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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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, 2007

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 ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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 on June 30, 2007 was $314,249,740, computed by reference to the last sale price ($35.32 per common unit) of the Registrant's common limited partner units on the New York Stock Exchange on June 29, 2007.

The number of the registrant's common limited partner units outstanding on March 3, 2008 was 9,122,300.

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 annual 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 lack of access to new capital would impair our ability to expand our operations;
- a reduction in revenue from any of our significant customers upon which we rely for a substantial majority of our revenue;
- 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

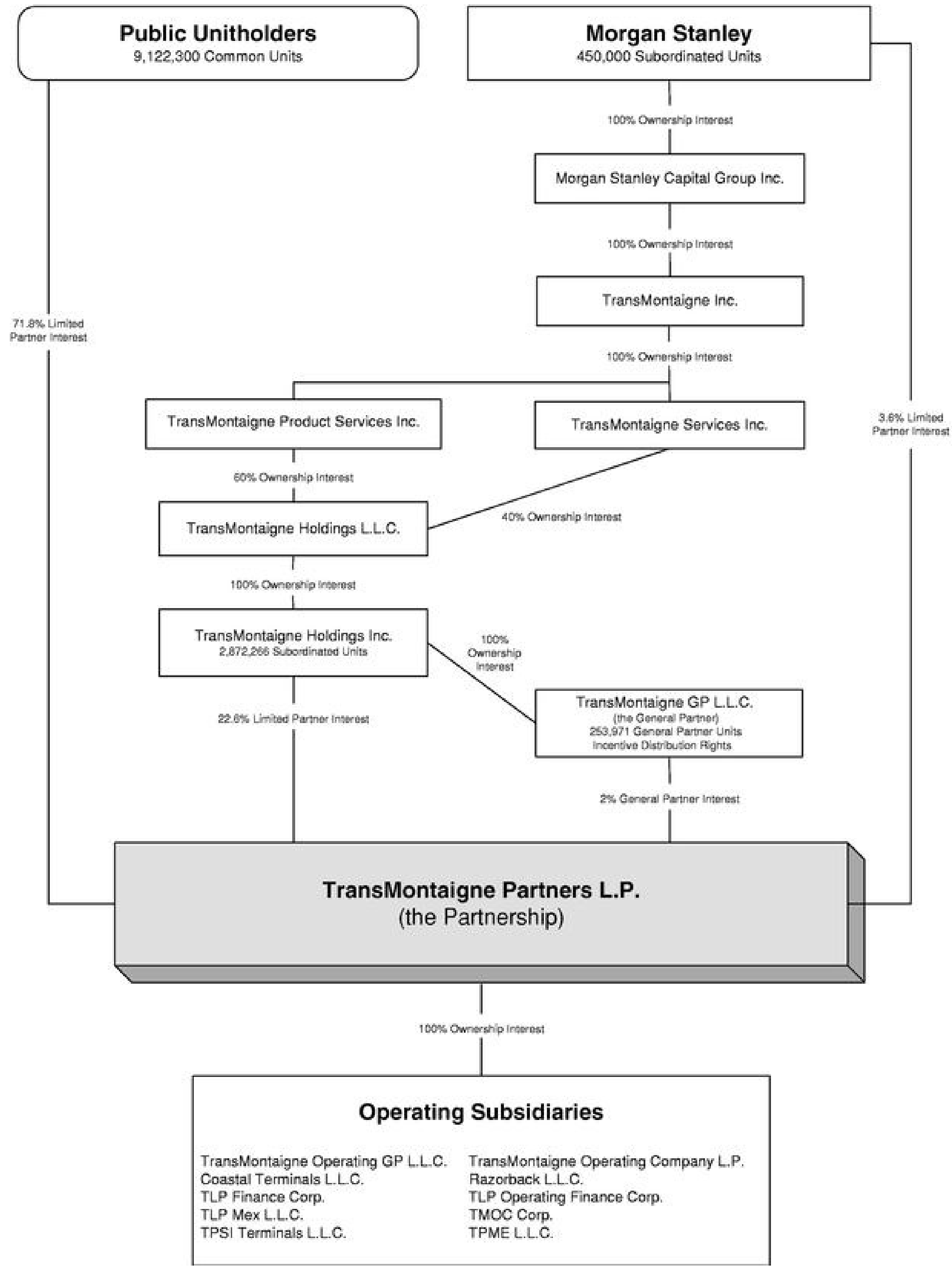
TransMontaigne Partners L.P. is a publicly traded Delaware limited partnership formed in February 2005 by TransMontaigne Inc. We commenced operations upon the closing of our initial public offering on May 27, 2005. Effective December 31, 2005, we changed our year end for financial and tax reporting purposes 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) 626-8200. 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.

OVERVIEW

We are a terminaling and transportation company with operations along the Gulf Coast, in the Midwest, in Brownsville, Texas, along the Mississippi and Ohio Rivers, and in the Southeastern United States. We provide integrated terminaling, storage, transportation and related services for customers engaged in the distribution and marketing of light refined petroleum products, heavy refined petroleum products, crude oil, chemicals, fertilizers and other liquid products. Light refined products include gasolines, diesel fuels, heating oil and jet fuels. 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 refined product gains and losses arising from terminaling services agreements with certain customers. The volume of product that is handled, transported through or stored in our terminals and pipelines is directly affected by the level of supply and demand in the wholesale markets served by our terminals and pipelines. 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.

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. TransMontaigne Services Inc. is a wholly owned subsidiary of TransMontaigne Inc. We are controlled by our general partner, TransMontaigne GP L.L.C., which is an indirect wholly owned subsidiary of TransMontaigne Inc. TransMontaigne GP L.L.C. is a holding company with no independent assets or operations other than its general partner interest in TransMontaigne Partners L.P. TransMontaigne GP L.L.C. is dependent upon the cash distributions it receives from TransMontaigne Partners L.P. to service any obligations it may incur. Effective September 1, 2006, Morgan Stanley Capital Group Inc., which we refer to as Morgan Stanley Capital Group, purchased all of the issued and outstanding capital stock of TransMontaigne Inc. and, as a result, Morgan Stanley, the parent company of Morgan Stanley

Capital Group, became the indirect owner of our general partner. The following diagram depicts our current organization and structure:



TransMontaigne Inc. is a leading distributor of unbranded refined petroleum products to independent wholesalers and industrial and commercial end users, delivering approximately 0.3 million barrels per day throughout the United States, primarily in the Gulf Coast, Southeast 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 of the integrated terminaling services it requires to support its operations in these geographic regions.

Morgan Stanley is a leading global trading company with extensive trading activities focused on the energy markets, including crude oil and refined petroleum products. Morgan Stanley Capital Group is the principal commodities trading arm of Morgan Stanley. 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. 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. Morgan Stanley Capital Group has access to substantial strategic long-term storage capacity located on all three coasts of the United States, in Northwest Europe and Asia.

Our existing facilities are located in five geographic regions, which we refer to as our Gulf Coast, Brownsville, River, Midwest and Southeast 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. These facilities currently have approximately 6.2 million barrels of aggregate active storage capacity.

- *Midwest.* Our Midwest facilities consist of a 67-mile, interstate refined products pipeline between Arkansas and Missouri, which we refer to as the Razorback pipeline, and three refined product terminals with approximately 0.6 million barrels of aggregate active storage capacity.

- *Brownsville.* Our terminal in Brownsville, Texas has approximately 2.1 million barrels of aggregate active storage capacity, which 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 an affiliate of Mexico's state-owned petroleum company for deliveries to and from Brownsville and Reynosa and Cadereyta, Mexico. We also own and operate a liquified petroleum gas ("LPG") pipeline from our Brownsville facilities to our terminal in Matamoros, Mexico, and a parallel pipeline which can be utilized in the future to transport additional LPG or refined petroleum products to Mexico, which we collectively refer to as the Diamondback pipelines. Our Matamoros terminal has approximately 6,000 barrels of aggregate active storage capacity.

- *River.* Our River facilities are comprised of 12 refined product terminals located along the Mississippi and Ohio Rivers with approximately 2.8 million barrels of aggregate active storage capacity. Our River facilities also include a dock facility in Baton Rouge, Louisiana that is connected to the Colonial pipeline.

- *Southeast.* Our Southeast facilities consist of 22 refined petroleum products terminals located along the Colonial and Plantation pipelines in Alabama, Georgia, North Carolina, Mississippi, South Carolina, and Virginia with an aggregate active storage capacity of approximately 9.0 million barrels.

Recent Developments

Senior Secured Credit Facility

On July 12, 2007, we amended our existing senior secured credit facility to increase the maximum amount of the revolving credit line from $150 million to $200 million. In addition, at our request, the revolving loan commitment can be increased up to an additional $50 million, in the aggregate, without the approval of the lenders, but subject to the approval of the administrative agent and the receipt of additional commitments from one or more lenders.

Secondary Offering of Common Units

On May 23, 2007, we issued, pursuant to an underwritten public offering, 4.8 million common units representing limited partner interests at a public offering price of $36.80 per common unit. On June 20, 2007, the underwriters of our secondary offering exercised a portion of their over-allotment option to purchase an additional 349,800 common units representing limited partnership interests at a price of $36.80 per common unit. The net proceeds from the offering were approximately $179.9 million, after deducting underwriting discounts, commissions, and offering expenses of approximately $9.6 million. Additionally, TransMontaigne GP L.L.C., our general partner, made a cash contribution of approximately $3.9 million to us to maintain its 2% general partner interest.

Acquisition of Southeast Facilities and Related Transactions

On December 31, 2007, we acquired the Southeast facilities along the Colonial and Plantation pipelines from TransMontaigne Inc. for a cash payment of approximately $118.6 million. The Southeast facilities have aggregate active storage capacity of approximately 9.0 million barrels. We borrowed approximately $118.6 million under our senior secured credit facility to finance the acquisition. The transaction was approved by the conflicts committee of the board of directors of our general partner.

Morgan Stanley Terminaling Services Agreement—Southeast Terminals. In connection with the acquisition of the Southeast facilities, we entered into a terminaling services agreement with Morgan Stanley Capital Group. The terminaling services agreement commenced on January 1, 2008, and expires on December 31, 2014, subject to Morgan Stanley Capital Group's right to renew the agreement for an additional seven years. Under this agreement, Morgan Stanley Capital Group has agreed to throughput a volume of refined product that will result in minimum throughput payments to the Partnership of approximately $31.6 million for the contract year ending December 31, 2008, with stipulated annual increases in throughput fees each contract year thereafter. During the initial term, Morgan Stanley Capital Group has an exclusive right to utilize any tanks that may be constructed, refurbished or placed into operation at our Collins/Purvis terminal located in Collins, Mississippi. Any construction or refurbishment at the Collins/Purvis terminal will be undertaken only upon the mutual written agreement of the parties. We also agreed to return to Morgan Stanley Capital Group 50% of the proceeds we receive in excess of $4.2 million from the sale of product gains arising from our terminaling services agreement with Morgan Stanley Capital Group at our Southeast terminals.

Amended and Restated Omnibus Agreement. Concurrently with the execution of the facilities sale agreement, we amended and restated the omnibus agreement, which we refer to as the omnibus agreement, among TransMontaigne Inc., TransMontaigne Partners L.P. and certain affiliates. The amendment increased the administrative fee payable to TransMontaigne Inc. from approximately $7.0 million to $10.0 million and increased the insurance reimbursement payable to TransMontaigne Inc. from approximately $1.7 million to $2.9 million. The increase in the administrative fee and insurance reimbursement reflect the allocation of the costs expected to be incurred by TransMontaigne Inc. for providing management, legal, accounting and tax services for, and insurance on, the Southeast terminals on our behalf. We also agreed to reimburse TransMontaigne Inc. and its affiliates up to $1.5 million for incentive payment grants to key employees of TransMontaigne Inc. and its affiliates under the TransMontaigne Services Inc. savings and retention plan provided the compensation committee of our general partner determines that an adequate portion of the incentive payment grants are allocated to an investment fund indexed to the performance of our common units. In addition, the term of the omnibus agreement was extended through December 31, 2014. If Morgan Stanley Capital Group elects to renew the terminaling and services agreement for the Southeast terminals, we have the right to extend the term of the omnibus agreement for an additional seven years.

Matamoros, Mexico and Brownsville, Texas Facilities

On December 31, 2007, we acquired from Rio Vista Energy Partners L.P. a terminal facility in Matamoros, Mexico, two pipelines running from Brownsville, Texas to Matamoros, Mexico, which we refer to as the Diamondback pipelines, with associated rights of way and easements and 47 acres of land, together with a permit to distribute LPG to Mexico's state-owned petroleum company for a cash payment of approximately $9.0 million.

Industry Overview

Refined product terminaling and 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 refining that occurs in the United States east of the Rocky Mountains is concentrated in the Gulf Coast region, which necessitates the transportation of domestic product to other areas, such as the East Coast, Florida, Southeast and Midwest regions of the country. Terminaling and 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 refined products and heavy refined products. Light refined products include gasolines, diesel fuels, heating oils and jet fuels. Heavy refined products include residual fuel oils and asphalt. Refined 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 refined product output to satisfy their own retail delivery obligations, for example, at branded gasoline stations, and sell the remainder of their refined 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 refined product to independent marketing and distribution companies rather than to other refineries and integrated oil companies, which are their primary competitors.

Transportation. For independent distribution and marketing companies, such as TransMontaigne Inc. and Morgan Stanley Capital Group, to distribute refined petroleum products in the wholesale markets, it must first schedule that product for shipment by tankers or barges or on common carrier pipelines to a terminal.

Refined product is transported to marine terminals, such as our Gulf Coast terminals and Baton Rouge, Louisiana dock facility, by vessels 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.

Refined product reaches inland terminals, such as our Southeast and Midwest 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 fungible refined products in batches, with each batch generally consisting of 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 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 products are segregated and stored in tanks pending delivery to or on behalf of our customers.

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 refined products in different compartments. The driver swipes a magnetic card that identifies the customer purchasing the refined product, the carrier and the driver as well as the type or grade of refined products to be pumped into the truck. A computerized system electronically reviews the credentials of the carrier, including insurance and certain mandated certifications, 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 refined product to the truck. As refined product is being loaded into the truck, additives are injected into refined 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 refined product is stored in tanks and may be delivered to tanker trucks over a rack in the same manner as at an inland terminal. Refined 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 bunker fuel 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

We are a terminaling and transportation company with operations along the Gulf Coast, in the Midwest, in Brownsville, Texas, along the Mississippi and Ohio Rivers, and in the Southeastern United States. 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; and
- heat residual fuel oils and asphalt stored in our tanks, and provide other ancillary services related to the throughput process.

We principally derive revenue from our product terminals by charging fees for providing integrated terminaling and related services, including:

- throughput and additive injection fees based on the volume of product distributed at a contracted rate per barrel;
- terminaling storage fees based on a rate per barrel of storage capacity per month;
- ancillary services including heating and mixing of stored products; and
- product transfer services.

We generate revenue at the Razorback and Diamondback pipelines by charging a tariff regulated by the 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 our operation and management of a 17-mile bi-directional refined products pipeline that connects our Brownsville terminal complex to a pipeline in Mexico that terminates at terminal facilities located in Cadereyta and Reynosa, Mexico for an affiliate of Mexico's state-owned petroleum company. We manage and operate for another major oil company two terminals that are adjacent to our Southeast facilities and receive a reimbursement of its proportionate share of operating and maintenance costs. In addition, we manage and operate certain tank capacity at our Port Everglades (South) terminal for a major oil company and receive a reimbursement for its proportionate share of operating and maintenance costs. We also derive revenue from product gains or incur losses from product losses related to our terminaling services agreements with certain customers.

Morgan Stanley Capital Group and Marathon Petroleum Company LLC, which we refer to as Marathon, are the principal customers at our Gulf Coast facilities; Morgan Stanley Capital Group and Shell Oil Products U.S., which we refer to as Shell, are the principal customers at our Midwest facilities; Morgan Stanley Capital Group, Valero Marketing and Supply Company, which we refer to as Valero, TransMontaigne Inc. and PMI Trading Limited, an affiliate of Mexico's state-owned petroleum company, are the principal customers at our Brownsville, Texas facilities; Valero is our principal customer at our River facilities; and Morgan Stanley Capital Group and the United States government are the principal customers at our Southeast facilities. Financial information for each reportable segment is included in Note 16 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 March 3, 2008 are as follows:

Locations	Active Storage Capacity (shell bbls)
Gulf Coast Facilities	
Florida	
Port Everglades Complex	
Port Everglades-North	2,074,000
Port Everglades-South(1)	378,000
Jacksonville	271,000
Cape Canaveral	727,000
Port Manatee	1,385,000
Fisher Island	672,000
Tampa	451,000
Alabama	
Mobile	223,000
Gulf Coast Total	6,181,000
Midwest Facilities	
Rogers and Mt. Vernon (aggregate amounts)	404,000
Oklahoma City	157,000
Midwest Total	561,000
Brownsville, Texas Facilities	
Brownsville	2,098,000
Matamoros, Mexico	6,000
Brownsville Total	2,104,000
River Facilities	
Arkansas City, AR	769,000
Evansville, IN	234,000
New Albany, IN	201,000
Greater Cincinnati, KY	200,000
Henderson, KY	145,000
Louisville, KY	181,000
Owensboro, KY	157,000
Paducah, KY Complex	322,000
Baton Rouge, LA Dock	—
Greenville, MS (Clay Street)	195,000
Greenville, MS (Industrial Road)	—
Cape Girardeau, MO	140,000
East Liverpool, OH	227,000
River Total	2,771,000
Southeast Facilities	
Albany, GA	203,000
Americus, GA	94,000
Athens, GA	193,000
Belton, SC	—
Bainbridge, GA	251,000

Birmingham, AL	178,000
Charlotte, NC	121,000
Collins/Purvis, MS	2,590,000
Collins, MS	140,000
Doraville, GA	441,000
Fairfax, VA	513,000
Greensboro, NC	436,000
Griffin, GA	106,000
Lookout Mountain, GA	220,000
Macon, GA	174,000
Meridian, MS	138,000
Montvale, VA	482,000
Norfolk, VA	1,334,000
Richmond, VA	478,000
Rome, GA	152,000
Selma, NC	528,000
Spartanburg, SC	247,000
Southeast Total	9,019,000
TOTAL CAPACITY	20,636,000

(1) Reflects our ownership interest net of a major oil company's ownership interest in certain tank capacity.

Gulf Coast Operations. Our Gulf Coast operations include eight refined product terminals located in Florida and Alabama. At our Gulf Coast terminals, we handle refined products and crude oil on behalf of, and provide integrated terminaling services to customers 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 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 by 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. A major oil company retains an ownership interest, ranging from 25% to 50%, in specific tank capacity at our Port Everglades (South) terminal. We manage and operate the Port Everglades (South) terminal, and we are reimbursed by a major oil company for its proportionate share of our operating and maintenance costs. Our Mobile terminal facility receives and distributes refined product by truck and barge.

The principal customers at our Gulf Coast facilities are Morgan Stanley Capital Group and Marathon.

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. The Razorback pipeline is a 67 mile, 8-inch diameter interstate common carrier pipeline that transports light refined product on behalf of Morgan Stanley Capital Group from our terminal at Mt. Vernon, where it is interconnected with a pipeline system owned by Magellan Midstream Partners, to our terminal at Rogers. 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. Morgan Stanley Capital Group currently is the only shipper on the Razorback pipeline and our sole customer at our Rogers and Mt. Vernon terminals.

We also own and operate a terminal facility at Oklahoma City, Oklahoma. Our Oklahoma City terminal receives gasolines and diesel fuels from a pipeline system owned by Magellan Midstream Partners for delivery via our truck rack to Shell's customers for redistribution to locations throughout the Oklahoma City region.

Brownsville, Texas Operations. In Brownsville, Texas, we own and operate six terminal facilities and the Diamondback pipelines which 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 vessels, by truck or railcar. We also receive natural gas liquids by pipeline.

The Diamondback pipelines consist of an 8" pipeline that transports LPG approximately 23 miles from our Brownsville facilities to our Matamoros terminal, with approximately 16 miles located in Texas and approximately 7 miles located in Mexico and a 6" pipeline, which runs parallel to the 8" pipeline that can be used by us in the future to transport additional LPG or refined products to our Matamoros terminal. The 8" pipeline has a capacity of approximately 7,500 barrels per day. The 6" pipeline has a capacity of approximately 4,300 barrels per day.

We also operate and maintain the United States portion of a 174-mile bi-directional refined products pipeline owned by PMI Services North America, Inc., an affiliate of Petroleos Mexicanos, or PEMEX, the state-owned, national petroleum company of Mexico. This pipeline connects our Brownsville terminal complex to a pipeline in Mexico that delivers to PEMEX's terminal located in Reynosa, Mexico and terminates at PEMEX's refinery, located in Cadereyta, Nuevo Leon, Mexico, a suburb of the large industrial city of Monterrey. The pipeline transports fully refined petroleum products and blending components. We operate and manage the 17-mile portion of the pipeline located in the United States for a fee that is based on the average daily volume handled during the month. Additionally we are reimbursed for non-routine maintenance expenses based on the actual costs plus a fee based on a fixed percentage of the expense.

The customers we serve at our Brownsville terminal facilities consist principally of wholesale and retail marketers of refined products and industrial and commercial end-users of refined products, waxes and industrial chemicals. Our principal customers are TransMontaigne Inc., Morgan Stanley Capital Group, Valero and PMI Trading Limited, an affiliate of Mexico's state-owned petroleum company.

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 gasolines, diesel fuels, heating oil, chemicals and fertilizers on behalf of, and provide integrated terminaling services to customers engaged in the distribution and marketing of refined products and industrial and commercial end-users. Our River terminals receive products from vessels on behalf of our customers. We distribute products primarily by truck and vessels. The principal customer at our River facilities is Valero.

Southeast Operations. Our Southeast facilities include 22 refined product terminals along the Plantation and Colonial pipelines. The Southeast facilities have a current aggregate storage capacity of approximately 9.0 million barrels. At our Southeast terminals, we handle gasolines, diesel fuels, heating oil, chemicals and fertilizers on behalf of, and provide integrated terminaling services to customers engaged in the distribution and marketing of refined products and industrial and commercial end-users. Our Southeast terminals primarily receive products from the Plantation and Colonial pipelines on behalf of our customers. We distribute products primarily by truck. The principal customers at our Southeast facilities are Morgan Stanley Capital Group and the United States government.

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 intend to continue to generate stable cash flows by capitalizing on the fee-based nature of our business, our minimum revenue commitments from our customers, the long-term nature of our contracts with many of our customers and our lack of material direct exposure to changes in commodity prices. We generate revenue 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 refined products transported in the Razorback and Diamondback pipelines. We have long-term terminaling services agreements with, among others, Marathon, Morgan Stanley Capital Group, PMI Trading Limited, TransMontaigne Inc. and Valero.

Pursue strategic and accretive acquisitions in new and existing markets. We plan to pursue acquisitions of energy-related terminaling and transportation facilities, including facilities that may be outside our existing areas of operation. In many cases, we would expect to pursue these acquisitions jointly with TransMontaigne Inc. and Morgan Stanley Capital Group. 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.

Maximize the benefits of our relationship with TransMontaigne Inc. and Morgan Stanley Capital Group. TransMontaigne Inc. and Morgan Stanley Capital Group intend to use us as the primary vehicle for their energy-related terminaling and transportation businesses that support their physical trading, marketing and distribution businesses. We intend to capitalize on the strategic fit between our infrastructure with Morgan Stanley Capital Group's global supply capabilities and TransMontaigne Inc.'s marketing and distribution business. In addition, our relationship with TransMontaigne Inc. and Morgan Stanley Capital Group provides us with access to a significant pool of management talent and strong relationships throughout the energy industry, which we intend to utilize to implement our strategies.

Execute cost-effective expansion and asset enhancement opportunities. We continually evaluate opportunities to expand our existing asset base. For example, because an increase in waterborne terminal capacity may facilitate a significant reduction in freight costs for our customers, we currently are in the process of expanding our Gulf Coast terminaling capacity. In addition, we recently completed the purchase of the Southeast terminals, the Matamoros terminal and Diamondback pipelines, and related assets.

Maintaining a disciplined financial policy. We will continue to pursue a disciplined financial policy by maintaining a prudent capital structure, managing our exposure to interest rate risk and conservatively managing our cash reserves.

Competitive Strengths

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

The terminaling services agreements we have with our existing customers provide us with stable cash flows. Based on our terminaling services agreements in effect at January 1, 2008, we have contractual commitments from our customers that are expected to generate a substantial majority of our actual revenue for the year ending December 31, 2008. We expect that our actual revenue for the year will be higher than our contractual commitments because certain of our terminaling services agreements with customers do not contain minimum revenue commitments and because our customers often use other services we provide that are in addition to 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, the long-term nature of our contracts with many of our customers and our lack of material direct exposure to changes in commodity prices will provide us with stable cash flows.

We do not have material direct commodity price risk. Because we do not purchase or market the products that we handle or transport, our cash flows are not subject to material direct exposure to changes in commodity prices.

Our relationships with TransMontaigne Inc. and Morgan Stanley Capital Group enhance our ability to make strategic acquisitions. We believe that our relationships with TransMontaigne Inc. and Morgan Stanley Capital Group will provide us with an advantage in acquiring businesses that have an element of commodity price risk or product marketing and distribution risk inherent in their operations. In these circumstances, we expect that Morgan Stanley Capital Group will assume most or all of the direct commodity price exposure and TransMontaigne Inc. will assume most or all of the risks related to distributing and marketing the product. As a result, we should expect to operate the acquired asset infrastructure under terminaling services agreements that will provide us with stable cash flows.

We benefit from the strategic fit between our operations and the operations of TransMontaigne Inc. and Morgan Stanley Capital Group. The operations of TransMontaigne Inc. and Morgan Stanley Capital Group fit strategically with our broad geographical terminal and transportation distribution capability. Our 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 stable cash flows and help ensure that our facilities are more fully utilized. Moreover, we believe that the value of any terminaling facilities we acquire will be enhanced if we can concurrently obtain a terminaling services agreement with TransMontaigne Inc. or Morgan Stanley Capital Group.

We have the ability to execute expansion and asset enhancement opportunities, particularly at our Gulf Coast terminals. We have high utilization of our existing storage capacity, which enables us to focus on expanding our terminal capacity and acquiring additional terminal capacity for our current and future customers. In addition, expanding our existing waterborne terminal capacity at our Gulf Coast terminals may facilitate a significant reduction in freight costs for our customers. We have initiated the expansion of our storage capacity at our Port Everglades terminal complex facilities to add approximately 0.9 million barrels.

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

- Refined 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.

- The Florida market is attractive to physical commodity traders because they can originate product supplies from multiple locations, both domestically and overseas, and transport the product to the terminal by ship.

- Florida's population is one of the fastest-growing in the United States, resulting in additional potential demand for refined products.

- The ports served by our terminals are among the busiest cruise ship ports in the United States, with year-round demand.

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 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 acquisitions and internal expansion. In addition, through our affiliation with Morgan Stanley Capital Group, we have access to its strong relationships throughout the energy industry.

We have the financial flexibility to pursue growth opportunities. We currently have a $200.0 million revolving credit facility, under which, as of December 31, 2007, we had approximately $67.9 million in available borrowing capacity. In addition, at our request,the term loan commitment or the revolving loan commitment can be increased up to an additional $50 million, in the aggregate, without the approval of the lenders, but subject to the approval of the administrative agent and the receipt of additional commitments from one or more lenders. We believe this available capacity will provide us with flexibility to facilitate our strategic expansion and acquisition strategies.

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, NuStar L.P., Sunoco, Inc. and its affiliate Sunoco Logistics Partners 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 from which we expect to continue to derive a substantial majority of our revenue for the foreseeable future. These relationships include:

Customer	Location
TransMontaigne Inc	Gulf Coast and Brownsville facilities
Morgan Stanley Capital Group	Gulf Coast, Midwest, Brownsville and Southeast facilities
Valero Marketing and Supply Company	River and Brownsville facilities
Marathon Petroleum Company LLC	Gulf Coast and River facilities
PMI Trading Limited, an affiliate of Mexico's state-owned petroleum company	Brownsville facilities

Our Relationship With TransMontaigne Inc. And Morgan Stanley Capital Group

General. A majority of our business is devoted to providing integrated terminaling and transportation services to Morgan Stanley Capital Group. Pursuant to the terms of our terminaling services agreements with Morgan Stanley Capital Group, we expect to continue to derive a majority of our revenue from Morgan Stanley Capital Group for the foreseeable future.

We are controlled by our general partner, TransMontaigne GP L.L.C., which is an indirect 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, Southeast and Midwest regions. TransMontaigne Inc. also provides supply chain management services to various customers throughout the United States. At December 31, 2007, TransMontaigne Inc. owned 2 refined product terminals; 1 dry bulk product terminal, 15 tugboats and 22 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 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 capital stock of TransMontaigne Inc. TransMontaigne Inc. and Morgan Stanley Capital Group have a significant interest in our partnership through their ownership of subordinated units representing limited partner interests equal to approximately 26.2% of our aggregate outstanding limited and general partner interests, our sole general partner interest (representing 2% of our aggregate outstanding limited and general partner interests) and the incentive distribution rights.

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 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 refined products for over 20 years and on a daily basis trades millions of barrels of physical crude oil and refined products and exchange-traded and over-the-counter crude oil and refined product derivative instruments. Morgan Stanley Capital Group also invests as principal in acquisitions 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.

Rights of First Refusal

The omnibus agreement provides us with a right to purchase TransMontaigne Inc.'s and its subsidiaries' right, title and interest in the Pensacola, Florida refined petroleum products terminal and any assets acquired in an asset exchange transaction that replace the Pensacola assets; provided, that we agree to pay at least 105% of the purchase price offered by the third party bidder. This right is exercisable for a period of two years commencing on the date the terminal is first put into commercial service, which is expected to occur during the second calendar quarter of 2008.

The omnibus agreement also provides TransMontaigne Inc. a right of first refusal to purchase our assets, 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 to contract for the use of any petroleum product storage capacity that we put into commercial service (i) after January 1, 2008, or (ii) was subject to a terminaling services agreement that expires or is terminated (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.

Terminaling Services Agreements

Gulf Coast (Florida) and Midwest Terminaling Services Agreement—Morgan Stanley Capital Group. We have a terminaling services agreement with Morgan Stanley Capital Group that replaced our existing terminaling services agreement with TransMontaigne Inc. at our Florida, Mt. Vernon, Missouri and Rogers, Arkansas terminals. The terminaling services agreement commenced on June 1, 2007 and has a seven-year term expiring on May 31, 2014. After the initial term, the agreement will automatically renew for subsequent one-year periods, subject to either party's right to terminate with six months' notice prior to the end of the initial term or the then-current renewal term. Under this agreement, Morgan Stanley Capital Group has agreed to throughput at our Florida, Mt. Vernon, Missouri and Rogers, Arkansas terminals a volume of refined product that will, at the fee and tariff schedule set forth in the agreement, result in minimum throughput payments of approximately $30.3 million for the contract year ending May 31, 2008, with stipulated annual increases in throughput fees each contract year thereafter. Morgan Stanley Capital Group's minimum annual throughput payment is subject to adjustment in the event we fail to complete construction of and place in service certain capital projects on or before September 30, 2009. The capital projects include the construction of approximately 1.2 million barrels of additional tank storage capacity and other improvements at the contracted terminals. Upon expiration of the agreement, Morgan Stanley Capital Group will have the right to match any bona fide third party offer made to us for similar services at no less than 105% of the value of such third party offer.

Southeast Terminaling Service Agreement—Morgan Stanley Capital Group. We have a terminaling services agreement with Morgan Stanley Capital Group relating to our Southeast terminal facilities that will expire on December 31, 2014 and is subject to a seven-year renewal option at the election of Morgan Stanley Capital Group. Under this agreement, Morgan Stanley Capital Group has agreed to throughput a volume of refined product that will result in minimum throughput payments to us of approximately $31.6 million for the contract year ending December 31, 2008, with stipulated annual increases in throughput fees each contract year thereafter. During the initial term, but not any renewal term, Morgan Stanley Capital Group has an exclusive right to utilize any tanks that may be constructed, refurbished or placed into operation at our Collins/Purvis terminal located in Collins, Mississippi. Any construction or refurbishment at the Collins/Purvis terminal will be undertaken only upon the mutual written agreement of the parties. The terminaling services agreement also provides that we return to Morgan Stanley Capital Group 50% of the proceeds we receive in excess of $4.2 million from the sale of product gains arising from our terminaling services agreement with Morgan Stanley Capital Group at our Southeast terminals.

Southeast Terminaling Services Agreement—United States Government. We have a terminaling services agreement with the United States government that will expire on April 30, 2012. Pursuant to the terminaling services agreement, we agreed to provide the United States government with approximately 0.3 million barrels of light refined product storage capacity at our Selma, NC terminal. The United States government has the option to extend the agreement an additional ten years through two five-year increments.

Gulf Coast (Mobile) Terminaling Services Agreement—TransMontaigne Inc. 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, Alabama terminal certain minimum volumes of refined products that will result in minimum throughput revenue 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 refined product storage capacity and approximately 84,000 barrels of heavy refined product 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.

Gulf Coast (Florida) Terminaling Services Agreement—Marathon. We have a terminaling services agreement with Marathon regarding approximately 1.0 million barrels of asphalt storage capacity throughout our Florida facilities that will expire on May 1, 2011. The terminaling services agreement became effective February 20, 2006 at our Jacksonville and Port Manatee facilities and on May 1, 2006 at our Cape Canaveral and Port Everglades facilities. Concurrently with the effective dates of the Marathon terminaling services agreement, the agreement with our former asphalt customer for the use of this storage capacity expired. We are proscribed from placing into commercial service any new or converted asphalt storage capacity at our Florida facilities without Marathon's express written consent.

River Terminaling Services Agreement—Valero. 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 1.1 million barrels of light refined product storage capacity, in the aggregate, at our Cape Girardeau, Evansville, Greenville, Henderson, Owensboro and Paducah terminals. Valero also has a right to match any third-party offer to use any existing, new or converted light refined product storage capacity that we put into commercial service, at any of the River terminals subject to this agreement. If Valero fails to exercise its right to match, it has the right to terminate the terminaling services agreement in its entirety or with respect to the applicable terminal.

Brownsville LPG Terminaling Services Agreement—TransMontaigne Inc. We have a terminaling and transportation services agreement with TransMontaigne Inc. relating to our Brownsville, Texas facilities that will expire on March 31, 2010. Under this agreement, TransMontaigne Inc. agreed to throughput at our Brownsville facilities certain minimum volumes of natural gas liquids that will result in minimum revenue to us of $1.4 million per year. In exchange for TransMontaigne Inc.'s minimum throughput commitment, we agreed to provide TransMontaigne Inc. approximately 15,000 barrels of storage capacity at our Brownsville facilities. TransMontaigne Inc.'s minimum revenue commitment will increase to approximately $2.4 million per year when we increase the LPG storage capacity at our Brownsville LPG terminal to approximately 34,000 barrels.

Brownsville Terminaling Services Agreements—PMI Trading Limited. We have multiple terminaling services agreements with PMI Trading Limited, an affiliate of Mexico's state-owned petroleum company, relating to our Brownsville, Texas facilities that, if not renewed, will expire between July 31, 2008 and June 30, 2016. Under these agreements, PMI agreed to throughput and store at our terminals certain minimum volumes of aviation gasoline, diesel, gasoline, jet fuel, distillate, and natural gas liquids. We also manage and operate a 17-mile bi-directional pipeline on behalf of PMI.

Brownsville Terminaling Services Agreement—Morgan Stanley Capital Group. We have a terminaling services agreement with Morgan Stanley Capital Group relating to our Brownsville, Texas 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 revenue 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.

Brownsville Terminaling Services Agreement—Valero. We have a terminaling services agreement with Valero pursuant to which we agreed to provide Valero with approximately 112,000 barrels of heavy oil storage capacity at our Brownsville terminal. The current term of the terminaling services agreement expires on January 21, 2010. At the end of the current term, the terminaling services agreement will automatically renew for subsequent two-year periods, subject to either party's right to terminate with 90 days notice prior to the end of the then-current renewal term.

Oklahoma City Revenue Support Agreement—TransMontaigne Inc. 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 revenue 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.

Terminaling Services Agreement—Renewable Fuels. We have a terminaling and transportation services agreement with TransMontaigne Inc. relating to certain renewable fuels capacity at our Brownsville and River terminals that will expire on May 31, 2012. Under this agreement, TransMontaigne Inc. agreed to throughput at these terminals certain minimum volumes of renewable fuels that will, under the fee and tariff schedule contained in the agreement, result in minimum revenue to us of approximately $0.6 million per year. In exchange for TransMontaigne Inc.'s minimum throughput commitment, we agreed to provide TransMontaigne Inc. approximately 116,000 barrels of storage capacity at these terminals.

