

**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 12, 2021**

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.)

**19003 IH-10 West
San Antonio, Texas 78257**
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common units	NS	New York Stock Exchange
Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprA	New York Stock Exchange
Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprB	New York Stock Exchange
Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

Senior management of NuStar Energy L.P. is participating in virtual meetings with members of the investment community at the UBS Winter Infrastructure & Energy Virtual Conference on Tuesday, January 12, 2021 and Wednesday, January 13, 2021. The slides attached to this report were prepared in connection with, and are being used during, the meetings. The slides are included in Exhibit 99.1 to this report and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) **Exhibits.**

Exhibit Number

EXHIBIT

Exhibit 99.1

[Slides to be used on January 12, 2021 and January 13, 2021.](#)

Exhibit 104

Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document

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 12, 2021

By: /s/ Amy L. Perry
Name: Amy L. Perry
Title: Executive Vice President-Strategic Development and General Counsel



2021 UBS

Winter Infrastructure & Energy
Virtual Conference

January 12-13, 2021

North Beach Corp



Forward-Looking Statements

Statements contained in this presentation other than statements of historical fact are forward-looking statements. 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 may differ. Actual results may vary, sometimes materially, from any estimates, predictions, projections, assumptions or other financial performance presented or suggested in this presentation. These forward-looking statements can generally be identified by the words "anticipates," "believes," "expects," "plans," "intends," "estimates," "forecasts," "budgets," "projects," "could," "should," "may" and similar expressions. These statements reflect our current views with respect to future events and are subject to various risks, uncertainties and assumptions.

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 its quarterly reports on Form 10-Q, filed with the SEC and available on NuStar's website at www.nustarenergy.com. We use financial measures in this presentation that are not calculated in accordance with generally accepted accounting principles ("non-GAAP") and our reconciliations of non-GAAP financial measures to GAAP financial measures are located in the appendix to this presentation. These non-GAAP financial measures should not be considered an alternative to GAAP financial measures.



Introduction

CRUDE OIL



After a Year Full of Challenges, NuStar is Well-positioned for 2021

Strong Coverage



Lower Leverage



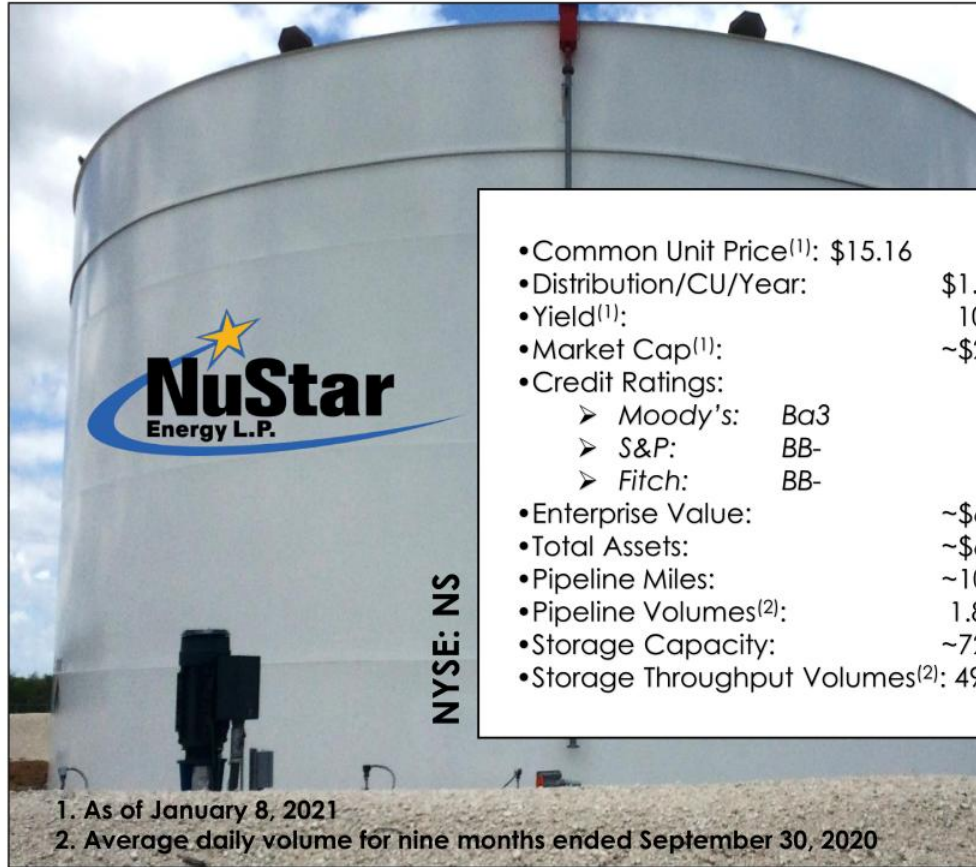
Simplified Structure/
Governance



No IDR Burden



Maximized Self-Funding



• Common Unit Price ⁽¹⁾ :	\$15.16
• Distribution/CU/Year:	\$1.10
• Yield ⁽¹⁾ :	~7%
• Market Cap ⁽¹⁾ :	~\$1.5B
• Credit Ratings:	
➤ Moody's:	Ba3
➤ S&P:	BB-
➤ Fitch:	BB-
• Enterprise Value:	~\$1.5B
• Total Assets:	~\$1.5B
• Pipeline Miles:	~11,000
• Pipeline Volumes ⁽²⁾ :	1.8 Bcf/d
• Storage Capacity:	~7 Bcf
• Storage Throughput Volumes ⁽²⁾ :	45 Bcf/d

NYSE: NS

1. As of January 8, 2021

2. Average daily volume for nine months ended September 30, 2020



Last Year, Faced With Unprecedented Challenges, We Took Decisive Action and Remained Focused on Our Priorities...

A large graphic on the left side of the page. It consists of a white circle with a thick orange border. Inside the circle, the words "2020" and "Priorities" are written in a bold, blue, sans-serif font, stacked vertically.

2020 Priorities

-   Protecting Our Employees and Maintaining Safe, Reliable Operations
-   Reducing Spending to Preserve Cash and Executing Efficiently Across Our Operations
-   Lowering Our Leverage





... And This Past Quarter, We Again Delivered Solid and Stable Financial Results...



1 - Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures



... Along With Strong Operational Performance Across Our Footprint

- ★ Our pipeline systems have rebounded strongly, and several of our terminals will continue to benefit from spring contango in 2021



