of oil and its derivates into navigable waters. The CWA provides penalties for any discharges of petroleum products in reportable quantities and imposes substantial potential liability for the costs of removing an oil or hazardous substance spill. State laws for the control of water pollution also provide for various civil and criminal penalties and liabilities in the event of a release of petroleum or its derivatives in surface waters or into the groundwater. Spill prevention control and countermeasure requirements of federal laws require appropriate containment berms and similar structures to help prevent the contamination of navigable waters in the event of a petroleum tank spill, rupture or leak. A containment berm is an earthen or cement barrier, impervious to liquids, which surrounds a storage tank holding between 1,000 and 500,000 gallons of petroleum products or other hazardous materials and used to prevent spilling and extensive damage to the environment. The berm is a form of secondary containment with the storage tank itself being the primary instrument of containment.

Contamination resulting from spills or releases of refined petroleum products is an inherent risk in the petroleum terminal and pipeline industry. To the extent that groundwater contamination requiring remediation exists around the facilities we own as a result of past operations, we believe any such contamination can be controlled or remedied without having a material adverse effect on our financial condition. However, such costs are often unpredictable and are site specific and, therefore, the effect may be material in the aggregate.

The primary federal law for oil spill liability is the Oil Pollution Act of 1990, as amended, or OPA, which addresses three principal areas of oil pollution—prevention, containment and cleanup. It applies to vessels, offshore platforms, and onshore facilities, including terminals, pipelines and transfer facilities. In order to handle, store or transport oil, shore facilities are required to file oil spill response plans with the United States Coast Guard, the OPS, or the EPA. Numerous states have enacted laws similar to OPA. Under OPA and similar state laws, responsible parties for a regulated facility from which oil is discharged may be liable for removal costs and natural resources damages. We believe that we are in substantial compliance with regulations pursuant to OPA and similar state laws.

We do not have any terminal location that discharges any type of process wastewater to the environment. We are, however, subject to various types of storm water discharge requirements at our terminals. The EPA has adopted regulations that require us to obtain permits to discharge certain storm water run-off. Storm water discharge permits also may be required by certain states in which we operate. Such permits may require us to monitor and sample the effluent from our operations. We believe that we are in substantial compliance with effluent limitations at our facilities and with the CWA generally.

Our storm water discharges generally fall into two categories: petroleum contact and non-contact. The sources of contact water are the truck loading operations at some of the terminals. Some of our terminal locations do not have contact water discharges because of the use of closed-loop water handling systems, thus obviating the need for discharge permits. The water generated in these closed-loop systems is transported offsite and disposed of properly. At locations where contact water is discharged on site, permit conditions dictate control technology requirements, effluent limitations and confirmation sampling. Non-contact storm water is generated at most terminal locations, primarily from rainfall collection in aboveground storage tank secondary containment enclosures or dikes. Various types of storm water permits regulate these discharges, with most being "General" state-wide industry specific mechanisms. The cost involved in obtaining and renewing these storm water permits is not material.

Air emissions

Our operations are subject to the federal Clean Air Act and comparable state and local statutes. The Clean Air Act Amendments of 1990 require most industrial operations in the United States to incur capital expenditures to meet the air emission control standards that are developed and implemented by the EPA and state environmental agencies. Pursuant to the Clean Air Act, any of our facilities that emit volatile organic compounds or nitrogen oxides and are located in ozone non-attainment areas face increasingly stringent regulations, including requirements to install various levels of control technology on sources of pollutants. Some of our facilities have been included within the categories of hazardous air pollutant sources. The Clean Air Act regulations are still being implemented by the EPA and state agencies. We believe that we are in substantial compliance with existing standards and regulations pursuant to the Clean Air Act and similar state and local laws, and we do not anticipate that implementation of additional regulations will have a material adverse effect on us.

Air permits are required for our terminaling operations that result in the emission of regulated air contaminants. These operations in general include fugitive volatile organic compounds (primarily hydrocarbons) from truck loading activities and tank working losses. The sources of these emissions are strictly regulated through the permitting process. Such regulation includes stringent control technology and extensive permit review and periodic renewal. The cost involved in obtaining and renewing these permits is not material.

Hazardous and solid waste

Our operations are subject to the federal Resource Conservation and Recovery Act, as amended, or RCRA, and comparable state laws, which impose detailed requirements for the handling, storage, treatment, and disposal of hazardous and solid waste. All of our terminal facilities are classified by the U.S. EPA as Conditionally Exempt Small Quantity Generators. Our terminals do not generate hazardous waste except on isolated and infrequent cases. At such times, only third party disposal sites which have been audited and approved by us are used. Our operations also generate solid wastes which are regulated under state law or the less stringent solid waste requirements of RCRA. We believe that we are in substantial compliance with the existing requirements of RCRA and similar state and local laws, and the cost involved in complying with these requirements is not material.

Site remediation

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or CERCLA, also known as the "Superfund" law, and comparable state laws impose liability without regard to fault or the legality of the original conduct, on certain classes of persons responsible for the release of hazardous substances into the environment. Such classes of persons include the current and past owners or operators of sites where a hazardous substance was released, and companies that disposed or arranged for disposal of hazardous substances at offsite locations such as landfills. In the course of our operations we will generate wastes or handle substances that may fall within the definition of a "hazardous substance." CERCLA authorizes the U.S. EPA and, in some cases, third parties to take actions in response to threats to the public health or the environment and to seek to recover from the responsible classes of persons the costs they incur. Under CERCLA, we could be subject to joint and several liability for the costs of cleaning up and restoring sites where hazardous substances have been released, for damages to natural resources, and for the costs of certain health studies. We believe that we are in substantial compliance with the existing requirements of CERCLA.

We currently own, lease, or operate numerous properties and facilities that for many years have been used for industrial activities, including refined product terminaling operations. Hazardous substances, wastes, or hydrocarbons may have been released on or under the properties owned or leased by us, or on or under other locations where such substances have been taken for disposal. In addition, some of these properties have been operated by third parties or by previous owners whose treatment and disposal or release of hazardous substances, wastes, or hydrocarbons, was not under our control. These properties and the substances disposed or released on them may be subject to CERCLA, RCRA and analogous state laws. Under such laws, we could be required to remove previously disposed substances and wastes (including substances disposed of or released by prior owners or operators), remediate contaminated property (including groundwater contamination, whether from prior owners or operators or other historic activities or spills), or perform remedial plugging or pit closure operations to prevent future contamination.

In connection with its acquisition of five Florida terminals from an affiliate of El Paso Corporation, TransMontaigne Inc. agreed to assume responsibility for known environmental conditions at the acquired terminals. TransMontaigne Inc. currently is undertaking, or evaluating the need for, remediation of subsurface hydrocarbon contamination at the acquired Florida terminals. The total cost for remediating the contamination at these acquired terminal locations currently is estimated by TransMontaigne Inc. to be between $2.9 million and $5.0 million. TransMontaigne Inc.'s activities are being administered by the Florida Department of Environmental Protection under state-administered programs that encourage and help to fund all or a portion of the cleanup of contaminated sites. Under these programs, TransMontaigne Inc. believes that it is eligible to receive state reimbursement of the majority of the costs associated with the remediation of the acquired sites. As such, TransMontaigne Inc. believes that its share of the total liability after state reimbursement, as estimated by it, is between $0.9 million and $3.0 million. Costs incurred to remediate existing contamination at the Florida terminals historically owned by TransMontaigne Inc. have been, and are expected in the future to be, insignificant.

Under the omnibus agreement, TransMontaigne Inc. has agreed to indemnify us for five years after May 27, 2005 against certain potential environmental claims, losses and expenses associated with the operation of the Florida and Midwest terminals and occurring before May 27, 2005. TransMontaigne Inc.'s maximum liability for this indemnification obligation is $15 million and has no obligation to indemnify us for aggregate losses until such aggregate losses exceed $250,000. TransMontaigne Inc. has no indemnification obligations with respect to environmental claims made as a result of additions to or modifications of environmental laws promulgated after May 27, 2005. We have agreed to indemnify TransMontaigne Inc. against environmental liabilities related to our facilities, to

the extent these liabilities are not subject to TransMontaigne Inc.'s indemnification obligations (see "Item 13. Certain Relationships and Related Transactions—Omnibus Agreement; Indemnification").

Under the purchase agreement for the refined product terminal in Mobile, Alabama, TransMontaigne Inc. agreed to indemnify us through December 2008, against certain potential environmental liabilities associated with the operation of the Mobile terminal that occurred on or prior to January 1, 2006. Our environmental losses must first exceed $200,000 and TransMontaigne Inc.'s indemnification obligations are capped at $2.5 million. The cap amount does not apply to any environmental liabilities known to exist as of January 1, 2006.

Under the purchase agreement for the Brownsville and River facilities, TransMontaigne Inc. agreed to indemnify us through December 2011, against certain potential environmental liabilities associated with the operation of the Brownsville and River facilities that occurred on or prior to December 31, 2006. Our environmental losses must first exceed $250,000 and TransMontaigne Inc.'s indemnification obligations are capped at $15 million. The cap amount does not apply to any environmental liabilities known to exist as of December 31, 2006.

Endangered Species Act

The Endangered Species Act restricts activities that may affect endangered species or their habitats. While some of our facilities are in areas that may be designated as habitat for endangered species, we believe that we are in substantial compliance with the Endangered Species Act. However, the discovery of previously unidentified endangered species could cause us to incur additional costs or become subject to operating restrictions or bans in the affected area.

OPERATIONAL HAZARDS AND INSURANCE

Our terminal and pipeline facilities may experience damage as a result of an accident or natural disaster. These hazards can cause personal injury and loss of life, severe damage to and destruction of property and equipment, pollution or environmental damage and suspension of operations. We maintain insurance of various types that we consider adequate to cover our operations and properties.

The insurance covers all of our facilities in amounts that we consider to be reasonable. The insurance policies are subject to deductibles that we consider reasonable and not excessive. Our insurance does not cover every potential risk associated with operating terminals, pipelines and other facilities, including the potential loss of significant revenues. Consistent with insurance coverage generally available to the industry, our insurance policies provide limited coverage for losses or liabilities relating to pollution, with broader coverage for sudden and accidental occurrences. The events of September 11, 2001, and their overall effect on the insurance industry have adversely impacted the availability and cost of coverage. Due to these events, insurers have excluded acts of terrorism and sabotage from our insurance policies.

We share some insurance policies, including our general liability policy, with TransMontaigne Inc. These policies contain caps on the insurer's maximum liability under the policy, and claims made by either of TransMontaigne Inc. or us are applied against the caps. The possibility exists that, in any event in which we wish to make a claim under a shared insurance policy, our claim could be denied or only partially satisfied due to claims made by TransMontaigne Inc. against the policy cap.

TARIFF REGULATION

The Razorback Pipeline, which runs between Mt. Vernon, Missouri and Rogers, Arkansas, is an interstate petroleum products pipeline and is subject to regulation by the Federal Energy Regulatory Commission, or FERC, under the Interstate Commerce Act and the Energy Policy Act of 1992 and rules and orders promulgated under those statutes. The bi-directional refined products pipeline that we

manage for PMI is not interstate and, therefore, is not subject to FERC regulations. FERC regulation requires that the rates of interstate oil pipelines, such as those of the Razorback Pipeline, be filed at FERC and posted publicly, and that these rates be "just and reasonable" and nondiscriminatory. Rates of interstate oil pipeline companies are currently regulated by the FERC primarily through an index methodology, whereby a pipeline is allowed to change its rates based on the change from year to year in the Producer Price Index for finished goods. In the alternative, interstate oil pipeline companies may elect to support rate filings by using a cost-of-service methodology, competitive market showings or actual agreements between shippers and the oil pipeline company.

The FERC generally has not investigated interstate rates on its own initiative when those rates have not been the subject of a protest or a complaint by a shipper. A shipper or other party having a substantial economic interest in our rates could, however, challenge our rates. In response to such challenges, the FERC could investigate our rates. If our rates were successfully challenged, the amount of cash available for distribution to unitholders could be materially reduced. In the absence of a challenge to our rates, given our ability to utilize either filed rates as annually indexed or to utilize rates tied to cost of service methodology, competitive market showing or actual agreements between shippers and us, we do not believe that these regulations would have any negative material monetary impact on us unless the regulations were substantially modified in such a manner so as to prevent a pipeline company's ability to earn a fair return for the shipment of petroleum products utilizing its transportation system, which we believe to be an unlikely scenario.

On July 20, 2004, the United States Court of Appeals for the District of Columbia Circuit ("D.C. Circuit") issued its opinion in *BP West Coast Products, LLC v. FERC*, which vacated the portion of the FERC's decision applying the *Lakehead* policy, under which the FERC allowed a regulated entity organized as a master limited partnership to include in its cost-of-service an income tax allowance to the extent that entity's unitholders were corporations subject to income tax. On May 4, 2005, the FERC adopted a policy statement providing that all entities owning public utility assets—oil and gas pipelines and electric utilities—would be permitted to include an income tax allowance in their cost-of-service rates to reflect the actual or potential income tax liability attributable to their public utility income, regardless of the form of ownership. Any tax pass-through entity seeking an income tax allowance would have to establish that its partners or members have an actual or potential income tax obligation on the entity's public utility income. The ultimate impact of this new policy remains uncertain because it is being challenged before the D.C. Circuit and is being refined as it is applied in individual cases. The case before the D.C. Circuit has been briefed and argued and is currently pending decision. If the D.C. Circuit or FERC were to act to substantially reduce or eliminate the right of a master limited partnership to include in its cost-of-service an income tax allowance to reflect actual or potential income tax liability on public utility income, it may become more difficult for the Razorback Pipeline to justify its rates if they were challenged in a protest or complaint.

TITLE TO PROPERTIES

The Razorback Pipeline is constructed on rights-of-way granted by the apparent record owners of the property and in some instances these rights-of-way are revocable at the election of the grantor. Several rights-of-way for the Razorback Pipeline and other real property assets are shared with other pipelines and other assets owned by affiliates of TransMontaigne Inc. and by third parties. In many instances, lands over which rights-of-way have been obtained are subject to prior liens that have not been subordinated to the right-of-way grants. We have obtained permits from public authorities to cross over or under, or to lay facilities in or along, watercourses, county roads, municipal streets, and state highways and, in some instances, these permits are revocable at the election of the grantor. We have also obtained permits from railroad companies to cross over or under lands or rights-of-way, many of which are also revocable at the grantor's election. In some cases, property for pipeline purposes was purchased in fee.

Some of the leases, easements, rights-of-way, permits, licenses and franchise ordinances transferred to us will require the consent of the grantor to transfer these rights, which in some instances is a governmental entity. Our general partner has obtained or is in the process of obtaining sufficient third-party consents, permits, and authorizations for the transfer of the facilities necessary for us to operate our business in all material respects as described in this annual report. With respect to any consents, permits, or authorizations that have not been obtained, our general partner believes that these consents, permits, or authorizations will be obtained, or that the failure to obtain these consents, permits, or authorizations would not have a material adverse effect on the operation of our business.

Our general partner believes that we have satisfactory title to all of our assets. Record title to some of our assets may continue to be held by affiliates of TransMontaigne Inc. until we have made the appropriate filings in the jurisdictions in which such assets are located and obtained any consents and approvals that were not obtained prior to transfer. We will make these filings and request these consents, the granting of which is subject to the discretion of the applicable governmental entity. Although title to these properties is subject to encumbrances in some cases, such as customary interests generally retained in connection with acquisition of real property, liens that can be imposed in some jurisdictions for government-initiated action to clean up environmental contamination, liens for current taxes and other burdens, and easements, restrictions, and other encumbrances to which the underlying properties were subject at the time of acquisition by TransMontaigne Partners (Predecessor) or us, our general partner believes that none of these burdens should materially detract from the value of these properties or from our interest in these properties or should materially interfere with their use in the operation of our business.

EMPLOYEES

TransMontaigne GP L.L.C. ("TransMontaigne GP"), is our general partner and manages our operations and activities. TransMontaigne Services Inc., is an indirect wholly-owned subsidiary of TransMontaigne Inc., and is the sole member of TransMontaigne GP. TransMontaigne Services Inc. employs the people who provide support to TransMontaigne Inc.'s operations as well as our operations. At February 23, 2007, TransMontaigne Services Inc. had approximately 729 full-time employees, of whom 190 provide services directly to us. At February 23, 2007, none of TransMontaigne Services Inc.'s employees who provide services directly to us were covered by a collective bargaining agreement. TransMontaigne Services Inc. considers its employee relations to be good.

ITEM 1A. RISK FACTORS

Our business, operations and financial condition are subject to various risks. You should consider carefully the following risk factors, in addition to the other information set forth in this annual report in connection with any investment in our securities. If any of the following risks actually occurs, our business, financial condition, results of operations or cash flows could be materially adversely affected. In that case, we might not be able to continue to make distribution on our common units at current levels, or at all. As a result of any of these risks, the market value of our common units representing limited partnership interests could decline, and investors could lose all or a part of their investment.

We depend upon a relatively small number of customers for a substantial majority of our revenues. A substantial reduction of those revenues would have a material adverse effect on our financial condition and results of operations.

We expect to derive a substantial majority of our revenues from TransMontaigne Inc., Morgan Stanley Capital Group and our other significant customers for the foreseeable future. Events that adversely affect the business operations of any one or more of our significant customers may adversely affect our financial condition or results of operations. Therefore, we are indirectly subject to the business risks of our significant customers, many of which are similar to the business risks we face. For

example, a material decline in refined petroleum product supplies available to our customers, or a significant decrease in our customers' ability to negotiate marketing contracts on favorable terms, could result in a material decline in the use of our tank capacity or throughput of product at our terminal facilities, which would likely cause our revenues and results of operations to decline. In addition, if any of our significant customers is unable to meet their minimum revenue or other commitments to us for any reason, then our revenues and cash flow would decline.

Our credit facility requires that we reduce our leverage during 2007, which may limit our flexibility in pursuing other business opportunities.

In connection with our acquisition of the Brownsville terminal complex and River facilities in December 2006, we incurred substantial indebtedness under our amended and restated credit facility. As amended and restated, the credit facility contains covenants that require us to meet certain ratio tests relating to our leverage, including our maximum total leverage, minimum interest coverage and maximum secured leverage. In order to agree to fund the purchase price of the River and Brownsville facilities, the lenders participating in our credit facility required that we reduce our leverage before September 30, 2007, which we anticipate accomplishing with the issuance of new units representing limited partnership units. The need to reduce our leverage may distract management from other operational issues and business opportunities, including the completion of additional acquisitions. As a result, until we reduce our leverage, our ability to grow our business may be limited and our operations could be adversely affected.

If we are unable to successfully reduce our leverage to the extent required by the credit facility, we would have to seek a waiver from our lenders. To secure such a waiver, we could have to expend significant fees and expenses, including the payment of fees to the lenders, and we cannot be assured that we would be successful. If we were unsuccessful in securing a waiver, we would be in default under our credit facility and would have to replace it, if possible. Any replacement would not necessarily be on favorable terms and could significantly limit our operations and future business opportunities.

If one or more of our significant customers do not continue to engage us to provide services after the expiration of their current terminaling services agreements and we are unable to secure comparable alternative arrangements, our financial condition and results of operations will be adversely affected.

TransMontaigne Inc.'s obligations under the terminaling services agreement relating to our Florida and Midwest facilities expire on December 31, 2013, subject thereafter to automatic one-year renewals if neither party provides notice of termination. In addition, our terminaling services agreements with several of our other significant customers expire on various dates from 2007 to 2016. After the expiration of each of these terminaling services agreements, the customers may elect not to continue to engage us to provide services. In addition, even if a significant customer does engage us, the terms of any renegotiated agreement may be less favorable than the agreement it replaces. In either case, we may not be able to generate sufficient additional revenues from third parties to replace any shortfall in revenues or increase in costs. Additionally, we may incur substantial costs if modifications to our terminals are required in order to attract substitute customers or provide alternative services. To the extent a significant customer does not extend or renew its terminaling services agreement, if we extend or renew the terminaling services agreement on less favorable terms, or if we must incur substantial costs to attract substitute customers, our financial condition and results of operations could be adversely affected.

Our business involves many hazards and operational risks, including adverse weather conditions, which could cause us to incur substantial liabilities.

Our operations are subject to the many hazards inherent in the transportation and terminaling of petroleum products, including:

- explosions, fires, accidents;
- extreme weather conditions, such as hurricanes, tropical storms, and rough seas, which are common along the U.S. Gulf Coast;
- damage to pipelines, storage tanks and related equipment;
- leaks or releases of petroleum products into the environment; and
- acts of terrorism or vandalism.

If any of these events were to occur, we could suffer substantial losses because of personal injury or loss of life, severe damage to and destruction of property and equipment, and pollution or other environmental damage resulting in curtailment or suspension of our related operations. In addition, mechanical malfunctions, faulty measurement or other errors may result in significant costs or lost revenues.

TransMontaigne may not elect to renew the omnibus agreement when it expires, which could have an adverse impact on our business operations and financial condition.

Under the omnibus agreement, we currently pay TransMontaigne Inc. an annual administrative fee of $6.9 million for centralized corporate functions, such as management, legal, accounting, treasury, insurance administration and claims processing, health, safety and environmental, information technology, human resources, credit, payroll, taxes and engineering and other corporate services. The omnibus agreement will expire in May 2008, unless extended. TransMontaigne Inc. may elect not to extend the term of the omnibus agreement, or may only agree to extend the omnibus agreement on terms that are less favorable to us than the current terms.

If TransMontaigne Inc. does not extend the omnibus agreement or does not offer to extend the omnibus agreement on terms that we find acceptable, we may have to seek to replace the services that TransMontaigne Inc. provides with a third party service provider. We may not be able to obtain similar services from independent third parties on economical terms or at all. If such services are unavailable or available at unfavorable rates, we would need to hire qualified managerial, technical and administrative personnel. The process of hiring, training and successfully integrating qualified personnel into our operations would be lengthy and would divert management's time and attention from managing our operations. Moreover, personnel with the qualifications we require may be unavailable and personnel with experience and contacts in the industry similar to the employees of TransMontaigne Inc. will likely be difficult to replace. Our failure to hire and retain qualified employees could cause an interruption in our business and have an adverse effect on our operations. Any of these events could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions.

We are exposed to the credit risks of TransMontaigne Inc. and our other significant customers, which could affect our creditworthiness. Any material nonpayment or nonperformance by such customers could also adversely affect our financial condition and results of operations.

Because of TransMontaigne Inc.'s ownership interest in and control of us, the strong operational links between TransMontaigne Inc. and us, and our reliance on TransMontaigne Inc. for a substantial portion of our revenues, if one or more credit rating agencies were to view unfavorably the credit quality of TransMontaigne Inc., we could experience an increase in our borrowing costs or difficulty accessing capital markets. Such a development could adversely affect our ability to grow our business.

In addition to our dependence on TransMontaigne Inc., we are subject to risks of loss resulting from nonpayment or nonperformance by our third party customers. Some of our customers may be highly leveraged and subject to their own operating and regulatory risks. Any material nonpayment or nonperformance by our other key customers could require us to pursue substitute customers for our affected assets or provide alternative services. There can be no assurance that any such efforts would be successful or would provide similar fees. These events could adversely affect our financial condition and results of operations.

If we do not make acquisitions on economically acceptable terms, any future growth will be limited.

Our ability to grow is dependent principally on our ability to make acquisitions that are attractive because they are expected to result in an increase in our quarterly distributions to unitholders. Our acquisition strategy is based, in part, on our expectation of ongoing divestitures of refined product terminal and transportation facilities by large industry participants. A material decrease in such divestitures would limit our opportunities for future acquisitions and could adversely affect our operations and cash flows.

In addition, we may be unable to make attractive acquisitions for any of the following reasons, among others:

- because we are unable to identify attractive acquisition candidates or negotiate acceptable purchase contracts with them, or acceptable terminaling services contracts with them or another customer;
- because we are unable to raise financing for such acquisitions on economically acceptable terms; or
- because we are outbid by competitors, some of which are substantially larger than us and have greater financial resources and lower costs of capital than we do.

If we consummate future acquisitions, our capitalization and results of operations may change significantly.

Any acquisitions we make are subject to substantial risks, which could adversely affect our financial condition and results of operations.

Any acquisition involves potential risks, including risks that we may:

- fail to realize anticipated benefits, such as cost-savings or cash flow enhancements;
- decrease our liquidity by using a significant portion of our available cash or borrowing capacity to finance acquisitions;
- significantly increase our interest expense or financial leverage if we incur additional debt to finance acquisitions;
- encounter difficulties operating in new geographic areas or new lines of business;
- incur or assume unanticipated liabilities, losses or costs associated with the business or assets acquired, including upon exercise of our exclusive options with TransMontaigne Inc., for which we are not indemnified or for which the indemnity is inadequate;
- be unable to hire, train or retain qualified personnel to manage and operate our growing business and assets;
- less effectively manage our historical assets, because of the diversion of management's attention from other business concerns; or

- incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

If any acquisitions we ultimately consummate result in one or more of these outcomes, our financial condition and results of operations may be adversely affected.

Our exclusive options to purchase additional refined product terminals from TransMontaigne Inc. are subject to significant risks and uncertainty, and thus these options may never be exercised, which could limit our ability to grow our business.

TransMontaigne Inc. granted us exclusive options to purchase additional refined product terminals. The exercise of the options with respect to any additional terminals will be subject to the negotiation of a purchase price and, if appropriate, a terminaling services agreement relating to the terminals proposed to be purchased, and may be conditioned on obtaining various consents. Such consents may include consents of third parties or governmental consents. We can offer no assurance that we will be able to successfully negotiate a purchase price or that any necessary consents will be obtained. Additionally, our management or the conflicts committee of our general partner may conclude that it does not wish to cause us to exercise these options when they become exercisable, and their decision will not be subject to unitholder approval.

If for any reason the exercise of an option is not consummated, our ability to grow our business may be limited. In addition, if we do not acquire the facilities subject to the options, TransMontaigne Inc. or another purchaser of the relevant facilities may use the facilities to compete with us.

We may not be able to obtain financing for the exercise of our exclusive options to purchase additional refined product terminals from TransMontaigne Inc., which could limit our ability to grow our business.

Even if the conflicts committee of the board of directors of our general partner concludes that exercising an option to acquire additional refined product terminals from TransMontaigne Inc. would be beneficial to us, we may be unable to obtain the financing necessary to exercise the option. To fund the exercise of an option, we would be required to use cash from operations or incur borrowings or raise capital through the sale of debt or additional equity securities. Our ability to obtain bank financing or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering, as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control.

Expanding our business by constructing new facilities subjects us to risks that the project may not be completed on schedule, and that the costs associated with the project may exceed our expectations, which could adversely affect our financial condition and results of operations.

The construction of additions or modifications to our existing terminal and transportation facilities, and the construction of new terminals and pipelines, involves numerous regulatory, environmental, political, legal and operational uncertainties beyond our control and requires the expenditure of significant amounts of capital. If we undertake these projects, they may not be completed on schedule or at all or at the budgeted cost. Moreover, our revenues may not increase immediately upon the expenditure of funds on a particular project. For instance, if we construct additional storage capacity, the construction may occur over an extended period of time, and we will not receive any material increases in revenues until the project is completed. Moreover, we may construct additional storage capacity to capture anticipated future growth in consumption of refined products in a market in which such growth does not materialize.

A significant decrease in demand for refined products in the areas served by our terminals and pipeline would adversely affect our financial condition and results of operations.

A sustained decrease in demand for refined products in the areas served by our terminals and pipeline could significantly reduce our revenues. Factors that could lead to a decrease in market demand include:

- a recession or other adverse economic condition that results in lower spending by consumers on gasolines, distillates, and travel;
- an increase in the market price of crude oil that leads to higher refined product prices;
- higher fuel taxes or other governmental or regulatory actions that increase, directly or indirectly, the cost of gasolines or other refined products;
- a decline in demand in the Florida cruise ship industry, which is a significant source of revenue to TransMontaigne Inc., which is our largest customer at our Florida terminal facilities; and
- a shift by consumers to more fuel-efficient or alternative fuel vehicles or an increase in fuel economy, whether as a result of technological advances by manufacturers, pending legislation proposing to mandate higher fuel economy, or otherwise.

Competition from other terminals and pipelines that are able to supply TransMontaigne Inc.'s and Morgan Stanley Capital Group's customers with refined petroleum products storage capacity at a lower price could adversely affect our financial condition and results of operations.

We face competition from other terminals and pipelines that may be able to supply TransMontaigne Inc., Morgan Stanley Capital Group and other distribution and marketing customers with integrated terminaling services on a more competitive basis. We compete with national, regional and local terminal and pipeline companies, including the major integrated oil companies, of widely varying sizes, financial resources and experience. Our ability to compete could be harmed by factors we cannot control, including:

- price competition from terminal and transportation companies, some of which are substantially larger than us and have greater financial resources, and control substantially greater refined product storage capacity, than we do;
- the perception that another company may provide better service; and
- the availability of alternative supply points or supply points located closer to our customers' operations.

If we are unable to compete with services offered by other petroleum enterprises, our financial condition and results of operations would be adversely affected.

In addition, TransMontaigne Inc. may engage in competition with us under certain conditions. Pursuant to the omnibus agreement, TransMontaigne Inc. has agreed to offer us certain tangible assets it acquires or constructs related to the storage, transportation or terminaling of refined petroleum products in the United States. If we decline any such offer, TransMontaigne Inc. will be free to use the asset to compete with us or to sell the asset without restriction. If we indicate our desire to purchase the assets, but we cannot agree on the terms, TransMontaigne Inc. has the right to sell the asset, subject to certain restrictions, to a third party. Either event would increase competition in the area in which the asset is located.

Because of our lack of asset diversification, adverse developments in our terminals or pipeline operations could adversely affect our revenues and cash flows.

We rely exclusively on the revenues generated from our terminals and pipeline operations. Because of our lack of diversification in asset type, an adverse development in these businesses would have a significantly greater impact on our financial condition and results of operations than if we maintained more diverse assets.

Our operations are subject to governmental laws and regulations relating to the protection of the environment that may expose us to significant costs and liabilities.

Our business is subject to the jurisdiction of numerous governmental agencies that enforce complex and stringent laws and regulations with respect to a wide range of environmental, safety and other regulatory matters. We could be adversely affected by increased costs resulting from more strict pollution control requirements or liabilities resulting from non-compliance with required operating or other regulatory permits. New environmental laws and regulations might adversely impact our activities, including the transportation, storage and distribution of refined petroleum products. Federal, state and local agencies also could impose additional safety requirements, any of which could affect our profitability. In addition, we face the risk of accidental releases or spills associated with our operations, which could result in material costs and liabilities, including those relating to claims for damages to property and persons. Failure by us to comply with environmental or safety related laws and regulations could result in the assessment of administrative, civil and criminal penalties, the imposition of investigatory and remedial obligations and even the issuance of injunctions that restrict or prohibit the performance of our operations.

Terrorist attacks, and the threat of terrorist attacks, have resulted in increased costs to our business. Continued hostilities in the Middle East or other sustained military campaigns may adversely impact our ability to make distributions to our unitholders.

The long-term impact of terrorist attacks, such as the attacks that occurred on September 11, 2001, and the threat of future terrorist attacks, on the energy transportation industry in general, and on us in particular, is not known at this time. Increased security measures taken by us as a precaution against possible terrorist attacks have resulted in increased costs to our business. Uncertainty surrounding continued hostilities in the Middle East or other sustained military campaigns may affect our operations in unpredictable ways, including the possibility that infrastructure facilities could be direct targets of, or indirect casualties of, an act of terrorism.

The obligations of several of our key customers under their terminaling services agreements may be reduced or suspended in some circumstances, which would adversely affect our financial condition and results of operations.

Our agreements with several of our significant customers provide that, if any of a number of events occur, which we refer to as events of force majeure, and the event renders performance impossible with respect to a facility, usually for a specified minimum period of days, our customer's obligations would be temporarily suspended with respect to that facility. In that case, a significant customer's minimum revenue commitment may be reduced or the contract may be subject to termination. As a result, our revenues and results of operations could be materially adversely affected.

We are not fully insured against all risks incident to our business, and could incur substantial liabilities as a result.

In accordance with typical industry practice, we do not have any property insurance on the Razorback Pipeline. Furthermore, we may not be able to maintain or obtain insurance of the type and amount we desire at reasonable rates. As a result of market conditions, premiums and deductibles for certain of our insurance policies have increased substantially, and could escalate further. In some

instances, certain insurance could become unavailable or available only for reduced amounts of coverage. For example, our insurance carriers require broad exclusions for losses due to terrorist acts. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our financial condition.

We share some insurance policies, including our general liability policy, with TransMontaigne Inc. These policies contain caps on the insurer's maximum liability under the policy, and claims made by either of TransMontaigne Inc. or us are applied against the caps. The possibility exists that, in any event in which we wish to make a claim under a shared insurance policy, our claim could be denied or only partially satisfied due to claims made by TransMontaigne Inc. against the policy cap.

Our debt levels may limit our flexibility in obtaining additional financing and in pursuing other business opportunities.

Our level of debt could have important consequences to us. For example our level of debt could:

- impair our ability to obtain additional financing, if necessary, for distributions to unitholders, working capital, capital expenditures, acquisitions or other purposes;
- require us to dedicate a substantial portion of our cash flow to make principal and interest payments on our debt, reducing the funds that would otherwise be available for operations and future business opportunities;
- make us more vulnerable to competitive pressures, changes in interest rates or a downturn in our business or the economy generally;
- impair our ability to make distributions to our unitholders; and
- limit our flexibility in responding to changing business and economic conditions.

If our operating results are not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing distributions, reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt, or seeking additional equity capital. We may not be able to effect any of these actions on satisfactory terms, or at all.

Our credit facility also contains covenants limiting our ability to make distributions to unitholders in certain circumstances. In addition, our credit facility contains various covenants that limit, among other things, our ability to incur indebtedness, grant liens or enter into a merger, consolidation or sale of assets. Furthermore, our credit facility contains covenants requiring us to maintain certain financial ratios and tests. Any future breach of any of these covenants or our failure to meet any of these ratios or conditions could result in a default under the terms of our credit facility, which could result in acceleration of our debt and other financial obligations. If we were unable to repay those amounts, the lenders could initiate a bankruptcy proceeding or liquidation proceeding or proceed against the collateral.

TransMontaigne Inc. controls our general partner, which has sole responsibility for conducting our business and managing our operations. TransMontaigne Inc. and Morgan Stanley Capital Group have conflicts of interest and limited fiduciary duties, which may permit them to favor their own interests to our detriment.

TransMontaigne Services Inc., a wholly-owned subsidiary of TransMontaigne Inc., owns and controls our general partner. TransMontaigne Inc., in turn, is wholly-owned by Morgan Stanley Capital Group, which is the principal commodities trading arm of Morgan Stanley. Neither our general partner nor its board of directors is elected by our unitholders and our unitholders have no right to elect our general partner or its board of directors on an annual or other continuing basis. Furthermore, unitholders have limited ability to remove our general partner.

Although our general partner has a fiduciary duty to manage us in a manner beneficial to us and our unitholders, the directors and officers of our general partner have a fiduciary duty to manage our general partner in a manner beneficial to its owner, TransMontaigne Services Inc. Furthermore, two of our general partner's directors, and all of its executive officers, are affiliated with TransMontaigne Inc. and one of our general partner's directors is affiliated with Morgan Stanley Capital Group. Therefore, conflicts of interest may arise between TransMontaigne Inc. and its affiliates, including Morgan Stanley Capital Group and our general partner, on the one hand, and us and our unitholders, on the other hand. In resolving those conflicts of interest, our general partner may favor its own interests and the interests of its affiliates over the interests of our unitholders.

The following are potential conflicts of interest:

- TransMontaigne Inc. and Morgan Stanley Capital Group, as users of our pipeline and terminals, have economic incentives not to cause us to seek higher tariffs or higher terminaling service fees, even if such higher rates or terminaling service fees would reflect rates that could be obtained in arm's-length, third-party transactions.

- TransMontaigne Inc. and its affiliates may engage in competition with us under certain circumstances.

- Neither our partnership agreement nor any other agreement requires TransMontaigne Inc. or Morgan Stanley Capital Group to pursue a business strategy that favors us. TransMontaigne Inc.'s and Morgan Stanley Capital Group's respective directors and officers have fiduciary duties to make decisions in the best interests of those companies, which may be contrary to our interests.

- Our general partner is allowed to take into account the interests of parties other than us, such as TransMontaigne Inc. and Morgan Stanley Capital Group, in resolving conflicts of interest.

- Officers of TransMontaigne Inc. who provide services to us also devote significant time to the businesses of TransMontaigne Inc., and are compensated by TransMontaigne Inc. for the services rendered to it.

- Our general partner has limited its liability and reduced its fiduciary duties, and also has restricted the remedies available to our unitholders for actions that, without the limitations, might constitute breaches of fiduciary duty.

