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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2012

OR

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

Commission File Number: 001-32505

TRANSMONTAIGNE PARTNERS L.P.
(Exact name of registrant as specified in its charter)

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

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

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

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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer ☒	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

As of April 30, 2012, there were 14,457,066 units of the registrant's Common Limited Partner Units outstanding.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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 herein regarding the prospects for our business or any of our services;
- 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 herein 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 that could cause actual results to differ materially from our expectations and may adversely affect our business and results of operations, include, but are not limited to those risk factors set forth in this report in Part II. Other Information under the heading "Item 1A. Risk Factors."

Part I. Financial Information

ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The interim unaudited consolidated financial statements of TransMontaigne Partners L.P. as of and for the three months ended March 31, 2012 are included herein beginning on the following page. The accompanying unaudited interim consolidated financial statements should be read in conjunction with our consolidated financial statements and related notes for the year ended December 31, 2011, together with our discussion and analysis of financial condition and results of operations, included in our Annual Report on Form 10-K/A, Amendment No. 1, filed on May 3, 2012 with the Securities and Exchange Commission (File No. 001-32505).

TransMontaigne Partners L.P. is a holding company with the following active wholly-owned operating subsidiaries during the three months ended March 31, 2012:

- TransMontaigne Operating GP L.L.C.
- TransMontaigne Operating Company L.P.
- TransMontaigne Terminals L.L.C.
- Razorback L.L.C. (d/b/a Diamondback Pipeline L.L.C.)
- TPSI Terminals L.L.C.
- TMOC Corp.
- TLP Operating Finance Corp.
- TPME L.L.C.
- TLP Mex L.L.C.
- Penn Octane de Mexico, S. de R.L. de C.V.
- Termatsal, S. de R.L. de C.V.

- Tergas, S. de R.L. de C.V.

The above omits non-operating subsidiaries that, considered in the aggregate, do not constitute significant subsidiaries as of March 31, 2012. We do not have off-balance-sheet arrangements (other than operating leases) or special-purpose entities.

TransMontaigne Partners L.P. and subsidiaries

Consolidated balance sheets (unaudited)

(In thousands)

	March 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,818	$ 7,138
Trade accounts receivable, net	4,244	4,271
Due from affiliates	2,759	3,906
Other current assets	4,618	22,768
Total current assets	17,439	38,083
Property, plant and equipment, net	430,382	431,782
Goodwill	8,741	8,716
Investment in joint venture	25,612	25,875
Other assets, net	9,246	9,648
	$ 491,420	$ 514,104
LIABILITIES AND EQUITY		
Current liabilities:		
Trade accounts payable	$ 5,041	$ 7,936
Due to affiliates.	63	—
Accrued liabilities	14,600	19,924
Total current liabilities	19,704	27,860
Other liabilities	13,229	14,368
Long-term debt	106,500	120,000
Total liabilities	139,433	162,228
Partners' equity:		
Common unitholders (14,457,066 units issued and outstanding at March 31, 2012 and December 31, 2011)	295,929	296,052
General partner interest (2% interest with 295,042 equivalent units outstanding at March 31, 2012 and December 31, 2011)	56,486	56,490
Accumulated other comprehensive loss	(428)	(666)
Total partners' equity	351,987	351,876
	$ 491,420	$ 514,104

See accompanying notes to consolidated financial statements.

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of comprehensive income (unaudited)

(In thousands, except per unit amounts)

	Three months ended March 31, 2012	Three months ended March 31, 2011
Revenue:		
External customers	$ 11,308	$ 13,384
Affiliates	27,525	25,752
Total revenue	38,833	39,136
Costs and expenses and other:		
Direct operating costs and expenses	(13,969)	(14,577)
Direct general and administrative expenses	(3,188)	(1,365)
Allocated general and administrative expenses	(2,695)	(2,616)
Allocated insurance expense	(897)	(823)
Reimbursement of bonus awards	(313)	(313)
Depreciation and amortization	(6,930)	(7,138)
Equity in earnings of joint venture	107	—
Total costs and expenses and other	(27,885)	(26,832)
Operating income	10,948	12,304
Other income (expenses):		
Interest expense	(681)	(513)
Foreign currency transaction gain	63	28
Amortization of deferred financing costs	(188)	(493)
Total other expenses, net	(806)	(978)
Net earnings	10,142	11,326
Other comprehensive income—foreign currency translation adjustments	238	100
Comprehensive income	$ 10,380	$ 11,426
Net earnings	$ 10,142	$ 11,326
Less—earnings allocable to general partner interest including incentive distribution rights	(1,195)	(1,012)
Net earnings allocable to limited partners	$ 8,947	$ 10,314
Net earnings per limited partner unit—basic	$ 0.62	$ 0.71
Net earnings per limited partner unit—diluted	$ 0.62	$ 0.71
Weighted average limited partner units outstanding—basic	14,439	14,441
Weighted average limited partner units outstanding—diluted	14,451	14,459

See accompanying notes to consolidated financial statements.

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of partners' equity (unaudited)

Year ended December 31, 2011 and three months ended March 31, 2012

(Dollars in thousands)

	Common unitholders	General partner interest	Accumulated other comprehensive loss	Total
Balance December 31, 2010	**$ 289,632**	**$ 55,533**	**$ (349)**	**$ 344,816**
Distributions to unitholders	(35,575)	(3,926)	—	(39,501)
Deferred equity-based compensation related to restricted phantom units	419	—	—	419
Purchase of 13,652 common units by our long-term incentive plan and from affiliate	(529)	—	—	(529)
Acquisition of Pensacola Terminal from TransMontaigne Inc. in exchange for $12.8 million	—	468	—	468
Issuance of 11,392 common units by our long-term incentive plan due to vesting of restricted phantom units	—	—	—	—
Net earnings for year ended December 31, 2011	42,105	4,415	—	46,520
Other comprehensive loss	—	—	(317)	(317)
Balance December 31, 2011	**296,052**	**56,490**	**(666)**	**351,876**
Distributions to unitholders	(9,120)	(1,199)	—	(10,319)
Deferred equity-based compensation related to restricted phantom units	107	—	—	107
Purchase of 1,650 common units by our long-term incentive plan	(57)	—	—	(57)
Issuance of 6,089 common units by our long-term incentive plan due to vesting of restricted phantom units	—	—	—	—
Net earnings for three months ended March 31, 2012	8,947	1,195	—	10,142
Other comprehensive income	—	—	238	238
Balance March 31, 2012	**$ 295,929**	**$ 56,486**	**$ (428)**	**$ 351,987**

See accompanying notes to consolidated financial statements.

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of cash flows (unaudited)

(In thousands)

	Three months ended March 31, 2012	Three months ended March 31, 2011
Cash flows from operating activities:		
Net earnings	$ 10,142	$ 11,326
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	6,930	7,138
Equity in earnings of joint venture	(107)	—
Distributions received from joint venture	370	—
Deferred equity-based compensation	107	98
Amortization of deferred financing costs	188	493
Unrealized gain on derivative instrument	—	(686)
Amortization of deferred revenue	(1,144)	(1,104)
Amounts due under long-term terminaling services agreements, net	128	(108)
Changes in operating assets and liabilities:		
Trade accounts receivable, net	56	228
Due from affiliates.	1,147	539
Other current assets	168	826
Trade accounts payable	(3,118)	(2,785)
Due to affiliates	8	—
Accrued liabilities	(5,337)	(1,240)
Net cash provided by operating activities	9,538	14,725
Cash flows from investing activities:		
Proceeds from sale of assets	18,000	—
Acquisition of terminal facilities	—	(12,781)
Additions to investment in the BOSTCO project	—	(1,294)
Additions to property, plant and equipment—expansion of facilities	(4,158)	(5,712)
Additions to property, plant and equipment—maintain existing facilities	(901)	(1,679)
Net cash provided by (used in) investing activities	12,941	(21,466)
Cash flows from financing activities:		
Borrowings of debt under credit facility	21,500	33,743
Repayments of debt under credit facility	(35,000)	(15,743)
Deferred debt issuance costs	—	(3,569)
Distributions paid to unitholders	(10,319)	(9,746)
Purchase of common units by our long-term incentive plan	(57)	(97)
Net cash provided by (used in) financing activities	(23,876)	4,588
Decrease in cash and cash equivalents	(1,397)	(2,153)
Foreign currency translation effect on cash	77	25
Cash and cash equivalents at beginning of period	7,138	5,353
Cash and cash equivalents at end of period	$ 5,818	$ 3,225
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 697	$ 1,413

See accompanying notes to consolidated financial statements.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited)

(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 primarily in the United States 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 trading, distribution and marketing of refined petroleum products, crude oil, chemicals, fertilizers and other liquid products, including TransMontaigne Inc. and Morgan Stanley Capital Group Inc.

We are controlled by our general partner, TransMontaigne GP L.L.C. ("TransMontaigne GP"), which is a wholly-owned subsidiary of TransMontaigne Inc. Effective September 1, 2006, Morgan Stanley Capital Group Inc. ("Morgan Stanley Capital Group"), 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 March 31, 2012, TransMontaigne Inc. and Morgan Stanley have a significant interest in our partnership through their indirect ownership of a 21.6% limited partner interest, a 2% general partner interest and the incentive distribution rights.

(b) 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. Investments where we do not have the ability to exercise control, but do have the ability to exercise significant influence, are accounted for using the equity method of accounting. All 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: useful lives of our plant and equipment, accrued environmental obligations and determining the fair value of our reporting units when analyzing goodwill. 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 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 $2.7 million and $2.6 million for the three months ended March 31, 2012 and 2011, respectively. The accompanying consolidated financial statements also include allocated insurance charges from TransMontaigne Inc. for insurance premiums to cover costs of

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

insuring activities such as property, casualty, pollution, automobile, directors' and officers' liability, and other insurable risks. The allocated insurance charges were approximately $0.9 million and $0.8 million for the three months ended March 31, 2012 and 2011, respectively. The accompanying consolidated financial statements also include reimbursement of bonus awards paid to TransMontaigne Services Inc. (a wholly-owned subsidiary of TransMontaigne Inc.) towards bonus awards granted by TransMontaigne Services Inc. to certain key officers and employees who provide services to Partners that vest over future periods. The reimbursement of bonus awards was approximately $0.3 million and $0.3 million for the three months ended March 31, 2012 and 2011, respectively.

