



NUSTAR ANNUAL MEETING
APRIL 23, 2014



2014



Bill Greehey
Chairman



Geared Up For A Great 2014



- 2013 was a major turning point for NuStar
 - Reduced exposure to margin-related business
 - Focused on growing pipeline & terminal business
- Have completed every major step of that plan
- Company is stronger, more profitable, more stable and better-positioned to grow
- 2014 is off to a great start





Still Bullish On NuStar

- Still a significant buyer of NuStar units every year
 - *Never sold a unit*
- Insider trading tells you how confident the board & execs are in a company's future
- Recognized by FORBES for high yield and strong insider buying



NuStar Units Are A GREAT Value

Total Return – NS Since IPO

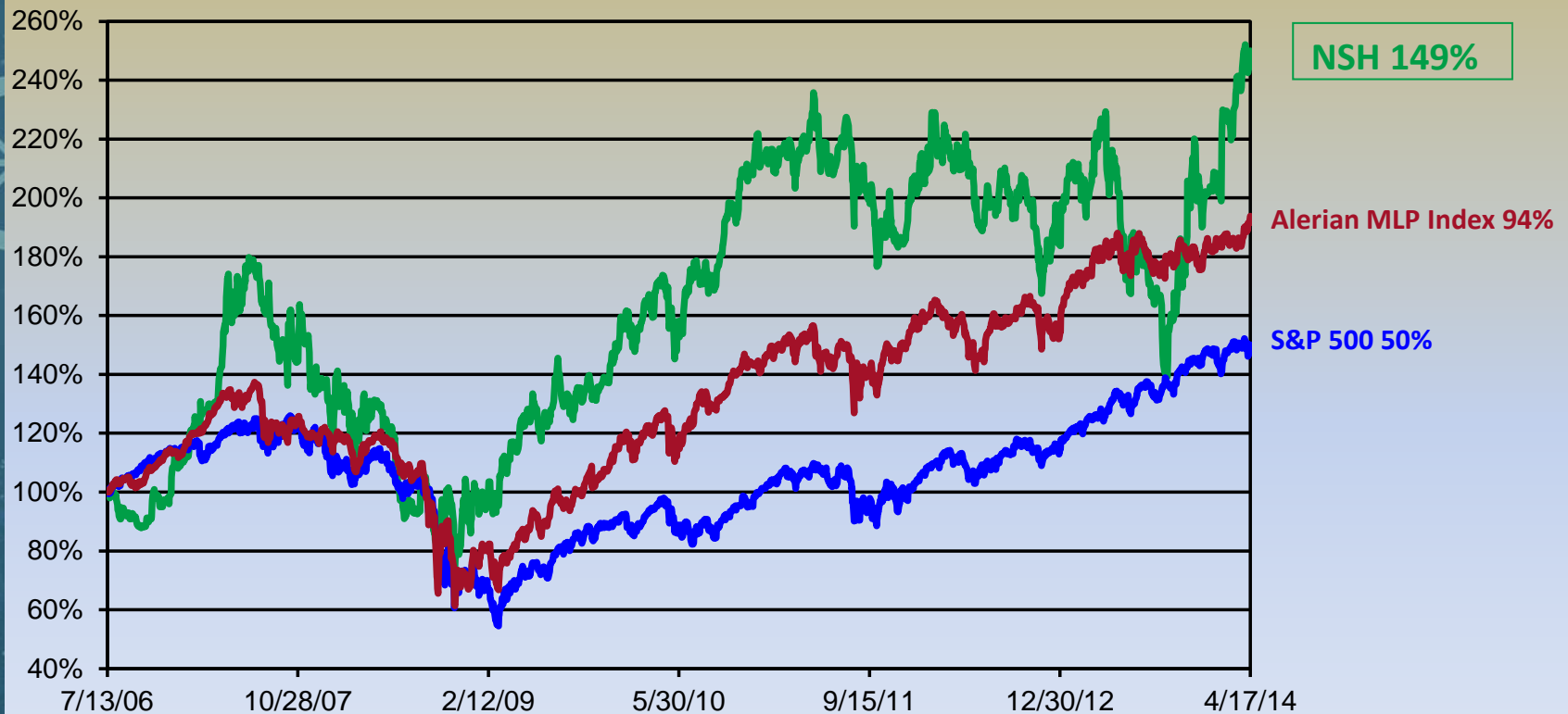




NuStar Units Are A GREAT Value



Total Return – NSH Since IPO



Outstanding Unitholder Returns in 2014



- NS YTD unitholder return is 10.3%
 - #4 among our 16 peers!
- NSH YTD unitholder return is 23.8%
 - #1 among our peers!
- Alerian YTD return = 5.6%; S&P YTD return = 1.5%
- NS units were #1 among peers in March with a 10.1% return
 - NS closed at \$56.38 on April 22 – highest closing price since April 24, 2012
- NSH units were #1 among peers in March with a 13.3% return