Other Terminaling Services Agreements. We also have terminaling service agreements with other customers at our terminal facilities for throughput and storage of refined products, crude oil 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.

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 all of our DOT regulated pipeline systems. These pipeline systems include the Razorback pipeline; a 37-mile pipeline, known as the "Pinebelt pipeline," located in Covington County, Mississippi that transports refined petroleum liquids between our Collins and Collins/Purvis terminal facilities; a 1-mile diesel fuel pipeline, known as the "Belle Meade pipeline," owned by and operated for Virginia Power Corp. in Richmond, Virginia; the Diamondback pipelines; and an 18-mile, bi-directional refined petroleum liquids pipeline in Texas, known as the "MB pipeline," that we operate and maintain on behalf of an affiliate of Mexico's state-owned petroleum company. The maintenance of structural integrity includes 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 believe that the pipelines we own and manage meet or exceed all DOT inspection requirements for all pipelines located in the United States, and meet or exceed the corresponding Mexican regulatory requirements for the portion of the Diamondback pipelines located in Mexico.

Maintenance facilities containing equipment for pipe repairs, spare parts, and trained response personnel are located along all of these pipelines. 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 Environmental Protection Agency, or 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 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 may affect our operations and to plan accordingly to comply with and minimize the costs of such requirements.

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 concerns that relate to our business.

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 pollutants, including oil and its derivatives into navigable waters. The discharge of pollutants into regulated waters is prohibited except in accordance with the terms of a permit issued by the EPA or the state. We do not have any terminal location that discharges any type of processed wastewater into the environment. We are, however, subject to various types of storm water discharge requirements at our terminals. The EPA and a number of states have adopted regulations that require us to obtain permits to discharge storm water run-off from our facilities. Such permits may require us to monitor and sample the effluent from our operations. The cost involved in obtaining and renewing these storm water permits is not material. We believe that we are in substantial compliance with effluent limitations at our facilities and with the CWA generally.

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 be constructed around product storage tanks to help prevent the contamination of navigable waters in the event of a product tank spill, rupture or leak.

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.

Contamination resulting from spills or releases of refined 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.

Air Emissions

Our operations are subject to the federal Clean Air Act, or CAA, and comparable state and local statutes. The CAA requires most industrial operations in the United States to incur expenditures to meet the air emission control standards that are developed and implemented by the EPA and state environmental agencies. These laws and regulations regulate emissions of air pollutants from various industrial sources, including our operations, and also impose various monitoring and reporting requirements. Such laws and regulations may require a facility to obtain pre-approval for the construction or modification of certain projects or facilities expected to produce air emissions or result in the increase of existing air emissions and obtain and strictly comply with air permits containing requirements.

Many of our terminaling operations require air permits. These operations generally include volatile organic compound emissions (primarily hydrocarbons) associated with truck loading activities and tank working and breathing 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.

Moreover, 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. 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.

Congress is currently considering proposed legislation directed at reducing "greenhouse gas emissions." It is not possible at this time to predict how legislation that may be enacted to address greenhouse gas emissions would impact our operations. However, future laws and regulations could result in increased compliance costs or additional operating restrictions, and could have a material adverse effect on our business, financial position, results of operations and cash flows.

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 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 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 TransMontaigne Inc.'s acquisition of the Florida terminals, TransMontaigne Inc. agreed to assume responsibility for known environmental conditions at these terminals. TransMontaigne Inc. currently is undertaking, or evaluating the need for, remediation of subsurface hydrocarbon contamination at these Florida terminals.

Under an indemnification agreement, which contains the indemnification terms previously set forth in 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 $15.0 million and it has no obligation to indemnify us for aggregate losses until such losses exceed $250,000 in the aggregate. 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. TransMontaigne Inc. currently estimates that the total cost for remediating the contamination at the Florida terminals to be between $3.2 million and $8.4 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. has received, and believes that it is eligible to continue to receive, state reimbursement of the majority of the costs associated with the remediation of the Florida terminals. As such, TransMontaigne Inc. believes that its share of the total liability after state reimbursement is expected to be between $0.5 million and $1.6 million. TransMontaigne Inc.'s remediation liability for the Midwest terminals is estimated to be between $0.4 million and $0.7 million.

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. At this time, TransMontaigne Inc. is not aware of any remediation liability for the Mobile, Alabama terminal.

Under the purchase agreement for the Brownsville, Texas 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 $15.0 million. The cap amount does not apply to any environmental liabilities known to exist as of December 31, 2006. TransMontaigne Inc.'s total remediation liability for the Brownsville and River facilities is estimated to be between $0.2 million and $1.4 million.

Under the purchase agreement for the Southeast facilities, TransMontaigne Inc. has agreed to indemnify us through December 31, 2012, against certain potential environmental liabilities associated with the operation of the Southeast Terminals that occurred on or prior to December 31, 2007. Our environmental losses must first exceed $250,000 and TransMontaigne Inc.'s indemnification obligations are capped at $15.0 million, which cap amount does not apply to any environmental liabilities known to exist as of December 31, 2007. TransMontaigne Inc.'s total remediation liability for the Southeast facilities is estimated to be between $1.6 million and $3.3 million.

Endangered Species Act

The Endangered Species Act restricts activities that may affect endangered or threatened species or their habitats. While some of our facilities are in areas that may be designated as habitat for endangered or threatened species, we believe that we are in substantial compliance with the Endangered Species Act. However, the discovery of previously unidentified endangered or threatened 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. In accordance with typical industry practice, we do not have any property insurance on the Razorback and Diamondback pipelines.

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 revenue. 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 insurance policies, including our general liability and pollution policies, 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 the Diamondback pipelines, which runs between Brownsville, Texas and Matamoros, Mexico, is an international petroleum products pipeline, each of which are subject to regulation by the FERC, under the Interstate Commerce Act and Energy Policy Act of 1992 and rules and order promulgated under those statutes. FERC regulation requires that the rates of interstate and international pipelines, such as those of the Razorback and Diamondback pipelines, be filed at FERC and posted publicly, and that these rates be "just and reasonable" and nondiscriminatory. Rates of interstate and international 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 and international 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 and international 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 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, or 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. FERC's new policy was subsequently challenged before the D.C. Circuit and on May 29, 2007, the D.C. Circuit denied the petitions for review with respect to the income tax allowance issues. As the FERC continues to apply this policy in individual cases, the ultimate impact remains uncertain. If the 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 and Diamondback pipelines to justify their rates if challenged in a protest or complaint.

Title to Properties

The Razorback and Diamondback pipelines are 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. We are currently in negotiations with individual landowners regarding several of the easements for the Diamondback pipelines in the United States and Mexico and are investigating the validity of a separate easement for the same pipelines in Mexico. 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 our acquisition, 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. is our general partner and manages our operations and activities. TransMontaigne GP L.L.C. is an indirect wholly owned subsidiary of TransMontaigne Inc. TransMontaigne Services Inc. is an indirect wholly owned subsidiary of TransMontaigne Inc. TransMontaigne Services Inc. employs the personnel who provide support to TransMontaigne Inc.'s operations, as well as our operations. As of March 3, 2008, TransMontaigne Services Inc. had approximately 776 full-time employees, of whom 305 provide services directly to us. As of March 3, 2008, 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. Limited partner interests are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. 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 distributions 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.

Risks Inherent in Our Business

Our acquisition strategy and expansion programs require access to new capital. Tightened credit markets or more expensive capital would impair our ability to grow.

Our business strategies include acquiring additional energy-related terminaling and transportation facilities and expansion of our existing terminal capacity. We will need to raise additional funds to grow our business and implement these strategies. We anticipate that such additional funds would be raised through equity or debt financings. Any equity or debt financing, if available at all, may not be on terms that are favorable to us. An inability to access the capital markets may result in a substantial increase in our leverage and have a detrimental impact on our creditworthiness. If we cannot obtain adequate financing, we may not be able to fully implement our business strategies, and our business, results of operations and financial condition would be adversely affected.

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

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

- leaks or accidental releases of products or other materials into the environment, whether as a result of human error or otherwise;
- extreme weather conditions, such as hurricanes, tropical storms, and rough seas, which are common along the Gulf Coast;
- explosions, fires, accidents, mechanical malfunctions, faulty measurement and other operating errors; 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 storage tanks, pipelines and related property and equipment, and pollution or other environmental damage resulting in curtailment or suspension of our related operations and potentially substantial unanticipated costs for the repair or replacement of property and environmental cleanup. In addition, if we suffer accidental releases or spills of products at our terminals or pipelines, we could be faced with material third-party costs and liabilities, including those relating to claims for damages to property and persons. For example, we experienced a release of product at our Mt. Vernon, Missouri facility during 2007, which was caused by human error and did not involve any system malfunctions. The release resulted in approximately $0.5 million in unreimbursed environmental remediation costs and product losses. Furthermore, events like hurricanes can affect large geographical areas which can cause us to suffer additional costs and delays in connection with subsequent repairs and operations because contractors and other resources are not available, or are only available at substantially increased costs following widespread catastrophes.

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

We expect to derive a substantial majority of our revenue from a small number of 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 revenue and results of operations to decline. In addition, if any of our significant customers were unable to meet its contractual commitments to us for any reason, then our revenue and cash flow would decline.

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 revenue and results of operations could be materially adversely affected.

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.

Our terminaling services agreements with our significant customers expire on various dates ranging from 2008 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 revenue from third parties to replace any shortfall in revenue 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.

We are exposed to the credit risks of Morgan Stanley Capital Group and 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 Morgan Stanley Capital Group's and TransMontaigne Inc.'s ownership interest in and control of us, the strong operational links between Morgan Stanley Capital Group and TransMontaigne Inc. and us and our reliance on Morgan Stanley Capital Group and TransMontaigne Inc. for a majority of our revenue, if one or more credit rating agencies were to view unfavorably the credit quality of Morgan Stanley Capital Group or 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.

We are subject to risks of loss resulting from nonpayment or nonperformance by our other significant customers. Some of our significant customers may be highly leveraged and subject to their own operating and regulatory risks. Any material nonpayment or nonperformance by our other significant 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 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 outbid by competitors, some of which are substantially larger than us and have greater financial resources and lower costs of capital than we do;

- 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; or

- because we are unable to raise financing for such acquisitions on economically acceptable terms.

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 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; 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.

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 estimates or budgeted costs, 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 revenue 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 revenue until the project is completed. Moreover, we may construct additional storage capacity to capture anticipated future growth in consumption of products in a market in which such growth does not materialize.

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

- a recession or other adverse 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; 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 our significant customers with 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 our significant 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 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 enterprises, our financial condition and results of operations would be adversely affected.

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

We rely exclusively on the revenue 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 petroleum products. Federal, state and local agencies also could impose additional safety requirements, any of which could affect our profitability. Furthermore, our failure to comply with environmental or safety related laws and regulations could result also 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.

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

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. In accordance with typical industry practice, we do not have any property insurance on the Razorback and Diamondback pipelines.

We share insurance policies, including our general liability and pollution policies, 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. In the event we reach the cap, we would seek to acquire additional insurance in the marketplace; however, we can provide no assurance that such insurance would be available or if available, at a reasonable cost. 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 senior secured credit facility also contains covenants limiting our ability to make distributions to unitholders in certain circumstances. In addition, our senior secured 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 senior secured 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 senior secured 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.

Many of our storage tanks and portions of our pipeline system have been in service for several decades that could result in increased maintenance or remediation expenditures, which could adversely affect our results of operations and our ability to pay cash distributions.

Our pipeline and storage assets are generally long-lived assets. As a result, some of those assets have been in service for many decades. The age and condition of these assets could result in increased maintenance or remediation expenditures. Any significant increase in these expenditures could adversely affect our results of operations, financial position and cash flows, as well as our ability to pay cash distributions.

Risks Inherent in an Investment in Us

We may not have sufficient cash from operations to enable us to pay the minimum quarterly distribution to our unitholders following establishment of cash reserves and payment of fees and expenses, including payments to our general partner.

We may not have sufficient available cash each quarter to pay the minimum quarterly distribution to our unitholders. The amount of cash we can distribute on our common units principally depends upon the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on, among other things:

- the level of consumption of products in the markets in which we operate;
- the prices we obtain for our services;
- the level of our operating costs, including payments to our general partner; and
- prevailing economic conditions.

Additionally, the actual amount of cash we have available for distribution to our unitholders depends on other factors such as:

- the level of capital expenditures we make;
- the restrictions contained in our debt instruments and our debt service requirements;
- fluctuations in our working capital needs; and
- the amount, if any, of reserves, including reserves for future capital expenditures and other matters, established by our general partner in its discretion.

The amount of cash we have available for distribution to our unitholders depends primarily on our cash flow, including cash flow from operations and working capital borrowings, and not solely on profitability, which will be affected by non-cash items. As a result, we may make cash distributions to our unitholders during periods when we incur net losses and may not make cash distributions to our unitholders during periods when we generate net earnings.

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 GP L.L.C. is our general partner and manages our operations and activities. TransMontaigne GP L.L.C. is an indirect wholly owned subsidiary of TransMontaigne Inc. TransMontaigne Services Inc. is an indirect wholly owned subsidiary of TransMontaigne Inc. TransMontaigne Services Inc. employs the personnel who provide support to TransMontaigne Inc.'s operations, as well as our operations. 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 without its consent because our general partner and its affiliates own units representing approximately 26.7% of our aggregate outstanding limited partner interests. The vote of the holders of at least $66^{2}/3$% of all outstanding common and subordinated units, including any common and subordinated units owned by our general partner and its affiliates but excluding the general partner interest, voting together as a single class, is required to remove our general partner.

One 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.

- Morgan Stanley Capital Group, TransMontaigne Inc. and their 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. This entitles our general partner to consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or any limited partner. 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 or the interests of our other customers.

- 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. Specifically, in determining whether a transaction or resolution is "fair and reasonable," our general partner may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to us.

- 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 shall not have any liability to us or our unitholders for decisions made in its capacity as a general partner so long as it acted in good faith, meaning it believed that the decision was in the best interests of our partnership.

- 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.

- Our general partner may use an amount, equal to $25.9 million as of December 31, 2007, which would not otherwise constitute operating surplus, in order to permit the payment of cash distributions, $7.6 million of which would go to TransMontaigne Inc. and Morgan Stanley Capital Group in the form of distributions on their subordinated units, general partner interest and 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 and its officers and directors will not be liable for monetary damages to us, our limited partners or assignees for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or those other persons acted in bad faith or engaged in fraud or willful misconduct.

- 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 on our behalf.

Cost reimbursements, which will be determined by our general partner, and fees due our general partner and its affiliates for services provided are and will continue to be substantial and will reduce our cash available for distribution to unitholders.

Payments to our general partner are and will continue to be substantial and will reduce the amount of available cash for distribution to unitholders. For the year ended December 31, 2007, we paid TransMontaigne Inc. and its affiliates an administrative fee of approximately $7.0 million, an additional insurance reimbursement of approximately $1.7 million and $1.1 million as reimbursement for incentive payment grants to key employees of TransMontaigne Inc. and its affiliates under the TransMontaigne Services Inc. savings and retention plan. In connection with our acquisition of the Southeast facilities on December 31, 2007, the administrative fee was increased to approximately $10.0 million and the insurance reimbursement was increased to approximately $2.9 million for 2008. Both the administrative fee and the insurance reimbursement are subject to increase in the event we acquire or construct facilities to be managed and operated by TransMontaigne Inc. Our general partner and its affiliates will continue to be entitled to reimbursement for all other direct expenses they incur on our behalf, including the salaries of and the cost of employee benefits for employees working on-site at our terminals and pipelines. Our general partner will determine the amount of these expenses. Our general partner and its affiliates also may provide us other services for which we will be charged fees as determined by our general partner.

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 negotiate for the purchase of the Pensacola terminal 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 this terminal, 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.

Tax Risks

Our tax treatment depends on our status as a partnership for federal income tax purposes, as well as our not being subject to a material amount of 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 a material amount of entity-level taxation for state tax purposes, then our cash available for distribution to unitholders 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 are 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. For the year ended December 31, 2007, we recognized a liability of approximately $115,000 for the Texas margin tax, which is 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, and 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:

- until 2008 our general partner and its affiliates have not used 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 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 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 that 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 3, 2008, there were approximately 18 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 closing prices for our common units as reported on the New York Stock Exchange.

	Low	High
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
January 1, 2007 through March 31, 2007	$ 30.12	$ 37.26
April 1, 2007 through June 30, 2007	$ 34.20	$ 38.47
July 1, 2007 through September 30, 2007	$ 27.75	$ 36.75
October 1, 2007 through December 31, 2007	$ 26.76	$ 34.50

DISTRIBUTIONS OF AVAILABLE CASH

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

	Distribution
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
January 1, 2007 through March 31, 2007	$ 0.47
April 1, 2007 through June 30, 2007	$ 0.50
July 1, 2007 through September 30, 2007	$ 0.50
October 1, 2007 through December 31, 2007	$ 0.52

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.

The terms of our senior secured credit facility may limit our ability to distribute cash under certain circumstances as discussed under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" of this annual report.

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, 2007, there were 9,122,300 common units issued and outstanding. At December 31, 2007, 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	$ 3,723	$ 14,894
Subordinated units and related distribution on general partner units	1,356	5,424
Total	$ 5,079	$ 20,318

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.

The subordination period will extend until the first day of any quarter beginning after June 30, 2010 that each of the following are met:

- distributions of available cash from operating surplus on each outstanding common unit, subordinated unit and general partner unit equaled or exceeded the minimum quarterly distribution for each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date;

- the "adjusted operating surplus" generated during each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date equaled or exceeded the sum of the minimum quarterly distributions on all of the outstanding common units and subordinated units during those periods on a fully diluted basis and the general partner units during those periods; and

- there are no arrearages in payment of the minimum quarterly distribution on the common units.

In addition, if the unitholders remove our general partner other than for cause and units held by our general partner and its affiliates are not voted in favor of such removal:

- the subordination period will end and each subordinated unit will immediately convert into one common unit;
- any existing arrearages in payment of the minimum quarterly distribution on the common units will be extinguished; and
- our general partner will have the right to convert its general partner interest and its incentive distribution rights into common units or to receive cash in exchange for those interests.

Distributions of Available Cash After the Subordination Period

At December 31, 2007, 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 described under "—Early Conversion of Subordinated Units" below.

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.

Early Conversion of Subordinated Units. Before the end of the subordination period, a portion of the subordinated units may convert into common units on a one-for-one basis immediately after the distribution of available cash to partners in respect of any quarter ending on or after:

- June 30, 2008 with respect to 25% of the subordinated units; and
- June 30, 2009 with respect to an additional 25% of the subordinated units.

The early conversions will occur if, at the end of the applicable quarter, each of the three tests described above for terminating the subordination period are met. However, the early conversion of the second 25% of the subordinated units may not occur until at least one year following the early conversion of the first 25% of the subordinated units.

In addition to the early conversion of subordinated units described above, 25% of the subordinated units may convert into common units on a one-for-one basis prior to the end of the subordination period if at the end of a quarter ending on or after June 30, 2008 each of the following occurs:

- distributions of available cash from operating surplus on each outstanding common unit, subordinated unit and general partner unit equaled or exceeded $2.00 (125% of the annualized minimum quarterly distribution) for each of the two consecutive, non-overlapping four-quarter periods immediately preceding that date;
- the "adjusted operating surplus" generated during each of the two consecutive, non-overlapping four-quarter periods immediately preceding that date equaled or exceeded the sum of a

distribution of $2.00 (125% of the annualized minimum quarterly distribution) on all of the outstanding common units and subordinated units on a fully diluted basis and the general partner units during those periods; and

- there are no arrearages in payment of the minimum quarterly distribution on the common units.

This additional early conversion is a one time occurrence.

Finally, 25% of the subordinated units may convert into common units on a one-for-one basis prior to the end of the subordination period if at the end of a quarter ending on or after June 30, 2009 each of the following occurs:

- distributions of available cash from operating surplus on each outstanding common unit and subordinated unit and general partner unit equaled or exceeded $2.24 (140% of the annualized minimum quarterly distribution) for each of the two consecutive, non-overlapping four-quarter periods immediately preceding that date;

- the "adjusted operating surplus" generated during each of the two consecutive, non-overlapping four-quarter periods immediately preceding that date equaled or exceeded the sum of a distribution of $2.24 (140% of the annualized minimum quarterly distribution) on all of the outstanding common units and subordinated units on a fully diluted basis and the general partner units during those periods; and

- there are no arrearages in payment of the minimum quarterly distribution on the common units.

This additional early conversion is a one time occurrence.

For example, if we earn and pay at least $1.60 on each outstanding unit and general partner unit for each of the three four-quarter periods ending June 30, 2008, and if we earn and pay at least $2.00 on each outstanding unit and general partner unit for each of the two four-quarter periods ending June 30, 2008, 50% of the subordinated units will convert into common units with respect to the quarter ending June 30, 2008. If we then earn and pay at least $1.60 on each outstanding unit and general partner unit for each of the three consecutive four-quarter periods ending June 30, 2009, and if we earn and pay at least $2.00 on each outstanding unit and general partner unit for each of the two four-quarter periods ending June 30, 2009, the remaining 50% of the subordinated units will convert into common units.

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.

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 per unit 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, 2007

Purchases of Securities. The following table covers the purchases of our common units by, or on behalf of, Partners during the three months ended December 31, 2007.

Period	Total Number of Common Units Purchased	Average Price Paid per Common Unit	Total Number of Common Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Common Units that May Yet Be Purchased Under the Plans or Programs
October	280	$ 32.21	280	8,880
November	280	$ 29.96	280	8,600
December	280	$ 31.07	280	8,320
	840	$ 31.08	840	

All repurchases were made in the open market pursuant to a program announced on May 7, 2007 for the repurchase, from time to time, of our outstanding common units for purposes of making subsequent grants of restricted phantom units under the TransMontaigne Services Inc. long-term incentive plan to non-officer directors of our general partner. Pursuant to the terms of the repurchase plan, we anticipate repurchasing annually up to 10,000 common units. During the three months ended December 31, 2007, we repurchased 840 common units with approximately $26,100 of aggregate market value for this purpose. Unless we choose to terminate the repurchase program earlier, the repurchase program terminates on the earlier to occur of May 31, 2012; our liquidation, dissolution, bankruptcy or insolvency; the public announcement of a tender or exchange offer for the common units; or a merger, acquisition, recapitalization, business combination or other occurrence of a "Change of Control" under the TransMontaigne Services Inc. long-term incentive plan.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected historical consolidated financial data of TransMontaigne Partners for the periods and as of the dates indicated. The following selected financial data for the years ended December 31, 2007 and 2006, six months ended December 31, 2005 and for each of the years in the three-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, 2007(5)(6)	Year ended December 31, 2006(4)(5)	Six Months Ended December 31, 2005(2)(3)	Years ended June 30, 2005	2004	2003(1)
			(dollars in thousands)			
Statement of Operations Data:						
Revenue	$ 131,651	$ 71,669	$ 22,908	$ 36,093	$ 34,437	$ 17,175
Direct operating costs and expenses	(60,686)	(32,508)	(7,896)	(15,175)	(14,231)	(6,006)
Direct general and administrative expenses	(2,991)	(6,453)	(1,267)	(79)	—	—
Allocated general and administrative expenses	(9,901)	(5,431)	(1,588)	(2,800)	(3,300)	(2,500)
Allocated insurance	(2,837)	(1,525)	(500)	(1,000)	(900)	(500)
Reimbursement of bonus awards	(1,125)	—	—	—	—	—
Depreciation and amortization	(21,432)	(11,750)	(3,461)	(6,154)	(5,903)	(3,588)
Gain on disposition of assets, net	—	—	—	—	6	—
Operating income	32,679	14,002	8,196	10,885	10,109	4,581
Other income (expense):						
Interest income	214	37	4	—	6	—
Interest expense	(6,515)	(3,356)	(969)	(167)	—	—
Amortization of deferred financing costs	(1,236)	(810)	(92)	(15)	—	—
Net earnings	$ 25,142	$ 9,873	$ 7,139	$ 10,703	$ 10,115	$ 4,581
Other Financial Data:						
Net cash provided by operating activities	$ 56,406	$ 25,251	$ 7,833	$ 18,517	$ 16,532	$ 8,469
Net cash (used) by investing activities	$ (155,550)	$ (163,797)	$ (3,042)	$ (3,686)	$ (3,256)	$ (95,949)
Net cash provided (used) by financing activities	$ 97,286	$ 141,310	$ (4,334)	$ (14,592)	$ (13,292)	$ 87,448
Balance Sheet Data:						
Property, plant and equipment, net	$ 417,827	$ 401,613	$ 125,884	$ 116,281	$ 118,012	$ 120,153
Total assets	$ 460,818	$ 441,684	$ 131,036	$ 119,573	$ 120,886	$ 123,806
Long-term debt	$ 132,000	$ 189,621	$ 28,000	$ 28,307	$ —	$ —
Equity	$ 312,830	$ 245,331	$ 100,013	$ 87,425	$ 118,657	$ 121,834

(1) 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.

(2) 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.

(3) 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.

(4) 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.

(5) The consolidated financial statements include the results of operations of the Southeast 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.

(6) The consolidated financial statements include the results of operations of the Mexican LPG operations from the closing date of our acquisition (December 31, 2007). 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, 2007, our operations are composed of:

- seven refined product terminals located in Florida, with an aggregate active storage capacity of approximately 6.0 million barrels, that provide integrated terminaling services to Morgan Stanley Capital Group Inc., other distribution and marketing companies and the United States government;

- one refined product terminal located in Mobile, Alabama with aggregate active storage capacity of approximately 223,000 barrels that provides integrated terminaling services to TransMontaigne Inc. and other distribution and marketing companies;

- a 67-mile, interstate refined products pipeline, which we refer to as the Razorback Pipeline, that currently transports gasolines and distillates for Morgan Stanley Capital Group 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 Morgan Stanley Capital Group 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 Brownsville, Texas with aggregate active storage capacity of approximately 2.1 million barrels that provides integrated terminaling services to TransMontaigne Inc., Morgan Stanley Capital Group Inc., Valero, PMI Trading Ltd. 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 2.8 million barrels and the Baton Rouge, Louisiana dock facility that provide integrated terminaling services to Valero and other distribution and marketing companies.

- twenty two refined product terminals located along the Colonial and Plantation Pipelines ("Southeast terminals") with aggregate active storage capacity of approximately 9.0 million barrels that provides integrated terminaling services to Morgan Stanley Capital Group Inc. and the United States government.

We provide integrated terminaling, storage, transportation and related services for customers engaged in the distribution and marketing of light refined petroleum products, heavy refined petroleum products, crude oil, chemicals, fertilizers and other liquid products including TransMontaigne Inc. and Morgan Stanley Capital Group Inc. Light refined products include gasolines, diesel fuels, heating oil and jet fuels. Heavy refined products include residual fuel oils and asphalt.

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 certain of 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.

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 58%, 60%, 70% and 64% of our revenue for the years ended December 31, 2007 and 2006, six months ended December 31, 2005 and for the year ended June 30, 2005, respectively. TransMontaigne Inc., formed in 1995, is a terminaling, distribution and marketing company that 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. Morgan Stanley Capital Group, a wholly owned subsidiary of Morgan Stanley, 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. TransMontaigne Inc. and Morgan Stanley Capital Group currently rely on us to provide substantially all the integrated terminaling services they require to support their operations along the Gulf Coast, in Brownsville, Texas, along the Mississippi and Ohio rivers, along the Colonial and Plantation pipelines, and in the Midwest. Pursuant to the terms of terminaling services agreements we have executed with TransMontaigne Inc. and Morgan Stanley Capital Group, we expect to continue to derive a majority of our revenue from TransMontaigne Inc. and Morgan Stanley Capital Group for the foreseeable future.

We are controlled by our general partner, TransMontaigne GP L.L.C., which is an indirect wholly owned subsidiary of TransMontaigne Inc. Effective September 1, 2006, Morgan Stanley Capital Group Inc. purchased all of the issued and outstanding capital stock of TransMontaigne Inc. 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 26.2% limited partner interest, a 2% general partner interest and the incentive distribution rights.

SIGNIFICANT DEVELOPMENTS DURING THE YEAR ENDED DECEMBER 31, 2007

On January 19, 2007, we announced a distribution of $0.43 per unit for the period from October 1, 2006 through December 31, 2006, payable on February 7, 2007 to unitholders of record on January 31, 2007.

On April 13, 2007, we filed a shelf registration statement with the Securities and Exchange Commission to issue up to $1.0 billion of common units and debt securities pursuant to one or more offerings in the future.

On April 20, 2007, we announced a distribution of $0.47 per unit for the period from January 1, 2007 through March 31, 2007, payable on May 8, 2007 to unitholders of record on April 30, 2007.

On May 7, 2007, 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 non-executive directors of our general partner. As of December 31, 2007, we have repurchased 1,680 common units pursuant to the program.

Effective June 1, 2007, we entered into a terminaling services agreement with Morgan Stanley Capital Group that replaced our terminaling services agreement with TransMontaigne Inc. relating to our Florida, Mt. Vernon, Missouri and Rogers, Arkansas terminals. The initial term expires on May 31, 2014. 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 prior to the end of the initial term or the then current renewal term. Under this agreement, Morgan Stanley Capital Group has agreed to throughput a volume of refined product that will result in minimum throughput payments to us of approximately $30.3 million for the contract year ending May 31, 2008; with stipulated annual increases in throughput payments each contract year thereafter.

On May 23, 2007, we issued, pursuant to an underwritten public offering, 4.8 million common units representing limited partner interests at a public offering price of $36.80 per common unit. On June 20, 2007, the underwriters of our secondary offering exercised a portion of their over-allotment option to purchase an additional 349,800 common units representing limited partnership interests at a price of $36.80 per common unit. The net proceeds from the offering were approximately $179.9 million, after deducting underwriting discounts, commissions, and offering expenses of approximately $9.6 million. Additionally, TransMontaigne GP L.L.C., our general partner, made a cash contribution of approximately $3.9 million to us to maintain its 2% general partner interest.

On May 23, 2007, we repaid in full our $75 million term loan outstanding under the senior secured credit facility.

On July 12, 2007, we amended the senior secured credit facility to increase the amount of revolving credit permissible under the facility from $150 million to $200 million.

On July 20, 2007, we announced a distribution of $0.50 per unit for the period from April 1, 2007 through June 30, 2007, payable on August 7, 2007 to unitholders of record on July 31, 2007.

On September 18, 2007, we signed a binding letter of intent with Rio Vista Energy Partners L.P. ("Rio Vista") to acquire Rio Vista's LPG terminal facility in Matamoras, Mexico; two pipelines, together with associated rights of way and easements, which run from Brownsville, Texas to Matamoras, Mexico; and a permit to distribute liquefied petroleum gas to Mexico's state-owned petroleum company. On December 31, 2007, we closed on the Rio Vista acquisition for a cash payment of approximately $9.0 million.

On October 19, 2007, we announced a distribution of $0.50 per unit for the period from July 1, 2007 through September 30, 2007, payable on November 6, 2007 to unitholders of record on October 31, 2007.

On December 31, 2007, we acquired from TransMontaigne Inc. the Southeast terminals for a cash payment of approximately $118.6 million. We financed the acquisition through additional borrowings under our amended and restated senior secured credit facility. In connection with the acquisition of the Southeast terminals, we entered into a terminaling services agreement with Morgan Stanley Capital Group. The terminaling services agreement commences on January 1, 2008 and has a seven-year term expiring on December 31, 2014, subject to a seven-year renewal option at the election of Morgan Stanley Capital Group. Under this agreement, Morgan Stanley Capital Group has agreed to throughput a volume of refined product that will result in minimum throughput payments to us of approximately

$31.6 million for the contract year ending December 31, 2008; with stipulated annual increases in throughput payments each contract year thereafter.

SUBSEQUENT EVENTS

On January 7, 2008, we announced changes to the board of directors and senior management team of TransMontaigne GP L.L.C., our general partner. The following officer appointments became effective January 1, 2008: Gregory J. Pound as President and Chief Operating Officer of our general partner and operating subsidiaries; Frederick W. Boutin as Chief Financial Officer of our general partner and operating subsidiaries; and Deborah A. Davis as Chief Accounting Officer of our general partner and operating subsidiaries. Randall J. Larson will continue to serve as Chief Executive Officer of our general partner and operating subsidiaries. Also effective January 1, 2008, William S. Dickey resigned as Executive Vice President, Chief Operating Officer and member of the board of directors of the general partner.

On January 18, 2008, we announced a distribution of $0.52 per unit for the period from September 1, 2007 through December 31, 2007, payable on February 5, 2008 to unitholders of record on January 31, 2008.

At the March 5, 2008 meeting of the board of directors of our general partner, Donald H. Anderson, D. Dale Shaffer and Rex L. Utsler resigned as members of the board of directors, all to be effective March 17, 2008. In connection with their respective resignations, Messrs. Anderson, Shaffer and Utsler did not indicate that there were any disagreements between any of them and us or members of the board of directors of our general partner regarding our operations, policies or procedures. These changes were requested by representatives of Morgan Stanley Capital Group Inc. who serve on the board of directors of TransMontaigne Inc., which is the indirect owner of our general partner. To fill the resulting vacancies, the following individuals were appointed to the board of directors of our general partner, effective March 17, 2008: Duke R. Ligon as an independent director and Olav Refvik and Stephen R. Munger as affiliated directors. Mr. Munger was also appointed to serve as Chairman of the board of directors of our general partner. Based upon these appointments, and the anticipated appointment of a new independent director to fill the vacancy created by the resignation of William S. Dickey as a director of our general partner effective January 1, 2008, the board of directors of our general partner will be comprised of seven directors, three of who are affiliated directors and four of who are independent directors.

NATURE OF REVENUE AND EXPENSES

We derive revenue 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. Terminaling storage fees generally are based on a rate per barrel of storage capacity per month and vary with the duration of the terminaling services 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 certain tank capacity at our Port Everglades (South) terminal for a major oil company and receive a reimbursement of its proportionate share of operating and maintenance costs. We manage and operate for another major oil company two terminals that are adjacent to our Southeast facilities and receive a reimbursement of its proportionate share of operating and maintenance costs. We also manage and operate for an affiliate of Mexico's state-owned petroleum company a bi-directional products pipeline connected to our Brownsville, Texas terminal facility and receive a management fee and reimbursement of costs.

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 our affiliates resulting from the excess of product deposited by certain of 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 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, 2007, our allowance for doubtful accounts was approximately $150,000. 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, 2007, we have an accrued liability of approximately $1.1 million 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. Pursuant to the omnibus agreement and subsequent facilities purchase agreements with TransMontaigne Inc., 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 our date of acquisition from TransMontaigne Inc., up to a maximum liability (not to exceed $15.0 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, not to exceed $15.0 million for the Brownsville and River terminals acquired on December 29, 2006, and not to exceed $15.0 million for the Southeast terminals acquired on December 31, 2007) for these indemnification obligations (see Note 2 of Notes to consolidated financial statements).

RESULTS OF OPERATIONS—YEARS ENDED DECEMBER 31, 2007 AND 2006, SIX MONTHS ENDED DECEMBER 31, 2005 AND YEAR ENDED JUNE 30, 2005

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 $135.0 million. On December 31, 2007, we acquired from TransMontaigne Inc. 22 terminals along the Colonial and Plantation pipelines (the "Southeast terminals") for a cash payment of approximately $118.6 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 Southeast terminals by Morgan Stanley Capital Group, completed in September 2006 when it acquired TransMontaigne Inc., and subsequent acquisition by us from TransMontaigne Inc. in December 2007;
- 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; and
- the purchase of five Florida terminals by TransMontaigne Inc., completed in February 2003, and subsequent acquisition by us from TransMontaigne Inc. in May 2005.

