NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended March 31, 2011
(Unaudited, Thousands of Dollars Except Per Unit Data)

NuStar Energy L.P. utilizes two financial measures, EBITDA and distributable cash flow, which are not defined in United States generally accepted accounting principles. 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 measures provide investors an enhanced perspective of the operating performance of the partnership's assets and the cash that the business is generating. Neither EBITDA nor distributable cash flow are intended to represent cash flows for the period, nor are they presented as an alternative to net income. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with United States generally accepted accounting principles.

1. The following is a reconciliation of the range of projected net income to projected EBITDA:

	Three Months Ended June 30, 2011
Projected net income	$ 65,000 - 81,000
Plus projected interest expense	20,000 - 21,000
Plus projected income tax expense	5,000 - 7,000
Plus projected depreciation and amortization expense	40,000 - 41,000
Projected EBITDA	$ 130,000 - 150,000

2. The following is a reconciliation of the range of projected incremental net income to projected incremental EBITDA:

	Year Ended December 31, 2011
Projected incremental net income	$ 13,000 - 17,000
Plus projected incremental interest expense	4,000 - 5,000
Plus projected incremental income tax expense	8,000 - 11,000
Plus projected incremental depreciation and amortization expense	10,000 - 12,000
Projected incremental EBITDA	$ 35,000 - 45,000

EBITDA in the following reconciliation relates to our operating segments or a portion of an operating segment. 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 following reconciliations excludes any allocation of general and administrative expenses consistent with our policy for determining segmental operating income, the most directly comparable GAAP measure.

3. The following is a reconciliation of operating income to EBITDA for our reported operating segments:

	Three Months Ended March 31, 2011		
	Storage Segment	Transportation Segment	Asphalt and Fuels Marketing Segment
Operating income	$ 48,696	$ 34,397	$ 118
Plus depreciation and amortization expense	21,130	12,707	4,897
EBITDA	$ 69,826	$ 47,104	$ 5,015

	Three Months Ended March 31, 2010		
	Storage Segment	Transportation Segment	Asphalt and Fuels Marketing Segment
Operating income	$ 42,888	$ 33,757	$ (7,896)
Plus depreciation and amortization expense	18,666	12,752	5,041
EBITDA	$ 61,554	$ 46,509	$ (2,855)
Incremental EBITDA	$ 8,272	$ 595	$ 7,870

NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended March 31, 2011 - (Continued)
(Unaudited, Thousands of Dollars)

EBITDA in the following reconciliation relates to our operating segments or a portion of an operating segment. 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 following reconciliations excludes any allocation of general and administrative expenses consistent with our policy for determining segmental operating income, the most directly comparable GAAP measure.

4. The following tables reconcile operating income to EBITDA for our asphalt and fuels marketing segment:

	Three Months Ended March 31, 2011		
	Asphalt Operations	Fuels Marketing Operations	Asphalt and Fuels Marketing Segment
Operating income	$ (13,500)	$ 13,618	$ 118
Plus depreciation and amortization expense	4,872	25	4,897
EBITDA	$ (8,628)	$ 13,643	$ 5,015

	Three Months Ended March 31, 2010		
	Asphalt Operations	Fuels Marketing Operations	Asphalt and Fuels Marketing Segment
Operating income	$ (11,275)	$ 3,379	$ (7,896)
Plus depreciation and amortization expense	5,024	17	5,041
EBITDA	$ (6,251)	$ 3,396	$ (2,855)
Incremental EBITDA	$ (2,377)	$ 10,247	$ 7,870

5. The following is a reconciliation of projected incremental operating income to projected incremental EBITDA to projected distributable cash flow for our fuels refining operations (our recent refinery acquisition):

	Year Ended December 31, 2011	Annually for the Years Ended December 31, 2012 to 2014
Projected fuels refining operations incremental operating income range	$ 13,500 - 18,000	$ 28,500 - 38,000
Plus projected incremental depreciation and amortization expense range	1,500 - 2,000	1,500 - 2,000
Projected fuels refining operations incremental EBITDA range	15,000 - 20,000	30,000 - 40,000
Less projected allocations to fuels refining operations for distributable cash flow purposes	(10,000)	(10,000)
Projected fuels refining operations distributable cash flow	$ 5,000 - 10,000	$ 20,000 - 30,000

6. The following is a reconciliation of projected incremental operating income to projected incremental EBITDA for the three months ended June 30, 2011:

	Transportation Segment
Projected decrease in operating income range	($ 5,000 - 10,500)
Plus projected incremental depreciation and amortization expense range	0 - 500
Projected decrease in EBITDA range	($ 5,000 - 10,000)

NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended March 31, 2011 - (Continued)
(Unaudited, Thousands of Dollars)

EBITDA in the following reconciliation relates to our operating segments or a portion of an operating segment. 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 following reconciliations excludes any allocation of general and administrative expenses consistent with our policy for determining segmental operating income, the most directly comparable GAAP measure.

7. The following is a reconciliation of projected incremental operating income to projected incremental EBITDA for our asphalt and fuels marketing segment:

	For the Three Months Ended June 30, 2011			
	Asphalt Operations	Fuels Marketing Operations	Fuels Refining Operations	Asphalt and Fuels Marketing Segment
Projected incremental operating income range	$ 1,800 - 1,500	$ 4,500 - 7,000	$ 2,500 - 4,000	$ 8,800 - 12,500
Plus projected incremental depreciation and amortization expense range	200 - 500	500 - 1,000	500 - 1,000	1,200 - 2,500
Projected incremental EBITDA range	$ 2,000	$ 5,000 - 8,000	$ 3,000 - 5,000	$ 10,000 - 15,000

8. The following is a reconciliation of projected incremental operating income to projected incremental EBITDA :

	Year Ended December 31, 2011		
	Storage Segment	Transportation Segment	Asphalt and Fuels Marketing Segment
Projected increase (decrease) in operating income range	$ 19,000 - 26,000	($ 5,500 - 11,000)	$ 33,000 - 42,000
Plus projected incremental depreciation and amortization expense range	6,000 - 9,000	500 - 1,000	2,000 - 3,000
Projected increase (decrease) in EBITDA range	$ 25,000 - 35,000	($ 5,000 - 10,000)	$ 35,000 - 45,000

9. The following is a reconciliation of the range of projected incremental net income to projected incremental EBITDA for our asphalt and fuels marketing segment:

	Year Ended December 31, 2011			
	Asphalt Operations	Fuels Marketing Operations	Fuels Refining Operations	Asphalt and Fuels Marketing Segment
Projected incremental operating income range	$ 4,500 - 4,000	$ 15,000 - 20,000	$ 13,500 - 18,000	$ 33,000 - 42,000
Plus projected incremental depreciation and amortization expense range	500 - 1,000	-	1,500 - 2,000	2,000 - 3,000
Projected incremental EBITDA range	$ 5,000	$ 15,000 - 20,000	$ 15,000 - 20,000	$ 35,000 - 45,000

10. The following is a reconciliation of operating income to EBITDA for the year ended December 31, 2010:

	Asphalt and Fuels Marketing Segment
Operating income	$ 90,861
Plus depreciation and amortization expense	20,257
EBITDA	$ 111,118