 - NSH closed at \$34.55 on April 22 – highest closing price since May 10, 2012



1Q14 Results

Exceeded Expectations

- 1Q14 results exceeded expectations
 - Earnings much higher than 1Q13; expect full-year earnings to exceed 2013 earnings
 - 1Q DCF = \$1.00
 - *Highest results since 1Q09*
 - *Highest distribution coverage since 1Q09*
 - Goldman Sachs & JP Morgan upgraded NS to “Buy”; first “Buy” ratings since September 2012
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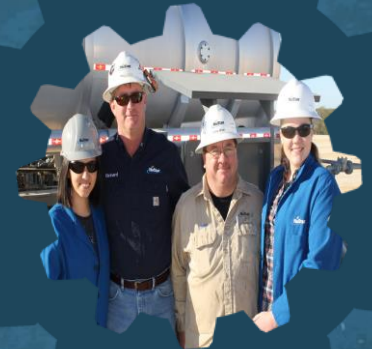
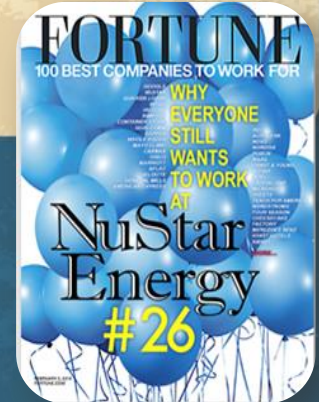
Seeing Results and Achieving Our Goals

- Have completed our restructuring
- Have worked our way through the poor economy
- Extremely proud of all NuStar employees
 - *Everyone has come together and is working together*
 - *Have developed creative solutions to increase earnings*
 - *Have executed growth projects on-time and on-budget*
 - *Have met budget targets*



Positive Results Are A Result of our CULTURE

- Employee-first culture
- Take care of employees, they will take care of
 - Customers
 - Communities
 - Unitholders
- Working hard to forge a bright future for *all* of our stakeholders





THE

BEST

IS

YET

TO

COME!



