

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 22, 2008**

NUSTAR ENERGY L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
Incorporation)

1-16417
(Commission
File Number)

74-2956831
(IRS Employer
Identification No.)

2330 North Loop 1604 West
San Antonio, Texas
(Address of principal executive offices)

78248
(Zip Code)

Registrant's telephone number, including area code: (210) 918-2000

NOT APPLICABLE

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

On May 22, 2008, senior management of NuStar Energy L.P. (the “Company”) will participate at the 2008 Master Limited Partnership Investor Conference (the “Conference”). The slides attached to this report were prepared in connection with management’s participation at the Conference. The slides are included in Exhibit 99.1 to this report and are incorporated herein by reference. The slides will be available on the Company’s website at www.nustarenergy.com.

The information in this report is being furnished, not filed, pursuant to Regulation FD. Accordingly, the information in Items 7.01 and 9.01 of this report will not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by the Company that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Company or any of its affiliates.

Safe Harbor Statement

Statements contained in the exhibit to this report state the Company’s or its management’s expectations or predictions of the future and are forward-looking statements intended to be covered by the safe harbor provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. It is important to note that the Company’s actual results could differ materially from those projected in such forward-looking statements. Factors that could affect those results include those mentioned in the documents that the Company has filed with the Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

[99.1](#) Slides from presentation to be used on May 22, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NuStar Energy L.P.

By: Riverwalk Logistics, L.P.
Its general partner

By: NuStar GP, LLC
Its general partner

Date: May 22, 2008

By: /s/Amy L. Perry

Amy L. Perry
Assistant Secretary

EXHIBIT INDEX

Number

Exhibit

[99.1](#)

Slides from presentation to be used on May 22, 2008.



**NAPTP MLP Conference
May 22, 2008**

**Steve Blank
Senior VP, CFO & Treasurer**

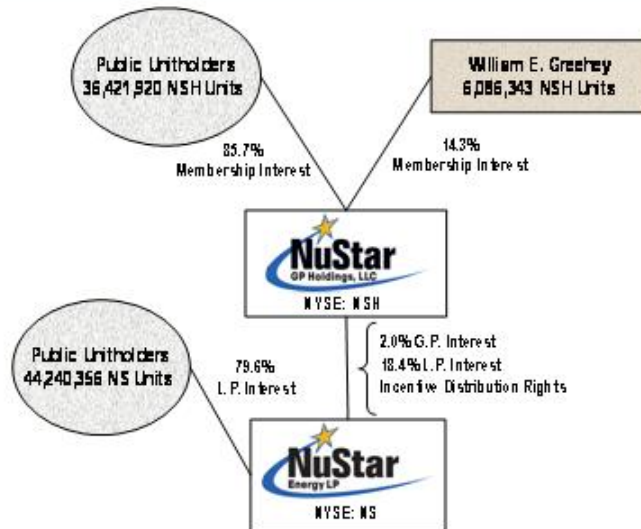


Forward Looking Statements

This presentation contains certain estimates, predictions, projections, assumptions and other forward-looking statements that involve various risks and uncertainties. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested in this report. These forward-looking statements can generally be identified by the words "anticipates," "believes," "expects," "plans," "intends," "estimates," "forecasts," "budgets," "projects," "will," "could," "should," "may" and similar expressions. These statements reflect our current views with regard to future events and are subject to various risks, uncertainties and assumptions. For a discussion of certain of those risks, please read "Risk Factors" in Item 1A of NuStar Energy L.P.'s and NuStar GP Holdings, LLC's Form 10-K for the year ended December 31, 2007 and subsequent quarterly reports as filed with the Securities and Exchange Commission.