- Our general partner determines the amount and timing of acquisitions and dispositions, capital expenditures, borrowings, issuance of additional partnership securities, and reserves, each of which can affect the amount of cash that is distributed to our unitholders.

- Our general partner determines the amount and timing of any capital expenditures and whether a capital expenditure is a maintenance capital expenditure, which reduces operating surplus, or an expansion capital expenditure, which does not reduce operating surplus. That determination can affect the amount of cash that is distributed to our unitholders and the ability of the subordinated units to convert to common units.

- Our general partner may use an amount, initially equal to $11.9 million, which would not otherwise constitute operating surplus, in order to permit the payment of cash distributions on the subordinated units or incentive distribution rights.

- Our general partner determines which out-of-pocket costs incurred by TransMontaigne Inc. are reimbursable by us.

- Our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with any of these entities on our behalf.

- Our general partner intends to limit its liability regarding our contractual and other obligations.

- Our general partner may exercise its limited right to call and purchase common units if it and its affiliates own more than 80% of the common units.

- Our general partner controls the enforcement of obligations owed to us by our general partner and its affiliates, including the terminaling services agreements with TransMontaigne Inc. and Morgan Stanley Capital Group.

- Our general partner decides whether to retain separate counsel, accountants, or others to perform services for us.

The control of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of the unitholders. If TransMontaigne Inc. ceases to control our general partner, our exclusive option to purchase refined product terminals from TransMontaigne Inc. under the omnibus agreement would terminate. The termination of such option could adversely impact our ability to grow through the acquisition of additional refined product terminals, which could have an adverse effect on our operations. Furthermore, our partnership agreement does not restrict the ability of the members of our general partner from transferring their respective limited liability company interests in our general partner to a third party. The new members of our general partner then would be in a position to replace the board of directors and officers of our general partner with their own choices and to control the decisions taken by the board of directors and officers.

Our tax treatment depends on our status as a partnership for federal income tax purposes, as well as our not being subject to entity-level taxation by states. If the Internal Revenue Service were to treat us as a corporation or if we were to become subject to entity-level taxation for state tax purposes, then our cash flows would be substantially reduced.

The anticipated after-tax benefit of an investment in the common units depends largely on our being treated as a partnership for federal income tax purposes.

If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our income at the corporate tax rate, which is currently a maximum of 35%. Distributions to our unitholders would generally be taxed again as corporate distributions, and no income, gains, losses, deductions or credits would flow through to our unitholders. Because a tax would be imposed upon us as a corporation, our cash flows would be substantially reduced. Thus, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to our unitholders, likely causing a substantial reduction in the value of the common units.

Current law may change, causing us to be treated as a corporation for federal income tax purposes or otherwise subjecting us to entity-level taxation. For example, because of widespread state budget deficits, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise or other forms of taxation. If any state were to impose a tax upon us as an entity, our cash flows would be reduced. For example, under recently enacted legislation, we will be subject to a new entity level tax payable in 2008 on the portion of our total revenue (as that term is defined in the legislation) that is generated in Texas beginning in our tax year ending December 31, 2007. Specifically, the Texas margin tax will be imposed at a maximum effective rate of 0.7% of our total revenue that is apportioned to Texas. Imposition of such a tax on us by Texas, or any other state, will reduce the cash available for distribution to our unitholders. The partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for federal, state

or local income tax purposes, then the minimum quarterly distribution amount and the target distribution amounts will be reduced to reflect the impact of that law on us.

If the IRS were to successfully challenge our use of a calendar taxable year for federal income tax purposes, the challenge may result in adjustments to the federal income tax liability of our unitholders, the imposition of tax penalties on us and we may have difficulty providing our unitholders with all of the information necessary to timely file their federal income tax returns. As a result, the market for our common units may be adversely affected and our relations with our unitholders could suffer.

Under the Internal Revenue Code and applicable Treasury Regulations, we are required to use a taxable year that is determined by reference to the taxable years of our partners. If holders of a majority of the interests in our capital and profits use a single taxable year, we must use that year. If there is no such "majority interest taxable year," and if no person with a taxable year different from that of our general partner and its affiliates owns a 5% or greater interest in our capital or profits, then we must use the same taxable year as our general partner and its affiliates. If there is no majority interest taxable year and there is an owner, other than our general partner and its affiliates, of 5% or more of our capital or profits that has a taxable year different from that of our general partner and its affiliates, we must use the taxable year that produces the "least aggregate deferral" to holders of partnership interests. In general, these determinations are made on the first day of each taxable year.

There are significant factual and legal uncertainties in applying these rules to us because:

- our general partner and its affiliates have not used, and do not currently use, the calendar year as their taxable year;
- we have limited information as to the taxable years of the holders of our common units; and
- the regulations prescribing the time and manner for determining the interest of a partner in our profits are susceptible to multiple interpretations.

Our initial taxable year ended on June 30, 2005, because our general partner and its affiliates, who used a June 30 taxable year at the time we were organized, initially owned all of the interests in our profits and capital. We have taken the position that we were required to change our taxable year to the calendar year as of July 1, 2005, on the basis that the calendar year was our "majority interest taxable year" due to public ownership of our common units by calendar year taxpayers. In view of the factual and legal uncertainties regarding the taxable year that we are required to use, our position that we are required to use the calendar year as our taxable year is also based in part upon the fact that the calendar year is (i) the simplest and most administrable taxable year for a publicly traded partnership, (ii) to our knowledge, the taxable year used by all other publicly traded partnerships and (iii) the default taxable year originally provided by the Internal Revenue Code for partnerships in certain other circumstances. Based upon that position, we used the calendar year as our taxable year for 2006 and plan to use the calendar year as our taxable year for 2007. The IRS, however, could disagree with the position we have taken.

If we are required to change our taxable year to a year other than the calendar year, we may have difficulty providing certain unitholders with information about our income, gain, loss and deduction for our taxable year in a manner that allows those unitholders to timely file their federal income tax returns for the years in which they are required to include their share of our income, gain, loss and deduction. In addition, if we are required to change our taxable year as a result of an IRS challenge of our use of the calendar year for a taxable year as to which we and our unitholders have already filed a federal income tax return, the change may result in an adjustment to a unitholder's federal income tax liability and we could be subject to penalties. In that event, our relations with our unitholders could suffer. Moreover, if we were not allowed to use a calendar year end for tax purposes, many existing and potential unitholders that do have a calendar tax year may not be willing to purchase our units,

which could adversely affect the market price of our units and limit our ability to raise capital through public or private offerings of our units in the future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 3. LEGAL PROCEEDINGS

TransMontaigne Inc. has agreed to indemnify us for any losses we may suffer as a result of legal claims for actions that occurred prior to the closing of our initial public offering on May 27, 2005.

We currently are not a party to any material litigation. Our operations are subject to a variety of risks and disputes normally incident to our business. As a result, at any given time we may be a defendant in various legal proceedings and litigation arising in the ordinary course of business. We are a beneficiary of various insurance policies TransMontaigne Inc. maintains with insurers in amounts and with coverage and deductibles as our general partner believes are reasonable and prudent. However, we cannot assure that this insurance will be adequate to protect us from all material expenses related to potential future claims for personal and property damage or that the levels of insurance will be available in the future at economical prices.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the security holders, through solicitation of proxies or otherwise, during the period covered by this annual report.

Part II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON UNITS, RELATED UNITHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET FOR COMMON UNITS

The common units are listed and traded on the New York Stock Exchange under the symbol "TLP." On March 2, 2007, there were approximately 17 unitholders of record of our common units. This number does not include unitholders whose units are held in trust by other entities. The actual number of unitholders is greater than the number of unitholders of record.

The following table sets forth, for the periods indicated, the range of high and low per unit sales prices for our common units as reported on the New York Stock Exchange.

	Low	High
May 24, 2005 (initial trading day) through June 30, 2005	$ 21.40	$ 26.85
July 1, 2005 through September 30, 2005	$ 25.90	$ 29.35
October 1, 2005 through December 31, 2005	$ 22.10	$ 26.55
January 1, 2006 through March 31, 2006	$ 24.85	$ 29.65
April 1, 2006 through June 30, 2006	$ 28.55	$ 33.15
July 1, 2006 through September 30, 2006	$ 29.07	$ 31.77
October 1, 2006 through December 31, 2006	$ 28.82	$ 31.62

DISTRIBUTIONS OF AVAILABLE CASH

The following table sets forth the distribution declared per common unit attributable to the periods indicated:

	Distribution
May 24, 2005 (initial trading day) through June 30, 2005	$ 0.15
July 1, 2005 through September 30, 2005	$ 0.40
October 1, 2005 through December 31, 2005	$ 0.40
January 1, 2006 through March 31, 2006	$ 0.43
April 1, 2006 through June 30, 2006	$ 0.43
July 1, 2006 through September 30, 2006	$ 0.43
October 1, 2006 through December 31, 2006	$ 0.43

The distribution for the quarter ended June 30, 2005 reflects the pro rata portion of the minimum quarterly distribution of $0.40 per common unit for the period from the closing of the initial public offering on May 27, 2005 through June 30, 2005.

Within approximately 45 days after the end of each quarter, we will distribute all of our available cash, as defined in our partnership agreement, to unitholders of record on the applicable record date. Available cash generally means all cash on hand at the end of the quarter:

- *less* the amount of cash reserves established by our general partner to:
  - provide for the proper conduct of our business;
  - comply with applicable law, any of our debt instruments, or other agreements; or
  - provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters;
- *plus,* if our general partner so determines, all or a portion of cash on hand on the date of determination of available cash for the quarter.

Distributions of Available Cash During the Subordination Period

During the subordination period, common units are entitled to receive distributions from operating surplus of $0.40 per unit per quarter (which we refer to as the minimum quarterly distribution), or $1.60 per unit per year, plus any arrearages in the payment of the minimum quarterly distribution from prior quarters, before any such distributions are paid on our subordinated units. At December 31, 2006, there were 3,972,500 common units issued and outstanding. At December 31, 2006, the amounts of available cash from operating surplus needed to pay the minimum quarterly distribution for one quarter and for four quarters on the common units, the subordinated units, and the general partner units were approximately:

	One Quarter	Four Quarters
	(in thousands)	
Common units and related distribution on general partner units	$ 1,621	$ 6,483
Subordinated units and related distribution on general partner units	$ 1,355	$ 5,422
Total	$ 2,976	$ 11,905

We will make distributions of available cash from operating surplus for any quarter during the subordination period in the following manner:

- ***First***, 98% to the common unitholders, pro rata, and 2% to our general partner, until we distribute for each outstanding common unit an amount equal to the minimum quarterly distribution for that quarter;
- ***Second***, 98% to the common unitholders, pro rata, and 2% to our general partner, until we distribute for each outstanding common unit an amount equal to any arrearages in payment of the minimum quarterly distribution on the common units for any prior quarters during the subordination period;
- ***Third***, 98% to the subordinated unitholders, pro rata, and 2% to our general partner, until we distribute for each subordinated unit an amount equal to the minimum quarterly distribution for that quarter; and
- ***Thereafter***, cash in excess of the minimum quarterly distributions is distributed to unitholders and the general partner in the manner described under "—Incentive Distribution Rights" below.

Distributions of Available Cash After the Subordination Period

At December 31, 2006, there were 3,322,266 subordinated units issued and outstanding. The subordination period generally will not end until June 30, 2010. However, a portion of the subordinated units may be converted into common units at an earlier date on a one-for-one basis based on the achievement of certain financial goals as defined in our partnership agreement.

Upon expiration of the subordination period, each outstanding subordinated unit will convert into one common unit and will then participate pro rata with the other common units in distributions of available cash.

We will make distributions of available cash for any quarter after the subordination period in the following manner:

- ***First***, 98% to all unitholders, pro rata, and 2% to our general partner until we distribute for each outstanding unit an amount equal to the minimum quarterly distribution for that quarter; and
- ***Thereafter***, in the manner described under "—Incentive Distribution Rights" below.

Incentive Distribution Rights

Incentive distribution rights are a non-voting limited partner interest that represent the right to receive an increasing percentage of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Our general partner currently holds the incentive distribution rights, but may transfer these rights separately from its general partner interest, subject to restrictions in the partnership agreement.

The following table illustrates the percentage allocations of the additional available cash from operating surplus between the unitholders and our general partner up to the various target distribution levels. The amounts set forth under "Marginal percentage interest in distributions" are the percentage interests of our general partner and the unitholders in any available cash from operating surplus we distribute up to and including the corresponding amount in the column "Total quarterly distribution," until available cash from operating surplus we distribute reaches the next target distribution level, if any. The percentage interests shown for the unitholders and our general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for our general partner include its 2% general partner interest and assume our general partner has contributed any additional capital to maintain its 2% general partner interest and has not transferred its incentive distribution rights.

		Marginal percentage interest in distributions	
	Total Per Unit quarterly distribution	Unitholders	General partner
Minimum Quarterly Distribution	$0.40	98%	2%
First Target Distribution	up to $0.44	98%	2%
Second Target Distribution	above $0.44 up to $0.50	85%	15%
Third Target Distribution	above $0.50 up to $0.60	75%	25%
Thereafter	Above $0.60	50%	50%

There is no guarantee that we will be able to pay the minimum quarterly distribution on the common units in any quarter, and we will be prohibited from making any distributions to unitholders if it would cause an event of default, or an event of default is existing, under our senior secured credit facility.

Common Unit Repurchases for the quarter ended December 31, 2006

There were no common unit repurchases for the quarter ended December 31, 2006.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected historical financial data of TransMontaigne Partners for the periods and as of the dates indicated. The following selected financial data for the year ended December 31, 2006, six months ended December 31, 2005 and each of the years in the four-year period ended June 30, 2005, has been derived from our consolidated financial statements. We adopted a December 31 year end for financial and tax reporting purposes effective December 31, 2005; we previously maintained a June 30 year end. You should not expect the results for any prior periods to be indicative of the results that may be achieved in future periods. You should read the following information together with our historical consolidated financial statements and related notes and with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this annual report.

	Year ended December 31, 2006(5)	Six Months Ended December 31, 2005(3)(4)	Years ended June 30,			
			2005	2004	2003(2)	2002(1)
	(dollars in thousands)					
Statement of Operations Data:						
Revenues	$ 56,785	$ 22,908	$ 36,093	$ 34,437	$ 17,175	$ 8,901
Direct operating costs and expenses	(26,191)	(7,896)	(15,175)	(14,231)	(6,006)	(2,894)
Direct general and administrative expenses	(6,453)	(1,267)	(79)	—	—	—
Allocated general and administrative expenses	(4,487)	(1,588)	(2,800)	(3,300)	(2,500)	(1,400)
Allocated insurance	(1,215)	(500)	(1,000)	(900)	(500)	(200)
Depreciation and amortization	(9,188)	(3,461)	(6,154)	(5,903)	(3,588)	(1,728)
Gain on disposition of assets, net	—	—	—	6	—	—
Operating income	9,251	8,196	10,885	10,109	4,581	2,679
Other income (expense):						
Interest income	37	4	—	6	—	—
Interest expense	(3,356)	(969)	(167)	—	—	—
Amortization of deferred financing costs	(810)	(92)	(15)	—	—	—
Minority interest share in earnings of Razorback Pipeline	—	—	—	—	—	(525)
Net earnings	$ 5,122	$ 7,139	$ 10,703	$ 10,115	$ 4,581	$ 2,154
Other Financial Data:						
Net cash provided by operating activities	$ 18,357	$ 7,833	$ 18,517	$ 16,532	$ 8,469	$ 4,545
Net cash (used) by investing activities	$ (162,631)	$ (3,042)	$ (3,686)	$ (3,256)	$ (95,949)	$ (7,115)
Net cash provided (used) by financing activities	$ 147,033	$ (4,334)	$ (14,592)	$ (13,292)	$ 87,448	$ 2,592
Balance Sheet Data:						
Property, plant and equipment, net	$ 235,074	$ 125,884	$ 116,281	$ 118,012	$ 120,153	$ 29,985
Total assets	$ 271,361	$ 131,036	$ 119,573	$ 120,886	$ 123,806	$ 30,286
Long-term debt	$ 189,621	$ 28,000	$ 28,307	$ —	$ —	$ —
Equity	$ 77,865	$ 100,013	$ 87,425	$ 118,657	$ 121,834	$ 29,805

(1) Effective June 30, 2002, TransMontaigne Inc. acquired the remaining 40% interest that it did not own in the Razorback Pipeline system.

(2) The consolidated financial statements include the results of operations of the Coastal Fuels assets from the closing date of their acquisition by TransMontaigne Inc. (February 28, 2003). See Note 3 of Notes to consolidated financial statements.

(3) The consolidated financial statements include the results of operations of the Mobile, Alabama terminal facility from the closing date of its acquisition by TransMontaigne Inc. (August 1, 2005). See Note 3 of Notes to consolidated financial statements.

(4) The consolidated financial statements include the results of operations of the Oklahoma City terminal from the closing date of our acquisition (October 31, 2005). See Note 3 of Notes to consolidated financial statements.

(5) The consolidated financial statements include the results of operations of the Brownsville and River terminal facilities from the closing date of Morgan Stanley Capital Group Inc.'s acquisition of TransMontaigne Inc. (September 1, 2006). See Note 3 of Notes to consolidated financial statements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the results of operations and financial condition should be read in conjunction with the accompanying consolidated financial statements included elsewhere in this annual report.

OVERVIEW

We are a refined petroleum products terminaling and pipeline transportation company formed by TransMontaigne Inc. At December 31, 2006, our operations are composed of:

- seven refined product terminals located in Florida, with an aggregate active storage capacity of approximately 5.5 million barrels, that provide integrated terminaling services to TransMontaigne Inc., other distribution and marketing companies and the United States government;

- a 67-mile, interstate refined products pipeline, which we refer to as the Razorback Pipeline, that currently transports gasolines and distillates for TransMontaigne Inc. from Mt. Vernon, Missouri to Rogers, Arkansas;

- two refined product terminals, one located in Mt. Vernon, Missouri and the other located in Rogers, Arkansas, with an aggregate active storage capacity of approximately 404,000 barrels, that are connected to the Razorback Pipeline and provide integrated terminaling services to TransMontaigne Inc.;

- one refined product terminal located in Oklahoma City, Oklahoma, with aggregate active storage capacity of approximately 157,000 barrels, that provides integrated terminaling services to a major oil company;

- one refined product terminal located in Mobile, Alabama with aggregate active storage capacity of approximately 235,000 barrels that provides integrated terminaling services to TransMontaigne Inc. and other distribution and marketing companies;

- one refined product terminal located in Brownsville, Texas with aggregate active storage capacity of approximately 2.2 million barrels that provides integrated terminaling services to TransMontaigne Inc. and other distribution and marketing companies; and

- twelve refined product terminals located along the Mississippi and Ohio rivers ("River terminals") with aggregate active storage capacity of approximately 2.7 million barrels and the Baton Rouge, Louisiana dock facility that provide integrated terminaling services to third-party distribution and marketing companies.

We provide integrated terminaling, storage, transportation and related services for companies engaged in the distribution and marketing of refined products and crude oil, including TransMontaigne Inc. We handle light refined products (such as gasolines, distillates (including heating oil) and jet fuels); heavy refined products (such as residual fuel oils and asphalt); and crude oil. Currently all of our operations are located in the United States.

The majority of our business is devoted to providing terminaling and transportation services to TransMontaigne Inc. and Morgan Stanley Capital Group. TransMontaigne Inc. and Morgan Stanley Capital Group, in the aggregate, accounted for approximately 56%, 70%, 64%, and 59% of our revenues for the year ended December 31, 2006, six months ended December 31, 2005 and the years ended June 30, 2005 and 2004, respectively. TransMontaigne Inc., formed in 1995, is a terminaling, distribution and marketing company that supplies, distributes and markets refined petroleum products to wholesalers, distributors, marketers and industrial and commercial end users throughout the United

States, primarily in the Gulf Coast, East Coast and Midwest regions. TransMontaigne Inc. also provides supply chain management services to various customers throughout the United States. TransMontaigne Inc. currently relies on us to provide substantially all the integrated terminaling services it requires to support its operations along the Gulf Coast, in Brownsville, Texas, along the Mississippi and Ohio rivers, and in the Midwest. Pursuant to the terms of terminaling services agreements we have executed with TransMontaigne Inc., we expect to continue to derive a majority of our revenues from TransMontaigne Inc. for the foreseeable future.

We are controlled by our general partner, TransMontaigne GP L.L.C., which is a wholly-owned subsidiary of TransMontaigne Inc. Effective September 1, 2006, Morgan Stanley Capital Group Inc., a wholly-owned subsidiary of Morgan Stanley, purchased all of the issued and outstanding capital stock of TransMontaigne Inc. Morgan Stanley Capital Group is the principal commodities trading arm of Morgan Stanley. Morgan Stanley Capital Group is a leading global commodity trader involved in proprietary and counterparty-driven trading in numerous commodities including crude oil, refined petroleum products, natural gas and natural gas liquids, coal, electric power, base and precious metals, and others. Morgan Stanley Capital Group engages in trading both physical commodities, like the refined petroleum products that we handle in our terminals, and exchange or over-the-counter commodities derivative instruments. As a result of Morgan Stanley's acquisition of TransMontaigne Inc., Morgan Stanley became the indirect owner of our general partner. TransMontaigne Inc. and Morgan Stanley have a significant interest in our partnership through their indirect ownership of a 44.6% limited partner interest, a 2% general partner interest and the incentive distribution rights.

Incentive distribution rights are a non-voting limited partner interest that represents the right to receive an increasing percentage of quarterly distributions after the minimum quarterly distribution and the target distribution levels have been achieved. The following table illustrates the percentage allocations between the unitholders and our general partner up to the various target distribution levels. The amounts set forth under "Marginal percentage interest in distributions" are the percentage interests of our general partner and the unitholders in any amount we distribute up to and including the corresponding amount in the column "Total quarterly distribution," until our quarterly distribution reaches the next target distribution level, if any. The percentage interests set forth below for our general partner include its 2% general partner interest and assume our general partner has contributed any additional capital to maintain its 2% general partner interest and has not transferred its incentive distribution rights.

		Marginal percentage interest in distributions	
	Total per unit quarterly distribution	Unitholders	General partner
Minimum Quarterly Distribution	$0.40	98%	2%
First Target Distribution	up to $0.44	98%	2%
Second Target Distribution	above $0.44 up to $0.50	85%	15%
Third Target Distribution	above $0.50 up to $0.60	75%	25%
Thereafter	Above $0.60	50%	50%

We do not take ownership of or market products that we handle or transport and, therefore, we are not directly exposed to changes in commodity prices, except for the value of product gains and losses arising from our terminaling services agreements with our customers. The volume of product that is handled, transported through or stored in our terminals and pipeline is directly affected by the level of supply and demand in the wholesale markets served by our terminals and pipeline. Overall supply of refined products in the wholesale markets is influenced by the products' absolute prices, the availability of capacity on delivering pipelines and vessels, fluctuating refinery margins and the markets' perception of future product prices. The demand for gasoline peaks during the summer driving season, which extends from April to September, and declines during the fall and winter months. The demand for

marine fuels typically peaks in the winter months due to the increase in the number of cruise ships originating from the Florida ports. Despite these seasonalities, the overall impact on the volume of product throughput in our terminals and pipeline is not material.

SIGNIFICANT DEVELOPMENTS DURING THE YEAR ENDED DECEMBER 31, 2006

Effective January 1, 2006, we acquired from TransMontaigne Inc. a refined product terminal in Mobile, Alabama in exchange for a cash payment of approximately $17.9 million.

On January 19, 2006, we announced a distribution of $0.40 per unit payable on February 8, 2006 to unitholders of record on January 31, 2006.

On January 19, 2006, we announced a program for the repurchase, from time to time, of outstanding common units of the Partnership for purposes of making subsequent grants of restricted units under the Partnership's long-term incentive plan to key employees and executive officers of TransMontaigne Services Inc. and the non-employee directors of our general partner. On September 1, 2006 TransMontaigne Inc. was acquired by Morgan Stanley Capital Group resulting in the acceleration of vesting of all restricted phantom units and restricted common stock. As a result of the merger between TransMontaigne Inc. and Morgan Stanley Capital Group, repurchases of outstanding common units under the program were discontinued.

On February 20, 2006, we entered into a new five-year terminaling services agreement with Marathon Petroleum Company LLC ("Marathon") regarding approximately 1.0 million barrels of asphalt storage capacity throughout our Florida facilities. The terminaling services agreement with Gulf Atlantic Operations LLC ("Gulf Atlantic") for the utilization of this asphalt storage capacity was amended to allow for cancellations coinciding with the effective dates within the terminaling services agreement with Marathon. Effective May 1, 2006, our terminaling services agreement with Gulf Atlantic expired. The change from Gulf Atlantic to Marathon did not have a material impact on our results of operations or cash flows.

On April 19, 2006, we announced a distribution of $0.43 per unit payable on May 9, 2006 to unitholders of record on April 28, 2006.

On June 18, 2006, we incurred a release of approximately 3,000 barrels of residual fuel oil at our Mobile, Alabama terminal facility due to human error. We currently estimate that we will incur unreimbursed environmental remediation costs and product losses of approximately $0.5 million.

On June 22, 2006, TransMontaigne Inc. announced that it had entered into a definitive merger agreement with Morgan Stanley Capital Group, pursuant to which all the issued and outstanding shares of common stock of TransMontaigne Inc. would be acquired. We were not a party to that merger agreement. The merger between TransMontaigne Inc. and Morgan Stanley Capital Group was completed on September 1, 2006, and Morgan Stanley Capital Group now controls our general partner. We currently cannot predict whether or in what manner Morgan Stanley Capital Group's control of our general partner will change our operations.

On July 21, 2006, we announced a distribution of $0.43 per unit payable on August 8, 2006 to unitholders of record on July 31, 2006.

Effective September 1, 2006, we amended our Terminaling Services Agreement with TransMontaigne Inc. The amendment eliminated the retention by us of a loss allowance on product receipts at our Florida terminals and the collection by us of a management fee for managing and operating on behalf of TransMontaigne Inc. certain tank capacity owned by a utility. In exchange, the amendment provides for an increase in throughput fees charged on light and heavy oil volumes at our Florida terminals. The impact on the statement of operations and cash flows is not expected to be

significant. We will continue to retain a loss allowance on product receipts at our Mobile and Midwest terminals.

On October 3, 2006, we incurred a release of approximately 1,600 barrels of gasoline at our Rogers, Arkansas terminal facility due to human error. We currently estimate that we will incur unreimbursed environmental remediation costs and product losses of approximately $0.7 million.

On October 19, 2006, we announced a distribution of $0.43 per unit payable on November 7, 2006 to unitholders of record on October 31, 2006.

On December 29, 2006, we acquired from TransMontaigne Inc. the Brownsville and River terminals for a cash payment of approximately $135 million. We financed the acquisition through additional borrowings under our amended and restated senior secured credit facility.

SUBSEQUENT EVENTS

On January 19, 2007, we announced a distribution of $0.43 per unit payable on February 7, 2007 to unitholders of record on January 31, 2007.

On March 2, 2007, the compensation committee of the board of directors of our general partner authorized the grant of 10,000 restricted phantom units, in the aggregate, to the directors of our general partner who are not officers of our general partner or its affiliates. The grants will become effective on March 31, 2007.

NATURE OF REVENUES AND EXPENSES

We derive revenues from our terminal and pipeline transportation operations by charging fees for providing integrated terminaling, transportation and related services. The fees we charge, our other sources of revenue and our direct operating costs and expenses are described below.

Throughput and Additive Injection Fees, Net. We earn throughput fees for each barrel of product that is distributed at our terminals by our customers. Terminal throughput fees are based on the volume of product distributed at the facility's truck loading racks, generally at a standard rate per barrel of product. We provide additive injection services in connection with the delivery of product at our terminals. These fees generally are based on the volume of product injected and delivered over the rack at our terminals.

Terminaling Storage Fees. We provide storage capacity at our terminals to third parties, and prior to May 27, 2005, TransMontaigne Inc. Terminaling storage fees generally are based on a per barrel of storage capacity per month rate and vary with the duration of the agreement and the type of product.

Pipeline Transportation Fees. We earn pipeline transportation fees at our Razorback Pipeline based on the volume of product transported and the distance from the origin point to the delivery point. The Federal Energy Regulatory Commission regulates the tariff on the Razorback Pipeline.

Management Fees and Reimbursed Costs. We manage and operate for a major oil company certain tank capacity at our Port Everglades (South) terminal and receive a reimbursement of costs. We also manage and operate for a foreign oil company a bi-directional products pipeline connected to our Brownsville, Texas terminal facility.

Other Revenue. In addition to providing storage and distribution services at our terminal facilities, we also provide ancillary services including heating and mixing of stored products and product transfer services. We also recognize gains from the sale of product to TransMontaigne Inc. resulting from the excess of product deposited by our customers into our terminals over the amount of product that the customer is contractually permitted to withdraw from those terminals.

Direct Operating Costs and Expenses. The direct operating costs and expenses of our operations include the directly related wages and employee benefits, utilities, communications, maintenance and repairs, property taxes, rent, vehicle expenses, environmental compliance costs, materials and supplies.

Direct General and Administrative Expenses. The direct general and administrative expenses of our operations include costs related to operating as a separate public entity, such as accounting and legal costs associated with annual and quarterly reports and tax return and Schedule K-1 preparation and distribution, independent director fees and amortization of deferred equity-based compensation.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A summary of the significant accounting policies that we have adopted and followed in the preparation of our historical consolidated financial statements is detailed in Note 1 of Notes to consolidated financial statements. Certain of these accounting policies require the use of estimates. We have identified the following estimates that, in our opinion, are subjective in nature, require the exercise of judgment, and involve complex analyses. These estimates are based on our knowledge and understanding of current conditions and actions that we may take in the future. Changes in these estimates will occur as a result of the passage of time and the occurrence of future events. Subsequent changes in these estimates may have a significant impact on our financial condition and results of operations.

Allowance for Doubtful Accounts. At December 31, 2006, our allowance for doubtful accounts was $75,000. Our allowance for doubtful accounts represents the amount of trade receivables that we do not expect to collect. The valuation of our allowance for doubtful accounts is based on our analysis of specific individual customer balances that are past due and, from that analysis, we estimate the amount of the receivable balance that we do not expect to collect. That estimate is based on various factors, including our experience in collecting past due amounts from the customer being evaluated, the customer's current financial condition, the current economic environment and the economic outlook for the future.

Accrued Environmental Obligations. At December 31, 2006, we have an accrued liability of $682,000 as our best estimate of the undiscounted future payments we expect to pay for environmental costs to remediate existing conditions. Estimates of our environmental obligations are subject to change due to a number of factors and judgments involved in the estimation process, including the early stage of investigation at certain sites, the lengthy time frames required to complete remediation, technology changes affecting remediation methods, alternative remediation methods and strategies, and changes in environmental laws and regulations. Changes in our estimates and assumptions may occur as a result of the passage of time and the occurrence of future events.

Costs incurred to remediate existing contamination at the terminals we acquired from TransMontaigne Inc. have been, and are expected in the future to be, insignificant. As part of the omnibus agreement, TransMontaigne Inc. retained 100% of these liabilities and indemnified us against certain potential environmental claims, losses and expenses associated with the operation of the acquired terminal facilities and occurring before the date of acquisition, up to a maximum liability (not to exceed $15 million for the Florida and Midwest terminals acquired on May 27, 2005, not to exceed $2.5 million for the Mobile, Alabama terminal acquired on January 1, 2006, and not to exceed $15 million for the Brownsville and River terminals acquired on December 29, 2006) for this indemnification obligation (see Note 2 of Notes to consolidated financial statements).

RESULTS OF OPERATIONS—YEAR ENDED DECEMBER 31, 2006, SIX MONTHS ENDED DECEMBER 31, 2005 AND YEARS ENDED JUNE 30, 2005 AND 2004

In reviewing our historical results of operations, you should be aware that the accompanying consolidated financial statements include the assets, liabilities and results of operations of certain TransMontaigne Inc. terminal and pipeline transportation operations prior to their acquisition by us from TransMontaigne Inc. The results of operations of TransMontaigne Inc.'s terminals and pipelines prior to being acquired by us are reflected in the accompanying consolidated financial statements as being attributable to TransMontaigne Inc. ("Predecessor"). The acquired assets and liabilities have been recorded at TransMontaigne Inc.'s carryover basis. At the closing of our initial public offering on May 27, 2005, we acquired from TransMontaigne Inc. seven Florida terminals, including terminals located in Tampa, Port Manatee, Fisher Island, Port Everglades (North), Port Everglades (South), Cape Canaveral, and Jacksonville; and the Razorback Pipeline system, including the terminals located at Mt. Vernon, Missouri and Rogers, Arkansas in exchange for 120,000 common units, 2,872,266 subordinated units, a 2% general partner interest and a cash payment of approximately $111.5 million. On January 1, 2006, we acquired from TransMontaigne Inc. the Mobile, Alabama terminal in exchange for a cash payment of approximately $17.9 million. On December 29, 2006, we acquired from TransMontaigne Inc. the Brownsville, Texas terminal, 12 terminals along the Mississippi and Ohio rivers ("River terminals") and the Baton Rouge, Louisiana dock facility in exchange for a cash payment of approximately $135 million. The acquisitions of terminal and pipeline operations from TransMontaigne Inc. have been accounted for as transactions among entities under common control and, accordingly, prior periods include the activity of the acquired terminal and pipeline operations since the date they were purchased by TransMontaigne Inc. for acquisitions made by us prior to September 1, 2006, and since September 1, 2006 (the date of Morgan Stanley Capital Group Inc.'s acquisition of TransMontaigne Inc.) for acquisitions made by us on or after September 1, 2006. On February 28, 2003, TransMontaigne Inc. purchased the Port Manatee, Fisher Island, Port Everglades (North), Cape Canaveral and Jacksonville terminal operations from an affiliate of El Paso Corporation. On August 1, 2005, TransMontaigne Inc. purchased the Mobile terminal operations from Radcliff/Economy Marine Services, Inc.

The historical results of operations reflect the impact of the following acquisitions:

- the purchase of the Brownsville terminal, River terminals and the Baton Rouge, Louisiana dock facility by Morgan Stanley Capital Group, completed in September 2006 when it acquired TransMontaigne Inc., and subsequent acquisition by us from TransMontaigne Inc. in December 2006;
- the acquisition of the Oklahoma City terminal by us, completed in October 2005;
- the purchase of the Mobile, Alabama terminal by TransMontaigne Inc., completed in August 2005, and subsequent acquisition by us from TransMontaigne Inc. in January 2006;
- the purchase of five Florida terminals by TransMontaigne Inc., completed in February 2003, and subsequent acquisition by us from TransMontaigne Inc. in May 2005; and
- the purchase of the remaining 40% interest in the Razorback Pipeline by TransMontaigne Inc., completed in June 2002, and subsequent acquisition by us from TransMontaigne Inc. in May 2005.