Brad Barron
CEO and President

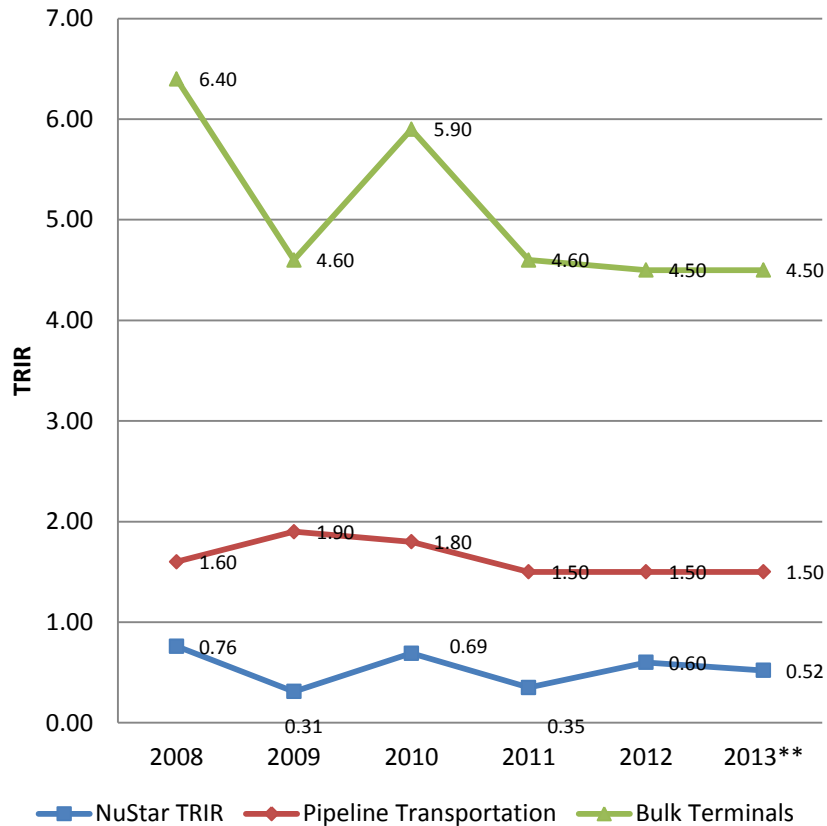
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Safety Achievements