Selected results of operations data for each of the quarters in the years ended December 31, 2007 and 2006, six months ended December 31, 2005 and for the year ended June 30, 2005, are summarized below (in thousands):

	Three months ended				
	March 31, 2007	**June 30, 2007**	**September 30, 2007**	**December 31, 2007**	**Year ended December 31, 2007**
Revenue	$ 32,700	$ 32,204	$ 31,921	$ 34,826	$ 131,651
Direct operating costs and expenses	(13,945)	(15,262)	(14,413)	(17,066)	(60,686)
Direct general and administrative expenses	(894)	(461)	(288)	(1,348)	(2,991)
Allocated general and administrative expenses	(2,456)	(2,467)	(2,489)	(2,489)	(9,901)
Allocated insurance expense	(717)	(717)	(717)	(686)	(2,837)
Reimbursement of bonus awards	—	(375)	(375)	(375)	(1,125)
Depreciation and amortization	(4,965)	(5,430)	(5,481)	(5,556)	(21,432)
Operating income	9,723	7,492	8,158	7,306	32,679
Other expense, net	(3,911)	(3,279)	(242)	(105)	(7,537)
Net earnings	$ 5,812	$ 4,213	$ 7,916	$ 7,201	$ 25,142

	Three months ended				
	March 31, 2006	**June 30, 2006**	**September 30, 2006**	**December 31, 2006**	**Year ended December 31, 2006**
Revenue	$ 12,090	$ 11,563	$ 17,433	$ 30,583	$ 71,669
Direct operating costs and expenses	(4,527)	(5,647)	(7,665)	(14,669)	(32,508)
Direct general and administrative expenses	(1,100)	(672)	(3,761)	(920)	(6,453)
Allocated general and administrative expenses	(812)	(822)	(1,370)	(2,427)	(5,431)
Allocated insurance expense	(250)	(250)	(383)	(642)	(1,525)
Depreciation and amortization	(1,942)	(1,790)	(2,887)	(5,131)	(11,750)
Operating income	3,459	2,382	1,367	6,794	14,002
Other expense, net	(740)	(845)	(937)	(1,607)	(4,129)
Net earnings	$ 2,719	$ 1,537	$ 430	$ 5,187	$ 9,873

	Three months ended		Six months ended
	September 30, 2005	December 31, 2005	December 31, 2005
Revenue	$ 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 expense, net	(509)	(548)	(1,057)
Net earnings	$ 3,373	$ 3,766	$ 7,139

	Three months ended				Year ended
	September 30, 2004	December 31, 2004	March 31, 2005	June 30, 2005	June 30, 2005
Revenue	$ 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 expense, net	—	—	—	(182)	(182)
Net earnings	$ 1,985	$ 2,023	$ 3,363	$ 3,332	$ 10,703

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

	Year ended December 31, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005
Throughput and additive injection fees, net	$ 75,005	$ 36,659	$ 12,004	$ 5,374	$ 11,893
Terminaling storage fees	34,901	18,946	5,270	9,015	18,014
	109,906	55,605	17,274	14,389	29,907
Pipeline transportation fees	1,996	2,449	1,226	1,098	2,242
Management fees and reimbursed costs	1,724	1,521	634	64	221
Other	18,025	12,094	3,774	1,141	3,723
Revenue	$ 131,651	$ 71,669	$ 22,908	$ 16,692	$ 36,093

The revenue of our business segments was as follows (in thousands):

	Year ended December 31, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005
Gulf Coast terminals	$ 44,669	$ 40,037	$ 19,773	$ 14,583	$ 31,600
Midwest terminals and pipeline system	5,797	6,783	3,135	2,109	4,493
Brownsville terminal (since September 1, 2006)	15,672	4,248	—	—	—
River terminals (since September 1, 2006)	19,511	5,717	—	—	—
Southeast terminals (since September 1, 2006)	46,002	14,884	—	—	—
Revenue	$ 131,651	$ 71,669	$ 22,908	$ 16,692	$ 36,093

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 years ended December 31, 2007 and 2006 and the six months ended December 31, 2005, the Mobile terminal contributed approximately $2.5 million, $3.7 million and $1.4 million, respectively, in revenue.

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 years ended December 31, 2007 and 2006 and the six months ended December 31, 2005, the Oklahoma City terminal contributed approximately $0.9 million, $1.1 million and $0.2 million, respectively, in revenue.

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.

Effective December 31, 2007, we acquired the Southeast terminals from TransMontaigne Inc. The Southeast terminals 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 certain of 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, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005
Gulf Coast terminals	$ 28,683	$ 21,523	$ 10,807	$ 4,497	$ 10,077
Midwest terminals and pipeline system	2,976	3,027	1,197	877	1,816
Brownsville terminal (since September 1, 2006)	6,590	1,351	—	—	—
River terminals (since September 1, 2006)	3,891	1,221	—	—	—
Southeast terminals (since September 1, 2006)	32,865	9,537	—	—	—
Throughput and additive injection fees, net	$ 75,005	$ 36,659	$ 12,004	$ 5,374	$ 11,893

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. Effective January 1, 2007, we amended our Terminal Services Agreement with TransMontaigne Inc. to include a minimum monthly throughput fee associated with certain tank capacity at our Florida terminals. Effective April 1, 2007, we entered into a Terminaling Services Agreement with TransMontaigne Inc. for additional tank capacity at our Florida terminals. Effective June 1, 2007, we entered into a Terminaling Services Agreement with Morgan Stanley Capital Group that replaced our terminaling services agreement with TransMontaigne Inc. relating to our Florida, Mt. Vernon, Missouri and Rogers, Arkansas terminals.

The cumulative effect of the changes to these Terminaling Services Agreements resulted in approximately $6.9 million of additional throughput and additive injection fees, net for the year ended December 31, 2007 as compared to the year ended December 31, 2006.

Effective June 1, 2005, we converted the fees charged on heavy oil volumes included in our Terminaling Services Agreement with TransMontaigne Inc. at our Gulf Coast terminals from a storage agreement to a throughput agreement. The throughput fees charged on heavy oil volumes were approximately $9.8 million for the year ended December 31, 2007, $6.4 million for the year ended December 31, 2006, $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 throughput and additive injection fees, net for the years ended December 31, 2007 and 2006, six months ended December 31, 2005, and for the year ended June 30, 2005 are fees charged to TransMontaigne Inc. and Morgan Stanley Capital Group of approximately $60.1 million, $30.6 million, $11.5 million, and $11.8 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 rate per barrel of storage capacity per month and vary with the duration of the terminaling services agreement and the type of product. The terminaling storage fees by business segments were as follows (in thousands):

	Year ended December 31, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005
Gulf Coast terminals	$ 9,872	$ 10,786	$ 5,270	$ 9,015	$ 18,014
Midwest terminals and pipeline system	—	—	—	—	—
Brownsville terminal (since September 1, 2006)	5,209	1,967	—	—	—
River terminals (since September 1, 2006)	15,051	4,315	—	—	—
Southeast terminals (since September 1, 2006)	4,769	1,878	—	—	—
Terminaling storage fees	$ 34,901	$ 18,946	$ 5,270	$ 9,015	$ 18,014

Effective April 1, 2007, certain Florida terminal storage agreements with third party customers expired, resulting in a decline of approximately $1.9 million in terminaling storage fees for the year ended December 31, 2007. Upon expiration of these agreements, we granted TransMontaigne Inc. (and subsequently Morgan Stanley Capital Group) the right to throughput additional products utilizing that tank capacity pursuant to their Terminaling Services Agreement.

Included in terminaling storage fees for the years ended December 31, 2007 and 2006, six months ended December 31, 2005 and for the year ended June 30, 2005 are fees charged to TransMontaigne Inc. and Morgan Stanley Capital Group of approximately $3.1 million, $0.6 million, $nil, and $8.4 million, respectively.

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 years ended December 31, 2007 and 2006, six months ended December 31, 2005, and for the year ended June 30, 2005, are fees charged to TransMontaigne Inc. and Morgan Stanley Capital Group of approximately $2.0 million, $2.4 million, $1.2 million, and $2.2 million, respectively.

Management Fees and Reimbursed Costs. We manage and operate for a major oil company certain tank capacity at one of our Florida terminals and receive a reimbursement of their proportionate share of operating and maintenance costs. We manage and operate for another major oil company two terminals that are adjacent to our Southeast facilities and receive a reimbursement of their proportionate share of operating and maintenance costs. We also manage and operate for an affiliate of Mexico's state-owned petroleum 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. For the year ended December 31, 2006, we recognized management fees of approximately $756,000 for managing and operating certain tank capacity on behalf of TransMontaigne Inc. The management fees and reimbursed costs by business segments were as follows (in thousands):

	Year ended December 31, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005
Gulf Coast terminals	$ 165	$ 954	$ 634	$ 64	$ 221
Midwest terminals and pipeline system	—	—	—	—	—
Brownsville terminal (since September 1, 2006)	1,171	365	—	—	—
River terminals (since September 1, 2006)	—	—	—	—	—
Southeast terminals (since September 1, 2006)	388	202	—	—	—
Management fees and reimbursed costs	$ 1,724	$ 1,521	$ 634	$ 64	$ 221

Included in management fees and reimbursed costs for the years ended December 31, 2007 and 2006, six months ended December 31, 2005, and for the year ended June 30, 2005, are fees charged to TransMontaigne Inc. of approximately $nil, $0.8 million, $0.6 million, and $0.1 million, respectively.

Other Revenue. We provide ancillary services including heating and mixing of stored products, product transfer services, railcar handling, wharfage fees and vapor recovery fees. We also recognize gains from the sale of product to our affiliates resulting from the excess of product deposited by certain of 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, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005
Gulf Coast terminals	$ 5,949	$ 6,774	$ 3,062	$ 1,007	$ 3,288
Midwest terminals and pipeline system	825	1,307	712	134	435
Brownsville terminal (since September 1, 2006)	2,702	565	—	—	—
River terminals (since September 1, 2006)	569	181	—	—	—
Southeast terminals (since September 1, 2006)	7,980	3,267	—	—	—
Other revenue	$ 18,025	$ 12,094	$ 3,774	$ 1,141	$ 3,723

Effective September 1, 2006, we amended our Terminaling Services Agreement with TransMontaigne Inc. to eliminate the retention by us of a loss allowance on product receipts at our Florida terminals. We continue to retain a loss allowance on product receipts at our Mobile and Oklahoma City terminals. The value of product retained under loss allowance provisions in our terminaling services agreement with customers was approximately $1.1 million, $3.3 million, $1.7 million, and $nil for the years ended December 31, 2007 and 2006, six months ended December 31, 2005, and for the year ended June 30, 2005, respectively.

Included in other revenue for the years ended December 31, 2007 and 2006, six months ended December 31, 2005, and for the year ended June 30, 2005, are product gains, including product retained under loss allowance provisions in our terminaling services agreements with customers, of approximately $10.5 million, $8.7 million, $3.3 million, and $1.4 million, respectively.

We charge fees to our customers for heating certain products stored at our terminals. Included in other revenue for the years ended December 31, 2007 and 2006, six months ended December 31, 2005, and for the year ended June 30, 2005, are fees charged for the recovery of utility costs to heat certain products stored at our terminals of approximately $4.4 million, $2.5 million, $0.3 million, and $1.8 million, respectively.

Included in other revenue for the years ended December 31, 2007 and 2006, six months ended December 31, 2005, and for the year ended June 30, 2005, are fees charged to TransMontaigne Inc. and Morgan Stanley Capital Group of approximately $11.8 million, $8.7 million, $2.8 million, and $0.6 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, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005
Wages and employee benefits	$ 18,189	$ 9,330	$ 2,700	$ 2,532	$ 4,975
Utilities and communication charges	7,290	4,169	1,047	1,187	2,507
Repairs and maintenance	22,116	11,560	1,748	2,106	3,413
Office, rentals and property taxes	5,989	3,318	1,187	1,042	2,138
Vehicles and fuel costs	2,575	2,042	794	494	1,102
Environmental compliance costs	3,754	2,308	317	225	489
Other	824	669	103	154	551
Less—property and environmental insurance recoveries	(51)	(888)	—	—	—
Direct operating costs and expenses	$ 60,686	$ 32,508	$ 7,896	$ 7,740	$ 15,175

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

	Year ended December 31, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005
Gulf Coast terminals	$ 18,711	$ 19,123	$ 7,123	$ 7,058	$ 14,014
Midwest terminals and pipeline system	2,519	2,117	773	682	1,161
Brownsville terminal (since September 1, 2006)	9,039	2,586	—	—	—
River terminals (since September 1, 2006)	6,716	2,365	—	—	—
Southeast terminals (since September 1, 2006)	23,701	6,317	—	—	—
Direct operating costs and expenses	$ 60,686	$ 32,508	$ 7,896	$ 7,740	$ 15,175

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 years ended December 31, 2007 and 2006 and the six months ended December 31, 2005, the Mobile terminal contributed approximately $1.2 million, $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 years ended December 31, 2007 and 2006 and the six months ended December 31, 2005, the Oklahoma City terminal contributed approximately $0.6 million, $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.

Effective December 31, 2007, we acquired the Southeast terminals from TransMontaigne Inc. The Southeast terminals 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 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, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005
Accounting and tax expenses	$ 1,268	$ 1,099	$ 478	$ —	$ —
Legal expenses	1,054	631	296	—	—
Independent director fees and investor relations expenses	322	291	60	—	10
Amortization of deferred equity-based compensation	66	610	323	—	48
Acceleration of vesting of all outstanding restricted phantom units and restricted common units	—	3,258	—	—	—
Provision for potentially uncollectible accounts receivable	83	75	—	—	—
Other	198	489	110	—	21
Direct general and administrative expenses	$ 2,991	$ 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 $9.9 million for the year ended December 31, 2007, $5.4 million for the year ended December 31, 2006, $1.6 million for the six months ended December 31, 2005, $1.4 million for the six months ended December 31, 2004, and $2.8 million for the year ended June 30, 2005. For the year ended December 31, 2007, allocated general and administrative expenses include approximately $2.9 million related to the Southeast terminals. For the year ended December 31, 2006, allocated general and administrative expenses include approximately $1.2 million related to the Brownsville and River terminals and $0.9 million related to the Southeast 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 $2.8 million for the year ended December 31, 2007, $1.5 million for the year ended December 31, 2006, $0.5 million for the six months ended December 31, 2005, $0.5 million for the six months ended December 31, 2004, and $1.0 million for the year ended June 30, 2005. For the year ended December 31, 2007, allocated insurance expense includes approximately $1.2 million related to the Southeast terminals. For the year ended December 31, 2006, allocated insurance expense includes approximately $0.2 million related to the Brownsville and River terminals and $0.3 million related to the Southeast terminals.

The accompanying consolidated financial statements also include amounts paid to TransMontaigne Services Inc. as a partial reimbursement of bonus awards granted by TransMontaigne Services Inc. to certain key officers and employees that vest over future service periods. The reimbursement of bonus awards were approximately $1.1 million for the year ended December 31, 2007.

Depreciation and amortization expense was approximately $21.4 million for the year ended December 31, 2007, $11.8 million for the year ended December 31, 2006, $3.5 million for the six months ended December 31, 2005, $3.0 million for the six months ended December 31, 2004, and $6.2 million for the year ended June 30, 2005. For the year ended December 31, 2007, depreciation and amortization expense includes approximately $8.1 million related to the Southeast terminals. For the year ended December 31, 2006, depreciation and amortization expense includes approximately $1.8 million related to the Brownsville and River terminals and $2.6 million related to the Southeast 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.

On May 23, 2007, we issued, pursuant to an underwritten public offering, 4.8 million common units representing limited partner interests at a public offering price of $36.80 per common unit. On June 20, 2007, the underwriters of our secondary offering exercised a portion of their over-allotment option to purchase an additional 349,800 common units representing limited partnership interests at a price of $36.80 per common unit. The net proceeds from the offering are approximately $179.9 million, after deducting underwriting discounts, commissions, and offering expenses of approximately $9.6 million. Additionally, TransMontaigne GP L.L.C., our general partner, made a cash contribution of approximately $3.9 million to us to maintain its 2% general partner interest.

Excluding acquisitions, capital expenditures for the years ended December 31, 2007 and 2006, six months ended December 31, 2005 and for the year ended June 30, 2005, were approximately $28.0 million, $11.3 million, $1.2 million and $3.7 million, respectively, for terminal and pipeline facilities and assets to support these facilities. Excluding acquisitions, capital expenditures during the year ending December 31, 2008, are estimated to range from $45 million to $55 million, which includes approximately $6.3 million of capital expenditures to maintain our existing facilities. The budgeted capital projects include the following:

Terminal	Description of project	Incremental storage capacity	Expected completion
		(in Bbls)	
Brownsville	Increase LPG tank capacity	19,000	1H 2008
Gulf Coast	Renewable fuels blending functionality		2H 2008
Tampa	Increase light oil tank capacity	250,000	2H 2008
	Improve truck rack capacity and functionality		2H 2009
Port Everglades	Increase light oil and residual oil tank capacity	975,000	2H 2009
	Improve truck rack capacity and functionality		2H 2009
Southeast	Renewable fuels blending functionality		2H 2009

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 with a consortium of lending institutions. At December 31, 2007 and 2006, our outstanding borrowings under the senior secured credit facility were approximately $132.0 million and $189.6 million, respectively. At December 31, 2007 and 2006, our outstanding letters of credit were approximately $130,000 and $210,000, respectively.

At December 31, 2006, the senior secured credit facility was composed of a $75 million term loan facility and a $150 million revolving credit facility. During the year ended December 31, 2007, we repaid the $75 million term loan outstanding under the senior secured credit facility with a portion of the proceeds from our May 2007 secondary offering of common units. On July 12, 2007, we amended the senior secured credit facility to increase the maximum amount of the revolving credit line from $150 million to $200 million. At December 31, 2007, the senior secured credit facility provides for a maximum borrowing line of credit equal to the lesser of (i) $200 million and (ii) four times Consolidated EBITDA (as defined: $212 million at December 31, 2007). In addition, at our request, the revolving loan commitment can be increased up to an additional $50 million, in the aggregate, without the approval of the lenders, but subject to the approval of the administrative agent and the receipt of additional commitments from one or more lenders. 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. 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 credit facility are (i) a total leverage ratio test (not to exceed 4.5 times), (ii) a senior secured leverage ratio test (not to exceed 4.0 times), and (iii) a minimum interest coverage ratio test (not to be less than 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."

The calculation of the "total leverage ratio," "senior secured leverage ratio" and "interest coverage ratio" contained in the senior secured credit facility is as follows (in thousands, except ratios):

	Three Months Ended				Twelve Months Ended
	March 31, 2007	June 30, 2007	September 30, 2007	December 31, 2007	December 31, 2007
Financial performance debt covenant test:					
Consolidated EBITDA for the total leverage ratio, as stipulated in the credit facility	$ 13,595	$ 12,417	$ 13,174	$ 13,767	$ 52,953
Consolidated funded indebtedness					$ 132,000
Total leverage ratio and senior secured leverage ratio					2.5x
Consolidated EBITDA for the interest coverage ratio	$ 9,361	$ 8,183	$ 8,940	$ 9,533	$ 36,017
Consolidated interest expense, as stipulated in the credit facility	$ 3,783	$ 2,377	$ 150	$ (9)	$ 6,301
Interest coverage ratio					5.7x
Reconciliation of Consolidated EBITDA to cash flows provided by (used in) operating activities:					
Consolidated EBITDA for total leverage ratio	$ 13,595	$ 12,417	$ 13,174	$ 13,767	$ 52,953
Less pro forma adjustments	(4,234)	(4,234)	(4,234)	(4,234)	(16,936)
Consolidated EBITDA for interest coverage ratio	9,361	8,183	8,940	9,533	36,017
Consolidated interest expense	(3,783)	(2,377)	(150)	9	(6,301)
Effects of our acquisition of Southeast terminals	—	—	—	18,160	18,160
Amounts due under long-term terminaling services agreements	—	—	—	(724)	(724)
Change in operating assets and liabilities	(2,843)	3,518	5,705	2,874	9,254
Cash flows provided by operating activities	$ 2,735	$ 9,324	$ 14,495	$ 29,852	$ 56,406

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, 2007, are as follows (in thousands):

	Years ending December 31,					
	2008	2009	2010	2011	2012	Thereafter
Additions to property, plant and equipment under contract	$ 16,970	$ 5,330	$ —	$ —	$ —	$ —
Operating leases—property and equipment	756	703	646	260	137	1,063
Long-term debt	—	—	—	132,000	—	—
Interest expense on debt(1)	9,900	9,900	9,900	9,900	—	—
Total contractual obligations to be settled in cash	$ 27,626	$ 15,933	$ 10,546	$ 142,160	$ 137	$ 1,063

(1) Assumes that our outstanding long-term debt at December 31, 2007 remains outstanding until its maturity date and we incur interest expense at 7.5%.

Off-Balance Sheet Arrangements. At December 31, 2007, our outstanding letters of credit were approximately $0.1 million.

See Notes 2, 9, 10 and 13 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, 2007, we had outstanding borrowings of $132.0 million under our senior secured credit facility. Based on the outstanding balance of our variable-interest-rate debt at December 31, 2007, and assuming market interest rates increase or decrease by 100 basis points, the potential annual increase or decrease in interest expense is approximately $1.3 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 certain of 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 Morgan Stanley Capital Group. 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

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 (Company) as of December 31, 2007, 2006 and 2005, and the related consolidated statements of operations, partners' equity, and cash flows for the years ended December 31, 2007 and 2006, the six months ended December 31, 2005, and for the year 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, 2007, 2006 and 2005, and the results of their operations and their cash flows for the years ended December 31, 2007 and 2006, the six months ended December 31, 2005, and for the year 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, 2007, 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 7, 2008 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

KPMG LLP

Denver, Colorado
March 7, 2008

TransMontaigne Partners L.P. and subsidiaries

Consolidated balance sheets

(Dollars in thousands)

	December 31, 2007	December 31, 2006	December 31, 2005
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,604	$ 3,462	$ 698
Trade accounts receivable, net	4,409	4,490	1,003
Due from TransMontaigne Inc. and Morgan Stanley Capital Group	2,708	13	1,212
Other current assets	2,874	2,037	338
	11,595	10,002	3,251
Property, plant and equipment, net	417,827	401,613	125,884
Goodwill	24,737	23,235	—
Other assets, net	6,659	6,834	1,901
	$ 460,818	$ 441,684	$ 131,036
LIABILITIES AND EQUITY			
Current liabilities:			
Trade accounts payable	$ 2,545	$ 4,995	$ 1,784
Accrued liabilities	13,443	1,737	1,239
Total current liabilities	15,988	6,732	3,023
Long-term debt	132,000	189,621	28,000
Total liabilities	147,988	196,353	31,023
Partners' equity:			
Predecessor equity	—	167,466	9,625
Common unitholders (9,122,300 units, 3,972,500 units and 3,972,500 units issued and outstanding at December 31, 2007, 2006 and 2005, respectively)	250,351	72,852	75,474
Subordinated unitholders (3,322,266 units issued and outstanding at December 31, 2007, 2006 and 2005, respectively)	58,819	4,866	14,581
General partner interest (2% interest with 253,971 equivalent units, 148,873 equivalent units and 148,873 equivalent units outstanding at December 31, 2007, 2006 and 2005, respectively)	3,660	147	333
Total partners' equity	312,830	245,331	100,013
	$ 460,818	$ 441,684	$ 131,036

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, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004 (unaudited)	Year ended June 30, 2005
Revenue:					
External customers	$ 54,711	$ 28,612	$ 6,805	$ 6,113	$ 13,037
Affiliates	76,940	43,057	16,103	10,579	23,056
	131,651	71,669	22,908	16,692	36,093
Costs and expenses:					
Direct operating costs and expenses	(60,686)	(32,508)	(7,896)	(7,740)	(15,175)
Direct general and administrative expenses	(2,991)	(6,453)	(1,267)	—	(79)
Allocated general and administrative expenses	(9,901)	(5,431)	(1,588)	(1,400)	(2,800)
Allocated insurance expense	(2,837)	(1,525)	(500)	(500)	(1,000)
Reimbursement of bonus awards	(1,125)	—	—	—	—
Depreciation and amortization	(21,432)	(11,750)	(3,461)	(3,044)	(6,154)
Operating income	32,679	14,002	8,196	4,008	10,885
Other income (expense):					
Interest income	214	37	4	—	—
Interest expense	(6,515)	(3,356)	(969)	—	(167)
Amortization of deferred financing costs	(1,236)	(810)	(92)	—	(15)
Total other income (expense), net	(7,537)	(4,129)	(1,057)	—	(182)
Net earnings	25,142	9,873	7,139	4,008	10,703
Less:					
Net earnings attributable to predecessor	(10,044)	(6,607)	(472)	(4,008)	(9,730)
General partner interest in net earnings	(302)	(66)	(133)	—	(19)
Net earnings allocable to limited partners	$ 14,796	$ 3,200	$ 6,534	$ —	$ 954
Net earnings per limited partner unit—basic	$ 1.42	$ 0.44	$ 0.90	$ —	$ 0.13
Net earnings per limited partner unit—diluted	$ 1.42	$ 0.44	$ 0.90	$ —	$ 0.13
Weighted average limited partner units outstanding—basic	10,400	7,283	7,295	—	7,295
Weighted average limited partner units outstanding—diluted	10,401	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, 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
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
Purchase of Southeast terminals by Predecessor	168,438	—	—	—	—	168,438
Acquisition of Brownsville and River terminals from Predecessor in exchange for $135 million	(138,505)	—	3,505	—	—	(135,000)
Distributions and repayments, net to Predecessor	(5,653)	—	—	—	—	(5,653)
Net earnings for year ended December 31, 2006	6,607	1,740	1,460	66	—	9,873
Balance December 31, 2006	167,466	72,852	4,866	147	—	245,331
Proceeds from secondary offering of 5,149,800 common units, net of underwriters' discounts and offering expenses of $9,567	—	179,946	—	—	—	179,946
Contribution of cash by TransMontaigne GP to maintain its 2% general partner interest	—	—	—	3,867	—	3,867
Contribution by TransMontaigne Inc. of capital improvements to the Brownsville and River terminals	—	—	6,273	—	—	6,273
Distributions to unitholders	—	(12,712)	(6,311)	(656)	—	(19,679)
Amortization of deferred equity-based compensation related to restricted common units	—	66	—	—	—	66
Repurchase of 1,680 common units by our long-term incentive plan	—	(54)	—	—	—	(54)
Acquisition of Southeast terminals from Predecessor in exchange for $118.6 million	(168,047)	—	49,448	—	—	(118,599)
Distributions and repayments, net to Predecessor	(9,463)	—	—	—	—	(9,463)
Net earnings for year ended December 31, 2007	10,044	10,253	4,543	302	—	25,142

Balance December 31, 2007	$ —	$ 250,351	$ 58,819	$ 3,660	$ —	$ 312,830

See accompanying notes to consolidated financial statements.

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of cash flows

(In thousands)

	Year ended December 31, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005
				(unaudited)	
Cash flows from operating activities:					
Net earnings	$ 25,142	$ 9,873	$ 7,139	$ 4,008	$ 10,703
Adjustments to reconcile net earnings to net cash provided (used) by operating activities:					
Depreciation and amortization	21,432	11,750	3,461	3,044	6,154
Amortization of deferred equity-based compensation	66	610	323	—	48
Acceleration of vesting of all outstanding restricted phantom units and restricted common units	—	3,258	—	—	—
Amortization of deferred financing costs	1,236	810	92	—	15
Amounts due under long-term terminaling services agreements	(724)	—	—	—	—
Changes in operating assets and liabilities, net of effects from acquisitions:					
Trade accounts receivable, net	(4,632)	(2,397)	(439)	376	290
Due from TransMontaigne Inc.	5,221	1,199	(1,199)	—	(14)
Other current assets	(1,772)	(859)	(36)	(156)	(54)
Trade accounts payable	(102)	1,400	(403)	736	1,234
Accrued liabilities	10,539	(393)	(1,105)	(738)	141
Net cash provided by operating activities	56,406	25,251	7,833	7,270	18,517
Cash flows from investing activities:					
Acquisition of terminal facilities, net of cash acquired	(127,560)	(152,915)	(1,858)	—	—
Additions to property, plant and equipment—expansion of facilities	(18,390)	(9,035)	(722)	(880)	(2,332)
Additions to property, plant and equipment—maintain existing facilities	(9,600)	(2,224)	(462)	(502)	(1,354)
Reimbursement of costs to maintain our Port Everglades (South) terminal	—	377	—	—	—
Net cash (used) by investing activities	(155,550)	(163,797)	(3,042)	(1,382)	(3,686)
Cash flows from financing activities:					
Net proceeds from issuance of common units	179,946	—	—	—	72,932
Net proceeds from issuance of subordinated units	—	—	—	—	7,945
Contribution of cash by TransMontaigne GP	3,867	—	—	—	—
Net (payments) borrowings under credit facility	(57,621)	161,621	(307)	—	28,307
Distributions paid to unitholders	(19,679)	(12,418)	(4,027)	—	—
Deferred financing costs	(1,027)	(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	(54)	(1,140)	—	—	—
Distributions and repayments to TransMontaigne Inc., net	(8,146)	(3,612)	—	(5,888)	(122,860)
Net cash provided (used) by financing activities	97,286	141,310	(4,334)	(5,888)	(14,592)
Increase (decrease) in cash and cash equivalents	(1,858)	2,764	457	—	239
Cash and cash equivalents at beginning of period	3,462	698	241	2	2

Cash and cash equivalents at end of period	$ 1,604	$ 3,462	$ 698	$ 2	$ 241
Supplemental disclosures of cash flow information:					
Cash paid for interest	$ 6,678	$ 3,296	$ 969	$ —	$ 167
Non-cash distributions to TransMontaigne Inc., net	$ (1,317)	$ (2,041)	$ —	$ —	$ —

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2007 AND 2006,
SIX MONTHS ENDED DECEMBER 31, 2005
AND YEAR ENDED JUNE 30, 2005

(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 the Southeast, 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. and Morgan Stanley Capital Group 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. As a result of Morgan Stanley's acquisition of TransMontaigne Inc., Morgan Stanley became the indirect owner of our general partner. At December 31, 2007, TransMontaigne Inc. and Morgan Stanley have a significant interest in our partnership through their indirect ownership of a 26.2% limited partner interest, a 2% general partner interest and the incentive distribution rights.

(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 revenue 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). On December 31, 2007, we acquired from TransMontaigne Inc. 22 terminals along the Colonial and Plantation Pipelines ("Southeast terminals") in exchange for a cash payment of approximately $118.6 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 Inc. purchased the Mobile terminal operations from Radcliff/Economy Marine Services, Inc. (see Note 3 of Notes to consolidated financial statements).

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 $9.9 million for the year ended December 31, 2007, $5.4 million for the year ended December 31, 2006, $1.6 million for the six months ended December 31, 2005 and $2.8 million for the year ended June 30, 2005, 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 $2.8 million for the year ended December 31, 2007, $1.5 million for the year ended December 31, 2006, $0.5 million for the six months ended December 31, 2005 and $1.0 million for the year ended June 30, 2005, 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. The accompanying consolidated financial statements also include reimbursement of bonus awards paid to TransMontaigne Services Inc. towards bonus awards granted by TransMontaigne Services Inc. to certain key officers and employees that vest over future periods. The reimbursement of bonus awards was approximately $1.1 million for the year ended December 31, 2007,

$nil for the year ended December 31, 2006, $nil for the six months ended December 31, 2005 and $nil for the year ended June 30, 2005, respectively.

(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 revenue 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 method. Estimated useful lives are 15 to 25 years for plant, which includes buildings, storage tanks, and pipelines, and 3 to 25 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, 2007, 2006 and 2005, we have accrued environmental obligations of approximately $1,064,000, $682,000, $625,000, respectively, representing our best estimate of our remediation obligations (see Note 9 of Notes to consolidated financial statements). During the year ended December 31, 2007, we charged to income approximately $506,000 to increase our estimate of our future environmental obligations due principally to product that was released during July 2007 at our Mt. Vernon, Missouri terminal facility. During the year ended December 31, 2007 we made payments of approximately $124,000 towards our environmental remediation obligations. 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 $15.0 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 $15.0 million for this indemnification obligation (see Note 2 of Notes to consolidated financial statements). TransMontaigne Inc. has indemnified us through December 2012 against certain potential environmental claims, losses and expenses associated with the operation of the Southeast terminals and occurring before December 31, 2007, up to a maximum liability not to exceed $15.0 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. 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.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Net earnings per limited partner unit

We calculate earnings per unit as if all of the earnings for the period were distributed under the terms of the partnership agreement, without regard to whether the general partner has discretion over the amount of distributions to be made in any particular period, whether those earnings would actually be distributed during a particular period, or whether the general partner has legal or contractual limitations on its ability to pay distributions that would prevent it from distributing all of the earnings for a particular period.

Pursuant to the partnership agreement an increasing portion of our earnings are allocated to our general partner through operation of the incentive distribution rights in periods in which our net earnings per limited partners' unit exceeds $0.44 per quarter (or $1.76 annually). For the years ended December 31, 2007 and 2006, six months ended December 31, 2005, and year ended June 30, 2005, our net earnings per limited partners' unit did not exceed the amounts that would have resulted in an increasing portion of our earnings being allocated to our general partner. Therefore, net earnings allocable to our general partner are limited to 2% of our net earnings for the respective periods.

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 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 December 2014, 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, 2007, the annual administrative fee payable to TransMontaigne Inc. was approximately $10.0 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

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

December 31, 2007, the annual insurance reimbursement payable to TransMontaigne Inc. was approximately $2.9 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.

We also agreed to reimburse TransMontaigne Inc. and its affiliates up to $1.5 million for incentive payment grants to key employees of TransMontaigne Inc. and its affiliates under the TransMontaigne Services Inc. savings and retention plan provided the compensation committee of our general partner determines that an adequate portion of the incentive payment grants are allocated to an investment fund indexed to the performance of our common units.

The omnibus agreement provides us with a right of first refusal to purchase all of TransMontaigne Inc.'s and its subsidiaries' right, title and interest in the Pensacola, Florida refined petroleum products terminal and any assets acquired in an asset exchange transaction that replace the Pensacola assets; provided, that in either case, we agree to pay at least 105% of the purchase price offered by the third party bidder. This right of first refusal is exercisable for a period of two years commencing on the date the terminal is first put into commercial service, which is expected to occur during the second calendar quarter of 2008.

The omnibus agreement also provides TransMontaigne Inc. a right of first refusal to purchase our assets, 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 to contract for the use of any petroleum product storage capacity that is put into commercial service (i) after January 1, 2008, or (ii) was subject to a terminaling services agreement that expires or is terminated (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.

Environmental Indemnification. 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 $15.0 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.

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

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 $15.0 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.

In connection with our acquisition of the Southeast terminals, TransMontaigne Inc. agreed to indemnify us through December 2012, against certain potential environmental liabilities associated with the operation of the Southeast terminals that occurred on or prior to December 31, 2007. Our environmental losses must first exceed $250,000 and TransMontaigne Inc.'s indemnification obligations are capped at $15.0 million. The cap amount does not apply to any environmental liabilities known to exist as of December 31, 2007. 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, 2007.

Terminaling Services Agreement—Florida Terminals and Razorback Pipeline System. Through May 31, 2007, we had a terminaling and transportation services agreement with TransMontaigne Inc. that was scheduled to 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 would, at the fee and tariff schedule contained in the agreement, result in minimum revenue to us of $20 million per year through December 31, 2013. 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.

Effective June 1, 2007, we entered into a terminaling services agreement with Morgan Stanley Capital Group that replaced our terminaling services agreement with TransMontaigne Inc. relating to our Florida, Mt. Vernon, Missouri and Rogers, Arkansas terminals. The initial term expires on May 31, 2014. 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 prior to the end of the initial term or the then current renewal term. Under this agreement, Morgan Stanley Capital Group agreed to throughput a volume of refined product that will, at the fee schedule contained in the agreement, result in minimum throughput payments to us of approximately $30.3 million for the contract year ending May 31, 2008; with stipulated annual increases in throughput payments each contract year thereafter. Morgan Stanley Capital Group's minimum annual throughput payment is subject to adjustment in the event that we should fail to complete construction of and place in service certain capital projects on or before September 30, 2009.

In the event of a force majeure event that renders performance impossible with respect to an asset for at least 30 consecutive days, Morgan Stanley Capital Group'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 Morgan Stanley Capital Group, Morgan Stanley Capital Group's minimum revenue commitment would be reduced proportionately for the duration of the force majeure event.

Morgan Stanley Capital Group may assign the terminaling services agreement only with the consent of the conflicts committee of our general partner. Upon termination of the agreement, Morgan Stanley Capital Group has a right of first refusal to enter into a new terminaling services agreement with us, provided they pay no less than 105% of the fees offered by any third party.

Revenue Support 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 revenue 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 revenue 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 84,000 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

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

in minimum revenue 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, Texas facilities that will expire on March 31, 2010. Under this agreement, TransMontaigne Inc. agreed to throughput at our Brownsville facilities certain minimum volumes of natural gas liquids that will result in minimum revenue to us of $1.4 million per year. In exchange for TransMontaigne Inc.'s minimum throughput commitment, we agreed to provide TransMontaigne Inc. approximately 15,000 barrels of storage capacity at our Brownsville facilities. TransMontaigne Inc.'s minimum revenue commitment will increase to approximately $2.4 million per year when we increase the LPG storage capacity at our Brownsville LPG terminal to approximately 34,000 barrels.

Terminaling Services Agreement—Renewable Fuels. We have a terminaling and transportation services agreement with TransMontaigne Inc. relating to certain renewable fuels capacity at our Brownsville and River terminals that will expire on May 31, 2012. Under this agreement, TransMontaigne Inc. agreed to throughput at these terminals certain minimum volumes of renewable fuels that will, at the fee and tariff schedule contained in the agreement, result in minimum revenue to us of approximately $0.6 million per year. In exchange for TransMontaigne Inc.'s minimum throughput commitment, we agreed to provide TransMontaigne Inc. approximately 116,000 barrels of storage capacity at these terminals.