(c) 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 terminaling services fees, transportation fees, management fees and cost reimbursements, fees from other ancillary services and gains from the sale of refined products. Terminaling services revenue is recognized ratably over the term of the agreement for storage fees and minimum revenue commitments that are fixed at the inception of the agreement and when product is delivered to the customer for fees based on a rate per barrel throughput; transportation revenue is recognized when the product has been delivered to the customer at the specified delivery location; management fee revenue and cost reimbursements are recognized as the services are performed or as the costs are incurred; ancillary service revenue is recognized as the services are performed; and gains from the sale of refined products are recognized when the title to the product is transferred.

Pursuant to terminaling services agreements with certain of our throughput customers, we are entitled to the volume of product gained resulting from differences in the measurement of product volumes received and distributed at our terminaling facilities. Consistent with recognized industry practices, measurement differentials occur as the result of the inherent variances in measurement devices and methodology. We recognize as revenue the net proceeds from the sale of the product gained. For the three months ended March 31, 2012 and 2011, we recognized revenue of approximately $4.4 million and $4.7 million, respectively, for net product gained. Within these amounts, approximately $3.8 million and $4.4 million, respectively, were pursuant to terminaling services agreements with affiliate customers.

(d) 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.

(e) Property, plant and equipment

Depreciation is computed using the straight-line method. Estimated useful lives are 15 to 25 years for terminals and pipelines and 3 to 25 years for furniture, fixtures and 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 group may not be recoverable based on expected undiscounted

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

future cash flows attributable to that asset group. If an asset group is impaired, the impairment loss to be recognized is the excess of the carrying amount of the asset group over its estimated fair value.

(f) Investment in joint venture

Effective as of April 1, 2011, we entered into a joint venture with P.M.I. Services North America Inc. ("PMI"), an indirect subsidiary of Petroleos Mexicanos ("Pemex"), the Mexican state-owned petroleum company, at our Brownsville, Texas terminal. We contributed approximately 1.5 million barrels of light petroleum product storage capacity, as well as related ancillary facilities, to the joint venture, also known as Frontera Brownsville LLC or "Frontera", in exchange for a cash payment of approximately $25.6 million and a 50% ownership interest. PMI acquired a 50% ownership interest in Frontera for a cash payment of approximately $25.6 million. We operate the Frontera assets under an operations and reimbursement agreement executed between us and Frontera. All significant decisions affecting the business are decided by PMI and us based upon our respective 50% ownership interests.

We account for our investment in Frontera, which we do not control but do have the ability to exercise significant influence over, using the equity method of accounting. Under this method, the investment is recorded at fair value on the acquisition date, increased by our proportionate share of any earnings and additional capital contributions and decreased by our proportionate share of any losses and distributions received from Frontera. We evaluate our equity method investment for impairment whenever events or circumstances indicate there is a loss in value of the investment that is other than temporary. In the event of impairment, we would record a charge to earnings to adjust the carrying amount to fair value.

(g) Environmental obligations

We accrue for environmental costs that relate to existing conditions caused by past operations when estimable (see Note 9 of Notes to consolidated financial statements). 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 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 (see Note 5 of Notes to consolidated financial statements). We recognize our insurance recoveries as a credit to income in the period that we assess the likelihood of recovery as being probable (i.e., likely to occur).

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

TransMontaigne Inc. agreed to indemnify us against certain potential environmental claims, losses and expenses that were identified on or before December 31, 2011 and that are associated with the ownership or operation of the Brownsville and River terminals prior to 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 agreed to indemnify us against certain potential environmental claims, losses and expenses that are identified on or before December 31, 2012 and that are associated with the ownership or operation of the Southeast terminals prior to 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). TransMontaigne Inc. has agreed to indemnify us against certain potential environmental claims, losses and expenses that are identified on or before March 1, 2016 and that are associated with the ownership or operation of the Pensacola terminal prior to March 1, 2011, up to a maximum liability not to exceed $2.5 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. Generally accepted accounting principles require 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. 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 underground pipelines. We are unable to predict if and when these long-lived assets will become completely obsolete and require dismantlement. We have not recorded an asset retirement obligation, or corresponding asset, because the future dismantlement and removal dates of our long-lived assets is indeterminable and the amount of any associated costs are believed to be insignificant. Changes in our assumptions and estimates may occur as a result of the passage of time and the occurrence of future events.

(i) Equity-based compensation plan

Generally accepted accounting principles require us to measure the cost of 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 a board member or 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.

(j) Foreign currency translation and transactions

The functional currency of Partners and its U.S.-based subsidiaries is the U.S. Dollar. The functional currency of our foreign subsidiaries, including Penn Octane de Mexico, S. de R.L. de C.V., Termatsal, S. de R.L. de C.V., and Tergas, S. de R.L. de C.V., is the Mexican Peso. The assets and liabilities of our foreign subsidiaries are translated at period-end rates of exchange, and revenue and

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

expenses are translated at average exchange rates prevailing for the period. The resulting translation adjustments, net of related income taxes, are recorded as a component of other comprehensive income in the consolidated statements of comprehensive income. Gains and losses from the remeasurement of foreign currency transactions (transactions denominated in a currency other than the entity's functional currency) are included in other income (expenses) in the consolidated statements of comprehensive income.

(k) Accounting for derivative instruments

Generally accepted accounting principles require us to recognize all derivative instruments at fair value in the consolidated balance sheet as assets or liabilities. Changes in the fair value of our derivative instruments are recognized in earnings unless specific hedge accounting criteria are met.

We did not have any derivative instruments during the three months ended March 31, 2012. During the three months ended March 31, 2011, our derivative instruments were limited to an interest rate swap agreement with a notional amount of $150.0 million. Our interest rate swap agreement expired in June 2011. The interest rate swap reduced our cash exposure to changes in interest rates by converting variable interest rates to fixed interest rates. Pursuant to the terms of the interest rate swap agreement, we paid a fixed rate of approximately 2.2% and received an interest payment based on the one-month LIBOR. The net difference to be paid or received under the interest rate swap agreement was settled monthly and was recognized as an adjustment to interest expense. During the three months ended March 31, 2011, we recognized net payments to the counterparty in the amount of approximately $0.7 million.

At the time we entered into the interest rate swap we did not designate it as a hedge, and therefore the change in the fair value of our interest rate swap is included in the consolidated statements of comprehensive income. During the three months ended March 31, 2011, we recognized an unrealized gain in the amount of approximately $0.7 million related to the estimated change in the fair value of the interest rate swap, which was recorded as a reduction to interest expense. The fair value of our interest rate swap was determined using a pricing model based on the LIBOR swap rate and other observable market data. The fair value was determined after considering the potential impact of collateralization, adjusted to reflect nonperformance risk of both Wells Fargo Bank N.A., the counterparty, and us. Our fair value measurement of our interest rate swap utilized Level 2 inputs as defined by generally accepted accounting principles.

(l) Income taxes

No provision for U.S. federal income taxes has been reflected in the accompanying consolidated financial statements because Partners is treated as a partnership for federal 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.

Partners is a taxable entity under certain U.S. state jurisdictions, primarily Texas. Certain of our Mexican subsidiaries are corporations for Mexican tax purposes and, therefore, are subject to Mexican federal and provincial income taxes.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Partners accounts for U.S. state income taxes and Mexican federal and provincial income taxes under the asset and liability method pursuant to generally accepted accounting principles. Currently, Mexican federal and provincial income taxes and U.S. state income taxes are not material.

(m) Net earnings per limited partner unit

Generally accepted accounting principles address the computation of earnings per limited partnership unit for master limited partnerships that consist of publicly traded common units held by limited partners, a general partner interest, and incentive distribution rights that are accounted for as equity interests. Partners' incentive distribution rights are owned by our general partner. Distributions are declared from available cash (as defined by our partnership agreement) and the incentive distribution rights are not entitled to distributions other than from available cash. Any excess of distributions over earnings are allocated to the limited partners and general partner interest based on their respective sharing of losses specified in the partnership agreement, which is based on their ownership percentages of 98% and 2%, respectively. Incentive distribution rights do not share in losses under our partnership agreement. The earnings allocable to the general partner interest for the period represents distributions attributable to the period on behalf of the general partner interest and any incentive distribution rights less the excess of distributions over earnings allocated to the limited partners (see Note 15 of Notes to consolidated financial statements). 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 interest including incentive distribution rights.

(n) Reclassification and correction of prior period amounts

Certain prior period amounts have been changed. Within the financing activities section of the consolidated statement of cash flows for the three months ended March 31, 2011, the net borrowings and repayments of debt under our credit facility have been corrected to reflect the gross amount of borrowings and the gross amount of repayments. In addition, within the consolidated statement of comprehensive income for the three months ended March 31, 2011, the unrealized gains on our derivative instrument have been reclassified to interest expense. We did not have any derivative instruments during the three months ended March 31, 2012. These changes in presentation had no impact on previously reported amounts of net earnings or partners' equity.

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

Constraints on expansion. Morgan Stanley informed us in October 2011 that, for the foreseeable future, it does not expect to approve any "significant" acquisition or investment that we may propose. Morgan Stanley's decision is the result of the uncertain regulatory environment relating to Morgan Stanley's status as a financial holding company subject to the Bank Holding Company Act and consolidated supervision by the Board of Governors of the Federal Reserve System. Morgan Stanley indicated that it has not established a specific definition of what constitutes a "significant" investment and significance may be determined on either a quantitative or qualitative basis, depending on the facts and circumstances and relevant legal and regulatory considerations. Morgan Stanley has informed us

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

they will review on a case by case basis each proposed transaction to determine its significance, whether an acquisition of, or investment in, assets or legal entities and that an acquisition of, or investment in, a minority interest or joint venture interest may be "significant" without respect to the size of the transaction. The practical effect of these limitations is to significantly constrain our ability to expand our asset base and operations through acquisitions from third parties. These constraints will reduce the potential for increasing our distributions to unitholders in the future. In addition, these constraints will limit additions to our capital assets primarily to additions and improvements that we construct or add to our existing facilities, although some acquisitions of assets from third parties may be possible to the extent approved by Morgan Stanley.

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. Effective January 1, 2012, the annual administrative fee payable to TransMontaigne Inc. is approximately $10.8 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. Effective January 1, 2012, the annual insurance reimbursement payable to TransMontaigne Inc. is approximately $3.6 million. We also reimburse TransMontaigne Inc. for direct operating costs and expenses that TransMontaigne Inc. incurs on our behalf, such as salaries of operational personnel performing services on-site at our terminals and pipelines and the cost of their employee benefits, including 401(k) and health insurance benefits.

