
**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): January 27, 2012

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
(I.R.S. Employer
Identification No.)

**2330 North Loop 1604 West
San Antonio, Texas 78248**
(Address of principal executive offices)

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

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))
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Item 2.02 Results Of Operations And Financial Condition.

On January 27, 2012, NuStar Energy L.P., a Delaware limited partnership, issued a press release announcing financial results for the quarter ended December 31, 2011. A copy of the press release announcing the financial results is furnished with this report as Exhibit 99.1, and is incorporated herein by reference.

The information in this report is being furnished, not filed, pursuant to Item 2.02 of Form 8-K. Accordingly, the information in this report, including the press release, will not be incorporated by reference into any registration statement filed by NuStar Energy L.P. under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

NON-GAAP FINANCIAL MEASURES

The press release announcing the earnings discloses certain financial measures, EBITDA, distributable cash flow, and distributable cash flow per unit, that are non-GAAP financial measures as defined under SEC rules. The press release furnishes a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. 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. None of EBITDA, distributable cash flow or distributable cash flow per unit is intended to represent cash flows for the period, nor are they presented as an alternative to net income or cash flow from operations. 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release dated January 27, 2012.

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: January 27, 2012

By: /s/ Amy L. Perry
Amy L. Perry
Vice President, Assistant General Counsel and Corporate
Secretary

EXHIBIT INDEX

Number

Exhibit

99.1

Press Release dated January 27, 2012.

**NuStar Energy L.P. 2011 Full Year Distributable Cash Flow, EBITDA and
Operating Income Higher than 2010**

**Fourth Quarter 2011 Results
Benefit from the Completion of Internal Growth Projects**

Expect Results to Continue to Improve in 2012

SAN ANTONIO, January 27, 2012 – NuStar Energy L.P. (NYSE: NS) today announced its fourth quarter distributable cash flow available to limited partners was \$63.1 million, or \$0.95 per unit, compared to 2010 fourth quarter distributable cash flow of \$66.7 million, or \$1.03 per unit. For the year ended December 31, 2011, distributable cash flow available to limited partners was \$307.9 million, or \$4.74 per unit, up from the \$280.7 million, or \$4.43 per unit earned in 2010.

Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$98.7 million for the fourth quarter of 2011 compared to \$113.6 million for the fourth quarter of 2010. For the year ended December 31, 2011, EBITDA was \$490.4 million, higher than the \$482.8 million in 2010.

Operating income was \$47.9 million for the fourth quarter of 2011 compared to \$70.5 million for the fourth quarter of 2010. For the year ended December 31, 2011, operating income was \$314.0 million, outpacing the \$302.6 million generated in 2010.

Net income applicable to limited partners for the fourth quarter was \$19.8 million, or \$0.30 per unit, compared to \$41.9 million, or \$0.65 per unit, earned in the fourth quarter of 2010. For the year ended December 31, 2011, net income applicable to limited partners was \$180.7 million, or \$2.78 per unit, compared to \$200.9 million, or \$3.19 per unit, in 2010.

The partnership also announced that its board of directors has declared a fourth quarter 2011 distribution of \$1.095 per unit. This fourth quarter 2011 distribution will be paid on February 10, 2012, to holders of record as of February 7, 2012. For 2011, NuStar Energy L.P. declared a distribution of \$4.36 per unit, which was \$0.08 per unit or approximately 2% higher than the \$4.28 per unit distribution declared in 2010. Distributable cash flow available to limited partners covers the distribution to the limited partners by 0.87 times for the fourth quarter of 2011 and 1.09 times for the year ended December 31, 2011.

“Even though the U.S. and global economic conditions continued to be very challenging this past year and oil and gas volatility remained high, NuStar was able to generate more distributable cash flow, EBITDA and operating income in 2011 than in 2010,” said Curt Anastasio, President and

-More-

Chief Executive Officer of NuStar Energy L.P. and NuStar GP Holdings, LLC. “Additional earnings produced by the completion of several internal growth projects, the acquisition of the San Antonio refinery and crude oil trading in our fuels marketing operations more than offset the negative impact of reduced pipeline throughput volumes and lower than expected asphalt demand.”

With regard to fourth quarter 2011 results Anastasio added, “Results in both our storage and transportation segments were higher than last year’s fourth quarter. Our storage segment benefited primarily from the 3rd quarter 2011 completion of a storage expansion project at our St. James, Louisiana terminal facility. Increased tariffs and new revenue streams from two Eagle Ford shale internal growth projects contributed to improved results in our transportation segment.”

Anastasio noted that, “While lower results in our asphalt and fuels marketing segment, primarily due to lower margins in our asphalt operations, offset the increased fourth quarter results in our storage and transportation segments, the non-recurring hedging gains associated with our San Antonio refinery of approximately \$16.4 million helped partially offset the negative impact of the lower asphalt operations margins.”

2012 Outlook

Commenting on the 2012 outlook for NuStar Energy L.P., Anastasio said, “We expect NuStar’s EBITDA to be higher than 2011. EBITDA in all three of our segments is also expected to exceed 2011 results.”