Selected results of operations data for each of the quarters in the year ended December 31, 2006, six months ended December 31, 2005 and the two-year period ended June 30, 2005, are summarized below (in thousands):

	Three months ended				
	March 31, 2006	June 30, 2006	September 30, 2006	December 31, 2006	Year ended December 31, 2006
Revenues	$ 12,090	$ 11,563	$ 13,850	$ 19,282	$ 56,785
Direct operating costs and expenses	(4,527)	(5,647)	(6,508)	(9,509)	(26,191)
Direct general and administrative expenses	(1,100)	(672)	(3,761)	(920)	(6,453)
Allocated general and administrative expenses	(812)	(822)	(1,135)	(1,718)	(4,487)
Allocated insurance expense	(250)	(250)	(304)	(411)	(1,215)
Depreciation and amortization	(1,942)	(1,790)	(2,250)	(3,206)	(9,188)
Operating income (loss)	3,459	2,382	(108)	3,518	9,251
Other income (expense), net	(740)	(845)	(937)	(1,607)	(4,129)
Net earnings (loss)	$ 2,719	$ 1,537	$ (1,045)	$ 1,911	$ 5,122

	Three months ended		
	September 30, 2005	December 31, 2005	Six months ended December 31, 2005
Revenues	$ 10,967	$ 11,941	$ 22,908
Direct operating costs and expenses	(3,791)	(4,105)	(7,896)
Direct general and administrative expenses	(595)	(672)	(1,267)
Allocated general and administrative expenses	(775)	(813)	(1,588)
Allocated insurance expense	(250)	(250)	(500)
Depreciation and amortization	(1,674)	(1,787)	(3,461)
Operating income	3,882	4,314	8,196
Other income (expense), net	(509)	(548)	(1,057)
Net earnings	$ 3,373	$ 3,766	$ 7,139

	Three months ended				
	September 30, 2004	December 31, 2004	March 31, 2005	June 30, 2005	Year ended June 30, 2005
Revenues	$ 8,392	$ 8,300	$ 9,714	$ 9,687	$ 36,093
Direct operating costs and expenses	(3,920)	(3,820)	(3,879)	(3,556)	(15,175)
Direct general and administrative expenses	—	—	—	(79)	(79)
Allocated general and administrative expenses	(700)	(700)	(700)	(700)	(2,800)
Allocated insurance expense	(250)	(250)	(263)	(237)	(1,000)
Depreciation and amortization	(1,537)	(1,507)	(1,509)	(1,601)	(6,154)
Operating income	1,985	2,023	3,363	3,514	10,885
Other income (expense), net	—	—	—	(182)	(182)
Net earnings	$ 1,985	$ 2,023	$ 3,363	$ 3,332	$ 10,703

	Three months ended				
	September 30, 2003	December 31, 2003	March 31, 2004	June 30, 2004	Year ended June 30, 2004
Revenues	$ 8,812	$ 8,020	$ 8,797	$ 8,808	$ 34,437
Direct operating costs and expenses	(3,830)	(2,916)	(3,709)	(3,776)	(14,231)
Allocated general and administrative expenses	(825)	(825)	(825)	(825)	(3,300)
Allocated insurance expense	(187)	(243)	(244)	(226)	(900)
Depreciation and amortization	(1,287)	(1,537)	(1,522)	(1,557)	(5,903)
Gain on disposition of assets, net	—	6	—	—	6
Operating income	2,683	2,505	2,497	2,424	10,109
Other income (expense), net	—	—	6	—	6
Net earnings	$ 2,683	$ 2,505	$ 2,503	$ 2,424	$ 10,115

We derive revenues from our terminal and pipeline transportation operations by charging fees for providing integrated terminaling, transportation and related services. Our revenues were as follows (in thousands):

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Years ended June 30,	
				2005	2004
Throughput and additive injection fees, net	$ 27,122	$ 12,004	$ 5,374	$ 11,893	$ 10,617
Terminaling storage fees	17,068	5,270	9,015	18,014	17,711
	44,190	17,274	14,389	29,907	28,328
Pipeline transportation fees	2,449	1,226	1,098	2,242	2,141
Management fees and reimbursed costs	1,319	634	64	221	108
Other	8,827	3,774	1,141	3,723	3,860
Revenue	$ 56,785	$ 22,908	$ 16,692	$ 36,093	$ 34,437

The revenues of our business segments were as follows (in thousands):

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Years ended June 30,	
				2005	2004
Gulf Coast terminals	$ 40,037	$ 19,773	$ 14,583	$ 31,600	$ 30,307
Midwest terminals and pipeline system	6,783	3,135	2,109	4,493	4,130
Brownsville terminal (since September 1, 2006)	4,248	—	—	—	—
River terminals (since September 1, 2006)	5,717	—	—	—	—
Revenues	$ 56,785	$ 22,908	$ 16,692	$ 36,093	$ 34,437

On August 1, 2005, TransMontaigne Inc. acquired the Mobile terminal. The Mobile terminal is included in the results of operations of our Gulf Coast terminals business segment from the date of acquisition by TransMontaigne Inc. For the year ended December 31, 2006 and the six months ended December 31, 2005, the Mobile terminal contributed approximately $3.5 million and $1.4 million, respectively, in revenues.

Effective October 31, 2005, we acquired the Oklahoma City terminal. The Oklahoma City terminal is included in the results of operations of our Midwest terminals and pipeline system business segment

from the date of acquisition. For the year ended December 31, 2006 and the six months ended December 31, 2005, the Oklahoma City terminal contributed approximately $1.1 million and $0.2 million, respectively, in revenues.

Effective December 29, 2006, we acquired the Brownsville terminal, River terminals and the Baton Rouge, Louisiana dock facility from TransMontaigne Inc. The Brownsville terminal, River terminals and the Baton Rouge, Louisiana dock facility are included in our results of operations from September 1, 2006, the date of Morgan Stanley Capital Group's acquisition of TransMontaigne Inc.

Throughput and Additive Injection Fees, Net. We earn throughput fees for each barrel of product that is distributed at our terminals by our customers. Terminal throughput fees are based on the volume of product distributed at the facility's truck loading racks, generally at a standard rate per barrel of product. We provide additive injection services in connection with the delivery of product at our terminals. These fees generally are based on the volume of product injected and delivered over the rack at our terminals. The throughput and additive injection fees, net by business segments were as follows (in thousands):

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Years ended June 30, 2005	Years ended June 30, 2004
Gulf Coast terminals	$ 21,523	$ 10,807	$ 4,497	$ 10,077	$ 9,186
Midwest terminals and pipeline system	3,027	1,197	877	1,816	1,431
Brownsville terminal (since September 1, 2006)	1,351	—	—	—	—
River terminals (since September 1, 2006)	1,221	—	—	—	—
Throughput and additive injections fees, net	$ 27,122	$ 12,004	$ 5,374	$ 11,893	$ 10,617

The terminaling services agreement with TransMontaigne Inc. at our Gulf Coast terminals converted the fees charged on heavy oil volumes from a storage agreement to a throughput agreement effective June 1, 2005. The throughput fees charged on heavy oil volumes were approximately $6.4 million for the year ended December 31, 2006, approximately $3.9 million for the six months ended December 31, 2005, and $0.8 million for the one month ended June 30, 2005.

Included in the terminal throughput fees for the year ended December 31, 2006, six months ended December 31, 2005, and years ended June 30, 2005 and 2004 are fees charged to TransMontaigne Inc. of approximately $22.9 million, $11.5 million, $11.8 million and $10.5 million, respectively.

Terminaling Storage Fees. We provide storage capacity at our terminals to third parties, and prior to May 27, 2005, TransMontaigne Inc. Terminaling storage fees generally are based on a per barrel of

storage capacity per month rate and vary with the duration of the agreement and the type of product. The terminaling storage fees by business segments were as follows (in thousands):

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Years ended June 30,	
				2005	2004
Gulf Coast terminals	$ 10,786	$ 5,270	$ 9,015	$ 18,014	$ 17,711
Midwest terminals and pipeline system	—	—	—	—	—
Brownsville terminal (since September 1, 2006)	1,967	—	—	—	—
River terminals (since September 1, 2006)	4,315	—	—	—	—
Terminaling storage fees	$ 17,068	$ 5,270	$ 9,015	$ 18,014	$ 17,711

Included in the terminaling storage fees for the year ended December 31, 2006, six months ended December 31, 2005 and years ended June 30, 2005 and 2004 are fees charged to TransMontaigne Inc. and Morgan Stanley Capital Group of approximately $0.2 million, $nil, $8.4 million and $7.2 million, respectively, for the storage of refined petroleum products.

Pipeline Transportation Fees. We earn pipeline transportation fees at our Razorback Pipeline based on the volume of product transported and the distance from the origin point to the delivery point. The Federal Energy Regulatory Commission regulates the tariff on the Razorback Pipeline. Included in pipeline transportation fees for the year ended December 31, 2006, six months ended December 31, 2005, and years ended June 30, 2005 and 2004, are fees charged to TransMontaigne Inc. of approximately $2.4 million, $1.2 million, $2.2 million and $2.1 million, respectively.

Management Fees and Reimbursed Costs. We manage and operate for a major oil company certain tank capacity at our Port Everglades (South) terminal and receive a reimbursement of costs. We also manage and operate for a foreign oil company a bi-directional products pipeline connected to our Brownsville, Texas terminal facility and receive a management fee and reimbursement of costs. From May 27, 2005 through August 31, 2006, we managed and operated on behalf of TransMontaigne Inc. certain tank capacity owned by a utility and received a management fee from TransMontaigne Inc. Effective September 1, 2006, our agreement with TransMontaigne Inc. to manage and operate the utility's tank capacity was terminated. The management fees and reimbursed costs by business segments were as follows (in thousands):

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Years ended June 30,	
				2005	2004
Gulf Coast terminals	$ 954	$ 634	$ 64	$ 221	$ 108
Midwest terminals and pipeline system	—	—	—	—	—
Brownsville terminal (since September 1, 2006)	365	—	—	—	—
River terminals (since September 1, 2006)	—	—	—	—	—
Management fees and reimbursed costs	$ 1,319	$ 634	$ 64	$ 221	$ 108

Included in management fees and reimbursed costs for the year ended December 31, 2006, six months ended December 31, 2005, and years ended June 30, 2005 and 2004, are fees charged to TransMontaigne Inc. of approximately $0.8 million, $0.6 million, $0.1 million and $nil, respectively.

Other Revenue. We provide ancillary services including heating and mixing of stored products and product transfer services. We also recognize gains from the sale of product to TransMontaigne Inc. resulting from the excess of product deposited by our customers into our terminals over the amount of product that the customer is contractually permitted to withdraw from those terminals. The other revenue by business segments were as follows (in thousands):

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Years ended June 30,	
				2005	2004
Gulf Coast terminals	$ 6,774	$ 3,062	$ 1,007	$ 3,288	$ 3,302
Midwest terminals and pipeline system	1,307	712	134	435	558
Brownsville terminal (since September 1, 2006)	565	—	—	—	—
River terminals (since September 1, 2006)	181	—	—	—	—
Other revenue	$ 8,827	$ 3,774	$ 1,141	$ 3,723	$ 3,860

Included in other revenue for the year ended December 31, 2006, six months ended December 31, 2005, and years ended June 30, 2005 and 2004, are product gains, including product retained under loss allowance provisions in our terminaling services agreements with customers, of approximately $5.5 million, $3.3 million, $1.4 million and $0.8 million, respectively.

Included in other revenue for the year ended December 31, 2006, six months ended December 31, 2005, and years ended June 30, 2005 and 2004, are fees charged to TransMontaigne Inc. of approximately $5.2 million, $2.8 million, $0.6 million and $0.4 million, respectively.

Costs and Expenses. The direct operating costs and expenses of our operations include the directly related wages and employee benefits, utilities, communications, maintenance and repairs, property taxes, rent, vehicle expenses, environmental compliance costs, materials and supplies. The direct operating costs and expenses of our operations were as follows (in thousands):

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Years ended June 30,	
				2005	2004
Wages and employee benefits	$ 7,259	$ 2,700	$ 2,532	$ 4,975	$ 4,442
Utilities and communication charges	2,190	705	631	1,207	1,735
Repairs and maintenance	9,966	2,090	2,662	4,713	3,725
Office, rentals and property taxes	2,892	1,187	1,042	2,138	1,972
Vehicles and fuel costs	1,961	794	494	1,102	821
Environmental compliance costs	1,960	317	225	489	624
Other	663	103	154	551	912
Less—property and environmental insurance recoveries	(700)	—	—	—	—
Direct operating costs and expenses	$ 26,191	$ 7,896	$ 7,740	$ 15,175	$ 14,231

The direct operating costs and expenses of our business segments were as follows (in thousands):

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Years ended June 30, 2005	Years ended June 30, 2004
Gulf Coast terminals	$ 19,123	$ 7,123	$ 7,058	$ 14,014	$ 13,044
Midwest terminals and pipeline system	2,117	773	682	1,161	1,187
Brownsville terminal (since September 1, 2006)	2,586	—	—	—	—
River terminals (since September 1, 2006)	2,365	—	—	—	—
Direct operating costs and expenses	$ 26,191	$ 7,896	$ 7,740	$ 15,175	$ 14,231

On August 1, 2005, TransMontaigne Inc. acquired the Mobile terminal. The Mobile terminal is included in the results of operations of our Gulf Coast terminals business segment from the date of acquisition by TransMontaigne Inc. For the year ended December 31, 2006 and the six months ended December 31, 2005, the Mobile terminal contributed approximately $1.3 million and $0.5 million, respectively, in direct operating costs and expenses.

Effective October 31, 2005, we acquired the Oklahoma City terminal. The Oklahoma City terminal is included in the results of operations of our Midwest terminals and pipeline system business segment from the date of acquisition. For the year ended December 31, 2006 and the six months ended December 31, 2005, the Oklahoma City terminal contributed approximately $0.4 million and $33,000, respectively, in direct operating costs and expenses.

Effective December 29, 2006, we acquired the Brownsville terminal, River terminals and the Baton Rouge, Louisiana dock facility from TransMontaigne Inc. The Brownsville terminal, River terminals and Baton Rouge, Louisiana dock facility are included in our results of operations from September 1, 2006, the date of Morgan Stanley Capital Group's acquisition of TransMontaigne Inc.

The direct general and administrative expenses of our operations include costs related to operating as a separate public entity, such as accounting and legal costs associated with annual and quarterly reports and tax return and Schedule K-1 preparation and distribution, independent director fees and amortization of deferred equity-based compensation. Direct general and administrative expenses were as follows (in thousands):

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Years ended June 30, 2005	Years ended June 30, 2004
Accounting expenses	$ 1,099	$ 478	$ —	$ —	$ —
Legal expenses	631	296	—	—	—
Independent director fees and investor relations expenses	291	60	—	10	—
Amortization of deferred equity-based compensation	610	323	—	48	—
Acceleration of vesting of all outstanding restricted phantom units and restricted common units	3,258	—	—	—	—
Provision for potentially uncollectible accounts receivable	75	—	—	—	—
Other	489	110	—	21	—
Direct general and administrative expenses	$ 6,453	$ 1,267	$ —	$ 79	$ —

The accompanying consolidated financial statements include allocated general and administrative charges from TransMontaigne Inc. for allocations of indirect corporate overhead to cover costs of centralized corporate functions such as legal, accounting, treasury, insurance administration and claims processing, health, safety and environmental, information technology, human resources, credit, payroll, taxes, engineering and other corporate services. The allocated general and administrative expenses were approximately $4.5 million for the year ended December 31, 2006, approximately $1.6 million for the six months ended December 31, 2005, approximately $1.4 million for the six months ended December 31, 2004, approximately $2.8 million for the year ended June 30, 2005, and approximately $3.3 million for the year ended June 30, 2004. For the year ended December 31, 2006, allocated general and administrative expenses include approximately $1.2 million related to the Brownsville and River terminals.

The accompanying consolidated financial statements also include allocated insurance charges from TransMontaigne Inc. for allocations of insurance premiums to cover costs of insuring activities such as property, casualty, pollution, automobile, directors' and officers', and other insurable risks. The allocated insurance expenses were approximately $1.2 million for the year ended December 31, 2006, approximately $0.5 million for the six months ended December 31, 2005, approximately $0.5 million for the six months ended December 31, 2004, approximately $1.0 million for the year ended June 30, 2005, and approximately $0.9 million for the year ended June 30, 2004. For the year ended December 31, 2006, allocated insurance expense includes approximately $0.2 million related to the Brownsville and River terminals.

Depreciation and amortization expense was approximately $9.2 million for the year ended December 31, 2006, approximately $3.5 million for the six months ended December 31, 2005, approximately $3.0 million for the six months ended December 31, 2004, approximately $6.2 million for the year ended June 30, 2005, and approximately $5.9 million for the year ended June 30, 2004. For the year ended December 31, 2006, depreciation and amortization expense includes approximately $1.8 million related to the Brownsville and River terminals.

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs are to fund our distributions to unitholders, fund our capital expenditures and fund our working capital requirements. Prior to our initial public offering in May 2005, investments and advances from TransMontaigne Inc. were our primary means of funding our liquidity needs. Currently, our principal sources of funds to meet our liquidity needs are cash generated by operations, borrowings under our senior secured credit facility and debt and equity offerings.

Excluding acquisitions, capital expenditures for the year ended December 31, 2006, six months ended December 31, 2005 and the year ended June 30, 2005, were approximately $10.1 million, $1.2 million and $3.7 million, respectively, for terminal and pipeline facilities and assets to support these facilities. Excluding acquisitions, budgeted capital projects to be initiated during the year ending December 31, 2007, are estimated to range from $60 million to $70 million, which includes

approximately $5.0 million of capital expenditures to maintain our existing facilities. The budgeted capital projects, which are expected to be completed during 2008, include the following:

Terminal	Description of project	Incremental Storage Capacity
		(in Bbls)
Brownsville	Increase LPG tank capacity	30,000
Tampa	Increase light oil tank capacity Improve truck rack capacity and functionality	300,000
Port Everglades	Increase light oil and residual oil tank capacity Improve truck rack capacity and functionality	1,400,000
River	Reactivate light oil tank capacity	200,000

During 2007, we also expect to commence discussions with TransMontaigne Inc. regarding the acquisition of their Southeast terminaling operations with a goal of closing the transaction during the fourth quarter of 2007. TransMontaigne Inc.'s Southeast terminaling operations currently include 24 terminals with an aggregate active storage capacity of approximately 8.5 million barrels. We expect to issue additional equity securities to finance all or a significant portion of the purchase price of the Southeast terminaling operations.

Future capital expenditures will depend on numerous factors, including the availability, economics and cost of appropriate acquisitions which we identify and evaluate; the economics, cost and required regulatory approvals with respect to the expansion and enhancement of existing systems and facilities; customer demand for the services we provide; local, state and federal governmental regulations; environmental compliance requirements; and the availability of debt financing and equity capital on acceptable terms.

Senior Secured Credit Facility. On December 22, 2006, we entered into a $225 million amended and restated senior secured credit facility ("Senior Secured Credit Facility") with a consortium of lending institutions. The Senior Secured Credit Facility is composed of a $75 million term loan facility and a $150 million revolving credit facility. We may elect to have loans under the Senior Secured Credit Facility bear interest either (i) at a rate of LIBOR plus a margin ranging from 1.50% to 2.50% depending on the total leverage ratio then in effect, or (ii) at the base rate (the greater of (a) the federal funds rate plus 0.5% or (b) the prime rate) plus a margin ranging from 0.5% to 1.5% depending on the total leverage ratio then in effect. We also pay a commitment fee ranging from 0.30% to 0.50% per annum, depending on the total leverage ratio then in effect, on the total amount of unused commitments. Our obligations under the Senior Secured Credit Facility are secured by a first priority security interest in favor of the lenders in our assets, including cash, accounts receivable, inventory, general intangibles, investment property, contract rights and real property.

The terms of the Senior Secured Credit Facility include covenants that restrict our ability to make cash distributions and acquisitions. We may make distributions of cash to the extent of our "available cash" as defined in our partnership agreement. We may make acquisitions meeting the definition of "permitted acquisitions" which include: acquisitions in which the consideration paid for such acquisition, together with the consideration paid for other acquisitions in the same fiscal year, does not exceed $25 million; acquisitions that arise from the exercise of options under the omnibus agreement with TransMontaigne Inc.; and acquisitions in which we have (1) provided the agent prior written documentation in form and substance reasonably satisfactory to the agent demonstrating our pro forma compliance with all financial and other covenants contained in the Senior Secured Credit Facility after giving effect to such acquisition and (2) satisfied all other conditions precedent to such acquisition

which the agent may reasonably require in connection therewith. The principal balance of loans and any accrued and unpaid interest are due and payable in full on the maturity date, December 22, 2011.

The Senior Secured Credit Facility also contains customary representations and warranties (including those relating to organization and authorization, compliance with laws, absence of defaults, material agreements and litigation) and customary events of default (including those relating to monetary defaults, covenant defaults, cross defaults and bankruptcy events). The primary financial covenants contained in the Senior Secured Credit Facility are (i) a total leverage ratio test (not to exceed 5.75 times through the earlier of September 30, 2007 or the completion of a new equity offering of not less than $65 million, and not to exceed 4.5 times thereafter), (ii) a senior secured leverage ratio test (not to exceed 5.75 times through the earlier of September 30, 2007 or the completion of a new equity offering of not less than $65 million, and not to exceed 4.0 times thereafter), and (iii) a minimum interest coverage ratio test (not to be less than 2.25 times through September 30, 2007, then 2.5 times through December 31, 2007, and not less than 2.75 times thereafter). These financial covenants are based on a defined financial performance measure within the credit facility known as "Consolidated EBITDA."

For each of the four quarters ending on or before December 31, 2006, the Senior Secured Credit Facility stipulates our Consolidated EBITDA at approximately $9.0 million per quarter for purposes of calculating the total leverage ratio and the senior secured leverage ratio. That assumption is reflected in the following calculation of the "total leverage ratio" and "senior secured leverage ratio" contained in the Senior Secured Credit Facility.

	Three Months Ended				
	March 31, 2006	June 30, 2006	September 30, 2006	December 31, 2006	Twelve Months Ended December 31, 2006
Financial performance debt covenant test:					
Consolidated EBITDA for the total leverage ratio, as stipulated in the credit facility	$ 9,025	$ 9,025	$ 9,025	$ 9,025	$ 36,100
Consolidated funded indebtedness					$ 189,621
Total leverage ratio and senior secured leverage ratio					5.25x
Consolidated EBITDA for the interest coverage ratio	$ 5,563	$ 4,440	$ 4,721	$ 3,950	$ 18,674
Consolidated interest expense, as stipulated in the credit facility	$ 694	$ 799	$ 891	$ 935	$ 3,319
Interest coverage ratio					5.63x
Reconciliation of Consolidated EBITDA to cash flows provided by (used in) operating activities:					
Consolidated EBITDA for total leverage ratio	$ 9,025	$ 9,025	$ 9,025	$ 9,025	$ 36,100
Less pro forma adjustments	(3,462)	(4,585)	(4,304)	(5,075)	(17,426)
Consolidated EBITDA for interest coverage ratio	5,563	4,440	4,721	3,950	18,674
Consolidated interest expense	(694)	(799)	(891)	(935)	(3,319)
Effects of our acquisition of Brownsville and River terminals on December 29, 2006	—	—	—	2,362	2,362
Change in operating assets and liabilities	203	1,523	(5,112)	4,026	640
Cash flows provided by (used in) operating activities	$ 5,072	$ 5,164	$ (1,282)	$ 9,403	$ 18,357

If we were to fail either financial performance covenant, or any other covenant contained in the Senior Secured Credit Facility, we would seek a waiver from our lenders under such facility. If we were unable to obtain a waiver from our lenders and the default remained uncured after any applicable grace period, we would be in breach of the Senior Secured Credit Facility, and the lenders would be entitled to declare all outstanding borrowings immediately due and payable.

Contractual Obligations and Contingencies. We have contractual obligations that are required to be settled in cash. The amounts of our contractual obligations at December 31, 2006, are as follows (in thousands):

	Years ending December 31,					
	2007	2008	2009	2010	2011	Thereafter
Additions to property, plant and equipment under contract	$ 4,337	$ —	$ —	$ —	$ —	$ —
Operating leases—property and equipment	1,220	1,204	1,161	1,116	743	1,096
Long-term debt	—	—	—	—	189,621	—
Interest expense on debt(1)	15,170	15,170	15,170	15,170	14,796	—
Total contractual obligations to be settled in cash	$ 20,727	$ 16,374	$ 16,331	$ 16,286	$ 205,160	$ 1,096

(1) Assumes that our outstanding long-term debt at December 31, 2006 remains outstanding until its maturity date and we incur interest expense at 8.0%.

Off-Balance Sheet Arrangements. At December 31, 2006, our outstanding letters of credit were approximately $0.2 million.

See Notes 2, 9, 10 and 12 of Notes to consolidated financial statements for additional information regarding our contractual obligations and off-balance sheet arrangements that may affect our results of operations and financial condition.

We believe that our future cash expected to be provided by operating activities, available borrowing capacity under our credit facility, and our relationship with institutional lenders and equity investors should enable us to meet our planned capital and liquidity requirements through at least the maturity date of our credit facility (December 2011).

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Market risk is the risk of loss arising from adverse changes in market rates and prices. The principal market risk to which we are exposed is interest rate risk associated with borrowings under our senior secured credit facility. Borrowings under our senior secured credit facility bear interest at a variable rate based on LIBOR or the lender's base rate. We currently do not manage our exposure to interest rates, but we may in the future. At December 31, 2006, we had outstanding borrowings of $189.6 million under our senior secured credit facility. Based on the outstanding balance of our variable-interest-rate debt at December 31, 2006, and assuming market interest rates increase or decrease by 100 basis points, the potential annual increase or decrease in interest expense is approximately $1.9 million.

We do not purchase or market products that we handle or transport and, therefore, we do not have material direct exposure to changes in commodity prices, except for the value of product gains and losses arising from our terminaling services agreements with our customers. We do not use derivative commodity instruments to manage the commodity risk associated with the product we may own at any given time. Generally, to the extent we are entitled to retain product pursuant to terminaling services agreements with our customers, we sell the product to TransMontaigne Inc. As a result, we do not have a material direct exposure to commodity price fluctuations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this annual report.

TransMontaigne Partners L.P. and Subsidiaries:

Report of Independent Registered Public Accounting Firm
Consolidated balance sheets as of December 31, 2006 and 2005, and June 30, 2005
Consolidated statements of operations for the year ended December 31, 2006, six months ended December 31, 2005, six months ended December 31, 2004 (unaudited), and years ended June 30, 2005 and 2004
Consolidated statements of partners' equity for the year ended December 31, 2006, six months ended December 31, 2005 and years ended June 30, 2005 and 2004
Consolidated statements of cash flows for the year ended December 31, 2006, six months ended December 31, 2005, six months ended December 31, 2004 (unaudited), and years ended June 30, 2005 and 2004
Notes to consolidated financial statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Member
TransMontaigne GP L.L.C.:

We have audited the accompanying consolidated balance sheets of TransMontaigne Partners L.P. and subsidiaries as of December 31, 2006 and 2005, and June 30, 2005, and the related consolidated statements of operations, partners' equity, and cash flows for the year ended December 31, 2006, the six months ended December 31, 2005 and for each of the years in the two-year period ended June 30, 2005. In connection with our audits of the consolidated financial statements, we also have audited the accompanying financial statement schedule (Exhibit 99.1). These consolidated financial statements and financial statement schedule are the responsibility of TransMontaigne GP L.L.C.'s management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TransMontaigne Partners L.P. and subsidiaries as of December 31, 2006 and 2005, and June 30, 2005, and the results of their operations and their cash flows for the year ended December 31, 2006, the six months ended December 31, 2005 and for each of the years in the two-year period ended June 30, 2005, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of TransMontaigne Partners L.P. and subsidiaries' internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 16, 2007 expressed an unqualified opinion on management's assessment of, and the effective operation of, internal control over financial reporting.

KPMG LLP

Denver, Colorado
March 16, 2007

TransMontaigne Partners L.P. and subsidiaries
Consolidated balance sheets
(Dollars in thousands)

	December 31, 2006	December 31, 2005	June 30, 2005
ASSETS			
Current assets:			
Cash and cash equivalents	$ 3,457	$ 698	$ 241
Trade accounts receivable, net	1,625	1,003	492
Due from TransMontaigne Inc.	13	1,212	14
Other current assets	1,156	338	302
	6,251	3,251	1,049
Property, plant and equipment, net	235,074	125,884	116,281
Goodwill	23,235	—	—
Other assets, net	6,801	1,901	2,243
	$ 271,361	$ 131,036	$ 119,573
LIABILITIES AND EQUITY			
Current liabilities:			
Trade accounts payable	$ 2,410	$ 1,784	$ 2,180
Accrued liabilities	1,465	1,239	1,661
Total current liabilities	3,875	3,023	3,841
Long-term debt	189,621	28,000	28,307
Total liabilities	193,496	31,023	32,148
Partners' equity:			
Predecessor equity	—	9,625	—
Common unitholders (3,972,500 units issued and outstanding at December 31, 2006 and 2005 and June 30, 2005, respectively)	72,852	75,474	76,255
Subordinated unitholders (3,322,266 units issued and outstanding at December 31, 2006 and 2005 and June 30, 2005, respectively)	4,866	14,581	13,433
General partner interest (2% interest with 148,873 equivalent units outstanding at December 31, 2006 and 2005 and June 30, 2005, respectively)	147	333	281
Deferred equity-based compensation	—	—	(2,544)
Total partners' equity	77,865	100,013	87,425
	$ 271,361	$ 131,036	$ 119,573

See accompanying notes to consolidated financial statements.

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of operations

(In thousands, except per unit amounts)

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005	Year ended June 30, 2004
			(unaudited)		
Revenue	$ 56,785	$ 22,908	$ 16,692	$ 36,093	$ 34,437
Costs and expenses:					
Direct operating costs and expenses	(26,191)	(7,896)	(7,740)	(15,175)	(14,231)
Direct general and administrative expenses	(6,453)	(1,267)	—	(79)	—
Allocated general and administrative expenses	(4,487)	(1,588)	(1,400)	(2,800)	(3,300)
Allocated insurance expense	(1,215)	(500)	(500)	(1,000)	(900)
Depreciation and amortization	(9,188)	(3,461)	(3,044)	(6,154)	(5,903)
Gain on disposition of assets, net	—	—	—	—	6
Operating income	9,251	8,196	4,008	10,885	10,109
Other income (expense):					
Interest income	37	4	—	—	6
Interest expense	(3,356)	(969)	—	(167)	—
Amortization of deferred financing costs	(810)	(92)	—	(15)	—
Total other income (expense)	(4,129)	(1,057)	—	(182)	6
Net earnings	5,122	7,139	4,008	10,703	10,115
Less:					
Net earnings attributable to predecessor	(1,856)	(472)	(4,008)	(9,730)	(10,115)
General partner interest in net earnings	(66)	(133)	—	(19)	—
Net earnings allocable to limited partners	$ 3,200	$ 6,534	$ —	$ 954	$ —
Net earnings per limited partner unit—basic	$ 0.44	$ 0.90	$ —	$ 0.13	$ —
Net earnings per limited partner unit—diluted	$ 0.44	$ 0.90	$ —	$ 0.13	$ —
Weighted average limited partner units outstanding—basic	7,283	7,295	—	7,295	—
Weighted average limited partner units outstanding—diluted	7,286	7,295	—	7,295	—

See accompanying notes to consolidated financial statements.

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of partners' equity

(Dollars in thousands)

	Predecessor	Common Units	Subordinated Units	General Partner Interest	Deferred Equity-Based Compensation	Total
Balance June 30, 2003	121,834	—	—	—	—	121,834
Net earnings	10,115	—	—	—	—	10,115
Distributions and repayments, net to Predecessor	(13,292)	—	—	—	—	(13,292)
Balance June 30, 2004	118,657	—	—	—	—	118,657
Net earnings through May 26, 2005	9,730	—	—	—	—	9,730
Distributions and repayments, net to Predecessor	(11,399)	—	—	—	—	(11,399)
Proceeds from initial public offering of 3,852,500 common units, net of underwriters' discount and offering expenses of $9,512	—	72,932	—	—	—	72,932
Proceeds from private placement of 450,000 subordinated units	—	—	7,945	—	—	7,945
Distribution to TransMontaigne Inc.	(111,461)	—	—	—	—	(111,461)
Allocation of predecessor equity in exchange for 120,000 common units, 2,872,266 subordinated units, and a 2% general partner interest (represented by 148,873 units)	(5,527)	211	5,054	262	—	—
Grant of 120,000 restricted common units under the long-term incentive plan	—	2,592	—	—	(2,592)	—
Amortization of deferred equity-based compensation related to restricted common units	—	—	—	—	48	48
Net earnings from May 27, 2005 through June 30, 2005	—	520	434	19	—	973
Balance June 30, 2005	—	76,255	13,433	281	(2,544)	87,425
Elimination of deferred equity-based compensation due to adoption of SFAS 123(R)	—	(2,544)	—	—	2,544	—
Distributions to unitholders	—	(2,119)	(1,827)	(81)	—	(4,027)
Amortization of deferred equity-based compensation related to restricted common units	—	323	—	—	—	323
Purchase of Mobile terminal by Predecessor	9,153	—	—	—	—	9,153
Net earnings from July 1, 2005 through December 31, 2005	472	3,559	2,975	133	—	7,139
Balance December 31, 2005	9,625	75,474	14,581	333	—	100,013
Distributions and repayments, net to Predecessor	70	—	—	—	—	70
Acquisition of Mobile terminal from Predecessor in exchange for $17.9 million	(8,869)	—	(9,066)	—	—	(17,935)
Distributions to unitholders	—	(6,552)	(5,614)	(252)	—	(12,418)
Amortization of deferred equity-based compensation related to restricted common units	—	610	—	—	—	610
Acceleration of vesting of all outstanding restricted phantom units and restricted common units	—	3,258	—	—	—	3,258
Common units repurchased from TransMontaigne Services Inc.'s employees for withholding taxes	—	(538)	—	—	—	(538)
Repurchase of 38,400 common units by our long-term incentive plan	—	(1,140)	—	—	—	(1,140)

Purchase of Brownsville and River terminals by Predecessor	135,823	—	—	—	—	135,823
Acquisition of Brownsville and River terminals from Predecessor in exchange for $135 million	(138,505)	—	3,505	—	—	(135,000)
Net earnings for year ended December 31, 2006	1,856	1,740	1,460	66	—	5,122
Balance December 31, 2006	$ —	$ 72,852	$ 4,866	$ 147	$ —	$ 77,865

See accompanying notes to consolidated financial statements.

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of cash flows

(In thousands)

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005	Year ended June 30, 2004
			(unaudited)		
Cash flows from operating activities:					
Net earnings	$ 5,122	$ 7,139	$ 4,008	$ 10,703	$ 10,115
Adjustments to reconcile net earnings to net cash provided (used) by operating activities:					
Depreciation and amortization	9,188	3,461	3,044	6,154	5,903
Amortization of deferred equity-based compensation	610	323	—	48	—
Acceleration of vesting of all outstanding restricted phantom units and restricted common units	3,258	—	—	—	—
Amortization of deferred financing costs	810	92	—	15	—
Gain on disposition of assets, net	—	—	—	—	(6)
Changes in operating assets and liabilities, net of effects from acquisitions:					
Trade accounts receivable, net	(1,809)	(439)	376	290	177
Due from TransMontaigne Inc.	1,199	(1,199)	—	(14)	—
Other current assets	(740)	(36)	(156)	(54)	86
Trade accounts payable	1,012	(403)	736	1,234	(400)
Accrued liabilities	(293)	(1,105)	(738)	141	657
Net cash provided by operating activities	18,357	7,833	7,270	18,517	16,532
Cash flows from investing activities:					
Acquisition of terminal facilities, net of cash acquired	(152,920)	(1,858)	—	—	—
Additions to property, plant and equipment —expansion of facilities	(8,292)	(722)	(880)	(2,332)	(1,327)
Additions to property, plant and equipment —maintain existing facilities	(1,796)	(462)	(502)	(1,354)	(1,955)
Reimbursement of costs to maintain our Port Everglades (South) terminal	377	—	—	—	—
Proceeds from sale of assets	—	—	—	—	26
Net cash (used) by investing activities	(162,631)	(3,042)	(1,382)	(3,686)	(3,256)
Cash flows from financing activities:					
Net proceeds from issuance of common units	—	—	—	72,932	—
Net proceeds from issuance of subordinated units	—	—	—	7,945	—
Net (payments) borrowings under credit facility	161,621	(307)	—	28,307	—
Distributions paid to unitholders	(12,418)	(4,027)	—	—	—
Deferred financing costs	(2,603)	—	—	(916)	—
Common units repurchased from TransMontaigne Services Inc.'s employees for withholding taxes	(538)	—	—	—	—
Repurchase of common units by our long-term incentive plan	(1,140)	—	—	—	—
Net contributions and advances by (distributions and repayments to) TransMontaigne Inc.	2,111	—	(5,888)	(122,860)	(13,292)
Net cash provided (used) by financing activities	147,033	(4,334)	(5,888)	(14,592)	(13,292)

Increase (decrease) in cash and cash equivalents	2,759	457	—	239	(16)
Cash and cash equivalents at beginning of period	698	241	2	2	18
Cash and cash equivalents at end of period	$ 3,457	$ 698	$ 2	$ 241	$ 2
Supplemental disclosures of cash flow information:					
Cash paid for interest expense	$ 3,296	$ 969	$ —	$ 167	$ —

See accompanying notes to consolidated financial statements.

Notes to consolidated financial statements

Year ended December 31, 2006, Six months ended December 31, 2005 and Years ended June 30, 2005 and 2004

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of business

TransMontaigne Partners L.P. ("Partners") was formed in February 2005 as a Delaware master limited partnership initially to own and operate refined petroleum products terminaling and transportation facilities. We conduct our operations in the United States primarily along the Gulf Coast, in Brownsville, Texas, along the Mississippi and Ohio rivers, and in the Midwest. We provide integrated terminaling, storage, transportation and related services for companies engaged in the distribution and marketing of refined petroleum products and crude oil, including TransMontaigne Inc.

We are controlled by our general partner, TransMontaigne GP L.L.C., which is a wholly-owned subsidiary of TransMontaigne Inc. Effective September 1, 2006, Morgan Stanley Capital Group Inc., a wholly-owned subsidiary of Morgan Stanley, purchased all of the issued and outstanding capital stock of TransMontaigne Inc. Morgan Stanley Capital Group is the principal commodities trading arm of Morgan Stanley. Morgan Stanley Capital Group is a leading global commodity trader involved in proprietary and counterparty-driven trading in numerous commodities including crude oil, refined petroleum products, natural gas and natural gas liquids, coal, electric power, base and precious metals and others. Morgan Stanley Capital Group engages in trading both physical commodities, like the refined petroleum products that we handle in our terminals, and exchange or over-the-counter commodities derivative instruments. As a result of Morgan Stanley's acquisition of TransMontaigne Inc., Morgan Stanley became the indirect owner of our general partner. TransMontaigne Inc. and Morgan Stanley have a significant interest in our partnership through their indirect ownership of a 44.6% limited partner interest and a 2% general partner interest.