We also agreed to reimburse TransMontaigne Inc. and its affiliates for a portion of the 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. For the year ending December 31, 2012, we have agreed to reimburse TransMontaigne Inc. and its affiliates approximately $1.3 million.

The omnibus agreement provided us with a right of first offer to purchase all of TransMontaigne Inc.'s and its subsidiaries' right, title and interest in the Pensacola, Florida refined petroleum products terminal. We exercised this right effective March 1, 2011 and purchased the Pensacola terminal for cash consideration of approximately $12.8 million (see Note 3 of Notes to consolidated financial statements).

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

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

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 (i) is put into commercial service 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. In connection with our acquisition of the Brownsville, Texas and River terminals, TransMontaigne Inc. agreed to indemnify us against potential environmental claims, losses and expenses that were identified on or before December 31, 2011, and that were associated with the ownership or operation of the Brownsville and River facilities prior to December 31, 2006. 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. The deductible amount, cap amount and limitation of time for indemnification do 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 against potential environmental claims, losses and expenses that are identified on or before December 31, 2012, and that are associated with the ownership or operation of the Southeast terminals 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 deductible amount, cap amount and limitation of time for indemnification do 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.

In connection with our acquisition of the Pensacola terminal, TransMontaigne Inc. agreed to indemnify us against potential environmental claims, losses and expenses that are identified on or before March 1, 2016, and that are associated with the ownership or operation of the Pensacola terminal prior to March 1, 2011. Our environmental losses must first exceed $200,000 and TransMontaigne Inc.'s indemnification obligations are capped at $2.5 million. The deductible amount, cap amount and limitation of time for indemnification do not apply to any environmental liabilities known to exist as of March 1, 2011. 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 March 1, 2011.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

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

Terminaling services agreement—Florida terminals and Razorback pipeline system. We have a terminaling services agreement with Morgan Stanley Capital Group relating to our Florida, Mt. Vernon, Missouri and Rogers, Arkansas terminals. Effective June 1, 2008, we amended the terminaling services agreement to include renewable fuels blending functionality at the Florida Terminals. The initial term of the agreement expires on May 31, 2014 for the Florida terminals and was set to expire on May 31, 2012 for the Mt. Vernon, Missouri and Rogers, Arkansas terminals. Effective November 7, 2011, Morgan Stanley Capital Group extended its minimum throughput commitment at our Mt. Vernon, Missouri and Rogers, Arkansas terminals to May 31, 2014. After May 31, 2014, 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 May 31, 2014 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 and tariff schedule contained in the agreement, result in minimum throughput payments to us of approximately $37.0 million for the contract year ending May 31, 2012 (approximately $37.3 million for the contract year ending May 31, 2013); with stipulated annual increases in throughput payments each contract year thereafter. Morgan Stanley Capital Group's minimum annual throughput payment is reduced proportionately for any decrease in storage capacity due to out-of-service tank capacity.

If a force majeure event occurs 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 not assign the terminaling services agreement without our consent. 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.

Terminaling services agreement—Fisher Island terminal. We have a terminaling services agreement with TransMontaigne Inc. that will expire on December 31, 2012. Under this agreement, TransMontaigne Inc. agreed to throughput at our Fisher Island terminal in the Gulf Coast region a volume of fuel oils that will, at the fee schedule contained in the agreement, result in minimum revenue to us of approximately $1.8 million for the contract year ending December 31, 2012. In exchange for its minimum throughput commitment, we agreed to provide TransMontaigne Inc. with approximately 185,000 barrels of fuel oil capacity.

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 approximately $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

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

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

minimum revenue commitment, we will agree to provide TransMontaigne Inc. approximately 158,000 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 through January 31, 2014 for the utilization of the light oil storage capacity at the terminal.

Terminaling services agreement—Cushing terminal. In July 2011, we entered into a terminaling services agreement with Morgan Stanley Capital Group relating to our Cushing, Oklahoma facility that will expire seven years following the in-service date of certain tank capacity and other improvements to be constructed by us, subject to a five-year automatic renewal unless terminated by either party upon 180 days notice prior to the end of the then-current renewal term. Under this agreement, Morgan Stanley Capital Group agreed to throughput a volume of crude oil products at our terminal that will, at the fee schedule contained in the agreement, result in minimum throughput payments to us of approximately $4.3 million for the one-year period following the in-service date. In exchange for its minimum revenue commitment, we agreed to construct storage tanks and associated infrastructure on a leased portion of land to provide 1,000,000 barrels of crude oil capacity, with estimated completion planned for the second quarter of 2012.

If a force majeure event continues for 120 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.

Neither party may transfer or assign this agreement without the consent of the other party unless such assignment is to an affiliate or, in the case of Partners, a successor in interest to us or to the Cushing terminal.

Terminaling services agreement—Brownsville LPG. We have a terminaling and transportation services agreement with TransMontaigne Inc. relating to our Brownsville, Texas facilities that expired on March 31, 2011 and is continuing on a month to month basis, subject to either party's right to terminate with thirty days' prior notice. 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 approximately $1.3 million per year. In exchange for TransMontaigne Inc.'s minimum throughput commitment, we agreed to provide TransMontaigne Inc. approximately 33,000 barrels of storage capacity at our Brownsville facilities.

Terminaling services agreement—Matamoros LPG. We had a terminaling services agreement with TransMontaigne Inc. relating to our natural gas liquids storage facility in Matamoros, Mexico that was terminated effective October 25, 2011. Under this agreement, TransMontaigne Inc. agreed to throughput a volume of natural gas liquids that resulted in minimum throughput payments to us of approximately $0.5 million in 2011. The storage capacity under this agreement is now under contract with a third party.

Operations and reimbursement agreement—Frontera. Effective as of April 1, 2011, we entered into the Frontera joint venture in which we have a 50% ownership interest (see Note 3 of Notes to consolidated financial statements). In conjunction with us entering into the joint venture, we agreed to operate Frontera, in accordance with an operations and reimbursement agreement executed between us

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

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

and Frontera, for a management fee that is based on our costs incurred. Our agreement with Frontera stipulates that we may resign as the operator at any time with the prior written consent of Frontera, or that we may be removed as the operator for good cause, which includes material noncompliance with laws and material failure to adhere to good industry practice regarding health, safety or environmental matters. For the three months ended March 31, 2012, we recognized approximately $0.9 million of revenue related to this operations and reimbursement agreement.

Terminaling services agreement—Southeast terminals. We have a terminaling services agreement with Morgan Stanley Capital Group relating to our Southeast terminals. The terminaling services agreement commenced 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 schedule contained in the agreement, result in minimum throughput payments to us of approximately $35.4 million for the contract year ending December 31, 2012; with stipulated annual increases in throughput payments each contract year thereafter. Morgan Stanley Capital Group's minimum annual throughput payment is reduced proportionately for any decrease in storage capacity due to out-of-service tank capacity. In exchange for its minimum throughput commitment, we agreed to provide Morgan Stanley Capital Group approximately 8.9 million barrels of light oil storage capacity at our Southeast terminals. Under this agreement we also agreed to undertake certain capital projects to provide ethanol blending functionality at certain of our Southeast terminals with completion dates that extended through August 31, 2011. Upon the completion of each of the projects, Morgan Stanley Capital Group paid us a lump-sum ethanol blending fee that in total equaled approximately $22.5 million.

If a force majeure event occurs 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 not assign the terminaling services agreement without our consent.

Terminaling services agreement—Collins/Purvis terminal. In January 2010, we entered into a terminaling services agreement with Morgan Stanley Capital Group relating to our Collins, Mississippi facility that will expire in July 2018, subject to one-year automatic renewals unless terminated by either party upon 180 days prior notice. In exchange for its minimum revenue commitment, we agreed to undertake certain capital projects to provide an additional 700,000 barrels of light oil capacity and other improvements at the Collins terminal. These capital projects were completed and placed into service in July 2011. Under this agreement, Morgan Stanley Capital Group has agreed to throughput a volume of light oil products at our terminal that will, at the fee schedule contained in the agreement, result in minimum throughput payments to us of approximately $4.1 million for the one-year period following the in-service date of July 2011 for the aforementioned capital projects, and for each contract year thereafter.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

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

If a force majeure event occurs 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.

Neither party may transfer or assign this agreement without the consent of the other party unless such assignment is to an affiliate or, in the case of Partners, a successor in interest to us or to the Collins terminal.

(3) TERMINAL ACQUISITIONS AND DISPOSITIONS

Contribution of certain Brownsville, Texas terminal assets to the Frontera joint venture. Effective as of April 1, 2011, we entered into the Frontera joint venture with P.M.I. Services North America Inc. ("PMI"), an indirect subsidiary of Petroleos Mexicanos ("Pemex"), the Mexican state-owned petroleum company, at our Brownsville, Texas terminal. We contributed approximately 1.5 million barrels of light petroleum product storage capacity, as well as related ancillary facilities, to Frontera in exchange for a cash payment of approximately $25.6 million and a 50% ownership interest. PMI acquired a 50% ownership interest in Frontera for a cash payment of approximately $25.6 million. We operate the Frontera assets under an operations and reimbursement agreement executed between us and Frontera. We continue to own and operate approximately 0.9 million barrels of tankage in Brownsville independent of Frontera.

The assets contributed to Frontera constitute a business that we no longer control. We accounted for the deconsolidation of these assets by recognizing a gain on disposition of assets of approximately $9.6 million in the second quarter of 2011. The gain was measured as the difference between the carrying amount of the contributed assets and the aggregate of the cash we received and the fair value of the 50% interest we retained in Frontera. At the time of our contribution of assets to Frontera, the carrying amount of the contributed assets was approximately $41.6 million and consisted of the following as of April 1, 2011 (in thousands):

Other current assets	$ 98
Property, plant and equipment, net	33,244
Goodwill	7,481
Other assets, net—customer relationships, net	787
Total carrying amount	$ 41,610

We account for our investment in Frontera, which we do not control but do have the ability to exercise significant influence over, using the equity method of accounting. Under this method, the investment was initially recorded at approximately $25.6 million, which was the fair value of our 50% ownership interest on April 1, 2011.