Terminaling Services Agreement—Morgan Stanley Capital Group. We have a terminaling and transportation services agreement with Morgan Stanley Capital Group relating to our Southeast terminals. The terminaling services agreement commences on January 1, 2008 and has a seven-year term expiring on December 31, 2014, subject to a seven-year renewal option at the election of Morgan Stanley Capital Group. Under this agreement, Morgan Stanley Capital Group agreed to throughput a volume of refined product at our Southeast terminals that will, at the fee and tariff schedule contained in the agreement, result in minimum throughput payments to us of approximately $31.6 million for the contract year ending December 31, 2008; with stipulated annual increases in throughput payments each contract year thereafter. In exchange for its minimum throughput commitment, we agreed to provide Morgan Stanley Capital Group approximately 8.6 million barrels of light oil storage capacity at our Southeast terminals.

In the event of a force majeure event that renders performance impossible with respect to an asset for at least 30 consecutive days, Morgan Stanley Capital Group'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 Morgan Stanley Capital Group, Morgan Stanley Capital Group's minimum revenue commitment would be reduced proportionately for the duration of the force majeure event.

Morgan Stanley Capital Group may assign the terminaling services agreement only with the consent of the conflicts committee of our general partner.

(3) ACQUISITIONS

Mexican LPG Operations. Effective December 31, 2007, we acquired from Rio Vista Energy Partners L.P. ("Rio Vista") a terminal facility in Matamoras, Mexico, two pipelines from Brownsville, Texas to Matamoras, Mexico, with associated rights of way and easements and 47 acres of land, together with a permit to distribute liquefied petroleum gas ("LPG") to Mexico's state-owned petroleum company for a cash payment of approximately $9.0 million. These LPG assets complement our existing LPG storage facilities in Brownsville, Texas. The accompanying consolidated financial statements include the assets, liabilities and results of operations of the Mexican LPG operations from December 31, 2007.

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):

	Mexican LPG operations
Cash	$ 15
Trade accounts receivable	61
Other current assets	75
Property, plant and equipment	8,892
Goodwill	1,502
Other assets	101
Trade accounts payable	(266)
Other accrued liabilities	(904)
Due to Rio Vista	(500)
Cash paid	$ 8,976

Southeast Terminals. Effective December 31, 2007, we acquired from TransMontaigne Inc. 22 refined product terminals along the Colonial and Plantation Pipelines with approximately 9.0 million barrels of aggregate active storage capacity for a cash payment of approximately $118.6 million. The Southeast terminals provide integrated terminaling services principally to Morgan Stanley Capital Group and the United States government. The acquisition of the Southeast 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 Southeast terminals from September 1, 2006, the date of acquisition by Morgan Stanley Capital Group of TransMontaigne Inc. The results of operations of the Southeast 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.

As a condition to our acquisition of the Southeast terminals, we agreed to assume all responsibilities, duties and obligations to complete the construction of and place into service certain projects to repair, maintain or expand the Southeast terminals that had been commenced by

(3) ACQUISITIONS (Continued)

TransMontaigne Inc. but were not completed as of the date of closing. As a result, we recognized a liability of approximately $4.9 million as our estimate of the costs to complete and place into service certain projects to repair, maintain or expand the Southeast terminals (see Note 9 of Notes to consolidated financial statements).

Our basis in the assets and liabilities of the Southeast terminals are as follows (in thousands):

	December 31, 2007	December 31, 2006	September 1, 2006
Cash	$ 5	$ 5	$ 5
Trade accounts receivable	—	2,865	2,277
Prepaid expenses and other	973	881	762
Property, plant and equipment	172,526	166,540	167,931
Other assets, net	33	33	33
Trade accounts payable	—	(2,585)	(2,197)
Due to TransMontaigne Inc.	(221)	—	—
Other accrued liabilities	(5,269)	(273)	(373)
Predecessor equity	$ 168,047	$ 167,466	$ 168,438

Brownsville and River Terminals. Effective December 29, 2006, we acquired from TransMontaigne Inc. a refined product terminal with approximately 2.1 million barrels of aggregate active storage capacity in Brownsville, Texas, twelve refined product terminals along the Mississippi and Ohio rivers with approximately 2.8 million barrels of aggregate active storage capacity, and the Baton Rouge, Louisiana dock facility for a cash payment of approximately $135.0 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.

As a condition to our acquisition of the Brownsville and River terminals, TransMontaigne Inc. agreed to fund and construct in the future certain additional capital improvements to these facilities. We recognized the estimated cost of the additional capital improvements of approximately $6.3 million as an increase to property, plant and equipment and a contribution of partners' equity—subordinated units. During the year ended December 31, 2007, TransMontaigne Inc. funded approximately $0.2 million in capital improvements to the terminals and made a cash payment to us of approximately

(3) ACQUISITIONS (Continued)

$6.1 million in satisfaction of its obligation to complete additional capital improvements to the terminals.

Our basis in the assets and liabilities of the Brownsville and River terminals are as follows (in thousands):

	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, River and Southeast terminals had occurred on January 1, 2006 are as follows (in thousands, except per unit data):

	Year ended December 31, 2006
Revenue	$ 113,185
Net loss	$ (10,059)
Net loss per limited partner unit—basic	$ (1.38)

Mobile Terminal. Effective January 1, 2006, we acquired from TransMontaigne Inc. a refined product terminal with approximately 223,000 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.

(3) ACQUISITIONS (Continued)

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

	December 31, 2005	August 1, 2005
Trade accounts receivable	$ —	$ 72
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.

(4) CONCENTRATION OF CREDIT RISK AND TRADE ACCOUNTS RECEIVABLE

Our primary market areas are located in the United States along the Gulf Coast, in the Midwest, in Brownsville, Texas, along the Mississippi and Ohio rivers, and in the Southeast. 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 years ended December 31, 2007 and 2006, six months ended December 31, 2005 and year ended June 30, 2005, we increased the allowance for doubtful accounts through a charge to income of approximately $83,000, $75,000, $nil, and $50,000, respectively.

(4) CONCENTRATION OF CREDIT RISK AND TRADE ACCOUNTS RECEIVABLE (Continued)

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

	December 31, 2007	December 31, 2006	December 31, 2005
Trade accounts receivable	$ 4,559	$ 4,565	$ 1,003
Less allowance for doubtful accounts	(150)	(75)	—
	$ 4,409	$ 4,490	$ 1,003

The following customers accounted for at least 10% of our consolidated revenue in at least one of the periods presented in the accompanying consolidated statements of operations:

	Year ended December 31, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Year ended June 30, 2005
TransMontaigne Inc. and Morgan Stanley Capital Group	58%	60%	70%	64%
Valero Supply and Marketing Company	10%	5%	—	—
Marathon Petroleum Company LLC	8%	12%	17%	24%

(5) OTHER CURRENT ASSETS

Other current assets are as follows (in thousands):

	December 31, 2007	December 31, 2006	December 31, 2005
Additive detergent	$ 1,439	$ 1,387	$ 307
Reimbursements due from the Federal government	724	438	—
Deposits and other assets	711	212	31
	$ 2,874	$ 2,037	$ 338

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

(6) PROPERTY, PLANT AND EQUIPMENT, NET

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

	December 31, 2007	December 31, 2006	December 31, 2005
Land	$ 52,228	$ 51,608	$ 27,303
Terminals, pipelines and equipment	406,585	380,796	128,830
Furniture, fixtures and equipment	1,186	1,036	480
Construction in progress	20,592	10,313	263
	480,591	443,753	156,876
Less accumulated depreciation	(62,764)	(42,140)	(30,992)
	$ 417,827	$ 401,613	$ 125,884

(7) GOODWILL

Goodwill is not amortized, but instead tested for impairment on an annual basis during the three months ended December 31. Goodwill is as follows (in thousands):

	December 31, 2007	December 31, 2006	December 31, 2005
Brownsville terminal	$ 14,770	$ 14,770	$ —
River terminals	8,465	8,465	—
Mexican LPG operations	1,502	—	—
	$ 24,737	$ 23,235	$ —

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.

(8) OTHER ASSETS, NET

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

	December 31, 2007	December 31, 2006	December 31, 2005
Deferred financing costs, net of accumulated amortization of $1,236, $nil and $107, respectively	$ 2,394	$ 2,603	$ 809
Identifiable intangible assets, net:			
Customer relationships, net of accumulated amortization of $411, $103 and $nil, respectively	3,288	3,596	—
Coastal Fuels trade name, net of accumulated amortization of $2,417, $1,917 and $1,417, respectively	83	583	1,083
Amounts due under long-term terminaling services agreements	724	—	—
Deposits and other assets	170	52	9
	$ 6,659	$ 6,834	$ 1,901

Deferred financing costs. 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. During the year ended December 31, 2007, we repaid our $75 million term loan outstanding under the Senior Secured Credit Facility, resulting in a charge to income of approximately $0.8 million for the write off of the associated unamortized deferred financing costs related to the $75 million term loan. During the year ended December 31, 2007, we incurred deferred financing costs of approximately $1.0 million related to our July 2007 amendment and borrowings under the Senior Secured Credit Facility for the acquisition of the Southeast terminals.

Identifiable intangible assets. 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, 2007 is as follows (in thousands):

	Years ending December 31,					
	2008	2009	2010	2011	2012	Thereafter
Amortization expense	$ 391	$ 308	$ 308	$ 308	$ 308	$ 1,748

(8) OTHER ASSETS, NET (Continued)

Amounts due under long-term terminaling services agreements. We have long-term terminaling services agreements with certain of our customers that provide for minimum payments that increase over the terms of the respective agreements. We recognize as revenue the minimum payments under the long-term terminaling services agreements on a straight-line basis over the term of the respective agreements. At December 31, 2007, we have recognized revenue in excess of the minimum payments that are due through December 31, 2007 under the long-term terminaling services agreements resulting in a receivable of approximately $0.7 million.

(9) ACCRUED LIABILITIES

Accrued liabilities are as follows (in thousands):

	December 31, 2007	December 31, 2006	December 31, 2005
Accrued property taxes	$ 645	$ 427	$ 58
Accrued environmental obligations	1,064	682	625
Customer advances and deposits	3,889	146	220
Interest payable	39	87	26
Deferred revenue	339	22	13
Advance payments received under long-term terminaling services agreements	415	—	—
Due to Rio Vista	500	—	—
Obligations to repair, maintain or expand Southeast terminals	4,946	—	—
Accrued expenses and other	1,606	373	297
	$ 13,443	$ 1,737	$ 1,239

Customer advances and deposits. We bill certain of our customers one month in advance for terminaling services to be provided in the following month. At December 31, 2007, 2006 and 2005, we have billed and collected from certain of our customers approximately $3.9 million, $0.2 million and $0.2 million, respectively, in advance of the terminaling services being provided.

Advance payments received under long-term terminaling services agreements. We have long-term terminaling services agreements with certain of our customers that provide for minimum payments that decrease over the terms of the respective agreements. We recognize as revenue the minimum payments under the long-term terminaling services agreements on a straight-line basis over the term of the respective agreements. At December 31, 2007, we have received minimum payments that are due through December 31, 2007 in excess of revenue recognized under certain long-term terminaling services agreements resulting in a liability of approximately $0.4 million.

Due to Rio Vista. Effective December 31, 2007, we acquired from Rio Vista certain Mexican LPG operations for a cash payment of approximately $9.0 million (see Note 3 of Notes to consolidated financial statements). At December 31, 2007, we have a liability of approximately $0.5 million to Rio Vista that is due on December 31, 2008 provided that Rio Vista is in compliance with its

(9) ACCRUED LIABILITIES (Continued)

representations and warranties contained in the agreement covering our acquisition of the Mexican LPG operations.

Obligations to repair, maintain or expand Southeast terminals. As a condition to our acquisition of the Southeast terminals, we agreed to assume all responsibilities, duties and obligations to complete the construction of and place into service certain projects to repair, maintain or expand the Southeast terminals that had been commenced by TransMontaigne Inc. but were not completed as of the date of closing. At December 31, 2007, we have recognized a liability of approximately $4.9 million as our estimate of the costs to complete and place into service certain projects to repair, maintain or expand the Southeast terminals (see Note 3 of Notes to consolidated financial statements).

(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, 2007 and 2006, our outstanding borrowings under the Senior Secured Credit Facility were approximately $132.0 million and $189.6 million, respectively. At December 31, 2007 and 2006, our outstanding letters of credit were approximately $130,000 and $210,000, respectively.

At December 31, 2006, the Senior Secured Credit Facility was composed of a $75 million term loan facility and a $150 million revolving credit facility. During the year ended December 31, 2007, we repaid the $75 million term loan outstanding under the Senior Secured Credit Facility with a portion of the proceeds from our May 2007 secondary offering of common units (see Note 11 of Notes to consolidated financial statements). On July 12, 2007, we amended the Senior Secured Credit Facility to increase the maximum amount of the revolving credit line from $150 million to $200 million. At December 31, 2007, the Senior Secured Credit Facility provides for a maximum borrowing line of credit equal to the lesser of (i) $200 million and (ii) four times Consolidated EBITDA (as defined: $212 million at December 31, 2007). In addition, at our request, the revolving loan commitment can be increased up to an additional $50 million, in the aggregate, without the approval of the lenders, but subject to the approval of the administrative agent and the receipt of additional commitments from one or more lenders. 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. For the year ended December 31, 2007, the weighted average interest rate on borrowings under our Senior Secured Credit Facility was approximately 7.3%. 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.

(10) LONG-TERM DEBT (Continued)

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 4.5 times), (ii) a senior secured leverage ratio test (not to exceed 4.0 times), and (iii) a minimum interest coverage ratio test (not to be less than 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, our outstanding borrowings under the Former Credit Facility were approximately $28.0 million. The weighted average interest rate on borrowings under our Former Credit Facility was 5.8% during the six months ended December 31, 2005. 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 from the initial borrowings under our new Senior Secured Credit Facility and the Former Credit Facility was cancelled.

(11) PARTNERS' EQUITY

The number of units outstanding is as follows:

	Common units	Subordinated units	General partner units
Allocation of predecessor equity in exchange for units	120,000	2,872,266	148,873
Initial public offering of common units	3,852,500	—	—
Private placement of subordinated units	—	450,000	—
Units outstanding at December 31, 2006 and 2005	3,972,500	3,322,266	148,873
Secondary public offering of common units	5,149,800	—	—
TransMontaigne GP to maintain its 2% general partner interest	—	—	105,098
Units outstanding at December 31, 2007	9,122,300	3,322,266	253,971

On May 23, 2007, we issued, pursuant to an underwritten public offering, 4.8 million common units representing limited partner interests at a public offering price of $36.80 per common unit. On June 20, 2007, the underwriters of our secondary offering exercised a portion of their over-allotment option to purchase an additional 349,800 common units representing limited partnership interests at a price of $36.80 per common unit. The net proceeds from the offering were approximately $179.9 million, after deducting underwriting discounts, commissions, and offering expenses of approximately $9.6 million. Additionally, TransMontaigne GP L.L.C., our general partner, made a cash contribution of approximately $3.9 million to us to maintain its 2% general partner interest.

(12) LONG-TERM INCENTIVE PLAN

TransMontaigne GP L.L.C. is our general partner and manages our operations and activities. TransMontaigne GP L.L.C. is an indirect wholly owned subsidiary of TransMontaigne Inc.

(12) LONG-TERM INCENTIVE PLAN (Continued)

TransMontaigne Services Inc. is an indirect wholly owned subsidiary of TransMontaigne Inc. TransMontaigne Services Inc. employs the personnel who provide support to TransMontaigne Inc.'s operations, as well as our operations. 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 491,790 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, 2007, 306,290 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 May 7, 2007, we announced a program for the repurchase of outstanding common units for purposes of making subsequent grants of restricted phantom units to non-officer directors of our general partner. TransMontaigne GP, on behalf of the long-term incentive plan, anticipates repurchasing annually up to 10,000 common units for this purpose. As of December 31, 2007, TransMontaigne GP, on behalf of the long-term incentive plan, has repurchased approximately 1,680 common units pursuant to the program.

On March 31, 2007, TransMontaigne Services Inc. granted 10,000 restricted phantom units to the non-officer directors of our general partner. 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 $0.4 million, $1.7 million and $2.6 million associated with the March 2007, 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 vest upon a change in control of TransMontaigne Inc. As such, all grants of restricted phantom units and restricted common units made prior to September 1, 2006, became fully vested on September 1, 2006 when Morgan Stanley Capital Group acquired TransMontaigne Inc. 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 $0.1 million, $3.9 million and $0.3 million is included in direct general and administrative expenses for the years ended December 31, 2007 and 2006 and six months ended December 31, 2005, respectively.

(13) COMMITMENTS AND CONTINGENCIES

Contract Commitments. At December 31, 2007, we have contractual commitments of approximately $22.3 million for the supply of services, labor and materials related to capital projects that currently are under development.

(13) COMMITMENTS AND CONTINGENCIES (Continued)

Operating Leases. We lease property and equipment under non-cancelable operating leases that extend through April 2021. At December 31, 2007, future minimum lease payments under these non-cancelable operating leases are as follows (in thousands):

Years ending December 31:	Property and equipment
2008	$ 756
2009	703
2010	646
2011	260
2012	137
Thereafter	1,063
	$ 3,565

Rental expense under operating leases was approximately $1.0 million, $0.5 million, $0.2 million, and $0.2 million for the years ended December 31, 2007 and 2006, six months ended December 31, 2005 and for the year ended June 30, 2005, respectively.

(14) 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, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004	Year ended June 30, 2005
				(unaudited)	
Basic weighted average units	10,400	7,283	7,295	—	7,295
Dilutive effect of restricted phantom units	1	3	—	—	—
Diluted weighted average units	10,401	7,286	7,295	—	7,295

For the year ended December 31, 2007, we included the dilutive effect of 10,000 restricted phantom units in the computation of diluted net earnings per limited partners' unit because the average quoted market price of our common units for the period exceeded the related unamortized deferred compensation. 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 for the year ended June 30, 2005.

(15) 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, 2007, 2006 and 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.

(16) BUSINESS SEGMENTS

We provide integrated terminaling, storage, transportation and related services to companies engaged in the trading, distribution and marketing of refined petroleum products, crude oil, chemicals, fertilizers and other liquid products. 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 revenue 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, (iv) River terminals and (v) Southeast terminals.

(16) BUSINESS SEGMENTS (Continued)

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

	Year ended December 31, 2007	Year ended December 31, 2006	Six months ended December 31, 2005	Six months ended December 31, 2004 (unaudited)	Year ended June 30, 2005
Gulf Coast Terminals:					
Throughput and additive injection fees, net	$ 28,683	$ 21,523	$ 10,807	$ 4,497	$ 10,077
Storage	9,872	10,786	5,270	9,015	18,014
	38,555	32,309	16,077	13,512	28,091
Other	6,114	7,728	3,696	1,071	3,509
Revenue	44,669	40,037	19,773	14,583	31,600
Direct operating costs and expenses	(18,711)	(19,123)	(7,123)	(7,058)	(14,014)
Net margins	25,958	20,914	12,650	7,525	17,586
Midwest Terminals and Pipeline System:					
Throughput and additive injection fees, net	2,976	3,027	1,197	877	1,816
Pipeline transportation fees	1,996	2,449	1,226	1,098	2,242
Other	825	1,307	712	134	435
Revenue	5,797	6,783	3,135	2,109	4,493
Direct operating costs and expenses	(2,519)	(2,117)	(773)	(682)	(1,161)
Net margins	3,278	4,666	2,362	1,427	3,332
Brownsville Terminal (since September 1, 2006):					
Throughput and additive injection fees, net	6,590	1,351	—	—	—
Storage	5,209	1,967	—	—	—
Other	3,873	930	—	—	—
Revenue	15,672	4,248	—	—	—
Direct operating costs and expenses	(9,039)	(2,586)	—	—	—
Net margins	6,633	1,662	—	—	—
River Terminals (since September 1, 2006):					
Throughput and additive injection fees, net	3,891	1,221	—	—	—
Storage	15,051	4,315	—	—	—
Other	569	181	—	—	—
Revenue	19,511	5,717	—	—	—
Direct operating costs and expenses	(6,716)	(2,365)	—	—	—
Net margins	12,795	3,352	—	—	—
Southeast Terminals (since September 1, 2006):					
Throughput and additive injection fees, net	32,865	9,537	—	—	—
Storage	4,769	1,878	—	—	—
Other	8,368	3,469	—	—	—

Revenue	46,002	14,884	—	—	—
Direct operating costs and expenses	(23,701)	(6,317)	—	—	—
Net margins	22,301	8,567	—	—	—
Total net margins	70,965	39,161	15,012	8,952	20,918
Direct general and administrative expenses	(2,991)	(6,453)	(1,267)	—	(79)
Allocated general and administrative expenses	(9,901)	(5,431)	(1,588)	(1,400)	(2,800)
Allocated insurance expense	(2,837)	(1,525)	(500)	(500)	(1,000)
Reimbursement of bonus awards	(1,125)	—	—	—	—
Depreciation and amortization	(21,432)	(11,750)	(3,461)	(3,044)	(6,154)
Operating income	32,679	14,002	8,196	4,008	10,885
Other expense, net	(7,537)	(4,129)	(1,057)	—	(182)
Net earnings	$ 25,142	$ 9,873	$ 7,139	$ 4,008	$ 10,703

(16) BUSINESS SEGMENTS (Continued)

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

	Year ended December 31, 2007					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminal	River Terminals	Southeast Terminals	Total
Revenue from external customers	$ 13,024	$ 1,075	$ 11,190	$ 19,549	$ 9,873	$ 54,711
Revenue from TransMontaigne Inc. and Morgan Stanley Capital Group	31,645	4,722	4,482	(38)	36,129	76,940
Revenue	$ 44,669	$ 5,797	$ 15,672	$ 19,511	$ 46,002	$ 131,651
Identifiable assets	$ 117,651	$ 10,103	$ 62,197	$ 66,960	$ 173,532	$ 430,443
Capital expenditures	$ 7,108	$ 112	$ 5,517	$ 1,152	$ 14,101	$ 27,990

	Year ended December 31, 2006					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminal	River Terminals	Southeast Terminals	Total
Revenue from external customers	$ 14,294	$ 1,099	$ 4,085	$ 5,791	$ 3,343	$ 28,612
Revenue from TransMontaigne Inc. and Morgan Stanley Capital Group	25,743	5,684	163	(74)	11,541	43,057
Revenue	$ 40,037	$ 6,783	$ 4,248	$ 5,717	$ 14,884	$ 71,669
Identifiable assets	$ 115,634	$ 11,102	$ 50,303	$ 65,089	$ 170,324	$ 412,452
Capital expenditures	$ 4,699	$ 158	$ 3,427	$ 1,804	$ 1,171	$ 11,259

	Six months ended December 31, 2005		
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Total
Revenue from external customers	$ 6,610	$ 195	$ 6,805
Revenue from TransMontaigne Inc.	13,163	2,940	16,103
Revenue	$ 19,773	$ 3,135	$ 22,908
Identifiable assets	$ 116,324	$ 11,992	$ 128,316
Capital expenditures	$ 1,143	$ 41	$ 1,184

(16) BUSINESS SEGMENTS (Continued)

	Year ended June 30, 2005		
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Total
Revenue from external customers	$ 13,037	$ —	$ 13,037
Revenue from TransMontaigne Inc.	18,563	4,493	23,056
Revenue	$ 31,600	$ 4,493	$ 36,093
Identifiable assets	$ 108,395	$ 9,785	$ 118,180
Capital expenditures	$ 3,686	$ —	$ 3,686

(17) FINANCIAL RESULTS BY QUARTER (UNAUDITED)

	Three months ended				
	March 31, 2007	June 30, 2007	September 30, 2007	December 31, 2007	Year ended December 31, 2007
	(in thousands)				
Revenue	$ 32,700	$ 32,204	$ 31,921	$ 34,826	$ 131,651
Net earnings	$ 5,812	$ 4,213	$ 7,916	$ 7,201	$ 25,142

	Three months ended				
	March 31, 2006	June 30, 2006	September 30, 2006	December 31, 2006	Year ended December 31, 2006
	(in thousands)				
Revenue	$ 12,090	$ 11,563	$ 17,433	$ 30,583	$ 71,669
Net earnings	$ 2,719	$ 1,537	$ 430	$ 5,187	$ 9,873

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, 2007.

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 Officers), as appropriate to allow timely decisions regarding required disclosure. The management of our general partner evaluated, with the participation of the Certifying Officers, the effectiveness of our disclosure controls and procedures as of December 31, 2007, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, the Certifying Officers concluded that, as of December 31, 2007, our disclosure controls and procedures were effective. In addition, our Certifying Officers concluded that there were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended December 31, 2007 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, 2007. The effectiveness of our internal control over financial reporting as of December 31, 2007 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which appears herein.

March 7, 2008

Report of Independent Registered Public Accounting Firm

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

We have audited TransMontaigne Partners L.P. and subsidiaries' (Company) internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). TransMontaigne GP L.L.C.'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, included in the accompanying management's report on internal control over financial reporting appearing under Item 9A. Our responsibility is to express an opinion on 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, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included 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, TransMontaigne Partners L.P. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, 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, 2007, 2006 and 2005, and the related consolidated statements of operations, partners' equity, and cash flows for the years ended December 31, 2007 and 2006, the six months ended December 31, 2005, and for the year ended June 30, 2005, and our report dated March 7, 2008 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

Denver, Colorado
March 7, 2008

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, 2007.

Part III

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

MANAGEMENT OF TRANSMONTAIGNE PARTNERS

TransMontaigne GP L.L.C., 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, TransMontaigne Inc. through its wholly owned subsidiaries, controls our general partner. TransMontaigne Inc. is a wholly owned subsidiary of Morgan Stanley Capital Group. 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.

Board of Directors and Officers

The board of directors of our general partner oversees our operations. As of the date of this report, there are six members of the board of directors of our general partner, 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 board of directors currently has one vacancy arising from Mr. Dickey's resignation as an executive officer and a director of our general partner effective January 1, 2008. As discussed below under "—Subsequent Board Events," effective March 17, 2008, Messrs. Anderson, Shaffer and Utsler will resign as directors and three new directors will become members of the board of directors of our general partner. 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. TransMontaigne Inc. 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 reporting officers of TransMontaigne GP L.L.C. under Section 16 of the Securities Exchange Act of 1934:

Name	Age	Position
Donald H. Anderson	59	Chairman of the Board
Randall J. Larson	50	Chief Executive Officer
Gregory J. Pound	55	President and Chief Operating Officer
Frederick W. Boutin	52	Executive Vice President, Chief Financial Officer and Treasurer
Erik B. Carlson	60	Executive Vice President, General Counsel and Secretary
Deborah A. Davis	34	Senior Vice President and Chief Accounting Officer
Javed Ahmed	38	Director
Jerry R. Masters	49	Director
David A. Peters	49	Director
D. Dale Shaffer	64	Director
Rex L. Utsler	62	Director

Donald H. Anderson was elected as the non-executive Chairman of the board of directors of our general partner in February 2005. On March 5, 2008, Mr. Anderson resigned as a director and as the Chairman of the Board of our general partner, effective March 17, 2008. 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 served as the President, Chief Financial Officer and Chief Accounting Officer of our general partner from February 2005 to December 2007. 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 served as the President and Chief Executive officer of TransMontaigne Inc. since September 2006, and as its Chief Financial Officer from January 2003 to January 2008, as its Chief Accounting Officer from May 2002 to January 2008 and as its Executive Vice President of TransMontaigne Inc. from May 2002 to September 2006 and 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 has also served as a director of Olco Petroleum Group Inc., a privately-held Canadian petroleum company in which TransMontaigne Inc. owns a 60% interest, since December 2006.

Gregory J. Pound has served as the President and Chief Operating Officer of our general partner since January 2008 and served as its Executive Vice President from May 2007 to December 2007. Mr. Pound has served as the Executive Vice President—Asset Operations of TransMontaigne Inc. since February 2002. Mr. Pound has also served as a director of Olco Petroleum Group Inc. since December 2006.

Frederick W. Boutin has served as an Executive Vice President and the Chief Financial Officer of our general partner since January 2008 and as its Treasurer since February 2005. Mr. Boutin served as the Senior Vice President of our general partner from February 2005 to December 2007. Mr. Boutin has served as the Executive Vice President of TransMontaigne Inc. since February 2008, as its Treasurer since June 2003 and served as its Senior Vice President from September 1996 to January 2008. 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 has served as an Executive Vice President of our general partner since January 2008 and as its General Counsel and Secretary since February 2005. Mr. Carlson served as the Senior Vice President of our general partner from February 2005 to December 2007. Mr. Carlson has been the Executive Vice President of TransMontaigne Inc. since February 2008, as its General Counsel and Secretary since January 1998 and served as its Senior Vice President from January 1998 to January 2008. 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.

Deborah A. Davis has served as Senior Vice President and Chief Accounting Officer of our general partner since January 1, 2008. Ms. Davis has served as Senior Vice President—Administration of TransMontaigne Inc. since February 2008 and served as Vice President, Corporate Controller of TransMontaigne Inc. from November 2005 to January 2008. From July 2002 through October 2005, Ms. Davis held various accounting positions with TransMontaigne Inc., most recently as Executive Director, External Reporting. From September 1996 through June 2002, Ms. Davis held various positions in the audit department of KPMG LLP, departing as an Audit Manager.

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. Mr. Ahmed holds a BA from Yale University and Juris Doctor and MBA from Harvard University.

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.

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 Corporation, 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. On March 5, 2008, Mr. Shaffer resigned as a director of our general partner, effective March 17, 2008. 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. Shafferserved 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. On March 5, 2008, Mr. Utsler resigned as a director of our general partner, effective March 17, 2008. Mr. Utsler became Chief Executive Officer and Chairman of Grease Monkey China Ltd. Effective May 2006; President and Chief Executive Officer of Monkey Shine Franchising, LLC, effective January 2007; President and Chief Executive Officer of Grease Monkey Franchising, LLC, effective February 2006 and Chief Executive Officer and Chairman of Grease Monkey (Quingdao) Automotive Services, Ltd., effective September 2006. 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, in December 1999. Mr. Utsler previously served as Senior Vice President of GMI and GMHC from September 1998 to January 2001.

Subsequent Board Events

Following the March 5, 2008 meeting of the board of directors of our general partner, Donald H. Anderson, D. Dale Shaffer and Rex L. Utsler resigned as members of the board of directors, all to be effective March 17, 2008. In connection with their respective resignations, Messrs. Anderson, Shaffer and Utsler did not indicate that there were any disagreements between any of them and us or members of the board of directors of our general partner regarding our operations, policies or procedures. These changes were requested by representatives of Morgan Stanley Capital Group Inc. who serve on the board of directors of TransMontaigne Inc., which is the indirect owner of our general partner.

To fill the resulting vacancies, the following individuals were appointed to the board of directors of our general partner, effective March 17, 2008: Duke R. Ligon as an independent director and Olav Refvik and Stephen R. Munger as affiliated directors. Mr. Munger was also appointed to serve as Chairman of the board of directors of our general partner. Based upon these appointments, and the anticipated appointment of a new independent director to fill the vacancy created by the resignation of William S. Dickey as a director of our general partner effective January 1, 2008, the board of directors of our general partner will be comprised of seven directors, three of who are affiliated directors and four of who are independent directors. Set forth below is (1) a list of the directors and the committees of the board of directors of our general partner upon which such directors are expected to serve, effective March 17, 2008, and (2) the biographies of the newly appointed directors:

Name	Title
Stephen R. Munger	Affiliated Director and Chairman of the Board
Olav Refvik	Affiliated Director
Javed Ahmed	Affiliated Director
Duke R. Ligon	Independent Director and a member of the Audit Committee, Conflicts Committee and the Compensation Committee
Jerry R. Masters	Independent Director, Chairman of the Audit Committee, Chairman of the Compensation Committee and a member of the Conflicts Committee
David A. Peters	Independent Director, Chairman of the Conflicts Committee and a member of the Audit Committee

Stephen R. Munger, age 50, was appointed to serve as a member of the board of directors, effective March 17, 2008 and will also serve as Chairman. Mr. Munger has served as the Co-Chairman of the Mergers & Acquisitions Department of Morgan Stanley since 2003, having served as the operating Co-Head from 1999 through 2003. Mr. Munger has also served as Chairman of the Morgan Stanley Global Energy Group since 2004. Mr. Munger was named a Managing Director of Morgan Stanley in 1992, and joined Morgan Stanley in 1988, having previously worked in the Mergers & Acquisition Department of Merrill Lynch. Mr. Munger is a graduate of Dartmouth College and the Wharton School of Business.

Olav Refvik was appointed to serve as a member of the board of directors, effective March 17, 2008. Mr. Refvik is a Managing Director of Morgan Stanley. He is currently Head of Global Oil Liquids in Commodities. Mr. Refvik joined the firm in 1990 as Vice President, became Executive Director in 1991 and Managing Director in 1996. Prior to joining Morgan Stanley, Mr. Refvik was employed at Statoil (1981-1990). He spent his last six years at the company as Head of Oil Products Trading in London and New York. Mr. Refvik graduated from The Norwegian School of Business and Economics in Bergen, Norway in 1981.

Duke R. Ligon, age 66, was appointed to serve as a member of the board of directors, effective March 17, 2008, and will serve as a member of the audit committee, conflicts committee and the compensation committee of the board of directors. Since February 2007, Mr. Ligon has served in the capacity of Strategic Advisor to Love's Travel Stops & Country Stores, Inc., based in Oklahoma City, and has acted as Executive Director of the Love's Entrepreneurship Center at Oklahoma City University. From January 1997 to February 2007, Mr. Ligon served as General Counsel and Senior Vice President of Devon Energy Corporation, based in Oklahoma City, and was a member of the Executive Management Committee. From 1995 to February 1997, Mr. Ligon was a partner in the law firm of Mayer, Brown & Platt, based in New York City. Mr. Ligon holds a Juris Doctor degree from the University of Texas School of Law and has been admitted to the Bars of the District of Columbia, Oklahoma and New York. Mr. Ligon has served as a director of Panhandle Oil and Gas Inc. since August 2007.

Following the resignations of Messrs. Anderson, Shaffer and Utsler, the board of directors of our general partner appointed Mr. Ligon to fill the resulting vacancies on each of the audit committee and conflicts committee created by the resignation of Rex L. Utsler, effective March 17, 2008. The board of directors of our general partner has affirmatively determined that Mr. Ligon, based upon his education and experience, is financially literate for the purposes of qualifying to serve on the audit committee as required by Section 303A.07 of the NYSE Listed Company Manual, and satisfies the independence standards set forth under Section 303A.02 of the NYSE Listed Company Manual. In addition, the board of directors of our general partner appointed Mr. Ligon to fill the resulting vacancy on the compensation committee created by the resignation of Mr. Shaffer, effective March 17, 2008.

Due to the resignation of Mr. Shaffer, the board of directors of our general partner selected Mr. Peters to preside as chairman of the executive session meetings of the board of directors of our general partner effective March 17, 2008. Beginning on March 17, 2008, unitholders and other interested parties may communicate with Mr. Peters in his capacity as chairman of the executive session meetings of the board of directors of our general partner in the manner described under "—Communications by Unitholders" below.

Messrs. Anderson, Shaffer and Utsler abstained from the foregoing committee appointments and independence determinations since the new director appointments will become effective following the resignations of each of Messrs. Anderson, Shaffer and Utsler.

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

Section 16(a) of the Securities Exchange Act of 1934 requires the executive officers and directors of our general partner, 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, 2007, 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 Corporate 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)(ii) 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 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 (1) administers the TransMontaigne Services Inc. long-term incentive plan, pursuant to which directors of our general partner are granted equity-based awards, and (2) which considers the allocation of incentive payment grants to certain employees of TransMontaigne Services Inc. under the TransMontaigne Services Inc. savings and retention 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 annual 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. The Code of Business Conduct and Code of Ethics for Senior Financial Officers each require prompt disclosure of any waiver of the code for executive officers or directors made by the general partner's board of directors or any committee thereof as required by law or the New York Stock Exchange.

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 April 16, 2007, 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. 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, 2007, we paid TransMontaigne Inc. an administrative fee of approximately $7.0 million. In connection with our acquisition of the Southeast facilities on December 31, 2007, the administrative fee was increased to approximately $10.0 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. In addition, we agreed to reimburse TransMontaigne Inc. and its affiliates up to $1.5 million for incentive payment grants to key employees of TransMontaigne Inc. and its affiliates under the TransMontaigne Services Inc. savings and retention plan, provided that (i) no less than $1.5 million of the aggregate amount of such awards granted to key employees of TransMontaigne Inc. and its affiliates will be allocated to an investment fund indexed to the performance of our common units, and (ii) the proposed allocations of such awards among these key employees are approved by the compensation committee of our general partner to assure that an adequate portion of such awards are deemed invested in an investment fund indexed to the performance of our common units. For the year ended December 31, 2007, we reimbursed TransMontaigne Services Inc. approximately $1.1 million for bonus awards granted to its key employees under the TransMontaigne Services Inc. savings and retention plan.