(b) Change in year end

We adopted a December 31 year end for financial and tax reporting purposes effective December 31, 2005. We previously maintained a June 30 year end for financial and tax reporting purposes.

(c) Basis of presentation and use of estimates

Our accounting and financial reporting policies conform to accounting principles and practices generally accepted in the United States of America. The accompanying consolidated financial statements include the accounts of TransMontaigne Partners L.P., a Delaware limited partnership, and its controlled subsidiaries. All significant inter-company accounts and transactions have been eliminated in the preparation of the accompanying consolidated financial statements.

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The following estimates, in management's opinion, are subjective in nature, require the exercise of judgment, and involve complex analyses: allowance for doubtful accounts and accrued environmental obligations. Changes in these estimates and assumptions will occur as a result of the passage of time and the occurrence of future events. Actual results could differ from these estimates.

The accompanying consolidated financial statements include the assets, liabilities and results of operations of certain TransMontaigne Inc. terminal and pipeline operations prior to their acquisition by

us from TransMontaigne Inc. The acquired assets and liabilities have been recorded at TransMontaigne Inc.'s carryover basis. At the closing of our initial public offering on May 27, 2005, we acquired from TransMontaigne Inc. seven Florida terminals, including terminals located in Tampa, Port Manatee, Fisher Island, Port Everglades (North), Port Everglades (South), Cape Canaveral, and Jacksonville; and the Razorback Pipeline system, including the terminals located at Mt. Vernon, Missouri and Rogers, Arkansas in exchange for 120,000 common units, 2,872,266 subordinated units, a 2% general partner interest, and a cash payment of approximately $111.5 million. On January 1, 2006, we acquired from TransMontaigne Inc. the Mobile, Alabama terminal in exchange for a cash payment of approximately $17.9 million (See Note 3 of Notes to consolidated financial statements). On December 29, 2006, we acquired from TransMontaigne Inc. the Brownsville, Texas terminal, 12 terminals along the Mississippi and Ohio rivers ("River terminals"), and the Baton Rouge, Louisiana dock facility in exchange for a cash payment of approximately $135 million (See Note 3 of Notes to consolidated financial statements). The acquisitions of terminal and pipeline operations from TransMontaigne Inc. have been accounted for as transactions among entities under common control and, accordingly, prior periods include the activity of the acquired terminal and pipeline operations since the date they were purchased by TransMontaigne Inc. for acquisitions made by us prior to September 1, 2006, and since September 1, 2006 (the date of Morgan Stanley Capital Group Inc.'s acquisition of TransMontaigne Inc.) for acquisitions made by us on or after September 1, 2006.

On February 28, 2003, TransMontaigne Inc. purchased the Port Manatee, Fisher Island, Port Everglades (North), Cape Canaveral and Jacksonville terminal operations from an affiliate of El Paso Corporation (see Note 3 of Notes to consolidated financial statements). On August 1, 2005, TransMontaigne purchased the Mobile terminal operations from Radcliff/Economy Marine Services, Inc.

The accompanying consolidated financial statements include allocated general and administrative charges from TransMontaigne Inc. for indirect corporate overhead to cover costs of functions such as legal, accounting, treasury, engineering, environmental safety, information technology, and other corporate services (see Note 2 of Notes to consolidated financial statements). The allocated general and administrative expenses were approximately $4.5 million for the year ended December 31, 2006, $1.6 million for the six months ended December 31, 2005 and $2.8 million and $3.3 million for the years ended June 30, 2005 and 2004, respectively. The accompanying consolidated financial statements also include allocated insurance charges from TransMontaigne Inc. for insurance premiums to cover costs of insuring activities such as property, casualty, pollution, automobile, directors' and officers' liability, and other insurable risks. The allocated insurance charges were $1.2 million for the year ended December 31, 2006, $0.5 million for the six months ended December 31, 2005 and $1.0 million and $0.9 million for the years ended June 30, 2005 and 2004, respectively. Management believes that the allocated general and administrative charges and insurance charges are representative of the costs and expenses incurred by TransMontaigne Inc. for managing Partners' operations.

(d) Accounting for terminal and pipeline operations

In connection with our terminal and pipeline operations, we utilize the accrual method of accounting for revenue and expenses. We generate revenues in our terminal and pipeline operations from throughput fees, storage fees, transportation fees, and fees from other ancillary services. Throughput revenue is recognized when the product is delivered to the customer; storage revenue is recognized ratably over the term of the storage contract; management fee revenue is recognized as the services are performed; transportation revenue is recognized when the product has been delivered to the customer at the specified delivery location; and ancillary service revenue is recognized as the services are performed.

(e) Cash and cash equivalents

We consider all short-term investments with a remaining maturity of three months or less at the date of purchase to be cash equivalents.

(f) Property, plant and equipment

Depreciation is computed using the straight-line and double-declining balance methods. Estimated useful lives are 20 to 25 years for plant, which includes buildings, storage tanks, and pipelines, and 3 to 20 years for equipment. All items of property, plant and equipment are carried at cost. Expenditures that increase capacity or extend useful lives are capitalized. Repairs and maintenance are expensed as incurred.

We evaluate long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on expected undiscounted cash flows attributable to that asset. If an asset is impaired, the impairment loss to be recognized is the excess of the carrying amount of the asset over its estimated fair value.

(g) Environmental obligations

We accrue for environmental costs that relate to existing conditions caused by past operations when estimable. Environmental costs include initial site surveys and environmental studies of potentially contaminated sites, costs for remediation and restoration of sites determined to be contaminated and ongoing monitoring costs, as well as fines, damages and other costs, including direct legal costs. Liabilities for environmental costs at a specific site are initially recorded, on an undiscounted basis, when it is probable that we will be liable for such costs, and a reasonable estimate of the associated costs can be made based on available information. Such an estimate includes our share of the liability for each specific site and the sharing of the amounts related to each site that will not be paid by other potentially responsible parties, based on enacted laws and adopted regulations and policies. Adjustments to initial estimates are recorded, from time to time, to reflect changing circumstances and estimates based upon additional information developed in subsequent periods. Estimates of our ultimate liabilities associated with environmental costs are particularly difficult to make with certainty due to the number of variables involved, including the early stage of investigation at certain sites, the lengthy time frames required to complete remediation, technology changes, alternatives available and the evolving nature of environmental laws and regulations. We periodically file claims for insurance recoveries of certain environmental remediation costs with our insurance carriers under our comprehensive liability policies. We recognize our insurance recoveries as a credit to income in the period the insurance recoveries are received.

At December 31, 2006 and 2005, and June 30, 2005, we have accrued environmental obligations of approximately $682,000, $625,000, and $nil, respectively, representing our best estimate of our remediation obligations (see Note 9 of Notes to consolidated financial statements). During the year ended December 31, 2006, we charged to income approximately $950,000 to increase our estimate of our future environmental remediation obligations due to product that was released during June 2006 at our Mobile, Alabama terminal facility and product that was released during October 2006 at our Rogers, Arkansas terminal facility. During the year ended December 31, 2006 we made payments of approximately $893,000 towards our environmental remediation obligations. The accrued environmental obligations at December 31, 2005 represent amounts assumed in connection with the acquisition of the Oklahoma City terminal facility (see Note 3 of Notes to consolidated financial statements). Changes in our estimates of our future environmental remediation obligations may occur as a result of the passage of time and the occurrence of future events.

TransMontaigne Inc. has indemnified us through May 2010 against certain potential environmental claims, losses and expenses associated with the operation of the Florida and Midwest terminal facilities

and occurring before May 27, 2005, up to a maximum liability not to exceed $15 million for this indemnification obligation (see Note 2 of Notes to consolidated financial statements). TransMontaigne Inc. has indemnified us through December 2008 against certain potential environmental claims, losses and expenses associated with the operation of the Mobile, Alabama terminal and occurring before January 1, 2006, up to a maximum liability not to exceed $2.5 million for this indemnification obligation (see Note 2 of Notes to consolidated financial statements). TransMontaigne Inc. has indemnified us through December 2011 against certain potential environmental claims, losses and expenses associated with the operation of the Brownsville and River terminals and occurring before December 31, 2006, up to a maximum liability not to exceed $15 million for this indemnification obligation (see Note 2 of Notes to consolidated financial statements).

(h) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development or normal use of the asset. Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations," requires that the fair value of a liability related to the retirement of long-lived assets be recorded at the time a legal obligation is incurred. Once an asset retirement obligation is identified and a liability is recorded, a corresponding asset is recorded, which is depreciated over the remaining useful life of the asset. After the initial measurement, the liability is adjusted to reflect changes in the asset retirement obligation's fair value. If and when it is determined that a legal obligation has been incurred, the fair value of any liability is determined based on estimates and assumptions related to retirement costs, future inflation rates and interest rates. Our long-lived assets consist of above-ground storage facilities and an underground pipeline. We are unable to predict if and when our long-lived assets will become completely obsolete and require dismantlement. Accordingly, we have not recorded an asset retirement obligation, or corresponding asset, because the future dismantlement and removal dates of our long-lived assets, and the amount of any associated costs, are indeterminable. Changes in our estimates and assumptions may occur as a result of the passage of time and the occurrence of future events.

In March 2005, the FASB issued FASB Interpretation No. 47 ("FIN 47"), "Accounting for Conditional Asset Retirement Obligations—an interpretation of SFAS 143," which requires companies to recognize a liability for the fair value of a legal obligation to perform asset-retirement activities that are conditional on a future event, if the amount can be reasonably estimated. We adopted the requirements of FIN 47 on January 1, 2006. The adoption of FIN 47 did not have a significant impact on our combined financial statements.

(i) Equity-based compensation plan

For periods ending prior to July 1, 2005, we accounted for our equity-based compensation awards using the intrinsic value method pursuant to APB Opinion No. 25, *Accounting for Stock Issued to Employees*.

Effective July 1, 2005, we adopted the provisions of Statement of Financial Accounting Standards No. 123 (R), *Share-Based Payment*. The adoption of this Statement did not have an impact on our consolidated financial statements, except for the elimination of deferred equity-based compensation from partners' equity. This Statement requires us to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost will be recognized over the period during which an employee is required to provide service in exchange for the award. We are required to estimate the number of equity instruments that are expected to vest in measuring the total compensation cost to be recognized over the related service period. For awards granted prior to July 1, 2005, we are required to measure compensation cost for the portion of outstanding awards for which the requisite service has not yet been rendered (i.e., the unvested portion

of the award as of July 1, 2005). The compensation cost for these awards is based on their relative grant-date fair values.

Compensation cost is recognized over the service period on a straight-line basis. On September 1, 2006, TransMontaigne Inc. was acquired by Morgan Stanley Capital Group resulting in the acceleration of vesting of all outstanding restricted phantom units and restricted common units.

(j) Income taxes

No provision for income taxes has been reflected in the accompanying consolidated financial statements because Partners is treated as a partnership for federal and state income taxes. As a partnership, all income, gains, losses, expenses, deductions and tax credits generated by Partners flow through to the unitholders of the partnership.

(k) Net earnings per limited partner unit

Basic earnings per limited partner unit are computed by dividing net earnings allocable to limited partners by the weighted average number of limited partnership units outstanding during the period, excluding restricted phantom units. Diluted earnings per limited partner unit are computed by dividing net earnings allocable to limited partners by the weighted average number of limited partnership units outstanding during the period and, when dilutive, restricted phantom units. Net earnings allocable to limited partners are net of two percent of the earnings allocable to the general partner.

(l) Reclassifications

Certain amounts in the prior periods have been reclassified to conform to the current period's presentation. Net earnings and partners' equity have not been affected by these reclassifications.

(2) TRANSACTIONS WITH TRANSMONTAIGNE INC. AND MORGAN STANLEY CAPITAL GROUP

Omnibus Agreement. We have an omnibus agreement with TransMontaigne Inc. that will expire in May 2008, unless extended. Under the omnibus agreement we pay TransMontaigne Inc. an administrative fee for the provision of various general and administrative services for our benefit. At December 31, 2006, the annual administrative fee payable to TransMontaigne Inc. was approximately $6.9 million. If we acquire or construct additional facilities, TransMontaigne Inc. will propose a revised administrative fee covering the provision of services for such additional facilities. If the conflicts committee of our general partner agrees to the revised administrative fee, TransMontaigne Inc. will provide services for the additional facilities pursuant to the agreement. The administrative fee includes expenses incurred by TransMontaigne Inc. to perform centralized corporate functions, such as legal, accounting, treasury, insurance administration and claims processing, health, safety and environmental, information technology, human resources, credit, payroll, taxes and engineering and other corporate services, to the extent such services are not outsourced by TransMontaigne Inc.

The omnibus agreement further provides that we pay TransMontaigne Inc. an insurance reimbursement for premiums on insurance policies covering our facilities and operations. At December 31, 2006 the annual insurance reimbursement payable to TransMontaigne Inc. was approximately $1.6 million. We also reimburse TransMontaigne Inc. for direct operating costs and expenses that TransMontaigne Inc. incurs on our behalf, such as salaries of operational personnel performing services on-site at our terminals and pipeline and the cost of their employee benefits, including 401(k) and health insurance benefits.

Environmental Indemnification. Under the omnibus agreement, TransMontaigne Inc. has agreed to indemnify us through May 2010 against certain potential environmental claims, losses and expenses

occurring before May 27, 2005, and associated with the operation of the Florida and Midwest terminal facilities acquired by us on May 27, 2005. TransMontaigne Inc.'s maximum liability for this indemnification obligation is $15 million. TransMontaigne Inc. has no obligation to indemnify us for losses until such aggregate losses exceed $250,000. TransMontaigne Inc. has no indemnification obligations with respect to environmental claims made as a result of additions to or modifications of environmental laws promulgated after May 27, 2005.

In connection with our acquisition of the Mobile, Alabama terminal, TransMontaigne Inc. agreed to indemnify us through December 2008, against certain potential environmental liabilities associated with the operation of the Mobile terminal that occurred on or prior to January 1, 2006. Our environmental losses must first exceed $200,000 and TransMontaigne Inc.'s indemnification obligations are capped at $2.5 million. The cap amount does not apply to any environmental liabilities known to exist as of January 1, 2006.

In connection with our acquisition of the Brownsville and River terminals, TransMontaigne Inc. agreed to indemnify us through December 2011, against certain potential environmental liabilities associated with the operation of the Brownsville and River terminals that occurred on or prior to December 31, 2006. Our environmental losses must first exceed $250,000 and TransMontaigne Inc.'s indemnification obligations are capped at $15 million. The cap amount does not apply to any environmental liabilities known to exist as of December 31, 2006. TransMontaigne Inc. has no indemnification obligations with respect to environmental claims made as a result of additions to or modifications of environmental laws promulgated after December 31, 2006.

Terminaling Services Agreement—Florida Terminals and Razorback Pipeline System. We have a terminaling and transportation services agreement with TransMontaigne Inc. that will expire on December 31, 2013. Under this agreement, TransMontaigne Inc. agreed to transport on the Razorback Pipeline and throughput at our Florida, Missouri and Arkansas terminals a volume of refined products that will, at the fee and tariff schedule contained in the agreement, result in minimum revenues to us of $20 million per year. If TransMontaigne Inc. fails to meet its minimum revenue commitment in any quarter, it must pay us the amount of any shortfall within 15 business days following receipt of an invoice from us. A shortfall payment may be applied as a credit in the following four quarters after TransMontaigne Inc.'s minimum obligations are met. In exchange for TransMontaigne Inc.'s minimum revenue commitment, we agreed to provide TransMontaigne Inc. approximately 2.6 million barrels of light oil storage capacity and approximately 1.3 million barrels of heavy oil storage capacity at certain of our Florida terminals.

In the event of a force majeure event that renders performance impossible with respect to an asset for at least 30 consecutive days, TransMontaigne Inc.'s obligations would be temporarily suspended with respect to that asset. If a force majeure event continues for 30 consecutive days or more and results in a diminution in the storage capacity we make available to TransMontaigne Inc., TransMontaigne Inc.'s minimum revenue commitment would be reduced proportionately for the duration of the force majeure event.

After the initial term, the terminaling services agreement will automatically renew for subsequent one-year periods, subject to either party's right to terminate with six months' notice. TransMontaigne Inc.'s obligations under the terminaling services agreement will not terminate if TransMontaigne Inc. no longer owns our general partner. TransMontaigne Inc. may assign the terminaling services agreement only with the consent of the conflicts committee of our general partner. Upon termination of the agreement, TransMontaigne Inc. has a right of first refusal to enter into a new terminaling services agreement with us, provided it pays no less than 105% of the fees offered by the third party.

Effective September 1, 2006, we are responsible for all refined product losses and we are entitled to all product gains at our Florida terminals. Prior to September 1, 2006, we were responsible for all refined product losses in excess of 0.10% of the refined product we received from TransMontaigne Inc. at our Florida terminals; we were entitled to all product gains, including 0.10% of the refined product we received from TransMontaigne Inc. at our Florida terminals.

Terminaling Services Agreement—Oklahoma City Terminal. We have a revenue support agreement with TransMontaigne Inc. that provides that in the event any current third-party terminaling agreement should expire, TransMontaigne Inc. agrees to enter into a terminaling services agreement that will expire no earlier than November 1, 2012. The terminaling services agreement will provide that TransMontaigne Inc. agrees to throughput such volume of refined product as may be required to guarantee minimum revenues of $0.8 million per year. If TransMontaigne Inc. fails to meet its minimum revenue commitment in any year, it must pay us the amount of any shortfall within 15 business days following receipt of an invoice from us. In exchange for TransMontaigne Inc.'s minimum revenue commitment, we agreed to provide TransMontaigne Inc. approximately 153,000 barrels of light oil storage capacity at our Oklahoma City terminal. TransMontaigne Inc.'s minimum revenue commitment currently is not in effect because a major oil company is under contract for the utilization of the light oil storage capacity at the terminal.

Terminaling Services Agreement—Mobile Terminal. We have a terminaling and transportation services agreement with TransMontaigne Inc. that will expire on December 31, 2012. Under this agreement, TransMontaigne Inc. agreed to throughput at our Mobile terminal a volume of refined products that will, at the fee and tariff schedule contained in the agreement, result in minimum revenues to us of $2.1 million per year. If TransMontaigne Inc. fails to meet its minimum revenue commitment in any year, it must pay us the amount of any shortfall within 15 business days following receipt of an invoice from us. A shortfall payment may be applied as a credit in the following year after TransMontaigne Inc.'s minimum obligations are met. In exchange for TransMontaigne Inc.'s minimum revenue commitment, we agreed to provide TransMontaigne Inc. approximately 46,000 barrels of light oil storage capacity and approximately 65,000 barrels of heavy oil storage capacity at the terminal.

Terminaling Services Agreement—Morgan Stanley Capital Group. We have a terminaling and transportation services agreement with Morgan Stanley Capital Group, relating to our Brownsville, Texas terminal complex, that will expire on October 31, 2010. Under this agreement, Morgan Stanley Capital Group agreed to store a specified minimum amount of fuel oils at our terminals that will result in minimum revenues to us of approximately $2.2 million per year. In exchange for its minimum revenue commitment, we agreed to provide Morgan Stanley Capital Group a minimum amount of storage capacity for such fuel oils.

Terminaling Services Agreement—Brownsville LPG. We have a terminaling and transportation services agreement with TransMontaigne Inc. relating to our Brownsville terminal that will expire on March 31, 2010. Under this agreement, TransMontaigne Inc. agreed to throughput at our Brownsville LPG terminal certain minimum volumes of natural gas liquids that will, under the fee and tariff schedule contained in the agreement, result in minimum revenues to us of approximately $1.4 million per year. In exchange for TransMontaigne Inc.'s minimum throughput commitment, we agreed to provide TransMontaigne Inc. approximately 33,700 barrels of storage capacity at our Brownsville, Texas terminal complex.

(3) ACQUISITIONS

Brownsville and River Terminals. Effective December 29, 2006, we acquired from TransMontaigne Inc. a refined product terminal with approximately 2.2 million barrels of aggregate active storage capacity in Brownsville, Texas, twelve refined product terminals along the Mississippi and Ohio rivers with approximately 2.7 million barrels of aggregate active storage capacity, and the Baton

Rouge, Louisiana dock facility for a cash payment of approximately $135 million. The Brownsville terminal provides integrated terminaling services to customers, including TransMontaigne Inc. and Morgan Stanley Capital Group, engaged in the distribution and marketing of refined products and natural gas liquids. The River terminals provide integrated terminaling services to third parties engaged in the distribution and marketing of refined products and industrial and commercial end-users. The acquisition of the Brownsville and River terminals from TransMontaigne Inc. has been recorded at carryover basis in a manner similar to a reorganization of entities under common control. As such, prior periods include the assets, liabilities, and results of operations of the Brownsville and River terminals from September 1, 2006, the date of acquisition by Morgan Stanley Capital Group of TransMontaigne Inc. The results of operations of the Brownsville and River terminals for periods prior to its actual sale to us have been allocated to TransMontaigne Inc. ("Predecessor"). The difference between the consideration we paid to TransMontaigne Inc. and the carryover basis of the net assets purchased has been reflected in the accompanying consolidated balance sheet and changes in partners' equity as an increase to partners' equity—subordinated units.

At December 31, 2006, TransMontaigne Inc.'s accounting basis in the assets and liabilities of the Brownsville and River terminals is preliminary and subject to change, pending the completion of an ongoing appraisal of TransMontaigne Inc.'s identifiable tangible and intangible assets. The preliminary basis in the assets and liabilities of the Brownsville and River terminals are as follows:

	December 29, 2006	September 1, 2006
Cash	$ 15	$ 15
Trade accounts receivable	—	2,420
Prepaid expenses and other	164	126
Property, plant and equipment	111,621	108,066
Goodwill	23,235	23,235
Other intangible assets, net	3,596	3,699
Other assets, net	10	3
Trade accounts payable	—	(1,221)
Other accrued liabilities	(136)	(520)
Predecessor equity	$ 138,505	$ 135,823

The unaudited pro forma combined results of operations as if the acquisition of the Brownsville and River terminals had occurred on July 1, 2005 are as follows (in thousands, except per unit data):

	Year ended December 31, 2006	Six months ended December 31, 2005
	(unaudited)	
Revenue	$ 75,139	$ 32,981
Net earnings (loss)	$ (3,719)	$ 644
Net earnings (loss) per limited partner unit—basic	$ (0.50)	$ 0.02

Mobile Terminal. Effective January 1, 2006, we acquired from TransMontaigne Inc. a refined product terminal with approximately 235,000 barrels of aggregate active storage capacity in Mobile, Alabama for approximately $17.9 million. The Mobile terminal currently provides integrated terminaling services to TransMontaigne Inc., a major oil company, a crude oil marketing company and a petro-chemical company. The acquisition of the Mobile terminal from TransMontaigne Inc. has been recorded at carryover basis in a manner similar to a reorganization of entities under common control.

As such, prior periods include the assets, liabilities, and results of operations of the Mobile terminal from August 1, 2005, the date of acquisition by TransMontaigne Inc. from Radcliff/Economy Marine Services, Inc. The results of operations of the Mobile terminal for periods prior to its actual sale to us have been allocated to TransMontaigne Inc. ("Predecessor"). The consideration we paid to TransMontaigne Inc. in excess of the carryover basis of the net assets purchased has been reflected in the accompanying consolidated balance sheet and changes in partners' equity as a reduction of partners' equity—subordinated units.

The basis of the assets and liabilities of the Mobile terminal are as follows:

	December 31, 2005	August 1, 2005
Trade accounts receivable	$ —	$ 72
Due from TransMontaigne Inc.	—	—
Property, plant and equipment	8,869	9,137
Trade accounts payable	—	(56)
Predecessor equity	$ 8,869	$ 9,153

Oklahoma City Terminal. Effective October 31, 2005, we purchased from Magellan Pipeline Company, L.P. a refined product terminal with approximately 157,000 barrels of aggregate active storage capacity in Oklahoma City, Oklahoma for approximately $1.9 million. The Oklahoma City terminal currently provides integrated terminaling services to a major oil company. The accompanying consolidated financial statements include the results of operations of the Oklahoma City terminal from October 31, 2005.

The adjusted purchase price was allocated to the assets and liabilities acquired based upon the estimated fair value of the assets and liabilities as of the acquisition date. The adjusted purchase price was allocated as follows (in thousands):

	Oklahoma City terminal
Property, plant and equipment	$ 2,493
Acquisition related liabilities	(635)
Cash paid	$ 1,858

Acquisition-related liabilities include assumed environmental obligations of approximately $625,000 and accrued property taxes of approximately $10,000.

Florida Terminals. On February 28, 2003, TransMontaigne Inc. acquired all of the outstanding shares of capital stock of Coastal Fuels Marketing, Inc. and its subsidiary, Coastal Tug and Barge, Inc., along with the rights to and operations of the Southeast marketing division of El Paso Merchant Energy Petroleum Company, from an affiliate of El Paso Corporation. The acquisition included five Florida terminals, with aggregate active storage capacity of approximately 4.7 million barrels, and a related tug and barge operation (collectively, the "Coastal Fuels assets"). The Coastal Fuels assets primarily handle gasolines, distillates (including heating oils), jet fuels, residual fuel oils, asphalt and crude oil at Cape Canaveral, Port Manatee/Tampa, Port Everglades/Ft. Lauderdale, Fisher Island/Miami and Jacksonville, Florida. The adjusted purchase price for the acquisition, including approximately $37 million of product inventory, was approximately $156 million. The accompanying consolidated financial statements include the results of operations of the Coastal Fuels assets acquired by us from the closing date of the acquisition by TransMontaigne Inc. (February 28, 2003).

TransMontaigne Inc.'s adjusted purchase price was allocated to the assets and liabilities acquired based upon the estimated fair value of the assets and liabilities as of the acquisition date. The applicable portion of the adjusted purchase price that was allocated to the Coastal Fuels assets acquired by us is as follows (in thousands):

	Coastal Fuels
Property, plant and equipment	$ 93,006
Other assets—acquired intangible	2,500
Acquisition related liabilities	(140)
Cash paid	$ 95,366

Coastal Fuels acquisition-related liabilities include accrued property taxes of approximately $140,000.

(4) CONCENTRATION OF CREDIT RISK AND TRADE ACCOUNTS RECEIVABLE

Our primary market areas are located along the Gulf Coast, in Brownsville, Texas, along the Mississippi and Ohio rivers, and in the Midwest. We have a concentration of trade receivable balances due from companies engaged in the trading, distribution and marketing of refined products and crude oil, and the United States government. These concentrations of customers may affect our overall credit risk in that the customers may be similarly affected by changes in economic, regulatory or other factors. Our customers' historical and future credit positions are analyzed prior to extending credit. We manage our exposure to credit risk through credit analysis, credit approvals, credit limits and monitoring procedures, and for certain transactions we may request letters of credit, prepayments or guarantees. We maintain allowances for potentially uncollectible accounts receivable. During the year ended December 31, 2006, six months ended December 31, 2005 and years ended June 30, 2005 and 2004, we increased the allowance for doubtful accounts through a charge to income of approximately $75,000, $nil, $50,000, and $0.1 million, respectively.

Trade accounts receivable, net consists of the following (in thousands):

	December 31, 2006	December 31, 2005	June 30, 2005
Trade accounts receivable	$ 1,700	$ 1,003	$ 492
Less allowance for doubtful accounts	(75)	—	—
	$ 1,625	$ 1,003	$ 492

TransMontaigne Inc. and Morgan Stanley Capital Group, in the aggregate, accounted for approximately 56%, 70%, 64%, and 59% of our total revenues for the year ended December 31, 2006, six months ended December 31, 2005 and years ended June 30, 2005 and 2004, respectively. Marathon Petroleum Company LLC ("Marathon") and the previous asphalt storage customers accounted for 16%, 17%, 24%, and 24% of our total revenues for the year ended December 31, 2006, six months ended December 31, 2005 and years ended June 30, 2005 and 2004, respectively.

(5) OTHER CURRENT ASSETS

Other current assets are as follows (in thousands):

	December 31, 2006	December 31, 2005	June 30, 2005
Additive detergent	$ 558	$ 307	$ 290
Reimbursements due from the Federal government	438	—	—
Deposits and other assets	160	31	12
	$ 1,156	$ 338	$ 302

Reimbursements due from the Federal government represent costs we have incurred for the development and installation of terminal security plans and enhancements at our Gulf Coast terminals.

(6) PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net is as follows (in thousands):

	December 31, 2006	December 31, 2005	June 30, 2005
Land	$ 34,039	$ 27,303	$ 25,024
Terminals, pipelines and equipment	231,607	128,830	117,830
Furniture, fixtures and equipment	874	480	468
Construction in progress	8,132	263	741
	274,652	156,876	144,063
Less accumulated depreciation	(39,578)	(30,992)	(27,782)
	$ 235,074	$ 125,884	$ 116,281

(7) GOODWILL

At December 31, 2006, goodwill is approximately $23.2 million resulting from the acquisition of the Brownsville and River terminals from TransMontaigne Inc. The acquisition of the Brownsville and River terminals from TransMontaigne Inc. has been recorded at TransMontaigne Inc.'s carryover basis in a manner similar to a reorganization of entities under common control (See Note 3 of Notes to consolidated financial statements). TransMontaigne Inc.'s carryover basis in the Brownsville and River terminals is derived from the application of push-down accounting associated with Morgan Stanley Capital Group's acquisition of TransMontaigne Inc. on September 1, 2006. Goodwill represents the excess of Morgan Stanley Capital Group's aggregate purchase price over the fair value of the identifiable assets acquired attributable to the Brownsville and River terminals. Goodwill is not amortized, but instead tested for impairment on an annual basis during the three months ended December 31.

(8) OTHER ASSETS, NET

Other assets, net are as follows (in thousands):

	December 31, 2006	December 31, 2005	June 30, 2005
Deferred financing costs, net of accumulated amortization of $nil, $107, and $15	$ 2,603	$ 809	$ 901
Identifiable intangible assets, net:			
Customer relationships, net of accumulated amortization of $103, $nil and $nil, respectively	3,596	—	—
Coastal Fuels trade name, net of accumulated amortization of $1,917, $1,417 and $1,167, respectively	583	1,083	1,333
Deposits and other assets	19	9	9
	$ 6,801	$ 1,901	$ 2,243

Deferred financing costs are amortized using the interest method over the term of the related credit facility (see Note 10 of Notes to consolidated financial statements). On December 29, 2006, we

repaid and cancelled our former credit facility resulting in a charge to income of approximately $0.6 million for the write-off of the remaining unamortized deferred financing costs related to the former credit facility. On December 22, 2006, we entered into a new senior secured credit facility and incurred deferred financing costs of approximately $2.6 million.

Our acquisitions from TransMontaigne Inc. have been recorded at TransMontaigne Inc.'s carryover basis in a manner similar to a reorganization of entities under common control (See Note 3 of Notes to consolidated financial statements). Identifiable intangible assets, net include the carryover basis of certain customer relationships at our Brownsville and River terminals and the right to use the Coastal Fuels trade name at our Florida terminals.

The carryover basis of the customer relationships is being amortized on a straight-line basis over twelve years; the carryover basis of the Coastal Fuels trade name is being amortized on a straight-line basis over five years. Expected amortization expense for identifiable intangible assets, net recorded as of December 31, 2006 is as follows (in thousands):

	Years ending December 31,					
	2007	2008	2009	2010	2011	Thereafter
Amortization expense	$ 808	$ 391	$ 308	$ 308	$ 308	$ 2,056

(9) ACCRUED LIABILITIES

Accrued liabilities are as follows (in thousands):

	December 31, 2006	December 31, 2005	June 30, 2005
Accrued property taxes	$ 177	$ 58	$ 785
Accrued environmental obligations	682	625	—
Customer advances and deposits	146	233	633
Interest payable	87	26	—
Accrued expenses and other	373	297	243
	$ 1,465	$ 1,239	$ 1,661

(10) LONG-TERM DEBT

Senior Secured Credit Facility. On December 22, 2006, we entered into a $225 million amended and restated senior secured credit facility ("Senior Secured Credit Facility") with a consortium of lending institutions. At December 31, 2006, our outstanding borrowings under the Senior Secured Credit Facility were approximately $189.6 million and our outstanding letters of credit were approximately $210,000. The initial borrowings under the Senior Secured Credit Facility were used to repay the outstanding loans under the Former Credit Facility and to finance the acquisition of the Brownsville and River terminals from TransMontaigne Inc. (See Note 3 of Notes to consolidated financial statements).

The Senior Secured Credit Facility is composed of a $75 million term loan facility and a $150 million revolving credit facility. We may elect to have loans under the Senior Secured Credit Facility bear interest either (i) at a rate of LIBOR plus a margin ranging from 1.50% to 2.50% depending on the total leverage ratio then in effect, or (ii) at a base rate (the greater of (a) the federal funds rate plus 0.5% or (b) the prime rate) plus a margin ranging from 0.5% to 1.5% depending on the total leverage ratio then in effect. We also pay a commitment fee ranging from 0.30% to 0.50% per annum, depending on the total leverage ratio then in effect, on the total amount of unused commitments. The interest rate on borrowings under our Senior Secured Credit Facility was approximately 7.8% at December 31, 2006. Our obligations under the Senior Secured Credit Facility

are secured by a first priority security interest in favor of the lenders in our assets, including cash, accounts receivable, inventory, general intangibles, investment property, contract rights and real property. The terms of the Senior Secured Credit Facility include covenants that restrict our ability to make cash distributions and acquisitions. The principal balance of loans and any accrued and unpaid interest will be due and payable in full on the maturity date, December 22, 2011.

The credit facility also contains customary representations and warranties (including those relating to organization and authorization, compliance with laws, absence of defaults, material agreements and litigation) and customary events of default (including those relating to monetary defaults, covenant defaults, cross defaults and bankruptcy events). The primary financial covenants contained in the credit facility are (i) a total leverage ratio test (not to exceed 5.75 times through the earlier of September 30, 2007 or the completion of a new equity offering of not less than $65 million, and not to exceed 4.5 times thereafter), (ii) a senior secured leverage ratio test (not to exceed 5.75 times through the earlier of September 30, 2007 or the completion of a new equity offering of not less than $65 million, and not to exceed 4.0 times thereafter), and (iii) a minimum interest coverage ratio test (not to be less than 2.25 times through September 30, 2007, then 2.5 times through December 31, 2007, and not less than 2.75 times thereafter).

Former Credit Facility. On May 9, 2005, we entered into a $75 million senior secured credit facility ("Former Credit Facility"). At December 31, 2005 and June 30, 2005, our outstanding borrowings under the Former Credit Facility were approximately $28.0 million and $28.3 million, respectively. The Former Credit Facility provided for a maximum borrowing line of credit equal to the lesser of (i) $75 million and (ii) four times Consolidated EBITDA (as defined; $78.4 million at December 31, 2005). The maximum borrowing amount was reduced by the amount of letters of credit that were outstanding. The weighted average interest rate on borrowings under our Former Credit Facility was 5.8% and 5.0% during the six months ended December 31, 2005 and year ended June 30, 2005, respectively. In addition, we paid a commitment fee ranging from 0.375% to 0.50% per annum on the total amount of the unused commitments. On December 29, 2006, we repaid all outstanding borrowings under the Former Credit Facility with the proceeds for the initial borrowings under our new Senior Secured Credit Facility and the Former Credit Facility was cancelled.

(11) LONG-TERM INCENTIVE PLAN

TransMontaigne GP L.L.C. ("TransMontaigne GP") is our general partner and manages our operations and activities. TransMontaigne Services Inc. is a wholly-owned subsidiary of TransMontaigne Inc. and is the sole member of TransMontaigne GP. TransMontaigne Services Inc. adopted a long-term incentive plan for its employees and consultants and non-employee directors of our general partner. The long-term incentive plan currently permits the grant of awards covering an aggregate of 345,895 units, which amount will automatically increase on an annual basis by 2% of the total outstanding common and subordinated units at the end of the preceding fiscal year. As of December 31, 2006, 170,395 units are available for future grant under the long-term incentive plan. Ownership in the awards is subject to forfeiture until the vesting date, but recipients have distribution and voting rights from the date of grant. The plan is administered by the compensation committee of the board of directors of our general partner. On January 19, 2006, we announced a program for the repurchase of outstanding common units for purposes of making subsequent grants of restricted units to key employees and non-employee directors of our general partner. As of December 31, 2006, we have repurchased approximately 38,400 common units pursuant to the program. As a result of the merger between TransMontaigne Inc. and Morgan Stanley Capital Group, repurchases of outstanding common units under the program were discontinued.

On March 31, 2006, TransMontaigne Services Inc. granted 58,000 restricted phantom units to its key employees and executive officers, and non-employee directors of our general partner. On May 27, 2005, TransMontaigne Services Inc. granted 120,000 restricted common units to its key employees and

executive officers, and non-employee directors of our general partner. We recognized deferred equity-based compensation of approximately $1.7 million and $2.6 million associated with the March 2006 and May 2005 grants, respectively.