NuStar Overview

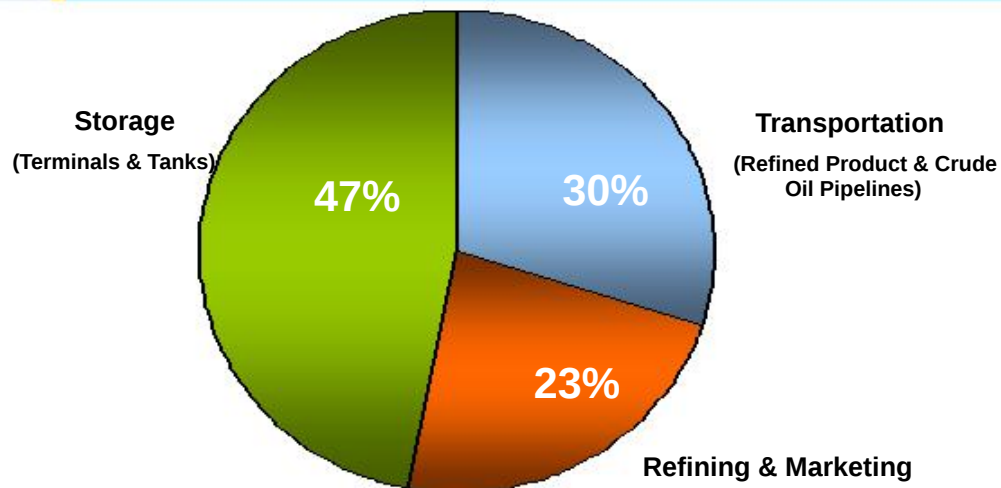
- ◆ A leading publicly traded growth-oriented partnership (NYSE: NS)
 - One of the largest independent petroleum pipeline and terminal operators in the U.S.
 - One of the largest asphalt refiners and marketers in the U.S.
 - Total unitholder return of approximately 230% since IPO in April 2001
 - Recently reported record 1Q08 earnings
 - Public owns approximately 80% of NuStar Energy L.P.'s common units
 - NuStar GP Holdings, LLC (NYSE: NSH) holds remaining ownership of NuStar Energy L.P. including 2% general partner interest, around 18% of NuStar Energy L.P.'s common units and all of the incentive distribution rights



Well-Diversified Asset Base



Primarily Fee-Based Assets



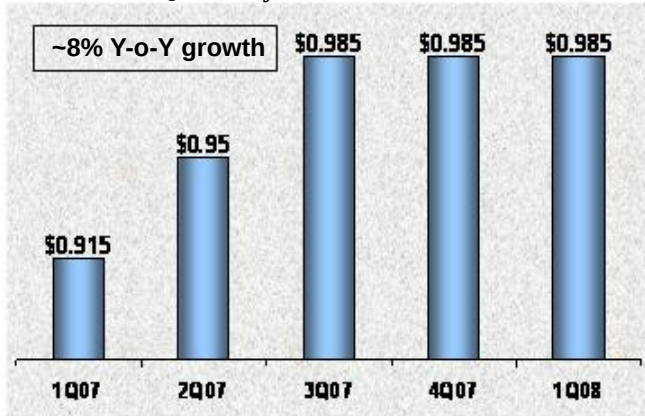
- Nearly 80% of segment assets at NuStar Energy generate stable, fee-based income
 - Includes refined product terminals, refined product and crude oil pipelines and crude oil storage tanks

Note: Percentages are based on March 31, 2008 asset values, including a preliminary purchase price allocation for the CITGO Asphalt Refining acquisition. Recently combined business segments into three primary segments instead of five segments.

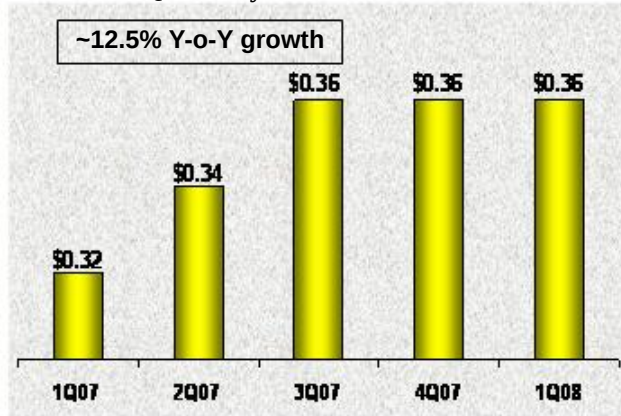


Good Distribution Growth

NuStar Energy L.P.
Quarterly Distribution Increases



NuStar GP Holdings, LLC
Quarterly Distribution Increases



- ◆ NuStar Energy L.P. declared a 1st quarter 2008 distribution of \$0.985 per unit, or \$3.94 per unit, on an annual basis
 - Healthy coverage ratio of 1.36 times applicable to the limited partners for 1st quarter of 2008
 - Cost of capital lower as incentive distribution rights are capped at 25%
- ◆ NuStar GP Holdings, LLC declared a 1st quarter 2008 distribution to \$0.36 per unit, or \$1.44 per unit, on an annual basis





