

---

**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): September 21, 2011**

---

**NuStar Energy L.P.**

(Exact name of registrant as specified in its charter)

---

**Delaware**  
State or other jurisdiction  
Of incorporation

**001-16417**  
(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**

**(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 Wednesday, September 21, 2011, senior management of NuStar Energy L.P. (the "Partnership") will make a presentation (the "Presentation") to analysts in St. James, Louisiana at 4:30 p.m. (Eastern Time). The slides attached to this report were prepared in connection with the Presentation. The slides are included in Exhibit 99.1 to this report and are incorporated herein by reference. The slides will be available on the Partnership's website at [www.nustarenergy.com](http://www.nustarenergy.com). Additionally, a live audio webcast and replays of the Presentation will be available beginning at approximately 4:30 p.m. (Eastern Time) on September 21, 2011 on the "Investors" section of its website at [www.nustarenergy.com](http://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 Partnership 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 Partnership 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 Partnership or any of its affiliates.

The exhibit to this report may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal securities law. It is important to note that the Partnership'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 Partnership's Annual Report on Form 10-K and other documents that the Partnership has filed with the Securities and Exchange Commission. In addition, we do not intend to update these statements unless it is required by the securities laws to do so, and we undertake no obligation to publicly release the result of any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99.1 Slides from presentation to be used on September 21, 2011.

**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: September 21, 2011

By: /s/ Amy L. Perry

Amy L. Perry

Vice President and Corporate Secretary

EXHIBIT INDEX

Number

Exhibit

99.1 Slides from presentation to be used on September 21, 2011.



# NUSTAR ANALYST DAY

New Orleans and St. James, LA  
September 21, 2011



# *Forward Looking Statements*

Statements contained in this presentation that state management's expectations or predictions of the future are forward-looking statements intended to be covered by the safe harbor provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. The words "believe," "should," "targeting," "estimates," and other similar expressions identify forward-looking statements. It is important to note that actual results differ materially from those projected in such forward-looking statements. We undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations. For more information concerning factors that could cause actual results to differ from those expressed or forecasted, see NuStar Energy L.P.'s annual report on Form 10-K and quarterly reports on Form 10-Q, filed with the Securities and Exchange Commission and available on NuStar's website at [www.nustarenergy.com](http://www.nustarenergy.com).

# Agenda



<u>Topic</u>	<u>Presenter*</u>	<u>Page #</u>
◆ NuStar Overview (15 minutes)	Curt Anastasio	4
◆ Storage Segment Overview (20 minutes)	Danny Oliver	11
◆ Transportation Segment Overview (20 minutes)	Danny Oliver	20
◆ Asphalt & Fuels Marketing Overview (15 Minutes)	Paul Brattlof	31
◆ St. James Terminal Overview (15 minutes)	Kyle Oppliger	38
◆ Closing Remarks and Q&A	Curt Anastasio	52

\* Bios of management team can be found in the appendix starting on page 53

# *NuStar Overview*

*Curt Anastasio  
CEO & President*



## June 2011 Year to Date NuStar Energy Highlights

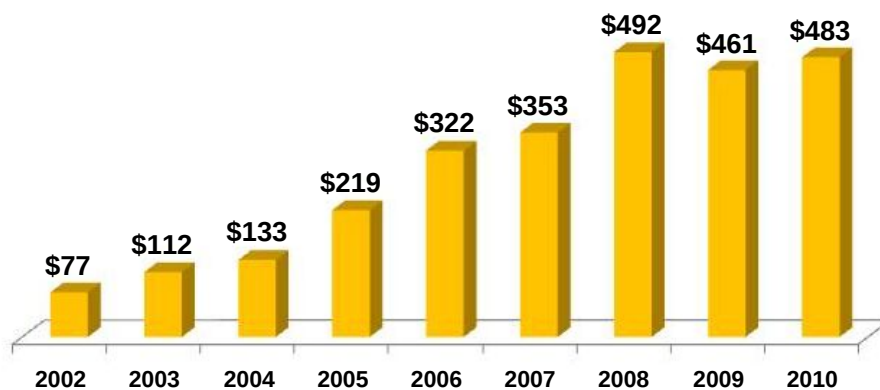


- **Spent \$136 million on internal growth projects**
  - Majority of this spending relates to projects that will begin generating EBITDA in the last half of 2011
  - Completed six projects with a total spend of \$28 million and a projected EBITDA multiple of 4x to 6x
- **Spent another \$100 million on acquisitions that should yield annual EBITDA of around \$20 million**
- **Earned \$253 million in EBITDA**
  - Record June year to date EBITDA
- **Increased NS and NSH distributions in 2nd quarter**
  - NS distributions increased to \$1.095 per unit, 2% higher than 1Q 2011 and 3% higher than 2Q 2010
  - NSH distributions increased to \$0.495 per unit, 3% higher than 1Q 2011 and 8% higher than 2Q 2010
- **Continued to maintain an outstanding safety and environmental record superior to our industry peers**
- **Obtained VPP Star Site status at four locations with the goal being the entire company**

## 2011 EBITDA expected to be comparable to 2010



EBITDA (\$ in Millions)

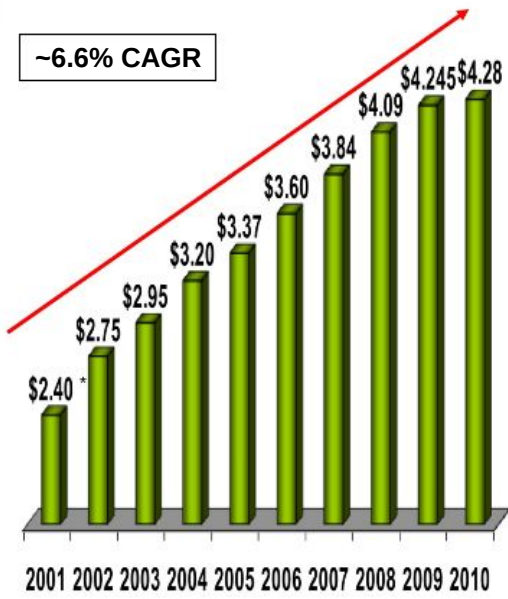


- Continued weak economic conditions causing results in our asphalt operations to be lower than expected in the last half of the year
- Lower pipeline throughputs expected to cause our transportation segment results to be lower than 2010

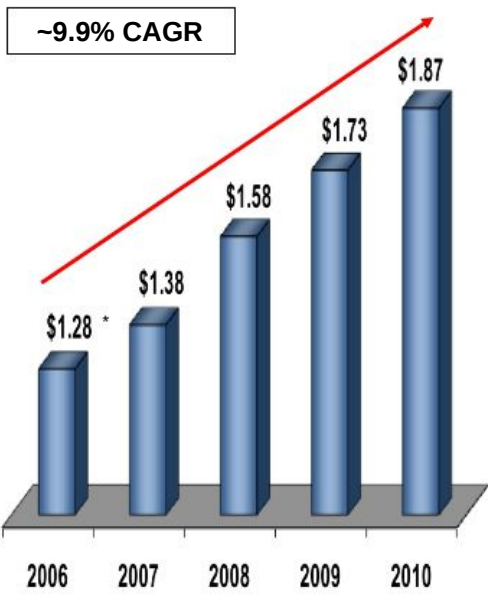
While distribution growth at NS and NSH has slowed in the past couple of years...internal growth projects expected to lead to higher distribution growth levels over the next several years



NS Distribution (\$ per Unit)



NSH Distribution (\$ per Unit)

