

NuStar Energy Announces Plans to Sell 50% of Its Asphalt Operations to Lindsay Goldberg and Create Joint Venture

July 6, 2012

Transaction Expected to Close in Third Quarter of 2012

Deconsolidates Asphalt Operations, Reduces Earnings Volatility and Allows for Debt Reduction/Investment in High-Return Pipeline and Terminal Assets

SAN ANTONIO--(BUSINESS WIRE)--Jul. 6, 2012-- NuStar Energy L.P. (NYSE: NS) today announced that it has entered into a Purchase and Sale Agreement with an affiliate of Lindsay Goldberg LLC, a private investment firm, to create a joint venture that will own and operate NuStar's asphalt refining assets and related working capital. NuStar and Lindsay Goldberg will each have a 50% voting interest in the joint venture and Lindsay Goldberg is paying \$175 million for its interest. Closing for the transaction is expected to be completed no later than September 30, 2012.

Cash proceeds received by NuStar as a result of this transaction, including the \$175 million paid by Lindsay Goldberg, should be in the \$400 to \$500 million range dependent on the joint venture's working capital requirements. The joint venture will pay NuStar for inventories transferred at the time of closing and the payment will be financed by a credit facility now being arranged for the joint venture.

Total proceeds are expected to be less than the carrying amount for the assets causing a significant non-cash charge to earnings in the second quarter of 2012. However, as a result of the transaction NuStar expects to deconsolidate the asphalt operations after closing.

The Board of Managers of the joint venture will be chaired by Bill Greehey, currently Chairman of the Board for NuStar Energy L.P. and NuStar GP Holdings, LLC. Michael Pesch, currently Vice President Regional Operations for NuStar Energy L.P., will be the Chief Executive Officer of the joint venture.

"This joint venture transaction allows NuStar to monetize a portion of its asphalt operations and still maintain a 50% interest in a business that has the potential to generate significant cash flows as the U.S. economy improves," said Curt Anastasio, president and CEO of NuStar. "We expect to use the cash proceeds received from this transaction to pay down a large portion of our debt which should significantly improve NuStar's leverage metrics."

"This transaction will allow both the L.P. and the new Asphalt J.V. to flourish. Importantly, the transaction will allow NuStar to reduce its earnings volatility, reduce debt and will provide additional opportunities to invest in stable, high-return, pipeline and terminal assets while simultaneously giving the Asphalt J.V. the flexibility it needs to prosper in a more robust margin environment," Anastasio said.

Anastasio noted that NuStar's Paulsboro, New Jersey and Savannah, Georgia refineries, with a combined refining capacity of 104,000 barrels per day, as well as the associated inventory will be transferred into the joint venture.

About NuStar Energy

NuStar Energy L.P. is a publicly traded, limited partnership based in San Antonio, with 8,420 miles of pipeline; 84 terminal and storage facilities that store and distribute crude oil, refined products and specialty liquids; and two asphalt refineries and a fuels refinery with a combined throughput capacity of 118,500 barrels per day. The partnership's combined system has approximately 96 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, including St. Eustatius in the Caribbean, the United Kingdom and Turkey. For more information, visit NuStar Energy L.P.'s Web site at www.nustarenergy.com.

About Lindsay Goldberg LLC

Lindsay Goldberg is a private investment firm with approximately \$10 billion of capital under management that focuses on partnering with entrepreneurial management teams and closely-held and family-owned businesses. The firm typically invests in companies in North America and Western Europe in the manufacturing, energy, financial and business services industries. Lindsay Goldberg has an investment structure that permits ownership for up to 20 years.

Cautionary Statement Regarding Forward-Looking Statements

This press release includes forward-looking statements regarding future events. All forward-looking statements are based on the partnership and company's beliefs as well as assumptions made by and information currently available to the partnership and company. These statements reflect the partnership and company'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. and NuStar GP Holdings, LLC's 2011 annual reports on Form 10-K and subsequent filings with the Securities and Exchange Commission.

Source: NuStar Energy L.P.

NuStar Energy, L.P., San Antonio
Investors, Chris Russell, Vice President
Investor Relations: 210-918-3507

or
Media, Mary Rose Brown, Senior Vice President,
Corporate Communications: 210-918-2314
Web site: <http://www.nustarenergy.com>