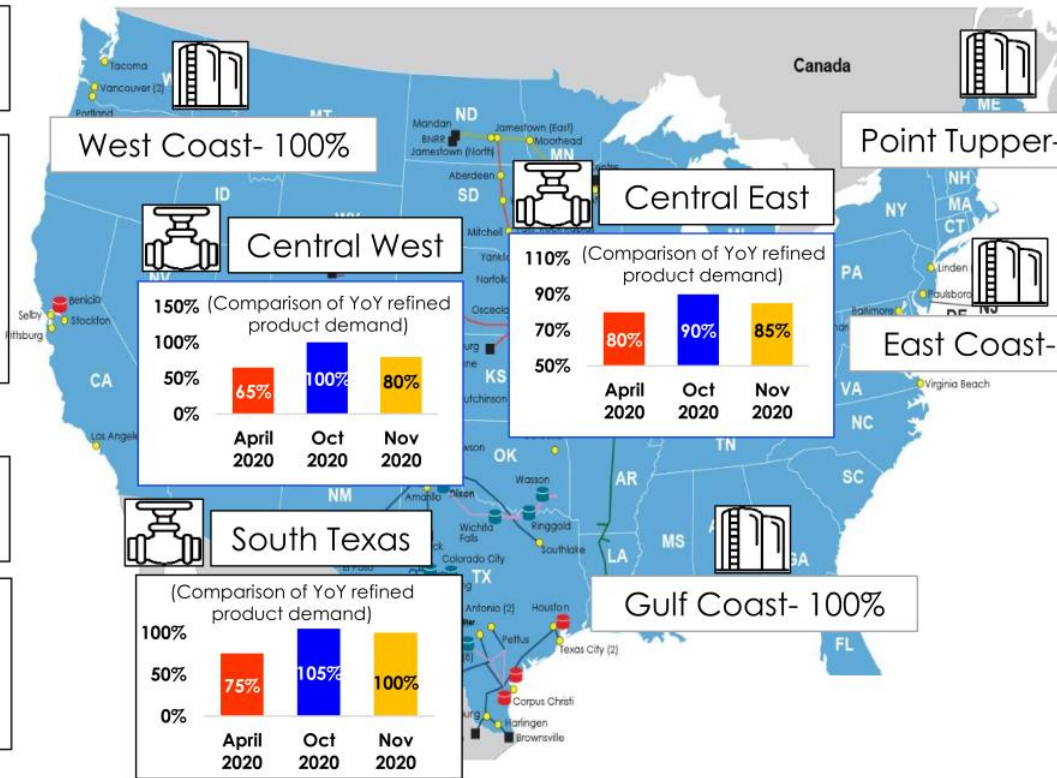
PIPELINE SEGMENT

Transported over 204MM bbls Crude + Refined Products through our pipelines and terminals during 3Q20



STORAGE SEGMENT

Successfully contracted 100% of our storage across our footprint





Thanks to Our Employees' Perseverance and Hard Work
We Expect Solid Full-Year 2020 Results...

2020 Actions



Maintained Reliable Operations &
Industry-leading Health & Safety
Record

Reduced
2020 Strategic Capital Spending
46%*



Reduced
2020 Expenses
\$50-55 million*

Issued \$1.2 billion of Senior Notes to
Address Maturities through 2025



Closed on Sale of
Terminal Facility in December for
\$106 million

2020 Guidance

Adjusted EBITDA
\$690-730 MM

Midpoint is 6%
HIGHER Than
Our 2019 Results

*- Compared to pre-COVID 2020 guidance for spending/expenses

1 - Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures



... And We Expect to Continue to Demonstrate Financial Strength and Stability in 2021

2021
Expectations

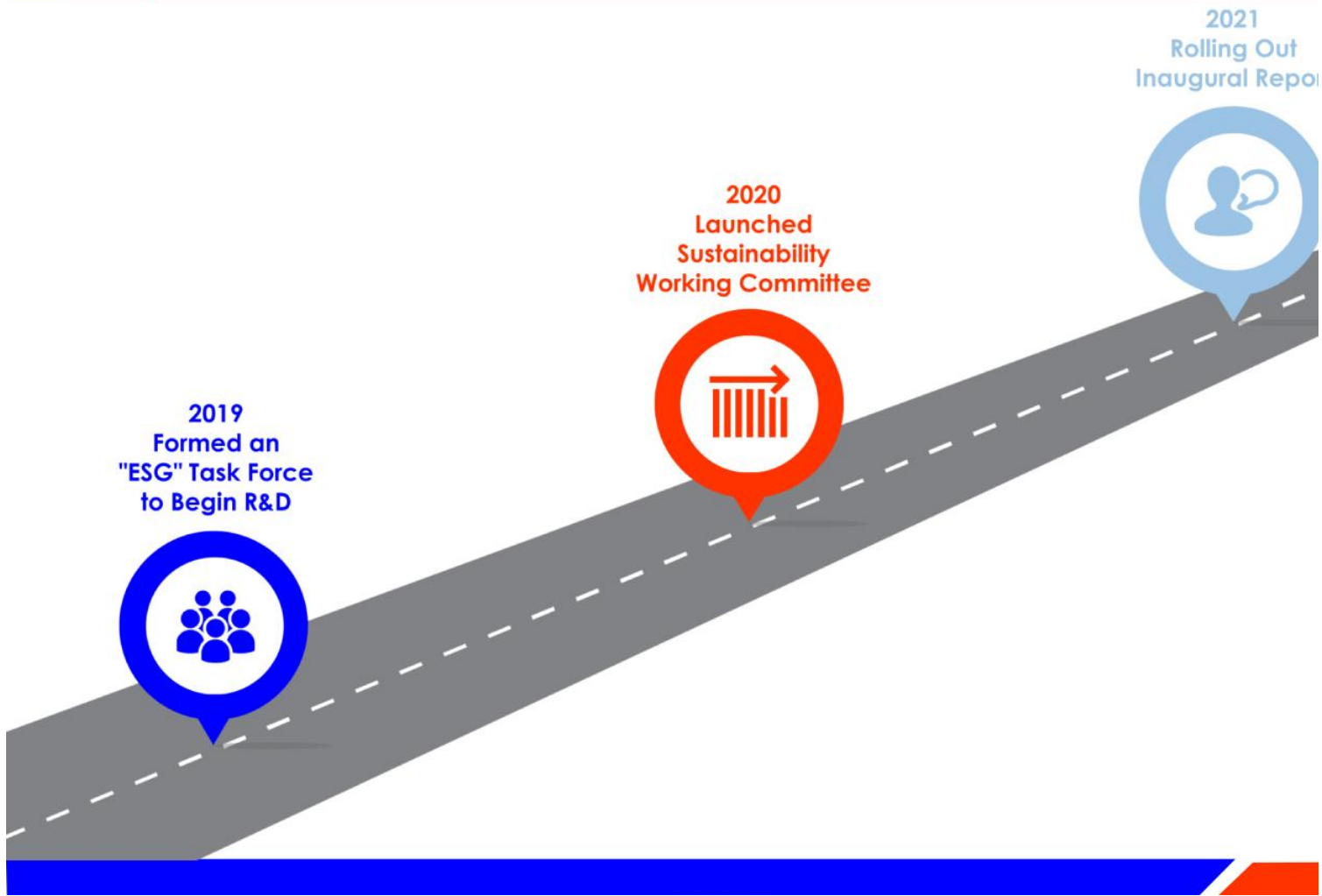
Expect to Generate
2021 EBITDA
Comparable to 2020
Adjusted EBITDA

&

Expect to Fund All
NuStar's 2021
Spending From Our
Internally Generated
Cash Flows



In 2021, We Plan to Release Our First Sustainability Report
Tout the Critical Importance of the Services We Provide
NuStar's Proud Tradition of "ESG" Excellence





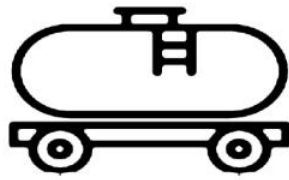
Pipelines Provide the Most Efficient and Safest Way to Transport the Energy That Powers Our Everyday Life

Transporting the Volume NuStar Moves in ONE DAY Would Require:

11,000 Trucks



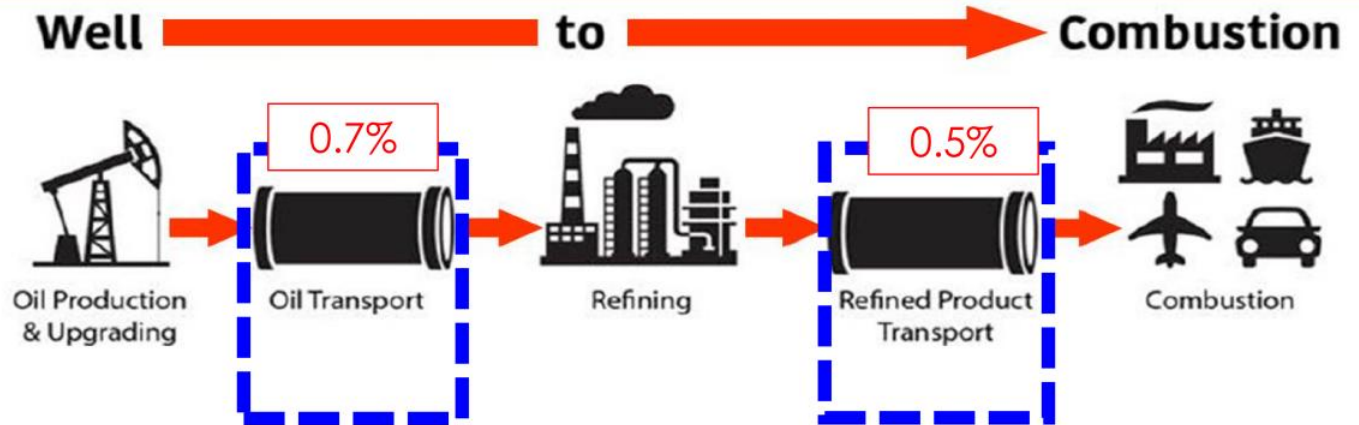
37 Unit Trains



Pipelines are the Safest Mode of Energy Transportation:

- Rail is over 4.6 times more likely than pipelines to experience an incident
- Trucks are 6 times more likely than pipelines to experience an incident

Pipelines' Proportion of Emissions

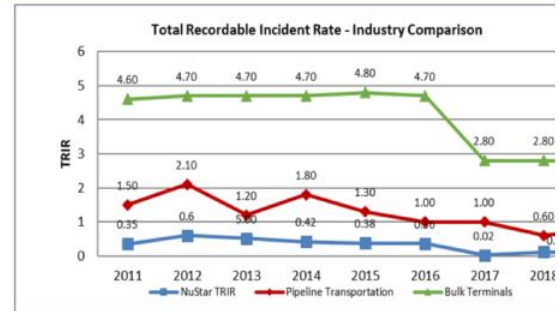


Sources: ARC Energy Research Institute, using input data from the U.S. Department of Energy National Energy Technology Laboratory to define the U.S. Refined Average
*U.S. Refined Average (2014); Student Research Associate, Strata



For 20 Years, NuStar has Been Protecting Our Employees, the Environment and Our Communities Because We Believe That's the Right Thing to Do

- ★ Our safety statistics reflect our commitment to safe, responsible operations
 - ☐ In 2019, as in years past, we performed substantially better than our peers
 - 21.5 times better than the Bureau of Labor Statistics (BLS) comparison data for the Bulk Terminals Industry
 - 6.2 times better than the BLS data for the Pipeline Transportation Industry
- ★ NuStar has received the International Liquids Terminals Association's (ILTA) Safety Excellence Award 10 times
 - ☐ ILTA reviews its members' safety reports filed with OSHA, and recognizes member companies that achieve exemplary safety statistics with an award
- ★ We participate in the OSHA Voluntary Protection Program (VPP), which promotes effective worksite safety and health
 - ☐ Achieving VPP *Star Status* requires rigorous OSHA review and audit, and *Star Status* requires renewal every three years
 - ☐ 85% of our U.S. terminals are VPP-certified



1 – Industry averages derived from 2011-2019 Bureau of Labor Statistics (BLS) Data.



Our Report Will Reflect More of the Statistics, Record Rankings That Demonstrate How Much NuStar Cares, Contributes and Shares



- ★ NuStar has been recognized for its strong corporate culture with numerous awards
 - NuStar has been recognized 11 times in Fortune's Annual "100 Best Companies to Work For" list
- ★ NuStar employees contributed 83,000 volunteer hours 2019 alone
 - NuStar maintains local volunteer councils in each community in which we operate to contribute to the charitable and civic causes unique to that local community
- ★ Since 2007, NuStar's employees have hosted a golf tournament to support Haven for Hope, a transformational campus in San Antonio that address homelessness
 - The tournament has generated an aggregate of over \$4 million for Haven for Hope

2019
RECOGNIZED
COMPANY
THAT CARES
RANKING
#1





In 2020, Although Many of Our Employees Worked Remotely, We are Proud of the Strength of Our Support for Each Other and Our Communities



Ranked #62!

★ 100% of our U.S. employees contribute to our United Way campaign, and our average per capita contribution is the highest in the nation for a company our size

□ NuStar's total 2020 contribution was \$4.8 million



Ranked #46!

★ NuStar employees log approximately 85,000 volunteer hours annually





... And Demonstrate Further That NuStar's Governance Aligned With Our Unitholders' Interests

No IDRs

Annual Unitholder Meetings

NS Board of Directors

100% Attendance for 2020 Board & Committee Meeting

78% Independent Directors

11% Women

Audit Committee

Nominating,
Governance &
Conflicts Committee

Compensation
Committee

NS Management

*Majority of Officers' Compensation Tied to Performance
and Unit Returns*

Sustainability Committee

Governance, Ethics &
Compliance Committee

Cyber Risk Governance
Committee



We Are Focused on Our Strategic Priorities for 2021



Working to
Fund
Spending
From Internally
Generated
Cash Flows



Continuing to
Take Steps to
Improve Our
Debt Metrics

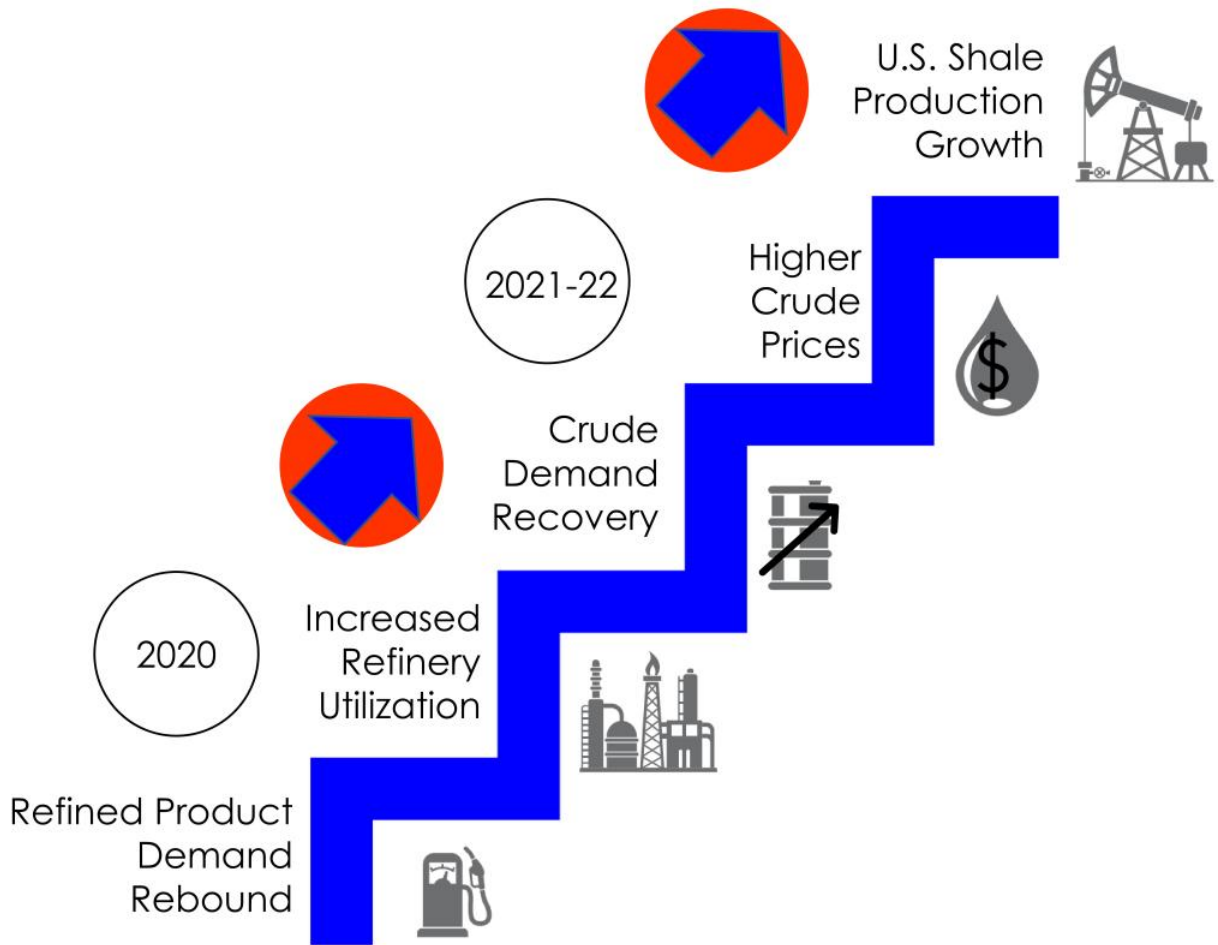


Promoting
NuStar's
ESG
Excellence





We Remain Confident That Product Demand Rebound is the First Step on the Road Back to Shale Production Growth in 2021-2022