Acquisition of Pensacola terminal. Effective as of March 1, 2011, we acquired from TransMontaigne Inc. its Pensacola, Florida refined petroleum products terminal with approximately 270,000 barrels of aggregate active storage capacity for a cash payment of approximately $12.8 million.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(3) TERMINAL ACQUISITIONS AND DISPOSITIONS (Continued)

The Pensacola terminal provides integrated terminaling services principally to a third party customer. The acquisition of the Pensacola terminal from TransMontaigne Inc. has been recorded at carryover basis in a manner similar to a reorganization of entities under common control. As TransMontaigne Inc. controls our general partner, 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 statement of partners' equity as an increase to the general partner's equity interest. The accompanying consolidated financial statements include the assets, liabilities and results of operations of the Pensacola Terminal from March 1, 2011.

The carryover basis in the assets and liabilities of the Pensacola terminal as of March 1, 2011 was as follows (in thousands):

Cash and cash equivalents	$ 1
Other current assets	61
Property, plant and equipment, net	13,232
Accrued liabilities	(45)
Total carryover basis	$ 13,249

(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 Southeast, in Brownsville, Texas, along the Mississippi and Ohio Rivers, and in the Midwest. We have a concentration of trade receivable balances due from companies engaged in the trading, distribution and marketing of refined products and crude oil and the United States government. These concentrations of customers may affect our overall credit risk in that the customers may be similarly affected by changes in economic, regulatory or other factors. Our customers' historical financial and operating information is 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.

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

	March 31, 2012	December 31, 2011
Trade accounts receivable	$ 4,444	$ 4,471
Less allowance for doubtful accounts	(200)	(200)
	$ 4,244	$ 4,271

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

	Three months ended March 31,	
	2012	2011
Morgan Stanley Capital Group	64%	62%

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(5) OTHER CURRENT ASSETS

Other current assets are as follows (in thousands):

	March 31, 2012	December 31, 2011
Amounts due from insurance companies	$ 2,303	$ 2,695
Amounts due from the sale of the BOSTCO project	—	18,000
Additive detergent	1,875	1,812
Deposits and other assets	440	261
	$ 4,618	$ 22,768

Amounts due from insurance companies. We periodically file claims for recovery of environmental remediation costs with our insurance carriers under our comprehensive liability policies. We recognize our insurance recoveries in the period that we assess the likelihood of recovery as being probable (i.e., likely to occur). At March 31, 2012 and December 31, 2011, we have recognized amounts due from insurance companies of approximately $2.3 million and $2.7 million, respectively, representing our best estimate of our probable insurance recoveries. During the three months ended March 31, 2012, we received reimbursements from insurance companies of approximately $0.3 million. During the three months ended March 31, 2012, we decreased our estimate of probable insurance recoveries by approximately $0.1 million to reflect a change in our estimate of our future environmental remediation costs (see Note 9 of Notes to consolidated financial statements).

Amounts due from the sale of the BOSTCO project. On December 29, 2011 we sold our remaining interest in the BOSTCO project for $18 million and a transferrable purchase option to buy back into the project at any time prior to January 20, 2013. At this time we are unable to predict whether we will be able to exercise the purchase option or be able to sell the option. Accordingly, no amount for the value of this option has been reflected in our financial statements due to the uncertainty surrounding this gain contingency. The $18 million in cash consideration was received on January 3, 2012 and, accordingly, has been reflected as amounts due at December 31, 2011.

(6) PROPERTY, PLANT AND EQUIPMENT, NET

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

	March 31, 2012	December 31, 2011
Land	$ 52,653	$ 52,641
Terminals, pipelines and equipment	525,462	524,346
Furniture, fixtures and equipment	1,507	1,507
Construction in progress	13,144	8,745
	592,766	587,239
Less accumulated depreciation	(162,384)	(155,457)
	$ 430,382	$ 431,782

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(7) GOODWILL

Goodwill is as follows (in thousands):

	March 31, 2012	December 31, 2011
Brownsville terminals (includes approximately $50 and $75, respectively, of foreign currency translation adjustments)	$ 8,741	$ 8,716

The acquisition of the Brownsville 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. TransMontaigne Inc.'s carryover basis in the Brownsville terminals is derived from the application of pushdown 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 terminals.

Included in the Brownsville terminals' operating segment are the results of the Mexican LPG operations. The adjusted purchase price for the acquisition of the Mexican LPG operations from Rio Vista Energy Partners L.P. was allocated to the identifiable assets and liabilities acquired based upon the estimated fair value of the assets and liabilities as of the acquisition date. Goodwill of approximately $1.5 million was recorded and represents the excess of our adjusted purchase price over the fair value of the identifiable assets acquired attributable to the Mexican LPG operations.

Goodwill is required to be tested for impairment annually unless events or changes in circumstances indicate it is more likely than not that an impairment loss has been incurred at an interim date. Our annual test for the impairment of goodwill is performed as of December 31. The impairment test is performed at the reporting unit level. Our reporting units are our operating segments (see Note 17 of Notes to consolidated financial statements). The fair value of each reporting unit is determined on a stand-alone basis from the perspective of a market participant and represents an estimate of the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered to be impaired.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(8) OTHER ASSETS, NET

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

	March 31, 2012	December 31, 2011
Amounts due under long-term terminaling services agreements:		
External customers	$ 690	$ 760
Morgan Stanley Capital Group	4,057	4,146
	4,747	4,906
Deferred financing costs, net of accumulated amortization of $749 and $561, respectively	2,931	3,119
Customer relationships, net of accumulated amortization of $1,131 and $1,080, respectively	1,299	1,350
Deposits and other assets	269	273
	$ 9,246	$ 9,648

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 March 31, 2012 and December 31, 2011, we have recognized revenue in excess of the minimum payments that are due through those respective dates under the long-term terminaling services agreements resulting in an asset of approximately $4.7 million and $4.9 million, respectively.

Deferred financing costs. Deferred financing costs are amortized using the effective interest method over the term of the related credit facility (see Note 11 of Notes to consolidated financial statements).

Customer relationships. 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. Other assets, net include the carryover basis of certain customer relationships at our River terminals. The carryover basis of the customer relationships is being amortized on a straight-line basis over twelve years.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(9) ACCRUED LIABILITIES

Accrued liabilities are as follows (in thousands):

	March 31, 2012	December 31, 2011
Customer advances and deposits:		
External customers	$ 1,176	$ 1,364
Morgan Stanley Capital Group	6,378	6,378
	7,554	7,742
Accrued property taxes	1,290	558
Accrued environmental obligations	2,402	2,887
Interest payable	32	48
Rebate due to Morgan Stanley Capital Group	1,009	5,877
Accrued expenses and other	2,313	2,812
	$ 14,600	$ 19,924

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 March 31, 2012 and December 31, 2011, we have billed and collected from certain of our customers approximately $7.6 million and $7.7 million, respectively, in advance of the terminaling services being provided.

Accrued environmental obligations. At March 31, 2012 and December 31, 2011, we have accrued environmental obligations of approximately $2.4 million and $2.9 million, respectively, representing our best estimate of our remediation obligations. During the three months ended March 31, 2012, we made payments of approximately $0.2 million towards our environmental remediation obligations. During the three months ended March 31, 2012, we decreased our remediation obligations by approximately $0.3 million to reflect a change in our estimate of our future environmental remediation costs. 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.

Rebate due to Morgan Stanley Capital Group. Pursuant to our terminaling services agreement related to the Southeast terminals, we agreed to rebate to Morgan Stanley Capital Group 50% of the proceeds we receive annually in excess of $4.2 million from the sale of product gains at our Southeast terminals. At March 31, 2012 and December 31, 2011, we have accrued a liability due to Morgan Stanley Capital Group of approximately $1.0 million and $5.9 million, respectively. During the three months ended March 31, 2012, we paid Morgan Stanley Capital Group approximately $5.9 million for the rebate due to Morgan Stanley Capital Group for the year ended December 31, 2011.

(10) OTHER LIABILITIES

Other liabilities are as follows (in thousands):

	March 31, 2012	December 31, 2011
Advance payments received under long-term terminaling services agreements	$ 1,090	$ 1,121
Deferred revenue—ethanol blending fees and other projects	12,139	13,247
	$ 13,229	$ 14,368

Advance payments received under long-term terminaling services agreements. We have long-term terminaling services agreements with certain of our customers that provide for advance minimum payments. We recognize the advance minimum payments as revenue either on a straight-line basis over the term of the respective agreements or when services have been provided based on volumes of product distributed. At March 31, 2012 and December 31, 2011, we have received advance minimum payments in excess of revenue recognized under these long-term terminaling services agreements resulting in a liability of approximately $1.1 million and $1.1 million, respectively.

Deferred revenue-ethanol blending fees and other projects. Pursuant to agreements with Morgan Stanley Capital Group, we agreed to undertake certain capital projects that primarily pertain to providing ethanol blending functionality at certain of our Southeast terminals and other projects. Upon completion of the projects, Morgan Stanley Capital Group and others have paid us lump-sum amounts that will be recognized as revenue on a straight-line basis over the remaining term of the agreements. At March 31, 2012 and December 31, 2011, we have unamortized deferred revenue of approximately $12.1 million and $13.2 million, respectively, for completed projects. During the three months ended March 31, 2012 and 2011, we recognized revenue on a straight-line basis of approximately $1.1 million and $1.1 million, respectively, for completed projects.

(11) LONG-TERM DEBT

On March 9, 2011, we entered into an amended and restated senior secured credit facility (the "Amended Facility"). The Amended Facility replaced in its entirety the senior secured credit facility that was in place as of December 31, 2010. The Amended Facility provides for a maximum borrowing line of credit equal to the lesser of (i) $250 million and (ii) 4.75 times Consolidated EBITDA (as defined: $323.1 million at March 31, 2012). In addition, at our request, the revolving loan commitment can be increased up to an additional $100 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 Amended Facility bear interest either (i) at a rate of LIBOR plus a margin ranging from 2% to 3% depending on the total leverage ratio then in effect, or (ii) at the base rate plus a margin ranging from 1% to 2% depending on the total leverage ratio then in effect. We also pay a commitment fee on the unused amount of commitments, ranging from 0.375% to 0.5% per annum, depending on the total leverage ratio then in effect. Our obligations under the Amended Facility are secured by a first priority security interest in favor of the lenders in the majority of our assets.