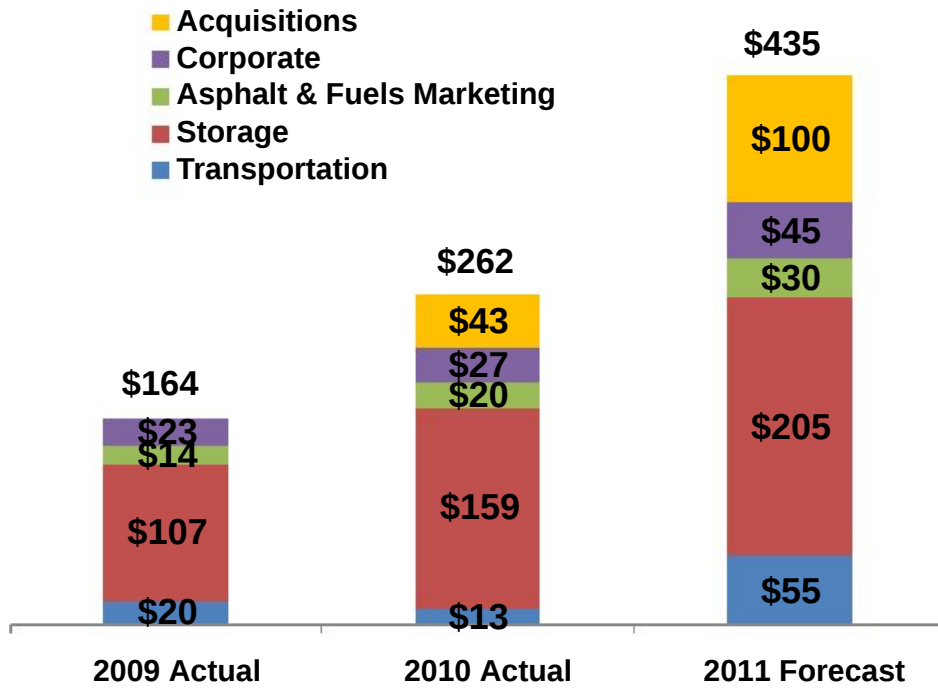


\* Annualized Distribution

## 2011 Total Spending on Internal Growth Projects & Acquisitions currently projected to be around \$435 million



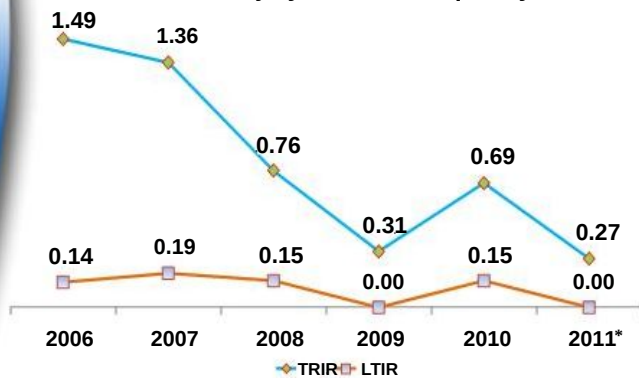
(Dollars in Millions)



# Safety and Environmental performance in 2011 continues to exceed Industry Benchmarks



NuStar Injury Incident Frequency Rates



\*Through August 2011

Industry Benchmarks

	TRIR			
	2006	2007	2008	2009
Refineries	1.4	1.6	1.1	1.0
Pipelines	2.2	2.0	1.6	1.9
Terminals	5.6	5.8	6.4	4.6

	LTIR			
	2006	2007	2008	2009
Refineries	0.5	0.3	0.2	0.3
Pipelines	0.6	0.5	0.5	0.5
Terminals	1.1	1.7	1.8	1.2

TRIR – Total Recordable Incidents Rate LTIR – Lost Time Incidents Rate

NuStar 2011 Safety and Environmental Awards



- **Continued development of our strategically located storage terminals**
  - Primarily Texas City, St. James, St. Eustatius and New York Harbor
- **Eagle Ford and Other Shale plays**
- **Expansion of bunker marketing, fuel oil marketing and crude oil trading in certain areas**
- **Feedstock cost and logistics optimization at our Asphalt and Fuels refineries**
- **Acquisition opportunities in strategic domestic and international locations**

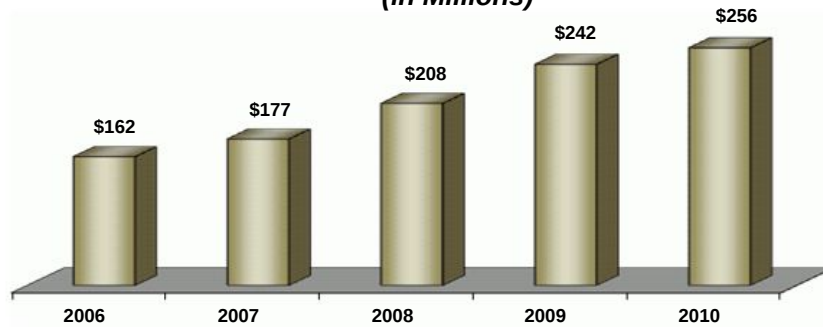
## ***Storage Segment Overview***

***Danny Oliver***  
***Senior VP – Business & Corporate***  
***Development***

**2011 Storage Segment results should be improved over 2010.**  
**Internal Growth projects continue to drive increases in EBITDA**



**Storage Segment EBITDA  
(in Millions)**



**2011 Summary**

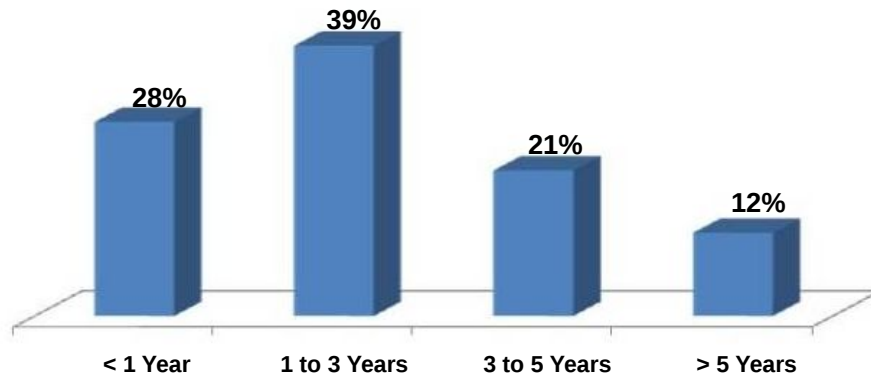
- Full year of EBITDA should be realized from May 2010 Mobile, AL terminal acquisition and St. Eustatius terminal project completed in the 4th quarter of 2010
- Benefits from St. James Phase I storage project began July 1 and will continue to be phased in during the 3rd quarter as a portion of the planned tanks are completed
- 2011 segment EBITDA expected to be \$20 to \$30 million higher than 2010



## Demand for storage continues to be strong at NuStar terminal locations



Storage Contract Renewals (% of Revenues)

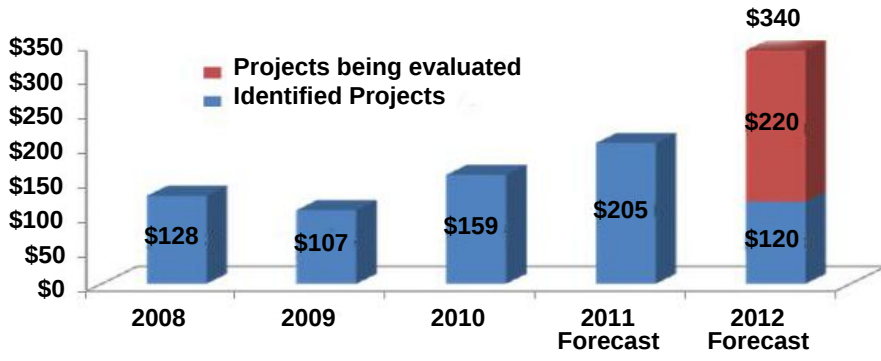


- Approximately 95% of our tankage is currently leased
- NuStar continues to enter into storage agreements with large credit worthy customers
- Current customers and potential new customers continue to approach us about constructing new tankage at several of our terminal locations
- Looking at terminal acquisition opportunities in domestic and international markets that are of interest to our customer base

# 2012 Storage Segment Internal Growth spending should be higher than 2011 levels



(Dollars in Millions)



<u>Identified Storage Projects &gt;\$10 Million:</u>	<u>2011 CAPEX</u>	<u>2012 CAPEX</u>	<u>Total</u>
<i>St. James Storage Tank Expansion-Phase 1</i>	\$89	\$4	\$130
<i>St. James Storage Tank Expansion-Phase 2</i>	\$0	\$35	\$123
<i>St. Eustatius Tank Expansion</i>	\$23	\$29	\$53
<i>Linden NuTop Tank Expansion</i>	\$7	\$31	\$61
<i>St. James Unit Train Project</i>	\$27	\$8	\$30

EBITDA multiples on these projects should range from 4x to 8x

## ***Phase I of St. James, Louisiana terminal expansion recently completed..Phase II in early planning stages***

**NuStar**

### ● **Phase I**

- ◆ Completed in 3<sup>rd</sup> quarter 2011
- ◆ 3.2 million barrels of crude oil storage for trading companies
- ◆ Total cost around \$130 million