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 to our non-employee directors 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.

The primary elements of TransMontaigne Inc.'s compensation program are a combination of annual cash and long-term equity-based compensation. During 2007, 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 2007, 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 is intended 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.

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 be replaced upon vesting on a one-for-one basis with our common units, as the common units are acquired in the open market by the plan, or paid out in cash based upon the closing market price of the common units on the date of vesting, at the option of the plan administrator. 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 2007.

Director Compensation Table for 2007

Name(a)	Fees Earned or Paid in Cash ($) (b)	Stock Awards ($)(1) (c)	All Other Compensation ($) (g)	Total ($) (h)
Donald H. Anderson(2)	—	$ 71,000	$ 100,000	$ 171,000
William S. Dickey(3)	—	—	—	—
Javed Ahmed(4)	—	—	—	—
Jerry R. Masters	$ 30,000	$ 71,000	—	$ 101,000
David A. Peters	$ 30,000	$ 71,000	—	$ 101,000
D. Dale Shaffer	$ 30,000	$ 71,000	—	$ 101,000
Rex L. Utsler	$ 30,000	$ 71,000	—	$ 101,000

(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 March 30, 2007, the last trading

day prior to the grant date, of $35.50. 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).

(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 2007, but was eligible to receive an annual award of 2,000 restricted phantom units. During 2007, Mr. Anderson received $100,000 as compensation for his services as a non-executive employee of TransMontaigne Services Inc.

(3) Mr. Dickey served as the Executive Vice President and Chief Operating Officer of our general partner and, therefore, was not entitled to receive additional compensation for service as a director of our general partner. Mr. Dickey resigned as a director and executive officer of our general partner on January 1, 2008.

(4) Because Mr. Ahmed 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, 2007, the compensation committee of our general partner awarded 10,000 restricted phantom units to certain directors of our general partner. In addition, the compensation committee considers the proposed allocations of awards among the key employees of TransMontaigne Inc. and its affiliates under the savings and retention plan to assure that an adequate portion of such awards are deemed invested in an investment fund indexed to the performance of our common units. There are no compensation committee interlocks.

SAVINGS AND RETENTION PLAN

The board of directors of TransMontaigne Inc. adopted the savings and retention plan of TransMontaigne Services Inc. effective January 1, 2007. The plan is 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. Awards under the plan become vested as to 50% of a participant's annual award as of the January 1 that falls closest to the second anniversary of the grant date, and the remaining 50% as of the January 1 that falls closest to the third anniversary of the grant date, subject to earlier vesting upon a participant's retirement, death or disability, involuntary termination without cause, or termination of a participant's employment following a change of control of Morgan Stanley or TransMontaigne Inc., or their affiliates, as specified in the plan. Generally, only senior level management of TransMontaigne Services Inc. will receive awards under the plan. Although no assets are 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 determines both the amount and investment funds in which the bonus award will be deemed invested for each participant. For the year ended December 31, 2007, the three investment funds that the plan administrator could select were (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. For the year ended December 31, 2007, we reimbursed TransMontaigne Services Inc. approximately $1.1 million for bonus awards under the plan. Effective January 1, 2008, TransMontaigne Inc. amended and restated the savings and retention plan for new awards from and after the effective date. Among other revisions to the plan, the amendments added an additional investment fund, the Dodge & Cox Income Fund, which invests primarily in bonds and other fixed income securities.

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-officer 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-officer directors of our general partner will continue to be made under the long-term incentive plan. During the year ended December 31, 2007, the compensation committee of the board of directors of our general partner awarded 10,000 restricted phantom units to non-officer directors of our general partner under the plan. During the year ended December 31, 2007, no awards were made under the plan to officers of TransMontaigne Services Inc.

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 491,790 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 or TransMontaigne Inc.

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 long-term incentive plan permits grants of unit options and unit appreciation rights 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 3, 2008 by each director of our general partner, and by each individual serving as an executive officer of our general partner as of March 3, 2008, 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 3, 2008 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 an aggregate of 12,444,566 limited partnership units outstanding as of March 3, 2008, consisting of 9,122,300 common units and 3,322,266 subordinated units. 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 3, 2008 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%	23.1%
Morgan Stanley Strategic Investments, Inc.(3)	—	—	450,000	13.5%	3.6%
Swank Capital, LLC(4)	2,163,833	23.7%	—	—	17.4%
Neuberger Berman Inc.(5)	776,971	8.5%	—	—	6.2%
Donald H. Anderson(6)(7)	32,200	*	—	—	*
Frederick W. Boutin(8)	30,200	*	—	—	*
Erik B. Carlson	31,000	*	—	—	*
Deborah A. Davis(8)	3,544	*	—	—	*
William S. Dickey(7)	40,000	*	—	—	*
Randall J. Larson(8)	35,200	*	—	—	*
Javed Ahmed	—	—	—	—	—
Jerry R. Masters(9)	18,500	*	—	—	*
David A. Peters(9)	16,100	*	—	—	*
Gregory J. Pound(8)	8,038	*	—	—	*
D. Dale Shaffer(7)	6,700	*	—	—	*
Rex L. Utsler(7)	10,600	*	—	—	*
Duke Ligon(7)	—	—	—	—	—
Olav Refvik(7)	—	—	—	—	—
Stephen R. Munger(7)	—	—	—	—	—
All directors, director nominees and executive officers as a group (15 persons)	232,082	2.5%	—	—	1.9%

* Less than 1%.

(1) The subordinated units included in this column are not convertible into common units within 60 days of March 3, 2008, 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 Holding Inc. TransMontaigne Inc. is the indirect parent company of TransMontaigne Holding 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 14, 2008, Swank Energy Income Advisors, LP, which we refer to as Swank Advisors, has shared voting and dispositive powers over 2,163,833 common units. Swank Capital, LLC, as the general partner of Swank Advisors, and Mr. Swank as the principal of Swank Capital, LLC, have sole voting or dispositive powers over the 2,163,833 common units held by Swank Advisors. The address of each of Swank Advisors, Swank Capital, LLC and Mr. Swank is 3300 Oak Lawn Avenue, Suite 650, Dallas, Texas 75219.

(5) Based on the Schedule 13G filed with the Securities and Exchange Commission on February 12, 2008, Neuberger Berman Inc. owns 100% of both Neuberger Berman, LLC and Neuberger Berman Management Inc. Neuberger Berman, LLC and Neuberger Berman Management Inc. both have the shared power to make decisions whether to retain or dispose and vote of 776,971 common units. Neuberger Berman, LLC has the shared power to dispose, but not vote, 78,793 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. The address of each entity above is 605 Third Avenue, New York, New York 10158.

(6) 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.

(7) Mr. Dickey resigned as a director and executive officer of our general partner on January 1, 2008. On March 5, 2008, Messrs. Anderson, Shaffer and Utsler each tendered their resignation as a director of our general partner, effective March 17, 2008. The board of directors of our general partner accelerated the vesting of the 2,000 restricted phantom units issued to each of Messrs. Anderson, Shaffer and Utsler under the TransMontaigne Services Inc. long-term incentive plan. The acceleration will be effective on March 17, 2008, the date of their resignation from the board of our general partner. In connection with the foregoing resignations, our general partner appointed Olav Refvik, Duke Ligon and Stephen R. Munger to the board of directors of the general partner, effective March 17, 2008.

(8) Excludes 6,546 phantom common units granted to Mr. Boutin, 2,729 phantom common units granted to Ms. Davis, 17,456 phantom common units granted to Mr. Larson, and 4,364 phantom common units granted to Mr. Pound pursuant to the TransMontaigne Services Inc. savings and retention plan. The foregoing phantom units vest 50% on January 1, 2009 and 50% on January 1, 2010, but are subject to earlier vesting as described under "—Savings and Retention Plan" above.

(9) Includes 500 restricted phantom units granted to each of Messrs. Masters and Peters under the TransMontaigne Services Inc. long-term incentive plan that will vest on March 31, 2008. Excludes 1,500 restricted phantom units granted to each of Messrs. Masters and Peters under the TransMontaigne Services Inc. long term incentive plan that remain subject to continued vesting over three equal annual installments, beginning with the next vesting date March 31, 2009.

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes information about our equity compensation plans as of December 31, 2007.

	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 in column (a))(1)
	(a)	(b)	(c)
Equity compensation plans approved by security holders	—	—	—
Equity compensation plans not approved by security holders	10,000	—	306,290
Total	10,000	—	306,290

(1) As of December 31, 2007, the long-term incentive plan permits the grant of awards covering an aggregate of 491,790 units, of which 185,500 had been granted since the inception of the plan. The number of units available for grant automatically increase on an annual basis by 2% of the total outstanding common and subordinated units at the end of the preceding fiscal year. After giving effect to the automatic increase at the beginning of the 2008 fiscal year a total of 740,681 units are available for issuance under the plan. 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, and Note 12 to Notes to consolidated financial statements in Item 8 of this annual report.

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 Southeast 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 3, 2008, affiliates of TransMontaigne Inc., in the aggregate, owned a 28.2% interest in the partnership, consisting of 3,322,266 subordinated units (representing a 26.2% partnership interest) 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, 2007, we distributed approximately $7.0 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 $0.3 million 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, 2007 we paid TransMontaigne Inc. and its affiliates an administrative fee of $7.0 million with an additional insurance reimbursement of $1.7 million per year for the provision of various general and administrative services for our benefit. We also reimbursed TransMontaigne Inc. approximately $1.1 million for incentive payment grants to key employees of TransMontaigne Inc. and its affiliates under the TransMontaigne Services Inc. savings and retention plan. In connection with our acquisition of the Southeast terminal facilities on December 31, 2007, the administrative fee was increased to $10.0 million and the insurance reimbursement was increased to $2.9 million for 2008. 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, which agreement was amended and restated on December 31, 2007. The omnibus agreement, as amended and restated, addresses the following matters:

- our obligation to pay TransMontaigne Inc. an annual administrative fee, currently in the amount of $10.0 million;
- our obligation to pay TransMontaigne Inc. an annual insurance reimbursement in the amount of $2.9 million for the provision by TransMontaigne Inc. of certain insurance coverage with respect to our assets and operations;

- our obligation to pay TransMontaigne Inc. an annual reimbursement fee in an amount up to $1.5 million for incentive payment grants to key employees under the TransMontaigne Services Inc. savings and retention plan; 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 January 1, 2008.

Any or all of the provisions of the omnibus agreement, 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, 2007, we paid TransMontaigne Inc. an annual administrative fee of approximately $7.0 million for the provision of various general and administrative services for our benefit. The administrative fee paid in fiscal 2007 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 approximately $1.7 million for premiums on insurance policies covering our terminals and pipelines. The administrative fee may be increased annually 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 approximately $10.0 million and the insurance reimbursement was increased to approximately $2.9 million on December 31, 2007 to reflect an allocation of the additional costs expected to be incurred by TransMontaigne Inc. on our behalf for providing services related to the Southeast facilities. In addition, we agreed to reimburse TransMontaigne Inc. and its affiliates up to $1.5 million for incentive payment grants to key employees of TransMontaigne Inc. and its affiliates under the TransMontaigne Services Inc. savings and retention plan, provided that (i) no less than $1.5 million of the aggregate amount of such awards granted to key employees of TransMontaigne Inc. and its affiliates will be allocated to an investment fund indexed to the performance of the our common units, and (ii) that the proposed allocations of such awards among the key employees of TransMontaigne Inc. and its affiliates are approved by the compensation committee of our general partner to assure that an adequate portion of such awards are deemed invested in an investment fund indexed to the performance of our common units. The omnibus agreement will expire on December 31, 2014. If Morgan Stanley Capital Group elects to renew the terminaling and services agreement for the Southeast terminals, we have the right to extend the term of the omnibus agreement for an additional seven years. Due to the acquisition of TransMontaigne Inc. by Morgan Stanley Capital Group Inc. on September 1, 2006, the omnibus agreement no longer requires TransMontaigne Inc. to offer us any tangible assets that it acquires or constructs related to the storage, transportation or terminaling of refined products in the United States.

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, 2007, we reimbursed TransMontaigne Inc. approximately $11.3 million for direct expenses it incurred on our behalf, excluding reimbursements for incentive payment grants to key employees of TransMontaigne Inc. and its affiliates under the TransMontaigne Services Inc. savings and retention plan.

Right of First Refusal

Under the omnibus agreement we have a right of first refusal to purchase TransMontaigne Inc.'s Pensacola, Florida refined petroleum products terminal provided that we agree to pay no less than 105% of the purchase price offered by the third party bidder. The omnibus agreement also provides TransMontaigne Inc. with 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. These provisions are discussed under Item 1. "Business—Our Relationship with TransMontaigne Inc. and Morgan Stanley Capital Group" of this annual report.

Terminaling Services Agreements

We have entered into various terminaling services agreements with Morgan Stanley Capital Group and TransMontaigne Inc., which are discussed under Item 1. "Business—Our Relationship with TransMontaigne Inc. and Morgan Stanley Capital Group—Terminaling Services Agreements" of th annual report.

Acquisition from TransMontaigne Inc.

On December 31, 2007, we acquired the Southeast facilities from TransMontaigne Inc. for a cash payment of approximately $118.6 million. We financed the acquisition of the Southeast facilities through additional borrowings under our senior secured credit facility. The acquisition was approved by the conflicts committee of the board of directors of our general partner.

Indemnification

Under an indemnification agreement, which contains the indemnification terms previously set forth in 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 $15.0 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 Item 1. "Business and Properties—Environmental Matters—Site Remediation" of this annual report. 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 Item 1. "Business and Properties—Environmental Matters—Site Remediation" of this annual report. 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 $15.0 million.

Under the purchase agreement for the Southeast facilities, TransMontaigne Inc. has agreed to indemnify us for certain environmental liabilities, discussed under Item 1. "Business and Properties—Environmental Matters—Site Remediation" of this annual report. 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 provided that indemnifiable losses must first exceed $500,000 and total indemnification is generally limited to $15.0 million. We have agreed to indemnify TransMontaigne Inc. for any losses attributable to any breach of our representations, warranties or covenants or the post-closing operations of the Southeast Terminals, including any environmental liabilities occurring after December 31, 2007, to the extent not subject to TransMontaigne Inc.'s indemnification obligations.

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 3.6% of our outstanding limited partner 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, 2008, Morgan Stanley Strategic Investments, Inc. would receive an annual distribution of approximately $0.7 million on its subordinated units. During fiscal year ended December 31, 2007, Morgan Stanley Strategic Investments, Inc. received $0.9 million 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):

	2007	2006
Audit fees(1)	$ 525,000	$ 535,000
Audit-related fees(2)	108,000	185,000
Tax fees	—	—
All other fees	—	—
Total accounting fees and services	$ 633,000	$ 720,000

(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 Southeast terminaling facilities in 2007 and the Brownsville and River terminaling facilities in 2006 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 annual report.

1. *Consolidated Financial Statements and Schedules:* See the index to the consolidated financial statements of TransMontaigne Partners L.P. and its subsidiaries that appears on page 63 of this annual report.

2. *Financial Statement Schedules.* Valuation and qualifying accounts are set forth in Exhibit 99.1 to this annual report. All other schedules are omitted because they are not required, are inapplicable or the required information is included in the financials statements or notes thereto.

3. *Exhibits:* The following is a list of exhibits required by Item 601 of Regulation S-K to be filed as part of this annual report:

Exhibit Number	Description
1.1	Underwriting Agreement, dated May 17, 2007, among TransMontaigne Partners L.P., TransMontaigne GP L.L.C., Morgan Stanley & Co. Incorporated and UBS Securities LLC, on behalf of the Underwriters (incorporated by reference to Exhibit 1.1 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on May 21, 2007)
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).
2.2	Facilities Sale Agreement, dated as of December 29, 2006, by and between TransMontaigne Product 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 5, 2007).
2.3	Facilities Sale Agreement, dated as of December 28, 2007, by and between TransMontaigne Product 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 3, 2008).
3.1	Certificate of Limited Partnership of TransMontaigne Partners L.P., dated February 23, 2005 (incorporated by reference to Exhibit 3.1 of TransMontaigne Partners L.P.'s Registration Statement on Form S-1 (Registration No. 333-123219) filed on March 9, 2005).
3.2	First Amended and Restated Agreement of Limited Partnership of TransMontaigne Partners L.P., dated May 27, 2005 (incorporated by reference to Exhibit 3.1 of the Annual Report on Form 10-K filed by TransMontaigne Partners L.P. with the SEC on September 13, 2005).
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	First Amendment to Amended and Restated Senior Secured Credit Facility, dated July 12, 2007, by and among TransMontaigne Operating Company L.P., a Delaware limited partnership, 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 10.1 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on July 18, 2007).
10.3	Increased Commitment Supplement, dated July 12, 2007, by and among TransMontaigne Operating Company L.P., 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 July 18, 2007).
10.4	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).
10.5*	Amended and Restated Omnibus Agreement, dated December 28, 2007, among TransMontaigne Inc., TransMontaigne Partners L.P., TransMontaigne GP L.L.C., TransMontaigne Operating GP L.L.C. and TransMontaigne Operating Company L.P.
10.7	TransMontaigne Services Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 of the Annual Report on Form 10-K filed by TransMontaigne Partners L.P. with the SEC on September 13, 2005).**
10.9	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).
10.10	Form of TransMontaigne Services Inc. Long-Term Incentive Plan Employee Restricted Unit Agreement (incorporated by reference to Exhibit 10.8 of Amendment No. 3 to TransMontaigne Partners L.P.'s Registration Statement on Form S-1 (Registration No. 333-123219) filed on May 24, 2005).**
10.11	Form of TransMontaigne Services Inc. Long-Term Incentive Plan Non-Employee Director Restricted Unit Agreement (incorporated by reference to Exhibit 10.9 of Amendment No. 3 to TransMontaigne Partners L.P.'s Registration Statement on Form S-1 (Registration No. 333-123219) filed on May 24, 2005).**
10.12	Form of TransMontaigne Services Inc. Long-Term Incentive Plan Employee Award Agreement (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 April 6, 2006).**
10.13	Form of TransMontaigne Services Inc. Long-Term Incentive Plan Non-Employee Director Award Agreement (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on April 6, 2006).

10.14	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 (incorporated by reference to Exhibit 10.13 of the Annual report on Form 10-K filed by TransMontaigne partners L.P. with the SEC on March 16, 2007).(1)
10.15	Terminaling Services Agreement, dated June 1, 2007, between TransMontaigne Partners L.P. and Morgan Stanley Capital Group Inc. (incorporated by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q filed by TransMontaigne Partners L.P. with the SEC on August 9, 2007) (1)
10.16*	Terminaling Services Agreement—Southeast and Collins/Purvis, dated January 1, 2008, between TransMontaigne Partners L.P. and Morgan Stanley Capital Group Inc.(1)
10.17*	Indemnification Agreement, dated December 28, 2007, among TransMontaigne Inc., TransMontaigne Partners L.P., TransMontaigne GP L.L.C., TransMontaigne Operating GP L.L.C. and TransMontaigne Operating Company L.P.
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 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of 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 annual 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/ DONALD H. ANDERSON

Donald H. Anderson
Chairman of the Board

Date: March 7, 2008

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 of the Board and a Director	March 7, 2008
/s/ RANDALL J. LARSON Randall J. Larson	Chief Executive Officer	March 7, 2008
/s/ GREGORY J. POUND Gregory J. Pound	President and Chief Operating Officer	March 7, 2008
/s/ FREDERICK W. BOUTIN Frederick W. Boutin	Executive Vice President, Chief Financial Officer and Treasurer	March 7, 2008
/s/ DEBORAH A. DAVIS Deborah A. Davis	Senior Vice President and Chief Accounting Officer	March 7, 2008
/s/ JAVED AHMED Javed Ahmed	Director	March 7, 2008
/s/ JERRY R. MASTERS Jerry R. Masters	Director	March 7, 2008
/s/ DAVID A. PETERS David A. Peters	Director	March 7, 2008
/s/ D. DALE SHAFFER D. Dale Shaffer	Director	March 7, 2008

/s/ REX L. UTSLER

Rex L. Utsler	Director	March 7, 2008

EXHIBIT INDEX

Exhibit Number	Description
1.1	Underwriting Agreement, dated May 17, 2007, among TransMontaigne Partners L.P., TransMontaigne GP L.L.C., Morgan Stanley & Co. Incorporated and UBS Securities LLC, on behalf of the Underwriters (incorporated by reference to Exhibit 1.1 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on May 21, 2007)
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).
2.2	Facilities Sale Agreement, dated as of December 29, 2006, by and between TransMontaigne Product 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 5, 2007).
2.3	Facilities Sale Agreement, dated as of December 28, 2007, by and between TransMontaigne Product 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 3, 2008).
3.1	Certificate of Limited Partnership of TransMontaigne Partners L.P., dated February 23, 2005 (incorporated by reference to Exhibit 3.1 of TransMontaigne Partners L.P.'s Registration Statement on Form S-1 (Registration No. 333-123219) filed on March 9, 2005).
3.2	First Amended and Restated Agreement of Limited Partnership of TransMontaigne Partners L.P., dated May 27, 2005 (incorporated by reference to Exhibit 3.1 of the Annual Report on Form 10-K filed by TransMontaigne Partners L.P. with the SEC on September 13, 2005).
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	First Amendment to Amended and Restated Senior Secured Credit Facility, dated July 12, 2007, by and among TransMontaigne Operating Company L.P., a Delaware limited partnership, 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 10.1 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on July 18, 2007).
10.3	Increased Commitment Supplement, dated July 12, 2007, by and among TransMontaigne Operating Company L.P., 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 July 18, 2007).

10.4	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).
10.5*	Amended and Restated Omnibus Agreement, dated December 28, 2007, among TransMontaigne Inc., TransMontaigne Partners L.P., TransMontaigne GP L.L.C., TransMontaigne Operating GP L.L.C. and TransMontaigne Operating Company L.P.
10.7	TransMontaigne Services Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 of the Annual Report on Form 10-K filed by TransMontaigne Partners L.P. with the SEC on September 13, 2005).**
10.9	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).
10.10	Form of TransMontaigne Services Inc. Long-Term Incentive Plan Employee Restricted Unit Agreement (incorporated by reference to Exhibit 10.8 of Amendment No. 3 to TransMontaigne Partners L.P.'s Registration Statement on Form S-1 (Registration No. 333-123219) filed on May 24, 2005).**
10.11	Form of TransMontaigne Services Inc. Long-Term Incentive Plan Non-Employee Director Restricted Unit Agreement (incorporated by reference to Exhibit 10.9 of Amendment No. 3 to TransMontaigne Partners L.P.'s Registration Statement on Form S-1 (Registration No. 333-123219) filed on May 24, 2005).**
10.12	Form of TransMontaigne Services Inc. Long-Term Incentive Plan Employee Award Agreement (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 April 6, 2006).**
10.13	Form of TransMontaigne Services Inc. Long-Term Incentive Plan Non-Employee Director Award Agreement (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on April 6, 2006).
10.14	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 (incorporated by reference to Exhibit 10.13 of the Annual report on Form 10-K filed by TransMontaigne partners L.P. with the SEC on March 16, 2007).(1)
10.15	Terminaling Services Agreement, dated June 1, 2007, between TransMontaigne Partners L.P. and Morgan Stanley Capital Group Inc. (incorporated by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q filed by TransMontaigne Partners L.P. with the SEC on August 9, 2007) (1)
10.16*	Terminaling Services Agreement—Southeast and Collins/Purvis, dated January 1, 2008, between TransMontaigne Partners L.P. and Morgan Stanley Capital Group Inc.(1)
10.17*	Indemnification Agreement, dated December 28, 2007, among TransMontaigne Inc., TransMontaigne Partners L.P., TransMontaigne GP L.L.C., TransMontaigne Operating GP L.L.C. and TransMontaigne Operating Company L.P.
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 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of 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 annual 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

Exhibit 10.5

Execution Copy

AMENDED AND RESTATED

OMNIBUS AGREEMENT

among

TRANSMONTAIGNE INC.

TRANSMONTAIGNE GP L.L.C.

TRANSMONTAIGNE PARTNERS L.P.

TRANSMONTAIGNE OPERATING GP L.L.C.

and

TRANSMONTAIGNE OPERATING COMPANY L.P.

AMENDED AND RESTATED OMNIBUS AGREEMENT

THIS AMENDED AND RESTATED OMNIBUS AGREEMENT ("Restated Agreement") dated as of December 31, 2007, but effective for all purposes as of January 1, 2008 (the "Effective Date") is entered into by and among TransMontaigne Inc., a Delaware corporation ("TMG"), TransMontaigne GP L.L.C., a Delaware limited liability company (the "General Partner"), TransMontaigne Partners L.P., a Delaware limited partnership (the "Partnership"), TransMontaigne Operating GP L.L.C., a Delaware limited liability company (the "OLP GP"), and TransMontaigne Operating Company L.P., a Delaware limited partnership (the "Operating Partnership"). The above-named entities are sometimes referred to in this Restated Agreement each as a "Party" and collectively as the "Parties."

R E C I T A L S:

A. The Parties have previously entered into an Omnibus Agreement, effective as of May 27, 2005.

B. The Parties have previously amended the Omnibus Agreement by execution of the First Amendment to Omnibus Agreement dated October 31, 2005 (the "First Amendment"), the Second Amendment to Omnibus Agreement dated as of January 1, 2006 (the "Second Amendment") and the Third Amendment to Omnibus Agreement effective as of December 29, 2006 (the "Third Amendment"; the Omnibus Agreement, as amended by the First Amendment, the Second Amendment and the Third Amendment, the "Original Agreement").

C. The Partnership has entered into a Facilities Sale Agreement dated as of December 28, 2007 (the "FSA") with TransMontaigne Product Services Inc. ("TPSI") to purchase certain refined petroleum product terminals and related truck loading, marine dock facilities and other assets comprising the Southeast Terminals and the Collins/Purvis Terminal (collectively, the "Facilities") from TPSI (the "Transaction"), which Transaction is anticipated to close on or about December 31, 2007 (the "FSA Closing Date").

D. Pursuant to the Original Agreement, TMG agreed to provide management, legal, accounting and tax services (the "Services") to the Partnership from and after the effective date of the Original Agreement, as well as provide personnel to operate certain assets (as defined therein).

E. In conjunction with the Transaction, the Parties desire to amend and restate the Original Agreement in its entirety.

ARTICLE I
Definitions

1.1 ***Definitions.***

As used in this Restated Agreement, the following terms shall have the respective meanings set forth below:

"Administrative Fee" is defined in Section 2.1(a).

"Affiliate" is defined in the Partnership Agreement.

"Applicable Period" is defined in Section 2.1(a).

"Asset Exchange Transactions" means any transaction in which a TMG Entity and a third party exchange terminaling assets or other tangible assets.

"Assets" means (a) all assets owned by the Partnership Group prior to or on the FSA Closing Date, including any such assets held by a Person whose ownership interests are transferred by the TMG Entities to the Partnership Group prior to or on the FSA Closing Date by means of operation of law or otherwise, (b) the Option Assets from and after the consummation of the purchase by the Partnership of the Option Assets pursuant to Article III hereof, and (c) assets acquired or constructed by the Partnership Group during the Applicable Period from and after such time as TMG and the General Partner, on behalf of the Partnership Group and with the concurrence of the Conflicts Committee, establish a revised Administrative Fee in accordance with Section 2.1(a) hereof and revised Insurance Reimbursement in accordance with Section 2.1(c) hereof.

"Cause" is defined in the Partnership Agreement.

"Common Units" is defined in the Partnership Agreement.

"Conflicts Committee" is defined in the Partnership Agreement.

"control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract, or otherwise.

"Effective Date" is defined in introductory paragraph of this Restated Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Facilities" is defined in Recital C.

"FSA Closing Date" is defined in Recital C.

"General Partner" is defined in the introductory paragraph of this Restated Agreement.

"Insurance Reimbursement" is defined in Section 2.1(c).

"In-Service Date" is defined in Section 3.1(b).

"Limited Partner" is defined in the Partnership Agreement.

"MSCG" means Morgan Stanley Capital Group Inc.

"OLP GP" is defined in the introductory paragraph of this Restated Agreement.

"Operating Partnership" is defined in the introductory paragraph of this Restated Agreement.

"Option" is defined in Section 3.1(a).

"Option Assets" is defined in Section 3.1(a).

"Option Term Sheet" is defined in Section 3.2(a).

"Original Agreement" is defined in Recital B.

"Partnership" is defined in the introductory paragraph of this Restated Agreement.

"Partnership Acceptance Deadline" is defined in Section 4.2(b).

"Partnership Acquisition Proposal" is defined in Section 4.2(a).

"Partnership Agreement" means the First Amended and Restated Agreement of Limited Partnership of TransMontaigne Partners L.P., dated as of May 27, 2005, as such agreement is in effect on the FSA Closing Date, to which reference is hereby made for all purposes of this Restated Agreement. No amendment or modification to the Partnership Agreement subsequent to the FSA Closing Date shall be given effect for the purposes of this Restated Agreement unless consented to by each of the Parties to this Restated Agreement.

"Partnership Disposition Notice" is defined in Section 4.2(a).

"Partnership Entities" means the General Partner and each member of the Partnership Group; and " *Partnership Entity"* means any of the Partnership Entities.

"Partnership Group" means the Partnership, the OLP GP, the Operating Partnership and any Subsidiary of any such Person, treated as a single consolidated entity; and *"Partnership Group Member"* means any member of the Partnership Group.

"Partnership Offer Price" is defined in Section 4.2(a).

"*Partnership Terminaling Agreement* Notice" is defined in Section 4.2(c).

"Partnership Terminaling Agreement Proposal" is defined in Section 4.2(c).

"Party" and *"Parties"* are defined in the introductory paragraph of this Restated Agreement.

"Person" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

"Plan" is defined in Section 2.1(b).

"Proposed Option Price" is defined in Section 3.2(b).

"Proposed Transferee" is defined in Section 4.1(a).

"Proposed Customer" is defined in Section 4.1(a).

"Restated Agreement" is defined in the introductory paragraph hereof.

"ROFR Assets" is defined in Section 4.1(c).

"ROFR Services" is defined in Section 4.1(c).

"Services" is defined in Section 2.1(a).

"Subsidiary" means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

"Terminaling Services Agreement" means the Terminaling Services Agreement — Southeast and Collins/Purvis, dated as of January 1, 2008, entered into by and between, the Partnership, on behalf of itself and its affiliates (as defined therein), and MSCG.

"TMG" is defined in the introductory paragraph of this Restated Agreement.

"TMG Acceptance Deadline" is defined in Section 4.2(a).

"TMG Acquisition Proposal" is defined in Section 4.2(b).

"TMG Disposition Notice" is defined in Section 4.2(b).

"TMG Entities" means TMG and any Person controlled, directly or indirectly, by TMG other than the Partnership Entities; and *"TMG Entity"* means any of the TMG Entities.

“TMG Offer Price” is defined in Section 4.2(b).

“Transfer”, including the correlative terms *“Transferring”* or *“Transferred”,* means any direct or indirect transfer, assignment, sale, gift, pledge, hypothecation or other encumbrance, or any other disposition (whether voluntary, involuntary or by operation of law) of any assets, property or rights.

“Units” is defined in the Partnership Agreement.

“Voting Securities” means securities of any class of a Person entitling the holders thereof to vote on a regular basis in the election of members of the board of directors or other governing body of such Person.

ARTICLE II
Services

2.1 ***General.***

(a) During the period commencing on the Effective Date and terminating on the earlier to occur of the TMG Entities ceasing to control the General Partner or December 31, 2014 (subject to the extension provisions set forth in paragraph (e) below, the “Applicable Period”), the Partnership shall pay the TMG Entities an administrative fee (the “Administrative Fee”) of $10,030,000 per year, payable in arrears in equal monthly installments beginning in January 2008, for the provision by the TMG Entities for the Partnership Group’s benefit of certain corporate staff and support services during the Applicable Period (the “Services”). The Services will be substantially identical in nature and quality to the services of such type previously provided by the TMG Entities in connection with their management and operation of the Assets during the one-year period prior to the Effective Date. During the Applicable Period, the Partnership Group will satisfy all of its needs for Services through the TMG Entities. TMG may increase the Administrative Fee each calendar year effective commencing on the one-year anniversary of the Effective Date by an amount up to the product of the then-current Administrative Fee multiplied by the percentage increase, if any, from the immediately preceding year in the Consumer Price Index — All Urban Consumers, U.S. City Average, Not Seasonally Adjusted. If the Partnership or any other Partnership Group Member acquires or constructs additional assets during the Applicable Period, then TMG shall propose a revised Administrative Fee covering the provision of Services for such additional assets. If the General Partner, on behalf of the Partnership Group and with the concurrence of the Conflicts Committee, agrees to such revised Administrative Fee, the TMG Entities, as applicable, shall provide Services for the additional assets pursuant to the terms set forth herein. Notwithstanding the foregoing, the Services shall not include any services that are outsourced by the TMG Entities to third parties. The payment for any outsourced services shall be subject to Section 2.1(f)(v).

(b) During the Applicable Period, the Partnership shall pay the TMG Entities no less than $1.5 million as a reimbursement for incentive payment grants to key employees of the TMG Entities under the TransMontaigne Services Inc. Savings and

Retention Plan (the "Plan"), provided that (i) no less than $1.5 million of the aggregate amount of such awards will be allocated to an investment fund indexed to the performance of the Partnership's Common Units, and (ii) the General Partner's Compensation Committee with the concurrence of the Conflicts Committee shall review and approve the allocation of awards among participants in the Plan to assure that an adequate portion of such awards are allocated to certain key employees who perform services to or for the benefit of the Partnership Group and deemed invested in an investment fund indexed to the performance of the Partnership's common units.

(c) During the Applicable Period, the Partnership shall pay the TMG Entities an insurance reimbursement (the "Insurance Reimbursement") of $2,850,000 per year, payable in arrears in equal monthly installments beginning in January 2008, for insurance premiums with respect to the Assets. The TMG Entities may increase the Insurance Reimbursement at any time in accordance with increases in the premiums or fees payable under the applicable insurance policies. If the Partnership or any other Partnership Group Member acquires or constructs additional assets during the Applicable Period, TMG shall propose a revised Insurance Reimbursement covering insurance premiums for such additional assets. If the General Partner, on behalf of the Partnership Group and with the concurrence of the Conflicts Committee, agrees to such revised Insurance Reimbursement, the TMG Entities shall procure insurance coverage for the additional assets pursuant to the terms set forth herein.

(d) On each anniversary of the Effective Date during the Applicable Period, the Partnership will have the right to submit to TMG a proposal to reduce the amount of the Administrative Fee for that year if the Partnership believes, in good faith, that the Services performed by the TMG Entities for the year in question do not justify payment of the full Administrative Fee for that year. If the Partnership submits such a proposal to TMG, TMG agrees that it will negotiate in good faith with the Partnership to determine if the Administrative Fee for that year should be reduced and, if so, by how much.

(e) In the event MSCG elects to extend the Terminaling Services Agreement for the Renewal Term (as defined therein) and provides written notice to the Partnership of such election prior to December 31, 2013 in accordance with Section 7 of Attachment "A" to t he Terminaling Services Agreement, then the Applicable Period, at the option of the Partnership with the concurrence of the Conflicts Committee, may be extended for an additional period of seven years from and after December 31, 2014, upon no less than 90 days prior written notice to TMG. Absent the receipt of the Partnership's notice to extend the Applicable Period, or in the event MSCG elects not to extend the Terminaling Services Agreement for the Renewal Term (or fails to provide notice of its election to extend the Terminaling Services Agreement for the Renewal Term in accordance with Section 7 of Attachment "A" to the Terminaling Services Agreement), the Applicable Period shall terminate in accordance with Section 2.1(a). Following the expiration of the Applicable Period, the General Partner will determine the amount of corporate staff and support expenses and insurance premium expenses that are properly allocable to the Partnership Group in accordance with the terms of the Partnership Agreement.

(f) The Administrative Fee shall not include and the Partnership Group shall reimburse the TMG Entities for:

(i) wages and salaries of employees of any TMG Entity, to the extent, but only to the extent, such employees perform services for the Partnership Group on-site at any Asset;

(ii) the cost of employee benefits relating to employees of any TMG Entity, such as 401(k), pension, and health insurance benefits, to the extent, but only to the extent, such employees perform services for the Partnership Group on-site at any Asset;

(iii) out-of-pocket costs and expenses incurred by the TMG Entities on behalf of the Partnership Group, including the incremental general and administrative expenses of the Partnership's status as a public company, such as K-1 preparation, external audit, internal audit, transfer agent and registrar, legal, printing, unitholder reports, and other costs and expenses;

(iv) all sales, use, excise, value added or similar taxes, other than taxes measured by income, if any, that may be applicable from time to time in respect of the Services; and

(v) any services (including with respect to the forgoing clauses (i)-(iv)) that are outsourced by the TMG Entities to third parties with the concurrence of the Conflicts Committee.