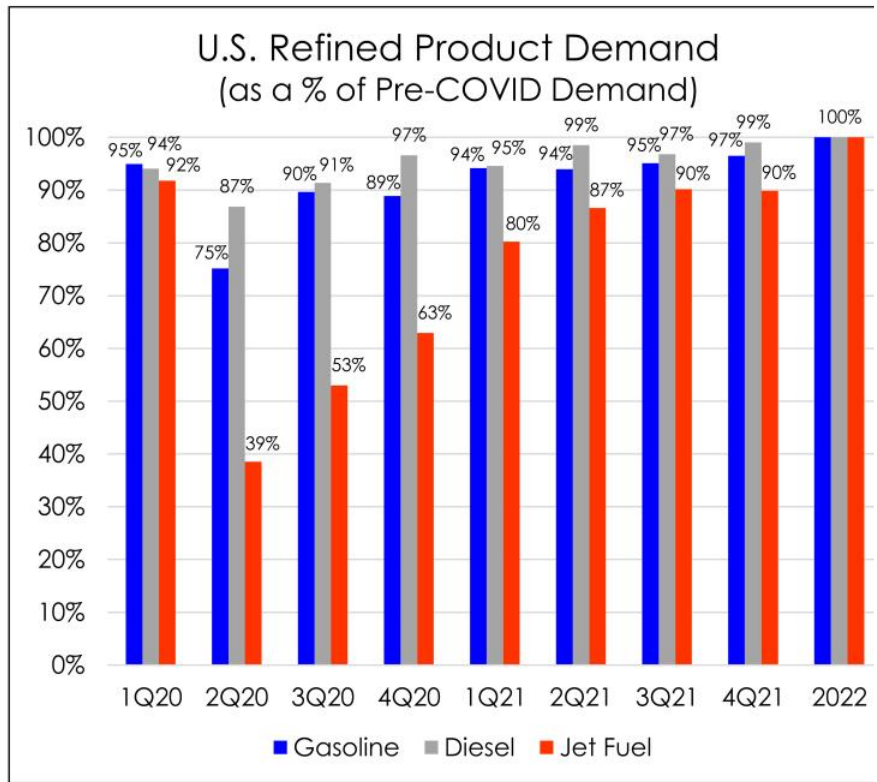




Overall U.S. Gasoline and Diesel Demand is Expected to Recover to 95% of Pre-COVID Levels in 1Q 2021...

★ In the second quarter of 2020, U.S. refined products demand dropped by 21% compared to January 2020, but by 1Q 2021, gasoline and diesel demand are expected to recover to pre-COVID demand levels of 95%

- The recovery of jet fuel demand is expected to lag behind gasoline and diesel demand, as the airline industry continues to experience low flight demand due to COVID concerns

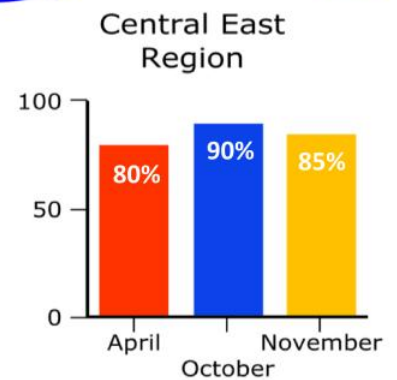
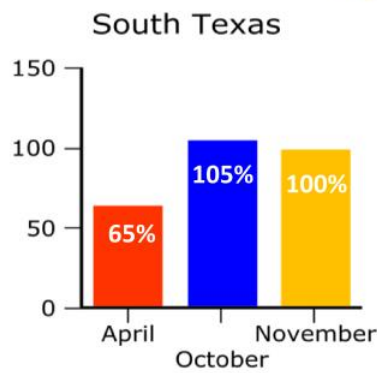
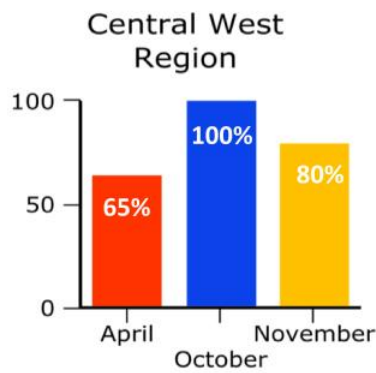


Source: EIA



Refined Products Demand Continues to Demonstrate Remarkable Resilience in the Markets Our Assets Serve

Total Refined Products:



- ★ 2020 EBITDA guidance range assumes 85% recovery
- ★ Slight decrease from October 2020 levels driven by operational issues at some of our customers' refineries (unrelated to pandemic or economic recovery)

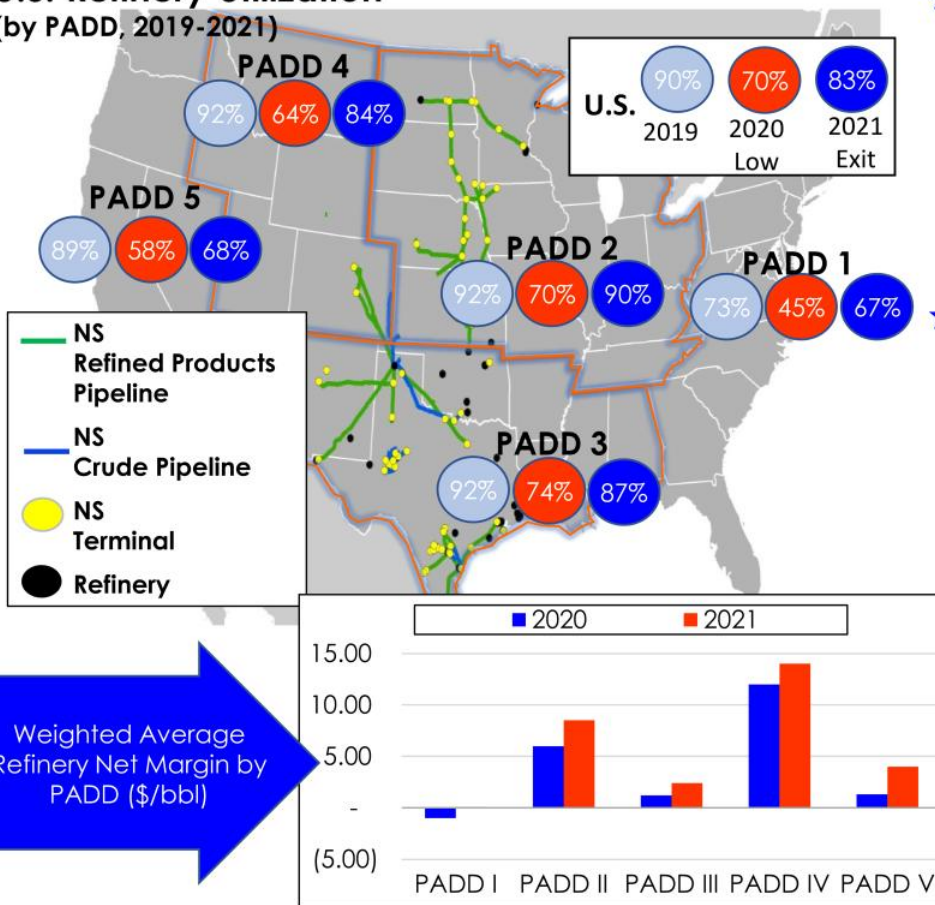
1 - Comparison of year-over-year demand



U.S. Refinery Utilization Continues to Recover, Led by Refiners in PADD 2 and PADD 3, Which NuStar's Pipeline Systems Serve

U.S. Refinery Utilization

(by PADD, 2019-2021)



★ Nearly all of NuStar's pipeline assets are located in in PADD 2 and 3, where refinery utilization in 2020 did not suffer the degree of deterioration experienced by East and West Coast refiners in 2020

★ Refinery utilization in PADD 2 and 3 is forecasted to recover all or most of the rest of the U.S.