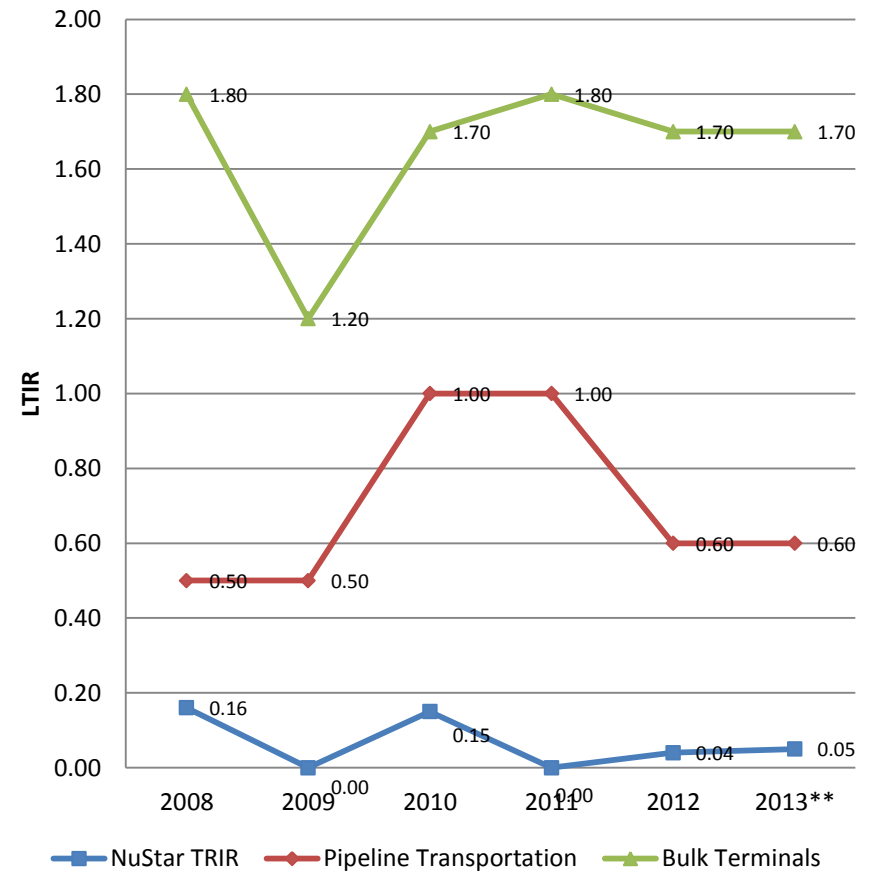


Safety Performance Remains The Best In the Industry

Total Recordable Incident Rate - Industry Comparison



Lost Time Incident Rate - Industry Comparison



Continue To Add OSHA VPP Star Worksites

- NuStar is now up to 17 VPP Star Worksites, with more to come

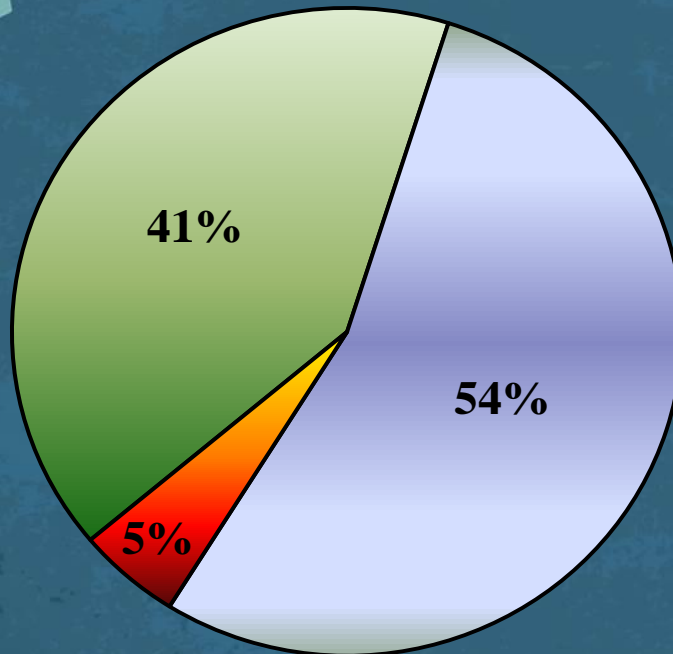


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Successful Strategic Redirection

Majority of Operating Income Generated by Fee-Based Storage & Pipeline Segments

Percentage of Estimated 2014
Segment Operating Income



Storage: 41%

- Refined Product Terminals
- Crude Oil Storage



Pipeline: 54%

- Refined Product Pipelines
- Crude Oil Pipelines



Fuels Marketing: 5%

- Product Supply, Crude Oil Trading, Bunkering and Fuel Oil Marketing



Primary Goal for 2014

- #1 business goal in 2014 is to return to a 1:1 coverage of our distribution; key to
 - Investors' confidence
 - Increasing unit price
 - Lower cost of capital
 - Improved ability to acquire additional pipeline & storage assets
- Spent 1Q14 “de-risking” budget and operations
 - Completed projects and business transactions critical to meeting budget targets



1.1 DISTRIBUTION COVERAGE = INVESTOR CONFIDENCE = NS UNIT PRICE APPRECIATION

Meeting Key Goals

- ✓ Closed on Asphalt JV divestiture
 - *No more impact to earnings after 1st quarter*
- ✓ Signed long-term agreement to re-activate idled 200-mile 12" pipeline
- ✓ Signed lease for 5 million barrels of storage to fill idle storage tankage at St. Eustatius
- ✓ Re-signed lease for 3 million barrels of storage at Point Tupper
 - *Ahead of July 2014 lease expiration*
- ✓ Completed construction of new dock at Corpus Christi ahead of schedule
 - *More than triples dock capacity; recently loaded 700,000 bbls in a 24-hour period*
- All of this good news led to one of the best first quarters in NuStar history
 - *Earnings and DCF both exceeded expectations*