Pursuant to the terms of the long-term incentive plan, all restricted phantom units and restricted common units granted to employees and executive officers, and non-employee directors of our general partner vest upon a change in control of TransMontaigne Inc. On September 1, 2006, TransMontaigne Inc. was acquired by Morgan Stanley Capital Group resulting in the acceleration of vesting of all outstanding restricted phantom units and restricted common units. Amortization of deferred equity-based compensation, including the effects of the acceleration of vesting of all outstanding restricted phantom units and restricted common units, of approximately $3.9 million and $0.3 million is included in direct general and administrative expense for the year ended December 31, 2006 and six months ended December 31, 2005, respectively.

On March 2, 2007, the compensation committee of the board of directors of our general partner authorized the grant of 10,000 restricted phantom units, in the aggregate, to the directors of our general partner who are not officers of our general partner or its affiliates. The grants will become effective on March 31, 2007.

(12) COMMITMENTS AND CONTINGENCIES

Operating Leases. We lease property and equipment under non-cancelable operating leases that extend through April 2021. At December 31, 2006, future minimum lease payments under these non-cancelable operating leases are as follows (in thousands):

Years ending December 31:	Property and equipment
2007	$ 1,220
2008	1,204
2009	1,161
2010	1,116
2011	743
Thereafter	1,096
	$ 6,540

Rental expense under operating leases was approximately $0.5 million, $0.2 million, $0.2 million, and $0.2 million for the year ended December 31, 2006, six months ended December 31, 2005 and years ended June 30, 2005 and 2004, respectively.

(13) NET EARNINGS PER LIMITED PARTNER UNIT

The following table reconciles the computation of basic and diluted weighted average units (in thousands):

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005	Year ended June 30, 2004
			(unaudited)		
Basic weighted average units	7,283	7,295	—	7,295	—
Dilutive effect of restricted phantom units	3	—	—	—	—
Diluted weighted average units	7,286	7,295	—	7,295	—

For the year ended December 31, 2006, we included the dilutive effect of 58,000 restricted phantom units, prior to their vesting on September 1, 2006, in the computation of diluted net earnings per limited partner unit because the average quoted market price of our common units for the period exceeded the related unamortized deferred compensation.

We exclude potentially dilutive securities from our computation of diluted earnings per limited partner unit when their effect would be anti-dilutive. There were no anti-dilutive securities for the six months ended December 31, 2005 and 2004 and the years ended June 30, 2005 and 2004.

(14) DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of financial instruments at December 31, 2006 and 2005, and June 30, 2005.

Cash and Cash Equivalents, Trade Receivables and Trade Accounts Payable. The carrying amount approximates fair value because of the short-term maturity of these instruments.

Debt. The carrying value of the senior secured credit facility approximates fair value since borrowings under the senior secured credit facility bear interest at current market interest rates.

(15) BUSINESS SEGMENTS

We provide integrated terminaling, storage, transportation and related services to companies engaged in the trading, distribution and marketing of refined petroleum products and crude oil. Our chief operating decision maker is our general partner's chief executive officer ("CEO"). Our general partner's CEO reviews the financial performance of our business segments using disaggregated financial information about "net margins" for purposes of making operating decisions and assessing financial performance. "Net margins" is composed of revenues less direct operating costs and expenses. Accordingly, we present "net margins" for each of our business segments: (i) Gulf Coast terminals, (ii) Midwest terminals and pipeline system, (iii) Brownsville terminal and (iv) River terminals.

The financial performance of our business segments is as follows (in thousands):

	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005	Year ended June 30, 2004
			(unaudited)		
Gulf Coast Terminals:					
Throughput and additive injection fees, net	$ 21,523	$ 10,807	$ 4,497	$ 10,077	$ 9,186
Storage	10,786	5,270	9,015	18,014	17,711
	32,309	16,077	13,512	28,091	26,897
Other	7,728	3,696	1,071	3,509	3,410
Revenues	40,037	19,773	14,583	31,600	30,307
Direct operating costs and expenses	(19,123)	(7,123)	(7,058)	(14,014)	(13,044)
Net margins	20,914	12,650	7,525	17,586	17,263
Midwest Terminals and Pipeline System:					
Throughput and additive injection fees, net	3,027	1,197	877	1,816	1,431
Pipeline transportation fees	2,449	1,226	1,098	2,242	2,141
Other	1,307	712	134	435	558
Revenues	6,783	3,135	2,109	4,493	4,130
Direct operating costs and expenses	(2,117)	(773)	(682)	(1,161)	(1,187)
Net margins	4,666	2,362	1,427	3,332	2,943
Brownsville Terminal (since September 1, 2006):					
Throughput and additive injection fees, net	1,351	—	—	—	—
Storage	1,967	—	—	—	—
Other	930	—	—	—	—
Revenues	4,248	—	—	—	—
Direct operating costs and expenses	(2,586)	—	—	—	—
Net margins	1,662	—	—	—	—
River Terminals (since September 1, 2006):					
Throughput and additive injection fees, net	1,221	—	—	—	—
Storage	4,315	—	—	—	—
Other	181	—	—	—	—
Revenues	5,717	—	—	—	—
Direct operating costs and expenses	(2,365)	—	—	—	—
Net margins	3,352	—	—	—	—
Total net margins	30,594	15,012	8,952	20,918	20,206
Direct general and administrative expenses	(6,453)	(1,267)	—	(79)	—

Allocated general and administrative expenses	(4,487)	(1,588)	(1,400)	(2,800)	(3,300)
Allocated insurance expense	(1,215)	(500)	(500)	(1,000)	(900)
Depreciation and amortization	(9,188)	(3,461)	(3,044)	(6,154)	(5,903)
Gain on disposition of assets, net	—	—	—	—	6
Operating income	9,251	8,196	4,008	10,885	10,109
Other income (expense), net	(4,129)	(1,057)	—	(182)	6
Net earnings	$ 5,122	$ 7,139	$ 4,008	$ 10,703	$ 10,115

Supplemental information about our business segments is summarized below (in thousands):

	Year ended December 31, 2006				
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminal	River Terminals	Total
Revenues from external customers	$ 14,294	$ 1,099	$ 4,085	$ 5,791	$ 25,269
Revenues from TransMontaigne Inc.	25,743	5,684	—	(74)	31,353
Revenues from Morgan Stanley Capital Group	—	—	163	—	163
Revenues	$ 40,037	$ 6,783	$ 4,248	$ 5,717	$ 56,785
Identifiable assets	$ 114,460	$ 18,259	$ 50,311	$ 65,096	$ 248,126
Capital expenditures	$ 13,568	$ 158	$ 45,895	$ 59,061	$ 118,682

	Six months ended December 31, 2005		
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Total
Revenues from external customers	$ 6,610	$ 195	$ 6,805
Revenues from TransMontaigne Inc.	13,163	2,940	16,103
Revenues	$ 19,773	$ 3,135	$ 22,908
Identifiable assets	$ 119,044	$ 11,992	$ 131,036
Capital expenditures	$ 1,143	$ 2,534	$ 3,677

	Year ended June 30, 2005		
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Total
Revenues from external customers	$ 13,037	$ —	$ 13,037
Revenues from TransMontaigne Inc.	18,563	4,493	23,056
Revenues	$ 31,600	$ 4,493	$ 36,093
Identifiable assets	$ 109,701	$ 9,872	$ 119,573
Capital expenditures	$ 3,686	$ —	$ 3,686

	Year ended June 30, 2004		
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Total
Revenues from external customers	$ 14,259	$ —	$ 14,259
Revenues from TransMontaigne Inc.	16,048	4,130	20,178
Revenues	$ 30,307	$ 4,130	$ 34,437
Identifiable assets	$ 110,227	$ 10,659	$ 120,886

Capital expenditures	$ 3,175	$ 107	$ 3,282

(16) FINANCIAL RESULTS BY QUARTER (UNAUDITED)

(in thousands)

	Three months ended				
	March 31, 2006	**June 30, 2006**	**September 30, 2006**	**December 31, 2006**	**Year ended December 31, 2006**
Revenues	$ 12,090	$ 11,563	$ 13,850	$ 19,282	$ 56,785
Net earnings (loss)	$ 2,719	$ 1,537	$ (1,045)	$ 1,911	$ 5,122

	Three months ended		
	September 30, 2005	**December 31, 2005**	**Six months ended December 31, 2005**
Revenues	$ 10,967	$ 11,941	$ 22,908
Net earnings	$ 3,373	$ 3,766	$ 7,139

	Three months ended				
	September 30, 2004	**December 31, 2004**	**March 31, 2005**	**June 30, 2005**	**Year ended June 30, 2005**
Revenues	$ 8,392	$ 8,300	$ 9,714	$ 9,687	$ 36,093
Net earnings	$ 1,985	$ 2,023	$ 3,363	$ 3,332	$ 10,703

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in or disagreements with accountants on accounting and financial disclosures during the year ended December 31, 2006.

ITEM 9A. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit to the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified by the Commission's rules and forms, and that information is accumulated and communicated to the management of our general partner, including our general partner's principal executive and principal financial officer (whom we refer to as the Certifying Officer), as appropriate to allow timely decisions regarding required disclosure. The management of our general partner evaluated, with the participation of the Certifying Officer, the effectiveness of our disclosure controls and procedures as of December 31, 2006, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, the Certifying Officer concluded that, as of December 31, 2006, our disclosure controls and procedures were effective. In addition, our Certifying Officer concluded that there were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended December 31, 2006 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

The management of our general partner is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

The management of our general partner has used the framework set forth in the report entitled "Internal Control—Integrated Framework" published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate the effectiveness of our internal control over financial reporting. Based on that evaluation, the management of our general partner has concluded that our internal control over financial reporting was effective as of December 31, 2006. The assessment by the management of our general partner of the effectiveness of our internal control over financial reporting as of December 31, 2006 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which appears herein.

March 16, 2007

/s/ RANDALL J. LARSON

Randall J. Larson
Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer

Report of Independent Registered Public Accounting Firm

The Board of Directors and Member
TransMontaigne GP L.L.C.:

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that TransMontaigne Partners L.P. and subsidiaries maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). TransMontaigne Partners L.P.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that TransMontaigne Partners L.P. maintained effective internal control over financial reporting as of December 31, 2006, is fairly stated, in all material respects, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, in our opinion, TransMontaigne Partners L.P. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of TransMontaigne Partners L.P. and subsidiaries as of December 31, 2006 and 2005, and June 30, 2005, and the related consolidated statements of operations, partners' equity, and cash flows for the year ended December 31, 2006, the six months ended December 31, 2005 and for each of the years in the two-year period ended June 30, 2005, and our report dated March 16, 2007 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

Denver, Colorado
March 16, 2007

ITEM 9B. OTHER INFORMATION

No information was required to be disclosed in a report on Form 8-K, but not so reported, for the quarter ended December 31, 2006.

Part III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS OF OUR GENERAL PARTNER AND CORPORATE GOVERNANCE

MANAGEMENT OF TRANSMONTAIGNE PARTNERS

TransMontaigne GP L.L.C. ("TransMontaigne GP"), is our general partner and manages our operations and activities on our behalf. TransMontaigne Services Inc. is an indirect wholly-owned subsidiary of TransMontaigne Inc. and is the sole member of TransMontaigne GP. TransMontaigne Inc. is a wholly-owned subsidiary of Morgan Stanley Capital Group, the principal commodity trading arm of Morgan Stanley. TransMontaigne Partners has no officers or employees and all of our management and operational activities are provided by officers and employees of TransMontaigne Services Inc. Our general partner is not elected by our unitholders and is not subject to re-election on a regular basis in the future. Unitholders are not entitled to elect directors to the board of directors of our general partner or directly or indirectly participate in our management or operation. Our general partner is liable, as general partner, for all of our debts (to the extent not paid from our assets), except for indebtedness or other obligations that are made specifically nonrecourse to it. Whenever possible, our general partner intends to incur indebtedness or other obligations that are nonrecourse to it.

Board of Directors and Officers

The board of directors of our general partner oversees our operations. Our general partner has appointed seven members to its board of directors, four of whom, Messrs. Masters, Peters, Shaffer and Utsler, are independent as defined under the independence standards established by the New York Stock Exchange. The New York Stock Exchange does not require a listed limited partnership, like TransMontaigne Partners, to have a majority of independent directors on the board of directors of its general partner or to establish a compensation committee or a nominating or governance committee.

The officers of our general partner manage the day-to-day affairs of our business. All of the officers listed below split their time between managing our business and affairs and the business and affairs of TransMontaigne Inc. The officers of our general partner may face a conflict regarding the allocation of their time between our business and the other business interests of TransMontaigne Inc. The sole member of our general partner intends to seek to cause the officers to devote as much time to the management of our operations as is necessary for the proper conduct of our business and affairs.

DIRECTORS AND EXECUTIVE OFFICERS

The following table shows information for the directors and officers of TransMontaigne GP L.L.C.:

Name	Age	Position
Donald H. Anderson	58	Chairman of the Board
Randall J. Larson	49	Chief Executive Officer, President, Chief Financial Officer and Chief Accounting Officer
William S. Dickey	49	Executive Vice President, Chief Operating Officer and Director
Frederick W. Boutin	51	Senior Vice President and Treasurer
Erik B. Carlson	59	Senior Vice President, Corporate Secretary and General Counsel
Javed Ahmed	37	Director
Jerry R. Masters	48	Director
David A. Peters	48	Director
D. Dale Shaffer	63	Director
Rex L. Utsler	61	Director

Donald H. Anderson was elected as the non-executive Chairman of the board of directors of our general partner in February 2005. Mr. Anderson served as the President and the Chief Executive Officer of our general partner from February 2005 to September 2006. Mr. Anderson has served as Chairman of the Board of TransMontaigne Inc. since September 2006. From September 1999 to September 2006 he served as Vice Chairman and Chief Executive Officer of TransMontaigne Inc., and served as its President from January 2000 to September 2006. From 1997 through September 1999, Mr. Anderson was the Executive Director and a Principal of Western Growth Capital LLC, a Colorado-based private equity investment and consulting firm. From December 1994 until March 1997, Mr. Anderson was Chairman, President and Chief Executive Officer of PanEnergy Services, PanEnergy's non-jurisdictional operating subsidiary. From December 1994 until March 1997, Mr. Anderson also served as a Director of TEPPCO Partners, L.P. Mr. Anderson was previously President, Chief Operating Officer and Director of Associated Natural Gas Corporation from 1989 until its merger with PanEnergy Corporation in 1994. Mr. Anderson is a director of Bear Paw Energy, LLC.

Randall J. Larson has served as the Chief Executive Officer of our general partner since September 2006 and as the Chief Financial Officer and Chief Accounting Officer of our general partner since February 2005. From February 2005 to September 2006, Mr. Larson served as the Executive Vice President of our general partner and served as a director of our general partner from February 2005 to October 2006. Mr. Larson has been the President and Chief Executive officer of TransMontaigne Inc. since September 2006, its Chief Financial Officer since January 2003 and its Chief Accounting Officer since May 2002. Mr. Larson served as Executive Vice President of TransMontaigne Inc. from May 2002 to September 2006 and also served as its Controller from May 2002 until January 2003. From July 1994 through April 2002, Mr. Larson was a partner with KPMG LLP. From July 1992 to June 1994, Mr. Larson served as a Professional Accounting Fellow in the Office of Chief Accountant of the Securities and Exchange Commission. Mr. Larson also serves as a director of Lion Oil Company, a privately held company.

William S. Dickey was elected Executive Vice President, Chief Operating Officer and Director of our general partner in February 2005. Mr. Dickey has been an Executive Vice President and Chief Operating Officer of TransMontaigne Inc. since May 2000. From January 1999 until May 2000,

Mr. Dickey was a Vice President of TEPPCO Partners, L.P. From 1994 to 1998, Mr. Dickey served as Vice President and Chief Financial Officer of Associated Natural Gas, Inc. and its successor, Duke Energy Field Services.

Frederick W. Boutin was elected Senior Vice President and Treasurer of our general partner in February 2005. Mr. Boutin has been Senior Vice President and Treasurer of TransMontaigne Inc. since June 2003. Mr. Boutin also served as Senior Vice President of TransMontaigne Inc. from September 1996 to March 2002. In addition, Mr. Boutin served as Vice President of TransMontaigne Product Services Inc. from February 2002 to June 2003; Vice President of Coastal Tug and Barge, Inc. from February 2003 to June 2003; Vice President of Coastal Fuels Marketing, Inc. from February 2003 to June 2003; and Senior Vice President and Director of TransMontaigne Transport Inc. from February 2002 to the present. From 1985 to 1995, Mr. Boutin served as a Vice President of Associated Natural Gas, Inc. and its successor, Duke Energy Field Services.

Erik B. Carlson was elected Senior Vice President, Corporate Secretary and General Counsel of our general partner in February 2005. Mr. Carlson has been the Senior Vice President, Corporate Secretary and General Counsel of TransMontaigne Inc. since January 1998. From February 1983 until January 1998, Mr. Carlson served as Senior Vice President, General Counsel and Corporate Secretary of Associated Natural Gas Corporation and its successor, Duke Energy Field Services.

Jerry R. Masters was elected as a director of our general partner on May 24, 2005, and serves as a member of the compensation and conflicts committees, and as chair of the audit committee, of the board of directors of our general partner. Mr. Masters is a private investor and was a part-time consultant to Microsoft Corporation from April 2000 to August 2002. From February 1991 to April 2000, Mr. Masters held various executive positions within the financial organization at Microsoft Corporation. In his last position as Senior Director, Mr. Masters was responsible for external financial reporting, budgeting and forecasting, and financial modeling of mergers and acquisitions.

Javed Ahmed was elected as a director of our general partner in October 2006. Mr. Ahmed's election was in conjunction with Morgan Stanley's acquisition of TransMontaigne Inc. Mr. Ahmed is a Managing Director of Morgan Stanley and works in the firm's Commodities Group. He has been with Morgan Stanley since 1997. In addition, to being a director of our general partner, Mr. Ahmed is a director of TransMontaigne Inc. and Lion Oil Company, both privately held companies.

David A. Peters was elected as a director of our general partner on May 24, 2005, and serves as a member of the audit, compensation and conflicts committees of the board of directors of our general partner. Since 1999 Mr. Peters has been a business consultant with a primary client focus in the energy sector; in addition, Mr. Peters also served as a member of the board of directors of QDOBA Restaurant Corporation from 1998 to 2003. From 1997 to 1999 Mr. Peters was a managing director of a private investment fund, and from 1995 to 1997 he served as an executive vice president at DukeEnergy/PanEnergy Field Services responsible for natural gas gathering, processing and storage operations. Prior to joining DukeEnergy/PanEnergy Field Services, Mr. Peters held various positions with Associated Natural Gas Corp., and from 1980 to 1984 he worked in the audit department of Peat Marwick Mitchell & Co. Mr. Peters holds a bachelor's degree in business administration from the University of Michigan.

D. Dale Shaffer was elected as a director of our general partner on May 24, 2005, and serves as a member of the conflicts committee and as chair of the compensation committee of the board of directors of our general partner. Since 1992, Mr. Shaffer has served as President of National Water Company, a privately held firm formed by Mr. Shaffer to provide a broad range of water consulting and operating services to clients using raw water. From 2001 through 2002, Mr. Shaffer also served as Director of Development for Kinder Morgan Power Company, a subsidiary of Kinder Morgan Inc., a publicly traded company. From 1988 to 1992, Mr. Shaffer served as President of First Colorado Corporation, a privately held firm engaged in developing natural resources and a cattle ranching

operation. From 1988 to 1992, Mr. Shaffer was a principal in Kirkpatrick Energy Associates, a financial advisory firm to the oil and gas industry, and from 1983 to 1986, Mr. Shaffer served as Executive Vice President of Premier Resources, Ltd., a publicly traded oil and gas exploration and production company. Between 1975 and 1983, Mr. Shaffer served in several different capacities at Western Crude Oil, Inc., a subsidiary of Reserve Oil and Gas, a publicly traded company involved in the gathering, transportation and marketing of crude oil, serving as Senior Vice President and General Counsel of Western Crude Oil, Inc. and Assistant General Counsel of Reserve Oil and Gas. Mr. Shaffer holds a Bachelor of Science degree from the University of Colorado and a Juris Doctor degree from the University of Denver.

Rex L. Utsler was elected as a director of our general partner on May 24, 2005, and serves as a member of the audit committee and as chair of the conflicts committee of the board of directors of our general partner. Mr. Utsler became President and Chief Executive Officer of Grease Monkey International, Inc. (GMI) and Grease Monkey Holding Corporation (GMHC), a franchisor of automotive preventive maintenance centers, positions he has held since January 2001. Effective January 2006, Mr. Utsler became a director of Grease Monkey Fundraising, LLC (GMF) and is the President, Chief Executive Officer and a director of Monkey Shine Franchising LLC (MSF), a franchisor of car wash centers, as of January 5, 2007.

Compliance With Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who own more than ten percent of a registered class of our equity securities (collectively, "Reporting Persons") to file with the SEC and the New York Stock Exchange initial reports of ownership and reports of changes in ownership of our common units and our other equity securities. Specific due dates for those reports have been established, and we are required to report herein any failure to file reports by those due dates. Reporting Persons are also required by SEC regulations to furnish TransMontaigne Partners with copies of all Section 16(a) reports they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required during the year ended December 31, 2006, all Section 16(a) filing requirements applicable to such Reporting Persons were complied with.

Audit Committee

The board of directors of our general partner has a standing audit committee. The audit committee currently has three members, Jerry R. Masters, David A. Peters and Rex L. Utsler, each of whom is able to understand fundamental financial statements and at least one of whom has past experience in accounting or related financial management. The board has determined that each member of the audit committee is independent under Section 303A.02 of the New York Stock Exchange listing standards and Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended. In making the independence determination, the board considered the requirements of the New York Stock Exchange and the Governance Guidelines of our general partner. Among other factors, the board considered current or previous employment with the partnership, it auditors or their affiliates by the director or his immediate family members, ownership of our voting securities, and other material relationships with the partnership. The audit committee has adopted a charter, which has been ratified and approved by the board of directors.

With respect to material relationships, the following relationships are not considered to be material for purposes of assessing independence: service as an officer, director, employee or trustee of, or greater than five percent beneficial ownership in (a) a supplier to the partnership if the annual sales to the partnership are less than one percent of the sales of the supplier; (b) a lender to the partnership if the total amount of the partnership's indebtedness is less than one percent of the total consolidated

assets of the lender; or (c) a charitable organization if the total amount of the partnership's annual charitable contributions to the organization are less than three percent of that organization's annual charitable receipts.

Based upon his education and employment experience as more fully detailed in Mr. Masters' biography set forth above, Mr. Masters has been designated by the board as the audit committee's financial expert meeting the requirements promulgated by the SEC and set forth in Item 407(d)(5)(i) of Regulation S-K of the Securities Exchange Act of 1934.

Conflicts Committee

Messrs. Masters, Utsler, Peters and Shaffer currently serve on the conflicts committee of the board of directors of our general partner. The conflicts committee reviews specific matters that the board believes may involve conflicts of interest. The conflicts committee determines if the resolution of the conflict of interest is fair and reasonable to us. The members of the conflicts committee may not be officers or employees of our general partner or directors, officers, or employees of its affiliates, and must meet the independence and experience standards established by the New York Stock Exchange and the Securities Exchange Act of 1934 to serve on an audit committee of a board of directors, and certain other requirements. Any matter approved by the conflicts committee will be conclusively deemed to be fair and reasonable to us, to be approved by all of our partners, and not deemed a breach by our general partner of any duties it may owe us or our unitholders.

Compensation Committee

Although not required by New York Stock Exchange listing requirements, the board of directors of our general partner has a standing compensation committee, which administers the TransMontaigne Services Inc. Long-term incentive plan, including the selection of individuals granted equity-based awards under the plan. The compensation committee has adopted a charter, which the board of directors has ratified and approved. Messrs. Shaffer, Masters and Peters currently serve on the compensation committee.

Compensation Committee Report

The compensation committee has reviewed and discussed with our management the Compensation Discussion and Analysis under "Item 11. Executive Compensation" of this report. Based on such review and discussions, the Compensation Committee recommended to the board of directors of our general partner that the Compensation Discussion and Analysis be included in this annual report.

COMPENSATION COMMITTEE

D. Dale Shaffer, Chair
Jerry R. Masters
David A. Peters

Corporate Governance Guidelines; Code of Business Conduct and Ethics

The board of directors of our general partner has adopted Corporate Governance Guidelines that outline the important policies and practices regarding our governance.

The audit committee has adopted a Code of Business Conduct and Ethics, which the board of directors of our general partner has ratified and approved. The Code of Business Conduct applies to all employees of TransMontaigne Services Inc. acting on behalf of our general partner and to the officers and directors of our general partner. The audit committee has also adopted, and the board of directors of our general partner has ratified and approved, a Code of Ethics for Senior Financial Officers of our general partner. The Code of Ethics for Senior Financial Officers applies to the senior financial officers of our general partner, including the chief executive officer, the chief financial officer and the chief accounting officer or persons performing similar functions.

Copies of our Code of Business Conduct, Code of Ethics for Senior Financial Officers, Corporate Governance Guidelines, Audit Committee Charter, and Compensation Committee Charter, are available on our website at *www.transmontaignepartners.com*. Copies of these items are also available free of charge in print to any unitholder who sends a request to the office of Secretary, TransMontaigne Partners L.P., at 1670 Broadway, Suite 3100, Denver, Colorado 80202.

Communications by Unitholders

Pursuant to our Corporate Governance Guidelines, the board of directors of our general partner meets in executive sessions, attended only by non-management, independent directors, at the conclusion of each regularly-scheduled board meeting. The board has chosen Mr. Shaffer to preside as chairman of these executive session meetings.

Unitholders and other interested parties may communicate with (1) Mr. Shaffer, in his capacity as chairman of the executive session meetings of the board of directors of our general partner, (2) with the non-management members of the board of directors of our general partner as a group, or (3) any and all members of the board of directors of our general partner by transmitting correspondence by mail or facsimile addressed to one or more directors by name or to the non-management directors (or to the chairman of the board or any standing committee of the board) at the following address and fax number:

Name of the Director(s)
c/o Secretary
TransMontaigne Partners LP
1670 Broadway, Suite 3100
Denver, Colorado 80202
(303) 626-8228

The secretary of our general partner will collect and organize all such communications in accordance with procedures approved by the board. The secretary will forward all communications to the chairman of the board or to the identified director(s) as soon as practicable. However, we may handle differently communications that are abusive, offensive or that present safety or security concerns. If we receive multiple communications on a similar topic, our secretary may, in his or her discretion, forward only representative correspondence.

The chairman of the board will determine whether any communication addressed to the entire board should be properly addressed by the entire board or a committee thereof if a communication is sent to the board or a committee, the chairman of the board or the chairman of that committee, as the case may be, will determine whether the communication warrants a response. If a response to the communication is warranted, the content and method of the response will be coordinated with our general partner's internal or external counsel.

New York Stock Exchange Certification

On June 26, 2006, we provided the New York Stock Exchange with the Annual CEO Certification in accordance with Section 303A.12(a) of the New York Stock Exchange Listed Company Manual. The purpose of the Annual CEO Certification is to evidence our compliance with the New York Stock Exchange's corporate governance listing standards.

ITEM 11. EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

We do not directly employ any of the persons responsible for managing our business. We are managed by our general partner, TransMontaigne GP L.L.C. The executive officers of our general partner are employees of and paid by TransMontaigne Services Inc. We do not incur any direct compensation charge for the officers of our general partner employed by TransMontaigne Services Inc., except with respect to certain equity based compensation awards discussed below. Instead, under the omnibus agreement we pay TransMontaigne Inc. a yearly administrative fee that is intended to compensate TransMontaigne Inc. for providing certain corporate staff and support services to us, including services provided to us by the executive officers of our general partner. During the year ended December 31, 2006, we paid TransMontaigne Inc. an administrative fee of $3.4 million. In connection with our acquisition of the River and Brownsville terminal facilities on December 29, 2006, the administrative fee was increased to $6.9 million per year. The administrative fee is a lump-sum payment and does not reflect specific amounts attributable to the compensation of the executive officers of our general partner while acting on our behalf.

Neither the board of directors nor the compensation committee of our general partner plays any role in setting the compensation of the executive officers of our general partner, all of which is determined by TransMontaigne Inc. The compensation committee of our general partner, however, determines the amount, timing and terms of all equity awards granted under TransMontaigne Services Inc.'s long-term incentive plan. To the extent that awards of phantom units granted under TransMontaigne Services Inc.'s long-term incentive plan are replaced with common units purchased by TransMontaigne Services Inc. on the open market, we will reimburse TransMontaigne Services Inc. for the purchase price of such units. In addition, if TransMontaigne Inc. adopts the TransMontaigne Services Inc. savings and retention plan, as discussed below, we expect to reimburse TransMontaigne Services Inc. up to $1.5 million provided that no less than $1.5 million in bonus awards granted to its key employees are deemed invested in our common units.

The primary elements of TransMontaigne Inc.'s compensation program are a combination of annual cash and long-term equity-based compensation. During 2006, elements of compensation for our executive officers consisted of the following:

- Annual base salary;
- Discretionary annual cash awards;
- Long-term equity-based compensation; and
- Other compensation, including very limited perquisites.

We do not provide any perquisites to the executive officers of our general partner. TransMontaigne Services Inc. expects to continue its policy of covering very limited perquisites allocable to its executive officers. TransMontaigne Services Inc. makes matching contributions under its 401(k) plan for the benefit of its executive officers in the same manner as for its other employees.

The elements of TransMontaigne Inc.'s compensation program, along with TransMontaigne Inc.'s other rewards (for example, benefits, work environment, career development), are intended to provide a total rewards package designed to drive performance and reward contributions in support of the business strategies of TransMontaigne Inc. During 2006, TransMontaigne Inc. did not use any elements of compensation based on specific performance-based criteria and did not have any other specific performance-based objectives.

We believe that TransMontaigne Inc.'s compensation policies allow it to attract, motivate and retain high quality, talented individuals with the skills and competencies we require. In addition, the TransMontaigne Services Inc.'s savings and retention plan, if adopted, is expected to align the long-term interests of the executive officers of our general partner with those of our unitholders to the extent a portion of the bonus awards is deemed invested in our common units.

The 2006 equity-based awards under the long-term incentive plan were determined by consultation among Messrs. Anderson, Dickey and Larson and were approved by the compensation committee of our general partner. The equity-based awards were intended to align the long-term interests of the executive officers of our general partner with those of our unitholders. We do not currently expect to continue to issue long-term incentive plan awards to executive officers of our general partner, although we expect that the long-term incentive plan will continue to be used to award restricted common units to the directors who are not officers of our general partner or its affiliates. Instead, as discussed below, we expect to reimburse TransMontaigne Services Inc. for a portion of the bonus awards that it grants to certain key employees of TransMontaigne Services Inc., but only to the extent that those grants are tied to the market value of our common units.

Grants of Plan-Based Awards Table for 2006

The following table provides information concerning each grant of an award made to our general partner's executive officers in the 2006 fiscal year.

Name(a)	Grant Date(b)	All Other Stock Awards: Number of Shares of Stock or Units (#)(i)	Grant Date Fair Value of Stock and Option Awards
Donald H. Anderson	March 31, 2006	5,000	$ 146,550
Randall J. Larson	March 31, 2006	5,000	$ 146,550
William S. Dickey	March 31, 2006	5,000	$ 146,550
Frederick W. Boutin	March 31, 2006	2,500	$ 73,275
Erik B. Carlson	March 31, 2006	2,500	$ 73,275

On March 31, 2006, the Compensation Committee of our general partner approved the grant of restricted phantom units to the executive officers of our general partner under the TransMontaigne Services Inc. long-term incentive plan. The restricted phantom units will automatically be replaced on a one-for-one basis with our common units, as the common units are acquired in the open market on behalf of the plan. The awards provide that the restricted phantom units will vest in four equal annual installments commencing on the first anniversary of the grant date or earlier upon a change of control. Dividends are paid on the restricted phantom units at the same rate as on our unrestricted common units. Effective September 1, 2006, 100% of the restricted units vested as a result of the acquisition of TransMontaigne Inc. by an affiliate of Morgan Stanley Capital Group, which acquisition constituted a change of control under the terms of our award agreements.

Option Exercises and Stock Vested Table for 2006

The following table provides information concerning vesting of common units during the 2006 fiscal year for each of our general partner's executive officers.

	Unit Awards	
Name(a)	Number of Units Acquired on Vesting (#)(1) (d)	Value Realized on Vesting ($) (e)
Donald H. Anderson	16,000	$ 490,038
Randall J. Larson	16,000	$ 490,038
William S. Dickey	16,000	$ 490,038
Frederick W. Boutin	11,000	$ 337,006
Erik B. Carlson	11,000	$ 337,006

(1) Effective September 1, 2006, 100% of the restricted common units vested as a result of the acquisition of TransMontaigne Inc. by an affiliate of Morgan Stanley Capital Group, which acquisition constituted a change of control under the terms of our award agreements.

Employment and Other Agreements

We have not entered into any employment agreements with any officers of our general partner.

COMPENSATION OF DIRECTORS

Officers of our general partner or its affiliates who also serve as directors of our general partner will not receive additional compensation. Directors who are not officers or employees of our general partner or its affiliates will receive a $30,000 annual cash retainer and an annual grant of 2,000 restricted phantom units, which will vest in 25% increments on each of the four successive anniversaries of the date of grant (with vesting to be accelerated upon a change of control). Directors who are employees, but not officers of our general partner or its affiliates, will receive an annual grant of 2,000 restricted phantom units, but not the $30,000 annual cash retainer. The restricted phantom units will automatically be replaced on a one-for-one basis with our common units, as the common units are acquired in the open market by the plan. The awards provide that the restricted phantom units will vest in four equal annual installments commencing on the first anniversary of the grant date or earlier upon a change of control. Dividends are paid on restricted phantom units at the same rate as on our unrestricted common units. In addition, each director will be reimbursed for out-of-pocket expenses in connection with attending meetings of the board of directors or committees. Each director will be fully indemnified by us for actions associated with being a director to the extent permitted under Delaware law.

The following table provides information concerning the compensation of our general partner's directors for 2006.

Director Compensation Table for 2006

Name(a)	Fees Earned or Paid in Cash ($) (b)	Stock Awards ($)(1) (c)	All Other Compensation ($) (g)	Total ($) (h)
Donald H. Anderson(2)	—	—	—	—
William S. Dickey(3)	—	—	—	—
Randall J. Larson(3)	—	—	—	—
Javed Ahmed(4)	—	—	—	—
Jerry R. Masters	$ 30,000	$ 58,620	—	$ 88,620
David A. Peters	$ 30,000	$ 58,620	—	$ 88,620
D. Dale Shaffer	$ 30,000	$ 58,620	—	$ 88,620
Rex L. Utsler	$ 30,000	$ 58,620	—	$ 88,620

(1) The dollar amount reflected in the "Stock Awards" column reflects the aggregate grant date value of the restricted phantom units, computed in accordance with FAS 123(R). The grant date value is equal to the closing price of our unrestricted common units on the grant date of $29.31. The restricted phantom units vest in 25% increments on each of the four successive anniversaries of the date of grant (with vesting to be accelerated upon a change of control). Effective September 1, 2006, 100% of the restricted units held by each director vested as a result of the acquisition of TransMontaigne Inc. by an affiliate of Morgan Stanley Capital Group, which acquisition constituted a change of control under the terms of our award agreements.

(2) Mr. Anderson served as the Chief Executive Officer of our general partner until September 1, 2006. Because he remains an employee of an affiliate of our general partner, he received no compensation for service as a director of our general partner during 2006. However, Mr. Anderson will be eligible to receive an annual award of 2,000 restricted phantom units commencing in 2007.

(3) Messrs. Dickey and Larson are executive officers of our general partner and, therefore, are not entitled to receive additional compensation for service as a director of our general partner. Mr. Larson resigned as a director of our general partner on October 4, 2006 to facilitate the appointment of a Morgan Stanley Capital Group representative to the board of directors of our general partner.

(4) Mr. Ahmed was appointed as a director of our general partner on October 4, 2006. Because he is an employee of an affiliate of our general partner, he receives no additional compensation for service as a director of our general partner.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The compensation committee of our general partner primarily administers our long-term incentive plan, including the selection of the individuals to be granted awards from among those eligible to participate. During the year ended December 31, 2006, the compensation committee of our general partner awarded 28,000 restricted phantom units to the directors and executive officers of our general partner. There are no compensation committee interlocks.

SAVINGS AND RETENTION PLAN

The board of directors of TransMontaigne Inc. expects to adopt a proposed savings and retention plan of TransMontaigne Services Inc. in 2007. The plan is expected to be administered by the board of

directors of TransMontaigne Inc. or such other persons appointed by the board. The purpose of the plan is to provide for the reward and retention of certain key employees of TransMontaigne Services Inc. by providing them with bonus awards that vest over future service periods. Generally, only senior level management of TransMontaigne Services Inc. will receive awards under the plan. Although no assets will be segregated or otherwise set aside with respect to a participant's account, the amount ultimately payable to a participant shall be the amount credited to such participant's account as if such account had been invested in some or all of the investment funds selected by the plan administrator.