The terms of the Amended Facility include covenants that restrict our ability to make cash distributions, acquisitions and investments, including investments in joint ventures. We may make

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Notes to consolidated financial statements (unaudited) (Continued)

(11) LONG-TERM DEBT (Continued)

distributions of cash to the extent of our "available cash" as defined in our partnership agreement. We may make acquisitions and investments that meet the definition of "permitted acquisitions"; "other investments" which may not exceed 5% of "consolidated net tangible assets"; and "permitted JV investments" which may not exceed $125 million in the aggregate and subject to us having at least $50 million in "liquidity" before and after giving effect to such joint venture investment. The principal balance of loans and any accrued and unpaid interest are due and payable in full on the maturity date, March 9, 2016.

The Amended 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). On March 20, 2012, the Amended Facility was further amended to allow us to submit audited financial statements for the year ended December 31, 2011 to the administrative agent within 135 days after December 31, 2011. For each applicable year thereafter, we will be required to submit the audited financial statements within the customary 90 days after year end. The primary financial covenants contained in the Amended Facility are (i) a total leverage ratio test (not to exceed 4.75 times), (ii) a senior secured leverage ratio test (not to exceed 3.75 times) in the event we issue senior unsecured notes, and (iii) a minimum interest coverage ratio test (not less than 3.0 times). We were in compliance with all of the covenants under the Amended Facility as of March 31, 2012.

For the three months ended March 31, 2012 and 2011, the weighted average interest rate on borrowings under the above applicable credit facility was approximately 2.3% and 4.5%, respectively. At March 31, 2012 and December 31, 2011, our outstanding borrowings under the above applicable credit facility were $106.5 million and $120 million, respectively. At March 31, 2012 and December 31, 2011, our outstanding letters of credit were $nil at both dates.

(12) PARTNERS' EQUITY

The number of units outstanding is as follows:

	Common units	General partner units
Units outstanding at December 31, 2011 and March 31, 2012	14,457,066	295,042

At March 31, 2012 and December 31, 2011, common units outstanding include approximately 12,500 and 16,900 common units, respectively, held on behalf of TransMontaigne Services Inc.'s long-term incentive plan.

(13) LONG-TERM INCENTIVE PLAN

TransMontaigne GP is our general partner and manages our operations and activities. TransMontaigne GP 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 Services Inc. adopted a long-term incentive plan for its employees and consultants and the independent directors of our general partner. The long-term incentive plan

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(13) LONG-TERM INCENTIVE PLAN (Continued)

currently permits the grant of awards covering an aggregate of 1,816,745 units, which amount will automatically increase on an annual basis by 2% of the total outstanding common and subordinated units, if any, at the end of the preceding fiscal year. At March 31, 2012, 1,575,324 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. 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. The long-term incentive plan is administered by the compensation committee of the board of directors of our general partner. TransMontaigne GP purchases outstanding common units on the open market for purposes of making grants of restricted phantom units to independent directors of our general partner. TransMontaigne GP, on behalf of the long-term incentive plan, has purchased 1,650 and 2,520 common units pursuant to the program during the three months ended March 31, 2012 and 2011, respectively. In addition to the foregoing purchases, upon the vesting of 10,000 restricted phantom units on August 10, 2011, we purchased 5,892 common units from TransMontaigne Services Inc. for the purpose of delivering these units to Charles L. Dunlap, the Chief Executive Officer ("CEO") of our general partner. These units were granted to Mr. Dunlap on August 10, 2009 under the long-term incentive plan. The amount of the units purchased for delivery to Mr. Dunlap may vary based upon the method used to fund the related withholding taxes.

Information about restricted phantom unit activity for the year ended December 31, 2011 and the three months ended March 31, 2012 is as follows:

	Available for future grant	Restricted phantom units	NYSE closing price
Units outstanding at December 31, 2010	1,008,523	44,500	
Automatic increase in units available for future grant on January 1, 2011	289,141	—	
Grant on March 31, 2011	(8,000)	8,000	$ 36.33
Vesting on March 31, 2011	—	(5,500)	$ 36.33
Vesting on August 10, 2011	—	(10,000)	$ 32.29
Units withheld for taxes on August 10, 2011	4,108	—	
Units outstanding at December 31, 2011	1,293,772	37,000	
Automatic increase in units available for future grant on January 1, 2012	289,141	—	
Grant on March 31, 2012	(8,000)	8,000	$ 34.76
Vesting on March 31, 2012	—	(6,500)	$ 34.76
Units withheld for taxes on March 31, 2012	411	—	
Units outstanding at March 31, 2012	1,575,324	38,500	

On March 31, 2012 and 2011, TransMontaigne Services Inc. granted 8,000 and 8,000 restricted phantom units, respectively, to the independent directors of our general partner. Over their respective four-year vesting periods, we will amortize deferred equity-based compensation of approximately $0.3 million and $0.3 million, associated with the March 2012 and March 2011 grants, respectively.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(13) LONG-TERM INCENTIVE PLAN (Continued)

Deferred equity-based compensation of approximately $107,000 and $98,000 is included in direct general and administrative expenses for the three months ended March 31, 2012 and 2011, respectively.

Effective August 10, 2009, Charles L. Dunlap was appointed to serve as CEO of our general partner and President and CEO of TransMontaigne Inc. In connection with his appointments, on August 10, 2009, TransMontaigne Services Inc. granted Mr. Dunlap 40,000 restricted phantom units under the long-term incentive plan. In accordance with the long-term incentive plan, because Mr. Dunlap continues to provide services to our general partner as an employee, the restricted phantom units previously granted to Mr. Dunlap for his services as an independent member of the board of directors of our general partner remain in effect and continue to vest in accordance with the four-year vesting schedule applicable for the grants to our independent directors. Over the respective four-year vesting period, we will amortize deferred equity-based compensation of approximately $1.0 million associated with the August 2009 grant.

(14) COMMITMENTS AND CONTINGENCIES

Contract commitments. At March 31, 2012, we have contractual commitments of approximately $17.9 million for the supply of services, labor and materials related to capital projects that currently are under development. We expect that these contractual commitments will be paid during the remainder of the year ending December 31, 2012.

Operating leases. We lease property and equipment under non-cancelable operating leases that extend through August 2030. At March 31, 2012, future minimum lease payments under these non-cancelable operating leases are as follows (in thousands):

Years ending December 31:	Property and equipment
2012 (remainder of the year)	$ 1,063
2013	1,447
2014	1,470
2015	1,486
2016	1,509
Thereafter	4,808
	$ 11,783

Included in the above non-cancelable operating lease commitments are amounts for property rentals that we have sublet under non-cancelable sublease agreements, for which we expect to receive minimum rentals of approximately $2.3 million in future periods.

Rental expense under operating leases was approximately $320,000 and $290,000 for the three months ended March 31, 2012 and 2011, respectively.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(15) NET EARNINGS PER LIMITED PARTNER UNIT

The following table reconciles net earnings to net earnings allocable to limited partners (in thousands):

	Three months ended March 31, 2012	Three months ended March 31, 2011
Net earnings	$ 10,142	$ 11,326
Less:		
Distributions payable on behalf of incentive distribution rights	(1,012)	(730)
Distributions payable on behalf of general partner interest	(186)	(180)
Earnings allocable to the general partner interest less than (in excess of) distributions payable to the general partner interest	3	(102)
Earnings allocable to general partner interest including incentive distribution rights	(1,195)	(1,012)
Net earnings allocable to limited partners	$ 8,947	$ 10,314

Earnings allocated to the general partner interest include amounts attributable to the incentive distribution rights. Pursuant to our partnership agreement we are required to distribute available cash (as defined by our partnership agreement) as of the end of the reporting period. Such distributions are declared within 45 days after period end. The net earnings allocated to the general partner interest in the consolidated statements of partners' equity reflect the earnings allocation included in the table above.

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

	Distribution
January 1, 2011 through March 31, 2011	$ 0.61
April 1, 2011 through June 30, 2011	$ 0.62
July 1, 2011 through September 30, 2011	$ 0.62
October 1, 2011 through December 31, 2011	$ 0.63
January 1, 2012 through March 31, 2012	$ 0.63

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

	Three months ended March 31, 2012	Three months ended March 31, 2011
Basic weighted average units	14,439	14,441
Dilutive effect of restricted phantom units	12	18
Diluted weighted average units	14,451	14,459

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(15) NET EARNINGS PER LIMITED PARTNER UNIT (Continued)

For the three months ended March 31, 2012, we included the dilutive effect of approximately 8,000, 3,000, 20,000 and 1,500 restricted phantom units granted March 31, 2012, March 31, 2010, August 10, 2009 and March 31, 2009, respectively, in the computation of diluted earnings per limited partner unit because the average closing market price of our common units exceeded the related remaining deferred compensation per unvested restricted phantom units. For the three months ended March 31, 2011, we included the dilutive effect of approximately 8,000, 4,500, 30,000, 3,000, 500 and 1,000 restricted phantom units granted March 31, 2011, March 31, 2010, August 10, 2009, March 31, 2009, July 18, 2008 and March 31, 2008, respectively, in the computation of diluted earnings per limited partner unit because the average closing market price of our common units exceeded the related remaining deferred compensation per unvested restricted phantom units.

We exclude potentially dilutive securities from our computation of diluted earnings per limited partner unit when their effect would be anti-dilutive. For the three months ended March 31, 2012, we excluded the dilutive effect of 6,000 restricted phantom units granted March 31, 2011 in the computation of diluted earnings per limited partner unit because the related remaining deferred compensation per unvested restricted phantom units exceeded the average closing market price of our common units for the period. For the three months ended March 31, 2011, there were no potentially dilutive securities that were considered anti-dilutive.

(16) DISCLOSURES ABOUT FAIR VALUE

Generally accepted accounting principles defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Generally accepted accounting principles also establishes a fair value hierarchy that prioritizes the use of higher-level inputs for valuation techniques used to measure fair value. The three levels of the fair value hierarchy are: (1) Level 1 inputs, which are quoted prices (unadjusted) in active markets for identical assets or liabilities; (2) Level 2 inputs, which are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and (3) Level 3 inputs, which are unobservable inputs for the asset or liability.

The fair values of the following financial instruments represent our best estimate of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Our fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects our judgments about the assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The following methods and assumptions were used to estimate the fair value of financial instruments at March 31, 2012 and December 31, 2011.

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 amount of the amended and restated senior secured credit facility approximates fair value since borrowings under the facility bear interest at current market interest rates.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(17) 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 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 terminals, (iv) River terminals and (v) Southeast terminals.

