

**NuStar Energy L.P. and Subsidiaries**  
**Reconciliation of Non-GAAP Financial Information - 2014 MLP IC Event Guide - Financial Profile**  
(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.

The following is a reconciliation of operating income to EBITDA for the Pipeline Segment:

	Year Ended December 31,						
	2007	2008	2009	2010	2011	2012	2013
Operating income	\$ 126,508	\$ 135,086	\$ 139,869	\$ 148,571	\$ 146,403	\$ 158,590	\$ 208,293
Plus depreciation and amortization expense	49,946	50,749	50,528	50,617	51,165	52,878	68,871
EBITDA	\$ 176,454	\$ 185,835	\$ 190,397	\$ 199,188	\$ 197,568	\$ 211,468	\$ 277,164

The following is a reconciliation of operating income (loss) to EBITDA for the Storage Segment:

	Year Ended December 31,						
	2007	2008	2009	2010	2011	2012	2013
Operating income (loss)	\$ 114,635	\$ 141,079	\$ 171,245	\$ 178,947	\$ 196,508	\$ 198,842	\$ (127,484)
Plus depreciation and amortization expense	62,317	66,706	70,888	77,071	82,921	88,217	99,868
EBITDA	\$ 176,952	\$ 207,785	\$ 242,133	\$ 256,018	\$ 279,429	\$ 287,059	\$ (27,616)
Impact from non-cash charges							304,453
Adjusted EBITDA							\$ 276,837

The reconciliation below shows projected operating income to projected EBITDA for the Storage and Pipeline Segments:

	Year Ended December 31, 2014	
	Pipeline	Storage
Projected operating income	\$ 245,000 - 260,000	\$ 177,000
Plus projected depreciation and amortization expense	72,000 - 77,000	100,000
Projected EBITDA	\$ 317,000 - 337,000	\$ 277,000

The following is a reconciliation of projected annual operating income to projected annual EBITDA for a certain projects in our Pipeline Segment:

	South Texas	South Texas Crude	Houston Pipeline
	Crude Phase One	Phase Two	NGL Project
Projected annual operating income	\$ 19,000	\$ 35,000	\$ 15,000
Plus projected annual depreciation and amortization expense	1,000	5,000	8,000
Projected annual EBITDA	\$ 20,000	\$ 40,000	\$ 23,000

The following is a reconciliation of net income to adjusted net income and EPU to adjusted EPU:

	Three Months Ended March 31, 2014	
Net income/EPU	\$ 39,637	\$ 0.36
Asphalt Joint Venture losses	8,278	0.10
Adjusted net income	47,915	
GP interest and incentive and noncontrolling interest	(11,656)	
Adjusted net income/EPU applicable to limited partners	\$ 36,259	\$ 0.46

The following are reconciliations of operating income (loss) to EBITDA for certain of our reported operating segments:

	Three Months Ended March 31, 2014	
	Pipeline	Fuels Marketing
Operating income	\$ 52,990	\$ 9,558
Depreciation and amortization expense	18,352	7
EBITDA	\$ 71,342	\$ 9,565

  

	Three Months Ended March 31, 2013	
	Pipeline	Fuels Marketing
Operating income (loss)	\$ 39,881	\$ (1,593)
Depreciation and amortization expense	15,990	7
EBITDA	\$ 55,871	\$ (1,586)

  

Increase in EBITDA	\$ 15,471	\$ 11,151
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