

NuStar and TexStar Announce Plans to Expand Infrastructure to Move Eagle Ford Shale Crude and Condensate to South Texas

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SAN ANTONIO, Apr 05, 2011 (BUSINESS WIRE) -- NuStar Logistics, L.P. and TexStar Midstream Services, LP today announced that they have signed a letter of intent to develop a new pipeline system to transport Eagle Ford Shale crude and condensate to Corpus Christi.

TexStar will build and operate a new 65-mile, 12-inch pipeline that will have the capacity to move 120,000 barrels per day of crude and condensate from Frio County to Three Rivers. TexStar will build at least two truck unloading facilities which will be located along the pipeline to gather crude oil produced in Atascosa, Frio, LaSalle, McMullen, and Live Oak counties. At Three Rivers, the TexStar pipeline will be interconnected with a new storage facility to be constructed by NuStar. That storage facility will be connected to NuStar's existing 16-inch pipeline that will have the capacity to transport 200,000 barrels per day into NuStar's Corpus Christi North Beach Terminal. That terminal has approximately 2 million barrels of storage capacity, and the Port of Corpus Christi Authority recently approved a land lease option agreement for 15 acres contiguous to the existing property, which will provide terminal expansion capabilities. TexStar and NuStar expect to complete construction and begin service on the projects in the second quarter of 2012.

"We are excited to partner with NuStar on this project, and our combined facilities will provide South Texas producers with an open access, reliable, and low cost outlet for their oil," said Phil Mezey, TexStar's co-CEO and Chief Operating Officer. "Use of NuStar's existing pipeline and terminal infrastructure in Corpus Christi will assure producers of a secure and reliable solution for getting their oil to market in the near future."

NuStar President and CEO Curt Anastasio also discussed the benefits of the project, and noted that it is part of a concentrated effort in which NuStar expects to significantly expand and modify its pipeline and terminal infrastructure to transport and store even greater volumes of Eagle Ford Shale crude and condensate.

"TexStar is an ideal partner for NuStar in this project because they are a very well managed company and they have a proven ability to complete projects like this quickly and efficiently, which is a win for both of our companies and our customers," said Anastasio. "And this project is part of a larger strategy to give our customers even greater logistical flexibility by moving the crude and condensate from the Eagle Ford region to Corpus Christi, which gives them greater access to major refining and trading hub markets since Corpus Christi has waterborne capabilities for loading vessels."

"NuStar's existing pipeline and terminal infrastructure in South Texas provides the foundation to pursue and develop these and other logistics opportunities in the Eagle Ford Shale region," Anastasio added. "These projects will strengthen NuStar's position in South Texas, and our ability to provide logistics services to oil and gas producers, gas processors, refiners, and other stakeholders."

About NuStar

NuStar Energy L.P. is a publicly traded, limited partnership based in San Antonio, with 8,417 miles of pipeline; 90 terminal and storage facilities that store and distribute crude oil, refined products and specialty liquids; and two asphalt refineries with a combined throughput capacity of 104,000 barrels per day. The partnership's combined system has over 94 million barrels of storage capacity. One of the largest asphalt refiners and marketers in the U.S. and the second largest independent liquids terminal operator in the nation, NuStar has operations in the United States, Canada, Mexico, the Netherlands, the United Kingdom, and Turkey. For more information, visit NuStar Energy L.P.'s Web site at www.nustarenergy.com.

About TexStar

TexStar is a full service midstream company focused on providing a full suite of midstream services to producers in South Texas. TexStar's goal is to provide the highest netback possible to producers for their oil, gas, and natural gas liquids by providing low cost gathering, treating, compression, processing, and logistics solutions, as well as access to multiple product outlets. TexStar's management team has decades of experience operating midstream assets in South Texas and has owned and operated over 1,500 miles of pipeline and two large gas processing plants. TexStar is in the process of rapidly expanding its existing gathering assets in the Eagle Ford shale area and is currently working to install additional gas and crude oil pipelines. TexStar is headquartered in San Antonio, TX and is a portfolio company of EIG Global Energy Partners and HM Capital Partners, LP. More information can be found at TexStar's website www.TexStarMidstream.com.

SOURCE: NuStar Energy L.P.

NuStar Energy, L.P., San Antonio
Investors, Chris Russell, Vice President,
Investor Relations: 210-918-3057
chris.russell@nustarenergy.com
or
Media, Mary Rose Brown, Senior Vice President,
Administration: 210-918-2314
maryrose.brown@nustarenergy.com
Web site: www.nustarenergy.com