### ● **Phase II**

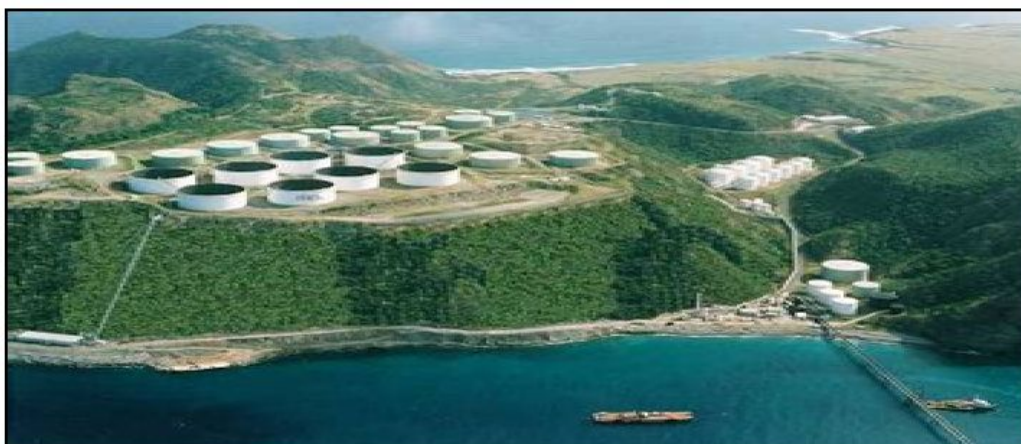
- ◆ Should be similar in size and cost to Phase I
- ◆ Most of tankage should be crude storage
- ◆ Expect tanks to be in-service late 2012 or early 2013



***In the process of constructing new tanks for distillate service at our St. Eustatius terminal***



- ◆ Constructing one million barrels of new storage for distillate service
- ◆ Customer is a large national oil company
- ◆ Projected CAPEX around \$50 million
- ◆ Expected in-service 4th quarter 2012
- ◆ Currently evaluating a major expansion project at the St. Eustatius terminal



***Linden NuStar terminal expansion project  
expected to begin in the next few months***



- **Continued demand for bulk storage in New York Harbor justifies the conversion of the terminal from a rack marketing terminal to a bulk storage facility**
- **Plan to construct ~850,000 barrels of new storage**
- **Should increase terminal capacity to 1.2 million barrels**
- **Projected CAPEX around \$60 million**
- **Expected in-service 3rd quarter 2013**

***Have begun the construction of a unit train offloading facility at our St. James terminal*** 

- ◆ Entered into an agreement with two subsidiaries of EOG Resources, Inc.
  - EOG is a large independent oil and natural gas company
  - Proved reserves in the United States, Canada, the UK and China
  
- ◆ Project description:
  - New rail and unit train offloading facilities jointly developed by NuStar and two EOG Resources, Inc. subsidiaries
  - Facility will be equipped to handle at least one 70,000-barrel train per day
  - Two new storage tanks with a combined capacity of 360,000 barrels
  
- ◆ Costs and completion dates:
  - Project expected to be completed and in service early 3rd quarter 2012
  - NuStar's share of the costs should be approximately \$30 million

**Several projects with capital spending of less than \$10 million per project...were completed in 2011 or should be completed by end of 2011**



- ◆ **Chickasaw, AL terminal pipeline connection**
  - **Connect to 3<sup>rd</sup> party crude oil pipeline**
  
- ◆ **South Texas Valley System Ethanol**
  - **Convert Edinburg and Harlingen Terminals to ethanol blending**
  
- ◆ **Stockton, CA diesel rail loading**
  - **Gives customers the ability to load CARB diesel on rail cars**
  
- ◆ **Linden Fuel Oil Conversion (Joint Venture Terminal)**
  - **Convert 320,000 barrel tank currently in fuel oil service to clear light products service**
  
- ◆ **Total spending for these projects should be around \$20 million**

# ***Transportation Segment Overview***

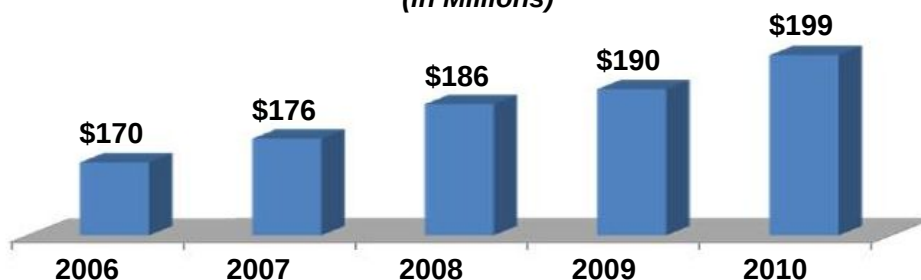
***Danny Oliver***  
***Senior VP – Business & Corporate***  
***Development***



## 2011 EBITDA expected to be down due primarily to lower throughputs



Transportation Segment EBITDA  
(in Millions)



### 2011 Summary

- Eagle Ford shale crude project with Koch Pipeline Company completed in June 2011. Throughput and deficiency agreement for 30,000 BPD
- Throughputs projected to be down 7% to 8%. Heavy customer refinery turnaround schedule and increased export demand for distillates could negatively impact throughputs on NuStar's Corpus to Houston refined products pipeline
- Full year 2011 segment EBITDA expected to be \$5 to \$15 million lower than 2010

# Shale oil is expected to provide growth opportunities in the Transportation Segment



## ◆ Shale Oil Growth/Technology

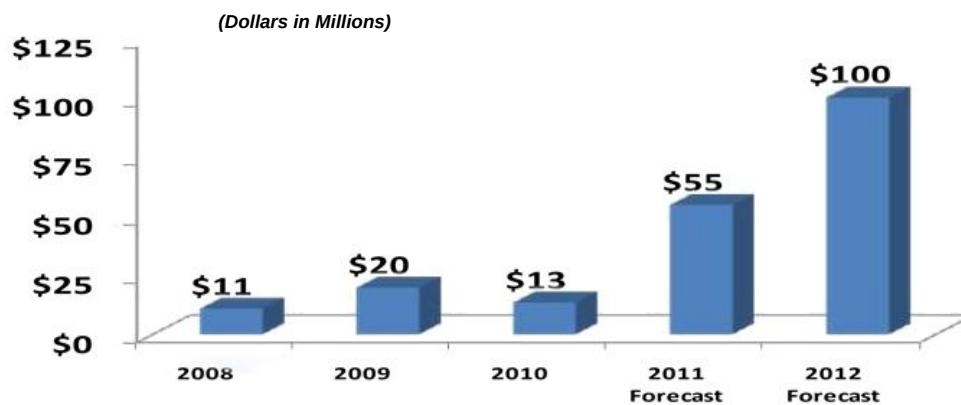
- Key shale oil developments are located in NuStar's Mid-Continent and Gulf Coast regions, including the Eagle Ford, Bakken, Granite Wash, Barnett, Mississippian and Niobrara
- NuStar's assets are well positioned to capitalize on the expanding unconventional oil & gas developments

## ◆ A key strategic objective is to grow earnings from fee-based logistics services

- Redeploying existing and/or build new pipelines and terminals in the shale oil regions
- Diversifying customer base and expanding logistics services for crude oil, condensate and NGLs through asset modifications, expansions and strategic acquisitions



**Expect to spend a record amount  
of Internal Growth capital in  
Transportation Segment in both 2011 and 2012**



**Transportation Projects >\$10 Million:**

	<u>2011 CAPEX</u>	<u>2012 CAPEX</u>	<u>Total</u>
<i>Three Rivers Crude Supply for Valero</i>	\$15	\$43	\$58
<i>Oakville Storage and 16" Crude Pipeline Reversal</i>	\$17	\$30	\$47
<i>North Beach Crude Loading</i>	\$5	\$8	\$13
<i>San Antonio Refinery Crude Pipeline</i>	\$16	\$5	\$21
<i>San Antonio Product Supply Expansion</i>	\$2	\$11	\$13

*EBITDA multiples on these projects should range from 4x to 8x*

***NuStar plans to modify existing pipeline assets  
and construct new pipeline assets  
for Valero in Eagle Ford Shale***



