

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

NuStar Energy L.P. utilizes a financial measure, EBITDA, that is not defined in United States generally accepted accounting principles. Management uses this financial measure because it is a widely accepted financial indicator used by investors to compare partnership performance. In addition, management believes that this measure provides investors an enhanced perspective of the operating performance of the partnership's assets. EBITDA is not intended nor presented as an alternative to net income. EBITDA should not be considered in isolation or as a substitute for a measure of performance prepared in accordance with United States generally accepted accounting principles.

EBITDA in the following reconciliations relate to our operating segments. 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 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 are reconciliations of operating income to EBITDA for certain of our reported operating segments:

	Three Months Ended December 31, 2011		Year Ended December 31, 2011	
	Storage Segment	Transportation Segment	Storage Segment	Transportation Segment
Operating income	\$ 53,073	\$ 42,805	\$ 193,395	\$ 145,613
Plus depreciation and amortization expense	23,081	12,893	87,737	51,175
EBITDA	<u>\$ 76,154</u>	<u>\$ 55,698</u>	<u>\$ 281,132</u>	<u>\$ 196,788</u>

	Three Months Ended December 31, 2010		Year Ended December 31, 2010	
	Storage Segment	Transportation Segment	Storage Segment	Transportation Segment
Operating income	\$ 47,559	\$ 42,567	\$ 178,947	\$ 148,571
Plus depreciation and amortization expense	20,067	12,588	77,071	50,617
EBITDA	<u>\$ 67,626</u>	<u>\$ 55,155</u>	<u>\$ 256,018</u>	<u>\$ 199,188</u>
Increase (decrease) in EBITDA	<u>\$ 8,528</u>	<u>\$ 543</u>	<u>\$ 25,114</u>	<u>\$ (2,400)</u>

2. The following are reconciliations of operating income to EBITDA for our asphalt and fuels marketing segment:

	Year Ended December 31, 2011			Total Asphalt and Fuels Marketing Segment
	Asphalt Operations	Fuels Marketing Operations	San Antonio Refinery	
Operating income	\$ 6,996	\$ 64,891	\$ 13,342	\$ 85,229
Plus depreciation and amortization expense	20,809	107	1,720	22,636
EBITDA	<u>\$ 27,805</u>	<u>\$ 64,998</u>	<u>\$ 15,062</u>	<u>\$ 107,865</u>

	Year Ended December 31, 2010			Total Asphalt and Fuels Marketing Segment
	Asphalt Operations	Fuels Marketing Operations	San Antonio Refinery	
Operating income	\$ 53,977	\$ 36,884	\$ -	\$ 90,861
Plus depreciation and amortization expense	20,164	93	-	20,257
EBITDA	<u>\$ 74,141</u>	<u>\$ 36,977</u>	<u>\$ -</u>	<u>\$ 111,118</u>
(Decrease) increase in EBITDA	<u>\$ (46,336)</u>	<u>\$ 28,021</u>	<u>\$ 15,062</u>	<u>\$ (3,253)</u>

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3. The following are reconciliations of operating income to EBITDA for our asphalt and fuels marketing segment:

	Three Months Ended December 31, 2011			Total Asphalt and Fuels Marketing Segment
	Asphalt Operations	Fuels Marketing Operations	San Antonio Refinery	
Operating (loss) income	\$ (32,403)	\$ 13,526	\$ 6,417	\$ (12,460)
Plus depreciation and amortization expense	5,373	31	727	6,131
EBITDA	<u>\$ (27,030)</u>	<u>\$ 13,557</u>	<u>\$ 7,144</u>	<u>\$ (6,329)</u>
	Three Months Ended December 31, 2010			Total Asphalt and Fuels Marketing Segment
	Asphalt Operations	Fuels Marketing Operations	San Antonio Refinery	
Operating income	\$ 1,436	\$ 14,312	\$ -	\$ 15,748
Plus depreciation and amortization expense	4,978	25	-	5,003
EBITDA	<u>\$ 6,414</u>	<u>\$ 14,337</u>	<u>\$ -</u>	<u>\$ 20,751</u>
(Decrease) increase in EBITDA	<u>\$ (33,444)</u>	<u>\$ (780)</u>	<u>\$ 7,144</u>	<u>\$ (27,080)</u>