

NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter and Year Ended December 31, 2012
(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, 2012		Year Ended December 31, 2012	
	Storage Segment	Transportation Segment	Storage Segment	Transportation Segment
Operating income	\$ 33,871	\$ 47,950	\$ 194,567	\$ 158,590
Plus depreciation and amortization expense	23,724	13,792	93,449	52,878
EBITDA	<u>\$ 57,595</u>	<u>\$ 61,742</u>	<u>\$ 288,016</u>	<u>\$ 211,468</u>

	Three Months Ended December 31, 2011		Year Ended December 31, 2011	
	Storage Segment	Transportation Segment	Storage Segment	Transportation Segment
Operating income	\$ 53,073	\$ 43,046	\$ 193,395	\$ 146,403
Plus depreciation and amortization expense	23,081	12,886	87,737	51,165
EBITDA	<u>\$ 76,154</u>	<u>\$ 55,932</u>	<u>\$ 281,132</u>	<u>\$ 197,568</u>
(Decrease) increase in EBITDA	<u>\$ (18,559)</u>	<u>\$ 5,810</u>	<u>\$ 6,884</u>	<u>\$ 13,900</u>

2. The following is a reconciliation of operating income to EBITDA for a certain asset group in our Storage Segment:

	St James Terminal		
	Year Ended December 31, 2012	Year Ended December 31, 2011	Increase (decrease)
Operating income	\$ 48,090	\$ 21,157	\$ 26,933
Plus depreciation and amortization expense	12,330	8,115	4,215
EBITDA	<u>\$ 60,420</u>	<u>\$ 29,272</u>	<u>\$ 31,148</u>

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

	Three Months Ended December 31, 2012			
	Asphalt Operations	Fuels Marketing Operations	Other	Asphalt and Fuels Marketing Segment
Operating (loss) income	\$ (6,183)	\$ 12,191	\$ (10)	\$ 5,998
Plus depreciation and amortization expense	1	7	10	18
EBITDA	<u>\$ (6,182)</u>	<u>\$ 12,198</u>	<u>\$ -</u>	<u>\$ 6,016</u>

	Three Months Ended December 31, 2011			
	Asphalt Operations	Fuels Marketing Operations	Other	Asphalt and Fuels Marketing Segment
Operating (loss) income	\$ (32,403)	\$ 13,526	\$ (12)	\$ (18,889)
Plus depreciation and amortization expense	5,373	31	12	5,416
EBITDA	<u>\$ (27,030)</u>	<u>\$ 13,557</u>	<u>\$ -</u>	<u>\$ (13,473)</u>
Increase (decrease) in EBITDA	<u>\$ 20,848</u>	<u>\$ (1,359)</u>	<u>\$ -</u>	<u>\$ 19,489</u>

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

	Year Ended December 31, 2012			
	Asphalt Operations	Fuels Marketing Operations	Other	Asphalt and Fuels Marketing Segment
Operating (loss) income	\$ (309,784)	\$ 13,040	\$ (41)	\$ (296,785)
Plus depreciation and amortization expense	11,138	74	41	11,253
EBITDA	\$ (298,646)	\$ 13,114	\$ -	\$ (285,532)
	Year Ended December 31, 2011			
	Asphalt Operations	Fuels Marketing Operations	Other	Asphalt and Fuels Marketing Segment
Operating income	\$ 6,996	\$ 64,891	\$ (33)	\$ 71,854
Plus depreciation and amortization expense	20,809	107	33	20,949
EBITDA	\$ 27,805	\$ 64,998	\$ -	\$ 92,803
(Decrease) increase in EBITDA	\$ (326,451)	\$ (51,884)	\$ -	\$ (378,335)

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

	Nine Months Ended September 30, 2012					
	Asphalt Operations	Less Asset and Goodwill Impairment Loss (1)	Adjusted Asphalt Operations	Fuels Marketing Operations	Other	Asphalt and Fuels Marketing Segment
Operating (loss) income	\$ (303,601)	\$ (266,357)	\$ (37,244)	\$ 849	\$ (31)	(36,426)
Plus depreciation and amortization expense	11,137	-	11,137	67	31	11,235
EBITDA	\$ (292,464)	\$ (266,357)	\$ (26,107)	\$ 916	\$ -	\$ (25,191)

(1) 2012 asset and goodwill impairment loss of \$266 million related to asphalt operations.

6. The following is a reconciliation of projected incremental operating income range to projected incremental EBITDA range for certain of our reported operating segments:

	Year Ended December 31, 2013	
	Storage Segment	Transportation Segment
Projected incremental operating income range	\$ 3,000 - 20,000	\$ 50,000 - 65,000
Plus projected incremental depreciation and amortization expense range	7,000 - 10,000	20,000 - 25,000
Projected incremental EBITDA range	\$ 10,000 - 30,000	\$ 70,000 - 90,000

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

	Year Ended December 31, 2013
	Asphalt and Fuels Marketing Segment
Projected operating income range	\$ 40,000 - 59,500
Plus projected depreciation and amortization expense	0 - 500
Projected EBITDA range	\$ 40,000 - 60,000