Strategic Project Update

(Dollars in Millions)

Total Capital

In-Service Dates

Major Projects

Investment

1Q08

2Q08

3Q08

4Q08

2009-2011

Major Projects Completed in Late 2006 & 2007	~\$90.0					
Amsterdam Expansion – Partial P1	50.0	Completed				
St. Eustatius Expansion – P3	19.5	Completed				
Amsterdam Expansion – Partial P1 & P2	30.0		★			
Linden, NJ Optimization	7.9		★			
Texas City, TX Expansion	33.1		★			
St. James, LA Expansion	52.1			★		
Amsterdam Expansion – P3	28.5			★		
Jacksonville Expansion	21.0			★		
Texas City, TX Expansion	12.8				★	
New Pipeline and Terminal Construction Program*	500					★

Total

~\$845

- Majority of projects under \$400 million construction program expected to be complete by the end of 2008
- Recently announced \$500 million of new pipeline and terminal projects to help fuel partnership's growth beyond 2008
 - Does not include other potential projects from acquisition of CITGO Asphalt Refining Company
- Expect IRRs to be in the range of 15% to 20% for all projects

P = Phase

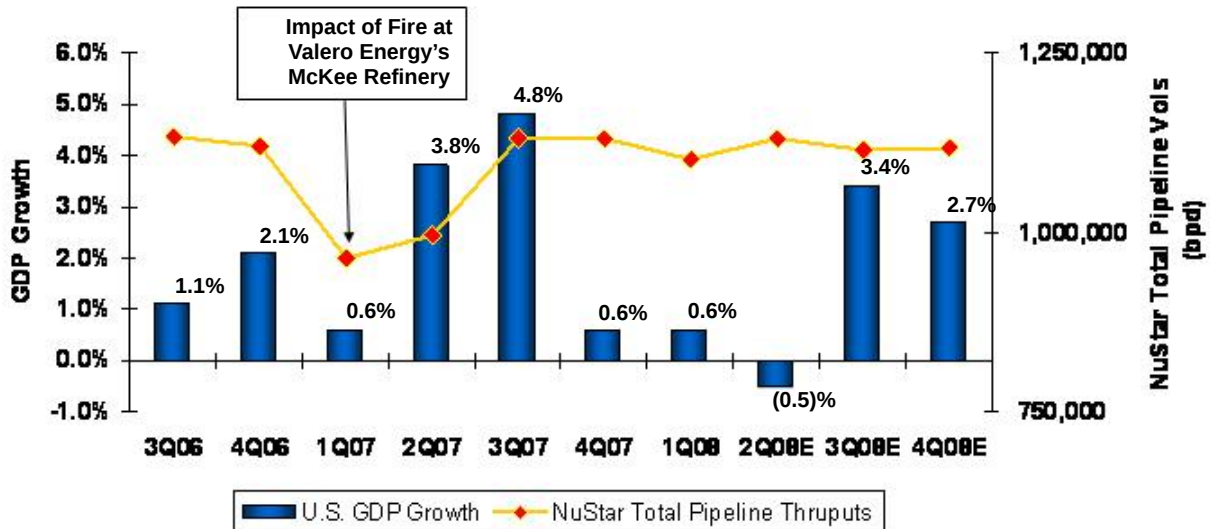
* Projects still under evaluation

7



Slower Economic Growth Not Expected to Materially Impact NuStar's Throughputs

GDP Growth vs. NuStar Total Pipeline Throughputs



Majority of NuStar's terminalling business supported by customer contracts

- Approximately 90% of new terminal expansions supported by contracts ranging from 5 to 10 years

Source: U.S. Department of Commerce – Bureau of Economic Analysis: Historical GDP figures

Global Insight – Estimated 2008 Quarterly GDP Figures

Notes: Graph starts from 3Q06 to reflect last pipeline deal done at NuStar Energy L.P.