ARTICLE III
Purchase Options

3.1 ***Option to Purchase Certain Assets Retained by the TMG Entities.***

(a) Subject to Section 3.1(d), TMG, on behalf of itself and the other TMG Entities, hereby grants to the Partnership an exclusive option (the "Option") to purchase all of the TMG Entities' right, title and interest in and to the refined product terminal complex located in Pensacola, Florida (the "Option Assets"). Any tangible assets received by a TMG Entity in an Asset Exchange Transaction in exchange for any of the Option Assets described above will be subject to the Option described in this Section 3.1. For the avoidance of doubt, the Option Assets do not include the TMG Entities' (i) tug and barge operations, (ii) supply, distribution and marketing businesses, (iii) proprietary pipeline receipt and delivery system at the Port Everglades (North) and Port Everglades (South) terminals, and (iv) the refined product terminal located in Rensselaer, New York.

(b) The Option will be exercisable for a period of two years commencing on the date on which the Option Assets are first put into commercial service following completion of construction and testing (the "In-Service Date"). Promptly following the In-Service Date, TMG shall notify the Partnership in writing of the Option exercise period.

(c) TMG shall cause each other TMG Entity to comply with the terms of this Article III.

(d) The Parties acknowledge that any potential Transfer of the Option Assets pursuant to this Article III shall be subject to and conditioned on obtaining any and all necessary consents of the TMG Entities' respective shareholders, noteholders and other securityholders, governmental authorities, lenders and other third parties.

3.2 *Procedures.*

(a) The General Partner shall notify TMG in writing during the Option exercise period that either (i) the General Partner has elected, with the approval of the Conflicts Committee, not to cause a Partnership Group Member to exercise such Option, in which case the TMG Entities may own, operate or Transfer the Option Assets subject to the Option without any further obligation to offer such Option Assets to the Partnership (including pursuant to Article IV), or (ii) the General Partner, with the approval of the Conflicts Committee, wishes to cause a Partnership Group Member to exercise the Option, subject to the negotiation of the terms of the exercise of such Option pursuant to the provisions of Section 3.2(b). If during the exercise period the General Partner notifies TMG that it wishes to cause a Partnership Group Member to exercise the Option, then within 45 days after such notification, TMG shall submit a term sheet (an "Option Term Sheet") to the General Partner containing the fundamental terms (other than purchase price) on which it would be willing to sell (or to cause another TMG Entity to sell) the Option Assets, including any proposed commitments from the TMG Entities, if any.

(b) Within 45 days after delivery of the Option Term Sheet, the General Partner shall submit to TMG, on behalf of the Partnership and with the concurrence of the Conflicts Committee, the cash purchase price (the "Proposed Option Price") it is willing to cause a Partnership Group Member to pay for the Option Assets. Thereafter, TMG and the Conflicts Committee shall negotiate the terms of the purchase and sale in good faith for 60 days. If TMG and the Conflicts Committee are unable to agree on such terms during such 60-day period, TMG may attempt to sell the Option Assets to a person who is not an Affiliate of TMG within six months of the termination of such 60-day period, provided that the purchase price for such Option Assets may not be less than 105% of the Proposed Option Price and otherwise shall be on terms that are not materially more favorable to the proposed purchaser than the terms specified in the Option Term Sheet submitted by TMG pursuant to Section 3.2(a) with respect to the Option Assets, in each case as determined by written resolution of the Board of Directors of TMG. If no sale to a non-Affiliate occurs within such six-month period, the General Partner shall have the right (but not the obligation) to cause, on behalf of the Partnership and with the concurrence of the Conflicts Committee, a Partnership Group Member to purchase the Option Assets at the Proposed Option Price and otherwise upon the terms specified in the Option Term Sheet. The General Partner shall notify TMG of its intent to cause a Partnership Group Member to purchase the Option Assets at the Proposed Option Price within 45 days of the expiration of such six-month period or such earlier date on which TMG notifies the General Partner that it will no longer pursue a sale to a non-Affiliate. If the General Partner either (A) fails to respond within such 45-day period or (B) rejects the opportunity by written notice of the General Partner, with the approval of the Conflicts Committee, to TMG, then the TMG Entities may own, operate or Transfer the Option Assets without any further obligation to offer the Option Assets to the Partnership (including pursuant to Article IV).

(c) If requested by the General Partner, TMG shall use commercially reasonable efforts to obtain financial statements with respect to the Option Assets purchased by a Partnership Group Member as required under Regulation S-X promulgated by the Securities and Exchange Commission or any successor statute.

ARTICLE IV
Rights of First Refusal

4.1 ***Rights of First Refusal*.**

(a) Subject to Section 4.1(c), for so long as a TMG Entity controls the General Partner, the Partnership hereby grants to TMG, on behalf of itself and the other TMG Entities, a right of first refusal on any proposed Transfer (other than a grant of a security interest to a bona fide third party lender or a Transfer to another Partnership Group Member) of assets held by a Partnership Group Member; *provided*, that TMG agrees to pay or to cause such other TMG Entity to pay no less than 105% of the purchase price offered by a bona fide third party prospective acquiror (a "Proposed Transferee"). In addition, subject to Section 4.1(c), for so long as a TMG Entity controls the General Partner, the Partnership hereby grants to the TMG Entities a right of first refusal with respect to having the exclusive use of any petroleum product tankage capacity that (i) is put into commercial service (including any previously out of service tanks, refurbished tanks or newly constructed tanks that are put into service) at any time and from time to time on and after the Effective Date, or (ii) was subject to a terminaling services agreement as of the Effective Date that expires or is terminated subsequent to the Effective Date (excluding any contract which is renewable solely at the option of the customer); *provided*, that TMG agrees to pay or to cause another TMG Entity to pay no less than 105% of the fees for terminaling services offered by a proposed terminal customer (a "Proposed Customer").

(b) Subject to Section 4.1(c), for so long as a TMG Entity controls the General Partner, TMG, on behalf of itself and the other TMG Entities, hereby grants to the Partnership a right of first refusal on any proposed Transfer (other than a grant of a security interest to a bona fide third party lender, a Transfer to another TMG Entity or a Transfer consummated pursuant to an Asset Exchange Transaction) of any Option Asset prior to the exercise period of the applicable Option with respect thereto; *provided,* in each case, that the Partnership agrees to pay, or to cause another Partnership Group Member to pay, no less than 105% of the purchase price offered by a Proposed Transferee.

(c) The Parties acknowledge that any potential Transfer of assets pursuant to this Article IV (such assets, the "ROFR Assets") or any potential agreement for the use of any of the petroleum product tankage capacity described in Section 4.1(a) by a Proposed Customer (the "ROFR Services") shall be subject to, conditioned on obtaining any and all necessary consents of equityholders, noteholders or other securityholders, governmental authorities, lenders or other third parties. Any tangible assets received by a TMG Entity in an Asset Exchange Transaction in exchange for any of the ROFR Assets described in paragraph (b) above will be subject to the provisions of this Section 4.1.

4.2 ***Procedures*****.**

(a) If a Partnership Group Member proposes to Transfer any ROFR Assets to a Proposed Transferee (a "Partnership Acquisition Proposal"), then the General Partner shall promptly give written notice (a "Partnership Disposition Notice") thereof to TMG. The Partnership Disposition Notice shall set forth the following information in respect of the proposed Transfer: (i) the name and address of the Proposed Transferee, (ii) the ROFR Asset(s) subject to the Partnership Acquisition Proposal, (iii) the purchase price offered by such Proposed Transferee (the "Partnership Offer Price"), (iv) reasonable detail concerning any non-cash portion of the proposed consideration, if any, to allow TMG to reasonably determine the fair value of such non-cash consideration, (v) the General Partner's estimate of the fair value of any non-cash consideration, and (vi) all other material terms and conditions of the Partnership Acquisition Proposal that are then known to the General Partner. To the extent the Proposed Transferee's offer consists of consideration other than cash (or in addition to cash), the Partnership Offer Price shall be deemed equal to the amount of any such cash plus the fair value of such non-cash consideration. If TMG determines that it wishes to, or wishes to cause another TMG Entity to, purchase the applicable ROFR Assets on the terms set forth in the Partnership Disposition Notice (subject to the provisos set forth in Section 4.1(a), including without limitation the requirement therein to pay 105% of the purchase price specified in the Partnership Disposition Notice), it will deliver notice thereof to the General Partner within 45 days after the General Partner's delivery of the Partnership Disposition Notice (the "TMG Acceptance Deadline"). Failure to provide such notice within such 45-day period shall be deemed to constitute a decision not to purchase the applicable ROFR Assets, and TMG shall be deemed to have waived its rights with respect to such proposed disposition of the applicable ROFR Assets, but not with respect to any future offer of such ROFR Assets. If the Transfer by the Partnership Group Member to the Proposed Transferee is not consummated in accordance with the terms of the Partnership Acquisition Proposal within the later of (A) 180 days after the TMG Acceptance Deadline, and (B) 10 days after the satisfaction of all consent, governmental approval or filing requirements, if any, the Partnership Acquisition Proposal shall be deemed to lapse, and the Partnership Group Member may not Transfer any of the ROFR Assets described in the Partnership Disposition Notice without complying again with the provisions of this Article IV if and to the extent then applicable.

(b) If a TMG Entity proposes to Transfer any ROFR Assets to a Proposed Transferee (a "TMG Acquisition Proposal"), then TMG shall promptly give written notice (a "TMG Disposition Notice") thereof to the General Partner. The TMG Disposition Notice shall set forth the following information in respect of the proposed Transfer: (i) the name and address of the Proposed Transferee, (ii) the ROFR Asset(s) subject to the TMG Acquisition Proposal, (iii) the purchase price offered by such Proposed Transferee (the "TMG Offer Price"), (iv) proposed throughput arrangements, if any, (v) reasonable detail concerning any non-cash portion of the proposed consideration, if any, to allow the General Partner to reasonably determine the fair value of such non-cash consideration, (vi) TMG's estimate of the fair value of any non-cash consideration, and (vii) all other material terms and conditions of the TMG Acquisition Proposal that are then known to TMG. To the extent the Proposed Transferee's offer consists of consideration other than cash (or in addition to cash) the TMG Offer Price shall be deemed equal to the amount of any such cash plus the fair value of such non-cash consideration. No later than 45 days after TMG's delivery of the TMG Disposition Notice (the "Partnership Acceptance Deadline"), the General Partner shall notify TMG in writing that either (i) the General Partner has elected, with the approval of the Conflicts Committee, not to cause a Partnership Group Member to purchase the applicable ROFR Assets on the terms set forth in the TMG Disposition Notice (subject to the proviso set forth in Section 4.1(b), including without limitation the requirement therein to pay 105% of the purchase price specified in the TMG Disposition Notice), in which case the TMG Entities may own, operate or Transfer the applicable ROFR Assets without any further obligation to offer such ROFR Assets to the Partnership, other than any re-offer of the same ROFR Assets pursuant to the terms set forth in this paragraph (b) below, or (ii) the General Partner has elected to cause a Partnership Group Member to purchase the applicable ROFR Assets on the terms set forth in the TMG Disposition Notice (subject to the proviso set forth in Section 4.1(b), including without limitation the requirement therein to pay 105% of the purchase price specified in the TMG Disposition Notice). If the Transfer by the TMG Entity to the Proposed Transferee is not consummated in accordance with the terms of the TMG Acquisition Proposal within the later of (A) 180 days after the Partnership Acceptance Deadline, and (B) 10 days after the satisfaction of all consent, governmental approval or filing requirements, if any, the TMG Acquisition Proposal shall be deemed to lapse, and the TMG Entity may not Transfer any of the ROFR Assets described in the TMG Disposition Notice without complying again with the provisions of this Article IV if and to the extent then applicable.

(c) If a Partnership Group Member proposes to provide any ROFR Services to a Proposed Customer (a "Partnership Terminaling Agreement Proposal"), then the General Partner shall promptly give written notice (a "Partnership Terminaling Agreement Notice") thereof to TMG. The Partnership Terminaling Agreement Notice shall set forth the following information in respect of the proposed ROFR Services: (i) the name and address of the Proposed Customer, (ii) the tankage subject to the Partnership Terminaling Agreement Proposal, (iii) the terminaling and other fees to be paid by the Proposed Customer, (iv) the proposed terms of the terminaling agreement with the Proposed Customer and (v) any other material terms and conditions of the Partnership Terminaling Agreement Proposal that are then known to the General Partner. If TMG determines that it wishes to, or wishes to cause another TMG Entity to, utilize the ROFR Services on terms substantially similar to those set forth in the Partnership Terminaling Agreement Notice, it will deliver notice thereof to the General Partner within ten days after the General Partner's delivery of the Partnership Terminaling Agreement Notice. Failure to provide such notice within such ten-day period shall be deemed to constitute a decision not to utilize the proposed ROFR Services set forth in such Notice, and TMG shall be deemed to have waived its rights with respect to the ROFR Services specified in the notice, but not with respect to any future offer of ROFR Services with respect to the same tankage covered in the Partnership Terminaling Agreement Notice or any other tankage. For avoidance of doubt, the Partnership shall provide TMG with a Partnership Terminaling Agreement Notice in respect of any tankage that becomes or is available to any Proposed Customer at any time and from time to time during the Applicable Period.

(d) If requested by the transferee Party, the transferor Party shall use commercially reasonable efforts to obtain financial statements with respect to any ROFR Assets Transferred pursuant to this Article IV as required under Regulation S-X promulgated by the Securities and Exchange Commission or any successor statute. TMG and the Partnership Group shall cooperate in good faith in obtaining all necessary consents of equityholders, noteholders or other securityholders, governmental authorities, lenders or other third parties.

ARTICLE V

Miscellaneous

5.1 ***Choice of Law; Submission to Jurisdiction.*** This Restated Agreement shall be subject to and governed by the laws of the State of Colorado, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this Restated Agreement to the laws of another state. Each Party hereby submits to the jurisdiction of the state and federal courts in the State of Colorado and to venue in Denver, Colorado.

5.2 ***Notice***. All notices or requests or consents provided for by, or permitted to be given pursuant to, this Restated Agreement must be in writing and must be given by depositing same in the United States mail, addressed to the Person to be notified, postpaid, and registered or certified with return receipt requested or by delivering such notice in person or by telecopier or telegram to such Party. Notice given by personal delivery or mail shall be effective upon actual receipt. Notice given by telegram or telecopier shall be effective upon actual receipt if received during the recipient's normal business hours or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. All notices to be sent to a Party pursuant to this Restated Agreement shall be sent to or made at the address set forth below such Party's signature to this Restated Agreement or at such other address as such Party may stipulate to the other Parties in the manner provided in this Section 5.2.

if to the TMG Entities:

TransMontaigne Inc.
1670 Broadway
Suite 3100
Denver, Colorado 80202
Attention: President
Fax: 303-626-8228

if to the Partnership Entities:

TransMontaigne Partners L.P.
c/o TransMontaigne GP L.L.C.
1670 Broadway
Suite 3100
Denver, Colorado 80202
Attention: President
Fax: 303-626-8228

5.3 ***Entire Agreement***. This Restated Agreement constitutes the entire agreement of the Parties relating to the matters contained herein, superseding all prior contracts or agreements, whether oral or written, relating to the matters contained herein.

5.4 ***Termination***. Notwithstanding any other provision of this Restated Agreement, if the General Partner is removed as general partner of the Partnership under circumstances where Cause does not exist and Units held by the General Partner and its Affiliates are not voted in favor of such removal, this Restated Agreement may immediately thereupon be terminated by TMG.

5.5 ***Amendment or Modification***. This Restated Agreement may be amended or modified from time to time only by the written agreement of all the Parties hereto; provided, however, that the Partnership may not, without the prior approval of the Conflicts Committee, agree to any amendment or modification of this Restated Agreement that the General Partner determines will adversely affect the holders of Common Units. Each such instrument shall be reduced to writing and shall be designated on its face an "Amendment" or an "Addendum" to this Restated Agreement.

5.6 ***Assignment***. No Party shall have the right to assign any of its rights or obligations under this Restated Agreement without the consent of the other Parties hereto.

5.7 ***Counterparts***. This Restated Agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

5.8 ***Severability***. If any provision of this Restated Agreement shall be held invalid or unenforceable by a court or regulatory body of competent jurisdiction, the remainder of this Restated Agreement shall remain in full force and effect.

5.9 ***Further Assurances***. In connection with this Restated Agreement and all transactions contemplated by this Restated Agreement, each signatory party hereto agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Restated Agreement and all such transactions.

5.10 R***epresentations and Warranties***. Each Party represents and warrants that this Restated Agreement has been duly authorized, executed and delivered by it and that this Restated Agreement constitutes its legal, valid, binding and enforceable obligation, enforceable against it in accordance with its terms, except to the extent such enforceability may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

5.11 ***Rights of Limited Partners***. The provisions of this Restated Agreement are enforceable solely by the Parties to this Restated Agreement, and no Limited Partner of the Partnership shall have the right, separate and apart from the Partnership, to enforce any provision of this Restated Agreement or to compel any Party to this Restated Agreement to comply with the terms of this Restated Agreement.

IN WITNESS WHEREOF, the Parties have executed this Restated Agreement on December 31, 2007, and effective as of January 1, 2008.

TRANSMONTAIGNE INC.

By: /s/ Erik B. Carlson
Name: Erik B. Carlson
Title: Senior Vice President

TRANSMONTAIGNE GP L.L.C.

By: /s/ Randall J. Larson
Name: Randall J. Larson
Title: Chief Executive Officer

TRANSMONTAIGNE PARTNERS L.P.

By TransMontaigne GP L.L.C.
Its General Partner

By: /s/ Randall J. Larson
Name: Randall J. Larson
Title: Chief Executive Officer

TRANSMONTAIGNE OPERATING GP L.L.C.

By: /s/ Randall J. Larson
Name: Randall J. Larson
Title: Chief Executive Officer

TRANSMONTAIGNE OPERATING COMPANY L.P.

By TransMontaigne Operating GP L.L.C.
Its General Partner

By: /s/ Randall J. Larson
Name: Randall J. Larson
Title: Chief Executive Officer

Exhibit 10.16

Execution Copy

CONFIDENTIAL TREATMENT REQUESTED
BY TRANSMONTAIGNE PARTNERS L.P.

TERMINALING SERVICES AGREEMENT — Southeast and Collins/Purvis

This Terminaling Services Agreement-Southeast and Collins/Purvis (this "**Agreement**") is made and entered into this first (1st) day of January, 2008 (the "**Effective Date**") by and between TransMontaigne Partners L.P. on behalf of itself and its Affiliates ("**Owner**"), and Morgan Stanley Capital Group Inc. ("**Customer**"), each sometimes referred to individually as a "**Party**" and, collectively, as the "**Parties**".

RECITALS

WHEREAS, Owner is the owner and operator of the Southeast Terminals and the Collins/Purvis Terminal (each as defined below, and collectively, the "**Terminals**").

WHEREAS, Customer desires to utilize Owner's Terminals for the receipt, storage, terminaling and distribution of Customer's Product.

NOW, THEREFORE, in consideration of the premises and the covenants, conditions and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following terms and conditions.

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 (i) directly or indirectly controls such Party; (ii) is directly or indirectly controlled by such Party; or (iii) 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 Customer, the term "Affiliate" does not include Morgan Stanley Derivatives Products Inc. and in respect of Owner, the term "Affiliate" does not include TransMontaigne Inc. or any of its subsidiaries.

"Agreement" has the meaning ascribed thereto in the preamble.

"Applicable Law" means, with respect to any Governmental Authority, (i) any law, statute, regulation, code, ordinance, license, order, writ, injunction, decision, directive, judgment, policy, decree and any judicial or administrative interpretations thereof, (ii) any agreement, concession or arrangement with any other Governmental Authority and (iii) 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 ascribed thereto in Section 4.4.

"Bankrupt" means, with respect to either Party, that such Party (i) is dissolved, other than pursuant to a consolidation, amalgamation or merger, (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (iv) institutes a Proceeding or files a petition seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, including a voluntary petition under chapter 7 or chapter 11 of the U.S. Bankruptcy Code, (v) has instituted against it a Proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, including an order for relief under the U.S. Bankruptcy Code, or a petition is presented for its winding-up or liquidation, including an involuntary petition under chapter 7 or chapter 11 of the U.S. Bankruptcy Code, and such Proceeding results in a judgment or is not dismissed or permanently stayed within fifteen (15) calendar days of the filing of such Proceeding, (vi) has a resolution passed for its winding-up, official management or liquidation, other than pursuant to a consolidation, amalgamation or merger, (vii) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for all or substantially all of its assets, (viii) has one or more secured parties take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets, (ix) files an answer or other pleading admitting or failing to contest the allegations of a petition filed against it in any Proceeding of the foregoing nature, or (x) takes any other action to authorize any of the foregoing actions.

"Barrel" means 42 U.S. Gallons.

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

"Claim" means a dispute, claim or controversy whether based on contract, tort, strict liability, statute or other legal or equitable theory (including any claim of fraud, misrepresentation or fraudulent inducement or any question of validity or effect of an agreement).

"**Collins/Purvis Terminal**" shall mean the refined petroleum products terminal listed on Attachment "A", denominated as the Collins/Purvis Terminal, including all equipment and facilities related thereto, and references thereto shall also be deemed to include the terminal manager thereof, or his or her representative.

"Contract Year" means a period of twelve (12) consecutive Months that commences January 1st and ends December 31st.

"Default Interest Rate" means the lesser of (i) **[**]** per annum and (ii) the maximum rate permitted by Applicable Law.

"Default" or "Event of Default" has the meaning ascribed thereto in Section 15.1.

"Default Termination Date" has the meaning ascribed thereto in Section 15.3.

"Defaulting Party" has the meaning ascribed thereto in Section 15.2

"Effective Date" has the meaning ascribed thereto in the preamble.

"EPA" has the meaning ascribed thereto in Section 5.5.

"FERC" means the United States Federal Energy Regulatory Commission.

"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), blockades, thefts, insurrections, riots, civil disturbances or sabotage;

(c) acts of nature, landslides, severe lightning, earthquakes, fires, tornadoes, hurricanes, storms, and warnings issued by any Governmental Authority for any of the foregoing which necessitate

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the precautionary shut-down of pipelines, docks, loading and unloading facilities or the Terminals or other related facilities, floods, washouts, freezing of machinery, equipment, or lines of 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;

(d) arrests and restraints of or other interference or restrictions imposed by a Governmental Authority whether legal or de facto or purporting to act under some constitution, 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;

(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

(f) any other causes, whether of the kind enumerated above or otherwise, whether foreseeable or unforeseeable, and that are not within the reasonable control of the Party claiming suspension and which by the exercise of due diligence such Party could not have been able to avoid or overcome.

A Party's inability economically to perform its obligations hereunder does not constitute an event of Force Majeure.

"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 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 government or subdivision thereof, including any legislative, administrative or judicial body, or any Person purporting to act for them.

"Indemnified Party" has the meaning ascribed thereto in Section 18.1.

"Indemnifying Party" has the meaning ascribed thereto in Section 18.1.

"Independent Inspector" means a licensed Person mutually acceptable to both Parties who performs sampling, quality analysis and quantity determination of the Products received or delivered hereunder.

"Initial Term" has the meaning ascribed thereto in Section 7 of Attachment "A".

"Interest Rate" means the prime rate of interest for large U.S. Money Center Commercial Banks, published under "Money Rates" by *"The Wall Street Journal"*, plus **[**]**.

"Liabilities" means any losses, charges, damages, deficiencies, assessments, interests, penalties, costs and expenses of any kind related to or that arise out of this Agreement or any transactions hereunder (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, 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 or any transaction hereunder.

"Light Oil Products" has the meaning ascribed thereto in Section 1 of Attachment "A-2".

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"Minimum Annual Throughput Commitment" has the meaning ascribed thereto in Attachment "A-1".

"Minimum Monthly Commitment Amount" has the meaning ascribed thereto in Attachment "A-1".

"Minimum Monthly Throughput Commitment" has the meaning ascribed thereto in Attachment "A-1".

"Month" means a calendar month.

"On Revenue Threshold Days" has the meaning ascribed thereto in Section 3.5.

"Out of Service" has the meaning ascribed thereto in Section 3.5.

"Performing Party" has the meaning ascribed thereto in Section 15.2.

"Person" means any entity, including, without limitation, any corporation, partnership, trust, other legal entity, group or individual.

"Proceeding" means any action, suit, Claim, investigation, review or other proceeding, at law or in equity, before any Governmental Authority, or before any arbitrator, board of arbitration or similar entity.

"Product" means Light Oil Products.

"Renewal Term" has the meaning ascribed thereto in Section 7 of Attachment "A".

"**Southeast Terminals"** shall mean the refined petroleum product terminals listed on Attachment "A", denominated as the Southeast Terminals, including all equipment and facilities related thereto, and references thereto shall also be deemed to include the terminal manager thereof, or his or her representative.

"Tank" shall mean the storage tanks listed in Attachment "A-3".

"Term" has the meaning ascribed thereto in Section 7 of Attachment "A".

"Terminals" shall mean the Southeast Terminals and the Collins/Purvis Terminal.

"Termination Payment" has the meaning ascribed thereto in Section 15.3.

"Third Party" means any entity other than Owner, Customer or their respective Affiliates.

"Third Party Claim" has the meaning ascribed thereto in Section 18.3.

"Throughput" means (i) all Product delivered from a Terminal or (ii) the re-delivery of Product.

"Throughput Fees" has the meaning ascribed thereto in Attachment "A-1".

"ULSD" has the meaning ascribed thereto in Section 5.5.

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

SECTION 2. SERVICE, STATEMENTS, INVOICES, DOCUMENTS AND RECORDS.

2.1 (a) Owner will provide Customer services related to the transportation, receipt, storage, Throughput, heating, additive injection, blending and delivery of Customer's Product to and from Customer (or on behalf of Customer) into and out of the Tanks at the Terminals, and will provide the facilities reasonably necessary to perform such services and provide such additional services as may be provided under this Agreement and its attachments, for the fees, rates and charges contained in this Agreement. Those services will be performed in accordance with Good Industry Practice and in compliance with Applicable Law.

(b) In providing the services referenced in Section 2.1(a), it is Owner's intention to maintain all Tanks and related facilities in good operating condition (based upon their condition on the Effective Date), from and after the Effective Date and during the Term hereof, including the making of all repairs, replacements, additions or improvements thereof or thereto, in accordance with Owner's past practice, Good Industry Practice and Applicable Law.

(c) Notwithstanding anything above to the contrary, should circumstances arise which, in Owner's judgment and in accordance with Owner's past practice and Good Industry Practice, lead Owner to conclude that it is not economically feasible to repair, rebuild, reconstruct or restore any Tank (including any related facilities thereto), then Owner may remove such Tank (including any related facilities thereto) from service on a permanent basis, subject to the adjustment of Throughput Fees as provided in Section 3.5; provided, however, that in such event, Owner shall notify Customer in writing within ten (10) Business Days of its decision not to place such Tank back in service on permanent basis. Thereafter, the Parties shall negotiate in good faith in an attempt to develop a mutually acceptable future plan, if any, in respect of the Tank, consistent with the procedures and cost obligations set forth in Section 4.11, pursuant to which Owner may continue to provide Customer a mutually agreeable level of service.

2.2 On or prior to 12:00 noon Eastern Time each Business Day, Owner will utilize its commercially reasonable efforts to transmit to Customer a statement of receipts, deliveries, ending inventory, copies of individual Tank gauging documents and pipeline meter tickets with respect to the preceding day(s). Such daily inventory data will be provided by Owner to Customer in such format as may be mutually agreed between the Parties. Such documents will be transmitted to Customer at the mailing address and/or facsimile number indicated in Attachment "A".

2.3 Owner will use its commercially reasonable efforts to provide Customer, on or prior to the fifth (5^{th}) Business Day of each Month during the Term of this Agreement, at the address indicated in Attachment "A", statements reflecting, with respect to the preceding Month:

(a) beginning inventory balances;

(b) the volume of Customer's Product received into each Terminal;

(c) the volume of loss of Customer's Product attributable to (i) Product flushing to eliminate residual particles or other contaminants from pipelines, Tanks, valves or pumps, (ii) circumstances involving Force Majeure, (iii) acts or omissions of Customer, (iv) re-grades of Product resulting from commingling of Product in pipelines, (v) landing Tank roofs or (vi) changing Tank lineups or services as requested by Customer; and

(d) the volume of Customer's Product delivered from each Terminal, other deliveries and ending Product inventory balances;

together with an invoice for the monthly Throughput Fees for the following Month and amounts due for any other services provided by Owner with respect to Customer's Product during the preceding Month, as applicable, all as set forth in Attachment "A".

Each such 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 the event of any conflict between the documents provided to Customer under Section 2.2 and the monthly statements provided under this Section 2.3, the monthly statements provided under this Section 2.3 will prevail as to the volume of Product received and delivered by Owner, unless disputed by Customer within ninety (90) calendar days of the date of such monthly statement.

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 written 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.

SECTION 3. FEES, CHARGES AND TAXES.

3.1 Customer will pay Owner, for services provided under this Agreement, the Throughput Fees and any other fees and charges as indicated in Attachment "A".

3.2 All fees and charges reflected in Owner's invoices are due and payable within fifteen (15) Business Days of the receipt of Owner's invoice. Payment must be made by electronic wire transfer of same day available U.S. funds to Owner's account and bank, both as indicated on Owner's invoice. Invoices may be sent by electronic mail and telephone facsimile. If Customer disputes any portion of an invoice, Customer must pay the undisputed portion of the invoice. Overdue amounts or disputed amounts that are resolved in favor of the Owner will accrue interest at the Interest Rate from the date that payment is due until paid in full. Customer agrees to reimburse Owner for all actual costs (including reasonable attorney's fees and court costs) incurred and paid by Owner with respect to the collection of past due amounts, including late payment charges, whether or not suit is brought.

3.3 Customer agrees to pay any and all taxes, fees, penalties or other charges and assessments, (including any charge or payment in lieu thereof), including ad valorem or property taxes, Product ownership taxes, and sales taxes on Terminal services, Customer's Product and Customer's property at the Terminals. Customer will indemnify and reimburse Owner for all costs or expenses incurred and paid by Owner in association with the foregoing taxes, expenses, fees or costs. Owner will be responsible for and pay all other applicable taxes levied upon Owner, including any increases in taxes levied on Owner's Terminals (including real or personal property of Owner, or both) as a result of Customer's activities at the Terminals that Owner may be required to pay or collect under Applicable Law.

3.4 Customer agrees not to challenge, protest or file a complaint, or cause, encourage or recommend to any Affiliate or any other Person that it challenge, protest or file a complaint with respect to any rates, tariffs, rules, regulations in effect during the term of this Agreement (as the same may be amended from time to time), provided, that such tariffs, regulatory filings or rates do not conflict with the terms of this Agreement.

3.5 Other than with respect to a Force Majeure event, in the event that any Tank is unavailable (" **Out of Service**") for Customer's use due to any reason for a period of more than **[**]** days for a Light Oil Products Tank (the "**On Revenue Threshold Days**"), then the monthly Throughput Fees due hereunder shall be adjusted and reduced on a pro-rata basis for each calendar day of such unavailability pursuant to Attachment "A-4".

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The starting time of a Tank deemed Out of Service is when all the Product has been transferred out of the Tank, the Tank stripped and the Tank valves panned/isolated. A Tank shall be deemed back in service when the Tank manway is closed and the Tank valves are no longer panned/isolated and are ready to receive Product.

Notwithstanding the foregoing, in the event that a Tank is Out of Service for a cleaning due to Product quality issues not caused by Owner's gross negligence or willful misconduct, then the monthly Throughput Fees for such Tank shall remain due and all costs attendant thereto will be for the account of Customer.

SECTION 4. <u>OPERATIONS, RECEIPTS AND DELIVERIES.</u>

4.1 Customer's Product will be delivered to the Terminals by pipeline, truck, railcar or Vessel, as applicable by Terminal, free of any charge to Owner. Receipts and deliveries of Product will be handled within the operating hours of the relevant Terminal as set forth on <u>Attachment "A"</u>. Owner may make temporary changes in operating hours or temporarily close any Terminal without Customer's approval because of an extraordinary event. Owner will notify Customer of such temporary changes or closure in advance, or as soon after implementation as is practicable. Any charges to Customer related to Owner's decision to change operating hours or to close any Terminal, including but not limited to demurrage, shall be for Owner's account, excluding such changes in operating hours or closures which are due to an event of Force Majeure.

4.2 Vessels will be loaded and unloaded on first come, first serve basis as directed by the applicable port authority or Owner, as applicable, and, other than as provided in Section 4.1 or Section 4.6, Owner will not be responsible for the payment of any demurrage or other costs incurred by Customer or its transportation carrier with respect thereto, or for any delay in receipt or Throughput of Customer's Product to or from the Terminals; provided, however, that once Customer's Vessel is all fast at the berth, any delay in the receipt or Throughput of Customer's Product caused by the negligence or willful misconduct of Owner (e.g. failure of equipment at such Terminal or inadequate staffing) and costs attendant thereto, will be for the account of Owner.

4.3 Any delay and demurrage caused by the failure of Customer's Product to meet required specifications hereunder, as determined pursuant to Section 5, shall not be deemed to have been caused by Owner and any costs attendant thereto shall be for Customer's account. For the avoidance of doubt, any demurrage incurred by Customer during the testing of Customer's Product shall be solely for Customer's account. In the event Customer's Vessel shall discharge at multiple discharge ports, the foregoing shall apply to each such discharge port.

4.4 Customer must arrange for and pay all Third Party costs related to the receipt or delivery of Customer's Product to and from the Terminals. Owner is responsible only to receive or Throughput, as the case may be, the Product at its Terminals. Unless otherwise provided by Owner in writing, Customer must provide reasonably prompt notice to Owner and the relevant Terminal in a form reasonably acceptable to Owner (in accordance with Section 13) containing all necessary shipping instructions, including without limitation, the identity, quality and quantity of the Product and the tentative arrival date(s) (the "**<u>Arrival Notice</u>**").

4.5 As this Agreement involves marine receipts or Throughput of Product, Owner will advise Customer of the limitations of 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. Owner and/or the applicable port authority may change Vessel limitation, dock designation, and pumping rates or pressure criteria from time to time upon prior reasonable notice to Customer. If Owner determines that a Vessel is unsuitable for the receipt or Throughput of Products, as Owner in its reasonable discretion deems appropriate, Owner may refuse to load or unload such Vessel and will advise the carrier and Customer of the situation promptly, and request further instructions from the Customer. It is the responsibility of Customer to notify the appropriate Governmental Authorities regarding Vessel arrivals.

4.6 If any of Customer's Vessels (i) fails to vacate a berth upon completion of loading or discharge, (ii) fails to discharge or load a barge within twenty-four (24) hours or within thirty-six (36) hours for a Vessel, or (iii) fails to vacate in order to conduct repairs, unless such failures are caused by an event of Force Majeure, then, after having been notified by Owner to vacate, Customer shall be responsible for all costs applicable to the berths, together with any costs incurred by any Vessel which would otherwise be occupying such berth but for the failure of Customer's Vessel to vacate, except for such costs arising due to delay caused by Owner.

4.7 If Customer requires any change in the shipping instructions, including, without limitation, the identity and timing of the Product, Customer must provide notice of any change in the Arrival Notice (in accordance with Section 13) to the Owner and the relevant Terminal before the arrival of the Product at such Terminal. Upon receipt of Customer's shipping instructions, Owner will immediately advise Customer of such Terminal's availability. If such Terminal will not be available to receive or deliver Customer's Product on the communicated arrival date, Owner will advise as to the earliest time when Customer's Product may be received or delivered at such Terminal. Customer will ensure that confirmation of the arrival date(s) and time of the Product will be communicated to Owner and the relevant Terminal by Customer'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 Product. Notwithstanding the notice provisions of Section 13, such communication may be effected by telephone, facsimile or electronic mail directed to Owner's representatives and the relevant Terminal manager. If Customer fails to provide Owner and the relevant Terminal the notice containing shipping instructions in a form mutually agreed to by the Parties and in the manner required by this Section 4.7, Owner will not be obligated to receive or Throughput Customer's Product and Owner will not be responsible for any Product loss directly attributable to Owner's receipt or Throughput of Product based upon erroneous shipping instructions.

4.8 Owner will deliver to Customer, or to its Affiliates, or to such Third Parties as Customer may direct, the Product held by Owner at the Terminals for the account of Customer. Customer is responsible for providing to Owner documentation required to authorize deliveries of Product for or on its behalf from the Terminals.