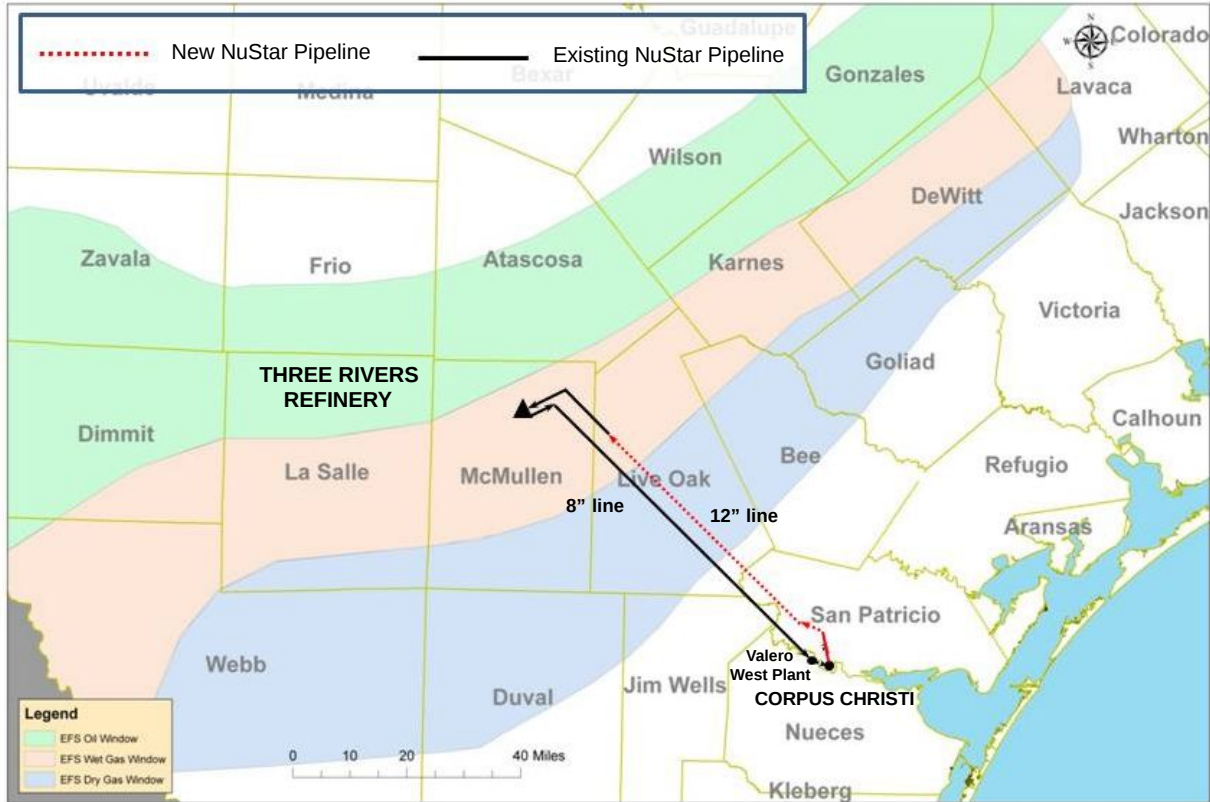
● **Plans call for reversal of an existing 8-inch refined products pipeline**

- Line moved products from Corpus Christi to Three Rivers
- Plan to place in crude oil service after reversal
- Projected CAPEX less than \$5 million
- Placed in service September 15, 2011

● **NuStar also plans to build 55 miles of new 12-inch pipeline that will connect to existing NuStar pipeline segments**

- Expect to move crude and condensate from Corpus Christi to Valero's Three Rivers refinery
- Projected CAPEX close to \$60 million
- Should be in service by the 2nd quarter of 2012

# NuStar plans to modify existing pipeline assets and construct new pipeline assets for Valero in Eagle Ford Shale



**Plan to develop a new pipeline system in the Eagle Ford Shale as a result of Letters of Intent entered into in the 2nd Quarter of 2011**

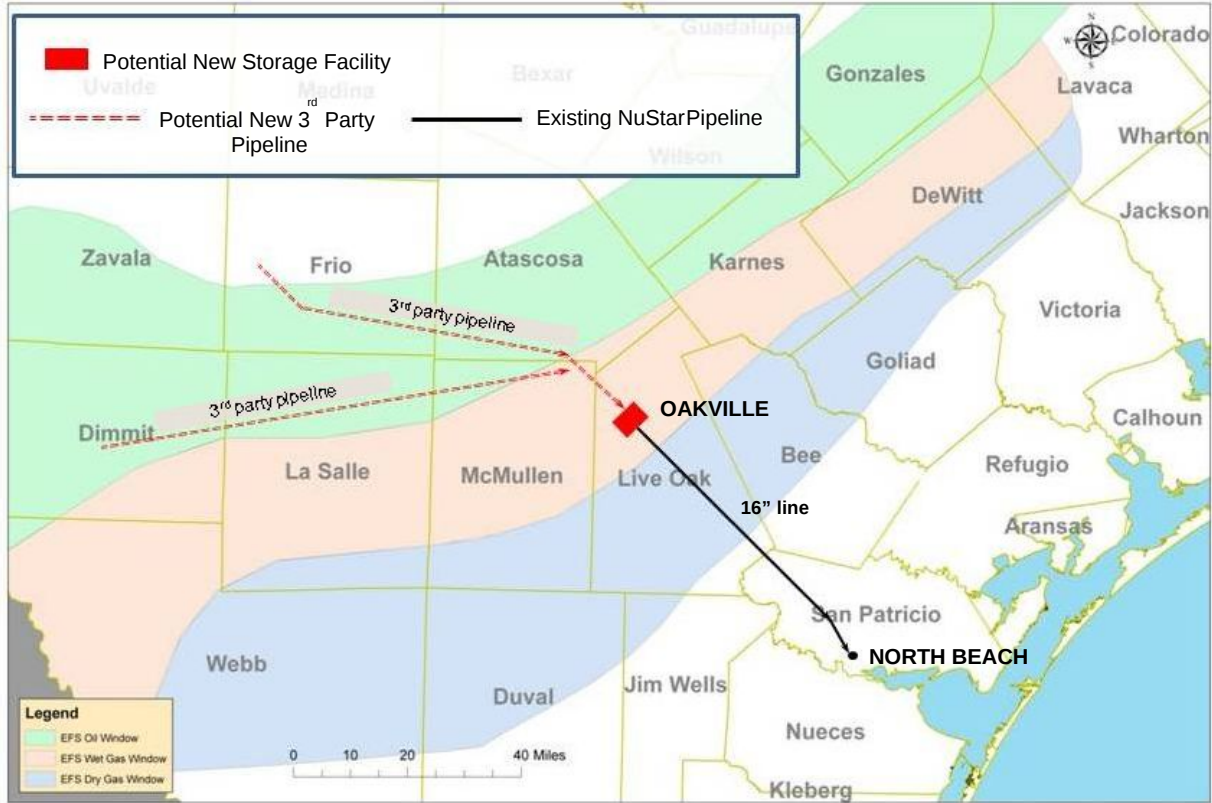


- **In the 2nd quarter of 2011, announced the signing of LOIs with TexStar Midstream Services and Velocity Midstream Partners to develop a new pipeline system**
  - **TexStar and Velocity both plan to construct pipelines that transport crude and condensate to Three Rivers, TX**
  - **Pipelines should be interconnected with a new storage facility to be constructed at Three Rivers, TX by NuStar**
  - **Plan to connect the storage facility to NuStar's existing 16-inch pipeline that can transport 200,000 BPD to NuStar's Corpus Christi North Beach storage terminal**
  - **Both projects expected to be in-service 2Q 2012**

