NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter and Year Ended December 31, 2010
(Unaudited, Thousands of Dollars Except Per Unit Data)

NuStar Energy L.P. utilizes two financial measures, EBITDA and distributable cash flow, which are not defined in United States generally accepted accounting principles. 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. Neither EBITDA nor distributable cash flow are intended to represent cash flows for the period, nor are they presented as an alternative to net income. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with United States generally accepted accounting principles.

1. The following is a reconciliation of the range of projected net income to projected EBITDA:

	Three Months Ended March 31, 2011
Projected net income	$ 15,000 - $ 32,000
Plus projected interest expense, net	20,000 - 21,000
Plus projected income tax expense	6,000 - 7,000
Plus projected depreciation and amortization expense	39,000 - 40,000
Projected EBITDA	$ 80,000 - $100,000

EBITDA in the following reconciliation relates to our operating segments or a portion of an operating segment. 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 excludes any allocation of general and administrative expenses consistent with our policy for determining segmental operating income, the most directly comparable GAAP measure.

2. The following is a reconciliation of operating income to EBITDA for our reported operating segments:

	Year Ended December 31, 2010		
	Storage Segment	Transportation Segment	Asphalt and Fuels Marketing Segment
Operating income	$ 178,947	$ 148,571	$ 90,861
Plus depreciation and amortization expense	77,071	50,617	20,257
EBITDA	$ 256,018	$ 199,188	$ 111,118

	Year Ended December 31, 2009		
	Storage Segment	Transportation Segment	Asphalt and Fuels Marketing Segment
Operating income	$ 171,245	$ 139,869	$ 60,629
Plus depreciation and amortization expense	70,888	50,528	19,463
EBITDA	$ 242,133	$ 190,397	$ 80,092
Incremental EBITDA	$ 13,885	$ 8,791	$ 31,026

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(Unaudited, Thousands of Dollars)

3. The following tables reconcile operating income to EBITDA for our asphalt operations and our fuels marketing operations:

	Year Ended December 31, 2010		
	Asphalt Operations	Fuels Marketing Operations	Asphalt and Fuels Marketing Segment
Operating income	$ 53,977	$ 36,884	$ 90,861
Plus depreciation and amortization expense	20,164	93	20,257
EBITDA	$ 74,141	$ 36,977	$ 111,118

	Year Ended December 31, 2009		
	Asphalt Operations	Fuels Marketing Operations	Asphalt and Fuels Marketing Segment
Operating income	$ 50,710	$ 9,919	$ 60,629
Plus depreciation and amortization expense	19,463	-	19,463
EBITDA	$ 70,173	$ 9,919	$ 80,092
Incremental EBITDA	$ 3,968	$ 27,058	$ 31,026

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

	Three Months Ended December 31, 2010		
	Storage Segment	Transportation Segment	Asphalt and Fuels Marketing Segment
Operating income	$ 47,559	$ 42,567	$ 15,748
Plus depreciation and amortization expense	20,067	12,588	5,003
EBITDA	$ 67,626	$ 55,155	$ 20,751

	Three Months Ended December 31, 2009		
	Storage Segment	Transportation Segment	Asphalt and Fuels Marketing Segment
Operating income	$ 40,163	$ 39,475	$ (4,669)
Plus depreciation and amortization expense	18,416	12,627	4,927
EBITDA	$ 58,579	$ 52,102	$ 258
Incremental EBITDA	$ 9,047	$ 3,053	$ 20,493

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(Unaudited, Thousands of Dollars)

5. The following tables reconcile operating income to EBITDA for our asphalt operations and our fuels marketing operations:

	Three Months Ended December 31, 2010		
	Asphalt Operations	Fuels Marketing Operations	Asphalt and Fuels Marketing Segment
Operating income	$ 1,436	$ 14,312	$ 15,748
Plus depreciation and amortization expense	4,978	25	5,003
EBITDA	$ 6,414	$ 14,337	$ 20,751

	Three Months Ended December 31, 2009		
	Asphalt Operations	Fuels Marketing Operations	Asphalt and Fuels Marketing Segment
Operating income	$ (3,852)	$ (817)	$ (4,669)
Plus depreciation and amortization expense	4,927	-	4,927
EBITDA	$ 1,075	$ (817)	$ 258
Incremental EBITDA	$ 5,339	$ 15,154	$ 20,493

6. The following is a reconciliation of projected incremental operating income to projected incremental EBITDA for the three months ended March 31, 2011:

	Storage Segment
Projected incremental operating income range	$ 4,000 - $ 8,000
Plus projected incremental depreciation and amortization expense range	1,000 - 2,000
Projected incremental EBITDA range	$ 5,000 - $ 10,000

7. The following is a reconciliation of projected incremental operating income to projected incremental EBITDA for the year ended December 31, 2011 compared to the year ended December 31, 2010:

	Storage Segment	Transportation Segment
Projected increase (decrease) in operating income range	$ 25,000 - $ 34,000	($ 5,500 - $11,000)
Plus projected incremental depreciation and amortization expense range	5,000 - 6,000	500 - 1,000
Projected increase (decrease) in EBITDA range	$ 30,000 - $ 40,000	($ 5,000 - $10,000)