



KIRBY CORPORATION

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FOR IMMEDIATE RELEASE

**KIRBY CORPORATION COMPLETES PURCHASE OF
K-SEA TRANSPORTATION PARTNERS L.P.**

Houston, Texas (July 1, 2011) – Kirby Corporation (“Kirby”) (NYSE:KEX) announced today the completion of the acquisition of K-Sea Transportation Partners L.P. (“K-Sea”) (NYSE:KSP), with K-Sea becoming a wholly owned subsidiary of Kirby. K-Sea is an operator of tank barges and tugboats participating in the coastwise transportation primarily of refined petroleum products in the United States.

The total value of the transaction is approximately \$604 million (before transaction fees), consisting of \$228 million of cash paid to K-Sea common and preferred unit holders and the general partner, \$263 million of cash to retire K-Sea’s outstanding debt, and \$113 million through the issuance of approximately 1,939,000 shares of Kirby common stock valued at \$58.28 per share, Kirby’s closing share price on July 1, 2011. The transaction was financed through a combination of a new \$540 million bank term loan and the issuance of Kirby common stock.

K-Sea’s fleet, comprised of 58 tank barges with a capacity of 3.8 million barrels and 63 tugboats, operates along the East Coast, West Coast and Gulf Coast of the United States, as well as in Alaska and Hawaii. K-Sea’s tank barge fleet, 54 of which are doubled hulled, has an average age of approximately nine years and is one of the youngest fleets in the coastwise trade. K-Sea’s customers include major oil companies and refiners, many of which are current Kirby customers for inland tank barge services. Headquartered in East Brunswick, New Jersey, K-Sea has major operating facilities in New York, Philadelphia, Norfolk, Seattle and Honolulu.

Kirby Corporation, based in Houston, Texas, operates inland tank barges and towing vessels, transporting petrochemicals, black oil products, refined petroleum products and agricultural chemicals throughout the United States inland waterway system, and operates offshore tank barges and tugboats transporting primarily refined petroleum products in the United States coastwise trade. Through the diesel engine services segment, Kirby provides after-market service for medium-speed and high-speed diesel engines and reduction gears used in marine and power generation applications, and distribute and services high-speed diesel engines and transmissions, including hydraulic fracturing equipment, for land-based pressure pumping and oilfield service markets.

Statements contained in this press release with respect to the future are forward-looking statements. These statements reflect management’s reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors, including cyclical or other downturns in demand, significant pricing competition, unanticipated additions to industry capacity, changes in the Jones Act or in U.S.

maritime policy and practice, fuel costs, interest rates, weather conditions, and timing, magnitude and number of acquisitions made by Kirby. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update such statements. A list of additional risk factors can be found in Kirby's annual report on Form 10-K for the year ended December 31, 2010, filed with the Securities and Exchange Commission.