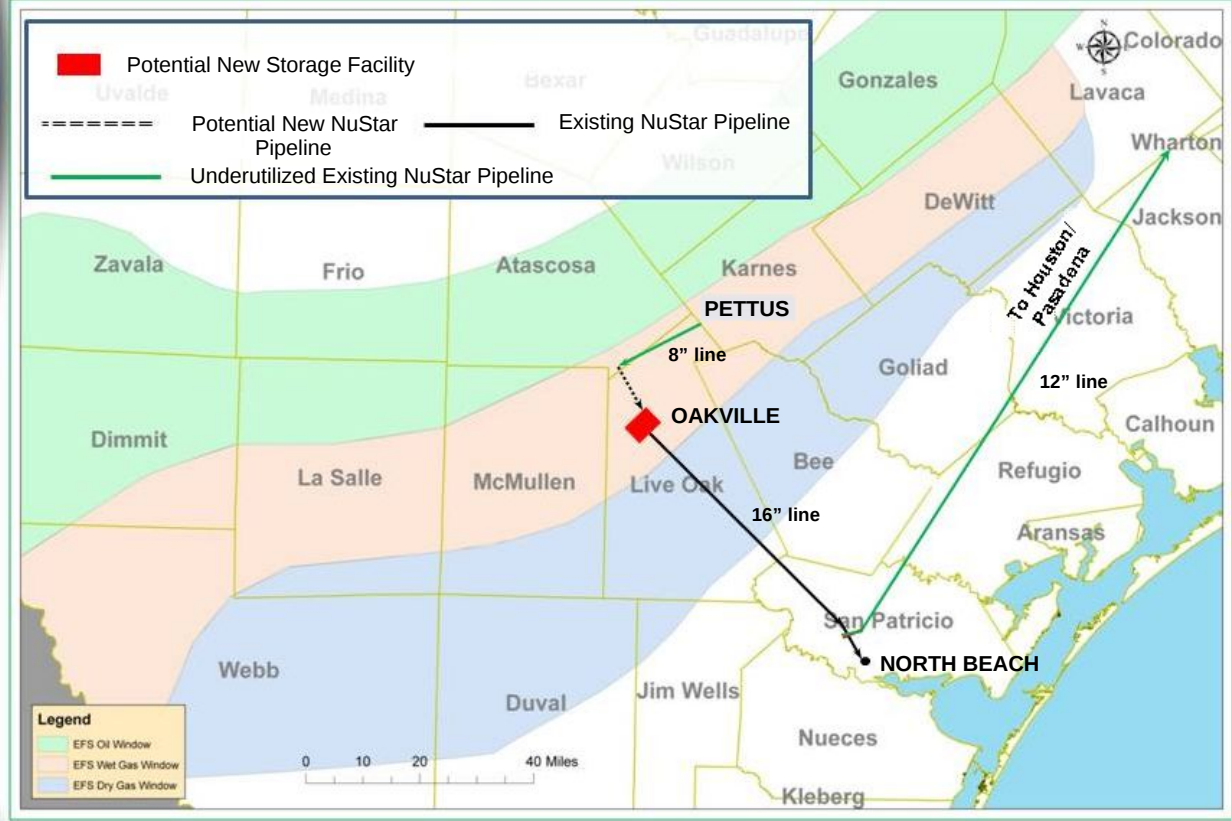




**Plan to develop a new pipeline system in the Eagle Ford Shale as a result of Letters of Intent entered into in the 2nd Quarter of 2011**



# Pursuing additional projects in the Eagle Ford Shale to better utilize Houston 12" and idle 8" line out of Pettus





## **Constructing a new pipeline to supply crude to San Antonio refinery**



- **Plan to construct a new 3 bay truck rack for crude offloading at our Elmendorf storage facility and a new 12 mile oil pipeline from the facility to the San Antonio Refinery**
- **Project should reduce transportation costs and unplanned refinery outages by improving crude supply logistics and crude quality for San Antonio Refinery**
- **Total CAPEX should be around \$20 million**
- **Expected in-service 1st quarter 2012**



***In the early planning stages of expanding the capacity of our refined products pipeline that supplies the San Antonio market***

- ◆ One of our customers has approached us about increasing the amount of refined products that supply the San Antonio market
- ◆ Total CAPEX currently estimated at about \$13 million
- ◆ Pipeline capacity on the line could be increased by the start of the 4th quarter 2012

# *Asphalt & Fuels Marketing Overview*

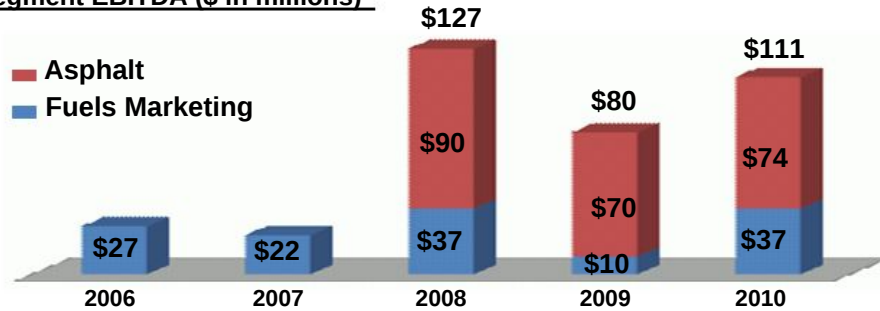
*Paul Brattlof*  
*Senior VP – Supply & Trading*

**Earnings from San Antonio refinery acquisition and improved earnings in Fuels Marketing are offset by lower Asphalt results**



**Asphalt & Fuels Marketing**

Segment EBITDA (\$ in millions)



2011 Summary

- Weak asphalt demand and high feedstock costs should cause EBITDA in our asphalt operations to be lower than 2010
- April 2011 San Antonio refinery acquisition contributing slightly less than expected due to higher crude costs
- Strong fuels marketing results in 2011 due to the expansion of crude trading and bunker fuels marketing in late 2010
- Full year 2011 segment EBITDA expected to be lower compared to 2010

## **San Antonio Refinery acquisition expected to be a solid contributor to our Asphalt & Fuels Marketing segment**



- **14,500 BPD refinery acquired for \$41 million plus working capital**
  - YTD Run rates ~11,500 BPD
- **Processes crude and condensate from nearby Eagle Ford shale and other South Texas formations**
- **Produces and sells jet fuel, ULSD, naphtha, reformat and LPG's**
- **Approximately 70% of refinery production is hedged (spread between WTI and refined products) over the next three to four years**
- **New 8"crude pipeline from Elmendorf should reduce transportation costs and unplanned refinery outages by improving crude supply logistics**
- **Expect refinery to generate around \$15 million of EBITDA in 2011**
  - Slightly lower than expected due to increased crude costs



# Bunker Marketing 2011 Looks to be best year ever



## 2011 Summary

### ◆ Currently market out of four NuStar locations:

- St Eustatius
- Pt Tupper
- Texas City
- Los Angeles



### ◆ NuStar Bunker sales volumes are up 98% since 2009 since adding new marketing operations at Texas City and Los Angeles.

- Dependable and competitively priced supply is key to making a successful Bunker Marketing operation. Term purchases make up 55% of total supply of bunker fuel

## 2012 Outlook

- Looking to expand in more markets where we can gather our own supply and effectively penetrate the market

## ***Asphalt Operations initiatives to lower supply costs and improve margins***



### **2011 Summary**

- Asphalt Demand is down 1.5% thru June on an annualized basis
- However, East Coast asphalt prices have averaged \$50 per ton premium over the Mid-Continent and Gulf Coast rack prices
- Midwest refiners with lower feedstock costs have incentive to supply East Coast markets
- Asphalt results expected to be lower than 2010

### **2012 Initiatives**

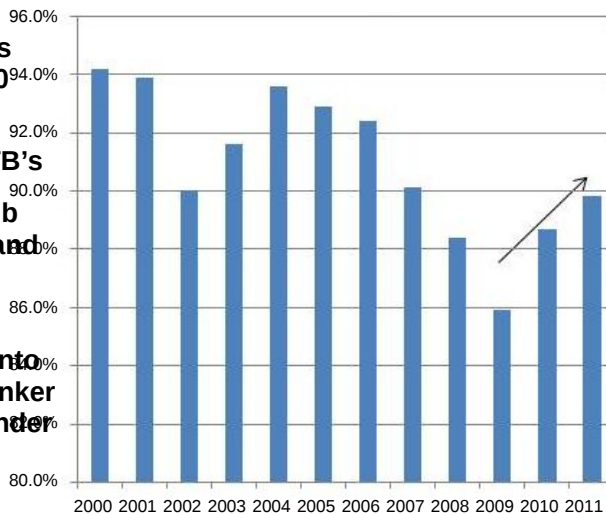
- Entered into 10,000 barrel per day Peregrino Crude Oil Purchase agreement with Statoil. Contract commences December 2011.
- Pursuing Heavy Canadian rail supplied crude for Paulsboro and Savannah refineries
- Pursuing asphalt off-take agreements with regional suppliers to create more flexibility within system to take advantage arb's



**2011 Summary**

- Texas City has become a dependable rail outlet for heavy oils from Midwest refiners - volumes expected to be up 50% vs. 2010
- Midwest refinery utilization is currently above 93%, providing ample supply of VTB's
- Texas City is a true Black Oil blending hub gathering heavy oils, asphalts, slurry oil and other blend stocks to blend into either bunker fuel, asphalt or fuel oil
- Most of the Heavy Oil bought is blended into Bunker Fuel and sold internally to our Bunker Marketing Group at Texas City; the remainder is sold into the Houston area spot market

**PADD II Refinery Utilization Rates**  
Year average



Source: Energy Information Administration

**2012 Outlook**

- Looking to expand the Texas City concept to our Mobile, AL and Wilmington, CA terminals