New Asphalt Business



Asphalt Asset Overview

- ◆ Business comprised of two refineries, three owned terminals, and leases on 14 third-party terminals
 - Paulsboro, NJ Refinery: 74 mbpd
 - Asphalt production is shipped to the Northeast
 - Total storage capacity of 3.4 million barrels
 - Savannah, GA Refinery: 30 mbpd
 - Asphalt production shipped to the Southeast
 - Sole refinery and asphalt producer on the Southeast seaboard
 - Total storage capacity of 1.2 million barrels
 - Wilmington, North Carolina Terminal
 - Total storage capacity of 240,000 barrels
 - 14 third-party leased terminals with total asphalt storage capacity of 1.7 million barrels
- ◆ Commitment by PDVSA to supply NuStar an annual average of 75,000 bpd of crude oil
- ◆ Right of first offer to purchase nearly 11,000 bpd of paving grade asphalt and over 13,000 bpd of roofing flux asphalt each year to the extent exported by PDVSA

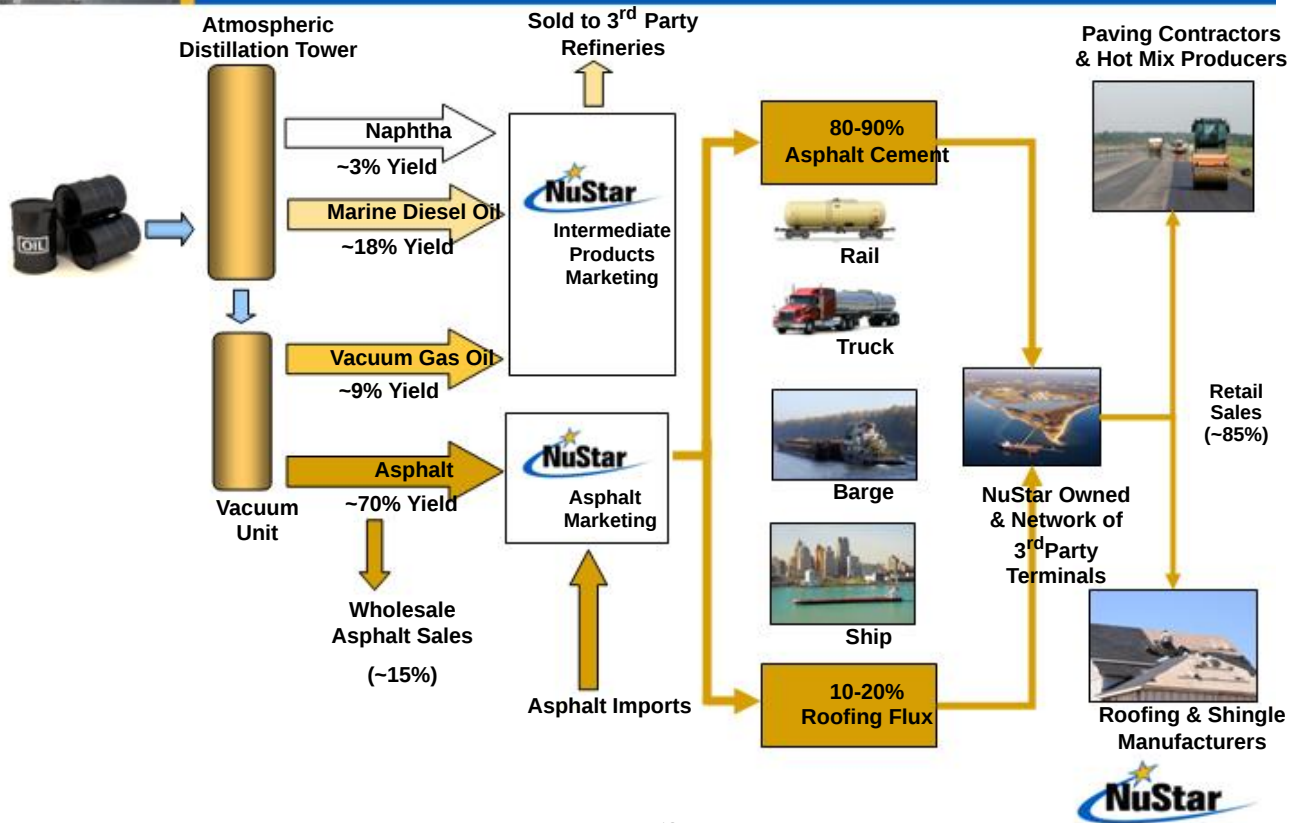


Strategic Rationale

- ◆ Compelling opportunity to buy assets at 50% of replacement value
- ◆ Over the long-term expect to benefit from higher asphalt margins due to a tightening market
- ◆ Provides exposure to one of the best asphalt markets in the U.S.
- ◆ Continues to diversify NuStar's customer base and expands geographic presence
- ◆ Complements our existing asphalt marketing and terminals business
- ◆ Additional strategic projects expected to benefit results from asphalt business