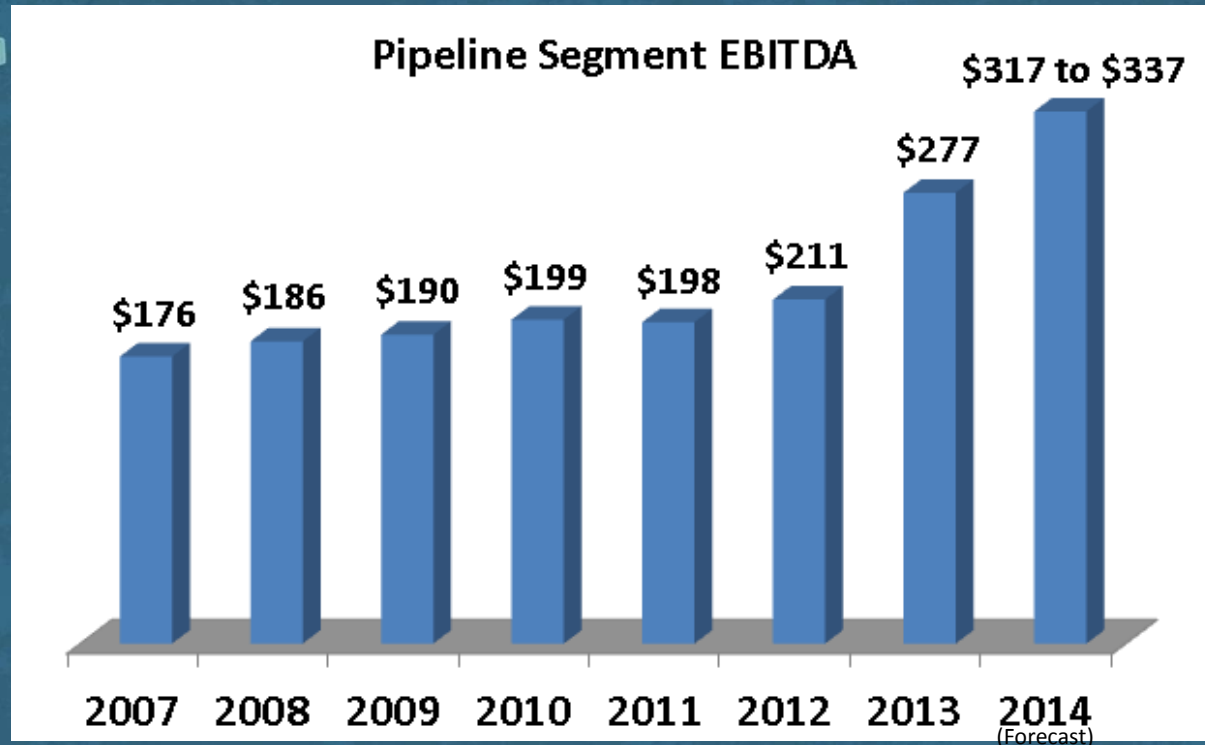


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Pipeline Segment Update



Growth in Eagle Ford Shale Region Expected to Lead Future Growth in Pipeline Segment EBITDA



- 2014 segment EBITDA expected to be \$40 to \$60 million higher than 2013
- Eagle Ford pipeline expansion projects completed during 2013 and 2014, increased pipeline throughputs as a result of the increased loading capabilities at our new Corpus Christi dock and higher expected FERC tariffs, effective July 1, 2014, should contribute to higher 2014 results