# Crude Trading continue growing domestic rail gathering systems at St. James, LA and Texas City, TX



## 2011 Summary

- Brent crude is trading at historically high premiums over WTI
- Gulf Coast Light Louisiana Sweet (LLS) is also trading at historically high premiums to WTI
- Increased production of Bakken crude in North Dakota and Eagle Ford in South Texas can be railed to our waterborne terminals and marketed to gulf coast refiners
- St. James is a Hub Terminal located in the center of the Gulf Coast domestic crude trading and blending market
  - Currently can gather up to 10,000 barrels per day on manifest rail
- Texas City is our newest gathering point for Eagle Ford crude
  - Currently can receive truck and rail up to 3,000 barrels per day

LLS over WTI (Front Month)



## 2012 Outlook

- Looking for ways to expand volumes at St James into a unit train
- Looking to expand truck capabilities at Texas City by adding additional offloading lanes

## ***St. James Terminal Overview***

***Kyle Oppliger***  
***Vice President & General Manager***  
***– Gulf Region***

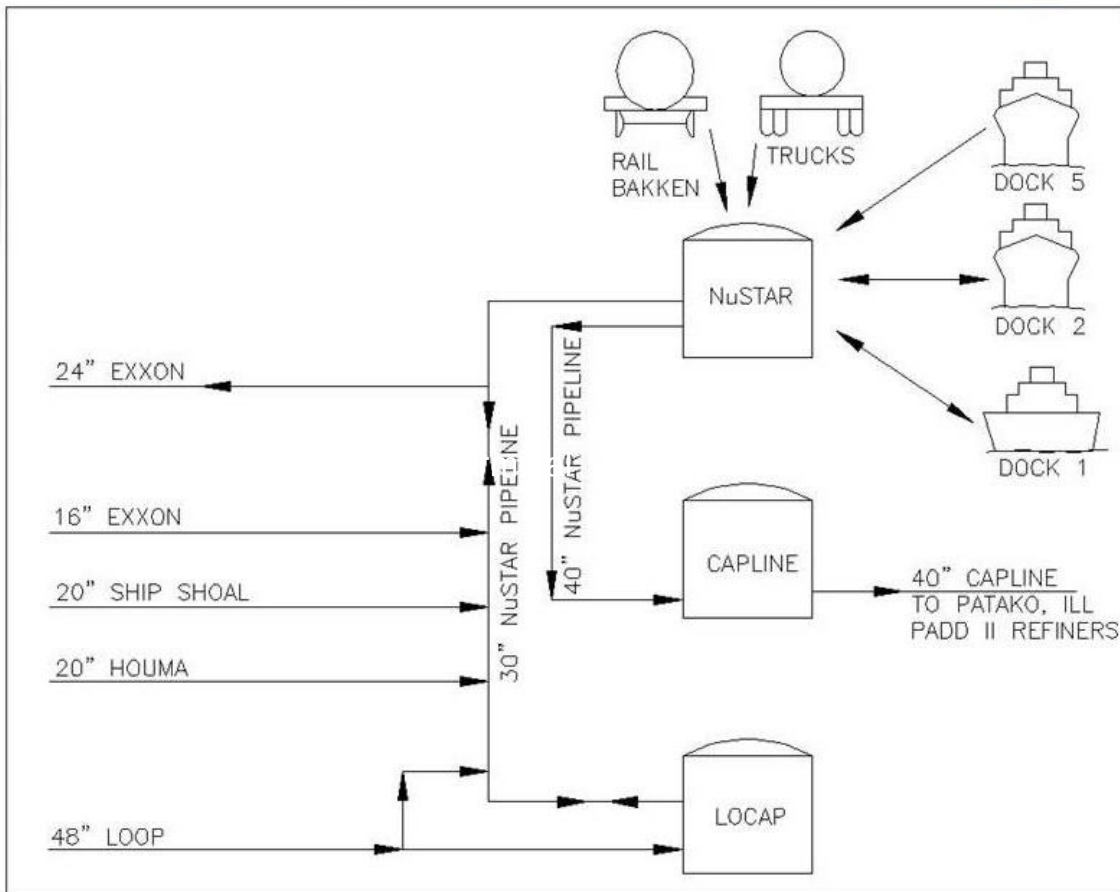
# St James Terminal Description



<b>Tanks</b>	<b>28 tanks</b>
	<b>Capacity: 8,000,000 barrels</b>
<b>Size Range</b>	<b>36,000 to 680,000 barrels</b>
<b>Employees</b>	<b>22 employees</b>
<b>Products</b>	<b>Crude Oils</b>
<b>Land</b>	<b>~ 900 Acres</b>
<b>Modes Served</b>	<b>Vessel, Barge, Pipeline, Rail, Truck</b>
	<ul style="list-style-type: none"><li>• <b>3 Ship/Barge Docks (2 have vessel capacity)</b></li><li>• <b>20 Railcar unload facility (Bakken)</b></li><li>• <b>70,000 bpd Unit train facility ( under construction)</b></li><li>• <b>2 Truck unload spots</b></li><li>• <b>Pipelines</b><ul style="list-style-type: none"><li>• <b>40" to Capline</b></li><li>• <b>30" to Exxon, Shell and LOOP</b></li><li>• <b>20" to Exxon</b></li><li>• <b>48" to Locap</b></li></ul></li></ul>



# St James Schema Overview



## •NuStar's Vision and Strategy

- Demonstrate excellence in safety and environmental performance, operations, customer service and community involvement
- Develop St. James Terminal into an integrated hub location to capitalize on opportunities for light sweet crude blending and heavy crude blending
  - St James Terminal provides unique market advantages due to access to key logistics and markets
- Grow hub terminal with fee-based business while providing access to key niche markets for margin-based opportunities
  - Fee business provides base revenue to support critical infrastructure improvements with a reasonable return on the partnership's investments
  - Hub customers provide NuStar MS&T with ready access to trading partners

## • Commitment and Focus on Safety

- Achieved 20 years without lost time incident
- Approaching 16 years without OSHA recordable
- Process Safety Management (PSM) – foundation of safety and operating programs
- Recognized as OSHA Star Site Voluntary Protection Program (VPP)





- **Environmental Performance**

- Reportable spills - Zero in 2010, 1 in 2011
- Zero Notice of Violations
- Compliance calendar and audits
- Implemented DOT compliance programs for pipelines
- Implemented Pipeline Integrity Program
- Equipment upgrades and preventive maintenance programs



## ● Marine Facilities

- Two ship docks
  - Dock 5 w/ 2 -16" loading arms
  - Dock 2 w/3 -16" loading arms ship or barge for crude and fuel oil
- One barge dock capable of crude and fuel oil and vapor destruction for crude oil loading



## ● Truck Receipts

- Two metered truck receipt skids



## ● Rail Facilities

- Unload facilities with capacity of 20 rail cars per day



# Current Customers



- Valero
- Trafigura
- NuStar Marketing, Supply and Trading
- Statoil
- EOG Resources



# Implementing the Strategy

## Completed Projects



- **2006 (Dec) -Acquired St James Terminal from Koch**
  - 14 tanks with 3.3 million barrels of storage capacity
  - Existing 3<sup>rd</sup> Party blending programs
    - Valero Marketing and Supply Co.'s refinery crude supply
    - Koch crude oil and fuel oil blending
- **2007 – 3<sup>rd</sup> Party Expansion (1.5 million barrels)**
  - Constructed four new tanks for Trafigura crude oil blending
  - Designed internal pipeline infrastructure to accommodate future expansion
  - Upgraded Dock #1 with marine vapor destruction unit
- **2008/2009 –Ship Shoal Pipeline Connection Upgrade**
  - Constructed new metering facilities and upgraded pipeline connection increasing fee-based pipeline revenues and providing greater access to desired crudes
- **2010 –Bakken Crude for NuStar MS&T (110,000 barrels)**
  - Acquired idled LaJet Refinery property and storage tanks
  - Refurbished two tanks to provide crude oil storage
  - Reactivated dle rail spur and provided 20 rail spots for Bakken crude oil receipts

# Implementing the Strategy

## Current Projects



### ● 2010 – 3rd Party Expansion Phase 1 (3.2 million barrels)

- Constructed 7 tanks for Trafigura and Statoil for crude oil storage
- Infrastructure upgrades include improving pipeline connectivity and reactivating an idled marine ship dock
- Storage tanks went into service in July / August 2011

### ● Storage capacity of the terminal has grown from 3.3 million barrels in December 2006 to ~ 8.0 million barrels after the Phase 1 expansion project



# Implementing the Strategy

## Future Opportunity



### ● 2011 – 3rd Party Expansion Phase 2

- Project currently in development to provide additional storage opportunities to refining and trading companies
- Expect new tanks to store crude oil and fuel oil