The plan administrator will determine both the amount and investment funds in which the bonus award will be deemed invested for each participant. Currently, the three investment funds that the plan administrator can select are (1) a fixed interest fund, under which interest accrues at a rate to be determined annually by the plan administrator; (2) an equity index fund under which participant amounts are deemed invested in the SPDR Trust Series 1, which has an investment goal of tracking the performance of the Standard & Poors 500 Index, or such other equity index as the plan administrator may from time to time select; and (3) a fund under which a participant's account is deemed invested in our common units, with all distributions automatically reinvested in common units. To the extent the board of directors of TransMontaigne Inc. adopts the plan and awards bonuses of not less than $1.5 million to the officers or employees of TransMontaigne Services Inc. that are deemed invested in common units, the board of directors of our general partner has agreed to reimburse TransMontaigne Services Inc. up to $1.5 million.

The foregoing discussion of the proposed terms of the savings and retention plan is based upon the terms of the plan being reviewed by the board of directors of TransMontaigne Inc. and may not be the final terms of the savings and retention plan, if ultimately adopted by the board of directors of TransMontaigne Inc.

LONG-TERM INCENTIVE PLAN

Upon the consummation of our initial public offering in May 2005, TransMontaigne Services Inc. adopted a long-term incentive plan for employees and consultants of TransMontaigne Services Inc. who provide services on our behalf, and our non-employee directors. Following the acquisition of TransMontaigne Inc. by Morgan Stanley Capital Group and the establishment of the savings and retention plan of TransMontaigne Services Inc., we do not currently anticipate that awards will be made under the long-term incentive plan to officers or employees of TransMontaigne Services Inc., although we anticipate that annual grants to the non-employee directors of our general partner will continue to be made under the long-term incentive plan. The summary of the proposed long-term incentive plan contained below does not purport to be complete, but outlines its material provisions. The long-term incentive plan consists of four components: restricted units, restricted phantom units, unit options and unit appreciation rights. The long-term incentive plan currently permits the grant of awards covering an aggregate of 200,000 units, which amount will automatically increase on an annual basis by 2% of the total outstanding common and subordinated units at the end of the preceding fiscal year. The plan is administered by the compensation committee of the board of directors of our general partner.

The board of directors of our general partner, in its discretion may terminate, suspend or discontinue the long-term incentive plan at any time with respect to any award that has not yet been granted. The board of directors also has the right to alter or amend the long-term incentive plan or any part of the plan from time to time, including increasing the number of units that may be granted subject to unitholder approval as required by the exchange upon which the common units are listed at that time. However, no change in any outstanding grant may be made that would materially impair the rights of the participant without the consent of the participant, unless the change is necessary to comply with certain tax requirements.

Restricted Units and Restricted Phantom Units. A restricted unit is a common unit subject to forfeiture prior to the vesting of the award. A restricted phantom unit is a notional unit that entitles the grantee to receive a common unit upon the vesting of the phantom unit or, in the discretion of the compensation committee, cash equivalent to the value of a common unit. The compensation committee may determine to make grants under the plan of restricted units and restricted phantom units to employees, consultants and non-employee directors containing such terms as the compensation committee shall determine. The compensation committee will determine the period over which restricted units and restricted phantom units granted to employees, consultants and non-employee directors will vest. The compensation committee may base its determination upon the achievement of specified financial objectives. In addition, the restricted units and restricted phantom units will vest upon a change of control of us, our general partner, TransMontaigne Inc., Morgan Stanley Capital Group or Morgan Stanley unless provided otherwise by the compensation committee.

If a grantee's employment, service relationship or membership on the board of directors terminates for any reason, the grantee's restricted units and restricted phantom units will be automatically forfeited unless, and to the extent, the compensation committee provides otherwise. Common units to be delivered in connection with the grant of restricted units or upon the vesting of restricted phantom units may be common units acquired by our general partner on the open market, common units already owned by our general partner, common units acquired by our general partner directly from us or any other person or any combination of the foregoing. TransMontaigne Services Inc. will be entitled to reimbursement by us for the cost incurred in acquiring common units. Thus, the cost of the restricted units and delivery of common units upon the vesting of restricted phantom units will be borne by us. If we issue new common units in connection with the grant of restricted units or upon vesting of the restricted phantom units, the total number of common units outstanding will increase. The compensation committee, in its discretion, may grant tandem distribution rights with respect to restricted units and tandem distribution equivalent rights with respect to restricted phantom units.

We intend the issuance of restricted units and common units upon the vesting of the restricted phantom units under the plan to serve as a means of incentive compensation for performance and not primarily as an opportunity to participate in the equity appreciation of the common units. Therefore, at this time it is not contemplated that plan participants will pay any consideration for restricted units or common units they receive, and at this time we do not contemplate that we will receive any remuneration for the restricted units and common units.

Unit Options and Unit Appreciation Rights. The long-term incentive plan permits the grant of options covering common units and the grant of unit appreciation rights. A unit appreciation right is an award that, upon exercise, entitles the participant to receive the excess of the fair market value of a unit on the exercise date over the exercise price established for the unit appreciation right. Such excess may be paid in common units, cash, or a combination thereof, as determined by the compensation committee in its discretion. The compensation committee may make grants of unit options and unit appreciation rights under the plan to employees, consultants and non-employee directors containing such terms as the compensation committee shall determine. Unit options and unit appreciation rights may have an exercise price that is equal to or greater than the fair market value of the common units on the date of grant. In general, unit options and unit appreciation rights granted will become exercisable over a period determined by the compensation committee. In addition, the unit options and unit appreciation rights will become exercisable upon a change in control of us, our general partner or TransMontaigne Inc., unless provided otherwise by the compensation committee.

Upon exercise of a unit option (or a unit appreciation right settled in common units), our general partner will acquire common units on the open market or directly from us or any other person or use common units already owned by our general partner, or any combination of the foregoing. Our general partner will be entitled to reimbursement by us for the difference between the cost incurred by our general partner in acquiring these common units and the proceeds received from a participant at the

time of exercise. Thus, the cost of the unit options (or a unit appreciation right settled in common units) will be borne by us. If we issue new common units upon exercise of the unit options (or a unit appreciation right settled in common units), the total number of common units outstanding will increase, and our general partner will pay us the proceeds it receives from an optionee upon exercise of a unit option. The availability of unit options and unit appreciation rights is intended to furnish additional compensation to employees, consultants and non-employee directors and to align their economic interests with those of common unitholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED UNITHOLDER MATTERS

The following table sets forth certain information regarding the beneficial ownership of units as of March 2, 2007 by each director of our general partner, and by each individual serving as an executive officer of our general partner as of March 2, 2007, by each person known by us to own more than 5% of the outstanding units, and by all directors and those serving as executive officers as of March 2, 2007 as a group. The information set forth below is based solely upon information furnished by such individuals or contained in filings made by such beneficial owners with the SEC.

The calculation of the percentage of beneficial ownership is based on 3,972,500 limited partnership units outstanding as of March 2, 2007. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to the units. To our knowledge, except under applicable community property laws or as otherwise indicated, the persons named in the table have sole voting and sole investment power with respect to all units beneficially owned. Units underlying outstanding warrants or options that are currently exercisable or exercisable within 60 days of March 2, 2007 are deemed outstanding for the purpose of computing the percentage of beneficial ownership of the person holding those options or warrants, but are not deemed outstanding for computing the percentage of beneficial ownership of any other person.

Name of beneficial owner	Common units beneficially owned	Percentage of common units beneficially owned	Subordinated units beneficially owned	Percentage of subordinated units beneficially owned	Percentage of total units beneficially owned(1)
TransMontaigne Inc.(2)	—	—	2,872,266	86.5%	39.4%
Morgan Stanley Strategic Investments, Inc.(3)	—	—	450,000	13.5%	6.2%
Neuberger Berman Inc.(4)	476,303	12.0%	—	—	6.5%
Donald H. Anderson(5)	30,200	*	—	—	*
Frederick W. Boutin	30,200	*	—	—	*
Erik B. Carlson	31,000	*	—	—	*
William S. Dickey	30,200	*	—	—	*
Randall J. Larson	35,200	*	—	—	*
Javed Ahmed	—	—	—	—	—
Jerry R. Masters	18,000	*	—	—	*
David A. Peters	15,600	*	—	—	*
D. Dale Shaffer	4,700	*	—	—	*
Rex L. Utsler	8,600	*	—	—	*
All directors and executive officers as a group (10 persons)	203,700	5.1%	—	—	

* Less than 1%.

(1) The subordinated units included in this column are not convertible into common units within 60 days of March 2, 2007, but are included to reflect the total percentage beneficial interest held by each unitholder in all of our outstanding limited partnership units.

(2) The subordinated units beneficially owned by TransMontaigne Inc. are held by TransMontaigne Product Services Inc. TransMontaigne Inc. is the direct parent company of TransMontaigne Product Services Inc. and may, therefore, be deemed to beneficially own the units held by each of them. Does not include the 2% general partnership interest and related incentive distribution rights held by our general partner, which are not considered "units" for purposes of our limited partnership agreement. The general partner, accordingly, is not considered a "unitholder." The address of TransMontaigne Inc. is 1670 Broadway, Suite 3100, Denver, Colorado 80202.

(3) The address of Morgan Stanley Strategic Investments, Inc., an affiliate of Morgan Stanley Capital Group Inc., is 1585 Broadway, New York, New York 10036.

(4) Based on the Schedule 13G filed with the Securities and Exchange Commission on February 13, 2007, Neuberger Berman Inc. owns 100% of both Neuberger Berman, LLC and Neuberger Berman Management Inc. and does not own over 1% of the issuer, and is affiliated with Lehman Brothers Asset Management LLC. Neuberger Berman, LLC and Neuberger Berman Management Inc. both have the shared power to make decisions whether to retain or dispose and vote the securities and the shared power to dispose, but not vote, 167,784 common units. Neuberger Berman, LLC and Neuberger Berman Management Inc. serve as a sub-adviser and investment manager, respectively, of Neuberger Berman's various Mutual Funds which hold such units in the ordinary course of their business and not with the purpose nor with the effect of changing or influencing the control of the issuer. The holdings of Lehman Brothers Asset Management LLC, an affiliate of Neuberger Berman LLC, are also aggregated to comprise the holdings referenced herein.

(5) Held in trust for the benefit of Mr. Anderson's family. Mr. Anderson is the trustee of the trust with sole power to vote and dispose such units.

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes information about our equity compensation plans as of December 31, 2006.

	Number of Securities to be issued upon exercise of outstanding options, warrants and rights(1)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected)
Equity compensation plans approved by security holders	—	—	—
Equity compensation plans not approved by security holders	—	—	—
Total	—	—	—

(1) The long-term incentive plan currently permits the grant of awards covering an aggregate of 200,000 units, which amount will automatically increase on an annual basis by 2% of the total outstanding common and subordinated units at the end of the preceding fiscal year. For more information about our long-term incentive plan, which did not require approval by our limited partners, refer to "Item 11. Executive Compensation—Long-Term Incentive Plan."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

REVIEW, APPROVAL OR RATIFICATION OF TRANSACTIONS WITH RELATED PERSONS

Our conflicts committee reviews specific matters that the board of directors of our general partner believes may involve conflicts of interest and other transactions with related persons in accordance with the procedures set forth in our amended and restated limited partnership agreement. Due to the conflicts of interest inherent in our operating structure, our general partner may, but is not required to, seek the approval of any conflict of interest transaction from the conflicts committee. Generally, such approval is requested for material transactions, including the purchase of a material amount of assets from TransMontaigne Inc. or the modification of a material agreement between us and TransMontaigne Inc. Any matter approved by the conflicts committee will be conclusively deemed fair and reasonable to us, to be approved by all of our partners, and not to be a breach by our general partner of its fiduciary duties. The conflicts committee may consider any factors it determines in good faith to consider when resolving a conflict, including taking into account the totality of the relationships among the parties involved, including other transactions that may be particularly favorable or advantageous to us. In addition the conflicts committee has the authority to engage outside advisors to assist it in makings its determinations. For example, in approving our acquisition of the Brownsville and River facilities from TransMontaigne Inc., the conflicts committee engaged, and obtained a fairness opinion from, an independent outside financial advisor.

We also have attempted to resolve many of the conflicts of interest inherent in our operating structure by entering into various documents and agreements with TransMontaigne Inc. in connection with our initial public offering. These agreements, and any amendments thereto, discussed below were not the result of arm's-length negotiations, and they, or any of the transactions that they provide for, may not be effected on terms at least as favorable to the parties to these agreements as they could have been obtained from unaffiliated third parties.

RELATIONSHIP AND AGREEMENTS WITH TRANSMONTAIGNE INC. AND ITS AFFILIATES

TransMontaigne Inc. controls our operations through its ownership of our general partner, as well as a significant limited partner ownership interest in us through its ownership of a majority of our subordinated units. TransMontaigne Inc. is an indirect wholly-owned subsidiary of Morgan Stanley. As of March 2, 2007, affiliates of TransMontaigne Inc., in the aggregate, owned a 44.6% interest in the partnership, consisting of 3,322,266 subordinated units and a 2% general partner interest.

The following table summarizes the distributions and payments to be made by us to our general partner, TransMontaigne Inc., and its other affiliates in connection with our ongoing operations.

Operational stage

Distributions of available cash to our general partner and its affiliates	We will generally make cash distributions 98% to the unitholders and 2% to our general partner. In addition, if distributions exceed the minimum quarterly distribution and other higher target levels, our general partner will be entitled to increasing percentages of the distributions, up to 50% of the distributions above the highest target level.

	During the year ended December 31, 2006, we distributed approximately $5.9 million to TransMontaigne Inc. and its affiliates. Assuming we have sufficient available cash to pay the full minimum quarterly distribution on all of our outstanding units for four quarters, our general partner and its affiliates would receive an annual distribution of approximately $106,000 on the 2% general partner interest and approximately $5.3 million on their common units and subordinated units.
Payments to our general partner and its affiliates	For the year ended December 31, 2006 we paid TransMontaigne Inc. and its affiliates an administrative fee of $3.4 million with an additional insurance reimbursement of $1.0 million per year for the provision of various general and administrative services for our benefit. In connection with our acquisition of the River and Brownsville terminal facilities on December 29, 2006, the administrative fee was increased to $6.9 million and the insurance reimbursement was increased to $1.6 million for 2007. For further information regarding the administrative fee, please see "—Omnibus Agreement; Payment of general and administrative services fee" below.

Omnibus Agreement

On May 27, 2005, we entered into an omnibus agreement with TransMontaigne Inc. and our general partner. The omnibus agreement, as subsequently amended, addresses the following matters:

- our obligation to pay TransMontaigne Inc. an annual administrative fee, currently in the amount of $6.9 million;
- our obligation to pay TransMontaigne Inc. with an annual insurance reimbursement in the amount of $1.6 million for the provision by TransMontaigne Inc. of certain insurance coverage with respect to our assets and operations;
- our options to purchase from TransMontaigne Inc. additional refined product terminals;
- TransMontaigne Inc.'s and its affiliates' agreement to offer to sell to us certain assets acquired or constructed by TransMontaigne Inc. in the future;
- TransMontaigne Inc.'s obligation to indemnify us for certain liabilities and our obligation to indemnify TransMontaigne Inc. for certain liabilities; and
- TransMontaigne Inc.'s right of first refusal to purchase our assets that are in the same line of business in which TransMontaigne Inc. is engaged, or any storage capacity that becomes available after May 27, 2005.

Any or all of the provisions of the omnibus agreement, other than the indemnification provisions described below, are terminable by TransMontaigne Inc. at its option if our general partner is removed

without cause and units held by our general partner and its affiliates are not voted in favor of that removal.

Payment of general and administrative services fee and reimbursement of direct expenses

Under the omnibus agreement, for the year ended December 31, 2006, we paid TransMontaigne Inc. an annual administrative fee of $3.4 million for the provision of various general and administrative services for our benefit with respect to the Gulf Coast and Midwest terminals. The administrative fee paid in fiscal 2006 includes expenses incurred by TransMontaigne Inc. to perform centralized corporate functions, such as legal, accounting, treasury, insurance administration and claims processing, health, safety and environmental, information technology, human resources, including the services of our executive officers, credit, payroll, taxes and engineering and other corporate services, to the extent such services were not outsourced by TransMontaigne Inc. The omnibus agreement further requires us to pay TransMontaigne Inc. an annual insurance reimbursement in the amount of $1.0 million for premiums on insurance policies covering the Gulf Coast and Midwest terminals. The administrative fee may be increased in the second and third years by the percentage increase in the consumer price index for the immediately preceding year, and the insurance reimbursement will increase in accordance with increases in the premiums payable under the relevant policies. In addition, if we acquire or construct additional assets during the term of the agreement, TransMontaigne Inc. will propose a revised administrative fee covering the provision of services for such additional assets. If the conflicts committee of our general partner agrees to the revised administrative fee, TransMontaigne Inc. will provide services for the additional assets pursuant to the agreement. In accordance with this procedure, the administrative fee was increased to $6.9 million and the insurance reimbursement was increased to $1.6 million on December 29, 2006 to reflect an allocation of the additional costs expected to be incurred by TransMontaigne Inc. on our behalf for providing services related to the Brownsville and River facilities. The omnibus agreement will expire in May 2008, unless extended.

The administrative fee did not include reimbursements for direct expenses TransMontaigne Inc. incurred on our behalf, such as salaries of operational personnel performing services on-site at our terminal and pipeline facilities and related employee benefit costs, including 401(k), pension, and health insurance benefits. For the year ended December 31, 2006, we reimbursed TransMontaigne Inc. $5.3 million for direct expenses it incurred on our behalf.

Exclusive options to purchase additional refined product terminals

The omnibus agreement contains the terms of our exclusive options; the remaining option related to TransMontaigne Inc.'s Southeast terminaling operations is exercisable beginning in December 2007.

Obligation to offer to sell acquired or constructed assets

Pursuant to the omnibus agreement, subject to certain exclusions and conditions, TransMontaigne Inc. has agreed to offer us any tangible assets that it acquires or constructs related to the storage, transportation or terminaling of refined petroleum products in the United States. At our request, TransMontaigne Inc. is required to make such an offer within two years of the date of purchase or construction completion. We expect that TransMontaigne Inc. will operate the assets it offers to us pursuant to the omnibus agreement for this interim period, during which time TransMontaigne Inc.'s distribution and marketing operations will seek to achieve substantial utilization of the assets. We have one year following receipt of TransMontaigne Inc.'s offer to notify TransMontaigne Inc. whether we are interested in pursuing the offer. If we are interested in pursuing the offer, TransMontaigne Inc. is obligated to submit a term sheet to us within 45 days after receipt of our notice specifying the fundamental terms of the proposed transaction, other than the purchase price. We would then have 45 days to propose a cash purchase price for the transaction, and we and

TransMontaigne Inc. would then be obligated to negotiate in good faith for 60 days to reach an agreement. If we decline any such offer, TransMontaigne Inc. is free to use the asset to compete with us. If we and TransMontaigne Inc. do not agree to all of the terms of the transaction, including the purchase price, after negotiating in good faith, TransMontaigne Inc. would have the right to seek an alternative purchaser willing to pay at least 105% of the purchase price we proposed; if an alternative transaction on such terms has not been consummated within six months, we would have the right to purchase the assets at the purchase price we originally proposed and on the other fundamental terms specified in the term sheet previously provided by TransMontaigne Inc.

The obligation to offer includes assets subject to lease or joint venture arrangements controlled by TransMontaigne Inc. and extending for more than five years, to the extent of TransMontaigne Inc.'s interest in the assets, but does not apply to assets acquired by TransMontaigne Inc. in an asset exchange transaction, or to:

- any business operated by TransMontaigne Inc. or any of its subsidiaries as of May 27, 2005;
- any business conducted by TransMontaigne Inc. with the approval of the conflicts committee of our general partner;
- tangible assets acquired by TransMontaigne Inc., including as part of a larger acquisition of other assets, if the fair value of the tangible assets does not exceed $10.0 million; and
- tangible assets, or capital improvements of tangible assets, constructed by TransMontaigne Inc., including as part of a larger construction project, if the construction cost of the tangible assets or capital improvements does not exceed $10.0 million.

In addition, any offer to sell tangible assets will be conditioned on obtaining various consents. Such consents may include consents of TransMontaigne Inc.'s lenders. In the event that TransMontaigne Inc. or its affiliates no longer control our general partner, TransMontaigne Inc.'s obligation to offer to sell assets to us will terminate.

Rights of first refusal

The omnibus agreement also provides TransMontaigne Inc. a right of first refusal to purchase our assets that are in the same line of business in which TransMontaigne Inc. is engaged, provided that TransMontaigne Inc. agrees to pay no less than 105% of the purchase price offered by the third party bidder. Before we enter into any contract to sell such terminal or pipeline facilities, we must give written notice of all material terms of such proposed sale to TransMontaigne Inc. TransMontaigne Inc. will then have the sole and exclusive option for a period of 45 days following receipt of the notice, to purchase the subject facilities for no less than 105% of the purchase price on the terms specified in the notice. TransMontaigne Inc. also has a right of first refusal, subject to comparable procedures, to purchase any petroleum product storage capacity that is put into commercial service after the closing of this offering, was subject to the terminaling services agreement prior to the termination or expiration thereof, or is subject to a contract which terminates or becomes terminable by us (excluding a contract renewable solely at the option of our customer), provided that TransMontaigne Inc. agrees to pay 105% of the fees offered by the third party customer.

The omnibus agreement also provides us with a right of first refusal with respect to any proposed sale or transfer, other than in an asset exchange transaction, of:

- any tangible assets that TransMontaigne Inc. acquires or constructs related to the storage, transportation or terminaling of refined petroleum products, provided such assets generate qualifying income as defined in Section 7704 of the Internal Revenue Code, prior to TransMontaigne Inc.'s delivery to the conflicts committee of proposed terms as described in " —Obligation to Offer to Sell Acquired or Constructed Assets" above; and

- any of the assets subject to our exclusive options prior to the applicable exercise period and any assets acquired in asset exchange transaction that replace assets subject to our executive options;

provided, that in either case, we agree to pay at least 105% of the purchase price offered by the third party bidder.

Terminaling Services Agreements

Terminaling Services Agreement Relating to Gulf Coast (Florida) and Midwest Facilities. On May 27, 2005, we entered into a terminaling and transportation services agreement with TransMontaigne Inc. relating to our Florida and Midwest terminals that will expire on December 31, 2013. Under this agreement, TransMontaigne Inc. agreed to throughput at our Florida and Midwest terminals and transport on the Razorback Pipeline a volume of refined products that will, at the fee and tariff schedule contained in the agreement, result in minimum revenues to us of $5 million per quarter, or $20 million per year. TransMontaigne Inc.'s minimum revenue commitment applies only to our Florida and Midwest operations and may not be spread among facilities we subsequently acquire. In exchange for TransMontaigne Inc.'s minimum revenue commitment, we agreed to provide TransMontaigne Inc. approximately 2.6 million barrels of light oil storage capacity and approximately 1.3 million barrels of heavy oil storage capacity at certain of our Florida terminals.

If TransMontaigne Inc. fails to meet its minimum revenue commitment in any quarter, it must pay us the amount of any shortfall within 15 business days following receipt of an invoice from us. A shortfall payment may be applied as a credit in the following four quarters after TransMontaigne Inc.'s minimum obligations are met.

Furthermore, if new laws or regulations that affect terminals generally are enacted that require us to make substantial and unanticipated capital expenditures at any of our terminals, we have the right to negotiate a monthly surcharge to be paid by TransMontaigne Inc. for the use of our terminals. The surcharge is intended to cover TransMontaigne Inc.'s pro rata portion of the cost of complying with these laws or regulations, after we have made efforts to mitigate their effect. If we cannot agree on a surcharge, and if we are not able to direct the affected refined products to mutually acceptable alternative terminaling assets that we own, either party has the right to remove the assets from the terminaling services agreement, and TransMontaigne Inc.'s minimum revenue commitment will be correspondingly reduced. The surcharge does not apply in respect of routine capital expenditures.

Under the agreement, we are responsible for all refined product losses and entitled to all product gains.

After the initial term, the terminaling services agreement will automatically renew for subsequent one-year periods, subject to either party's right to terminate with six months' notice. TransMontaigne Inc.'s obligations under the terminaling services agreement will not terminate if TransMontaigne Inc. no longer owns our general partner. TransMontaigne Inc. may assign the terminaling services agreement only with the consent of the conflicts committee of our general partner. Upon termination of the agreement, TransMontaigne Inc. has a right of first refusal to enter into a new terminaling services agreement with us, provided it pays no less than 105% of the fees offered by the third party.

TransMontaigne Inc. also has a right of first refusal to control any petroleum product storage capacity that is put into commercial service after May 27, 2005 or is subject to a contract which terminates or becomes terminable by us (excluding a contract renewable solely at the option of our customer), provided that TransMontaigne Inc. pays 105% of the fees offered by the third party customer.

Gulf Coast (Mobile) Terminaling Services Agreement. We have a terminaling and transportation services agreement with TransMontaigne Inc. that will expire on December 31, 2012. Under this agreement, TransMontaigne Inc. agreed to throughput at our Mobile terminal a volume of refined products that will, at the fee and tariff schedule contained in the agreement, result in minimum revenues to us of $2.1 million per year. If TransMontaigne Inc. fails to meet its minimum revenue commitment in any year, it must pay us the amount of any shortfall within 15 business days following receipt of an invoice from us. A shortfall payment may be applied as a credit in the following year after TransMontaigne Inc.'s minimum obligations are met. In exchange for TransMontaigne Inc.'s minimum revenue commitment, we agreed to provide TransMontaigne Inc. approximately 46,000 barrels of light oil storage capacity and approximately 65,000 barrels of heavy oil storage capacity at the terminal.

Brownsville LPG Terminaling Services Agreement. On December 29, 2006, we entered into a terminaling and transportation services agreement with TransMontaigne Inc. relating to our Brownsville terminal complex that will expire on March 31, 2010. Under this agreement, TransMontaigne Inc. agreed to throughput at our terminals a volume of natural gas liquids that will, at the fee and tariff schedule contained in the agreement, result in minimum revenues to us of $1.4 million per year. In exchange for TransMontaigne Inc.'s minimum revenue commitment, we agreed to provide TransMontaigne Inc. approximately 33,700 barrels of storage capacity at our Brownsville terminal complex.

If new laws or regulations that affect terminals generally are enacted that require us to make substantial and unanticipated capital expenditures at any of our terminals, we are not obligated to make such capital expenditures unless TransMontaigne Inc. elects to pay its proportionate share of such costs or negotiate a monthly surcharge to be paid by TransMontaigne Inc. for the use of the applicable terminal that covers TransMontaigne Inc.'s pro rata portion of the cost of complying with the new laws or regulations. If we cannot agree on a surcharge, and if we are not able to direct the affected refined products to mutually acceptable alternative terminaling assets that we own, either party has the right to remove the assets from the terminaling services agreement, and TransMontaigne Inc.'s minimum revenue commitment will be correspondingly reduced. The surcharge does not apply in respect of routine capital expenditures.

Under the agreement, we are responsible for all refined product losses and entitled to all product gains.

Within 60 days prior to the expiration of the initial term, the parties may agree to renew the terminaling services agreement for an additional term or on terms upon which the party's agree. Upon termination of the agreement, TransMontaigne Inc. has a right of first refusal to enter into a new terminaling services agreement with us, provided it pays no less than 105% of the fees offered by the third party.

Morgan Stanley Capital Group Terminaling Services Agreement. We have a terminaling services agreement with Morgan Stanley Capital Group relating to our Brownsville terminals that will expire on October 31, 2010. Under this agreement, Morgan Stanley Capital Group agreed to store a specified minimum amount of fuel oils at our terminals that will result in minimum revenues to us of approximately $2.2 million per year. In exchange for its minimum revenue commitment, we agreed to provide Morgan Stanley Capital Group a minimum amount of storage capacity for such fuel oils.

Oklahoma City Terminaling Services Agreement. We have a revenue support agreement with TransMontaigne Inc. that provides that in the event any current third-party terminaling agreement should expire, TransMontaigne Inc. agrees to enter into a terminaling services agreement that will expire no earlier than November 1, 2012. The terminaling services agreement will provide that TransMontaigne Inc. agrees to throughput a volume of refined product as may be required to guarantee minimum revenues of $0.8 million per year. If TransMontaigne Inc. fails to meet its

minimum revenue commitment in any year, it must pay us the amount of any shortfall within 15 business days following receipt of an invoice from us. In exchange for TransMontaigne Inc.'s minimum revenue commitment, we agreed to provide TransMontaigne Inc. approximately 153,000 barrels of light oil storage capacity at our Oklahoma City terminal. TransMontaigne Inc.'s minimum revenue commitment currently is not in effect because a major oil company is under contract for the utilization of the light oil storage capacity at the terminal.

Acquisition from TransMontaigne Inc.

On December 29, 2006, we acquired the River and Brownsville facilities from TransMontaigne Inc. for an aggregate purchase price of $135 million. We financed the acquisition of the facilities through additional borrowings under our amended and restated senior secured credit agreement. The acquisition was approved by the conflicts committee of the board of directors of our general partner.

On January 1, 2006, we acquired a refined product terminal in Mobile, Alabama from TransMontaigne Inc. for approximately $17.9 million.

Indemnification

Under the omnibus agreement, TransMontaigne Inc. has agreed to indemnify us for five years after May 27, 2005 against certain potential environmental claims, losses and expenses associated with the operation of the Florida and Midwest facilities and occurring before May 27, 2005. TransMontaigne Inc.'s maximum liability for this indemnification obligation is $15 million, and it has no obligation to indemnify us for aggregate losses until such aggregate losses exceed $250,000. TransMontaigne Inc. has no indemnification obligations with respect to environmental claims made as a result of additions to or modifications of environmental laws promulgated after May 27, 2005. We have agreed to indemnify TransMontaigne Inc. against environmental liabilities related to our facilities, to the extent these liabilities are not subject to TransMontaigne Inc.'s indemnification obligations.

In addition, TransMontaigne Inc. has agreed to indemnify us for losses attributable to title defects, retained assets and liabilities (including preclosing litigation relating to the purchased facilities) and income taxes attributable to operations prior to May 27, 2005. We will indemnify TransMontaigne Inc. for all losses attributable to operations of the contributed assets after May 27, 2005, to the extent the assets are not subject to TransMontaigne Inc.'s indemnification obligations.

Under the purchase agreement for the Mobile, Alabama refined product terminal, TransMontaigne Inc. has agreed to indemnify us for certain environmental liabilities, discussed under "Business and Properties—Environmental Matters—Site Remediation." In addition to the environmental indemnification obligations, TransMontaigne Inc. has agreed to indemnify us for any losses attributable to any breach of its representations, warranties or covenants, any retained liabilities, or any excluded assets and we have agreed to indemnify TransMontaigne Inc. for any losses attributable to any breach of our representations, warranties or covenants or the operations of the Mobile, Alabama product terminal following our acquisition of them, including any environmental liabilities occurring after January 1, 2006, to the extent not subject to TransMontaigne Inc.'s indemnification obligations. Indemnifiable losses must first exceed $100,000 and the total indemnification by a party is generally limited to $2.5 million.

Under the purchase agreement for the River and Brownsville facilities, TransMontaigne Inc. has agreed to indemnify us for certain environmental liabilities, discussed under "Business and Properties—Environmental Matters—Site Remediation." In addition to the environmental indemnification obligations, TransMontaigne Inc. has agreed to indemnify us for any losses attributable to any breach of its representations, warranties or covenants, any retained liabilities, or any excluded assets and we have agreed to indemnify TransMontaigne Inc. for any losses attributable to any breach of our representations, warranties or covenants or the operations of the Brownsville and River facilities

following our acquisition of them, including any environmental liabilities occurring after December 31, 2006, to the extent not subject to TransMontaigne Inc.'s indemnification obligations. Indemnifiable losses must first exceed $100,000 and the total indemnification by a party is generally limited to $15 million.

Other Relationships

Effective September 1, 2006, a subsidiary of Morgan Stanley Capital Group Inc. merged with and into TransMontaigne Inc. Morgan Stanley Strategic Investments, Inc., an affiliate of Morgan Stanley Capital Group Inc., owns approximately 450,000 of our subordinated units, representing approximately 6.0% of our outstanding units. Assuming we have sufficient available cash to pay the full minimum quarterly distribution on all of our outstanding units for four quarters during our year ending December 31, 2007, Morgan Stanley Strategic Investments, Inc. would receive an annual distribution of approximately $720,000 on its subordinated units. During fiscal year ended December 31, 2006, Morgan Stanley Strategic Investments, Inc. received $760,500 of distributions.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

KPMG LLP is our independent auditor. KPMG LLP's accounting fees and services were as follows (in thousands):

	2005	2006
Audit fees(1)	$ 225,000	$ 475,000
Audit-related fees(2)	—	185,000
Tax fees(3)	—	—
All other fees	—	—
Total accounting fees and services	$ 225,000	$ 660,000

(1) Represents fees for professional services provided in connection with the annual audit of our financial statements and internal control over financial reporting, including Sarbanes-Oxley 404 attestation, the reviews of our quarterly financial statements, and other services normally provided by the auditor in connection with statutory and regulatory filings.

(2) Represents fees for professional services provided in connection with the audit of the Brownsville and River terminaling facilities for periods prior to their inclusion in our consolidated financial statements.

The audit committee of our general partner's board of directors has adopted an audit committee charter, which is available on our website at www.transmontaignepartners.com. The charter requires the audit committee to approve in advance all audit and non-audit services to be provided by our independent registered public accounting firm. All services reported in the audit, audit-related, tax and all other fees categories above were approved by the audit committee in advance.

Part IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as a part of this report.

(1) Consolidated Financial Statements

TransMontaigne Partners L.P.

Reports of Independent Registered Public Accounting Firm

Consolidated balance sheets as of December 31, 2006, December 31, 2005 and June 30, 2005

Consolidated statements of operations for the year ended December 31, 2006, the six months ended December 31, 2005, six months ended December 31, 2004 (unaudited), and years ended June 30, 2005 and 2004

Consolidated statements of partners' equity for the year ended December 31, 2006, the six months ended December 31, 2005 and years ended June 30, 2005 and 2004

Consolidated statements of cash flows for the year ended December 31, 2006, the six months period ended December 31, 2005, six months ended December 31, 2004 (unaudited), and years ended June 30, 2005 and 2004

Notes to consolidated financial statements

(2) Financial Statement Schedules

Valuation and qualifying accounts.

(3) Exhibits:

A list of exhibits required by Item 601 of Regulation S-K to be filed as part of this report:

Exhibit Number	Description
2.1	Facilities Sale Agreement, dated January 1, 2006, between Radcliff/Economy Marine Services Inc. and TransMontaigne Partners L.P. (incorporated by reference to Exhibit 2.1 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on January 1, 2006).
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10.1	Amended and Restated Senior Secured Credit Facility, dated December 22, 2006, by and among TransMontaigne Operating Company L.P., a Delaware limited partnership, Wachovia Capital Markets, LLC, as sole lead arranger, manager and book-runner, Bank of America, N.A. and JPMorgan Chase Bank, N.A., as syndication agents, BNP Paribas and Société Générale, as the documentation agents, Wachovia Bank, National Association, as administrative agent, and the other lenders a party thereto (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on January 5, 2007).

10.2	Contribution, Conveyance and Assumption Agreement, dated May 27, 2005, among TransMontaigne Inc., TransMontaigne Partners L.P., TransMontaigne GP L.L.C., TransMontaigne Operating GP L.L.C., TransMontaigne Operating Company L.P., TransMontaigne Product Services Inc. and Coastal Fuels Marketing, Inc., Coastal Terminals L.L.C., Razorback L.L.C., TPSI Terminals L.L.C. and TransMontaigne Services, Inc. (incorporated by reference to Exhibit 10.2 of the Annual Report on Form 10-K filed by TransMontaigne Partners L.P. with the SEC on September 13, 2005).
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10.7	Registration Rights Agreement, dated May 27, 2005, by and between TransMontaigne Partners L.P. and MSDW Morgan Stanley Strategic Investments, Inc. (formerly MSDW Bondbook Ventures Inc.) (incorporated by reference to Exhibit 10.7 of the Annual Report on Form 10-K filed by TransMontaigne Partners L.P. with the SEC on September 13, 2005).
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10.12	Third Amendment to Omnibus Agreement, dated as of December 29, 2006, by and among TransMontaigne Inc., TransMontaigne GP L.L.C., TransMontaigne Partners L.P., TransMontaigne Operating GP L.L.C. and TransMontaigne Operating Company L.P. (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on January 5, 2007).
10.13*	Terminaling Services Agreement, dated March 1, 2006, between TransMontaigne Product Services, Inc. and Valero Marketing and Supply Company, assigned to TransMontaigne Partners L.P., effective December 29, 2006.(1)
21.1*	List of Subsidiaries of TransMontaigne Partners L.P.
23.1*	Consent of Independent Registered Public Accounting Firm
31.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1*	Financial Statement Schedule.