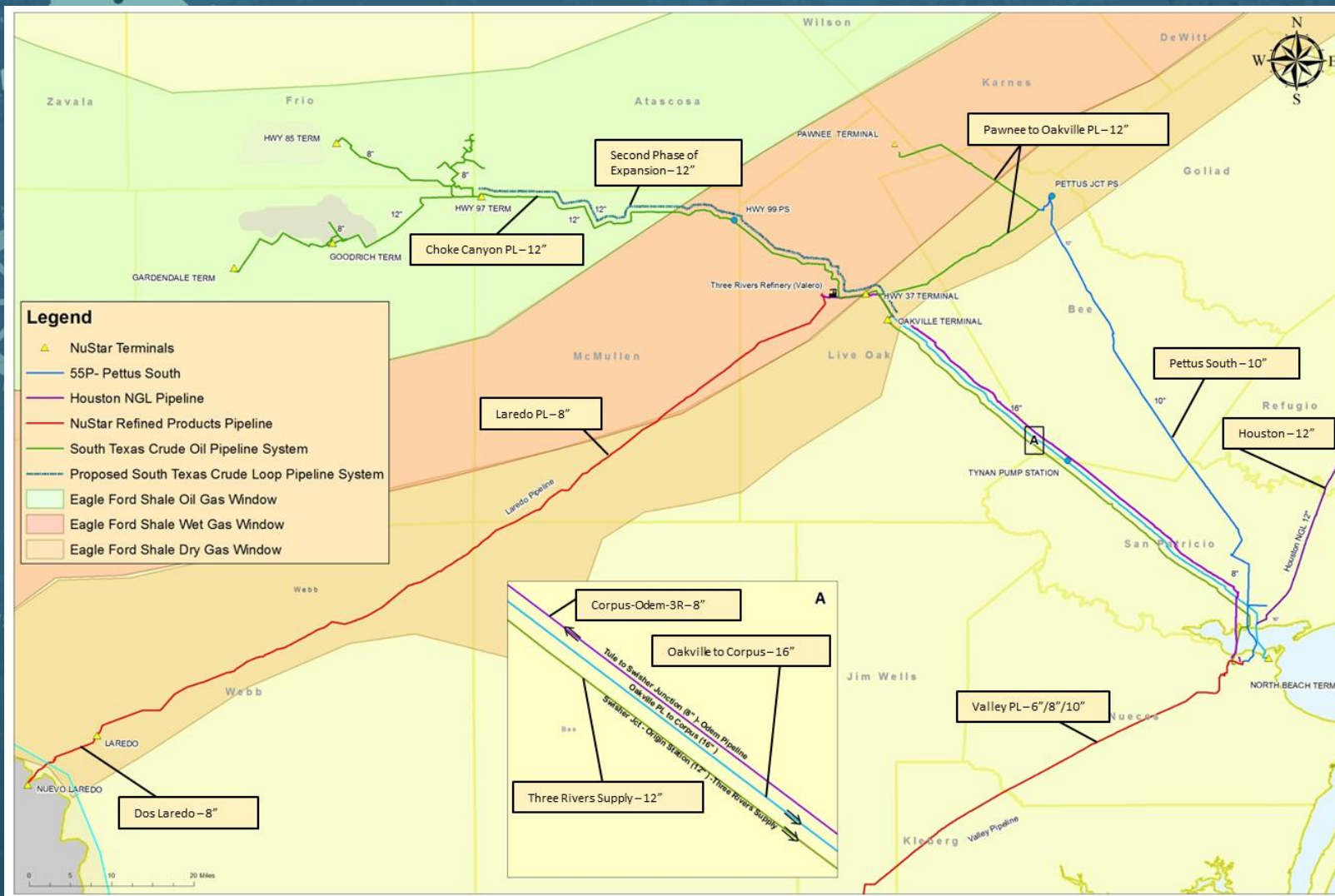
NuStar Has Invested Over \$500MM In High-Return Projects in the Eagle Ford Shale

- \$325 million acquisition of TexStar Eagle Ford pipeline & storage assets in December 2012 presented great opportunities for growth in the region
- \$220 million invested in major Eagle Ford Pipeline internal growth projects:
 - *Reactivation of Pettus to Corpus Christi pipeline*
 - *Reversal of 8-inch Corpus to Three Rivers refined products pipeline*
 - *Construction of a new 12-inch crude oil pipeline for Valero*
 - *Connection of 16-inch Corpus to Three Rivers crude oil pipeline to 12-inch TexStar crude oil pipeline system*
 - *Oakville Terminal Truck Offloading*
 - *Pawnee terminal and pipeline connection for ConocoPhillips*
- We expect these projects to earn EBITDA multiples in the range of 4x – 8x