### ● Additional Storage Expansion




- Customer interest remains high and facility has property for additional storage expansion

### ● New Rail and Unit Train Offloading Project for EOG

- Facility should be able to handle at least one 70,000 barrel train per day

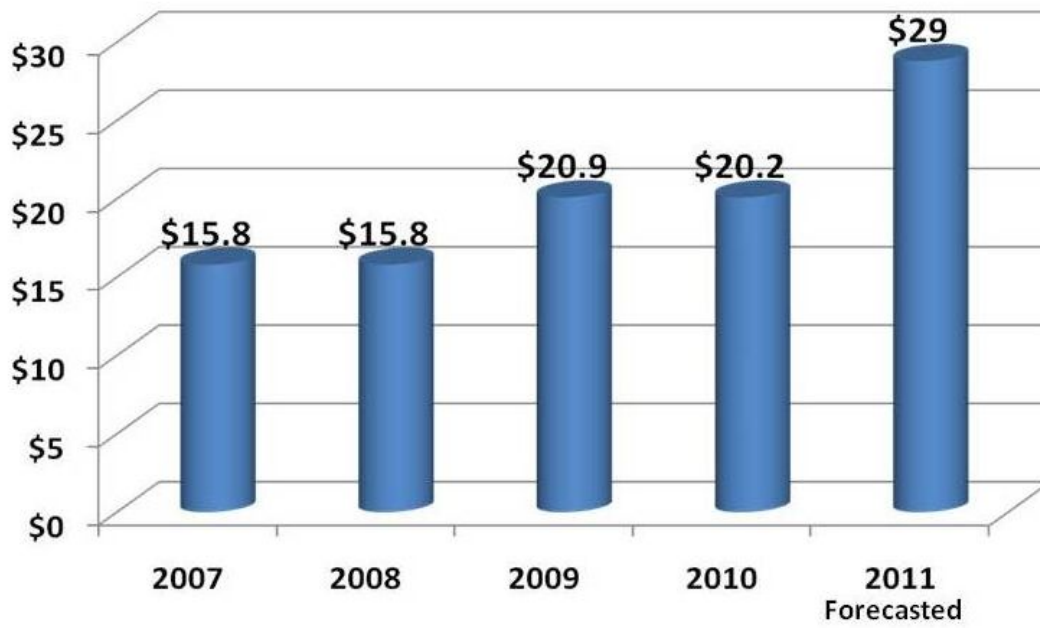


**LEGEND**

-  Current Construction
-  Future Non Heated Storage
-  Future Heated Storage



# Implementation of Strategy NuStar St. James Terminal EBITDA (\$millions)



**2012 EBITDA could be double 2011 results**

# ***A Bright Future for St. James***

- ◆ **Terminal acquired from Koch in Dec 2006**
- ◆ **Employees naturally embraced NuStar's culture and have demonstrated excellence in safety, environmental, community service and customer satisfaction**
- ◆ **Implementation of hub strategy has more than doubled the total storage capacity of the facility and current project plans schedule through 2012 could quadruple the storage capacity**
- ◆ **Integrating NuStar MS&T into the hub terminal landscape has created niche rail pipeline opportunities to capture emerging Bakken crude play**
- ◆ **Future remains bright at St James with high customer interest and opportunities to continue storage expansion, and expand our unit train rail capabilities.**

***Closing Remarks  
and Q&A***

***Curt Anastasio  
CEO & President***



## *Management Team Bios*

# Management Bios



## **Curt Anastasio, CEO & President**

- President and CEO of NuStar Energy L. P. (NYSE: NS) and NuStar GP Holdings, LLC (NYSE: NSH)
- Anastasio has been President of NuStar Energy L.P. and its predecessors since December 1999, and he assumed the position of CEO of NuStar GP Holdings, LLC in 2006.
- Prior to becoming President of NuStar GP, LLC in 1999, Anastasio held various positions in supply, trading, transportation, marketing, development and legal. He has 22 years of industry experience.
- Curt serves on the Board of the National Association of Publicly Traded Partnerships and as a Director of the San Antonio Branch of the Federal Reserve of Dallas.
- In addition to participating in various volunteer activities, Curt serves on the Board of Trustees of the United Way of San Antonio and Bexar County, and is the communitywide United Way Campaign Chairman for 2011. He also serves as a boardmember of the SanAntonio Medical Foundation, SouthwestResearch Institute, Texas Biomedical Research Institute, Alamo Area Council of the Boy Scouts of America, and the EconomicDevelopmentFoundation– all in San Antonio. In addition, Anastasio belongs to various professional organizations and has lectured and written on legal and business topics.
- Curt received a Juris Doctorate degree from Harvard Law School in 1981 and a Bachelor of Arts degree, Magna cum Laude, from Cornell University in 1978. After graduation, he practiced law in New York City.



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

- Chief Financial Officer, Senior Vice President and Treasurer of NuStar Energy L.P. In this position, he is responsible for corporate finance, external reporting, accounting, budgeting and forecasting, investor relations, risk management, tax, treasury and credit.
- Before that, Steve held a variety of positions with Ultramar Diamond Shamrock and Valero Energy in New York, London and San Antonio, including Director, Planning and Development (1980-83); Assistant Treasurer - Corporate Finance (1983-90); Vice President of Investor Relations (1991-95); Vice President - Information Technology (1996); and Vice President - Finance and Treasurer (1996-01).
- Before joining Ultramar Diamond Shamrock in 1980, Steve worked for two years with National Westminster Bank in New York.
- Steve received a BA in History from the State University of New York in 1976. He went on to obtain a Master's in International Affairs, with a specialization in Business, from Columbia University in 1978.



## **Rick Bluntze** Senior VP- Operations

- Rick Bluntzer, Senior Vice President of Operations oversees NuStar Energy L.P.'s extensive pipeline, terminal, international and asphalt & fuels refining operations. Additionally he oversees NuStar's engineering, information systems (operations) and procurement organizations.
- Rick began his career with Valero Refining Company in 1976, serving in various operating and management positions until 1997, when he became a part of Valero's refinery acquisition team.
- Rick joined the Valero L.P. organization after the Valero/UDS merger and held various senior operating and management positions, contributing to the success and transition of today's NuStar organization.



## **Brad Barron, Senior VP - General Counsel**

- Brad Barron serves as Senior Vice President and General Counsel of NuStar Energy L.P. and NuStar GP Holdings, LLC, both of which are headquartered in San Antonio, TX. As such, he provides legal counsel on all major transactions, assures compliance with securities laws, provides legal counsel to the boards of directors and principal officers, manages real estate and right-of-way issues, and oversees health, safety and environmental compliance.
- Prior to joining the company, Mr. Barron was with Valero Energy Corporation. Mr. Barron began his legal career with Vinson & Elkins LLP and continued in private practice until he joined Valero in 2001.
- A committed volunteer, Mr. Barron is also active in the San Antonio community. He serves on the boards of directors of the Witte Museum, Alamo Bowl and Family Service Association, and he previously volunteered as a board member of the Boys and Girls Club of San Antonio. He also serves on the Texas Tech Foundation Board.
- Mr. Barron holds a B.B.A. from Texas Tech University and a J.D. from the University of Texas School of Law. In addition, Mr. Barron holds a M.L.A. from St. John's College.



# Management Bios



## Paul Brattlof, Senior VP - Supply and Trading

- Paul Brattlof leads NuStar Energy L.P.'s Marketing, Supply and Trading organization, which includes products trading, crude supply & trading, heavy fuels trading, bunker marketing and asphalt marketing.
- Under Mr. Brattlof's leadership, this organization capitalizes on opportunities to optimize the use and profitability of the company's worldwide portfolio of assets, manages risk as NuStar diversifies its business, and enhances the company's competitive position when pursuing acquisitions.
- Mr. Brattlof has more than two decades of experience in cash markets, futures markets and derivatives trading. Previously, he served as Vice President of Trading for Valero Energy Corporation, where he worked for 10 years. Prior to that, he spent 11 years with Kerr-McGee Refining and two years with Mico, a Long Beach-based trading company. A graduate of Rice University, Mr. Brattlof holds a Bachelor of Arts degree in Managerial Studies.