Asphalt Refining - A Simple Process

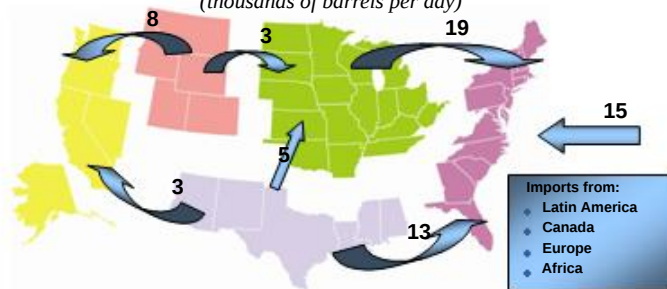


Asphalt Supply Drivers

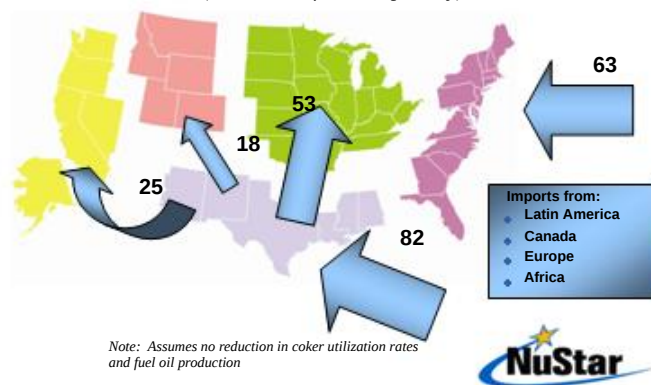
- ◆ East Coast and West Coast are currently net short asphalt
 - Excess production in Mid-Continent and Gulf Coast used to meet current demand
 - East Coast is also supplemented by imports
- ◆ New coker projects in Gulf Coast and Mid-Continent expected to reduce asphalt supply
 - Resulting imbalance expected to result in higher call on imports and/or cutting back on coker capacity
 - Level of coker projects has remained constant despite recent weak gasoline margins
- ◆ Shifting trade flows expected to drive asphalt margins higher

Sources: Poten & Partners; PIRA Refinery Database, Energy Information Agency

2006 U.S. Inter-PADD Asphalt Flows
(thousands of barrels per day)



Projected 2012 U.S. Inter-PADD Asphalt Flows
(thousands of barrels per day)



Asphalt Demand Drivers

◆ Paving

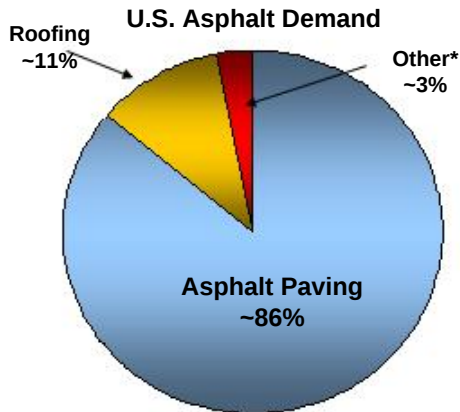
- Aging highway system, increased focus on preventative road maintenance and increases in total highway miles driven
- Residential and commercial construction
- Federal, state and local funding for highway projects



Significant Infrastructure Needs in the U.S.