In regard to internal growth spending Anastasio added, “NuStar continues to identify internal growth projects that should contribute to our EBITDA growth over the next several years. Currently we expect to spend \$350 -\$400 million on internal growth projects during 2012.”

A conference call with management is scheduled for 10:00 a.m. ET (9:00 a.m. CT) today, January 27, 2012, to discuss the financial and operational results for the fourth quarter of 2011. Investors interested in listening to the presentation may call 800/622-7620, passcode 39023181. International callers may access the presentation by dialing 706/645-0327, passcode 39023181. The company intends to have a playback available following the presentation, which may be accessed by calling 800/585-8367, passcode 39023181. A live broadcast of the conference call will also be available on the company’s Web site at www.nustarenergy.com.

-More-

NuStar Energy L.P. is a publicly traded, limited partnership based in San Antonio, with 8,417 miles of pipeline; 89 terminal and storage facilities that store and distribute crude oil, refined products and specialty liquids; and two asphalt refineries and a fuels refinery with a combined throughput capacity of 118,500 barrels per day. The partnership's combined system has approximately 98 million barrels of storage capacity. One of the largest asphalt refiners and marketers in the U.S. and the second largest independent liquids terminal operator in the nation, 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.

This release serves as qualified notice to nominees under Treasury Regulation Sections 1.1446-4(b)(4) and (d). Please note that 100% of NuStar's distributions to foreign investors are attributable to income that is effectively connected with a United States trade or business. Accordingly, all of NuStar's distributions to foreign investors are subject to federal income tax withholding at the highest effective tax rate for individuals and corporations, as applicable. Nominees, and not NuStar, are treated as the withholding agents responsible for withholding on the distributions received by them on behalf of foreign investors.

Cautionary Statement Regarding Forward-Looking Statements

This press release includes forward-looking statements regarding future events. All forward-looking statements are based on the partnership and company's beliefs as well as assumptions made by and information currently available to the partnership and company. These statements reflect the partnership and company'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. and NuStar GP Holdings, LLC's 2010 annual reports on Form 10-K and subsequent filings with the Securities and Exchange Commission.

-30-

-More-

NuStar Energy L.P. and Subsidiaries
Consolidated Financial Information
(Unaudited, Thousands of Dollars, Except Unit Data and Per Unit Data)

	Three Months Ended December 31,		Year Ended December 31,	
	2011	2010	2011	2010
Statement of Income Data:				
Revenues:				
Services revenues	\$ 217,249	\$ 205,542	\$ 825,938	\$ 791,314
Product sales	1,709,856	988,670	5,749,317	3,611,747
Total revenues	1,927,105	1,194,212	6,575,255	4,403,061
Costs and expenses:				
Cost of product sales	1,663,096	927,678	5,460,520	3,350,429
Operating expenses	138,522	123,004	529,002	486,032
General and administrative expenses	33,620	33,917	103,453	110,241
Depreciation and amortization expense	43,932	39,149	168,286	153,802
Total costs and expenses	1,879,170	1,123,748	6,261,261	4,100,504
Operating income	47,935	70,464	313,994	302,557
Equity in earnings of joint venture	4,461	2,929	11,458	10,500
Interest expense, net	(21,037)	(20,221)	(83,681)	(78,280)
Other income (expense), net	2,408	1,052	(3,291)	15,934
Income before income tax expense	33,767	54,224	238,480	250,711
Income tax expense	3,568	2,689	16,879	11,741
Net income	<u>\$ 30,199</u>	<u>\$ 51,535</u>	<u>\$ 221,601</u>	<u>\$ 238,970</u>
Net income applicable to limited partners	<u>\$ 19,782</u>	<u>\$ 41,936</u>	<u>\$ 180,714</u>	<u>\$ 200,886</u>
Net income per unit applicable to limited partners:	<u>\$ 0.30</u>	<u>\$ 0.65</u>	<u>\$ 2.78</u>	<u>\$ 3.19</u>
Weighted average limited partner units outstanding	66,226,386	64,610,549	65,018,301	62,946,987
EBITDA (Note 1)	\$ 98,736	\$ 113,594	\$ 490,447	\$ 482,793
Distributable cash flow (Note 1)	\$ 74,739	\$ 76,854	\$ 351,263	\$ 320,226
	December 31,	December 31,		
	2011	2010		
Balance Sheet Data:				
Debt, including current portion (a)	\$ 2,293,030	\$ 2,137,080		
Partners' equity (b)	2,864,335	2,702,700		
Debt-to-capitalization ratio (a) / ((a)+(b))	44.5%	44.2%		

NuStar Energy L.P. and Subsidiaries
Consolidated Financial Information - Continued
(Unaudited, Thousands of Dollars, Except Barrel Data)