# Management Bios



## **Mike Hoeltzel, Senior VP – Strategic Planning & Economics**

- Senior Vice President for NuStar Energy L.P., responsible for developing strategic plans, refinery planning, market analysis, and project evaluations
- Joined NuStar in February 2007 with 30 years refinery experience.
- Valero Energy's Corporate Development Department from 2000 to 2007. Primary responsibility was valuation of refinery acquisitions during this period of growth from 6 to 19 refineries. Also supported growth of Valero L.P. during 2002-2006 when M&A opportunities for both companies were developed in a common department.
- Worked in CITGO's Corpus Christi refinery from 1991-2000 in various Project Management, Planning & Economics, and Strategic Planning positions.
- Worked in Kerr-McKee's Corpus Christi refinery from 1977-1991 in Project Management and Planning & Economics positions.
- Worked for Exxon in Oil Production from 1971-1973 and Dupont from 1973-1977 project engineering assignments with both companies.
- Graduated from Oklahoma State University in 1971 with BS and MS degrees in Mechanical Engineering. Also received MBA from Corpus Christi State University (now Texas A&M Corpus Christi) in 1983



# Management Bios



## Danny Oliver, Senior VP- Marketing and Business Development

- Danny Oliver, Senior Vice President of Marketing & Business Development for NuStar Energy L.P., oversees the company's commercial activities for its pipelines and terminals business. Previously he served as Vice President of Product Supply & Trading for NuStar where he was instrumental in building the company's successful trading operations from the ground up. He brings nearly 20 years of industry experience—the majority of which was spent trading energy commodities.
- Prior to joining NuStar in 2007, Mr. Oliver spent 10 years at Valero Energy holding management positions in Product Supply & Trading where he helped to build a world-class refined product trading organization and played a key role in the company's aggressive acquisition of refinery and logistics assets. He previously worked at Enron Corp. in the International Trading division where he was responsible for the company's worldwide MTBE and Methanol trading activities, and also held several positions at Kerr-McGee Refining & Marketing in products scheduling and accounting with an emphasis in reporting and analyzing trading activities.
- Mr. Oliver graduated from Texas State University with a B.B.A. in Accounting. Committed to the community in which he works and lives, Mr. Oliver currently serves on the boards of directors of San Antonio Sports and the Harmony Ridge Association. He is also actively involved with his church and the United Way of Bexar County.





# Management Bios



## Kyle Oppliger, VP GM - Operations

- ◆ Kyle Oppliger serves as the Vice President and General Manager of the NuStar Gulf Coast region. As such, he manages all aspects of the region's operations, maintenance, capital projects, safety and environmental compliance, quality assurance and security initiatives for NuStar terminal assets in Texas, Louisiana, Alabama, Georgia and Florida. He brings over 15 years of experience in refining and terminal operations.
- ◆ Prior to joining NuStar in 2006, Mr. Oppliger spent 10 years at Valero Energy holding leadership roles in operations, planning and economics and laboratory departments. He has played a key role in the aggressive integration and development of acquired assets in NuStar's Gulf Coast region. He previously worked for Phibro and Basis refining companies, and prior to working in the refining industry, Mr. Oppliger worked as a chemist in research and development.
- ◆ As a committed volunteer, Mr. Oppliger has been active in communities in which NuStar does business, including United Way organizations throughout the Gulf region. Additionally he has been active in youth mentoring programs, Big Brothers & Big Sisters and Boy Scouts of America.
- ◆ Mr. Oppliger received his undergraduate degree in Chemistry from Sam Houston State University and his Master's degree in Business from University of Houston.



# *Appendix*

# Reconciliation of Non-GAAP Financial Information: EBITDA



(Unaudited, Dollars in Thousands)

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.

The following is a reconciliation of net income to EBITDA:

	Year Ended December 31,								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net income	\$ 55,143	\$ 69,593	\$ 78,418	\$ 107,675	\$ 149,906	\$ 150,298	\$ 254,018	\$ 224,875	\$ 238,970
Plus interest expense, net	4,880	15,860	20,950	41,388	66,266	76,516	90,818	79,384	78,280
Plus income tax expense	395	-	-	4,713	5,861	11,448	11,006	10,531	11,741
Plus depreciation and amortization expense	16,440	26,267	33,149	64,895	100,266	114,293	135,709	145,743	153,802
<b>EBITDA</b>	<b>76,858</b>	<b>111,720</b>	<b>132,517</b>	<b>218,671</b>	<b>322,299</b>	<b>352,555</b>	<b>491,551</b>	<b>460,533</b>	<b>482,793</b>

Note: 2005 and 2006 EBITDA are from continuing operations.

# Reconciliation of Non-GAAP Financial Information: Storage Segment



**(Unaudited, Dollars in Thousands)**

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.

The following is a reconciliation of operating income to EBITDA for the Storage Segment:

	Year Ended December 31,				
	2006	2007	2008	2009	2010
Operating income	\$ 108,486	\$ 114,635	\$ 141,079	\$ 171,245	\$ 178,947
Plus depreciation and amortization expense	53,121	62,317	66,706	70,888	77,071
<b>EBITDA</b>	<b>\$ 161,607</b>	<b>\$ 176,952</b>	<b>\$ 207,785</b>	<b>\$ 242,133</b>	<b>\$ 256,018</b>

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

	Year Ended December 31, 2011
Projected incremental operating income range	\$ 11,000 - 20,000
Plus projected incremental depreciation and amortization expense range	9,000 - 10,000
Projected incremental EBITDA range	<u>\$ 20,000 - 30,000</u>

The following is a reconciliation of operating income to EBITDA for our St. James, LA terminal:

	Year Ended December 31,			
	2007	2008	2009	2010
Operating income	\$ 10,785	\$ 10,226	\$ 14,079	\$ 14,045
Plus depreciation and amortization expense	5,011	5,564	6,866	6,175
<b>EBITDA</b>	<b>\$ 15,796</b>	<b>\$ 15,790</b>	<b>\$ 20,945</b>	<b>\$ 20,220</b>

The following is a reconciliation of projected annual operating income to projected annual EBITDA for our St. James, LA terminal:

	Year Ended December 31, 2011
Projected operating income	\$ 21,512
Plus projected depreciation and amortization expense	7,296
Projected EBITDA	<u>\$ 28,808</u>

# Reconciliation of Non-GAAP Financial Information: Transportation Segment



**(Unaudited, Dollars in Thousands)**

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.

The following is a reconciliation of operating income to EBITDA for the Transportation Segment:

	Year Ended December 31,				
	2006	2007	2008	2009	2010
Operating income	\$ 122,714	\$ 126,508	\$ 135,086	\$ 139,869	\$ 148,571
Plus depreciation and amortization expense	47,145	49,946	50,749	50,528	50,617
<b>EBITDA</b>	<b>\$ 169,859</b>	<b>\$ 176,454</b>	<b>\$ 185,835</b>	<b>\$ 190,397</b>	<b>\$ 199,188</b>

The following is a reconciliation of projected decrease in operating income to projected decrease in EBITDA:

	Year Ended December 31, 2011
Projected decrease in operating income	(\$ 5,000 - 15,500)
Plus projected incremental depreciation and amortization expense range	0 - 500
Projected decrease in EBITDA range	<u>(\$ 5,000 - 15,000)</u>

# Reconciliation of Non-GAAP Financial Information: Asphalt and Fuels Marketing Segment



**(Unaudited, Dollars in Thousands)**

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.

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

	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

	Year Ended December 31, 2008			Year Ended December 31, 2007	Year Ended December 31, 2006
	Asphalt Operations	Fuels Marketing Operations	Asphalt and Fuels Marketing Segment	Asphalt and Fuels Marketing Segment	Asphalt and Fuels Marketing Segment
Operating income	\$ 76,267	\$ 36,239	\$ 112,506	\$ 21,111	\$ 26,815
Plus depreciation and amortization expense	14,182	552	14,734	423	-
EBITDA	\$ 90,449	\$ 36,791	\$ 127,240	\$ 21,534	\$ 26,815

# Reconciliation of Non-GAAP Financial Information: Acquisitions



**(Unaudited, Dollars in Thousands)**

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.

The following is a reconciliation of projected annual operating income to projected annual EBITDA for our 2011 Acquisitions:

	<b>San Antonio Refinery</b>	<b>Turkey</b>	<b>Total</b>
Projected annual operating income	\$ 17,000	\$ 1,000	\$ 18,000
Plus projected annual depreciation and amortization expense	2,500	1,800	4,300
Projected annual EBITDA	<u>\$ 19,500</u>	<u>\$ 2,800</u>	<u>\$ 22,300</u>

The following is a reconciliation of projected operating income to projected EBITDA for the San Antonio Refinery acquisition:

	<b>Year Ended December 31, 2011</b>
Projected operating income	\$ 13,000
Plus projected depreciation and amortization expense	2,000
Projected EBITDA	<u>\$ 15,000</u>