NuStar Energy L.P.
Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended March 31, 2016
(Unaudited, Thousands of Dollars, Except Unit and Per Unit Data)

NuStar Energy L.P. utilizes financial measures, such as earnings before interest, taxes, depreciation and amortization (EBITDA) and distributable cash flow (DCF), which are not defined in U.S. generally accepted accounting principles (GAAP). Management uses these financial measures because (i) they are widely accepted financial indicators used by investors to compare partnership performance and/or (ii) they provide investors an enhanced perspective of the operating performance of the partnership's assets and the cash the business is generating. None of these financial measures are presented as an alternative to net income or income from continuing operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with GAAP. For purposes of segment reporting, we do not allocate general and administrative expenses to our reported operating segments because those expenses relate primarily to the overall management at the entity level. Therefore, EBITDA reflected in the segment reconciliations exclude any allocation of general and administrative expenses consistent with our policy for determining segmental operating income, the most directly comparable GAAP measure.

1. The following is a reconciliation of income from continuing operations to EBITDA from continuing operations and DCF from continuing operations:

	Three Months Ended March 31,	
	2016	2015
Income from continuing operations	$ 57,401	$ 127,125
Plus interest expense, net	34,123	32,037
Plus income tax expense	2,870	2,387
Plus depreciation and amortization expense	53,142	52,457
EBITDA from continuing operations	147,536	214,006
Interest expense, net	(34,123)	(32,037)
Reliability capital expenditures	(6,017)	(6,798)
Income tax expense	(2,870)	(2,387)
Distributions from joint venture	—	2,500
Mark-to-market impact of hedge transactions (a)	4,684	(1,119)
Unit-based compensation	1,086	—
Other items (b)	$ (503)	$ (54,645)
DCF from continuing operations	$ 109,793	$ 119,520
Less DCF from continuing operations available to general partner	12,766	12,766
DCF from continuing operations available to limited partners	$ 97,027	$ 106,754
DCF from continuing operations per limited partner unit	$ 1.25	$ 1.37

(a) DCF from continuing operations excludes the impact of unrealized mark-to-market gains and losses that arise from valuing certain derivative contracts, as well as the associated hedged inventory. The gain or loss associated with these contracts is realized in DCF from continuing operations when the contracts are settled.

(b) Other items consist of (i) the net change in deferred revenue associated with throughput deficiency payments and construction reimbursements for all periods presented and (ii) in 2015, a $56.3 million non-cash gain associated with the Linden terminal acquisition on January 2, 2015.

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Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended March 31, 2016 - (Continued)
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2. The following are reconciliations of projected operating income to projected EBITDA for our reported segments:

	Year Ended December 31, 2016		
	Pipeline	Storage	Fuels Marketing
Projected operating income	$ 250,000 - 265,000	$ 195,000 - 210,000	$ 15,000 - 35,000
Plus projected depreciation and amortization expense	85,000 - 90,000	115,000 - 120,000	—
Projected EBITDA	$ 335,000 - 355,000	$ 310,000 - 330,000	$ 15,000 - 35,000

3. The following are reconciliations of operating income (loss) to EBITDA for our reported segments:

	Three Months Ended March 31, 2016		
	Pipeline	Storage	Fuels Marketing
Operating income (loss)	$ 64,265	$ 57,013	$ (773)
Depreciation and amortization expense	21,604	29,383	—
EBITDA	$ 85,869	$ 86,396	$ (773)

	Three Months Ended March 31, 2015		
	Pipeline	Storage	Fuels Marketing
Operating income	$ 68,640	$ 47,978	$ 9,925
Depreciation and amortization expense	20,477	29,728	—
EBITDA	$ 89,117	$ 77,706	$ 9,925
(Decrease) increase in EBITDA	$ (3,248)	$ 8,690	$ (10,698)

4. The following is a reconciliation of projected income from continuing operations to projected EBITDA from continuing operations and projected DCF from continuing operations:

	Three Months Ended June 30, 2016
Projected income from continuing operations	$ 39,000 - 47,000
Plus projected interest expense, net	33,000 - 36,000
Plus projected income tax expense	2,000 - 5,000
Plus projected depreciation and amortization expense	53,000 - 56,000
Projected EBITDA from continuing operations	127,000 - 144,000
Projected interest expense, net	(33,000 - 36,000)
Projected reliability capital expenditures	(12,000 - 18,000)
Projected income tax expense	(2,000 - 5,000)
Projected unit-based compensation	1,000 - 2,000
Projected mark-to-market impact on hedge transactions and other items	10,000 - 12,000
Projected DCF from continuing operations	91,000 - 99,000
Less projected DCF from continuing operations available to general partner	13,000
Projected DCF from continuing operations available to limited partners	$ 78,000 - 86,000
Projected DCF from continuing operations per limited partner unit	$ 1.00 - 1.10