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

	Three months ended March 31,	
	2012	2011
Gulf Coast Terminals:		
Terminaling services fees, net	$ 11,927	$ 11,269
Other	2,669	2,856
Revenue	14,596	14,125
Direct operating costs and expenses	(4,625)	(4,647)
Net margins	9,971	9,478
Midwest Terminals and Pipeline System:		
Terminaling services fees, net	916	942
Pipeline transportation fees	452	380
Other	725	464
Revenue	2,093	1,786
Direct operating costs and expenses	(365)	(472)
Net margins	1,728	1,314
Brownsville Terminals:		
Terminaling services fees, net	1,437	4,283
Pipeline transportation fees	1,075	580
Other	2,100	1,923
Revenue	4,612	6,786
Direct operating costs and expenses	(2,316)	(3,425)
Net margins	2,296	3,361
River Terminals:		
Terminaling services fees, net	3,339	3,138
Other	354	97
Revenue	3,693	3,235
Direct operating costs and expenses	(2,502)	(1,672)
Net margins	1,191	1,563

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(17) BUSINESS SEGMENTS (Continued)

	Three months ended March 31, 2012	Three months ended March 31, 2011
Southeast Terminals:		
Terminaling services fees, net	11,669	10,626
Other	2,170	2,578
Revenue	13,839	13,204
Direct operating costs and expenses	(4,161)	(4,361)
Net margins	9,678	8,843
Total net margins	24,864	24,559
Direct general and administrative expenses	(3,188)	(1,365)
Allocated general and administrative expenses	(2,695)	(2,616)
Allocated insurance expense	(897)	(823)
Reimbursement of bonus awards	(313)	(313)
Depreciation and amortization	(6,930)	(7,138)
Equity in earnings of joint venture	107	—
Operating income	10,948	12,304
Other income (expenses), net	(806)	(978)
Net earnings	$ 10,142	$ 11,326

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

	Three months ended March 31, 2012					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminals	River Terminals	Southeast Terminals	Total
Revenue:						
External customers	$ 3,776	$ 693	$ 2,374	$ 3,679	$ 786	$ 11,308
Morgan Stanley Capital Group	10,361	1,400	—	14	13,040	24,815
Frontera	—	—	877	—	—	877
TransMontaigne Inc.	459	—	1,361	—	13	1,833
Total revenue	$ 14,596	$ 2,093	$ 4,612	$ 3,693	$ 13,839	$ 38,833
Capital expenditures	$ 132	$ 3,313	$ 203	$ 1,133	$ 278	$ 5,059
Identifiable assets	$ 140,574	$ 19,192	$ 50,032	$ 60,000	$ 186,870	$ 456,668
Cash & cash equivalents						5,818
Investment in joint venture						25,612
Deferred financing costs						2,931
Other						391
Total assets						491,420

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(17) BUSINESS SEGMENTS (Continued)

	Three months ended March 31, 2011					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminals	River Terminals	Southeast Terminals	Total
Revenue:						
External customers	$ 3,109	$ 567	$ 5,744	$ 3,183	$ 781	$ 13,384
Morgan Stanley Capital Group	10,563	1,219	—	52	12,409	24,243
TransMontaigne Inc.	453	—	1,042	—	14	1,509
Total revenue	$ 14,125	$ 1,786	$ 6,786	$ 3,235	$ 13,204	$ 39,136
Capital expenditures	$ 442	$ —	$ 853	$ 366	$ 5,730	$ 7,391
Identifiable assets	$ 148,300	$ 10,187	$ 95,864	$ 60,536	$ 191,679	$ 506,566
Cash & cash equivalents						3,225
Investment in the BOSTCO project						16,428
Deferred financing costs						3,674
Other						(205)
Total assets						529,688

(18) SUBSEQUENT EVENT

On April 16, 2012, we announced a distribution of $0.63 per unit for the period from January 1, 2012 through March 31, 2012, payable on May 8, 2012 to unitholders of record on April 30, 2012.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A summary of the significant accounting policies that we have adopted and followed in the preparation of our consolidated financial statements is detailed in our consolidated financial statements for the year ended December 31, 2011, included in our Annual Report on Form 10-K/A, Amendment No. 1, filed on May 3, 2012 (see Note 1 of Notes to consolidated financial statements). Certain of these accounting policies require the use of estimates. The following estimates, in management's opinion, are subjective in nature, require the exercise of judgment, and involve complex analyses: useful lives of our plant and equipment, accrued environmental obligations and determining the fair value of our reporting units when analyzing goodwill. These estimates are based on our knowledge and understanding of current conditions and actions 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.

SIGNIFICANT DEVELOPMENTS DURING THE THREE MONTHS ENDED MARCH 31, 2012

On January 13, 2012, we announced a distribution of $0.63 per unit for the period from October 1, 2011 through December 31, 2011, payable on February 7, 2012 to unitholders of record on January 31, 2012. The distribution represented a $0.01 increase over the previous quarter and a 3.3% increase over the $0.61 per unit distribution declared for the fourth quarter of 2010.

SUBSEQUENT EVENT

On April 16, 2012, we announced a distribution of $0.63 per unit for the period from January 1, 2012 through March 31, 2012, payable on May 8, 2012 to unitholders of record on April 30, 2012.

RESULTS OF OPERATIONS—THREE MONTHS ENDED MARCH 31, 2012 AND 2011

The following discussion and analysis of the results of operations and financial condition should be read in conjunction with the accompanying unaudited consolidated financial statements.

ANALYSIS OF REVENUE

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

Total Revenue by Category

	Three months ended March 31, 2012	Three months ended March 31, 2011
Terminaling services fees, net	$ 29,288	$ 30,258
Pipeline transportation fees	1,527	960
Management fees and reimbursed costs	1,455	471
Other	6,563	7,447
Revenue	$ 38,833	$ 39,136

See discussion below for a detailed analysis of terminaling services fees, net, pipeline transportation fees, management fees and reimbursed costs, and other revenue included in the table above.

We operate our business and report our results of operations in five principal business segments: (i) Gulf Coast terminals, (ii) Midwest terminals and pipeline system, (iii) Brownsville terminals, (iv) River terminals and (v) Southeast terminals. The aggregate revenue of each of our business segments was as follows (in thousands):

Total Revenue by Business Segment

	Three months ended March 31, 2012	Three months ended March 31, 2011
Gulf Coast terminals	$ 14,596	$ 14,125
Midwest terminals and pipeline system	2,093	1,786
Brownsville terminals	4,612	6,786
River terminals	3,693	3,235
Southeast terminals	13,839	13,204
Revenue	$ 38,833	$ 39,136

Total revenue by business segment is presented and further analyzed below by category of revenue.

Terminaling Services Fees, Net. Pursuant to terminaling services agreements with our customers, which range from one month to seven years in duration, we generate fees by distributing and storing products for our customers. Terminaling services fees, net include throughput fees based on the volume of product distributed from the facility, injection fees based on the volume of product injected with additive compounds and storage fees based on a rate per barrel of storage capacity per month. The terminaling services fees, net by business segments were as follows (in thousands):

Terminaling Services Fees, Net, by Business Segment

	Three months ended March 31, 2012	Three months ended March 31, 2011
Gulf Coast terminals	$ 11,927	$ 11,269
Midwest terminals and pipeline system	916	942
Brownsville terminals	1,437	4,283
River terminals	3,339	3,138
Southeast terminals	11,669	10,626
Terminaling services fees, net	$ 29,288	$ 30,258

The decrease in terminaling services fees, net includes a decrease of approximately $2.5 million at our Brownsville terminals resulting from product storage capacity contributed to Frontera. This decrease has been partially offset by increases in terminaling service fees, net of approximately $0.4 million from the acquisition of the Pensacola terminal on March 1, 2011 in the Gulf Coast region and approximately $1.0 million resulting from newly constructed tank capacity placed into service during July of 2011 at our Collins/Purvis complex in the Southeast region.

Included in terminaling services fees, net for the three months ended March 31, 2012 and 2011 are fees charged to Morgan Stanley Capital Group of approximately $20.0 million and $18.9 million, respectively, and TransMontaigne Inc. of approximately $0.7 million and $0.9 million, respectively.

Our terminaling services agreements are structured as either throughput agreements or storage agreements. Most of our throughput agreements contain provisions that require our customers to throughput a minimum volume of product at our facilities over a stipulated period of time, which results in a fixed amount of revenue to be recognized by us. Our storage agreements require our customers to make minimum payments based on the volume of storage capacity available to the customer under the agreement, which results in a fixed amount of revenue to be recognized by us. We refer to the fixed amount of revenue recognized pursuant to our terminaling services agreements as being "firm commitments." Revenue recognized in excess of firm commitments and revenue recognized based solely on the volume of product distributed or injected are referred to as "variable." The "firm commitments" and "variable" revenue included in terminaling services fees, net were as follows (in thousands):

Firm Commitments and Variable Revenue

	Three months ended March 31, 2012	Three months ended March 31, 2011
Firm commitments:		
External customers	$ 7,805	$ 9,354
Affiliates	20,762	19,793
Total	28,567	29,147
Variable:		
External customers	728	1,094
Affiliates	(7)	17
Total	721	1,111
Terminaling services fees, net	$ 29,288	$ 30,258

At March 31, 2012, the remaining terms on the terminaling services agreements that generated "firm commitments" for the three months ended March 31, 2012 were as follows (in thousands):

	At March 31, 2012
Remaining terms on terminaling services agreements that generated "firm commitments":	
Less than 1 year remaining	$ 1,796
1 year or more, but less than 3 years remaining	22,543
3 years or more, but less than 5 years remaining	2,546
5 years or more remaining	1,682
Total firm commitments for the three months ended March 31, 2012	$ 28,567

Pipeline Transportation Fees. We earn pipeline transportation fees at our Razorback pipeline and Diamondback 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 and the Diamondback pipeline. The pipeline transportation fees by business segments were as follows (in thousands):

Pipeline Transportation Fees by Business Segment

	Three months ended March 31, 2012	Three months ended March 31, 2011
Gulf Coast terminals	$ —	$ —
Midwest terminals and pipeline system	452	380
Brownsville terminals	1,075	580
River terminals	—	—
Southeast terminals	—	—
Pipeline transportation fees	$ 1,527	$ 960

Included in pipeline transportation fees for the three months ended March 31, 2012 and 2011 are fees charged to Morgan Stanley Capital Group of approximately $0.4 million and $0.4 million, respectively, and TransMontaigne Inc. of approximately $1.1 million and $0.6 million, respectively.

