

## **NuStar Energy L.P. Announces Closing of Sale of 50% of its Asphalt Operations to Lindsay Goldberg and Creation of Joint Venture**

September 28, 2012

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

SAN ANTONIO--(BUSINESS WIRE)--Sep. 28, 2012-- NuStar Energy L.P. (NYSE: NS) today announced that it has closed on the sale of a 50% voting interest in its asphalt operations to an affiliate of Lindsay Goldberg LLC, a private investment firm. In conjunction with the sale, a joint venture was created that owns and operates NuStar's asphalt refining assets, including asphalt refineries located in Paulsboro, New Jersey and Savannah, Georgia, and related working capital. NuStar and Lindsay Goldberg each have a 50% voting interest.

At closing, Lindsay Goldberg paid NuStar \$175 million for its interest in the joint venture and the joint venture purchased the inventory of the asphalt operations from NuStar based on current market prices. The joint venture funded the inventory purchase with borrowings under a third-party asset-based revolving credit facility and an unsecured revolving credit facility provided by NuStar.

Initial cash proceeds received by NuStar as a result of this transaction, including the \$175 million paid by Lindsay Goldberg, were approximately \$270 million. This transaction should eventually allow NuStar to reduce its debt balances by \$400 to \$500 million, depending on the joint venture's working capital requirements. NuStar intends to use the proceeds from this transaction for general corporate purposes including the repayment of outstanding borrowings under its revolving credit facility, working capital purposes and to finance potential future acquisitions.

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

"We are pleased that we were able to close this transaction, as previously announced, prior to the end of the third quarter," said Curt Anastasio, president and CEO of NuStar. "This transaction monetizes a portion of NuStar's asphalt operations and allows us to still maintain a 50% voting interest in a business that has the potential to generate significant cash flows as the U.S. economy improves."

Anastasio went on to say, "The transaction also allows NuStar to reduce its earnings volatility, and reduce debt, and it provides additional opportunities to invest in stable, high-return, pipeline and terminal assets, while simultaneously giving the Asphalt JV the flexibility it needs to prosper in a more robust margin environment."

### ***About NuStar Energy***

NuStar Energy L.P. is a publicly traded limited partnership based in San Antonio, with 8,433 miles of pipeline; 82 terminal and storage facilities that store and distribute crude oil, refined products and specialty liquids; a fuels refinery with a throughput capacity of 14,500 barrels per day and a 50% voting interest in two asphalt refineries with a combined throughput capacity of 104,000 barrels per day. The partnership's combined system has approximately 94 million barrels of storage capacity. One of the largest independent liquids terminal operators 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](http://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>