□ PADD 2 refiners benefit from lower supply costs with access to nearby Canadian crudes as well as abundant U.S. shale production

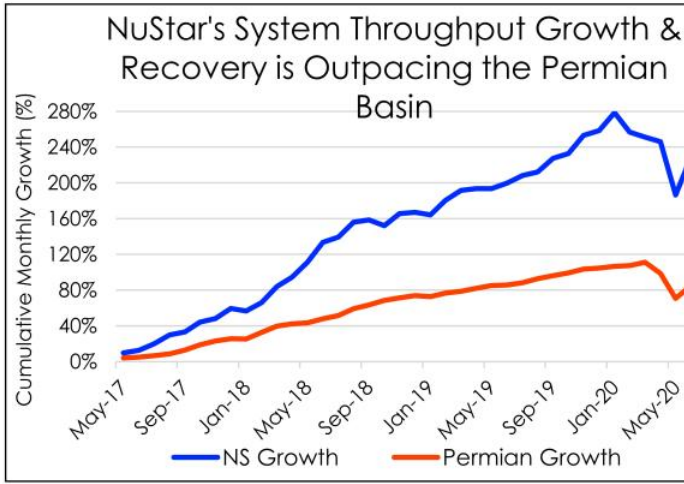
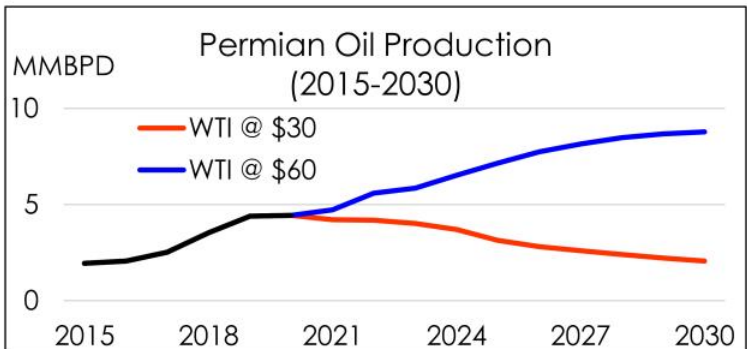
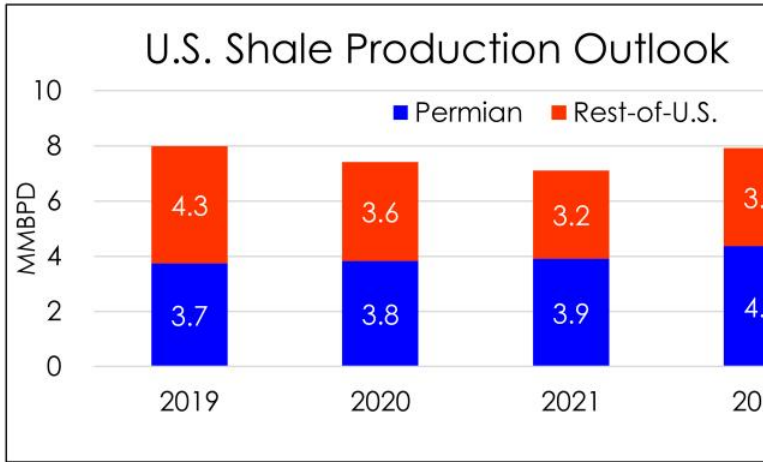
□ Complex Gulf Coast refineries can process low-cost heavy crudes and maximize production of high-margin products

Source: ESI, Wood Mackenzie



The Permian Basin- the World's Largest, Most Resilient Shale is Expected to Resume Growth in 2022, and Our System has Already Rebounded Ahead of the Rest of the Permian Basin

- ★ Because of its superior geology and breakeven costs, the Permian Basin's production is expected:
 - To exit 2020 at 3.8 MMBPD, approximately 51% of the nation's total shale output
 - Return to growth in 2022
- ★ Our system's throughput volumes are now up 18% above May 2020 lows, while the rest of the Permian is up 11% from the May 2020 low
- ★ We averaged 423MBPD in the third quarter of 2020



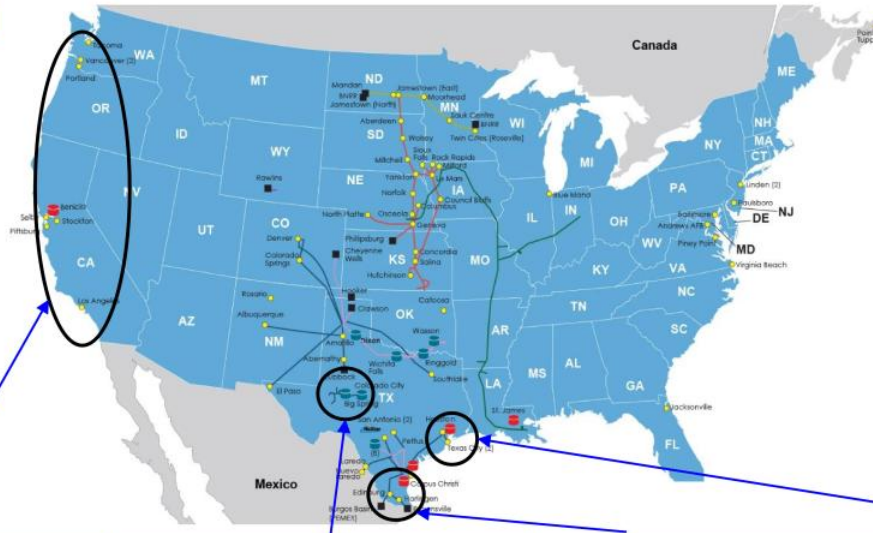
Source: EIA Drilling Productivity Report (November 2020), Rystad, ESAI



Our Trimmed-Down Strategic Spending Program for 2020 and 2021 Focuses on Low-multiple Projects to Enhance Our Existing Footprint

- ★ We expect to finish 2020 having spent **at least 63% less** on capital projects than we did in 2019
- ★ We continue to exercise strict capital discipline and execute on low-multiple projects that enhance our existing footprint and improve our metrics

