

NuStar Closes on Accretive Acquisition That Further Expands Its Presence in Port of Corpus Christi

December 21, 2016

NuStar completes purchase of crude oil and refined product terminal assets from Martin Midstream Partners

SAN ANTONIO--(BUSINESS WIRE)--Dec. 21, 2016-- NuStar Energy L.P. (NYSE: NS) today announced that it has closed on the purchase of crude oil and refined product terminal assets in Corpus Christi, Texas from Martin Midstream Partners (Nasdaq: MMLP) for a net \$93 million. The acquisition is expected to be immediately accretive to NuStar's earnings based on the terminal's current, actual volumes, generating a seven times earnings before interest, taxes, depreciation and amortization (EBITDA) multiple based on an annual average EBITDA estimate of approximately \$13.5 million.

With the addition of the terminal, which is adjacent to NuStar's existing North Beach Terminal, NuStar now has over 3.6 million barrels of total storage in the Port of Corpus Christi, including 3.1 million barrels of crude oil storage and 577,000 barrels of refined product storage.

The terminal NuStar is acquiring includes 1.15 million barrels of total storage, which is comprised of 900,000 barrels of crude oil storage and 250,000 barrels of refined product storage. The terminal has direct connectivity to Eagle Ford crude oil production and receives crude oil and condensate via its connection to the Harvest Pipeline and through its six-bay truck rack. The terminal has access to two of the port's deep-water crude oil docks, including exclusive use of the port's new crude oil dock, and a barge dock. The terminal is located on 25 acres, and has room for further expansion.

"This acquisition further strengthens NuStar's position as one of the top logistics players in the Corpus Christi region, which has long been a strategic hub for us," said NuStar President and CEO Brad Barron. "We now have access to a new pipeline and new customers, and greater connectivity to domestic and international crude oil and refined products markets, and an existing customer has expressed interest in increasing volumes and the length of our contract with them thanks to the increased dock space and capacity we now have.

"We are also fortunate to bring aboard a strong workforce at the terminal, and we are working with them to quickly integrate the terminal into our system so that we can take advantage of the many operational synergies between the terminal and our existing operations," Barron added.

About NuStar Energy

NuStar Energy L.P., a publicly traded master limited partnership based in San Antonio, is one of the largest independent liquids terminal and pipeline operators in the nation. NuStar currently has approximately 8,700 miles of pipeline and 79 terminal and storage facilities that store and distribute crude oil, refined products and specialty liquids. The partnership's combined system has approximately 94 million barrels of storage capacity, and NuStar has operations in the United States, Canada, Mexico, the Netherlands, including St. Eustatius in the Caribbean, and the United Kingdom. For more information, visit NuStar Energy L.P.'s website at www.nustarenergy.com.

About Martin Midstream Partners

Martin Midstream Partners L.P. is a publicly traded limited partnership with a diverse set of operations focused primarily in the United States Gulf Coast region. MMLP's primary business segments include: (1) terminalling, storage and packaging services for petroleum products and by-products; (2) natural gas services, including liquids transportation and distribution services and natural gas storage; (3) sulfur and sulfur-based products processing, manufacturing, marketing and distribution; and (4) marine transportation services for petroleum products and by-products.

Use of Non-GAAP Financial Information -- This news release includes forecasted EBITDA. This is a non-GAAP financial measure. Forecasted EBITDA is based on the partnership's projections for the assets acquired. Forecasted EBITDA is included to help facilitate comparisons of operating performance of the partnership with other companies in our industry, as well as help facilitate an assessment of our assets' projected ability to generate sufficient cash flow to make distributions to our partners. Forecasted EBITDA is not presented as an alternative to the nearest GAAP financial measure, net income, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. We are unable to present a reconciliation of forecasted EBITDA to net income because certain elements of net income, including interest, depreciation and taxes, are not available. Together, these items generally result in EBITDA being significantly greater than net income.

Cautionary Statement Regarding Forward-Looking Statements

This press release includes forward-looking statements regarding future events, such as the partnership's future performance. 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 and NuStar GP Holdings, LLC's 2015 annual reports on Form 10-K and subsequent filings with the Securities and Exchange Commission. Actual results may differ materially from those described in the forward-looking statements.

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