* Filed with this report.

** Identifies each management compensation plan or arrangement.

(1) Certain portions of this exhibit have been omitted and filed separately with the Commission pursuant to a request for confidential treatment under Rule 24b-2 as promulgated under the Securities Exchange Act of 1934

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRANSMONTAIGNE PARTNERS L.P.

By: TRANSMONTAIGNE GP L.L.C., its General Partner

By: /s/ RANDALL J. LARSON

Randall J. Larson
President and Chief Executive Officer

Date: March 16, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities with TransMontaigne GP L.L.C., the general partner of the registrant, on the date indicated.

Name and Signature	Title	Date
/s/ DONALD H. ANDERSON **Donald H. Anderson**	Chairman and Director	March 16, 2007
/s/ RANDALL J. LARSON **Randall J. Larson**	President, Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer	March 16, 2007
/s/ WILLIAM S. DICKEY **William S. Dickey**	Executive Vice President, Chief Operating Officer and Director	March 16, 2007
/s/ JAVED AHMED **Javed Ahmed**	Director	March 16, 2007
/s/ JERRY R. MASTERS **Jerry R. Masters**	Director	March 16, 2007

/s/ DAVID A. PETERS **David A. Peters**	Director	March 16, 2007
/s/ D. DALE SHAFFER **D. Dale Shaffer**	Director	March 16, 2007
/s/ REX L. UTSLER **Rex L. Utsler**	Director	March 16, 2007

EXHIBIT INDEX

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** Identifies each management compensation plan or arrangement.

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QuickLinks -- Click here to rapidly navigate through this document

Exhibit 10.13

CONFIDENTIAL TREATMENT REQUESTED BY TRANSMONTAIGNE PARTNERS L.P.

TERMINALING SERVICES AGREEMENT

This Terminaling Services Agreement ("**Agreement**") dated as of March 1, 2006, but effective for all purposes as of April 1, 2006 (the "Effective Date") is made by and between **TransMontaigne Product Services Inc.** ("**TPSI**"), and **Valero Marketing and Supply Company** ("**Valero**"), each sometimes referred to individually as a "**Party**" and collectively as the "**Parties**."

In consideration of the mutual promises contained in this Agreement and for good and sufficient consideration the receipt of which is hereby acknowledged, the Parties hereby agree as follows:

SECTION 1. ***DEFINITIONS.***

In this Agreement, unless the context requires otherwise, the terms defined in the preamble have the meanings indicated and the following terms will have the meanings indicated below:

"Affiliate" means, in relation to a Party, any person that (a) directly or indirectly controls such Party; (b) is directly or indirectly controlled by such Party; or (c) is directly or indirectly controlled by a Person that directly or indirectly controls such Party. For this purpose, "control" of any entity or Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of a majority of issued shares/units or voting power or control in fact of the entity or Person or otherwise. For the purposes of this Agreement, in respect of TPSI, the term Affiliate does not include TransMontaigne Partners L.P. or any of its subsidiaries.

"Applicable Law" means with respect to any Governmental Authority, (a) any law, statute, regulation, code, ordinance, license, decision, order, writ, injunction, decision, directive, judgment, policy, decree and any judicial or administrative interpretations thereof, (b) any agreement, concession or arrangement with any other Governmental Authority and (c) any license, permit or compliance requirement, in each case applicable to either Party and as amended or modified from time to time.

"Arrival Notice" has the meaning indicated in Section 4.2.

"Barrel" means 42 U.S. Gallons.

"Business Day" means each calendar day, excluding Saturdays, Sundays, or other holidays observed by TPSI.

"Claims" has the meaning indicated in Section 18.1.

"Contract Year" means a period of 12 consecutive Months commencing with the Effective Date of this Agreement and each successive period of 12 consecutive Months during the Term of this Agreement.

"Event or Default" has the meaning indicated in Section 15.1.

"Effective Date" has the meaning set forth in the preamble.

"Force Majeure" means:

(a) strikes, lockouts or other industrial disputes or disturbances;

(b) acts of the public enemy or of belligerents, hostilities or other disorders, wars (declared or undeclared), blockages, thefts, insurrections, riots, civil disturbances or sabotage;

(c) acts of nature, landslides, severe lightning, earthquakes, fires, tornadoes, hurricanes, storms, and warnings for any of the foregoing which may necessitate the precautionary shut-down of pipelines, docks, loading and unloading facilities or the Terminal or other related facilities, floods, washouts,

freezing of machinery, equipment, or lines or pipe, inclement weather that necessitates extraordinary measures and expense to construct facilities or maintain operations, tidal waves, perils of the sea and other adverse weather conditions or unusual or abnormal conditions of the sea or other water;

(d) arrests and restraints of or other interference or restrictions imposed by governments (either federal, state, civil or military and whether legal or de facto or purporting to act under some constitutions, decree, law or otherwise), necessity for compliance with any court order, or any law, statute, ordinance, regulation, or order promulgated by a Governmental Authority having or asserting jurisdiction, embargoes or export or import restrictions, expropriation, requisition, confiscation or nationalization; or

(e) epidemics or quarantine, explosions, breakage or accidents to equipment, machinery, plants, facilities or lines of pipe, electric power shortages, breakdown or injury of vessels or any other causes, whether of the kind enumerated above or otherwise, which were not reasonably foreseeable;

and which, in each such case, are not within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to prevent or overcome, and which continue for a period of thirty (30) consecutive days.

"Gallon" means a U.S. gallon of 231 cubic inches corrected to 60 degrees Fahrenheit.

"Good Industry Practice" means the exercise of that degree of skill, care, diligence, prudence and foresight that would reasonably and ordinarily be expected from a prudent, skilled and experienced product terminal operator engaged in the same type of undertaking under the same or similar circumstances.

"Governmental Authority" means any foreign or U.S. federal, state, regional, local or municipal governmental body, agency, instrumentality, board, bureau, commission, department, authority or entity established or controlled by a governmental or subdivision thereof, including any legislative, administrative or judicial body, or any person purporting to act for them.

"Independent Inspector" means a licensed, customs bonded Person who performs sampling, quality analysis and quantity determination of the Products received or delivered.

"**Interest Rate"** means the prime rate as published in *The Wall Street Journal*.

"Liabilities" means any losses, charges, damages, deficiencies, fines, assessments, interests, penalties, costs and expenses of any kind related to or that arise out of this Agreement (including reasonable attorneys' fees, other fees, court costs and other disbursements), including any Liabilities that directly or indirectly arise out of or are related to any claim, suit, proceeding, judgment, settlement or judicial or administrative order made or commenced by any Third Party or Governmental Authority related to or that arise out of this Agreement.

"Month" means a calendar month.

"Monthly Service Charge" has the meaning described in *Attachment "A"*.

"Person" will be interpreted broadly to include, without limitation, any corporation, partnership, trust or other legal entity, and group or individual.

"Product" means light end refined petroleum products (gasolines and distillates) meeting the specifications listed on *Attachment B*.

"Product Loss" means any loss, subject to the tolerance level herein provided, of Product occurring as a result of any contamination, adulteration, mislabeling, misidentification or other loss of or damage to Product caused by the failure of TPSI, or its employees, agents, or contractors to use Good Industry Practice in the handling, testing, or storage of Product or in the performance of the Services provided hereunder and shall not include loss of or damage to Product;

(a) caused by an event of Force Majeure; or

(b) caused by the negligent act or omission or willful misconduct of Valero.

Any loss of Product which results from activity or incidents not enumerated above and which exceeds .25 of 1% of Product delivered into the custody of TPSI, shall be deemed a Product Loss for purposes of this Agreement.

"Services" has the meaning described in Section 2.1.

"Tank" has the meaning described in *Attachment "C"*. *Attachment "C"* also reflects the current Product service for each Tank.

"Term" has the meaning indicated in *Attachment "A"*.

"Terminal/Terminals" shall mean each terminal listed on *Attachment "A"* and references to each Terminal will be deemed to include the Terminal manager or his or her representative.

"Third Party" means any Person other than TPSI, Valero or their Affiliates.

"Throughput" shall be all Product delivered from a Terminal or Terminals.

"Vessel" means an ocean-going tanker, barge or inland barge.

SECTION 2. *FACILITIES, STATEMENTS, INVOICES, DOCUMENTS AND RECORDS.*

2.1 TPSI will provide bailment services related to the receipt, storage, additive injection, and delivery of Valero's Product to and from Valero or on behalf of Valero into and out of the Tanks at the Terminals. Such services shall consist of the following: inbound barge receipts, injection of dye and additive to be provided by Valero, preparation of dye and additive compliance reports, daily volume reporting and routine Terminal operations and maintenance (collectively, the "Services"). TPSI agrees to provide such additional services as may be requested by Valero under this Agreement, for the fees, rates and charges contained in *Attachment "A"* of this Agreement. The Services, including all additional services, will be performed by TPSI in a manner consistent with Good Industry Practice and in compliance with Applicable Law.

2.2 As requested by Valero, TPSI will transmit to Valero a statement of receipts, deliveries and ending inventory, copies of individual Tank gauging documents, pipeline meter tickets, tank truck loading rack bills of lading, scale tickets, and railroad tank car gauging documents, as applicable. These documents will be transmitted to Valero at the facsimile number and/or mailing address indicated in *Attachment "A."*

2.3 Within fifteen (15) calendar days following the end of each Month during the Term of this Agreement, TPSI will submit to Valero, at the mailing address indicated in *Attachment "A,"* statements by Terminal reflecting beginning inventory balances, the volume of Valero's Product received into the Terminal, Throughput from the Terminal and ending inventory balances during the preceding Month, together with an invoice for:

(a) the Monthly Service Charge for the following Month,

(b) any excess Throughput fees, if applicable, and

(c) amounts due for any additional services provided by TPSI during the preceding Month, if any, based upon the fee schedule set forth on *Attachment "A."*

To the extent required to perfect any statutory lien, each such Monthly statement will be considered a "warehouse receipt" under the Uniform Commercial Code and will include those items required under law for a warehouse receipt. In case of any conflict between the documents provided to Valero under Section 2.2 and the Monthly statements provided under this Section, the Monthly

statements provided under this Section will prevail as to the volume of Product received and delivered by TPSI, unless disputed by Valero within sixty (60) calendar days after the date of such Monthly statements.

2.4 Each Party will maintain a true and correct set of records pertaining to its performance of this Agreement and will retain copies of all such records for a period of not less than two (2) years following termination or cancellation of this Agreement. Upon reasonable prior notice, a Party or its authorized representative may at its sole cost, during the Term of this Agreement and for the aforesaid two (2) year period, inspect such records of the other Party during normal business hours at the other Party's place of business.

2.5 During the term of this Agreement, TPSI shall not undertake or allow any party to construct a new tank for the storage of Product, lease a tank for the storage of Product, or convert a tank to the storage of Product at any Terminal for use by any Person other than Valero, unless it is done so pursuant to a bona fide written offer from a Third Party; and provided further, that any such offer shall be subject to a right to match which TPSI hereby grants to Valero. Accordingly, if TPSI receives such a bona fide offer, TPSI shall provide Valero written notice thereof, setting forth all material terms under which TPSI proposes take such action (including without limitation, Product use, term of use, rental charge, fees and other charges) and Valero shall have the right to lease the tank upon terms no less favorable than those offered by TPSI to the Third Party and/or the rates provided by this Agreement, whichever is lower. Valero shall have ninety (90) days from the date that it receives the foregoing notice to decide if it will exercise its right to match the Third Party offer with respect to such tank(s). In the event that Valero fails to timely exercise such right by notifying TPSI in writing of its intent to do so within ninety (90) Days of receipt of the notice, Valero will be deemed to have elected not to exercise its right to match and TPSI may proceed to lease the Tank to the Third Party upon the terms set forth in the notice. Should Valero exercise its right as provided herein, then this Agreement and the Monthly Service Charge shall be adjusted accordingly to reflect the addition of any such tank(s). In the event that Valero fails to exercise its right granted hereunder, Valero shall have the right to terminate, without liability (other than the payment of fees accrued prior to the date of termination), this Agreement in its entirety, or as to the applicable Terminal (in the event of a partial termination, the Monthly Service Charge will be reduced accordingly).

2.6 In the event an issue arises with, or an investigation is commenced by, any Governmental Authority with respect to the transactions contemplated pursuant to this Agreement, each Party agrees to respond promptly to any such inquiry or investigation; to reasonably cooperate and share information with the other Party regarding such inquiry or investigation. To the extent legally permitted to do so, each Party shall keep the other Party fully advised with respect to any requests from or communications with the Governmental Authority and shall consult with the other Party with respect to all such requests and responses thereto. In the event the Governmental Authority at the conclusion of its inquiry or investigation shall (i) conclude that any transaction contemplated under this Agreement is illegal or unenforceable; (ii) require that Valero terminate its use of any Terminal covered by this Agreement; or (iii) conclude that Valero may not exercise the right to match granted in *Section 2.5* above, then the Parties agree to negotiate in good faith to amend or modify the terms of this Agreement as may be required to comply with the findings and conclusions of the Governmental Authority, including but not limited to the exclusion of the Terminal or Tank(s) referenced in the findings of the Governmental Authority and concomitant reduction in the Monthly Service Charge. Notwithstanding anything hereinabove to the contrary, should compliance with the findings and conclusions of the Governmental Authority reasonably be determined to have a material adverse impact upon either Party's economic and operational assumptions underlying this Agreement, then either Party may terminate this Agreement upon thirty (30) days prior written notice to the other Party, without further liability hereunder except for sums owed hereunder as of the effective date of termination.

SECTION 3. ***FEES, CHARGES AND TAXES.***

3.1 In consideration of the Services to be provided by TPSI (including any additional services) under this Agreement, Valero agrees to pay the charges and fees set forth on *Attachment "A"*. Except as otherwise provided in *Attachment "A*," the fees and charges payable under this Agreement will be increased, effective on the first day after the end of the first Contract Year and each Contract Year thereafter, from the fees and charges for the previous Contract Year in the manner provided in *Attachment "A.*"

3.2 All fees and charges reflected in TPSI's invoices are due and payable within fifteen (15) calendar days of the date of invoice. Payment must be made by electronic wire transfer of same day available Federal funds to the account designated on TPSI's invoice. Invoices may be sent by electronic mail and telephone facsimile. If Valero disputes any portion of an invoice, Valero must pay the undisputed portion of the invoice.

3.3 Overdue amounts or disputed amounts that are resolved in favor of any Party will accrue interest at the Interest Rate from the date that payment is due until paid in full. The prevailing Party shall, in addition, be entitled to receive reimbursement for all costs (including reasonable attorney's fees and court costs) for the collection of past due payments and late payment charges, whether or not suit is brought.

3.4 Valero agrees to pay any and all taxes, fees or other charges and assessments, (including any charge or payment in lieu thereof), including inventory, sales taxes on Services (including additional services, if any) and Product ownership taxes, if any, on Valero's Product and property at the Terminal. In the event that the foregoing are paid by TPSI, then Valero shall promptly reimburse TPSI for the same upon receipt of reasonable documentation evidencing the taxes and their payment by TPSI. TPSI will be responsible for and pay all other applicable taxes levied upon TPSI, including any increases in taxes levied on the Terminals (including real or personal property of TPSI or both) as a result of Valero's activities at the Terminals that TPSI may be required to pay or collect under Applicable Law.

SECTION 4. ***OPERATIONS, RECEIPTS AND DELIVERIES.***

4.1 Valero's Product will be delivered to the Terminals free of any charge to TPSI. Receipts and deliveries of Product will be handled within the normal business hours of the Terminal as set forth on *Attachment "A."* TPSI may make temporary changes (less than 24 hours, unless a longer period is agreed to by Valero) in business hours or temporarily close a Terminal to the extent caused by an event of Force Majeure or required maintenance, without Valero's approval. TPSI will notify Valero of such temporary changes or closure in advance, or as soon after implementation as is practicable. Vessels, railroad tank cars, and tank trucks will be unloaded and loaded on first come, first serve basis and TPSI will not be responsible for the payment of any demurrage or costs incurred by Valero or its transportation carrier for any delay in receipt or Throughput of the Product or any other costs or fees in connection with receipt or Throughput of the Product, except to the extent caused by the negligence or willful misconduct of TPSI, its employees, agents or contractors.

4.2 Valero must arrange for and pay all Third Party costs related to the receipt or delivery of Valero's Product to and from the Terminals. Unless otherwise provided to TPSI in writing, Valero must provide reasonably prompt notice to TPSI (in accordance with Section 13) containing all necessary shipping instructions, including without limitation, the identity and quantity of the Product and the tentative arrival date(s) ("Arrival Notice"). If this Agreement involves marine receipts or Throughput of Product, TPSI will advise Valero concerning the Vessel that may be berthed, including its maximum size, draw, draft and length, the docks and associated positions to be used for each Product movement, as well as the minimum pumping rates or pressure, as applicable or both. TPSI may change Vessel limitation, dock designation and pumping rates and pressure criteria from time to time upon reasonably prompt prior notice to Valero. If TPSI reasonably determines that a Vessel, truck, or railroad car is

unsuitable for shipment of Products due to Product quality, safety or similar concerns, TPSI may refuse to load or unload such equipment and will advise the carrier and Valero of the situation promptly, and request further instructions from Valero. It is the responsibility of Valero to notify the appropriate Governmental Authorities regarding Vessel arrivals.

4.3 If Valero requires any change in the shipping instructions, including, without limitation, the identity and timing of the Product, Valero must provide notice of any change in the Arrival Notice (in accordance with Section 13) to TPSI before the arrival of the Product at the Terminal. Upon receipt of Valero's shipping instructions, TPSI will immediately advise Valero of the Terminal's availability. If the Terminal will not be available to receive or deliver Valero's Product on the communicated arrival date, TPSI will advise as to the earliest time when Valero's Product may be received or delivered at the Terminal. Valero will ensure that confirmation of the arrival date(s) and time of the Vessel will be communicated to TPSI and the Terminal by Valero's carrier periodically, at intervals of at least 48, 24 and 12 hours in advance of the anticipated date and time of arrival of the Vessel. Notwithstanding Section 13, such communication may be effected by telephone or facsimile. If Valero fails to provide TPSI and the Terminal the notice containing shipping instructions in the form and manner required by this Section 4.3, TPSI will not be obligated to receive or deliver Valero's Product and TPSI will not be responsible for any Product Loss directly attributable to TPSI's receipt or deliver of Product based upon erroneous shipping instructions, the notice of which is timely received by TPSI in accordance with this Section 4.3. TPSI will provide Valero with safe berths.

4.4 If any of Valero's Vessels (a) fails to vacate a dock upon completion of loading or discharge, (b) in the case of a barge, fails to discharge or load within 24 hours, or in the case of an ocean going barge or vessel, within 36 hours, or (c) fails to vacate in order to conduct repairs, then, after having been notified by TPSI to vacate, Valero will be responsible for the cost applicable to the berths along with any costs incurred by any Vessels which would otherwise be occupying such dock but for the failure of Valero's Vessel to vacate, save and except any such costs arising due to delay caused by TPSI.

4.5 Subject to Product Loss, TPSI will deliver to Valero, or to such Third Parties as Valero may direct, the Product held by TPSI at the Terminal for the account of Valero. Valero is responsible for providing TPSI documentation required to authorize deliveries for or on its behalf from the Terminals and only to properly qualified individuals who have complied with the terms of Section 11.

4.6 Valero may not sublease any of the Tank(s) and capacity at the Terminals to any Third Parties, without the prior written consent of TPSI. Valero may use the Tanks only for storage of Valero's Product and may use the Tanks for storage of other products only with prior written consent of TPSI. If a special method of storing or handling Product is required, then Valero must notify TPSI in sufficient time to enable TPSI to consider whether it will accept the proposed changes in the Product stored or the method of storing or handling the Product and to take the necessary preparatory measures if it agrees with such changes. Failing such notice, TPSI will not be liable for losses or damage incurred during the storage and handling of the Products (except to the extent attributable to TPSI's negligence or willful misconduct), including losses or damages which may relate to TPSI's inability to employ the required method of storing or handling the Product, nor will TPSI be obligated to provide such special storage and handling service. It is understood that the cost of any additional or special equipment required by Valero or of alterations made necessary by the nature of Valero's Product, will be for the account of Valero and Valero will be responsible for the expense of any necessary cleaning of the storage and handling equipment, including, without limitation, Tanks, pipelines, pumps, hoses, meters, and loading arms, unless otherwise explicitly stated in this Agreement. All fixtures, equipment and appurtenances attached to the Tanks, pipelines and other facilities of the Terminal by either Party are and will remain the property of TPSI. No such items may be installed by Valero without the prior written consent of TPSI.

4.7 Unless otherwise mutually agreed, pursuant to a written Product inventory purchase and sale agreement between the Parties, within ten (10) calendar days following the termination or cancellation of this Agreement, Valero will remove and properly dispose of all Product, residue, scale, and any other accumulation from the Tanks and pipelines and clean both Tank interiors and pipelines then in use for Valero's Products to a condition suitable for the storage of diesel fuel. If Valero shall not have removed Valero's Product from the Tanks within ten (10) calendar days from the date of termination or cancellation of this Agreement, Valero agrees to reimburse TPSI for all costs and expenses reasonably incurred by TPSI in taking such action, plus a **[******]** handling fee, as well as the cost of storage and handling of the Product removed, if any, at a rate of **[******]** per Barrel per day in addition to any other fees due hereunder.

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4.8 If any Governmental Authority requires installation of any improvement, alteration or addition to any Tank or other equipment at the Terminals for purposes of compliance with Applicable Law that would require TPSI to make substantial and unanticipated capital expenditures, other than continued maintenance and capital expenditures not affected by such requirement, TPSI, at its option, may either make such capital expenditure to bring the Tank into compliance or release the affected facilities or Tank from this Agreement with an equivalent reduction of the Monthly Service Charge herein by giving Valero thirty (30) calendar days prior written notice thereof.

4.9 Valero will be responsible for providing all Tank bottoms and line fill.

SECTION 5. ***PRODUCT QUALITY STANDARDS AND REQUIREMENTS.***

5.1 Valero warrants to TPSI that all Product tendered by or for the account of Valero for receipt by the Terminal will conform to the specifications for such Product as set forth in *Attachment "B,"* attached to this Agreement and included in it for all purposes by this reference, and will comply with Good Industry Practice and all Applicable Law with respect to the delivery and receipt of Product by Valero or its agents, contractors and subcontractors. TPSI will not be obligated to receive Product into the Terminal that is contaminated or that otherwise fails to meet those specifications, nor will TPSI be obligated to accept any Valero Product that fails to meet quality specifications in *Attachment "B"* as set forth in the Arrival Notice. TPSI may rely upon the specifications and representations of Valero set forth in the Arrival Notice as to Product quality.

Notwithstanding anything hereinabove to the contrary, Valero may request that TPSI accept Product which does not meet the Product specifications set forth in *Attachment "B"* and TPSI, at its option, may agree to accept delivery of and store such Product, in which case Valero agrees to indemnify, defend and hold TPSI harmless from and against any claims, demands, actions or causes of action asserted against TPSI by any Person stemming from or related to TPSI's receipt, storage, and/or redelivery of such Product, including any damages, cost or expenses, including without limitation, reasonable attorney's fees in the manner provided in Section 18 of this Agreement. Should TPSI be required to remove or dispose of any water or other material in or associated with Valero's Product at any time, Valero shall pay or reimburse TPSI for all costs and expenses incurred and paid by TPSI associated with such removal or disposal. TPSI shall be the generator of record on all documents related to such removal and/or disposal.

5.2 The quality of Product tendered into the Terminals for Valero's account must be verified either by Valero's laboratory analysis, or by an Independent Inspector's analysis indicating that the Product so tendered meets TPSI's minimum Product specifications set forth in Attachment "B". Such analysis may be conducted on a periodic basis in accordance with a quality compliance program implemented by Valero. All costs for such analysis are to be borne by Valero. TPSI, at its expense, may

sample any Product tendered to TPSI for Valero's account for the purpose of confirming the accuracy of the analysis.

5.3 At least twenty-four (24) hours prior to the time of each receipt from Valero, a certificate setting forth the Product quality, grade and other specifications must be delivered to TPSI. Each Party may at all reasonable times make appropriate tests to determine whether Product stored or delivered meets those specifications. TPSI will be liable to Valero and any of Valero's purchasers by reason of contamination of Product, while in TPSI's custody, that fails to meet applicable industry specifications, but only to the extent such contamination involves a Product Loss.

5.4 In the event either Party shall determine that the Product delivered hereunder is contaminated and fails to meet the minimum Product specifications set forth in *Attachment "B,"* the Party alleging contamination shall provide the other Party notice of such claim within sixty (60) calendar days from the date of the inspection documentation supporting such claim, together with copies of such documents, after which time no claim may be made.

SECTION 6. *TITLE AND CUSTODY OF PRODUCT.*

Title to Valero's Product will remain with Valero at all times subject to any lien in favor of TPSI created under Applicable Law. TPSI will assume custody of the Product at the time such Product passes the flange connection between the pipeline, Vessel, truck, or railroad tank car of Valero's transportation carrier and that of TPSI's receiving facilities. For Vessel receipts at the Terminal, custody of Products shall pass to TPSI upon receipt at the Terminal when the Products pass the last permanent flange connection between the Vessel's discharge manifold and the receiving pipeline at the Terminal. If Products are delivered to Valero by Vessel, custody shall pass to Valero at the point where Products pass the last permanent flange connection between the Terminal pipeline and the Vessel. For pipeline receipts at the Terminal, custody of the Products shall pass to TPSI at the time the Products pass the flange connection between the connecting pipeline and that of TPSI's receiving facilities. If Products are delivered to Valero by pipeline, custody of the Products shall pass to Valero when the Products pass the flange connection between TPSI's delivery facilities and that of the connecting pipeline. If Products are delivered to Valero by truck rack or railroad tank car, custody of the Products shall pass to Valero when the Products pass the last permanent flange connection between the truck or railroad tank car of Valero's transportation carrier and TPSI's loading assembly.

SECTION 7. *LIMITATION OF LIABILITY AND DAMAGES.*

7.1 EACH PARTY'S LIABILITY HEREUNDER SHALL BE STRICTLY LIMITED TO ACTUAL, DIRECT DAMAGES INCURRED BY THE PARTY PROVIDING NOTICE THEREOF AND WHICH ARE PROXIMATELY CAUSED BY THE OTHER PARTY'S NEGLIGENCE OR WILLFUL MISCONDUCT. NEITHER PARTY SHALL BE LIABLE TO THE OTHER HEREUNDER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, IN TORT, CONTRACT OR OTHERWISE, OF ANY KIND, ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 8. *PRODUCT MEASUREMENT.*

8.1 Quantities of Product received into and delivered from the Terminals shall be determined as follows:

(a) for pipeline deliveries and receipts, volumes shall be determined by pipeline meters or shore tank gauges, where applicable, and

(b) for deliveries and receipts by Vessel or truck, volumes shall be measured by the following methods in order of priority: (i) proven API-approved meters, (ii) static terminal tank gauges or scales, as applicable.

If tankage has movements in or out (active Tanks) during the measurement process, they shall be manually gauged and metered, if applicable and as necessary, and corrected as determined by an Independent Inspector (or in the absence of an Independent Inspector, in the reasonable judgment of TPSI) to reflect actual quantities received into and delivered from such active Tanks. Absent fraud or manifest error, the quantities of Products in storage at any time will be determined from Terminal inventory records of receipts and Throughput. Unless indicated otherwise, quantity determinations will be based on a Barrel of Product and shall be determined in accordance with the latest established API/ASTM standards for the method of measuring and sampling. All volumes shall be temperature corrected to 60°F in accordance with the latest supplement or amendment to ASTM-IP petroleum measurement tables (ASTM designated D#1250. table 6(b)). Gauging of Product receipt, Throughput and storage will be taken jointly by representatives of the Parties; provided, however, that if Valero does not have a representative or Independent Inspector present for gauging, TPSI's gauging and measurements will be conclusive, absent fraud or manifest error. Valero may use an Independent Inspector at any time at its own expense.

8.2 Terminal meters and scales will be calibrated by an independent party no less than semi-annually as well as upon each completion of repair or replacement of a meter, at the meter or scale owner's expense. Such calibration shall be in accordance with the latest applicable API/ASTM guidelines and Applicable Law. If a meter or scale is determined by either Party to be defective or inoperative, such Party shall immediately notify the other Party, and it will be the responsibility of TPSI to promptly make repairs or replacements. In addition to the foregoing, Valero may request calibration or proving of the Terminal meters and/or scales at any time; provided, however, that in the event such calibration or proving reveal that the meter or scale was accurate, then Valero shall bear all expenses related to such calibration or proving. Product received or delivered through a facility having an inoperative or defective meter or scale will be measured based upon before and after static Tank gauges and any active Tanks measured in accordance with Section 8.1. In such event, the Parties shall appoint a mutually acceptable Independent Inspector to gauge the applicable Tanks and the findings of the Independent Inspector shall be final and binding on the Parties, except for fraud or manifest error. Except as otherwise provided herein, the Parties shall share equally the cost of the independent party under this Section 8.2.

8.3 Except as provided in Section 8 of *Attachment "A"* hereto, all shore Tanks shall have slotted standpipes for gauging and sampling purposes pursuant to applicable API/ASTM guidelines and Applicable Law. Tanks shall be calibrated with strapping tables no older than fifteen (15) years meeting applicable API/ASTM guidelines and certified by an independent tank calibration company. Any Tanks that have undergone, or which in the future undergo, modification or repair shall be recalibrated promptly before being placed back into service.

SECTION 9. ***PRODUCT LOSS/GAIN.***

Except as provided otherwise herein, and during such time as TPSI is the custodian of Product, TPSI will indemnify Valero against and is responsible for any Product Loss that occurs based on measurements of each Product grade.

Each Month, TPSI will balance the Terminal in accordance with Section 8 to determine the net gain or loss of each Product, excluding any Product Loss in the calculation. Additionally, at the end of each semi-annual period, Valero and TPSI will review the prior 6 month and 12 month Product Loss calculations (as applicable). If the Product Loss exceeds **[**]** at any Terminal for a 6 month period or 12 month period, Valero and TPSI will work together to determine: (i) the root cause of the loss and (ii) if the loss exceeds the historical operations at the Terminal. Upon determination of the cause of the Product Loss, the Parties will attempt in good faith to reach a mutually agreeable resolution to cure the cause and determine if compensating Valero for the Product Loss is appropriate. In the event the Parties determine that the appropriate resolution is for TPSI to reimburse Valero for the Product Loss,

the Product Loss shall be settled based upon the OPIS low price for such Product applicable to such Terminal in effect on the last Business Day of the last month of such semi-annual reconciliation period.

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If there is an ongoing Product Loss that needs to be addressed, the Parties agree to follow the resolution process set forth above, or if such process fails to resolve the issue, the Parties shall proceed in accordance with the dispute resolution procedures set forth in Section 16.

SECTION 10. *FORCE MAJEURE.*

10.1 If either Party is unable to perform or delayed in performing, wholly or in part, its obligations under this Agreement, other than the obligation to pay funds when due, as a result of an event of Force Majeure, that Party may seek to be excused from such performance by giving the other Party prompt written notice of the event of Force Majeure with reasonably full particulars and timing of such Force Majeure event. The obligations of the Party giving notice, so far as they are affected by the event of Force Majeure, will be suspended during, but not longer than, the continuance of the event of Force Majeure. The affected Party must act with commercially reasonable diligence to resume performance and notify the other Party that the event of Force Majeure no longer affects its ability to perform under this Agreement. If TPSI is excused from providing service pursuant to this Agreement due to an event of Force Majeure, the Monthly Service Charge and other fees and charges not already due and payable will be excused or proportionately reduced, as appropriate, for so long as TPSI's performance is excused due to the event of Force Majeure.

10.2 The requirement that any event of Force Majeure be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or other labor difficulty by the Party claiming excuse due to an event of Force Majeure contrary to its wishes.

10.3 If either Party is rendered unable to perform by reason of an event of Force Majeure for a period in excess of **[**]** consecutive calendar days, then the other Party may terminate this Agreement upon written notice to the Party claiming excuse due to the event of Force Majeure.

SECTION 11. *INSPECTION OF AND ACCESS TO TERMINAL.*

11.1 Valero may, during TPSI's normal business hours and after reasonable prior notice to TPSI and the Terminal, so as not to disrupt the Terminal's or TPSI's operations;

(a) make periodic operational inspections of the Terminal,

(b) conduct audits of any pertinent books and records, including those related to receipt, Throughput and inventory of Products, and

(c) conduct physical verification of the amount of Products stored in the Terminal.

Valero's right and that of its authorized representatives to enter the Terminal will be exercised by Valero in a way that will not interfere with or diminish TPSI's control over or its operation of the Terminal and will be subject to reasonable rules and regulations promulgated by TPSI. Valero acknowledges that under this Agreement none of Valero's vehicles or vehicles acting on behalf of Valero will be granted access to the Terminal until the owner of such vehicles and its employees or agents have been properly qualified and such owner has executed the then-current TPSI's "*Terminal Access Agreement."* Valero acknowledges its awareness of the terms of the Terminal Access Agreement and if Valero does not have a copy of the Terminal Access Agreement, one will be provided upon Valero's request. If there is any conflict between the terms of this Agreement and those contained in the Terminal Access Agreement, the terms and provisions of this Agreement shall take precedence.

** Confidential Treatment Requested.

11.2 As soon as possible after the Effective Date of this Agreement, Valero must notify TPSI of those Third Parties to whom TPSI may deliver Products from the Terminal. Valero must furnish forty-eight (48) hours notice of any additions or deletions to its list of approved Third Parties, such notices to be promptly verified in writing.

11.3 Valero acknowledges that any grant of the right of access to the Terminal under this Agreement or under any document related to this Agreement is a grant of a license only and will convey no interest in or to the Terminal or any part of it, and may be withdrawn by TPSI at its discretion at any time.

SECTION 12. ***ASSIGNMENT.***

This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of TPSI. TPSI may assign this Agreement and its rights, duties and obligations hereunder to TransMontaigne Partners L.P. ("TLP") or any of TLP's subsidiary entities. Valero covenants that it will not by operation of law or otherwise assign, sublet, hypothecate, pledge, encumber or mortgage this Agreement, or any part of or right or obligation under it, or permit the Tanks to be used by others without the prior written consent of TPSI in each instance. For purposes of this Section, "assign" will be considered to include any change in the majority ownership or control of Valero. Any attempt by Valero to assign, sublet, hypothecate, encumber or mortgage this Agreement will be null and void. The consent by TPSI to any assignment, subletting, hypothecation, pledge, encumbrance, mortgage or use of this Agreement or the Tanks by others will not constitute a waiver of TPSI's right to withhold its consent to any other or further assignment, subletting, hypothecation, pledge, encumbrance, mortgage or use of this Agreement or Tanks by others. The absolute and unconditional prohibitions contained in this Section 12 and Valero's agreement to them are material inducements to TPSI to enter into this Agreement and any breach of them will constitute a material default under this Agreement permitting TPSI to exercise all remedies provided for in this Agreement or by Applicable Law.

SECTION 13. ***NOTICE.***

Any notice required under this Agreement must be sent or transmitted by (a) United States mail, certified or registered, return receipt requested, (b) confirmed overnight courier service, or (c) confirmed facsimile transmission properly addressed or transmitted to the address of the Party indicated in *Attachment "A"* or to such other address or facsimile number as one Party shall provide to the other Party in accordance with this provision. All notices, consents, requests, demands and other communications hereunder are to be in writing, and are deemed to have been duly given or made on the delivery date if delivery is made before or during applicable normal business hours or on the next Business Day if delivered after applicable normal business hours. In the event a delivery/notice deadline falls on weekend or holiday, then the applicable deadline will be extended to include the first Business Day following such weekend or holiday.

SECTION 14. ***COMPLIANCE WITH LAW AND SAFETY.***

14.1. Each Party hereto agrees to comply with all Applicable Law, as well as TPSI's safety rules and operating practices related to their performance hereunder.

14.2. Valero will furnish TPSI with information (including Material Safety Data Sheets) concerning the safety and health aspects of Products stored or Throughput under this Agreement. TPSI will communicate such information to all persons who may be exposed to or may handle such Products, including without limitation, TPSI's employees, agents and contractors.