**Total Estimated
2020
Strategic
Spending:**
\$
165-185MM



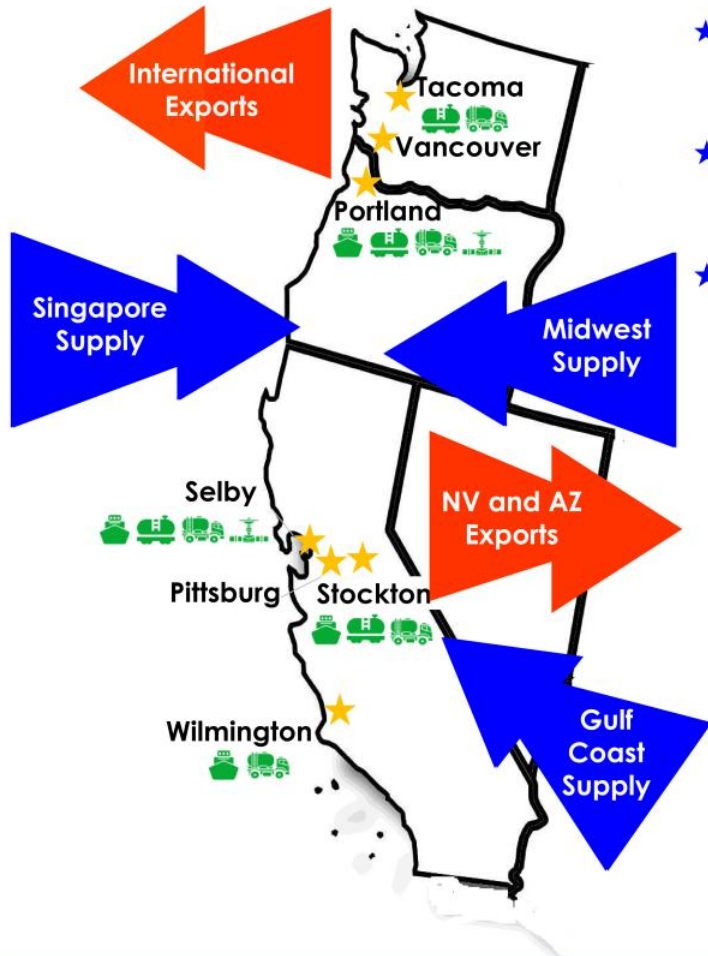
**Total Estimated
2021
Strategic
Spending:**
\$
135-175MM

<p><u>West Coast Renewable Fuels Storage</u> ~\$20MM in 2020 (~\$50MM in 2021)</p>	<p><u>Permian Crude Pipeline System</u> ~\$60MM in 2020 (~\$50MM in 2021)</p>	<p><u>N. Mexico Refined Products Supply</u> ~\$10MM in 2020</p>	<p><u>Gulf Coast Storage and Expansion</u> ~\$10MM in 2020</p>
---	--	--	---

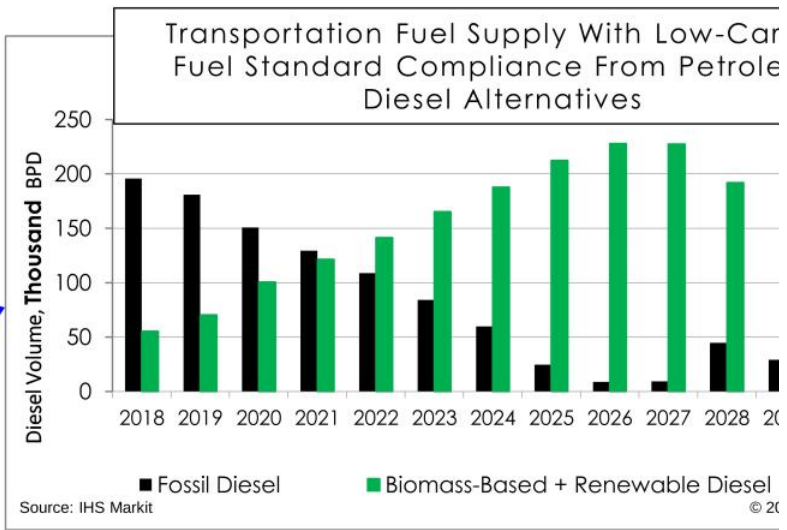


WEST COAST RENEWABLE FUELS STORAGE

Aggressive West Coast Carbon Emissions Reduction Goals Contribute to Generate Growing Demand and Dislocations That Require Midstream Solutions



- ★ Regulatory priorities on the West Coast are dramatically increasing demand for renewable in the region
- ★ At the same time, obtaining permits for greenfield projects in the region is difficult, which increases value of existing assets
- ★ Our terminals have the access to facilities needed to receive bio-fuels from outside the region and provide a base for distribution of renewable fuel across the West Coast



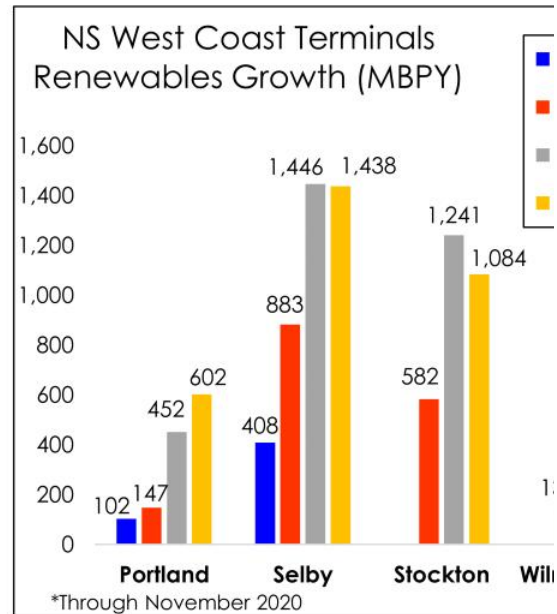


WEST COAST RENEWABLE FUELS STORAGE

NuStar has Partnered With Key Customers to Develop Renewable Fuels Storage Projects at Several of Our West Coast Facilities

- ★ We have established ourselves as an early mover in the renewable fuels transportation market by developing and completing a number of renewable fuels projects
- ★ These projects, in partnership with our customers on the West Coast, have allowed NuStar to capture market share and build on relationships with key global producers
 - Our facilities are positioned to benefit from new production and conversion supply projects for renewable diesel, renewable jet, ethanol and other renewable fuels as the renewable fuels market continues to grow

		Complete
Portland	Convert 36,000 bbls to biodiesel	✓
	Convert 57,000 bbls to renewable diesel	✓
Selby	Construct truck-loading for renewable diesel	✓
	Convert 208,000 bbls to renewable jet fuel	✓
Stockton	Convert 30,000 bbls to biodiesel	✓
	Convert 73,000 bbls to renewable diesel and expand renewable diesel handling to all 15 rail spots	
	Convert 151,000 bbls to renewable diesel	
	Connect to railcar ethanol offload facility	
Wilmington	Convert 160,000 bbls to renewable diesel	✓
	Reconfigure dock for enhanced marine capability	

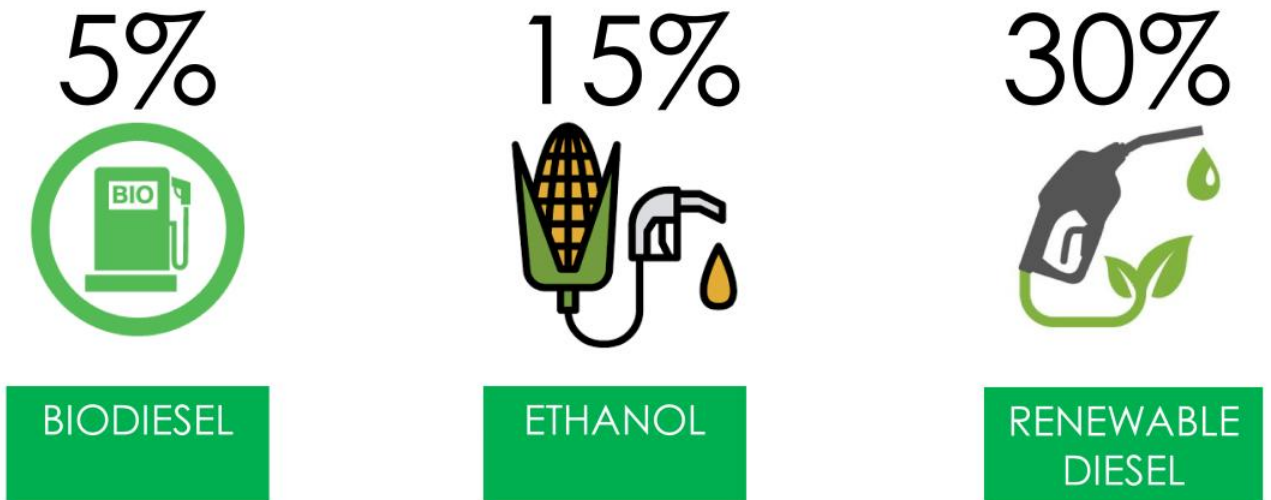




WEST COAST RENEWABLE FUELS STORAGE

We Handle and Store a Significant Proportion of the Total Low Carbon Fuels Volumes Utilized in California, the Largest Driving State in the Nation

