

NuStar Energy Agrees to Sell Its San Antonio Refinery and Related Assets to Calumet Specialty Products Partners, L.P.

December 17, 2012

SAN ANTONIO--(BUSINESS WIRE)--Dec. 17, 2012-- NuStar Energy L.P. (NYSE: NS) announced today that it has entered into a purchase agreement to sell its San Antonio refinery and related assets, including a terminal in Elmendorf, TX and a pipeline connecting the terminal and refinery, to Calumet Specialty Products Partners, L.P. ("Calumet") for \$100 million, plus closing date inventory estimated to be \$15 million. NuStar purchased the refinery and terminal out of bankruptcy in April 2011 for \$41 million, and the company has invested approximately \$54 million since then on improvements to the refinery. NuStar announced its plans to sell the refinery last month as part of its strategic redirection away from the earnings volatility associated with the margin-based refining business in order to further grow its more stable, fee-based pipeline and storage operations through internal growth projects and acquisitions, especially in the Eagle Ford Shale region and other U.S. shale plays, where NuStar already has extensive pipeline and storage operations. NuStar will use proceeds from the transaction, which is expected to have an effective date of January 1, 2013 and close on January 2, to fund the growth of those fee-based pipeline and storage operations.

"As we stated when we announced our intent to sell the refinery, it was an excellent opportunistic purchase for us, even though fuels refining wasn't part of our strategic plan," said NuStar President and CEO Curt Anastasio. "The refinery has an outstanding group of employees and we enjoyed working with them to make a tremendous amount of improvements to the refinery that made it a safer and more environmentally sound facility that is also much more reliable and profitable.

"This transaction will give the refinery employees the opportunity to be a part of a refining company with multiple refineries that has the depth of refining resources and expertise to provide the support the refinery needs to succeed over the long-term," Anastasio added. "This is especially important since we completed a joint venture for our asphalt refining assets with Lindsay Goldberg that essentially makes the San Antonio refinery a 'stand-alone' facility, which is a very difficult position for a refinery because it limits resources and available capital. Calumet is committed to safety excellence, as well as continued improvements at the refinery and in the surrounding community. And one of the key reasons we chose Calumet's bid is because they are well-known for their commitment to their employees. Our San Antonio refinery employees received significant increases in their compensation and benefits when they joined NuStar, and Calumet is also known for their strong compensation and benefits programs."

Located on the South Side of San Antonio, the 14,500-barrel-per-day refinery produces and sells various products, including jet fuels, ultra-low sulfur diesel (ULSD), naphtha, reformates, liquefied petroleum gas (LPG), specialty solvents and other highly specialized fuels, to commercial and retail customers and the U.S. military. The Elmendorf terminal, which is approximately 12 miles away from the refinery, stores the crude oil that is processed at the refinery.

To significantly improve efficiency, NuStar built and recently put into service a 12-mile pipeline between the terminal and the refinery that now moves the crude to the refinery. The effort effectively removed approximately 80 crude delivery trucks per day from San Antonio roads. Not only is this pipeline reducing traffic and cutting transportation costs, it also is expected to reduce refinery unplanned outages and increase refinery runs because the crude oil delivered by pipeline has a more consistent quality. To further enhance the safety of refinery employees, the company moved all non-operating personnel out of the refinery and into an 18,000-square-foot office complex at Brooks City Base in San Antonio that includes a state-of-the-art laboratory. In addition to safety and reliability improvements, NuStar also has conducted significant environmental cleanup as well as beautification efforts that benefited the surrounding community.

About NuStar Energy L.P.

NuStar Energy L.P., a publicly traded master limited partnership based in San Antonio, is one of the largest independent liquids terminal and pipeline operators in the nation. NuStar currently has 8,573 miles of pipeline; 87 terminal and storage facilities that store and distribute crude oil, refined products and specialty liquids; a fuels refinery with a throughput capacity of 14,500 barrels per day; and 50% ownership in two asphalt refineries with a combined throughput capacity of 104,000 barrels per day. The Partnership's combined system has approximately 95 million barrels of storage capacity, and NuStar has operations in the United States, Canada, Mexico, the Netherlands, including St. Eustatius in the Caribbean, the United Kingdom and Turkey. For more information, visit NuStar Energy L.P.'s Web site at www.nustarenergy.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995 regarding future events and the future financial performance of NuStar Energy L.P. All forward-looking statements are based on the partnership's beliefs as well as assumptions made by and information currently available to the partnership. These statements reflect the partnership's current views with respect to future events and are subject to various risks, uncertainties and assumptions. These risks, uncertainties and assumptions are discussed in NuStar Energy L.P.'s 2010 annual report on Form 10-K and subsequent filings with the Securities and Exchange Commission.

Source: NuStar Energy L.P.

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