One Of The Largest Players In The Eagle Ford Shale Play

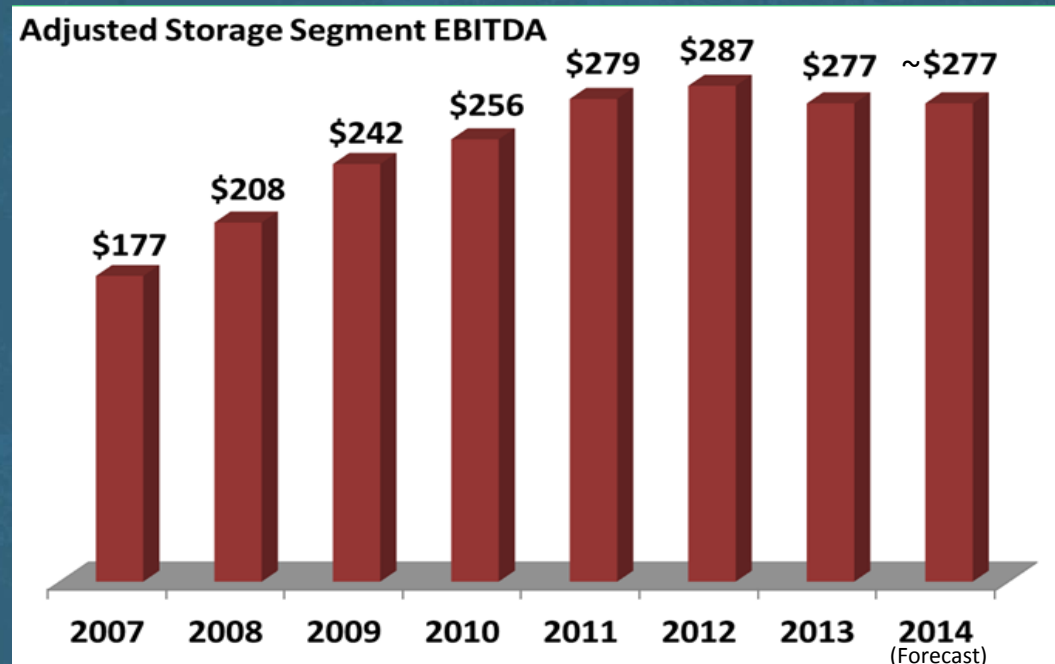




Storage Segment Update



Expect 2014 Storage Segment EBITDA To Be Comparable With 2013



- Storage segment should benefit from the completion of second unit train at St. James Terminal in November 2013; from additional throughput at new Corpus Christi dock; and from the recent storage agreement entered into at St. Eustatius terminal.
- Benefits are expected to be offset by reduced profit sharing proceeds on our first St. James unit train and by weak demand for storage in backwardated market – primarily on the West Coast
 - *Crude oil future prices lower than current prices; reduces demand for storage*
 - *Has made storage business more challenging than prior years with contango market*
 - *NuStar still strong due to diverse asset base*

Pursuing Other Storage Terminal Opportunities

- Potential Pt. Tupper rail offloading facility for crude oil and/or LPG
- Exploring crude-by-rail projects on the West Coast
- Expanding unit train volumes at the St. James Terminal
- Evaluating the long-term need for additional crude oil storage and infrastructure capacity at St. Eustatius



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Fuels Marketing Segment Update

Going Forward Expect Less Volatility and Reduced Working Capital Requirements in Fuels Marketing Segment

- Largest components of fuels marketing segment include:
 - *Bunkering operations in St. Eustatius and Texas City*
 - *Heavy fuel operations in Texas City*
 - *Crude trading in St. James*
 - *Butane blending in Midwest*
- Difficult year in 2013 due to changing market conditions, but have made many improvements
 - *Back-to-back supply agreement at our St. Eustatius terminal is benefiting the segment*
 - *Agreement reduced our working capital by approximately \$50 million*
 - *Should improve results \$5-\$10 million per year*
- Fuels Marketing currently pays Storage Segment approximately \$25 million in annual storage fees
 - *Especially important in backwardated market*
- 2014 EBITDA results for the segment are expected to be \$10 to \$30MM; \$10MM generated in 1Q14





Looking Beyond 2014

- Also focused on developing plans for 2015 and 2016
 - *Looking at internal growth projects with solid rates of return*
 - *Some acquisition opportunities exist*
- Should generate increased growth in EBITDA and DCF that will lead to increased distributions in coming years
- NuStar is stronger and better-positioned for the future
 - *More focused business with more stable cash flows*
 - *Strategically and geographically diverse asset base*
 - *Improved balance sheet*
 - *Strong board, experienced management team and best employees!*



Geared Up To Meet Our Goals And Grow Our Company!





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