

NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended June 30, 2011
(Unaudited, Thousands of Dollars)

NuStar Energy L.P. utilizes a financial measure, EBITDA, that is not defined in United States generally accepted accounting principles. Management uses this financial measure because it is a widely accepted financial indicator used by investors to compare partnership performance. In addition, management believes that this measure provides investors an enhanced perspective of the operating performance of the partnership's assets. EBITDA is not intended nor presented as an alternative to net income. EBITDA should not be considered in isolation or as a substitute 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 September 30, 2011
Projected net income	\$ 40,000 - 47,000
Plus projected interest expense	20,000 - 21,000
Plus projected income tax expense	3,000 - 4,000
Plus projected depreciation and amortization expense	42,000 - 43,000
Projected EBITDA	\$ 105,000 - 115,000

EBITDA in the following reconciliation relates to our operating segments. 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 reconciliation 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 certain of our reported operating segments:

	Three Months Ended June 30, 2011	
	Storage Segment	Transportation Segment
Operating income	\$ 42,848	\$ 30,163
Plus depreciation and amortization expense	21,801	12,720
EBITDA	\$ 64,649	\$ 42,883

	Three Months Ended June 30, 2010	
	Storage Segment	Transportation Segment
Operating income	\$ 42,865	\$ 34,735
Plus depreciation and amortization expense	18,989	12,680
EBITDA	\$ 61,854	\$ 47,415
Increase (decrease) in EBITDA	\$ 2,795	\$ (4,532)

NuStar Energy L.P. and Subsidiaries
Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended June 30, 2011 - (Continued)
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EBITDA in the following reconciliations relate 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.

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

	Three Months Ended June 30, 2011			Total Asphalt and Fuels Marketing Segment
	Asphalt Operations	Fuels Marketing Operations	San Antonio Refinery	
Operating income	\$ 49,568	\$ 18,856	\$ 3,729	\$ 72,153
Plus depreciation and amortization expense	5,089	26	420	5,535
EBITDA	\$ 54,657	\$ 18,882	\$ 4,149	\$ 77,688
	Three Months Ended June 30, 2010			
	Asphalt Operations	Fuels Marketing Operations	San Antonio Refinery	Total Asphalt and Fuels Marketing Segment
Operating income	\$ 35,074	\$ 12,478	\$ -	\$ 47,552
Plus depreciation and amortization expense	5,050	25	-	5,075
EBITDA	\$ 40,124	\$ 12,503	\$ -	\$ 52,627
Incremental EBITDA	\$ 14,533	\$ 6,379	\$ 4,149	\$ 25,061

4. The following is a reconciliation of projected incremental operating income to projected incremental EBITDA:

	Year Ended December 31, 2011	
	Storage Segment	Transportation Segment
Projected increase (decrease) in operating income range	\$ 6,000 - 15,000	(\$ 10,500 - 21,000)
Plus projected incremental depreciation and amortization expense range	9,000 - 10,000	500 - 1,000
Projected increase (decrease) in EBITDA range	\$ 15,000 - 25,000	(\$ 10,000 - 20,000)

5. The following is a reconciliation of operating income to EBITDA for the year ended December 31, 2010:

	Asphalt and Fuels Marketing Segment
Operating income	\$ 90,861
Plus depreciation and amortization expense	20,257
EBITDA	\$ 111,118