	Three Months Ended December 31,		Year Ended December 31,	
	2011	2010	2011	2010
Segment Data:				
Storage:				
Throughput (barrels/day)	735,521	677,736	693,269	669,435
Throughput revenues	\$ 21,858	\$ 19,520	\$ 80,246	\$ 75,605
Storage lease revenues	126,705	113,740	486,525	444,233
Total revenues	148,563	133,260	566,771	519,838
Operating expenses	72,409	65,634	285,639	263,820
Depreciation and amortization expense	23,081	20,067	87,737	77,071
Segment operating income	\$ 53,073	\$ 47,559	\$ 193,395	\$ 178,947
Transportation:				
Refined products pipelines throughput (barrels/day)	528,818	531,626	514,261	529,946
Crude oil pipelines throughput (barrels/day)	333,899	342,417	305,890	371,726
Total throughput (barrels/day)	862,717	874,043	820,151	901,672
Revenues	\$ 85,043	\$ 83,255	\$ 311,514	\$ 316,072
Operating expenses	29,345	28,100	114,726	116,884
Depreciation and amortization expense	12,893	12,588	51,175	50,617
Segment operating income	\$ 42,805	\$ 42,567	\$ 145,613	\$ 148,571
Asphalt and fuels marketing:				
Product sales	\$1,710,020	\$ 989,896	\$5,759,099	\$3,615,890
Cost of product sales	1,669,005	933,151	5,490,384	3,371,854
Gross margin	41,015	56,745	268,715	244,036
Operating expenses	47,344	35,994	160,850	132,918
Depreciation and amortization expense	6,131	5,003	22,636	20,257
Segment operating (loss) income	\$ (12,460)	\$ 15,748	\$ 85,229	\$ 90,861
Consolidation and intersegment eliminations:				
Revenues	\$ (16,521)	\$ (12,199)	\$ (62,129)	\$ (48,739)
Cost of product sales	(5,909)	(5,473)	(29,864)	(21,425)
Operating expenses	(10,576)	(6,724)	(32,213)	(27,590)
Total	\$ (36)	\$ (2)	\$ (52)	\$ 276
Consolidated Information:				
Revenues	\$1,927,105	\$1,194,212	\$6,575,255	\$4,403,061
Cost of product sales	1,663,096	927,678	5,460,520	3,350,429
Operating expenses	138,522	123,004	529,002	486,032
Depreciation and amortization expense	42,105	37,658	161,548	147,945
Segment operating income	83,382	105,872	424,185	418,655
General and administrative expenses	33,620	33,917	103,453	110,241
Other depreciation and amortization expense	1,827	1,491	6,738	5,857
Consolidated operating income	\$ 47,935	\$ 70,464	\$ 313,994	\$ 302,557

NuStar Energy L.P. and Subsidiaries
Consolidated Financial Information - Continued
(Unaudited, Thousands of Dollars, Except Per Unit Data)

Notes:

1. 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.

The following is a reconciliation of net income to EBITDA and distributable cash flow:

	Three Months Ended December 31,		Year Ended December 31,	
	2011	2010	2011	2010
Net income	\$ 30,199	\$ 51,535	\$ 221,601	\$ 238,970
Plus interest expense, net	21,037	20,221	83,681	78,280
Plus income tax expense	3,568	2,689	16,879	11,741
Plus depreciation and amortization expense	43,932	39,149	168,286	153,802
EBITDA	98,736	113,594	490,447	482,793
Less equity in earnings of joint venture	(4,461)	(2,929)	(11,458)	(10,500)
Less interest expense, net	(21,037)	(20,221)	(83,681)	(78,280)
Less reliability capital expenditures	(9,082)	(15,704)	(50,339)	(54,031)
Less income tax expense	(3,568)	(2,689)	(16,879)	(11,741)
Plus distributions from joint venture	4,977	2,125	14,374	9,625
Mark-to-market impact on hedge transactions (a)	9,174	2,678	456	(17,640)
Contingent loss adjustment	—	—	3,250	—
Other non-cash items	—	—	5,093	—
Distributable cash flow	\$ 74,739	\$ 76,854	\$ 351,263	\$ 320,226
EBITDA	\$ 98,736	\$ 113,594	\$ 490,447	\$ 482,793
EBITDA attributable to noncontrolling interest	29	—	415	—
EBITDA attributable to NuStar Energy L.P.	\$ 98,707	\$ 113,594	\$ 490,032	\$ 482,793
Distributable cash flow	\$ 74,739	\$ 76,854	\$ 351,263	\$ 320,226
Distributable cash flow attributable to noncontrolling interest	53	—	441	—
Distributable cash flow attributable to NuStar Energy L.P.	\$ 74,686	\$ 76,854	\$ 350,822	\$ 320,226
General partner's interest in distributable cash flow	11,598	10,160	42,956	39,531
Limited partners' interest in distributable cash flow	\$ 63,088	\$ 66,694	\$ 307,866	\$ 280,695
Distributable cash flow per limited partner unit	\$ 0.95	\$ 1.03	\$ 4.74	\$ 4.43

- (a) Distributable cash flow excludes the impact of unrealized mark-to-market gains and losses that arise from valuing certain derivative contracts, as well as the associated hedged inventory. The gain or loss associated with these contracts is realized in distributable cash flow when the contracts are settled.