4.9 The services to be provided by Owner pursuant to this Agreement are to be provided only with respect to Customer's Product and will be provided with respect to other products only with the prior written consent of Owner. If a special method of storing or handling Product is required, or if Customer requests a swing of Tank capacity, then Customer must notify Owner in sufficient time to enable Owner to consider whether it will accept or reject the proposed changes in the Product to be stored or the method of storing or handling the Product and to take the necessary preparatory measures if Owner accepts such changes; provided, however, that if Owner determines in good faith that a change in the Tank lineup would have a negative impact upon the normal operation of the relevant Terminal, Owner may, as noted above, reject Customer's request. Failing such notice, Owner will not be liable for losses or damage incurred during the storage and handling of the Products (except to the extent attributable to Owner's negligence or willful misconduct), including losses or damages which may be related to Owner's inability to employ the required method of storing or handling the Product, nor will Owner be obligated to provide such special storage and handling service. It is understood that in the event Owner agrees to swing Tanks (change service) at Customer's request, Customer shall reimburse Owner for all costs associated therewith. Typical costs associated with such changes may include, but are not limited to, those costs incurred when draining and cleaning Tanks and associated piping, performing piping and system modifications necessary to maintain and provide normal facility and load rack operations as well as modifications to Terminal automation systems necessitated by such changes. Owner will provide, if requested by Customer, a reasonable estimate of costs prior to a requested change of service. In no case shall the estimate be binding, and Customer will reimburse Owner for actual expenses incurred. All fixtures, equipment and appurtenances attached to the Tanks, pipelines and other facilities of the Terminals by either Party are and will remain the property of Owner. No such items may be installed by Customer without the prior written consent of Owner.

4.10 Following cancellation or termination of this Agreement, Customer shall reimburse Owner for all costs commercially reasonable under the circumstances incurred by Owner in cleaning such Tanks and pipelines to a condition suitable for the storage of the grade of Product most recently stored in such Tanks as of such termination date.

If Customer shall not have removed Customer's Product from the Tanks and/or pipelines within ten (10) Business Days from the date of cancellation or termination of this Agreement, Customer agrees to reimburse Owner for all costs and expenses reasonably incurred by Owner in taking such action, plus a **[**]** handling fee, as well as the cost of storage and handling of the Product removed, if any, at the rate of **[**]** per Barrel per day in addition to any other fees due hereunder. Nothing herein, however, shall detract from any lien that Owner may have at any time on the Product.

4.11 If any Governmental Authority requires installation of any improvement, alteration or addition to any Tank or other equipment at any Terminal for purposes of compliance with Applicable Law that would materially interfere with or change the nature of the services provided under this Agreement, Owner will notify Customer of (a) the cost of making any such improvement, alteration or addition, after Owner's efforts to mitigate such costs, (b) when such improvement, alteration or addition must be completed, and (c) Customer's proportional share of such costs. Owner will not be required to make any improvements, alterations or additions to such Terminal in such circumstance, unless Customer agrees to pay its share of such costs in the manner provided below, or agrees in good faith with Owner for a ratable surcharge to be added to the Throughput Fees. All such improvements, alterations or additions to such Terminal are and will remain the property of Owner.

If Customer elects to pay its share of such costs, Owner shall likewise pay its share of such costs and proceed with the installation of the required improvement, alteration or addition. Customer may elect either to pay its proportionate share of such costs in one lump sum or pay its proportionate share of the costs on a prorated monthly basis over the remaining Term of this Agreement. In addition to installation costs, these costs will include engineering and interest expense (at the Interest Rate on the date of completion of such installation), and subsequent reasonable expenses, if any, of operating or maintaining such required installation. Upon expiration or earlier termination of this Agreement, all such improvements, alterations or additions shall be the property of Owner.

If Customer elects, after negotiating with Owner in good faith, not to share in such costs and Owner chooses not to pay for such improvement, alteration or addition in lieu thereof, and if Owner does not direct the affected Product to mutually acceptable terminal assets owned by Owner or its Affiliates, then either Party may terminate or release the affected facilities or Tanks from this Agreement, with an equivalent reduction of the Throughput Fees by giving the other Party notice of its intention no later than thirty (30) calendar days after Owner's receipt of notice of Customer's election not to share in such costs.

4.12 Customer will be responsible for providing all Tank bottoms and line fill: provided, however in the event Tanks are in commingled service with Third Parties, Customer shall only be responsible for its proportionate share thereof.

SECTION 5. <u>PRODUCT QUALITY STANDARDS AND REQUIREMENTS.</u>

5.1 Customer warrants to Owner that all Product tendered by or for the account of Customer for receipt by any Terminal will conform to the specifications for such Product set forth in <u>Attachment "A-2"</u> and will comply with Good Industry Practice and all Applicable Law. Owner will not be obligated to receive or accept Product into any Terminal that is contaminated, or that fails to meet the required quality specifications. Owner may rely upon the analysis of the Independent Inspector as well as the specifications and representations of Customer set forth in the Arrival Notice as to Product quality. Should Owner remove and dispose of any

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water or other material in or associated with Customer's Product at any time, Customer shall reimburse Owner for Owner's actual costs and expenses incurred with respect to such removal and disposal.

5.2 The quality of Product tendered into any Terminal for Customer's account must be verified either by Customer's laboratory analysis, or by an Independent Inspector's analysis indicating that the Product so tendered meets Owner's minimum Product specifications set forth in Section 5.1. Such analysis may be conducted on a periodic basis in accordance with a quality compliance program implemented by Customer, which program shall be subject to the approval of Owner, which approval shall not be unreasonably withheld. All costs associated with such compliance program shall be borne by Customer. Upon reasonable notice to Customer, Owner, at its expense, may sample any Product tendered to Owner for Customer's account for the purpose of confirming the accuracy of the analysis.

5.3 Customer's storage of Product hereunder is segregated (unless noted by Tank in Attachment "A-3") and Owner may not commingle fungible Products received from or on behalf of Customer with those fungible products of other Third Parties using any Terminal without Customer's consent. Prior to the time of each receipt from Customer, Customer shall deliver, or cause to be delivered, to Owner a certificate setting forth the quality, grade and other specifications of the Product; provided that Customer shall utilize its best efforts to provide such certificate to Owner at least twenty-four (24) hours prior to such receipt.

5.4 Each Party may at all reasonable times make appropriate tests to determine whether Customer's Product stored or delivered meets required Product quality specifications. Owner shall be liable to Customer for damages incurred by reason of contamination of Product, while in Owner's custody, which causes such Product to fail to meet the required Product quality specifications. Owner shall not be liable to Customer for any damages in the event Customer or Customer's agent delivers Product into any Terminal which does not meet the required Product quality specifications.

5.5 In connection with the storage in any Tank of Product governed by the ultra low sulfur diesel (" **ULSD**") program of the United States Environmental Protection Agency (the "**EPA**"), the Parties shall submit a "Diesel Programs Facility Registration" form to the EPA for the following "Facility Activities": (i) with respect to Owner, "Pipeline or Pass-Through Terminal," and (ii) with respect to Customer, "Refinery" and "Import Facility." Each Party shall maintain such registration in full force and effect during the Term. In the event of (i) any change to such EPA program or any guidance or Applicable Law related thereto, or (ii) any amendment to such EPA form which affects the above-referenced registration, each Party shall update its registrations accordingly and the Parties will cooperate with each other in connection therewith. As set forth in EPA's regulations and accompanying guidance, Owner covenants and agrees to comply with the EPA ULSD program. In its role as a "distributor" and terminal, Owner shall be responsible for: (i) reporting all receipts and deliveries of Customer's Products, including volumes and designations, (ii) properly administering the product transfer document requirements, (iii) compliance with all applicable recordkeeping and reporting requirements, (iv) the redesignation of Products as necessary, (v) compliance with the downgrade provision for highway diesel fuel, and (vi) any and all other "distributor" or terminal requirements set forth in Applicable Law related to the EPA ULSD program. In the event of any uncertainty with respect to responsibility for any duties under the EPA ULSD program, the Parties shall mutually agree to take all necessary or appropriate steps to resolve such uncertainty, including consultation with EPA. Each Party agrees to indemnify the other Party for any losses or liabilities arising from its failure to comply with its obligations under the EPA ULSD program, as set forth in this Agreement.

5.6 Customer agrees to maintain the level of Product in each Tank at the level that Owner reasonably deems necessary, in accordance with Good Industry Practice, for the safe operation of the Terminals and Tanks (including the right to lock down Tanks) in the event of weather-related emergencies such as hurricanes. Owner, at its reasonable discretion, may add water to any Tank in the event Customer's level of Product is insufficient to achieve the required safety levels of Product in such Tank. If water is added due to insufficient levels of Product, such water shall be removed by Owner at Customer's expense.

SECTION 6. TITLE AND CUSTODY OF PRODUCT.

6.1 Title to Customer's Product will remain with Customer at all times subject to any lien in favor of Owner created pursuant to the terms of this Agreement or under Applicable Law. Owner will assume custody and risk of loss of the Products at the time such Product passes the flange connection between the Third Party transportation carrier and that of Owner's receiving facilities.

6.2 For Vessel receipts at the Terminals, custody and risk of loss of Products shall pass to Owner upon receipt at the relevant Terminal when the Products pass the last permanent flange connection between the Vessel's discharge manifold and the receiving pipeline at such Terminal. If Products are delivered to Customer by Vessel, custody and risk of loss shall pass to Customer at the point where Products pass the last permanent flange connection between the relevant Terminal pipeline and the Vessel.

6.3 For pipeline receipts at any Terminal, custody and risk of loss of the Products shall pass to Owner at the time the Products pass the flange connection between the connecting pipeline and that of Owner's receiving facilities. If Products are delivered to Customer by pipeline, custody and risk of loss of the Products shall pass to Customer when the Products pass the flange connection between Owner's delivery facilities and that of the connecting pipeline.

6.4 If Products are delivered to or received from Customer by truck or rail, custody of the Products shall pass to Customer when the Products pass the last permanent flange connection between the truck or rail car of Customer's transportation carrier and Owner's loading assembly.

SECTION 7. LIMITATION OF LIABILITY AND DAMAGES.

7.1 Upon transfer of custody and risk of loss to Customer as provided in Section 6, Owner shall have no further responsibility for any loss, damage or injury to persons or property (including the Product) arising out of possession or use of the Product, except to the extent that such loss, damage or injury is caused by Product loss attributable to Owner or Owner's gross negligence or willful misconduct.

7.2 The maximum liability of Owner for Product loss will not exceed, and is strictly limited to, the market value of the Product at the time of the Product loss or immediately prior to its contamination, plus the costs and expenses actually, reasonably and necessarily incurred by Customer, plus any fines and penalties actually levied against and paid by Customer by reason of such fault on Owner's part. Owner shall utilize commercially reasonable efforts, in lieu of payment for any Product loss, to replace such Product with Product of like grade and quality.

7.3 EXCEPT FOR THE PARTIES' INDEMNIFICATION OBLIGATIONS WITH RESPECT TO CLAIMS OF THIRD PARTIES, THE PARTIES' LIABILITY FOR DAMAGES HEREUNDER IS LIMITED TO DIRECT, ACTUAL DAMAGES ONLY AND NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIFIC PERFORMANCE, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, OR SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, IN TORT, CONTRACT OR OTHERWISE, OF ANY KIND, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE, THE SUSPENSION OF PERFORMANCE, THE FAILURE TO PERFORM, OR THE TERMINATION OF THIS AGREEMENT. EACH PARTY ACKNOWLEDGES ITS DUTY TO MITIGATE DAMAGES HEREUNDER.

SECTION 8. <u>PRODUCT MEASUREMENT.</u>

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, if pipeline meters are not available, Owner's tank gauges (as verified by an Independent Inspector at Customer's expense);

(b) for Vessel deliveries and receipts, volumes shall be based on shore tank gauges at discharge (net barrels at 60°F in accordance with the table 6-B of ASTM designation D-1250) as certified by the Independent Inspector. Subject to the mutual agreement of the Parties, a full line displacement shall be made under the Independent Inspector's supervision, and displacement volumes shall be incorporated into the discharged volumes. During such measurement, shore tanks shall be static where possible, and, if active, truck loading rack Barrels shall be corrected to 60°F and added back into the receipt volumes;

(c) for any transfer or shipment of Product between Terminals and a Third Party terminal or pipeline, which is made at Customer's request, the measurement of Owner's tank gauges (as verified by an Independent Inspector, at Customer's expense) shall control and any measurement discrepancy between the receiving or shipping Third Party and Owner shall be for Customer's account;

(d) If tankage has movements in or out except for truck loading rack liftings (active Tanks) during the pipeline measurement process, the applicable gauges and meters will be observed and recorded by an Independent Inspector, unless otherwise agreed to between the Parties in advance, to reflect actual quantities received into and delivered from such active Tanks. If shore tanks are active, except for truck loading rack liftings, or the Independent Inspector cannot verify shore tank measurements during inbound marine movements, then the Vessel's discharge figures with valid Vessel experience factor (VEF) shall be applied as certified by the Independent Inspector. If Vessel VEF is not available, Vessel figures without VEF will apply ; and

(e) Absent fraud or manifest error, the quantities of Products in storage at any time will be determined from each Terminal's 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 delivery. 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 received, Throughput and in storage will be taken jointly by representatives of the Parties; provided, however, that if Customer does not have representatives present for gauging, then pipeline meter tickets, or, where pipeline meter tickets are not available, Owner's gauging, will be conclusive, absent fraud or manifest error. Customer may use an Independent Inspector at its own expense at any time.

8.2 Terminal meters will be calibrated periodically and upon each completion of repair or replacement of a meter, at the meter owner's expense. Such calibration shall be in accordance with the latest applicable state and county standards including applicable API/ASTM standards to the extent adopted by and incorporated in the applicable state and county standards. If a meter 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 the Owner to promptly make repairs or replacements. Product received or delivered through a facility having an inoperative or defective meter 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. The Parties shall share equally the cost of the Independent Inspector under this Section 8.2.

SECTION 9. <u>PRODUCT LOSS/GAIN.</u>

9.1 During such time as Owner is the custodian of Customer's Product and Product Tank roofs are floating, Owner will indemnify Customer against and is responsible for any Product loss (excluding any Product loss attributable to items referenced in Section 2.3(c) and Section 4.7 above) that occurs while the

Product remains in storage based upon measurements of each Product grade. If Customer lands the Tank roofs at any time during a Month, Customer shall be solely responsible for any and all Product losses for the Month relating to Customer's Product.

9.2 (a) Each Month, Owner will balance the Terminals in accordance with Section 2.3 and Section 8 to determine the net gain or loss of each Product. Such monthly Product gains or losses shall be for the account of Owner. Owner shall sell or buy such net gains or losses to or from Customer on the last day of each Month pursuant to the pricing set forth in Attachment "A-1".

(b) To the extent that the revenues received by Owner for net Product gains attributable to the Terminals pursuant to the provisions of this Agreement in any Contract Year during the Term hereof exceed the sum of **[**]**, Owner agrees to pay over to Customer, as soon as practicable after the end of the Contract Year, but not later than thirty (30) days thereafter, a sum equal to **[**]** of any such excess, such payment to be made by wire transfer of immediately available U.S. funds to an account designated by Customer in writing.

SECTION 10. FORCE MAJEURE.

10.1 If either Party is unable to perform or is 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 informing the other Party by oral notification promptly (in no event more than one Business Day after learning of the occurrence of an event of Force Majeure) of the event of Force Majeure with reasonably full particulars and timing of such Force Majeure event. Promptly thereafter, the Party rendered unable to perform or delayed in performing by the event of Force Majeure shall confirm such information in writing. Such Party also promptly shall notify the other Party when the event of Force Majeure terminates. 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 the Agreement. If Owner is excused from providing service pursuant to this Agreement due to an event of Force Majeure, the fees hereunder not already due and payable will be excused or proportionately reduced, as appropriate, for so long as the Owner's performance is excused due to the event of Force Majeure.

10.2 The requirement that any Force Majeure event 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 with respect to the Tanks and related facilities affected by such event of Force Majeure upon written notice to the Party claiming excuse due to the event of Force Majeure, in which event, the Throughput Fees shall be reduced on a pro-rata basis or waived, as appropriate, for each Month or portion of a Month that the Tank or Tanks are unavailable due to the Force Majeure event.

SECTION 11. INSPECTION OF AND ACCESS TO TERMINAL.

11.1 Customer shall have the right during Owner's normal working hours and after reasonable written notice to Owner and the relevant Terminal so as not to disrupt such Terminal's or Owner's operation to:

(i) make periodic operational inspections of any Terminal;

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(ii) conduct audits of any pertinent books and records, including those related to receipts, Throughput, regrades and inventories of Product; and

(iii) conduct physical verifications of the amount of Product stored in any Terminal.

Customer's right and that of its authorized representatives to enter the Terminals will be exercised by Customer in a way that will not interfere with or diminish Owner's control over or its operation of the Terminals and will be subject to reasonable rules and regulations promulgated by Owner. Customer acknowledges that under this Agreement none of Customer's vehicles or vehicles acting on behalf of Customer will be granted access to the Terminals until the owner of such vehicles and its employees or agents have been properly qualified and such owner has executed a " *Terminal Access Agreement"* substantially in the form of Attachment "B". Customer acknowledges its awareness of the terms of the Terminal Access Agreement. 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.

11.2 Customer acknowledges that any grant by Owner of the right of access to the Terminals to Customer or any of Customer's agents under this Agreement or under any document related to this Agreement is a grant of a license only and shall convey no interest in or to the Terminals or any part thereof to Customer or any of Customer's agents, and may be withdrawn by Owner at its discretion at any time.

SECTION 12. ASSIGNMENT.

12.1 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of each Party. Neither Party shall transfer or assign, hypothecate, pledge, encumber or mortgage this Agreement or its rights or interests hereunder, in whole or in part, or delegate its obligations hereunder, in whole or in part, or permit the Tanks to be used by others, without the prior written consent of the other Party, unless such transfer or assignment is to an Affiliate, in which case no consent shall be required (but in which case the Party assigning to its Affiliate shall give notice to the other Party).

For purposes of this Section 12, "assign" will be considered to include:

(i) any change in the majority ownership or control of Customer or Owner;

(ii) any change in the majority ownership of any Terminal, or any disposition of any Terminal that would materially impair the services to be provided under this Agreement; and

(iii) any event that would result in the day-to-day operation of any Terminal not being handled by an Affiliate of TransMontaigne Inc. or by TransMontaigne Partners L.P., unless such replacement operator's creditworthiness is equal to or greater than that of Owner and such replacement operator is, in Customer's reasonable opinion, capable of providing terminaling service at a level equivalent to that provided by Owner;

provided that, in connection with any of the foregoing clauses (i) through (iii), the Parties agree that

(a) Customer's prior consent thereto is not required,

(b) Owner shall provide Customer with reasonable advance notice of any such change or event, and

(c) Customer shall have the option to terminate this Agreement effective at any time prior to any such change or event, which option shall be exercisable by Customer delivering written notice thereof to Owner within ninety (90) calendar days of receipt of notice from Owner pursuant to the preceding clause (b) above, which notice shall designate the termination date.

12.2 If Customer desires to assign all or a portion of its rights under this Agreement to a Third Party, Owner agrees to consider such request in good faith and to make reasonable commercial efforts to accommodate such request and consent to such assignment for the remainder of the Term hereof, or such lesser time period as the Parties may mutually agree.

12.3 Any attempt to assign, hypothecate, pledge, encumber or mortgage this Agreement by either Party in violation of Section 12.1 or Section 12.2 shall be null and void. The consent by Owner to any assignment, hypothecation, pledge, encumbrance, or mortgage of this Agreement at the request of Customer shall not constitute a waiver of Owner's right to withhold its consent to any other or further assignment, hypothecation, pledge, encumbrance or mortgage of this Agreement. The absolute and unconditional prohibitions contained in this Section 12 and Customer's agreement to them are material inducements to Owner to enter into this Agreement and any breach thereof will constitute an event of default hereunder permitting Owner 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 mailing address or facsimile number as one Party shall provide to the other Party in accordance with this provision. All notices, consents, 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 during applicable normal working hours, or on the next Business Day if delivered after applicable normal working hours. In the event a delivery or notice deadline falls on a 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. Customer warrants that the Products tendered by it have been produced, transported, and handled, and Owner warrants that the services provided by it under this Agreement, are in full compliance with all Applicable Law. Each Party also warrants that it may lawfully receive and handle such Products, and it will furnish to the other Party any evidence required to provide compliance with Applicable Law and to file with applicable Governmental Authorities reports evidencing such compliance.

14.2. Customer agrees that in order to have access to the Terminals, all Vessels used in connection with this Agreement, will comply with Applicable Law, as well as Owner's safety rules and operating practices. Customer will furnish Owner with information (including Material Safety Data Sheets) concerning the safety and health aspects of Products stored or delivered to the Terminals under this Agreement. Owner will communicate such information to all persons who may be exposed to or may handle such Products, including without limitation, Owner's employees, agents and contractors.

14.3 Upon Owner's receipt of notice from any Governmental Authority of any material violation of any Applicable Law or the commencement of any Proceeding against Owner for any material violation of any Applicable Law, which would materially interfere with Owner's ability to perform its obligations hereunder, Owner shall promptly provide written notice to Customer setting forth the details thereof.

SECTION 15. DEFAULT, WAIVER AND REMEDIES.

15.1 Default or Event of Default. Notwithstanding any other provision of this Agreement, the occurrence of any of the following events shall constitute a "**Default" or "Event of Default"** hereunder:

(a) Failure to Pay. Either Party fails to make payment when due hereunder within two (2) Business Days of a written demand therefor, subject to Section 3.2;

(b) Misrepresentation. Any representation or warranty, contained herein shall prove untrue in any material respect on or as of the date it was made or was deemed to have been made;

(c) Failure to Perform. Either Party fails to perform any material obligation or breaches any covenant made to the other Party hereunder (other than the Defaults enumerated in Section 15.1(a) or Section 15.1(d)), which, if capable of being cured, is not cured to the satisfaction of the other Party (in its sole discretion) within five (5) Business Days from the date that such Party receives notice that corrective action is needed;

(d) Bankruptcy. Either Party becomes Bankrupt;

(e) Repudiation. Either Party shall repudiate, deny or disaffirm its obligations hereunder or shall cancel, terminate, revoke or rescind this Agreement without the express prior consent of the other Party; or

(f) Challenge to Enforceability.

(i) Any Proceeding shall have been commenced by any Person (other than by 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 fifteen (15) calendar days);

(ii) Any court or other Governmental Authority shall issue a judgment, order, decree or ruling to the effect that any of the material obligations of any Party to this Agreement is illegal, invalid or unenforceable in accordance with its terms; or

(iii) Any claim or lien (other than Owner's statutory landlord/bailee lien, or any statutory liens for taxes not yet due) is asserted or placed on any portion of Customer's Product while stored at the Terminals.

15.2 Remedies Upon a Default or Event of Default. Notwithstanding any other provision of this Agreement, upon the occurrence and during the continuance of a Default or Event of Default with respect to a Party (the " **Defaulting Party**"), the other Party (the "**Performing Party**") may, in its sole discretion, in addition to all other remedies available to it and without incurring any Liabilities to the Defaulting Party or to Third Parties (for demurrage or any other costs arising from delay or otherwise), may do any one or more of the following:

(a) withhold or suspend its performance and obligations hereunder without prior notice to the Defaulting Party;

(b) proceed against the Defaulting Party for damages occasioned by the Defaulting Party's failure to perform; and

(c) upon one (1) Business Day's prior notice to the Defaulting Party, immediately terminate this Agreement and settle all amounts due between the Parties in accordance with Section 15.3.

Notwithstanding the foregoing, in the case of a Default or Event of Default described in Section 15.1(d), no prior notice shall be required.

15.3 Early Termination of Transactions under this Agreement.

(a) When a Default or Event of Default has occurred and is continuing, the Performing Party may, by notice given to the Defaulting Party, designate a date not earlier than the date of such notice (the "**Default Termination Date**") on which all transactions shall terminate and the Performing Party shall then determine the "**Termination Payment**" by:

(i) determining the amount of the Throughput Fees due Owner hereunder for the remaining Term of this Agreement;

(ii) determining any other fees and charges due Owner or Customer hereunder, including without limitation, fees due pursuant to Section 4.10; and

(iii) netting or aggregating all of the foregoing amounts to a single liquidated amount, taking into account any sums received by Owner with respect to the enforcement of Owner's lien provided herein and proceeds received, if any, with respect to the sale of Customer's Product.

(b) For purposes of calculating the Termination Payment, interest shall accrue in respect of any unpaid amounts, from and including the date on which such amounts were originally due and payable to the date of the Termination Payment. Interest shall accrue at the Default Interest Rate in the case of any Termination Payment owing to the Performing Party.

(c) As soon as reasonably practicable after the Default Termination Date, the Performing Party shall provide the Defaulting Party with a statement showing, in reasonable detail, the calculation of the Termination Payment and an invoice therefor. The Performing Party shall act reasonably in good faith, and its determinations and calculations shall be binding in the absence of manifest error. If the Defaulting Party owes the Termination Payment to the Performing Party, the Defaulting Party shall pay the Termination Payment on the payment date designated in the statement, which shall not be earlier than the second (2nd) Business Day after the Defaulting Party receives the statement. If the Performing Party owes the Termination Payment to the Defaulting Party, the Performing Party shall pay the Termination Payment within two (2) Business Days after the date of delivery of the statement.

15.4 Non-Exclusive Remedy. The Performing Party may enforce any of its remedies hereunder. The Performing Party's rights under this Section 15 shall be in addition to, and not in limitation or exclusion of, any other rights of setoff, recoupment, combination of accounts, lien or other right which it may have, whether by agreement, operation of law or otherwise. No delay or failure on the part of a Performing Party to exercise any right or remedy shall constitute an abandonment of such right or remedy and the Performing Party shall be entitled to exercise such right or remedy at any time after a Default or Event of Default has occurred.

15.5 Indemnification. The Defaulting Party shall indemnify and hold harmless the Performing Party for all Liabilities incurred as a result of the Default or Event of Default or in the exercise of any remedies under this Section 15. A Party shall reimburse the other Party for its costs and expenses, including reasonable attorneys' fees, incurred in connection with the other Party's enforcement of, suing for or collecting any amounts payable by it hereunder after entry of a final, non-appealable order. To the extent practicable, the Performing Party shall notify the Defaulting Party of all amounts owed under this Section 15 within 120 days of the Default Termination Date.

SECTION 16. INSURANCE.

16.1 Insurance Required by Both Parties. Throughout the Term of this Agreement, each Party and its agents shall, at such Party's sole expense, carry and maintain in full force and effect insurance coverages, with insurance companies rated not less than A-, IX by A.M. Best or otherwise reasonably satisfactory to the other Party, of the following types and amounts:

(a) Workers Compensation coverage in compliance with the Applicable Law of the states having jurisdiction over each employee and employer's liability coverage, and coverage under the Federal Longshoremen and Harbor Workers' Act and the Jones Act for all marine and Vessel matters, in a minimum amount of [**] per accident, [**] disease per employee and [**] disease policy limit.

(b) Automobile liability coverage in a minimum amount of [**].

(c) Comprehensive or commercial general liability coverage and umbrella excess liability coverage, which includes bodily injury, broad form property damage and contractual liability coverages.

(d) If Customer's employees enter any Terminal or perform any activity near any Terminal for any reason under this Agreement, employer's liability coverage in a minimum amount of [**] (combined single limit) for each accident, including occupational disease coverage with a limit of [**] for each employee and a [**] policy limit.

16.2 Insurance Required by Owner. In addition to the insurance required pursuant to Section 16.1, Owner shall provide comprehensive or commercial general liability coverage and umbrella excess liability coverage in a minimum amount of [**], which includes Product loss for Product in Owner's care, custody and control, and "sudden and accidental pollution" liability coverages (excluding events that result in acidic deposition).

16.3 Marine Insurance Required By Customer. To the extent Customer utilizes its own or contracted Vessels to deliver or receive Product, Customer shall ensure that (a) the owner of each Vessel is properly entered in a P&I Club that is a member of the International Group of P&I Clubs, and (b) the owner of each Vessel maintains the following insurance on the Vessel:

(i) Hull and Machinery insurance, to the market value of the Vessels;

(ii) P&I insurance (including pollution liability but not tower's liability covering cargo) including full mutual entry in an international or American Group P&I Club with IGA pooling, or alternatively maritime liability coverage evidenced on the SP-23 form or its equivalent, including collision liability, tower's liability except cargo, and liability for seepage, pollution, containment and cleanup, with extensions for marine contractual liability with a minimum liability limit of **[**]**; and

(iii) coverage under the Federal Longshoremen and Harbor Workers' Act, the Jones Act, the Federal Death on the High Seas Act and general maritime remedies of seamen including transportation, wages, maintenance and cure whether the action is in rem or in personam.

Pollution liability coverage should cover, if outside of a P&I Club entry, bodily injury, property damage, including cleanup costs and defense costs resulting from sudden and gradual pollution conditions of contaminates or pollutants into or upon the land, atmosphere, or any water course or body of water. WQ15 should be utilized as necessary to comply with U.S. regulations, with limits of at least **[**]**.

16.4 Additional Insurance Requirements.

(a) Each Party shall cause its insurance carriers to furnish, or shall use commercially reasonable effort to cause its contracted Vessels to furnish, insurance certificates to the other Party, in a form

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reasonably satisfactory to the other Party, evidencing the existence of the coverages required pursuant to Sections 16.1, 16.2 and 16.3. Each Party shall provide, or shall use commercially reasonable effort to cause its contracted Vessels to provide, renewal certificates within thirty (30) days of expiration of the previous policy under which coverage is maintained.

(b) Each Party shall include, or shall use commercially reasonable efforts to cause its contracted Vessels to include, an endorsement in the foregoing policies indicating that the underwriters agree to waive all rights of subrogation to the extent of each Party's obligations. Further, each Party shall name, or shall use commercially reasonable effort to cause its contracted Vessels to name, the other Party as an additional insured under the foregoing policies to the extent of the indemnities required under this Agreement.

(c) The mere purchase and existence of insurance coverage shall not reduce or release either Party from any Liabilities incurred or assumed under this Agreement.

(d) In the event of a Product loss for which Owner must indemnify Customer under this Agreement, Owner's insurance shall be the primary and exclusive coverage for such loss, notwithstanding the existence of other valid and collectible insurance.

SECTION 17. LIEN AND SECURITY INTEREST.

To secure any charges or fees due Owner under this Agreement in relation to the Product, and in addition to any lien that Owner may claim under Applicable Law, Customer hereby grants to Owner an irrevocable first and preferred lien on and security interest in all of Customer's Product in the custody of Owner located at the Terminals. If Customer should fail to pay such sums owed by it to Owner, Owner shall provide Customer 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 Customer has not cured such default within such fifteen (15) day cure period, Owner may proceed in accordance with Applicable Law to enforce its lien, including, without limitation, the sale of the Products in any commercially reasonable manner, to satisfy all contractual and statutory obligations of Customer under this Agreement, including, without limitation, all costs, reasonable attorney fees, and expenses incurred by Owner in the enforcement of its lien and the recovery of fees owed to Owner by Customer.

SECTION 18. INDEMNIFICATION.

18.1 Duty to Indemnify. Each Party (the "**Indemnifying Party**") shall indemnify and hold the other Party, its Affiliates, and their employees, directors, officers, representatives, agents and contractors (collectively, the " **Indemnified Party**") harmless from and against any and all Liabilities arising from the Indemnifying Party's (a) breach of this Agreement, (b) gross negligence or willful misconduct, (c) failure to comply with Applicable Law with respect to the sale, transportation, storage, handling or disposal of the Product, unless and to such extent that such liability results from the Indemnified Party's gross negligence or willful misconduct, or (d) representations, covenants or warranties made hereunder which prove to be materially incorrect or misleading when made.

18.2 No Third Party Rights. The Parties' obligations to defend, indemnify and hold each other harmless under the terms of this Agreement shall not vest any rights in any Third Party, whether a Governmental Authority or private entity, nor shall they be considered an admission of liability or responsibility for any purposes other than those enumerated in this Agreement. The terms of this Agreement are enforceable only by the Parties, and no limited partner of Owner shall have a separate right to enforce any provision of this Agreement, or to compel any Party to comply with the terms of this Agreement.

18.3 Third Party Claims. The Indemnified Party shall notify the Indemnifying Party as soon as practicable after receiving notice of any Claim or Proceeding brought against it that might give rise to an indemnity claim under this Agreement (a "**Third Party Claim**") and shall furnish to the Indemnifying Party the complete details within its knowledge. Any delay or failure by the Indemnified Party to give notice to the Indemnified Party shall not relieve the Indemnifying Party of its obligations except to the extent, if any, that the Indemnifying Party shall have been materially prejudiced by reason of such delay or failure.

18.4 Claim Procedure. The Indemnifying Party shall have the right to assume the defense, at its own expense and by its own counsel, of any Third Party Claim; provided, however, that such counsel is reasonably acceptable to the Indemnified Party. Notwithstanding the Indemnifying Party's appointment of counsel to represent an Indemnified Party, the Indemnified Party shall have the right to employ separate counsel reasonably acceptable to the Indemnifying Party, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if in such Party's reasonable judgment (a) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Party would present such counsel with a conflict of interest or (b) the Indemnifying Party shall not have employed counsel to represent the Indemnified Party within a reasonable time after notice of the institution of such Third Party Claim.

If requested by the Indemnifying Party, the Indemnified Party agrees to reasonably cooperate with the Indemnifying Party and its counsel in contesting any Claim or Proceeding that the Indemnifying Party defends, including, if appropriate, making any counterclaim or cross-complaint. All reasonably incurred costs and expenses incurred in connection with the Indemnified Party's cooperation shall be borne by the Indemnifying Party.

18.5 Settlement. No Third Party Claim may be settled or compromised by the Indemnified Party without the consent of the Indemnifying Party, or by the Indemnifying Party without the consent of the Indemnified Party. Notwithstanding the foregoing, an Indemnifying Party shall not be entitled to assume responsibility for and control of any Proceeding if such Proceeding involves a Default or Event of Default by the Indemnifying Party hereunder which shall have occurred and be continuing.

SECTION 19. CONSTRUCTION OF AGREEMENT.

19.1 Headings. The headings of the sections and subsections of this Agreement are for convenience only and shall 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 Successors and Assigns and No Third-Party Beneficiaries. This Agreement is for the exclusive benefit of the Parties and no other Person will have any right or Claim against any Party under any of the terms of it or be entitled to enforce any of the terms and provisions of it against any Party. This Agreement shall be binding on the Parties and their respective successors and permitted assigns.

19.5 Entire Agreement and Conflict with Attachments. This Agreement (including 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. REPRESENTATIONS AND WARRANTIES.

Owner, to the best of its knowledge, after due inquiry, represents and warrants as of the Effective Date as follows:

(a) The Terminals are in good serviceable condition; the Terminals are structurally sound; and the Terminals have been and are being operated and maintained in accordance with Good Industry Practice and Applicable Law. Owner is not aware of any discharge or release at the Terminals that could materially interfere with the operation of the Terminals, or upon Owner's ability to perform its obligations under this Agreement.

(b) There are no liens on any portion of the Terminals that would adversely affect Owner's ability to perform its obligations under this Agreement.

(c) There are no existing or threatened labor disputes at the Terminals that could interfere with Owner's performance under this Agreement, and there is no litigation pending or threatened that could have a material adverse effect upon Owner's ability to perform its obligations under this Agreement.

(d) Owner owns and controls the Terminals hereunder, and can provide the services to Customer in accordance with the terms and provisions of this Agreement.

SECTION 21. LAW.

21.1 CHOICE OF LAW. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES SHALL BE GOVERNED BY, CONSTRUED IN ACCORDANCE WITH AND ENFORCED UNDER THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ITS CONFLICTS OF LAWS AND PROVISIONS.

21.2 JURISDICTION. EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY STATE COURT OF DELAWARE LOCATED IN WILMINGTON, DELAWARE (WITHOUT RECOURSE TO ARBITRATION UNLESS BOTH PARTIES AGREE IN WRITING), AND TO SERVICE OF PROCESS BY CERTIFIED MAIL, DELIVERED TO THE PARTY AT THE MOST RECENT DESIGNATED ADDRESS. EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION TO PERSONAL JURISDICTION, WHETHER ON GROUNDS OF VENUE, RESIDENCE OR DOMICILE.

21.3 WAIVER OF JURY TRIAL. EACH PARTY FURTHER WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDINGS RELATING TO THIS AGREEMENT.

21.4 TIME PERIOD FOR MAKING CLAIMS. EXCEPT WHEN A SHORTER PERIOD IS EXPRESSLY PROVIDED HEREUNDER, ANY CLAIM, OTHER THAN THIRD PARTY CLAIMS, ARISING HEREUNDER SHALL BE DEEMED WAIVED AND BARRED WITHOUT RECOURSE TO LITIGATION UNLESS SUCH CLAIM IS MADE PRIOR TO THE LATER TO OCCUR OF (i) TWO (2) YEARS FROM THE DATE OF THE EVENTS GIVING RISE TO THE CLAIM AND (ii) DISCOVERY OF THE CLAIM.