Management Fees and Reimbursed Costs. We manage and operate for a major oil company certain tank capacity at our Port Everglades (South) terminal and receive reimbursement of their proportionate share of operating and maintenance costs. We 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. Effective as of April 1, 2011, upon the formation of Frontera, we began providing operations and maintenance services to Frontera for a management fee based on our costs incurred. The management fees and reimbursed costs by business segments were as follows (in thousands):

Management Fees and Reimbursed Costs by Business Segment

	Three months ended March 31, 2012	Three months ended March 31, 2011
Gulf Coast terminals	$ 36	$ 17
Midwest terminals and pipeline system	—	—
Brownsville terminals	1,419	454
River terminals	—	—
Southeast terminals	—	—
Management fees and reimbursed costs	$ 1,455	$ 471

Included in management fees and reimbursed costs for the three months ended March 31, 2012 are fees charged to Frontera of approximately $0.9 million.

Other Revenue. We provide ancillary services including heating and mixing of stored products, product transfer services, railcar handling, wharfage fees and vapor recovery fees. Pursuant to terminaling services agreements with our throughput customers, we are entitled to the volume of product gained resulting from differences in the measurement of product volumes received and distributed at our terminaling facilities. Consistent with recognized industry practices, measurement differentials occur as the result of the inherent variances in measurement devices and methodology. We recognize as revenue the net proceeds from the sale of the product gained. Other revenue is composed of the following (in thousands):

Principal Components of Other Revenue

	Three months ended March 31, 2012	Three months ended March 31, 2011
Product gains	$ 4,426	$ 4,690
Steam heating fees	1,073	1,307
Product transfer services	187	437
Railcar handling	125	172
Other	752	841
Other revenue	$ 6,563	$ 7,447

For the three months ended March 31, 2012 and 2011, we sold approximately 43,400 and 52,000 barrels, respectively, of product gained resulting from differences in the measurement of product volumes received and distributed at our terminaling facilities at average prices of $125 and $117 per barrel, respectively. Pursuant to our terminaling services agreement related to the Southeast terminals, we agreed to rebate to Morgan Stanley Capital Group 50% of the proceeds we receive annually in excess of $4.2 million from the sale of product gains at our Southeast terminals. For the three months ended March 31, 2012 and 2011, we have accrued a liability due to Morgan Stanley Capital Group of approximately $1.0 million and $1.4 million, respectively.

Included in other revenue for the three months ended March 31, 2012 and 2011 are amounts charged to Morgan Stanley Capital Group of approximately $4.4 million and $4.9 million, respectively, and TransMontaigne Inc. of approximately $nil and $nil, respectively.

The other revenue by business segments were as follows (in thousands):

Other Revenue by Business Segment

	Three months ended March 31, 2012	Three months ended March 31, 2011
Gulf Coast terminals	$ 2,633	$ 2,839
Midwest terminals and pipeline system	725	464
Brownsville terminals	681	1,469
River terminals	354	97
Southeast terminals	2,170	2,578
Other revenue	$ 6,563	$ 7,447

ANALYSIS OF 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. Consistent with historical trends, across our terminaling and transportation facilities we anticipate an increase in repairs and maintenance expenses in the later months of the year as the weather becomes more conducive to these types of projects. The direct operating costs and expenses of our operations were as follows (in thousands):

Direct Operating Costs and Expenses

	Three months ended March 31, 2012	Three months ended March 31, 2011
Wages and employee benefits	$ 5,786	$ 5,661
Utilities and communication charges	1,993	2,329
Repairs and maintenance	3,263	3,084
Office, rentals and property taxes	1,654	1,755
Vehicles and fuel costs	337	392
Environmental compliance costs	564	859
Other	372	497
Direct operating costs and expenses	$ 13,969	$ 14,577

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

Direct Operating Costs and Expenses by Business Segment

	Three months ended March 31, 2012	Three months ended March 31, 2011
Gulf Coast terminals	$ 4,625	$ 4,647
Midwest terminals and pipeline system	365	472
Brownsville terminals	2,316	3,425
River terminals	2,502	1,672
Southeast terminals	4,161	4,361
Direct operating costs and expenses	$ 13,969	$ 14,577

Direct general and administrative expenses of our operations include primarily accounting and legal costs associated with annual and quarterly reports and tax return and Schedule K-1 preparation and distribution, independent director fees and deferred equity-based compensation. The direct general and administrative expenses were approximately $3.2 million and $1.4 million for the three months ended March 31, 2012 and 2011, respectively. The increase in general and administrative expenses includes an increase of approximately $1.8 million in audit and legal costs related to having our financial statements for the years ended December 31, 2010 and December 31, 2009 re-audited, as contained in our recently filed annual report on Form 10-K/A, Amendment No. 1, for the year ended December 31, 2011, and by having the quarterly financial information that is contained in the 2011 annual report re-reviewed, by Deloitte & Touche LPP, our new independent registered public accounting firm. As previously disclosed in Securities and Exchange Commission filings, these re-audits and re-reviews were the result of the determination that our prior auditor, KPMG LLP, was not "independent" of TransMontaigne Partners within the meaning of the rules of applicable regulatory agencies, and did not qualify as independent at the time of our audits for the years ended December 31, 2010 and 2009, and prior periods.

Allocated general and administrative expenses include charges from TransMontaigne Inc. for 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 $2.7 million and $2.6 million for the three months ended March 31, 2012 and 2011, respectively.

Allocated insurance expenses include charges from TransMontaigne Inc. for allocations of 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 expenses were approximately $0.9 million and $0.8 million for the three months ended March 31, 2012 and 2011, respectively.

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 reimbursements were approximately $0.3 million and $0.3 million for the three months ended March 31, 2012 and 2011, respectively.

For the three months ended March 31, 2012 and 2011, depreciation and amortization expense was approximately $6.9 million and $7.1 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs are to fund our working capital requirements, distributions to unitholders, approved capital projects and approved future expansion, development and acquisition opportunities. As a result of Morgan Stanley's October 2011 decision not to approve any "significant" acquisition or investment that we may propose for the foreseeable future, we anticipate that Morgan Stanley's decision will significantly constrain our ability to grow our business as we have previously disclosed we were seeking to do. We cannot currently predict how Morgan Stanley's decision and any such regulatory developments will otherwise affect Morgan Stanley's commodities business or the growth or development of our business, our financial condition or results of operations, or how significant any such effects could be. Further discussion of Morgan Stanley's current position with respect to approval of any proposed acquisitions and investments and the potential impact of such decision is set forth under the captions "Item 1.A. Risk Factors" and "Regulatory Matters" in Item 7 of our Annual Report on Form 10-K/A, Amendment No. 1, filed on May 3, 2012.

We believe that we will be able to generate sufficient cash from operations in the future to fund our working capital requirements and our distributions to unitholders. We expect to initially fund our approved capital projects and our approved future expansion, development and acquisition opportunities, if any, with additional borrowings under our amended and restated senior secured credit facility, which replaced our existing senior secured credit facility effective March 9, 2011 (See Note 11 of Notes to consolidated financial statements). After initially funding expenditures for approved capital projects and approved future expansion, development and acquisition opportunities, if any, with borrowings under our amended and restated senior secured credit facility, we may raise funds through additional equity offerings and debt financing, which may include the issuance of senior unsecured notes. The proceeds of such equity offerings and debt financings may then be used to reduce our outstanding borrowings under our amended and restated senior secured credit facility.

Our capital expenditures for the three months ended March 31, 2012 were approximately $5.1 million for terminal and pipeline facilities and assets to support these facilities. Management and the board of directors of our general partner have approved expansion capital projects that currently are or will be under construction with estimated completion dates that extend through July 31, 2012. At March 31, 2012, the remaining capital expenditures to complete the approved expansion capital projects are estimated to range from $11 million to $14 million. We expect to fund our expansion capital expenditures with additional borrowings under our amended and restated senior secured credit facility. The budgeted expansion capital projects include the following significant project:

Terminal	Description of project	Incremental storage capacity (in bbls)	Expected completion
Cushing, OK	Crude oil tank capacity	1,000,000	Mid-year 2012

Future expansion, development and acquisition expenditures will depend on numerous factors, including approval by Morgan Stanley; 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.

Amended and Restated Senior Secured Credit Facility. On March 9, 2011, we entered into an amended and restated senior secured credit facility (the "Amended Facility"). The Amended Facility replaced in its entirety the senior secured credit facility that was in place as of December 31, 2010. The Amended Facility provides for a maximum borrowing line of credit equal to the lesser of (i) $250 million and (ii) 4.75 times Consolidated EBITDA (as defined: $323.1 million at March 31, 2012). In addition, at our request, the revolving loan commitment can be increased up to an additional $100 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 Amended Facility bear interest either (i) at a rate of LIBOR plus a margin ranging from 2% to 3% depending on the total leverage ratio then in effect, or (ii) at the base rate plus a margin ranging from 1% to 2% depending on the total leverage ratio then in effect. We also pay a commitment fee on the unused amount of commitments, ranging from 0.375% to 0.5% per annum, depending on the total leverage ratio then in effect. Our obligations under the Amended Facility are secured by a first priority security interest in favor of the lenders in the majority of our assets. At March 31, 2012, our outstanding borrowings under the Amended Facility were $106.5 million.

The terms of the Amended Facility include covenants that restrict our ability to make cash distributions, acquisitions and investments, including investments in joint ventures. We may make distributions of cash to the extent of our "available cash" as defined in our partnership agreement. We may make acquisitions and investments that meet the definition of "permitted acquisitions"; "other investments" which may not exceed 5% of "consolidated net tangible assets"; and "permitted JV investments" which may not exceed $125 million in the aggregate and subject to us having at least $50 million in "liquidity" before and after giving effect to such joint venture investment. The principal balance of loans and any accrued and unpaid interest are due and payable in full on the maturity date, March 9, 2016.

