NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended June 30, 2014
(Unaudited, Thousands of Dollars)

NuStar Energy L.P. utilizes financial measures, such as earnings before interest, taxes, depreciation and amortization (EBITDA), distributable cash flow (DCF), adjusted net income and adjusted net income per unit (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 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, which are not defined in GAAP are intended to represent cash flows from operations for the period, nor are they 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 projected annual operating income to projected annual EBITDA for a certain project in the pipeline segment:

	Houston Pipeline NGL Project
Projected annual operating income	$ 15,000
Plus projected depreciation and amortization expense	8,000
Projected annual EBITDA	$ 23,000

2. The following is a reconciliation of projected incremental operating income to projected incremental EBITDA for the pipeline segment:

	Year Ended December 31, 2014
Projected incremental operating income	$ 35,000 - 50,000
Plus projected incremental depreciation and amortization expense	5,000 - 10,000
Projected incremental EBITDA	$ 40,000 - 60,000

3. The reconciliation below shows projected operating income to projected EBITDA for the fuels marketing segment:

	Year Ended December 31, 2014
Projected operating income	$ 20,000 - 30,000
Plus projected depreciation and amortization expense	-
Projected EBITDA	$ 20,000 - 30,000

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

	Three Months Ended June 30, 2014		
	Pipeline	Storage	Fuels Marketing
Operating income	$ 60,236	$ 50,007	$ 4,821
Depreciation and amortization expense	19,490	25,888	4
EBITDA	$ 79,726	$ 75,895	$ 4,825

	Three Months Ended June 30, 2013		
	Pipeline	Storage	Fuels Marketing
Operating income	$ 51,227	$ 44,412	$ 3,432
Depreciation and amortization expense	16,648	26,055	6
EBITDA	$ 67,875	$ 70,467	$ 3,438
Increase in EBITDA	$ 11,851	$ 5,428	$ 1,387

NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended June 30, 2014 - (Continued)
(Unaudited, Thousands of Dollars)

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5. 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 September 30, 2014
Projected income from continuing operations	$ 55,000 - 63,000
Plus projected interest expense, net	32,000 - 33,000
Plus projected income tax expense, net	2,000 - 4,000
Plus projected depreciation and amortization expense	46,000 - 47,000
Projected EBITDA from continuing operations	135,000 - 147,000
Projected equity in earnings of joint ventures	(2,000 - 3,000)
Projected interest expense, net	(32,000 - 33,000)
Projected reliability capital expenditures	(9,000 - 12,000)
Projected income tax expense	(2,000 - 4,000)
Projected distributions from joint ventures	2,000 - 4,000
Projected mark-to-market impact on hedge transactions and other items	3,000 - 4,000
Projected DCF from continuing operations	95,000 - 103,000
Less projected DCF from continuing operations available to general parnter	13,000
Projected DCF from continuing operations available to limited partners	$ 82,000 - 90,000
Projected DCF from continuing operations per limited partner unit	$ 1.05 - 1.15