NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended September 30, 2012
(Unaudited, Thousands of Dollars)

NuStar Energy L.P. utilizes a financial measure, EBITDA, that is not defined in United States generally accepted accounting principles. Management uses this financial measure because it is a widely accepted financial indicator used by investors to compare partnership performance. In addition, management believes that this measure provides investors an enhanced perspective of the operating performance of the partnership's assets. EBITDA is not intended nor presented as an alternative to net income. EBITDA should not be considered in isolation or as a substitute for a measure of performance prepared in accordance with United States generally accepted accounting principles.

EBITDA in the following reconciliations relate to our operating segments. For purposes of segment reporting we do not allocate general and administrative expenses to our reported operating segments because those expenses relate primarily to the overall management at the entity level. Therefore, EBITDA reflected in the following reconciliations exclude any allocation of general and administrative expenses consistent with our policy for determining segmental operating income, the most directly comparable GAAP measure.

1. The following are reconciliations of operating income (loss) to EBITDA for our asphalt and fuels marketing segment:

	Three Months Ended September 30, 2012			
	Asphalt Operations	Fuels Marketing Operations	San Antonio Refinery	Total Asphalt and Fuels Marketing Segment
Operating income (loss)	$ 2,069	$ (8,576)	$ (9,175)	$ (15,682)
Plus depreciation and amortization expense	0	5	1,399	1,404
EBITDA	$ 2,069	$ (8,571)	$ (7,776)	$ (14,278)

	Three Months Ended September 30, 2011			
	Asphalt Operations	Fuels Marketing Operations	San Antonio Refinery	Total Asphalt and Fuels Marketing Segment
Operating income	$ 3,331	$ 18,891	$ 3,196	$ 25,418
Plus depreciation and amortization expense	5,475	25	573	6,073
EBITDA	$ 8,806	$ 18,916	$ 3,769	$ 31,491
Decrease in EBITDA	$ (6,737)	$ (27,487)	$ (11,545)	$ (45,769)

2. The following are reconciliations of operating income to EBITDA for certain of our reported operating segments:

	Three Months Ended September 30, 2012	
	Storage Segment	Transportation Segment
Operating income	$ 50,422	$ 42,597
Plus depreciation and amortization expense	23,298	13,345
EBITDA	$ 73,720	$ 55,942

	Three Months Ended September 30, 2011	
	Storage Segment	Transportation Segment
Operating income	$ 48,778	$ 38,248
Plus depreciation and amortization expense	21,725	12,855
EBITDA	$ 70,503	$ 51,103
Increase in EBITDA	$ 3,217	$ 4,839

3. The following is a reconciliation of operating income to EBITDA for our transportation segment for three months ended December 31, 2011:

Operating income	$ 42,805
Plus depreciation and amortization expense	12,893
EBITDA	$ 55,698

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4. The following is a reconciliation of projected incremental operating income range to projected incremental EBITDA range for certain of our reported operating segments:

	Year Ended December 31, 2012	
	Storage Segment	**Transportation Segment**
Projected incremental operating income range	$ 15,000 - 23,000	$ 8,000 - 16,000
Plus projected incremental depreciation and amortization expense range	5,000 - 7,000	2,000 - 4,000
Projected incremental EBITDA range	$ 20,000 - 30,000	$ 10,000 - 20,000

5. The following is a reconciliation of projected incremental operating income range to projected incremental EBITDA range for our transportation segment for the year ended December 31, 2013:

Projected incremental operating income range	$ 36,000 - 54,000
Plus projected incremental depreciation and amortization expense range	4,000 - 6,000
Projected incremental EBITDA range	$ 40,000 - 60,000

6. The following is a reconciliation of projected operating loss range to projected EBITDA range for our asphalt and fuels marketing segment:

	Year Ended December 31, 2012		
	Asphalt and Fuels Marketing Segment	**Less Asset and Goowill Impairment Loss (1)**	**Adjusted Asphalt and Fuels Marketing Segment**
Projected operating loss range	$ (286,000 - 316,000)	$ (266,000)	$ (20,000 - 50,000)
Plus projected depreciation and amortization expense range	10,000 - 20,000	-	10,000 - 20,000
Projected EBITDA range	$ (276,000 - 296,000)	$ (266,000)	$ (10,000 - 30,000)

(1) 2012 asset and goodwill impairment loss of $266 million related to asphalt operations.

7. The following is a reconciliation of projected incremental operating income range to projected incremental EBITDA range for our asphalt and fuels marketing segment:

	Year Ended December 31, 2013
Projected incremental operating income range	$ 50,000 - 72,000
Plus projected decrease in depreciation and amortization expense range	(10,000 - 12,000)
Projected incremental EBITDA range (1)	$ 40,000 - 60,000

(1) Excludes impact of 2012 asset and goodwill impairment loss of $266 million related to asphalt operations.