The Amended 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). On March 20, 2012, the Amended Facility was further amended to allow us to submit audited financial statements for the year ended December 31, 2011 to the administrative agent within 135 days after December 31, 2011. For each applicable year thereafter, we will be required to submit the audited financial statements within the customary 90 days after year end. The primary financial covenants contained in the Amended Facility are (i) a total leverage ratio test (not to exceed 4.75 times), (ii) a senior secured leverage ratio test (not to exceed 3.75 times) in the event we issue senior unsecured notes, and (iii) a minimum interest coverage ratio test (not less than 3.0 times). These financial covenants are based on a defined financial performance measure within the Amended Facility known as "Consolidated EBITDA." The calculation of the "total leverage ratio" and "interest coverage ratio" contained in the Amended Facility is as follows (in thousands, except ratios):

	Three months ended				Twelve months ended
	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012	March 31, 2012
Financial performance debt covenant test:					
Consolidated EBITDA for the total leverage ratio, as stipulated in the credit facility	$ 14,746	$ 16,445	$ 18,509	$ 18,311	$ 68,011
Consolidated funded indebtedness					$ 106,500
Total leverage ratio					1.57x
Consolidated EBITDA for the interest coverage ratio	$ 14,746	$ 16,445	$ 18,509	$ 18,311	$ 68,011
Consolidated interest expense, as stipulated in the credit facility(1)	$ 1,075	$ 670	$ 763	$ 681	$ 3,189
Interest coverage ratio					21.33x
Reconciliation of consolidated EBITDA to cash flows provided by operating activities:					
Consolidated EBITDA	$ 14,746	$ 16,445	$ 18,509	$ 18,311	$ 68,011
Consolidated interest expense(1)	(1,075)	(670)	(763)	(681)	(3,189)
Amortization of deferred revenue	(1,134)	(1,134)	(1,136)	(1,144)	(4,548)
Amounts due under long-term terminaling services agreements, net	(187)	(119)	(165)	128	(343)
Change in operating assets and liabilities	6,953	(996)	2,092	(7,076)	973
Cash flows provided by operating activities	$ 19,303	$ 13,526	$ 18,537	$ 9,538	$ 60,904

(1) Consolidated interest expense used in the calculation of the interest coverage ratio does not include approximately $0.6 million of non-cash unrealized gains recognized as a reduction to interest expense for financial statement reporting purposes for the three months ended June 30, 2011. The gains represent changes in the fair value of our interest rate swap that expired in June 2011.

If we were to fail either financial performance covenant, or any other covenant contained in the Amended 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 Amended Facility, and the lenders would be entitled to declare all outstanding borrowings immediately due and payable.

We believe that our future cash expected to be provided by operating activities, available borrowing capacity under our amended and restated senior secured credit facility, and our relationship with institutional lenders and equity investors should enable us to meet our committed capital and our essential liquidity requirements for the next twelve months.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information contained in this Item 3 updates, and should be read in conjunction with, information set forth in Part II, Item 7A of our Annual Report on Form 10-K/A, Amendment No. 1, filed on May 3, 2012, in addition to the interim unaudited consolidated financial statements, accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations presented in Part 1, Items 1 and 2 of this Quarterly Report on Form 10-Q. There are no material changes in the market risks faced by us from those reported in our Annual Report on Form 10-K/A, Amendment No. 1, for the year ended December 31, 2011.

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 amended and restated senior secured credit facility. Borrowings under our amended and restated senior secured credit facility bear interest at a variable rate based on LIBOR or the lender's base rate. At March 31, 2012, we had outstanding borrowings of $106.5 million under our amended and restated senior secured credit facility. Based on the outstanding balance of our variable-interest-rate debt at March 31, 2012 and assuming market interest rates increase or decrease by 100 basis points, the potential annual increase or decrease in interest expense is $1.1 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 arising from certain of our terminaling services agreements with our customers. Pursuant to our terminaling services agreement related to the Southeast terminals, we agreed to rebate to Morgan Stanley Capital Group 50% of the proceeds we receive annually in excess of $4.2 million from the sale of product gains at our Southeast terminals. 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 and other marketing and distribution companies on a monthly basis; the sales price is based on industry indices.

For the three months ended March 31, 2012 and 2011, we sold approximately 43,400 and 52,000 barrels, respectively, of product gained resulting from differences in the measurement of product volumes received and distributed at our terminaling facilities at average prices of $125 and $117 per barrel, respectively.

ITEM 4. 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 March 31, 2012, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, the Certifying Officers concluded that, as of March 31, 2012, our disclosure controls and procedures were effective. There were no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

ITEM 1A. RISK FACTORS

The following risk factors, discussed in more detail in "Item 1A. Risk Factors," in our Annual Report on Form 10-K/A, Amendment No. 1, filed on May 3, 2012, which risk factors are expressly incorporated into this report by reference, are important factors that could cause actual results to differ materially from our expectations and may adversely affect our business and results of operations, include, but are not limited to:

- a reduction in revenue from any of our significant customers upon which we rely for a substantial majority of our revenue;
- our ability to generate sufficient cash from operations to enable us to maintain or grow the amount of the quarterly distribution to our unitholders;
- 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;
- a lack of access to new capital would impair our ability to expand our operations;
- the impact of Morgan Stanley's status as a bank holding company on its ability to conduct certain nonbanking activities or retain certain investments, including control of our general partner;
- our ability to grow our business will be severely constrained by Morgan Stanley's determination that it will not approve any "significant" acquisition or investment that we may propose for the foreseeable future;
- changes that Morgan Stanley may make in the manner it conducts its commodities business could materially and adversely affect our business;
- our debt levels and restrictions in our debt agreements that may limit our operational flexibility;
- the lack of availability of acquisition opportunities, constraints on our ability to make acquisitions, failure to successfully integrate acquired facilities and future performance of acquired facilities, could limit our ability to grow our business successfully and could adversely affect the price of our limited partnership units;
- a decrease in demand for products due to high prices, alternative fuel sources, new technologies or adverse economic conditions;
- the continued creditworthiness of, and performance by, our significant customers;
- competition from other terminals and pipelines that may be able to supply our significant customers with terminaling services on a more competitive basis;
- the ability of our significant customers to secure financing arrangements adequate to purchase their desired volume of product;
- 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;
- we may have to refinance our existing debt in unfavorable market conditions;
- the failure of our existing and future insurance policies to fully cover all risks incident to our business;

- timing, cost and other economic uncertainties related to the construction of new tank capacity or facilities;
- the impact of current and future laws and governmental regulations, general economic, market or business conditions;
- the age and condition of many of our pipeline and storage assets may result in increased maintenance and remediation expenditures;
- conflicts of interest and the limited fiduciary duties of our general partner, which is indirectly controlled by Morgan Stanley Capital Group;
- cost reimbursements, which are determined by our general partner, and fees paid to our general partner and its affiliates for services will continue to be substantial;
- the control of our general partner being transferred to a third party without unitholder consent;
- our general partner's limited call right may require unitholders to sell their common units at an undesirable time or price;
- our ability to issue additional units without your approval would dilute your existing ownership interest;
- the possibility that our unitholders could be held liable under some circumstances for our obligations to the same extent as a general partner;
- our failure to avoid federal income taxation as a corporation or the imposition of state level taxation;
- constraints on our ability to make acquisitions and investments to increase our capital asset base may result in future declines in our tax depreciation;
- the impact of new IRS regulations or a challenge of our current allocation of income, gain, loss and deductions among our unitholders;
- unitholders will be required to pay taxes on their respective share of our taxable income regardless of the amount of cash distributions;
- investment in common partnership units by tax-exempt entities and non-United States persons raises tax issues unique to them;
- unitholders will likely be subject to state and local taxes and return filing requirements in states where they do not live as a result of investing in our units; and
- the sale or exchange of 50% or more of our capital and profits interests within a 12-month period would result in a deemed termination of our partnership for income tax purposes.

There have been no material changes from risk factors as previously disclosed in our annual report on Form 10-K/A, Amendment No. 1, for the year ended December 31, 2011, filed on May 3, 2012.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Securities. The following table covers the purchases of our common units by, or on behalf of, Partners during the three months ended March 31, 2012 covered by this report.

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
January	550	$ 33.95	550	8,000
February	550	$ 35.06	550	7,450
March	550	$ 34.96	550	6,900
	1,650	$ 34.66	1,650	

During the three months ended March 31, 2012, we purchased 1,650 common units, with approximately $57,000 of aggregate market value, in the open market pursuant to a purchase program announced on May 7, 2007. The purchase program establishes the purchase, 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 independent directors of our general partner. There is no guarantee as to the exact number of common units that will be purchased under the purchase program, and the purchase program may be amended or discontinued at any time. Unless we choose to terminate the purchase program earlier, the purchase program terminates on the earlier to occur of March 31, 2013; 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. We currently anticipate purchasing in future periods up to approximately 6,900 common units, in the aggregate, through the purchase program's scheduled termination date of March 31, 2013.

ITEM 6. EXHIBITS

Exhibits:

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.

101* The following financial information from the Quarterly Report on Form 10-Q of TransMontaigne Partners L.P. and subsidiaries for the quarter ended March 31, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) consolidated balance sheets, (ii) consolidated statements of comprehensive income, (iii) consolidated statements of partners' equity, (iv) consolidated statements of cash flows and (v) notes to the consolidated financial statements.

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* In accordance with Rule 406T of Regulation S-T, this information is "furnished" and not "filed" with this quarterly report for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities and Exchange Act of 1934, or otherwise subject to the liability of such sections, and shall not be part of any registration statement or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements 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.

Date: May 8, 2012

TRANSMONTAIGNE PARTNERS L.P.
(Registrant)

TransMontaigne GP L.L.C., its General Partner

By: /s/ CHARLES L. DUNLAP

Charles L. Dunlap
Chief Executive Officer

By: /s/ FREDERICK W. BOUTIN

Frederick W. Boutin
Chief Financial Officer

EXHIBIT INDEX

Exhibit number	Description of exhibits
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* In accordance with Rule 406T of Regulation S-T, this information is "furnished" and not "filed" with this quarterly report for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities and Exchange Act of 1934, or otherwise subject to the liability of such sections, and shall not be part of any registration statement or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Exhibit 31.1

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Charles L. Dunlap, 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 Quarterly Report on Form 10-Q of TransMontaigne Partners L.P. for the fiscal quarter ended March 31, 2012;

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 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 fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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: May 8, 2012

/s/ CHARLES L. DUNLAP

Charles L. Dunlap
Chief Executive Officer

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 Quarterly Report on Form 10-Q of TransMontaigne Partners L.P. for the fiscal quarter ended March 31, 2012;

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 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 fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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: May 8, 2012

/s/ FREDERICK W. BOUTIN

Frederick W. Boutin
Chief Financial Officer

QuickLinks

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 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
(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 Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended March 31, 2012, 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/ CHARLES L. DUNLAP

Charles L. Dunlap
Chief Executive Officer
May 8, 2012

Exhibit 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
(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 Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended March 31, 2012, 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
May 8, 2012