NuStar's Proportionate Share of California's Renewable Fuels Market (By Volume in 1H 2020¹)



★ We expect these percentages to increase through 2023, along with associated EBITDA, as we complete additional projects presently in planning or under construction

1 – Most recent available data

Source

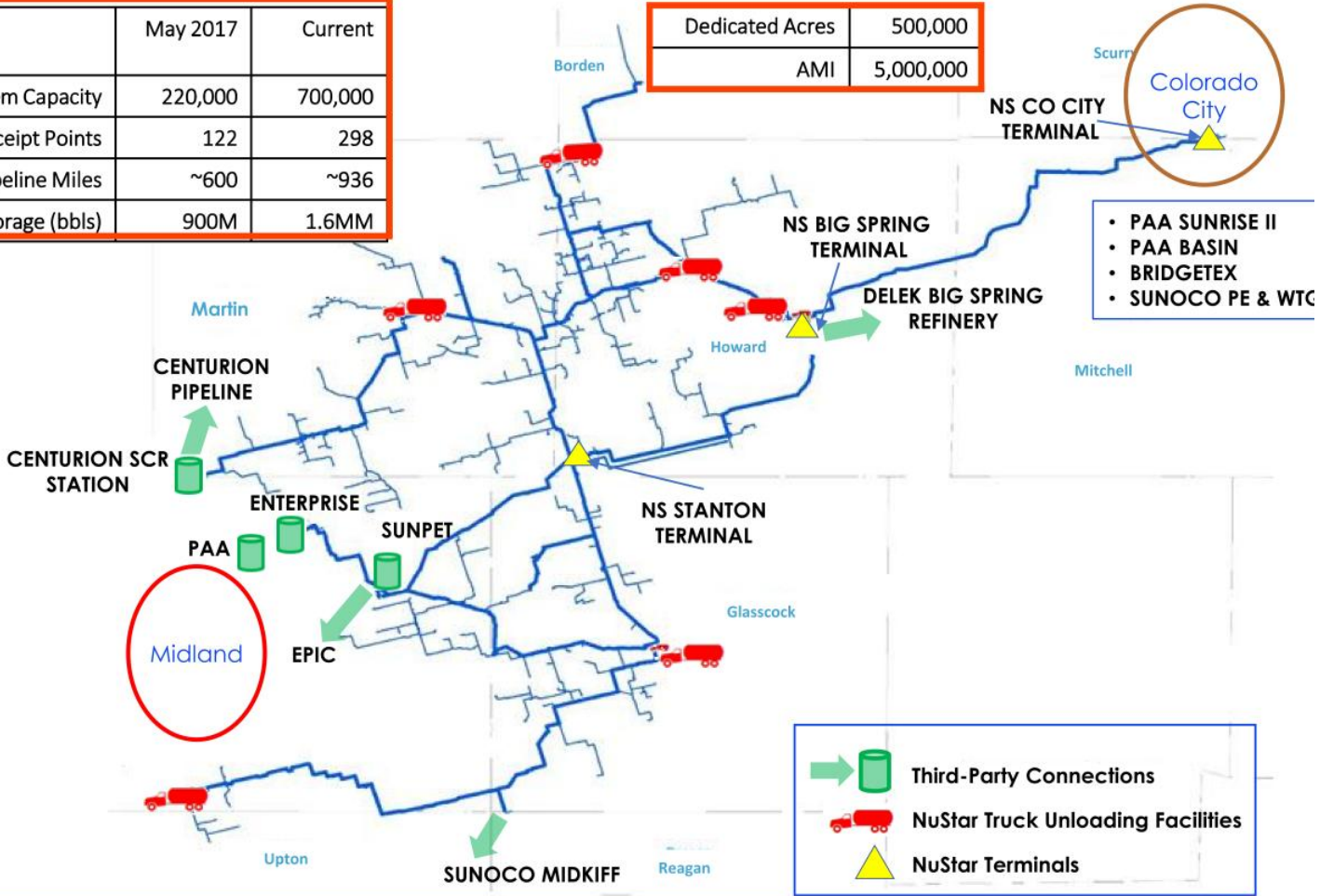


PERMIAN CRUDE PIPELINE SYSTEM

With the "Backbone" of Our Now-700K-BPD System Complete, Permian Spending Will be Focused on Scaling With Our Production Gathering Needs

	May 2017	Current
System Capacity	220,000	700,000
Receipt Points	122	298
Pipeline Miles	~600	~936
Storage (bbls)	900M	1.6MM

Dedicated Acres	500,000
AMI	5,000,000

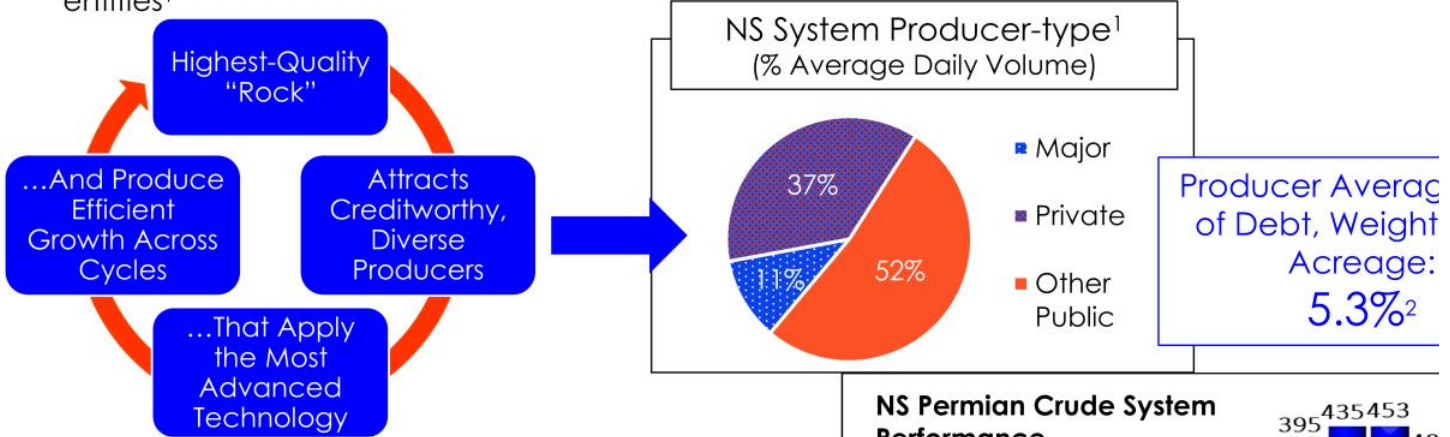




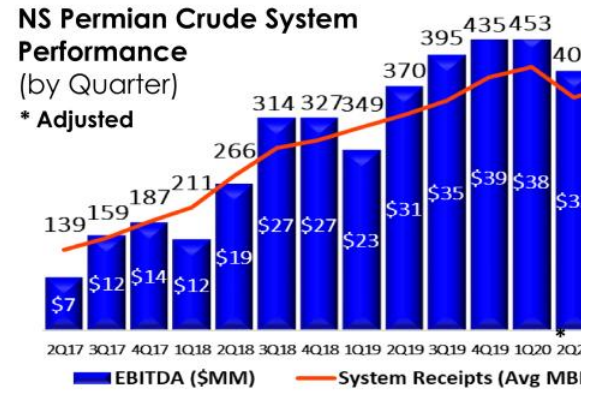
PERMIAN CRUDE PIPELINE SYSTEM

Our "Core of the Core" Location has Attracted Top-Tier Customers With Large DUC Inventories to Support Continued Recovery in