◆ Roofing

- Re-roofing projects account for majority of asphalt demand versus new builds



- ◆ Only spending a fraction of what we should to maintain roads
- ◆ Approximately 33% of roads are in fair to poor condition**
- ◆ Currently spending around \$70 billion annually on highways***
- ◆ Estimated \$185 billion required each year to maintain roads in current condition***
- ◆ Estimated \$200 billion required to upgrade roads to good condition***

** Source: TRIP

*** Source: National Surface Transportation
14 Policy & Revenue Commission



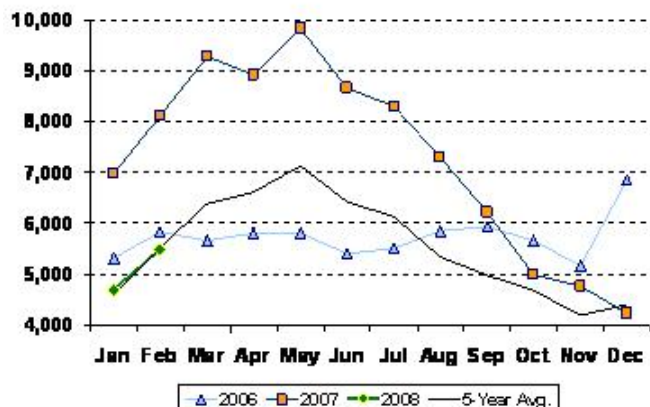
- Consists of coating and sealer markets and asphalt consumed in industrial applications such as paint, paper and steel manufacturing



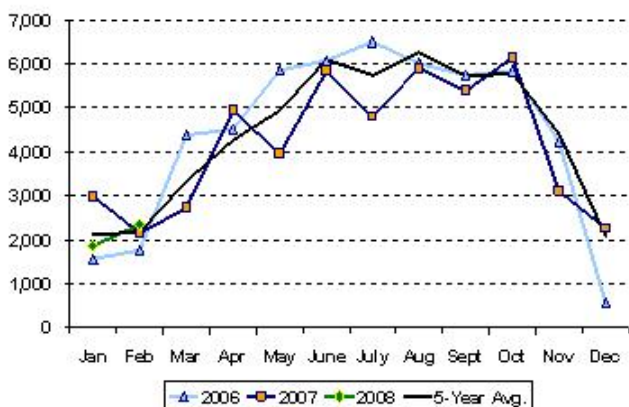
PADD I Asphalt

Current Supply & Demand Fundamentals

PADD I Asphalt Inventories (000 barrels)



PADD I Asphalt Demand (000 barrels)



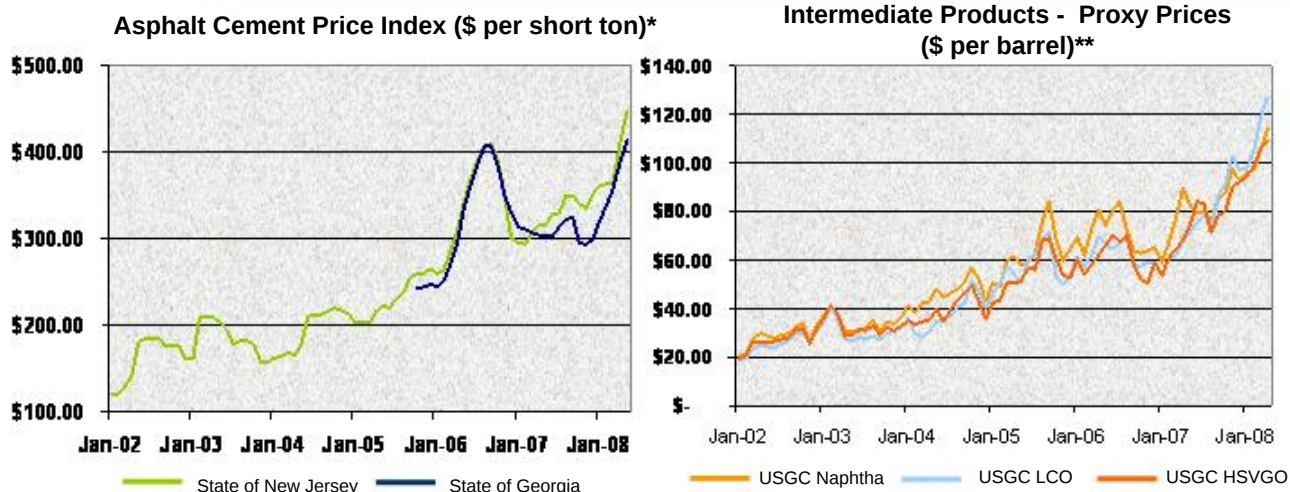
- ◆ Expect PADD I (i.e. East Coast) asphalt margins to recover from the first part of 2008 and fourth quarter 2007 levels due to:
 - Seasonal asphalt demand ramping up during the second quarter
 - Low inventory levels on the U.S. East Coast compared to last year
 - Level of asphalt imports to PADD I has declined over the past six months
- ◆ Expect a decrease in asphalt demand due to higher asphalt prices in PADD I
- ◆ Continue to be bullish on long-term fundamentals given the coker projects coming on-stream over the next few years

