

## NuStar Energy Agrees to Purchase Assets of AGE Refining

April 15, 2011

SAN ANTONIO, Apr 15, 2011 (BUSINESS WIRE) -- NuStar Energy L.P. (NYSE: NS) announced today that it has agreed to purchase certain refining and terminal assets of AGE Refining from the Chapter 11 Bankruptcy trustee for \$41 million excluding net working capital. NuStar received clearance from the bankruptcy court yesterday to proceed with the purchase, and the company expects to close on the acquisition on April 19.

"This relatively small transaction is a great acquisition for our investors, employees and community," said Curt Anastasio, President and CEO of NuStar Energy L.P. and NuStar GP Holdings, LLC. "We expect the refinery to generate attractive returns, and it is projected to be immediately accretive to our earnings and distributable cash flow. And we can lock in guaranteed margins through the futures market for crude, distillates and gasoline-related products for the next three to four years."

The AGE refinery is a low-cost 14,500 barrel per day refinery based on the South Side of San Antonio, which has been operating near capacity since the March 9 completion of a state-of-the-art, seven-bay truck loading rack. The acquisition also includes a 200,000-barrel terminal in Elmendorf, Texas.

The refinery purchases and processes crude oils and condensates from across South Texas, including the rapidly developing Eagle Ford Shale. It produces and sells various products, including jet fuels, ultra-low sulfur diesel (ULSD), naphtha, reformates, liquefied petroleum gas (LPG), specialty solvents and other highly specialized fuels, to commercial and retail customers and the U.S. military.

"The refinery's proximity to the Eagle Ford Shale is big plus," said Anastasio. "The light crude oil that is coming out of the Eagle Ford Shale is well-suited to the refinery and it is in our backyard so our transportation costs are low. We expect this will provide a significant economic benefit because we're able to take advantage of these lower cost South Texas sweet crudes and realize transportation cost savings which will enhance the refinery's profitability."

"We are very excited about acquiring this refinery because it's great news for our hometown of San Antonio. We are looking forward to investing in the refinery and working with the AGE employees to ensure the plant meets the highest standards for safety, environmental stewardship and reliability. We have a lot of refining expertise in-house and our employees have a strong record for safety and environmental excellence. So we are well-positioned to not only improve the plant's operations, but also to maximize its profitability."

"We are also looking forward to bringing aboard all of the employees. We think they'll enjoy working for NuStar because when we make an acquisition we always invest more in the facilities, employees and the community than the previous owners. In fact, the AGE employees will realize immediate and substantial improvements in their combined compensation and benefits when they join our company," said Anastasio.

AGE filed for Chapter 11 bankruptcy protection on Feb. 8, 2010, and the company has been in the midst of a court-supervised sales process.

"Operating in bankruptcy for over a year has been a great challenge for the employees of AGE Refining and I applaud their perseverance," said Eric Moeller, the Chapter 11 Bankruptcy Trustee.

"We are very pleased that a company of NuStar's caliber has agreed to buy these assets. NuStar not only offered a good purchase price, but is a financially strong and growing company with the resources and expertise to invest in the refinery, run it safely and reliably, serve as a good neighbor, and provide the employees with outstanding compensation and benefits. NuStar also has a track record of taking care of all of the stakeholders when it makes an acquisition. This agreement represents a major milestone as we bring the bankruptcy to a positive conclusion for everyone involved," Moeller said.

### **About NuStar Energy L.P.**

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](http://www.nustarenergy.com).

### **About AGE Refining**

AGE Refining, Inc. is a unique oil refining company located on the South Side of San Antonio, Texas. AGE owns and operates a 14,500 barrel per day refinery which processes crude from across South Texas including the rapidly developing Eagle Ford Shale. AGE produces and sells jet fuels, ultra-low sulfur diesel (ULSD), naphtha, reformates, liquefied petroleum gas (LPG), specialty solvents and other highly specialized fuels. AGE has a long history serving a broad customer base including local commercial and retail customers and the United States military. AGE has approximately 100 employees in San Antonio. Please visit [www.agerefining.com](http://www.agerefining.com) for more information.

### **Cautionary Statement Regarding Forward-Looking Statements**

*This press release includes forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995 regarding future events and the future financial performance of NuStar Energy L.P. All forward-looking statements are based on the partnership's beliefs as well as assumptions made by and information currently available to the partnership. These statements reflect the partnership's current views with respect to future events and are subject to various risks, uncertainties and assumptions. These risks, uncertainties and assumptions are discussed in NuStar Energy L.P.'s*

*2010 annual report on Form 10-K and subsequent filings with the Securities and Exchange Commission.*

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