

K-SEA GENERAL PARTNER GP LLC COMPENSATION COMMITTEE CHARTER

Duties and Responsibilities

The Compensation Committee is appointed by the Board of Directors of K-Sea General Partner GP LLC, a Delaware limited partnership (“K-Sea GP LLC”) and general partner of the general partner of K-Sea Transportation Partners L.P. (the “Partnership”), to:

- (1) review and approve limited liability company and partnership goals and objectives relevant to chief executive officer compensation, evaluate the chief executive officer’s performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve the chief executive officer’s compensation level based on this evaluation;
- (2) approve, or recommend to the Board for its action, non-chief executive officer compensation, incentive-compensation plans and equity-based plans;
- (3) review from time to time when and as it deems appropriate the compensation and benefits of non-employee directors, including compensation pursuant to equity-based plans, and approve, or recommend to the Board for its action, any changes in such compensation and benefits; and
- (4) fulfill such other duties and responsibilities as are consistent with the purposes of the Committee enumerated in this Charter or as may be delegated by the Board from time to time.

In determining the long-term incentive component of the compensation of the chief executive officer and other senior management, the Committee should consider those issues that the Committee deems relevant, which may include, among others, the Partnership’s performance and relative unitholder return, the value of similar incentive awards to chief executive officers and senior management at comparable companies, and the awards made to the chief executive officer and senior management in past years.

The Committee shall report regularly to the Board.

Membership and Meetings

The Committee shall consist of a number of directors fixed from time to time by the Board of Directors but not fewer than two. The members of the Committee shall be appointed annually by the Board in its discretion. Compensation Committee members may be replaced by the Board between annual appointments.

The Committee shall meet with such frequency as it determines to be necessary or appropriate. The Committee may hold regular meetings without notice at a time and place designated by the Committee and communicated to all of its members. Any Committee member may call a special meeting upon giving notice of the time and place of such meeting to each Committee member at least two days before such meeting. The Committee may invite members of management or others to attend meetings and/or to furnish pertinent information. The Committee shall also meet in executive session as required. The Board shall appoint one member of the Committee as Chair. The Chair shall be responsible for scheduling all regular meetings of the Committee, determining the agenda for each regular meeting (following consultation with other members of the Committee and with management), presiding over meetings of the Committee and coordinating reporting to the Board. In the absence of the Chair, the majority of the members of the Committee present at a meeting shall appoint a member to preside at the meeting. The Committee may form and delegate authority to subcommittees when appropriate.

Authority

In exercising its authority, duties and responsibilities under this Charter, the Committee shall have and may exercise all the powers and authority of the Board of Directors, except to the extent expressly restricted by law or K-Sea GP LLC's limited liability company agreement. The Committee shall have the sole authority to retain and terminate any compensation consultants retained to assist in the evaluation of director, chief executive officer or senior management compensation, including the sole authority to approve the consultant's fees and other retention terms. The Committee shall be assisted by the human resources, legal and accounting staff of K-Sea GP LLC and the Partnership and their respective subsidiaries and in addition, to the extent it deems necessary or appropriate, the Committee may obtain assistance from such other persons, who need not be employees of K-Sea GP LLC or the Partnership, or organizations, with the expenses incurred in their use to be paid by the Partnership. The foregoing authority includes the authority to retain, terminate and obtain advice and assistance from external legal, accounting or other advisors.

Annual Review of Charter and Performance

At least annually, the Committee shall review and reassess the adequacy of this Charter. The Committee shall report the results of the review to the Board of Directors, and, if necessary, recommend that the Board of Directors amend this Charter. The Committee shall annually review its own performance.

As adopted by the Board of Directors on September 14, 2004.