

Statman, Harris & Eyrich, LLC Announces Investigation of K-Sea Transportation Partners -- KSP

CINCINNATI, May 10, 2010 – Attorney Advertising

The class action law firm of Statman, Harris & Eyrich, LLC announced today that it is investigating K-Sea Transportation Partners (“K-Sea” or the “Company”) (NYSE: KSP) for potential violations of state and federal securities laws. The affected stock was purchased in connection with the Company’s August 6, 2009 stock offering.

The firm’s investigation was triggered on October 28, 2009, when K-Sea issued a press release announcing its operating results for the first quarter fiscal 2010. K-Sea revealed that the Company would be unable to meet its earnings estimates and would be in violation of financial covenants under certain debt and lease agreements:

The Company reported an operating loss of \$1.3 million, including an asset impairment charge of \$5.9 million. Operating income, before asset impairment charges, was \$4.6 million, a decrease of \$5.3 million, or 54%, compared to the first fiscal quarter ended September 30, 2008. Earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the first quarter of fiscal 2010 was \$18.2 million, a decrease of \$4.5 million, or 20%, compared to \$22.7 million in the same quarter last year. EBITDA is a non-GAAP financial measure that is reconciled to net income, the most directly comparable GAAP measure....

The Company also announced that its distribution to unitholders for the first fiscal quarter will be \$0.45 per unit, or \$1.80 per unit annualized, compared to the previous distribution of \$0.77 per unit. This distribution will be payable on November 16, 2009 to unitholders of record on November 9, 2009. At this distribution rate, the Company anticipates its distributable cash flow for fiscal 2010 will exceed 1.00 times the amount needed to cover the distributions to be paid to unitholders.

The Company believes it currently is in full compliance with all provisions of its debt and lease agreements. While the Company expects to continue to pay when due all future obligations in respect of its debt and leases, **the Company expects that it will not be in compliance with its financial covenants in certain of these agreements as of the end of its second or third fiscal quarter of fiscal 2010, and in anticipation of these circumstances, will be seeking to amend these covenants.**

As a direct result, K-Sea’s common stock fell to \$14.00 per share, a decline of nearly 38% and well below the August 6, 2009 \$19.15 offering price.

Shareholders who purchased K-Sea stock in connection with the Company’s August 6, 2009 stock offering may have a claim against the Company and are encouraged to contact attorneys Melinda Nenning or Elizabeth Hutton at (513) 658-8867 or (513) 621-2666 or at mnanning@statmanharris.com or ehutton@statmanharris.com for further information without any obligation or cost to you.

Statman, Harris & Eyrich, LLC has offices in Chicago, Illinois; Cincinnati, Ohio; and Dayton, Ohio. www.statmanharris.com

CONTACT: Statman, Harris & Eyrich, LLC
Melinda S. Nenning, Esq.
Elizabeth L. Hutton, Esq.
441 Vine Street, Suite 3700
Cincinnati, Ohio 45202
Phone: (513) 658-8867 or (513) 621-2666
Toll-Free: (888) 876-7881
E-mail: mnenning@statmanharris.com
ehutton@statmanharris.com