SECTION 22. SPECIAL PROVISIONS.

22.1 Southeast Terminals — [**] Projects. Owner, promptly after the Effective Date, shall provide Customer, from time to time, with a proposed authority for expenditure ("**AFE**") for the design, engineering,

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construction, installation, completion and placing into service facilities for the receipt, storage and blending of **[**]** at various sites located at certain of the Southeast Terminals, as more fully set forth on Schedule I attached hereto, as the same may be amended from time to time pursuant to mutual written agreement between the Parties, including estimated costs, anticipated commencement dates and completion dates. Upon Owner's receipt of approval of the AFE from Customer, Owner shall utilize its commercially reasonable efforts to undertake, or cause to be undertaken, the design, engineering, construction, installation, completion and placing in service of the **[**]**, at the sites and Southeast Terminal locations specified in said Schedule I.

Owner shall undertake and conduct, or cause to be undertaken and conducted, such construction, installation and completion in a workmanlike manner and in accordance with applicable industry standards and Applicable Law. Owner shall be responsible for obtaining all necessary consents and permits in connection therewith. After commencement of construction, Owner, no less than quarterly, shall provide Customer with a written construction/completion date report outlining construction progress to date, budget updates and such other information as Customer may reasonably request.

At such time as each **[**]** is completed and ready for service, Owner shall provide written notice thereof to Customer, which notice shall contain an invoice in reasonable detail evidencing the engineering, materials and construction costs incurred by Owner in connection therewith. Promptly after receipt of such notice and invoice, but no later than ten (10) Business Days thereafter, Customer shall pay to Owner a sum equal to the invoiced amount, plus **[**]** via wire transfer of immediately available U.S. funds to an account designated by Owner in writing, provided, however, that under no circumstances shall Customer be liable for any costs, liabilities or damages in connection with any such project to the extent that such costs, liabilities or damages (i) are incurred by Owner due to the failure of Owner or Owner's agents, contractors or employees to comply with Applicable Law or (ii) arise due to the negligence or willful misconduct of Owner or Owner's agents, contractors or employees.

22.2 Collins/Purvis Terminal. During the Initial Term only and not for any Renewal Term, Customer shall have the exclusive right to utilize any tanks that Owner may construct or refurbish and place into operation at the Collins/Purvis Terminal; provided, however, that Owner and Customer agree that such construction or refurbishment shall be undertaken by Owner only upon the mutual written agreement of Customer and Owner. Further, in such event, the Minimum Annual Throughput Commitment and Throughput Fees attributable to such tankage shall be subject to good faith negotiation between and the mutual agreement of Owner and Customer.

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This Agreement has been executed by the authorized representatives of each Party as indicated below as of the date below written.

TRANSMONTAIGNE PARTNERS L.P. By: TransMontaigne G.P. L.L.C. Its General Partner	MORGAN STANLEY CAPITAL GROUP INC.
By: /s/ Randall J. Larson Name: Randall J. Larson Title: Chief Executive Officer	By: /s/ Kenneth Carlino Name: Kenneth Carlino Title: Vice President
Date: __________	Date: __________

ATTACHMENT "A"

1. **CUSTOMER ADDRESSES:**

Customer Notice Address
Morgan Stanley Capital Group Inc.
2000 Westchester Avenue, Floor 01
Purchase, NY 10577-2530
Attention: Randy O'Connor
Fax No. 914-225-9298
Email: randall.o'connor@morganstanley.com

Customer Billing Address
Morgan Stanley Capital Group Inc.
2000 Westchester Avenue, Floor 01
Purchase, NY 10577-2530
Attention: Ken Carlino
Fax No. 914-225-9298
Email: kenneth.carlino@morganstanley.com

2. **TERMINAL AND OWNER ADDRESSES:**

Terminal Notice Address

Southeast Terminals

Albany Terminal
1162 Gillionville Road
Albany, GA 31707-3997
Attention: Terminal Manager
Telephone: 229-435-4014
Fax: 229-435-4641

Americus Terminal
Hwy. 280 West Plains Road
Americus, GA 31719
Attention: Terminal Manager
Telephone: 229-924-3464
Fax: 229-928-5080

Athens Terminal
3450 Jefferson Road
Athens, GA 30607-1477
Attention: Terminal Manager
Telephone: 706-543-2254
Fax:: 706-549-3775

Bainbridge Terminal
1909 E. Shotwell St.
Bainbridge, GA 39819-4353
Attention: Terminal Manager
Telephone: 229-246-0955
Fax: 229-246-6926

Charlotte Terminal
7615 Old Mt. Holly Road
Charlotte, NC 28214-1788
Attention: Terminal Manager
Telephone: 704-399-8378
Fax: 704-399-6256

Birmingham Terminal
1600 Mims Ave. S.W.
Birmingham, AL 35211-3738
Attention: Terminal Manager
Telephone: 205-925-1824
Fax: 205-925-6311

Doraville Terminal
2836 Woodwin Road
Doraville, GA 30360
Attention: Terminal Manager
Telephone: 770-458-5588
Fax: 770-451-4298

Collins Terminal
Old Hwy. 49 South
Collins, MS 39428
Attention: Terminal Manager
Telephone: 601-765-6878
Fax: 601-705-0446

Griffin Terminal
643B E. McIntosh Road
Griffin, GA 30223-1248
Attention: Terminal Manager
Telephone: 770-227-2033
Fax: 770-228-4478

Greensboro Terminal
6801 West Market Street
Greensboro, NC 27409
Attention: Terminal Manager
Telephone: 336-299-2611
Fax: 336-632-1732

Macon Terminal
5041 Forsyth Road
Macon, GA 31210-2106
Attention: Terminal Manager
Telephone: 478-477-1711
Fax: 478-471-9454

Lookout Mountain Terminal
5800 St. Elmo Avenue
Chattanooga, TN 37409-2317
Attention: Terminal Manager
Telephone: 706-820-0826
Fax: 706-820-1877

Rome Terminal
2671 Calhoun Road
Rome, GA 30161-0102
Attention: Terminal Manager
Telephone: 706-295-2521
Fax: 706-290-0912

Meridian Terminal
1401 65th Avenue South
Meridian, MS 39307-7023
Attention: Terminal Manager
Telephone: 601-482-0832
Fax: 601-482-8918

Spartanburg Terminal
680 Delmar Road
Spartanburg, SC 29302-4352
Attention: Terminal Manager
Telephone: 864-583-4168
Fax: 864-583-1520

Selma Terminal
2600 West Oak Street
Selma, NC 27576
Attention: Terminal Manager
Telephone: 919-965-9442
Fax: 919-965-9473

Fairfax Terminal
3790 Pickett Road
Fairfax, VA 22031-3604
Attention: Terminal Manager
Telephone: 703-323-1500
Fax: 812-424-4107

Montvale Terminal
11685 Lynchburg Salem Turnpike W.
Montvale, VA 24122
Attention: Terminal Manager
Telephone: 540-947-5004
Fax: 540-947-2643

Norfolk Terminal
77600 Halifax Lane
Chesapeake, VA 23324-0708
Attention: Terminal Manager
Telephone: 757-545-8455
Fax: 757-545-2375

Richmond Terminal
1314 Commerce Road
Richmond, VA 23224-0567
Attention: Terminal Manager
Telephone: 804-233-9231
Fax: 804-233-9508

Collins/Purvis Terminal
Collins/Purvis Mississippi Terminal Complex
135 Highway 588
Collins, MS 39428
Attention: Terminal Manager
Telephone: 601-765-6631
Fax: 601-765-1127

Owner Notice Address

TransMontaigne Partners L.P.
1670 Broadway, Suite 3100
Denver, CO 80202
Attention: General Counsel
Fax No. 303-626-8238

with a copy to:
TransMontaigne Partners L.P.
200 Mansell Court East, Suite 600
Roswell, GA 30076
Attention: Gregory J. Pound, President
Fax: 770-518-3595

3. **THROUGHPUT FEES:**

As set out on Attachment "A-1".

4. **OTHER FEES AND CHARGES:**

As set out on Attachment "A-2".

5. **TANK DATA/UTILIZATION:**

As set out on Attachment "A-3".

6. **OPERATING HOURS:** 24 hours/day; 7 days/week

Normal Working Hours: 6:00 a.m. to 6:00 p.m.; Monday through Friday.

The following holidays are currently recognized by Owner:

New Years Day
Presidents Day
Good Friday
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving Day
Christmas Day

7. **TERM:**

This Agreement shall commence on the Effective Date and shall continue in effect through December 31, 2014 (the " **Initial Term**"). No later than twelve (12) Months prior to the expiration of the Initial Term, Customer shall provide Owner written notice of Customer's election to either terminate this Agreement, or to extend this Agreement for an additional term of seven (7) Contract Years (the "**Renewal Term**"). The Initial Term and any Renewal Term shall be deemed, collectively, the "**Term**" of this Agreement. In the event Customer fails to provide Owner written notice in accordance with the terms of this Section 7, this Agreement shall terminate at the end of the Initial Term.

ATTACHMENT "A-1"
"Throughput Fees"

I. Minimum Annual Throughput/Throughput Fees

Customer commits to throughput the following minimum annual volumes of Product (the " **Minimum Annual Throughput Commitment** ") through the dedicated Tanks pursuant to this Agreement at the respective throughput fees ("**Throughput Fee**") per Barrel. Such Throughput Fees charged to Customer are for the receiving, handling, storing, blending and throughput of the Product.

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ATTACHMENT "A-2"
"Product"

1. **"Light Oil Products"** means refined petroleum products that meet the specifications as published from time to time by the Colonial Pipeline, including (i) all grades of unleaded conventional gasoline and unleaded gasoline meeting conventional or reformulated specifications, including 87 octane unleaded gasoline and 93 octane super premium gasoline; (ii) No. 2 high-sulfur, off-road, dyed or un-dyed , non-taxable diesel fuel, with a minimum of 140°F flash point for any waterborne Terminal; (iii) No. 2 low-sulfur, on-road, clear, taxable diesel fuel, with a minimum of 140°F flash point for any waterborne Terminal; (iv) Kerosene; (v) ULSD with a minimum of 140°F flash point for any waterborne Terminal and having a sulfur content not in excess of **[**]**, as tested prior to receipt in the Terminals; (vi) Ethanol and (vii) aviation grades of Kerosene. In addition, all Products must meet all applicable ASTM standards, including any applicable industry corrosion test standards (e.g., NACE), as well as regulations regarding sulfur-related corrosion (including the gasoline silver strip corrosion test) and the testing and compliance requirements of ASTM D-130.

Notwithstanding the foregoing, and for any waterborne Terminal, (i) ultra low sulfur, low sulfur and high sulfur diesel fuel delivered at any time during the Term need not meet the Colonial Pipeline specifications associated with the winterization of diesel fuels to prevent gelling and (ii) from time to time during the Term of this Agreement, Customer may request in good faith and make commercially reasonable efforts to accommodate such request. Where a conflict or inconsistency exists between Colonial Pipeline specifications and ASTM specifications, the ASTM specifications shall govern to the extent of the conflict or inconsistency.

Off-Spec Products. If testing indicates that Product does not meet the applicable market specifications prior to delivery to the Terminals, the Parties shall consult and determine a mutually acceptable course of action, including rejection and replacement of the Product and blending the Product up to the applicable market specifications. In the event that off-spec Product is delivered, the Parties shall cooperate in making a Claim against and in seeking the appropriate remedies from the delivering pipeline, truck, railcar and/or Vessel. In the event the delivering party does not make appropriate remedies, Customer and Owner shall cooperate to seek recovery from the original supplier of any costs incurred by Owner or Customer associated with the delivery of the off-spec Products.

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ATTACHMENT "A-3"
TANK/DATA UTILIZATION

[**]

** Confidential Treatment Requested.

ATTACHMENT "A-4"

[**]

** Confidential Treatment Requested.

ATTACHMENT "B"

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 Partners L.P.**, 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 **[**]** for each occurrence and **[**]** 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 **[**]** each occurrence to include coverage for all owned, non-owned and hired vehicles; and

(iv) Excess Liability of **[**]** 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."**

** Confidential Treatment Requested.

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: ______________________________________

Exhibit 10.17

Execution Copy

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT ("Agreement"), dated as of December 31, 2007, but effective for all purposes as of January 1, 2008 (the "Effective Date") is entered into by and among TransMontaigne Inc., a Delaware corporation ("TMG"), TransMontaigne GP L.L.C., a Delaware limited liability company (the "General Partner"), TransMontaigne Partners L.P., a Delaware limited partnership (the "Partnership"), TransMontaigne Operating GP L.L.C., a Delaware limited liability company (the "OLP GP"), and TransMontaigne Operating Company L.P., a Delaware limited partnership (the "Operating Partnership"). The above-named entities are sometimes referred to in this Restated Agreement each as a "Party" and collectively as the "Parties."

R E C I T A L S:

A. The Parties have previously entered into an Omnibus Agreement, effective as of May 27, 2005, as amended by the First Amendment to Omnibus Agreement dated October 31, 2005, the Second Amendment to Omnibus Agreement dated as of January 1, 2006 and the Third Amendment to Omnibus Agreement effective as of December 29, 2006 (the "Omnibus Agreement").

C. The Partnership, on behalf of itself and its affiliates, has entered into a Facilities Sale Agreement dated as of December 28, 2007 with TransMontaigne Product Services Inc. ("TPSI") to purchase certain refined petroleum product terminals and related truck loading, marine dock facilities and other assets comprising the Southeast Terminals (collectively, the "Facilities") from TPSI (the "Transaction"), which Transaction is anticipated to close on or about December 31, 2007.

D. In conjunction with the Transaction, the Parties entered into an Amended and Restated Omnibus Agreement dated as of December 31, 2007, but effective for all purposes on January 1, 2008 (the "Restated Omnibus Agreement"), to set forth TMG's agreement to provide management, legal, accounting and tax services with respect to the Facilities from and after the closing date of the Transaction, as well as provide personnel to operate the Facilities.

E. In conjunction with the Transaction and the negotiation of the Restated Omnibus Agreement, the Parties agreed to (a) omit from the Restated Omnibus Agreement the provisions that comprised Article III of the Omnibus Agreement, which set forth therein certain indemnification obligations of the Parties to each other with respect to the assets conveyed, contributed, or otherwise transferred by the TMG Entities to the Partnership Group prior to or on May 27, 2005 (the closing date of the Partnership's initial public offering of Common Units and the date of each of the Contribution Agreement and the Partnership Agreement (each as defined herein)), and (b) set forth in this Agreement those certain indemnification obligations that comprised the provisions of Article III of the Omnibus Agreement.

In consideration of the premises and the covenants, conditions, and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

ARTICLE I
Definitions

1.1 ***Definitions***.

As used in this Agreement, the following terms shall have the respective meanings set forth below:

"Agreement" is defined in the introductory paragraph of this Agreement.

"Assets" means all assets conveyed, contributed, or otherwise transferred by the TMG Entities to the Partnership Group pursuant to the Contribution Agreement prior to or on the Closing Date, including any such assets held by a Person whose ownership interests were transferred by the TMG Entities to the Partnership Group prior to or on the Closing Date by means of operation of law or otherwise.

"Closing Date" means May 27, 2005, the date of the closing of the Partnership's initial public offering of Common Units.

"Common Units" is defined in the Partnership Agreement.

"Conflicts Committee" is defined in the Partnership Agreement.

"Contribution Agreement" means that certain Contribution, Conveyance and Assumption Agreement, dated as of the Closing Date, among TMG, TransMontaigne Services Inc., TransMontaigne Product Services Inc., the General Partner, the Partnership, the OLP GP, the Operating Partnership, Coastal Fuels Marketing, Inc. and certain other parties, together with the additional conveyance documents and instruments contemplated or referenced thereunder.

"control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract, or otherwise.

"Covered Environmental Losses" is defined in Section 2.1(a).

"Environmental Laws" means all federal, state and local laws, statutes, rules, regulations, orders and ordinances, legally enforceable requirements and rules of common law, now or hereafter in effect, relating to the protection of the environment including, without limitation, the federal Comprehensive Environmental Response, Compensation, and Liability Act, the Superfund Amendments Reauthorization Act, the Resource Conservation and Recovery Act, the Clean Air Act, the Federal Water Pollution Control Act, the Toxic Substances Control Act, the Oil Pollution Act, the Safe Drinking

Water Act, the Hazardous Materials Transportation Act, and other environmental conservation and protection laws, each as amended from time to time.

"General Partner" is defined in the introductory paragraph of this Agreement.

"Hazardous Substance" means (a) any substance that is designated, defined or classified as a hazardous waste, hazardous material, pollutant, contaminant or toxic or hazardous substance, or that is otherwise regulated under any Environmental Law, including, without limitation, any hazardous substance as such term is defined under the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, (b) petroleum, petroleum products, crude oil, oil, gasoline, natural gas, fuel oil, motor oil, waste oil, diesel fuel, jet fuel, and other petroleum hydrocarbons, whether refined or unrefined and (c) asbestos, whether in a friable or non-friable condition, and polychlorinated biphenyls.

"Indemnified Party" means either the Partnership Entities or the TMG Entities, as the case may be, each in its capacity as a party entitled to indemnification in accordance with Article III.

"Indemnifying Party" means either a Partnership Group Member or TMG, as the case may be, each in its capacity as a party from whom indemnification may be sought in accordance with Article III.

"Limited Partner" is defined in the Partnership Agreement.

"OLP GP" is defined in the introductory paragraph of this Agreement.

"Omnibus Agreement" is defined in the recitals to this Agreement.

"Operating Partnership" is defined in the introductory paragraph of this Agreement.

"Partnership" is defined in the introductory paragraph of this Agreement.

"Partnership Agreement" means the First Amended and Restated Agreement of Limited Partnership of TransMontaigne Partners L.P., dated as of the Closing Date, as such agreement is in effect on the Closing Date, to which reference is hereby made for all purposes of this Agreement.

"Partnership Entities" means the General Partner and each member of the Partnership Group; and " *Partnership Entity"* means any of the Partnership Entities.

"Partnership Group" means the Partnership, the OLP GP, the Operating Partnership and any Subsidiary of any such Person, treated as a single consolidated entity; and *"Partnership Group Member"* means any member of the Partnership Group.

"Party" and *"Parties"* are defined in the introductory paragraph of this Agreement.

"Person" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

"Restated Omnibus Agreement" is defined in the recitals to this Agreement.

"Retained Assets" means the terminals, pipelines and other assets and investments owned by any of the TMG Entities as of the Closing Date that were not conveyed, contributed or otherwise transferred to the Partnership Group pursuant to the Contribution Agreement and other documents relating to the transactions referred to in the Contribution Agreement, including, without limitation, replacements and natural extensions of any Retained Assets.

"Subsidiary" means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

"TMG" is defined in the introductory paragraph of this Agreement.

"TMG Entities" means TMG and any Person controlled, directly or indirectly, by TMG other than the Partnership Entities; and *"TMG Entity"* means any of the TMG Entities.

"Toxic Tort" means a claim or cause of action arising from personal injury or property damage incurred by the plaintiff that is alleged to have been caused by exposure to, or contamination by, Hazardous Substances that have been released into the environment by or as a result of the actions or omissions of the defendant.

"Transaction" is defined in the recitals to this Agreement.

"Transfer", including the correlative terms *"Transferring"* or *"Transferred",* means any direct or indirect transfer, assignment, sale, gift, pledge, hypothecation or other encumbrance, or any other disposition (whether voluntary, involuntary or by operation of law) of any assets, property or rights.

"Voluntary Cleanup Program" means a program of the United States or a state of the United States enacted pursuant to Environmental Laws which provides for a mechanism for the written approval of, or authorization to conduct, voluntary remedial action for the clean-up, removal or remediation of contamination that exceeds actionable levels established pursuant to Environmental Laws.

ARTICLE II
Indemnification

2.1 *Environmental Indemnification*.

(a) Subject to Section 2.2, TMG shall indemnify, defend and hold harmless the Partnership Group for a period of five years after the Closing Date from and against environmental and Toxic Tort losses, damages (including, without limitation, real property damages and natural resource damages), injuries (including, without limitation, personal injury and death), liabilities, claims, demands, breaches of contracts, causes of action, judgments, settlements, fines, penalties, costs and expenses (including, without limitation, court costs and reasonable attorney's and expert's fees) of any and every kind or character, known or unknown, fixed or contingent, suffered or incurred by the Partnership Group by reason of or arising out of:

(i) any violation, or correction of any violation, of Environmental Laws associated with the ownership or operation of the Assets, or

(ii) any event or condition associated with the ownership or operation of the Assets (including, without limitation, the presence of Hazardous Substances on, under, about or migrating to or from the Assets or the disposal or release of Hazardous Substances generated by the operation of the Assets at non-Asset locations) including, without limitation, (A) the cost and expense of any investigation, assessment, evaluation, monitoring, containment, cleanup, repair, restoration, remediation, or other corrective action required or necessary under Environmental Laws or to satisfy any applicable Voluntary Cleanup Program, (B) the cost or expense of the preparation and implementation of any closure, remedial, corrective action, or other plans required or necessary under Environmental Laws or to satisfy any applicable Voluntary Cleanup Program, and (C) the cost and expense for any environmental or Toxic Tort pre-trial, trial, or appellate legal or litigation support work;

but only to the extent that such violation complained of under Section 2.1(a)(i) or such events or conditions included under Section 2.1(a)(ii) occurred before the Closing Date (collectively, "Covered Environmental Losses").

(b) The Partnership Group shall jointly and severally indemnify, defend and hold harmless the TMG Entities from and against environmental and Toxic Tort losses, damages (including, without limitation, real property damages and natural resource damages), injuries (including, without limitation, personal injury and death), liabilities, claims, demands, breaches of contracts, causes of action, judgments, settlements, fines, penalties, costs and expenses (including, without limitation, court costs and reasonable attorney's and expert's fees) of any and every kind or character, known or unknown, fixed or contingent, suffered or incurred by the TMG Entities by reason of or arising out of:

(i) any violation or correction of violation of Environmental Laws associated with the ownership or operation of the Assets, or

(ii) any event or condition associated with the ownership or operation of the Assets (including, but not limited to, the presence of Hazardous Substances on, under, about or migrating to or from the Assets or the disposal or release of Hazardous Substances generated by the operation of the Assets at non-Asset locations) including, without limitation, (A) the cost and expense of any investigation, assessment, evaluation, monitoring, containment, cleanup, repair, restoration, remediation, or other corrective action required or necessary under Environmental Laws, (B) the cost or expense of the preparation and implementation of any closure, remedial, corrective action, or other plans required or necessary under Environmental Laws, and (C) the cost and expense for any environmental or Toxic Tort pre-trial, trial, or appellate legal or litigation support work;

and regardless of whether such violation complained of under Section 2.1(b)(i) or such events or conditions included under Section 2.1(b)(ii) occurred before or after the Closing Date, except to the extent that any of the foregoing are Covered Environmental Losses for which the Partnership Group is entitled to indemnification from TMG under this Article II.

2.2 ***Limitations Regarding Environmental Indemnification*** . The aggregate liability of TMG in respect of all Covered Environmental Losses under Section 2.1(a) shall not exceed $15.0 million. TMG shall not have any obligation under Section 2.1(a) until the Covered Environmental Losses of the Partnership Group exceed $250,000, and then only to the extent such aggregate Covered Environmental Losses exceed $250,000. Notwithstanding anything herein to the contrary, in no event shall TMG have any indemnification obligations under Section 2.1(a) for claims made as a result of additions to or modifications of Environmental Laws promulgated after the Closing Date.

2.3 ***Right of Way Indemnification***. TMG shall indemnify, defend and hold harmless the Partnership Group from and against any losses, damages, liabilities, claims, demands, causes of action, judgments, settlements, fines, penalties, costs, and expenses (including, without limitation, court costs and reasonable attorney's and expert's fees) of any and every kind or character, known or unknown, fixed or contingent, suffered or incurred by the Partnership Group by reason of or arising out of (a) the failure of the applicable Partnership Group Member to be the owner of such valid and indefeasible easement rights or fee ownership interests in and to the lands on which any refined products terminal, pipeline or related equipment conveyed or contributed or otherwise Transferred (including by way of a Transfer of the ownership interest of a Person or by operation of law) to the applicable Partnership Group Member on the Closing Date is located as of the Closing Date; (b) the failure of the applicable

Partnership Group Member to have the consents, licenses and permits necessary to allow any such pipeline referred to in clause (a) of this Section 2.3 to cross the roads, waterways, railroads and other areas upon which any such pipeline is located as of the Closing Date; and (c) the cost of curing any condition set forth in clause (a) or (b) above that does not allow any Asset to be operated in accordance with customary industry practice, to the extent that TMG is notified in writing of any of the foregoing within five years after the Closing Date.

2.4 ***Additional Indemnification***.

(a) In addition to and not in limitation of the indemnification provided under Sections 2.1(a) and 2.3, TMG shall indemnify, defend, and hold harmless the Partnership Group from and against any losses, damages, liabilities, claims, demands, causes of action, judgments, settlements, fines, penalties, costs, and expenses (including, without limitation, court costs and reasonable attorney's and expert's fees) of any and every kind or character, known or unknown, fixed or contingent, suffered or incurred by the Partnership Group by reason of or arising out of (i) all currently pending legal actions against the TMG Entities, (ii) events and conditions associated with the Retained Assets (including, without limitation, the Option Assets unless and until purchased by a Partnership Group Member), whether occurring before or after the Closing Date, and (iii) all federal, state and local income tax liabilities attributable to the operation of the Assets prior to the Closing Date, including any such income tax liabilities of the TMG Entities that may result from the consummation of the formation transactions for the Partnership Group and the General Partner.

(b) In addition to and not in limitation of the indemnification provided under Section 2.1(b) or the Partnership Agreement, the Partnership Group shall jointly and severally indemnify, defend, and hold harmless the TMG Entities from and against any losses, damages, liabilities, claims, demands, causes of action, judgments, settlements, fines, penalties, costs, and expenses (including, without limitation, court costs and reasonable attorney's and expert's fees) of any and every kind or character, known or unknown, fixed or contingent, suffered or incurred by the TMG Entities by reason of or arising out of events and conditions associated with the operation of the Assets and occurring on or after the Closing Date (other than Covered Environmental Losses, which are provided for under Section 2.1), unless such indemnification would not be permitted under the Partnership Agreement by reason of one of the provisos contained in Section 7.7(a) of the Partnership Agreement.

2.5 ***Indemnification Procedures***.

(a) The Indemnified Party agrees that promptly after it becomes aware of facts giving rise to a claim for indemnification under this Article II, it will provide notice thereof in writing to the Indemnifying Party, specifying the nature of and specific basis for such claim.

(b) The Indemnifying Party shall have the right to control all aspects of the defense of (and any counterclaims with respect to) any claims brought against the Indemnified Party that are covered by the indemnification under this Article II, including, without limitation, the selection of counsel, determination of whether to appeal any decision of any court and the settling of any such matter or any issues relating thereto; *provided, however,* that no such settlement shall be entered into without the consent of the Indemnified Party unless it includes a full release of the Indemnified Party from such matter or issues, as the case may be, and does not include the admission of fault, culpability or a failure to act, by or on behalf of such indemnified party.

(c) The Indemnified Party agrees to cooperate fully with the Indemnifying Party, with respect to all aspects of the defense of any claims covered by the indemnification under this Article II, including, without limitation, the prompt furnishing to the Indemnifying Party of any correspondence or other notice relating thereto that the Indemnified Party may receive, permitting the name of the Indemnified Party to be utilized in connection with such defense, the making available to the Indemnifying Party of any files, records or other information of the Indemnified Party that the Indemnifying Party considers relevant to such defense and the making available to the Indemnifying Party of any employees of the Indemnified Party; *provided, however,* that in connection therewith the Indemnifying Party agrees to use reasonable efforts to minimize the impact thereof on the operations of the Indemnified Party and further agrees to maintain the confidentiality of all files, records, and other information furnished by the Indemnified Party pursuant to this Section 2.5. In no event shall the obligation of the Indemnified Party to cooperate with the Indemnifying Party as set forth in the immediately preceding sentence be construed as imposing upon the Indemnified Party an obligation to hire and pay for counsel in connection with the defense of any claims covered by the indemnification set forth in this Article II; *provided, however*, that the Indemnified Party may, at its own option, cost and expense, hire and pay for counsel in connection with any such defense. The Indemnifying Party agrees to keep any such counsel hired by the Indemnified Party informed as to the status of any such defense, but the Indemnifying Party shall have the right to retain sole control over such defense.

(d) In determining the amount of any loss, cost, damage or expense for which the Indemnified Party is entitled to indemnification under this Agreement, the gross amount of the indemnification will be reduced by (i) any insurance proceeds realized by the Indemnified Party and (ii) all amounts recovered by the Indemnified Party under contractual indemnities from third Persons. For purposes of calculating the aggregate liability of TMG under Section 2.1(a), TMG will be deemed to have incurred any such liability when incurred or paid (and such liability shall be applied toward the $15.0 million limitation on liability set forth in Section 2.2), regardless of the status of any insurance claims in respect thereof, and such liability (and the application thereof toward the $15.0 million limitation on liability set forth in Section 2.2) will be reduced when any insurance proceeds in respect thereof are actually received by TMG to the extent that TMG is not required to pay such proceeds over to any of the Partnership Entities.

(e) The date on which notification of a claim for indemnification is received by the Indemnifying Party shall determine whether such claim is timely made.

ARTICLE III
Miscellaneous

3.1 ***Choice of Law; Submission to Jurisdiction.*** This Agreement shall be subject to and governed by the laws of the State of Colorado, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this Agreement to the laws of another state. Each Party hereby submits to the jurisdiction of the state and federal courts in the State of Colorado and to venue in Denver, Colorado.

3.2 ***Notice***. All notices or requests or consents provided for by, or permitted to be given pursuant to, this Agreement must be in writing and must be given by depositing same in the United States mail, addressed to the Person to be notified, postpaid, and registered or certified with return receipt requested or by delivering such notice in person or by telecopier or telegram to such Party. Notice given by personal delivery or mail shall be effective upon actual receipt. Notice given by telegram or telecopier shall be effective upon actual receipt if received during the recipient's normal business hours or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. All notices to be sent to a Party pursuant to this Agreement shall be sent to or made at the address set forth below such Party's signature to this Agreement or at such other address as such Party may stipulate to the other Parties in the manner provided in this Section 3.2.

if to the TMG Entities:

TransMontaigne Inc.
1670 Broadway
Suite 3100
Denver, Colorado 80202
Attention: President
Fax: 303-626-8228

if to the Partnership Entities:

TransMontaigne Partners L.P.
c/o TransMontaigne GP L.L.C.
1670 Broadway
Suite 3100
Denver, Colorado 80202
Attention: President
Fax: 303-626-8228

3.3 ***Entire Agreement***. This Agreement constitutes the entire agreement of the Parties relating to the matters contained herein, superseding all prior contracts or agreements, whether oral or written, relating to the matters contained herein.

3.4 ***Amendment or Modification*** This Agreement may be amended or modified from time to time only by the written agreement of all the Parties hereto; provided, however, that the Partnership may not, without the prior approval of the Conflicts Committee, agree to any amendment or modification of this Agreement that the General Partner determines will adversely affect the holders of Common Units. Each such instrument shall be reduced to writing and shall be designated on its face an “Amendment” or an “Addendum” to this Agreement.

3.5 ***Assignment***. No Party shall have the right to assign any of its rights or obligations under this Agreement without the consent of the other Parties hereto.

3.6 ***Counterparts***. This Agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

3.7 ***Severability***. If any provision of this Agreement shall be held invalid or unenforceable by a court or regulatory body of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

3.8 ***Further Assurances***. In connection with this Agreement and all transactions contemplated by this Agreement, each signatory party hereto agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions.

3.9 ***Rights of Limited Partners***. The provisions of this Agreement are enforceable solely by the Parties to this Agreement, and no Limited Partner of the Partnership shall have the right, separate and apart from the Partnership, to enforce any provision of this Agreement or to compel any Party to this Agreement to comply with the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on, and effective as of January 1, 2008.

TRANSMONTAIGNE INC.

By: /s/ Erik B. Carlson
Name: Erik B. Carlson
Title: Senior Vice President

TRANSMONTAIGNE GP L.L.C.

By: /s/ Randall J. Larson
Name: Randall J. Larson
Title: Chief Executive Officer

TRANSMONTAIGNE PARTNERS L.P.

By TransMontaigne GP L.L.C.
Its General Partner

By: /s/ Randall J. Larson
Name: Randall J. Larson
Title: Chief Executive Officer

TRANSMONTAIGNE OPERATING GP L.L.C.

By: /s/ Randall J. Larson
Name: Randall J. Larson
Title: Chief Executive Officer

TRANSMONTAIGNE OPERATING COMPANY L.P.

By TransMontaigne Operating GP L.L.C.
Its General Partner

By:	/s/ Randall J. Larson	
	Name:	Randall J. Larson
	Title:	Chief Executive Officer

Exhibit 21.1

List of Subsidiaries of TransMontaigne Partners L.P. at December 31, 2007

Ownership of subsidiary	Name of subsidiary	Trade Name	State/Country of Organization
100%	TransMontaigne Operating GP L.L.C.	None	Delaware
100%	TransMontaigne Operation 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
100%	TLP Finance Corp.	None	Delaware
100%	TLP Operating Finance Corp.	None	Delaware
100%	TPME L.L.C.	None	Delaware
100%	TMOC Corp.	None	Delaware
100%	TLP Mex L.L.C.	None	Delaware
100%	Penn Octane de Mexico, s. de R.L.de C.V.	None	Mexico
100%	Termatsal, s. de R.L. de C.V.	None	Mexico
100%	Tergas, s. de R.L. de C.V.	None	Mexico

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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 statements (Nos. 333-125209 and 333-148280) on Form S-8 of TransMontaigne Partners L.P. of our reports dated March 7, 2008, relating to the consolidated balance sheets of TransMontaigne Partners L.P. and subsidiaries as of December 31, 2007, 2006 and 2005, and the related consolidated statements of operations, partners' equity, and cash flows for the years ended December 31, 2007 and 2006, the six months ended December 31, 2005, and for the year ended June 30, 2005, and the related finanical statement schedule (Exhibit 99.1), and the effectiveness of internal control over financial reporting as of December 31, 2007, which reports appear in the December 31, 2007 Form 10-K of TransMontaigne Partners L.P.

KPMG LLP

Denver, Colorado
March 7, 2008

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Exhibit 31.1

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Randall J. Larson, Chief Executive Officer of TransMontaigne GP L.L.C., a Delaware limited liability company and general partner of TransMontaigne Partners L.P. (the "Company"), certify that:

1. I have reviewed this Annual Report on Form 10-K of TransMontaigne Partners L.P. for the fiscal year ended December 31, 2007;

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. The registrant's other certifying officer(s) and I are 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 our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us 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 our 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 our 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 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. The registrant's other certifying officer(s) and I have disclosed, based on our 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 7, 2008 /s/ RANDALL J. LARSON

Randall J. Larson
Chief Executive Officer

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Exhibit 31.2

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Frederick W. Boutin, Chief Financial Officer of TransMontaigne GP L.L.C., a Delaware limited liability company and general partner of TransMontaigne Partners L.P. (the "Company"), certify that:

1. I have reviewed this Annual Report on Form 10-K of TransMontaigne Partners L.P. for the fiscal year ended December 31, 2007;

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. The registrant's other certifying officer(s) and I are 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 our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us 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 our 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 our 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 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. The registrant's other certifying officer(s) and I have disclosed, based on our 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 7, 2008

/s/ FREDERICK W. BOUTIN

Frederick W. Boutin
Chief Financial Officer
(*Principal Financial Officer*)

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Exhibit 32.1

Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

The undersigned, the Chief Executive Officer of TransMontaigne GP L.L.C., a Delaware limited liability company and general partner of TransMontaigne Partners L.P. (the "Company"), hereby certifies that, to his knowledge on the date hereof:

(a) the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2007, 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.

/s/ RANDALL J. LARSON

Randall J. Larson
Chief Executive Officer

March 7, 2008

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Exhibit 32.2

Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

The undersigned, the Chief Financial Officer of TransMontaigne GP L.L.C., a Delaware limited liability company and general partner of TransMontaigne Partners L.P. (the "Company"), hereby certifies that, to his knowledge on the date hereof:

(a) the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2007, 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.

/s/ FREDERICK W. BOUTIN

Frederick W. Boutin
Chief Financial Officer

March 7, 2008

Exhibit 99.1

Financial statement schedule

Valuation and qualifying accounts

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

YEAR ENDED DECEMBER 31, 2007

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	$ 83,000	$ —	$ 8,000	$ 150,000