NuStar Energy L.P.
Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended March 31, 2015
(Unaudited, Thousands of Dollars, Except Unit and Per Unit Data)

NuStar Energy L.P. utilizes financial measures, earnings before interest, taxes, depreciation and amortization (EBITDA) from continuing operations, distributable cash flow (DCF) from continuing operations, DCF from continuing operations per limited partner unit, adjusted net income, adjusted net income applicable to limited partners and adjusted net income per unit (Adjusted EPU), which are not defined in U.S. generally accepted accounting principles (GAAP). Management uses these financial measures because they are widely accepted financial indicators used by investors to compare partnership performance. In addition, management believes that these financial measures provide investors an enhanced perspective of the operating performance of the partnership's assets and the cash that 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,	
	2015	2014
Income from continuing operations	$ 127,125	$ 42,996
Plus interest expense, net and interest income from related party	32,037	33,362
Plus income tax expense	2,387	4,117
Plus depreciation and amortization expense	52,457	46,230
EBITDA from continuing operations	214,006	126,705
Equity in loss of joint ventures	—	4,306
Interest expense, net and interest income from related party	(32,037)	(33,362)
Reliability capital expenditures	(6,798)	(4,759)
Income tax expense	(2,387)	(4,117)
Distributions from joint ventures	2,500	2,366
Other items (a)	(54,645)	(442)
Mark-to-market impact of hedge transactions (b)	(1,119)	15
DCF from continuing operations	$ 119,520	$ 90,712
Less DCF from continuing operations available to general partner	12,766	12,766
DCF from continuing operations available to limited partners	$ 106,754	$ 77,946
DCF from continuing operations per limited partner unit	$ 1.37	$ 1.00

(a) Other items for the three months ended March 31, 2015 mainly consist of a $56.3 million non-cash gain associated with the Linden terminal acquisition.

(b) 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.

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2. The following is a reconciliation of net income and EPU to adjusted net income applicable to limited partners and Adjusted EPU:

	Three Months Ended March 31, 2015	
Net income / EPU	$ 127,899	$ 1.47
Gain on Linden terminal acquisition	(56,277)	(0.71)
Adjusted net income	71,622	
GP interest and incentive	(12,237)	
Adjusted net income applicable to limited partners / Adjusted EPU	$ 59,385	$ 0.76

3. The following is a reconciliation of EBITDA from continuing operations to adjusted EBITDA from continuing operations:

	Three Months Ended March 31, 2015
EBITDA from continuing operations	$ 214,006
Gan on Linden terminal acquisition	(56,277)
Adjusted EBITDA from continuing operations	$ 157,729

4. The following is a reconciliation of projected annual operating income to projected annual EBITDA for a certain project in the pipeline segment:

	Mont Belvieu 12” Pipeline Project
Projected operating income	$ 15,000
Plus projected depreciation and amortization expense	8,000
Projected EBITDA	$ 23,000

5. The following is a reconciliation of projected incremental operating income to projected incremental EBITDA for the year ended December 31, 2015:

	Pipeline Segment	Storage Segment
Projected incremental operating income	$ 25,000 - 40,000	$ 3,000 - 15,000
Plus projected incremental depreciation and amortization expense	10,000 - 15,000	7,000 - 15,000
Projected incremental EBITDA	$ 35,000 - 55,000	$ 10,000 - 30,000

6. The following is a reconciliation of projected operating income to projected EBITDA for the year ended December 31, 2015:

	Fuels Marketing Segment
Projected operating income	$ 20,000 - 30,000
Plus projected depreciation and amortization expense	—
Projected EBITDA	$ 20,000 - 30,000

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7. The following are reconciliations of operating income to EBITDA for our reported segments:

	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

	Three Months Ended March 31, 2014		
	Pipeline	Storage	Fuels Marketing
Operating income	$ 52,990	$ 42,007	$ 9,558
Depreciation and amortization expense	18,352	25,292	7
EBITDA	$ 71,342	$ 67,299	$ 9,565
Increase in EBITDA	$ 17,775	$ 10,407	$ 360

8. 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, 2015
Projected income from continuing operations	$ 47,000 - 55,000
Plus projected interest expense, net	33,000
Plus projected income tax expense, net	2,000 - 4,000
Plus projected depreciation and amortization expense	55,000
Projected EBITDA from continuing operations	137,000 - 147,000
Projected interest expense, net	(33,000)
Projected reliability capital expenditures	(13,000 - 16,000)
Projected income tax expense	(2,000 - 4,000)
Projected mark-to-market impact on hedge transactions and other items	2,000 - 5,000
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