Source of data for graphs: Energy Information Administration





Increasing Product Prices



- Asphalt and intermediate product prices have been generally increasing although have lagged the rapid run-up in crude oil prices
- Expect asphalt prices of \$430 to \$475 per short ton for the second and third quarters of 2008 reflective of seasonal demand
- Prices for intermediate products continue to strengthen providing valuable contribution to NuStar's results

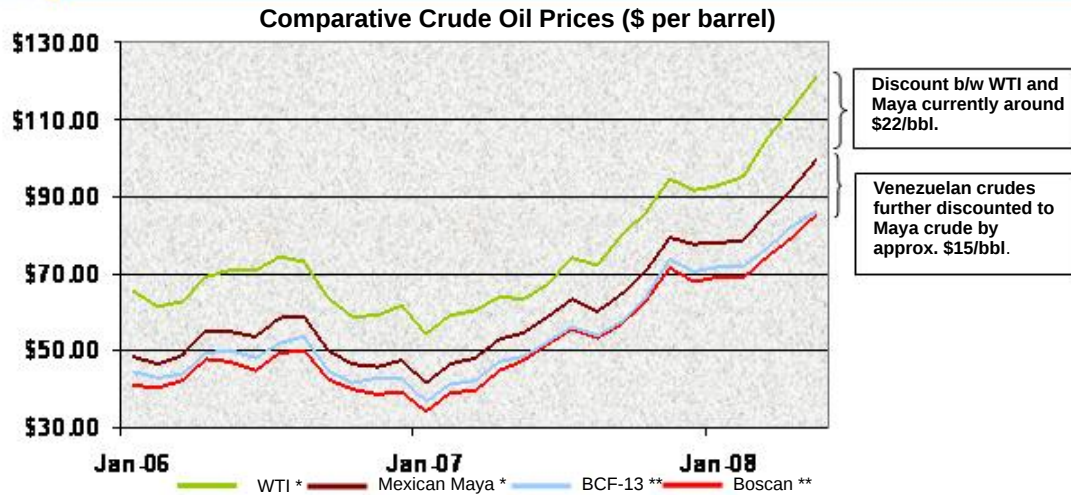
* Source: State of New Jersey Dept. of Transportation and State of Georgia Dept. of Transportation

** Source: OPIS

Note: Prices for intermediate products above are shown as proxies only for NuStar's intermediate products



Buying Crude Oil Feedstocks at Deep Discounts



- Despite recent run-up in crude oil prices, NuStar is paying significant discounts for the crude oil it is buying from Venezuela (i.e. BCF-13 and Boscan crude oils)
 - BCF-13 and Boscan crude oils are very low-quality crudes purchased at a deep-discount to sweet crudes (i.e. WTI) and to other heavy-sour crudes (i.e. Mexican Maya)
- Crude feedstocks are ideal to run at NuStar's refineries since they produce a high yield of asphalt

* Source: Platts

** Source: Company





Business Strategies

- ◆ Complete existing \$400 million construction program on time and on budget
 - ◆ Quickly integrate recently acquired asphalt business
 - ◆ Prioritize and execute projects on recently acquired asphalt business
 - ◆ Continue to focus on pipeline, transportation, storage and terminalling operations
 - Continue to expand terminals and storage in key hub locations and pipelines through internal growth projects and acquisitions
 - Recently announced \$500 million construction program beyond 2008 (excluding CITGO Asphalt Refining Company)
 - ◆ Continue to expand opportunities for marketing business
 - ◆ Maintain financial strength, flexibility and investment grade debt rating
- ➡ We believe this strategy will allow NuStar to continue to provide further distribution growth