SECTION 15. ***DEFAULT, WAIVER AND REMEDIES.***

15.1 The occurrence of any of the following events shall constitute an "Event of Default" hereunder:

(a) failure of either Party to pay any interest or fees when due under this Agreement, in each case whether at stated maturity, by acceleration, or otherwise;

(b) either Party fails to perform any obligation to the other Party or breaches any covenant made to the Party under this Agreement, which, if capable of being cured within ten Business Days, is not cured to the reasonable satisfaction of the other Party within ten (10) Business Days from the date that such Party receives notice that corrective action is needed, or in the event that it cannot be cured within 10 Business Days, the noticed Party fails to commence measures to cure the breach and continue the due diligence prosecution of the same within ten Business Days from the date the notice is received;

(c) either Party becomes insolvent or bankrupt, or bankruptcy, receivership, or similar proceedings are initiated by or against either Party;

(d) any material covenant, agreement or obligation of any Party contained in or evidenced by this Agreement shall cease to be enforceable in accordance with its terms;

(e) either Party to this Agreement shall repudiate, deny or disaffirm its obligations under this Agreement;

(f) this Agreement is cancelled, terminated, revoked or rescinded without the express prior consent of the other Party, or any Proceeding shall have been commenced by any person (other than either Party) seeking to cancel, revoke, rescind or disaffirm the obligations of any Party to this Agreement (unless such Party is contesting the Proceeding in good faith and such Proceeding is withdrawn or dismissed with prejudice within ninety (90) calendar days;

(g) any court or other Governmental Authority shall issue a judgment, order, decree or ruling to the effect that any of the obligations of any Party to this Agreement is illegal, invalid or unenforceable; or,

(h) Any claim or lien (other than a Claim pursuant to Section 18 or any statutory liens for taxes not yet due) is asserted or placed on any portion of Valero's Product while stored at the Terminal.

15.2 The waiver by the non-defaulting Party of any right under this Agreement will not operate to waive any other such right nor operate as waiver of that right at any future date upon another default by either Party under this Agreement and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise of that right, power, or privilege or the exercise of any other right, power, or privilege. Nothing in this Section 15.2 is intended in any way to limit or prejudice any other rights or remedies the non-defaulting Party may have under this Agreement, under Applicable Law or in equity. The remedies provided in this Agreement are not exclusive and, except as otherwise expressly limited by this Agreement, are in addition to all other remedies of the non-defaulting Party at law or in equity. Acceptance by TPSI of any payment from Valero for any charge or service after termination of this Agreement shall not be deemed a renewal of this Agreement under any circumstances. Notwithstanding any provision in this Agreement to the contrary, if Valero is not then in default, Valero shall be entitled to remove its Product from the Terminals at any time if TPSI is in default under this Agreement.

15.3 Subject to Section 15.4 below, upon the occurrence and during the continuance of an Event of Default, and at any time thereafter, the non-defaulting Party may, by delivery of written notice to the

defaulting Party, take any or all of the following actions, without prejudice to the rights of the non-defaulting Party to enforce its claims against the defaulting Party:

(a) withhold or suspend its performance under this Agreement without prior notice,

(b) immediately terminate this Agreement; and

(c) enforce any and all rights and interests created and existing under this Agreement or arising under Applicable Law, including, without limitation, all rights and remedies existing under any security documents and all rights of setoff. The enumeration of the foregoing rights is not intended to be exhaustive and the exercise of any right shall not preclude the exercise of any other rights, all of which shall be cumulative.

15.4 If either Party should fail to pay such sums owed by it to the other Party hereunder, the Party who is owed such sums shall provide the other Party with notice of default as provided in this Agreement and an opportunity to cure such default within a period of fifteen (15) calendar days. If the defaulting Party has not cured such default within such cure period, the Party providing notice of default may proceed in accordance with Applicable Law to recover its damages, including, without limitation, all costs and expenses of collection (including reasonable attorney's fees), whether or not suit is brought.

15.5 Notwithstanding anything hereinabove to the contrary, the sale or transfer by TPSI of any or all of the Terminals and related assets to an Affiliate, or to TransMontaigne Partners L.P., or any of its subsidiaries,, whether by sale or by operation of law, shall not constitute an Event of Default. Likewise, the sale or transfer by TPSI of any or all of the Terminals and related assets to a non-Affiliate shall not constitute an Event of Default unless:

(a) such sale or transfer would have a material adverse effect on the economics of the transactions contemplated under this Agreement, or

(b) such sale or transfer is made to a Third Party that Valero reasonably deems to be unacceptable based upon a review of such Third Party's creditworthiness, financial capabilities, and ability to operate the Terminals.

15.6 Notwithstanding anything hereinabove to the contrary, the sale, transfer or assignment by Valero of this Agreement (including its rights, duties and obligations hereunder) to an Affiliate, whether by sale or by operation of law, shall not constitute an Event of Default. Likewise, the sale, transfer or assignment by Valero of this Agreement (including its rights, duties and obligations hereunder) to a non-Affiliate shall not constitute an Event of Default unless:

(a) such sale, assignment or transfer would have a material adverse effect on the economics of the transactions contemplated under this Agreement, or

(b) such sale, assignment or transfer is made to a Third Party that TPSI reasonably deems to be unacceptable based upon a review of such Third Party's creditworthiness, financial capabilities and ability to supply/deliver Product at the Terminals in the manner contemplated under this Agreement.

SECTION 16. *DISPUTE RESOLUTION.*

16.1 *Covered Disputes*. Any dispute, controversy or claim (whether sounding in contract, tort or otherwise) arising out of or relating to this Agreement, including without limitation the meaning of its provisions, or the proper performance of any of its terms by either Party, its breach, termination or invalidity ("Dispute") will be resolved in accordance with the procedures specified in this Section 16 and the subsections thereof, which will be the sole and exclusive procedure for the resolution of any such Dispute, except that a Party, without prejudice to the following procedures, may file a complaint to seek preliminary injunctive or other provisional judicial relief, if in its sole judgment, such action is

necessary to avoid irreparable damage or to preserve the status quo. Despite that action the parties will continue, subject to Section 16.5, to participate in good faith in the procedures specified in this Section 16 and the subsections thereof.

16.2 *Initiation of Procedures*. Either Party wishing to initiate the dispute resolution procedures set forth in this Section 16 with respect to a Dispute not resolved in the ordinary course of business must give written notice of the Dispute to the other Party ("Dispute Notice"). The Dispute Notice will include (i) a statement of that Party's position and a summary of arguments supporting that position, and (ii) the name and title of the executive or non-lawyer representative who will represent that Party, and of any other person who will accompany the executive or representative, in the negotiations under Section 16.3 hereof.

16.3 *Negotiation Between Executives/Representatives*. If one Party has given a Dispute Notice under the preceding subsection, the parties will attempt in good faith to resolve the Dispute within forty-five (45) calendar days of the notice by negotiation between executives and appointed representatives who have authority to settle the Dispute. Within fifteen (15) calendar days after delivery of the Dispute Notice, the receiving Party will submit to the other Party a written response. The response will include (i) a statement of that Party's position and a summary of arguments supporting that position, and (ii) the name and title of the executive or appointed representative who will represent that Party and of any other person who will accompany the executive or appointed representative. Within forty-five (45) calendar days after delivery of the Dispute Notice, the executives or appointed representatives of both parties will meet at a mutually acceptable time and place, and thereafter, as often as they reasonably deem necessary, to attempt to resolve the Dispute.

16.4 *Arbitration.* If the Dispute has not been resolved under the preceding Sections 16.2 and 16.3 within ninety (90) calendar days of the Dispute Notice, and only in such event, either Party may initiate the arbitration procedure of this subsection by giving written notice to the other Party ("Arbitration Notice"). The Dispute will be finally resolved by binding arbitration in accordance with the then current Arbitration Rules of the American Arbitration Association ("AAA"). If the amount in controversy is less than $500,000, there will be a single arbitrator, chosen by mutual agreement of both parties. If the parties cannot select an arbitrator within thirty (30) calendar days of the Arbitration Notice, the AAA will select the arbitrator. If the amount in controversy is $500,000 or more, there will be three arbitrators by the AAA. The arbitration will be governed by the United States Arbitration Act, 9 U.S.C. Sec. 1-16, as amended (the "Act"), and to the extent not inconsistent with the Act, the Colorado statutes applicable to commercial arbitration. Judgment upon the award rendered by the arbitrator(s) may be entered by any court of any state having jurisdiction. The statute of limitations of the State of Colorado for the commencement of a lawsuit will apply to the commencement of an arbitration under this Agreement, except that no defenses will be available based upon the passage of time during any negotiation called for by this Section 16. Each Party will assume its own costs of legal representation and expert witnesses and the parties will share equally the other costs of the arbitration. The arbitrator will award pre-judgment interest in accordance with the law of Colorado; however, the arbitrator may not award punitive damages. The arbitration will take place in Denver, Colorado.

Either Party may apply to the arbitrators seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that Party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal's determination of the merits of the controversy).

16.5 *Tolling and Performance.* Except as indicated in the preceding Section with regard to the commencement of arbitration, all applicable statutes of limitation and defenses based upon the passage of time will be tolled while the procedures specified in this Section 16 are pending. The parties agree to take any action required to effectuate that tolling. Each Party is required to continue to perform its

obligations under this Agreement pending final resolution of any Dispute, unless to do so would be impossible or impracticable under the circumstances.

SECTION 17. *FINANCIAL ASSURANCES.*

If at any time either Party reasonably believes in good faith that the financial responsibility of the other Party has been impaired or is unsatisfactory, advance cash payment or other security or means of assurance of performance, including letters of credit, will be given by such other Party upon demand to cover the value of all anticipated storage and other fees.

SECTION 18. *INDEMNITY.*

18.1

(a) TPSI shall indemnify, defend, and hold harmless Valero and its Affiliates and their respective officers, directors, employees and agents from and against any claims, demands, or causes of action asserted against Valero and its Affiliates and their respective officers, directors, employees and agents by any Person resulting from and to the extent caused by the negligence or willful misconduct on the part of TPSI, its employees, agents, contractors, subcontractors and employees of such subcontractors in connection with this Agreement or the transactions contemplated hereby.

(b) Valero shall indemnify, defend, and hold harmless TPSI and its Affiliates and their respective officers, directors, employees and agents from and against any claims, demands, or causes of action asserted against TPSI and its Affiliates and their respective officers, directors, employees and agents by any Person resulting from and to the extent caused by the negligence or willful misconduct on the part of Valero, its employees, agents, contractors, subcontractors and employees of such subcontractors in connection with this Agreement or the transactions contemplated hereby.

18.2 If either Party receives a Claim that it believes is subject to defense and indemnity from the other Party under this Section, it must give prompt notice of receipt of such Claim, along with the particulars of the Claim, to the other Party. If the indemnifying Party elects to assume defense of the Claim, it may do so by providing the indemnified Party prompt written notice of acknowledgment of its obligation to defend the indemnified Party and must thereafter assume all costs associated with the defense of such Claim. If the indemnifying Party assumes such defense, the indemnified Party may also participate in the defense of the Claim and to employ counsel (acceptable to the indemnifying Party), at the indemnified Party's own expense, it being understood that the indemnifying Party will control the defense of the Claim and, in any case, the indemnified Party must provide reasonable cooperation to the indemnifying Party in the defense of such Claim. If the indemnifying Party elects not to assume the defense of the Claim, such refusal does not alter its liability for any defense costs that the indemnified Party may incur in defense of the Claim.

18.3 The Party that has assumed the primary defense of any such Claim under this Section ("Defending Party"), whether Valero or TPSI (in case Valero elects not to assume such defense), may not settle, compromise or discharge such Claim without the prior written consent of the other Party ("Non-Defending Party"), which consent may not be unreasonably withheld, conditioned or delayed. Within thirty (30) calendar days after the Defending Party receives a proposal to settle the Claim that it is willing to accept, it must notify the Non-Defending Party of such settlement proposal and both Parties will immediately proceed to negotiate in good faith and otherwise cooperate to reach agreement, mutually acceptable to both Parties, with respect to resolving the extent to which each Party is obligated, if at all, to the other Party with respect to any such settlement or compromise of the Claim.

SECTION 19. *CONSTRUCTION OF AGREEMENT.*

19.1 *Headings*. The headings of the sections and subsections of this Agreement are for convenience only and will not be used in the interpretation of this Agreement.

19.2 *Amendment or Waiver*. This Agreement may not be amended, modified or waived except by written instrument executed by officers or duly authorized representatives of the respective Parties.

19.3 *Severability*. Any provision of this Agreement that is prohibited or not enforceable in any jurisdiction shall, as to that jurisdiction, be ineffective only to the extent of the prohibition or lack of enforceability without invalidating the remaining provisions of this Agreement, or affect the validity or enforceability of those provisions in another jurisdiction or the validity or enforceability of this Agreement as a whole.

19.4 *Entire Agreement and Conflict with Attachments*. This Agreement (including the Attachments) contains the entire and exclusive agreement between the Parties with respect to the subject matter hereof, and there are no other promises, representations, or warranties affecting it. The terms of this Agreement may not be contradicted, explained or supplanted by any usage of trade, course of dealing or course of performance and any other representation, promise, statement or warranty made by either Party or their agents that differs in any way from the terms contained herein will be given no force or effect. In the case of any conflict between the body of this Agreement and any of its Attachments, those contained in the Attachments will govern.

SECTION 20. *LAW.*

This Agreement will be construed and governed by the laws of the State of Texas except the choice of law rules of that State that may require the application of the laws of another jurisdiction.

This Agreement has been executed by the authorized representatives of each Party as indicated below effective as of the Effective Date.

INTENTIONALLY LEFT BLANK

TRANSMONTAIGNE PRODUCT SERVICES INC.		Valero Marketing and Supply Company	
By:	/s/ WILLIAM S. DICKEY	By:	/s/ JOE GORDAR
Name:	William S. Dickey	Name:	Joe Gordar
Title:	President	Title:	EVP, Supply & Marketing

ATTACHMENT "A"

1. **VALERO ADDRESSES:**

Valero Notice Address

Valero Marketing and Supply Company
One Valero Way
San Antonio, TX 78249-1616
Attention: Manager, Gulf Coast Operations
Fax No. 210-345-2828

Valero Billing Address

Valero Marketing and Supply Company
One Valero Way
Mail Station E3T-157E
San Antonio, TX 78249-1616
Attention: Accounts Payable, Secondary Costs
Fax No. 210-444-8522

2. **TERMINAL AND TPSI ADDRESSES:**

Terminal Notice Address:

Cape Girardeau Terminal
1400 S. Giboney
P. O. Box 704
Cape Girardea, MS 63701
Attention: Terminal Manager
Telephone: 573-335-6688
Fax No.: 573-339-1475

Evansville Terminal
2630 Broadway Avenue
Evansville, IN 47712
Attention Terminal Manager
Telephone: 812-423-5427
Fax No.: 812-424-4107

Greenville Terminal
310 Walthall Street
Greenville, MS 38701
Attention: Terminal Manager
Telephone: 662-332-2692
Fax No.: 662-378-3594

Henderson Terminal
2633 Sunset Lane
Henderson, KY 42420
Attention: Terminal Manager
Telephone: 270-830-6187
Fax No.: 270-826-3430

Owensboro Terminal
900 Pleasant Valley Road
Owensboro, KY 42303
Attention: Terminal Manager
Telephone: 270-691-0096
Fax No.: 270-691-0054

Paducah Terminal
233 Elizabeth Street
Paducah, KY 42003
Attention Terminal Manager
Telephone: 270-442-1606
Fax No.: 270-443-8571

TPSI Notice Address:

TransMontaigne Product Services Inc.
1670 Broadway, Suite 3100
Denver, CO 80202
Attention: General Counsel
Telephone No.: 303-626-8200
Fax No. 303-626-8238

cc: TransMontaigne Product Services Inc.
1670 Broadway, Suite 3100
Denver, CO 80202
Attention: President
Telephone No.: 303-626-8200
Fax No. 303-626-8228

cc: TransMontaigne Product Services Inc.
200 Mansell Court E. Suite 600\
Roswell, GA 30076-4853
Attention: Executive Vice President/Operations
Telephone No. 770-518-3500
Fax No.: 770-518-3595

3. **TANKS, INFORMATION AND DATA:**

Refer to *Attachment "C"*

4. **BASIC FEES AND CHARGES AND TYPE OF SERVICE:**

[**]

** Confidential Treatment Requested.

6. **OPERATING HOURS:**

A. *Hours of Operation*: TPSI's "normal working hours" are between 7:30 a.m. and 4:00 p.m. Central Time, Monday through Friday, except for holidays identified below. Notwithstanding the foregoing, the Terminals are accessible twenty-four (24) hours per day, seven (7) days per week for marine loading and unloading and truck loading.

B. *Holiday Schedule*:

TPSI observes the following holidays:

New Year's Day
Presidents Day
Good Friday
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day After Thanksgiving Day
Christmas Day

7. **TERM:**

The initial term of this Agreement is seven (7) years commencing on the Effective Date ("Initial Term"). At the end of the Initial Term, this Agreement will automatically extend for successive periods of one year each (each such period being an "Extended Term"), unless either Party notifies the other at least one hundred eighty (180) calendar days before the end

of the Initial Term or the then-current Extended Term, if any, that it desires to terminate the Agreement effective at the end of the Initial Term or the then current Extended Term, if any. The Initial Term and any Extended Term will be deemed the "Term" of this Agreement.

8. **TANK EXCLUSION:**

[**]

** Confidential Treatment Requested.

ATTACHMENT "B"

Reserved for Product Specifications and or Material Safety Data Sheet

Products shall meet or exceed either those published specifications for gasolines, diesel fuels, and kerosene then in effect for Colonial Pipe Line destination points, or those specifications that meet applicable ASTM and state requirements; provided, however, that the sulfur content for ultra low sulfur diesel shall not exceed **[******]** as determined by certified testing performed by an Independent Inspector.

** Confidential Treatment Requested.

ATTACHMENT "C"

[**]

* *	Confidential Treatment Requested.

ATTACHMENT "D"

TERMINAL ACCESS AGREEMENT ("Agreement")
(For Access to Owned or Operated Facilities)

In consideration of the privilege of access to any terminal owned or operated by **TransMontaigne Product Services Inc.,** or any subsidiary, or affiliated or associated entity ("Company"), which privilege is, or may be hereafter, granted by Company to the undersigned or any subsidiary, or affiliated or associated entity ("User"), sometimes referred to collectively as "Parties" and individually as "Party," for the purpose of loading or causing to be loaded, various liquid or petroleum products ("Products") into transport trucks or trailers and driving, or causing to be driven, the same to or from the terminals, or for any other purpose agreed to by the Parties, User agrees as follows:

1. Until further notice, User and such of its employees, agents, customers and carriers as it designates from time to time ("Agents") are granted access to such Products terminals as Company may designate from time to time ("Terminal") for the sole purpose of loading Products into transport trucks or trailers and driving the same to and from the Terminal. Each person designated by User to have the privilege of access to the Terminal will be deemed for all purposes under this Agreement to be the Agent of User. User is absolutely responsible for its Agents, their actions, and for their compliance or non-compliance with the terms and conditions of this Agreement. The Terminal's automation or other equipment may require the use of keys or cards ("Cards") for access to the Terminal or to actuate a system that controls the Terminal's entry and exit gates, truck loading racks and automated accounting equipment. Following User's execution of this Agreement, such cards will be issued to User or its Agents at those Terminals where such Cards are required and User agrees to accept such Cards subject to the following terms and conditions:

(a) The custody, control and use of all Cards issued pursuant to this Agreement are User's sole responsibility. It is User's responsibility to assure Cards are used only by the individual to whom issued. Cards issued to User's Agents shall be deemed to have been issued to User. If any of such Cards become lost or stolen, User must notify Company and the Terminal manager immediately by telephone and confirm such telephone notification by confirmed telephone facsimile or by letter mailed by Certified Mail, Return Receipt Requested, within forty-eight (48) hours of such telephone notification. Upon receipt of such written confirmation, the verbal telephonic notification will become effective. Written notification should be to TransMontaigne Partners L.P., 1670 Broadway, Suite 3100, Denver, CO 80202, or to facsimile number 770-518-3595 to the attention of the Executive Vice President—Terminal Operations and to the appropriate Terminal Manager.

(b) Unless and until notification is effective as provided above, all Products loaded at the Terminal by use of one of the Cards issued pursuant to this Agreement will constitute delivery of such Product to User, and User will be obligated for payment accordingly.

(c) All Cards issued pursuant to this Agreement remain the property of the Terminal owner or operator. Such Cards may not be duplicated. It is User's responsibility to return all Cards to Company immediately upon the termination of this Agreement.

(d) User will give immediate written notice to the Terminal manager of the identity of all User employees and Agents to whom User allows, or discontinues allowance of, access to any Card for purposes of exercising any rights granted in this Agreement.

2. (a) User acknowledges receipt of a copy of and agrees to comply with all rules and regulations promulgated with respect to the use of the Terminal, including, as applicable, vehicle load release number verification. Additional copies of such rules and regulations are available to User and its employees and Agents at all reasonable times at the Terminal. User represents and warrants that its

employees and Agents will be fully aware of and knowledgeable in respect to such rules and regulations and in those Terminals where Cards are used, User will request access to the Terminal by only those employees and Agents physically capable of handling loading equipment and properly instructed in the characteristics and safe handling and loading methods associated with any Product to be hauled. User will be solely responsible for the proper training and education of its employees and Agents. User will further ensure that only those employees who are aware of the obligations undertaken in this Agreement will have access to the Terminal. Terminal rules and regulations may be changed, amended or modified at any time and will become binding on User and its Agents.

(b) User will use only transportation equipment and drivers that comply with all applicable U.S. Department of Transportation regulations, as well as any and all other applicable federal, state or local laws and regulations.

(c) User will assure that all newly carded drivers are adequately trained to safely and efficiently use the loading equipment at the Terminal. A driver's access to the Terminal may be suspended for any reason or no reason at all, including the Terminal manager's, or his or her appointee's, dissatisfaction with a driver's loading methods. If a driver's access to the Terminal is suspended, User will be notified by Company and User must immediately obtain from said driver all Cards in his or her possession.

(d) Each newly carded driver will be required to sign a Driver Certification and Card Agreement (copy attached).

3. The granting by Company of the aforesaid privilege of access to the Terminal constitutes a bare, non-assignable license and the same may be revoked by Company at any time, in its sole discretion, without prior notice, and thereupon all Cards must be returned by User to Company.

4. **User is aware of and acknowledges the risks associated with and inherent in loading, transporting and otherwise handling the Products and with the loading equipment at the Terminal. User assumes such risks and will indemnify Company and its parent company and wholly owned subsidiaries and affiliates and each of their and Company's agents, employees, officers and directors ("Indemnified Group") against any and all claims, causes of action, damages to person or property, suits, costs, losses, fines, penalties, liabilities or expense (including, without limitation reasonable attorney fees), of whatever nature ("Claims"), as same are incurred, arising out of or in any way associated with, in whole or in part, directly or indirectly, User's exercise or attempted exercise of the privileges granted in this Agreement, or any act or omission of User, its officers, servants, employees or Agents, except for Claims that result from or arise out of the sole or gross negligence of the Company. User will also indemnify the Indemnified Group against any and all Claims resulting in whole or in part, directly or indirectly, from the User's failure to comply with or its trucks to comply with any and all applicable state or federal laws, rules and regulations, irrespective of the negligence or fault of either Party. In addition to and separate and apart from other insurance obligations that User may assume under the terms of this Agreement, insurance covering this indemnity agreement must be provided by User to the extent permitted by law. Further, by requiring insurance in this Agreement, Company does not represent that the required insurance coverage and minimum limits will necessarily be adequate to protect Company, and such insurance coverage and limits will not be deemed as a limitation on User's liability under the indemnities granted to Company in this Agreement.**

5. User is financially responsible for any Products withdrawn from the Terminal by use of any Card delivered by Company to User or any Agent of User, provided, however, that User will not be financially responsible for any such Product which is withdrawn after Company has received verbal notice from User, properly confirmed in writing, of the loss or theft of any of the Cards. User will reimburse Company for any and all costs reasonably incurred by Company to replace any Cards and to secure the Terminal that may arise from or are caused by the loss or theft of any Cards.

6. (a) Prior to exercising the privileges granted in this Agreement, User must obtain, at its sole expense, with solvent underwriters acceptable to Company, insurance for the term of this Agreement and furnish to Company, by delivery to the Terminal manager, certificates evidencing the following minimum insurance coverage and terms:

(i) Except for User's that are Mexican domiciled motor carriers, Workers' Compensation complying with the laws and statutory minimum coverage of the state or states where performance under this Agreement takes place, whether or not such coverage its required by law, including, coverage for voluntary compensation and alternate employer and an "other states coverage" endorsement;

(ii) Commercial General Liability (Standard ISO Occurrence Form) for bodily injury and property damage, including the following coverage: premises/operations, independent contractors, blanket contractual liability to cover the liability assumed by User in this Agreement, explosion, collapse and underground, broad form property damage, products/completed operations, sudden and accidental pollution liability, cross-liability coverage, and, where appropriate, stop-gap coverage with total limits to all insureds for not less than $1 million for each occurrence and $1 million aggregate for each annual period (any "annual aggregate" limit will be amended to apply on a "per project" or "per location" basis);

(iii) Automobile Liability with a limit for bodily injury and property damage of $1 million each occurrence to include coverage for all owned, non-owned and hired vehicles; and

(iv) Excess Liability of $1 million in excess of the limits for all of the above insurance policy types, except Worker's Compensation, to include a "drop down" provision in the event the underlying limits are exhausted.

(b) All policies of insurance must be placed with American insurance companies rated by A.M. Best Company as "B+" or higher or with Underwriters at Lloyds of London or the member companies of the Institute of London Underwriters. It is expressly understood that the insurance provision of this Agreement, including the minimum required limits outlined above are intended to assure that certain minimum standards of insurance protection are afforded by User and the specifications in this Agreement of any amount will be construed to support but not in any way limit the amount or scope of liabilities and indemnity obligations (express or implied) of User. The minimum limits required in this Agreement for any particular type of insurance may be satisfied by a combination of the specific type of insurance and umbrella or excess liability insurance. All deductibles applicable to the minimum required coverage outlined in this Agreement, with or without the consent of Company, will be for the sole account of the User.

(c) Coverage under all insurance required to be carried by User will be primary and exclusive of any other existing, valid and collectible insurance and each policy (except the Workers' Compensation policy and in the case of the Automobile Liability policy as to the additional insured obligation under clause (i) below), whether or not required by the other provisions of this Agreement, will (i) except in the case of short-term trip insurance obtained by Mexican domiciled motor carriers, provide an endorsement that will make Company an additional insured, with Company being entitled to the same protections as any other additional insured party and (ii) otherwise provide a blanket waiver of subrogation against Company and its parent company and wholly owned affiliates and subsidiaries and each of their directors, officers, employees ("Company Group") and its underwriters that guarantees that User's underwriters similarly waive such rights of subrogation. Notwithstanding the foregoing, the waiver of subrogation provided for in this paragraph will not apply and will have no force and effect in the event an employee of User files suit against the Company Group. All liability policies will also provide severability of interests and cross-liability coverage and a requirement that Company be provided 30 days prior written

notice of cancellation, material change or non-renewal. None of User's obligations under this Section may be met through the means of any self-insurance coverage or program.

(d) Failure to secure the insurance coverage, or failure to comply fully with any of the insurance provisions of this Agreement, or the failure to secure such endorsements on the policies as may be necessary to carry out the terms and conditions of this Agreement will in no way relieve User from the obligations of this Agreement, any provision of this Agreement to the contrary notwithstanding. If liability for loss or damage is denied by User's underwriters, in whole or in part, or substantially reduced because of breach of such insurance requirements by User for any other reason, or if User fails to maintain any of the insurance required by this Agreement, (i) to the extent permitted by law, User will indemnify the Company Group and its underwriters against all claims, demands, costs and expenses, including reasonable attorney fees, which would otherwise be covered by said insurance, (ii) such breach or failure to maintain will be deemed a material breach of this Agreement and (iii) Company may procure the same and User will reimburse Company for the cost of such policies or coverage.

(e) Further, User shall require its Agents to maintain the insurance set forth above with the same limits and conditions and shall be responsible for monitoring and enforcing the same.

7. Prior to transporting any Products received at the Terminal under this Agreement and if User is loading Products in a Terminal that uses Cards, User or User's driver must include the following certification on the Company's bill of lading: **"This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the Department of Transportation."**

8. The terms, provisions and conditions of this Agreement extend to, are binding upon and inure to the benefit of the Parties and their approved successors and assigns; provided, however, User may not assign any of its privileges, duties or obligations under this Agreement without the prior written consent of Company, which consent will not be unreasonably withheld or delayed. Any assignment made without obtaining such prior approval will be deemed to be void.

9. Nothing in this Agreement will be construed to deny or otherwise limit Company's right to refuse entry to, or to remove immediately from the Terminal, any person or equipment.

10. In the exercise of the privileges granted in this Agreement, User and its Agents will not in any event or for any purpose whatsoever be deemed to be the agent, servant or employee of Company.

11. This instrument and any other instruments executed in conjunction with it contain the entire agreement between the Parties with respect to User's loading privileges at the Terminal and no other or prior agreement in respect of it, written or verbal, will have any force or effect unless embodied in this instrument. Any modification to this Agreement must be in writing signed by both Parties.

12. User hereby affirms that all of User's underground storage tank systems and tanks are lawful under and have been upgraded to meet all applicable federal and state requirements.

13. If at any time, any portion of User's tanks or underground storage tank systems become non-compliant with applicable state or federal laws, rules or regulations or otherwise unlawful under such laws, rules or regulations, User will immediately cease to store any petroleum or other products in such tanks or systems until they are again fully compliant and lawful.

14. Upon transfer of Product from the rack loading spout to User, User shall be deemed to have custody of the Product. Upon transfer of custody, User shall be solely responsible for the Product's quality should it differ from the quality of the sample taken from the tank delivering the Product to the rack loading spout.

15. (a) User will pay, or cause the owner of the Products or other "position holder" (as that term is defined by Federal Treasury Regulations) to pay, all applicable taxes and charges ("Taxes") levied by any governmental authority on or in anyway applicable to the receipt, delivery, storage, or removal of Products delivered into or from or otherwise contained in the Terminal on User's behalf. User agrees to report and pay such Taxes directly to the proper taxing authorities.

(b) User will indemnify Company against any Taxes that are applicable to Products as and when delivered under this Agreement.

16. Each provision of this Agreement, or sub-part, is deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion of this Agreement will not affect the validity or enforceability of any other provision of it.

17. This document is deemed to have been made under and is governed by the laws of (i) the state where the Terminal is located and if this Agreement applies to Terminals in more than one state, (ii) the State of Colorado in all respects, including without limitations, matters of construction, validity, and performance, except the choice of law rules of that State that would require the law of another jurisdiction to apply.

18. The failure of Company to insist upon the complete performance of any provisions of this Agreement will not be construed as a waiver of Company's right to at any time thereafter enforce such provision completely.

EXECUTED by User this ______ day of ____________, 20__.

USER: ______________________________

By: ______________________________

Title: ______________________________

Address: ______________________________

____

Phone: ______________________________

DRIVER CERTIFICATION AND CARD AGREEMENT

I, , employee and Agent of , ("User"), hereby acknowledge that I received, read, understand and will follow the *Terminal Rules, Regulations and Driver Loading Procedures* pertaining to my access to TransMontaigne Product Services Inc. ("TPSI") facilities, (the "Rules and Regulations"), and that I have received loading demonstrations from Terminal personnel. I acknowledge that said Rules and Regulations may be changed and/or modified from time to time and that current copies of same will be available at TPSI facilities, and that it is my responsibility to obtain a current copy of said Rules and Regulations on a regular basis, and to be familiar therewith. I agree to abide by the Rules and Regulations and acknowledge that my loading privileges will be suspended, at the option of TPSI, if I do not so abide by the Rules and Regulations.

I hereby acknowledge receipt of keys or cards ("Card") issued to me by User or TPSI, and agree that I will use said Card(s) only for withdrawal of Products from TPSI facilities in accordance with the Rules and Regulations and the Terminal Access Agreement between User and TPSI. I assume full responsibility for custody of any Card that I receive and hereby agree that *no other person will have access to any such Card received by me*. In the event that I separate from the employment of User, or for any reason have no need for the immediate use of a Card, I will promptly return the Card to the Terminal Manager or his/her appointee. Under no condition will any Card be duplicated.

I understand that my access to any TPSI facility is discretionary with TPSI and any grant of access to me by TPSI may be revoked by TPSI for any or no reason at all. If any Card received by me is not used for a ninety-day period, TPSI reserves the right to demand, and I hereby agree to return to TPSI, the same.

I understand that the loading and dispensing system equipment to be used by me at any TPSI facility must be manually handled and connected to my vehicle. I acknowledge that I have been adequately instructed on the proper and safe handling/loading techniques for said equipment, and that I am physically capable of lifting, moving, connecting and disconnecting said equipment. I further acknowledge that I am aware of the hazards and personal risks involved in handling the products to be handled by me at the TPSI facility.

Witness my hand on this the day of , .

Driver Name: ______________________________

Signature: ______________________________

Carrier Name: ______________________________

Card No. ______________________________

TPSI Employee who trained Driver: ______________________________

Signature: ______________________________

Date Trained: ______________________________

NOTE: All Drivers must be re-certified annually or at such other time as TPSI requires. Any Driver that has not loaded for a period of sixty (60) consecutive days must re-certify before loading.

ATTACHMENT "C"

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* * Confidential Treatment Requested.

Exhibit 21.1

List of Subsidiaries of TransMontaigne Partners L.P. at December 31, 2006

Ownership of subsidiary	Name of subsidiary	Trade Name	State/Country Of Organization
100%	TransMontaigne Operating GP L.L.C.	None	Delaware
100%	TransMontaigne Operating Company L.P.	None	Delaware
100%	Coastal Terminals L.L.C.	None	Delaware
100%	Razorback L.L.C.	None	Delaware
100%	TPSI Terminals L.L.C.	None	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors and Member
TransMontaigne GP L.L.C.:

We consent to the incorporation by reference in the registration statement (No. 333-125209) on Form S-8 of TransMontaigne Partners L.P. of our reports dated March 16, 2007, relating to the consolidated balance sheets of TransMontaigne Partners L.P. and subsidiaries as of December 31, 2006 and 2005, and June 30, 2005, and the related consolidated statements of operations, partners' equity, and cash flows for the year ended December 31, 2006, six months ended December 31, 2005, and for each of the years in the two-year period ended June 30, 2005, and the related financial statement schedule (Exhibit 99.1), which reports appear in the December 31, 2006 Form 10-K of TransMontaigne Partners L.P.

KPMG LLP

Denver, Colorado
March 16, 2007

Exhibit 31.1

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Randall J. Larson, Chief Executive Officer, Chief financial Officer and Chief Accounting Officer of TransMontaigne GP L.L.C., a Delaware limited liability company and general partner of TransMontaigne Partners L.P., certify that:

1. I have reviewed this Annual Report on Form 10-K of TransMontaigne Partners L.P. for the year ended December 31, 2006;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2007

/s/ RANDALL J. LARSON

Randall J. Larson
Chief Executive Officer, Chief Financial Officer and
Chief Accounting Officer

Exhibit 32.1

Certification of Chief Executive Officer
and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

In connection with the periodic report of TransMontaigne Partners L.P. (the "Company") on Form 10-K for the year ended December 31, 2006, as filed with the Securities and Exchange Commission (the "Report"), I, Randall J. Larson, Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer of TransMontaigne GP L.L.C., a Delaware limited liability company and general partner of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(a) the Annual Report on Form 10-K of the Company for the year ended December 31, 2006, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2007

/s/ RANDALL J. LARSON

Randall J. Larson
Chief Executive Officer, Chief Financial Officer and
Chief Accounting Officer

Exhibit 99.1

Financial statement schedule—Rule 12-09.

Valuation and qualifying accounts.

YEAR ENDED JUNE 30, 2004

Column A—Description	Column B—Balance at beginning of period	Column C—Additions (1)—Charged to costs and expenses	Column C—Additions (2)—Charged to other accounts	Column D—Deductions—uncollectible amounts	Column E—Balance at end of period
Allowance for doubtful accounts	$ —	$ 100,000	$ —	$ —	$ 100,000

YEAR ENDED JUNE 30, 2005

Column A—Description	Column B—Balance at beginning of period	Column C—Additions (1)—Charged to costs and expenses	Column C—Additions (2)—Charged to other accounts	Column D—Deductions	Column E—Balance at end of period
Allowance for doubtful accounts	$ 100,000	$ 50,000	$ —	$ 150,000	$ —

SIX MONTHS ENDED DECEMBER 31, 2005

Column A—Description	Column B—Balance at beginning of period	Column C—Additions (1)—Charged to costs and expenses	Column C—Additions (2)—Charged to other accounts	Column D—Deductions	Column E—Balance at end of period
Allowance for doubtful accounts	$ —	$ —	$ —	$ —	$ —

YEAR ENDED DECEMBER 31, 2006

Column A—Description	Column B—Balance at beginning of period	Column C—Additions (1)—Charged to costs and expenses	Column C—Additions (2)—Charged to other accounts	Column D—Deductions	Column E—Balance at end of period
Allowance for doubtful accounts	$ —	$ 75,000	$ —	$ —	$ 75,000