NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter and Year Ended December 31, 2013
(Unaudited, Thousands of Dollars)

NuStar Energy L.P. utilizes financial measures, such as earnings before interest, taxes, depreciation and amortization (EBITDA), distributable cash flow (DCF), adjusted net income and adjusted net income per unit (EPU), which are not defined in U.S. generally accepted accounting principles (GAAP). Management uses these financial measures because they are widely accepted financial indicators used by investors to compare partnership performance. In addition, management believes that these measures provide investors an enhanced perspective of the operating performance of the partnership's assets and the cash that the business is generating. None of these financial measures, which are not defined in GAAP are intended to represent cash flows from operations for the period, nor are they presented as an alternative to net income or income from continuing operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with GAAP. 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 segment 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 net (loss) income to adjusted net income and EPU to adjusted EPU:

	Three Months Ended December 31, 2013		Three Months Ended December 31, 2012	
Net (loss) income/EPU	$ (375,280)	$ (4.73)	$ (11,023)	$ (0.27)
Certain adjustments:				
Asset and goodwill impairment loss	406,982	4.99	-	-
Hedge losses related to sale of the San Antonio refinery	-	-	18,842	0.24
Other adjustments (1)	(3,387)	(0.05)	22,670	0.28
Total certain adjustments	403,595	4.94	41,512	0.52
Adjusted net income	28,315		30,489	
GP interest and incentive and noncontrolling interest	(11,751)		(11,019)	
Adjusted net income/EPU applicable to limited partners	$ 16,564	$ 0.21	$ 19,470	$ 0.25

	Year Ended December 31, 2013		Year Ended December 31, 2012	
Net (loss) income/EPU	$ (284,671)	$ (4.00)	$ (227,237)	$ (3.61)
Certain adjustments:				
Asset and goodwill impairment loss	406,982	4.99	271,778	3.65
(Gain) loss on sale of certain assets	(9,295)	(0.12)	22,306	0.30
Gain on legal settlement	-	-	(18,680)	(0.25)
Hedge losses related to sale of the San Antonio refinery	-	-	18,842	0.25
Other adjustments (1)	(8,928)	(0.12)	29,100	0.39
Total certain adjustments	388,759	4.75	323,346	4.34
Adjusted net income	104,088		96,109	
GP interest and incentive and noncontrolling interest	(45,251)		(42,555)	
Adjusted net income/EPU applicable to limited partners	$ 58,837	$ 0.75	$ 53,554	$ 0.73

(1) Other adjustments primarily consist of costs related to cancelled capital projects, employee benefit expenses associated with the asphalt joint venture and lease buyout expenses for the company's previous corporate office location.

2. The following is a reconciliation of projected annual operating income to projected annual EBITDA for certain projects in our Pipeline Segment:

	Houston Pipeline NGL Project
Projected annual operating income	$ 15,000
Plus projected depreciation and amortization expense	8,000
Projected annual EBITDA	$ 23,000

3. The reconciliation below shows projected incremental operating income to projected incremental EBITDA for the pipeline segment:

	Year Ended December 31, 2014
Projected incremental operating income	$ 35,000 - 50,000
Plus projected incremental depreciation and amortization expense	5,000 - 10,000
Projected incremental EBITDA	$ 40,000 - 60,000

4. The reconciliation below shows projected operating income to projected EBITDA for the fuels marketing segment:

	Year Ended December 31, 2014
Projected operating income	$ 10,000 - 30,000
Plus projected depreciation and amortization expense	-
Projected EBITDA	$ 10,000 - 30,000

NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter and Year Ended December 31, 2013
(Unaudited, Thousands of Dollars)

NuStar Energy L.P. utilizes financial measures, such as earnings before interest, taxes, depreciation and amortization (EBITDA), distributable cash flow (DCF), adjusted net income and adjusted net income per unit (EPU), which are not defined in U.S. generally accepted accounting principles (GAAP). Management uses these financial measures because they are widely accepted financial indicators used by investors to compare partnership performance. In addition, management believes that these measures provide investors an enhanced perspective of the operating performance of the partnership's assets and the cash that the business is generating. None of these financial measures, which are not defined in GAAP are intended to represent cash flows from operations for the period, nor are they presented as an alternative to net income or income from continuing operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with GAAP. 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 segment reconciliations exclude any allocation of general and administrative expenses consistent with our policy for determining segmental operating income, the most directly comparable GAAP measure.

5. The reconciliations below show operating income to EBITDA for our pipeline and fuels marketing segments:

	Three Months Ended December 31, 2013		Three Months Ended December 31, 2012	
	Pipeline	Fuels Marketing	Pipeline	Fuels Marketing
Operating income	$ 59,167	$ 7,114	$ 47,950	$ 5,998
Depreciation and amortization expense	18,832	7	13,792	18
EBITDA	$ 77,999	$ 7,121	$ 61,742	$ 6,016

6. The following is a reconciliation of operating loss to adjusted operating income and adjusted EBITDA for the storage segment:

	Three Months Ended December 31, 2013
Operating loss	$ (266,903)
Impact from non-cash charges	304,453
Adjusted operating income	37,550
Depreciation and amortization expense	24,439
Adjusted EBITDA	$ 61,989

7. The following is a reconciliation of operating income to EBITDA for the storage segment:

	Three Months Ended December 31, 2012
Operating income	$ 36,338
Depreciation and amortization expense	22,437
EBITDA	$ 58,775

8. The following is a reconciliation of projected income from continuing operations to projected EBITDA from continuing operations and projected DCF from continuing operations:

	Three Months Ended March 31, 2014
Projected income from continuing operations	$ 38,000 - 46,000
Plus projected interest expense, net	33,000 - 34,000
Plus projected income tax expense, net	3,000 - 5,000
Plus projected depreciation and amortization expense	47,000 - 48,000
Projected EBITDA from continuing operations	121,000 - 133,000
Projected equity in earnings of joint ventures	(2,000 - 3,000)
Projected interest expense, net	(33,000 - 34,000)
Projected reliability capital expenditures	(8,000 - 10,000)
Projected income tax expense	(3,000 - 5,000)
Projected distributions from joint ventures	3,000 - 4,000
Projected mark-to-market impact on hedge transactions and other items	1,000 - 2,000
Projected DCF from continuing operations	79,000 - 87,000
Less projected DCF from continuing operations available to general parnter	13,000
Projected DCF from continuing operations available to limited partners	$ 66,000 - 74,000
Projected DCF from continuing operations per limited partner unit	$ 0.85 - 0.95