- ★ The quality of geological formations underlying our system attracts the strongest customers
 - Our creditworthy customers include majors and the most prolific E&Ps, both private and public, in the basin, as well as large independent refiners and marketers
 - ~75% of our system's revenue is generated from investment-grade (IG) rated and Non-IG BB-rated entities¹



- ★ October and November receipts averaged ~420MBPD, and we maintained our pace to exit 2020 between 410 to 420 MBPD
- ★ Our producers still have over 430 drilled-uncompleted (DUCs) wells on the system which they plan to bring online over 18-24 months, which provide an important platform for growth until rig counts start to recover



1 – September 30, 2020 MTD

2 – As of December 7, 2020

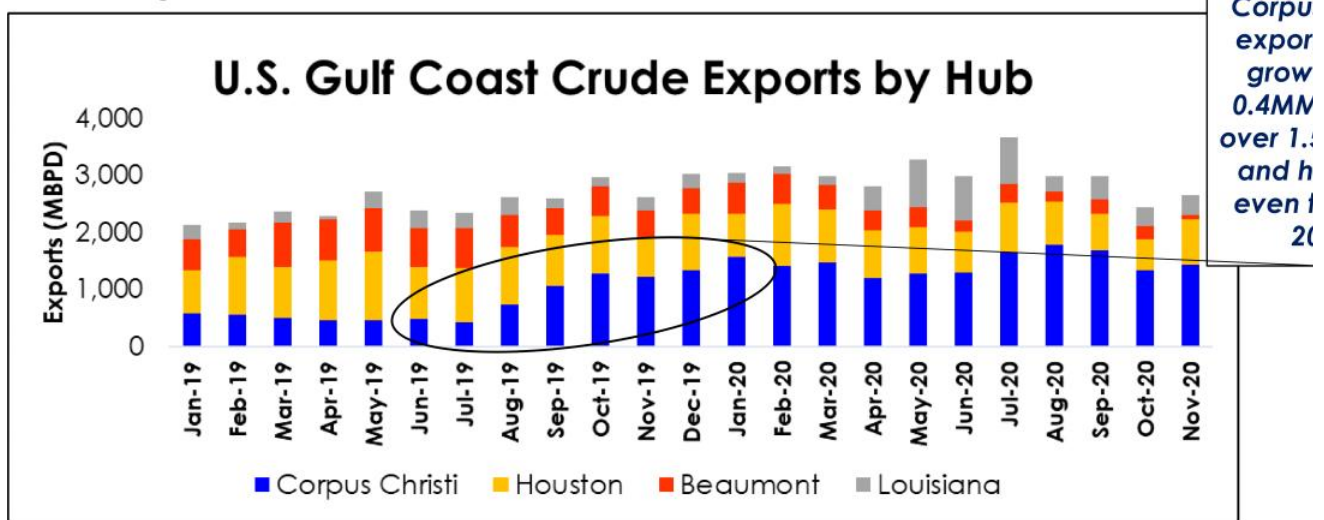
3 – Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures



GULF COAST STORAGE & EXPORT

Gulf Coast Exports Held Up Well Through 3Q, and the Port of Corpus Christi Remains the Leading U.S. Crude Export Hub

- ★ A significant proportion of the volumes transported on the additional 2.1MMBPD new long-haul pipeline capacity from the Permian to the Corpus area is moving over Corpus dock facilities
- ★ Corpus Christi, historically a regional refinery and domestic marine delivery hub, evolved into a major U.S. crude oil export hub
 - Currently, Corpus Christi comprises half of the 3.0 MMBPD of Gulf Coast crude exports
 - In July, Corpus Christi exports recovered to pre-COVID levels of 1.5MMBPD
 - Analysts expect Corpus Christi exports to remain steady during the near-term with upside potential as global crude demand recovers in late 2021

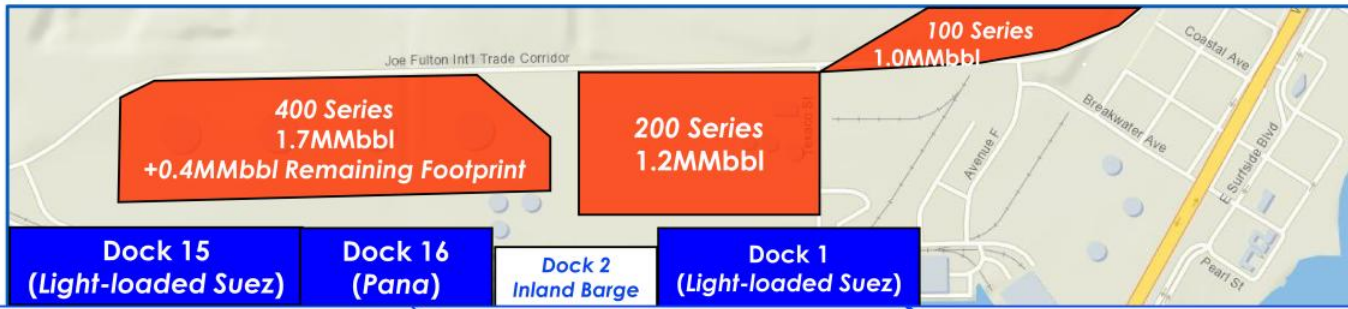


Source: RBN Energy



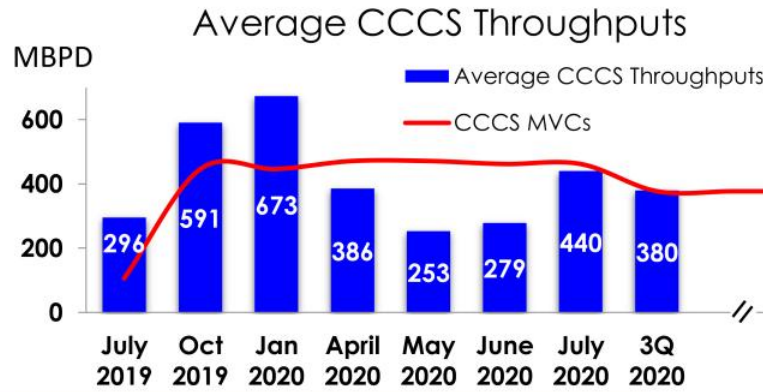
GULF COAST STORAGE & EXPORT

We Continue to Export Permian Long-haul and Eagle Ford Barrels From Our Corpus Christi North Beach Terminal



In-bound Capacity	Storage Capacity	Out-bound Capacity
<p>Current total: 1.2MMBPD</p> <ul style="list-style-type: none"> • South Texas Crude System 16" Pipeline - 240MBPD • Taft 30" - 720MBPD and expandable • Harvest 16" Pipeline - 240MBPD 	<p>Current total: 3.9MMbbl</p> <ul style="list-style-type: none"> • <u>Potential</u> 0.4MMbbl 	<p>Current total: 1.2MMBPD</p> <ul style="list-style-type: none"> • Ship docks - 750MBPD to 1.0 • Refinery pipelines - 220MBPD

- ★ Our Corpus Christi North Beach Terminal is now receiving barrels from our South Texas Crude Oil Pipeline System, our 12" Three Rivers Supply Pipeline and our 30" pipeline from Taft, as well as from third-party pipeline connections
- Average throughputs have rebounded from our low in May to back to slightly above MVC levels in 3Q

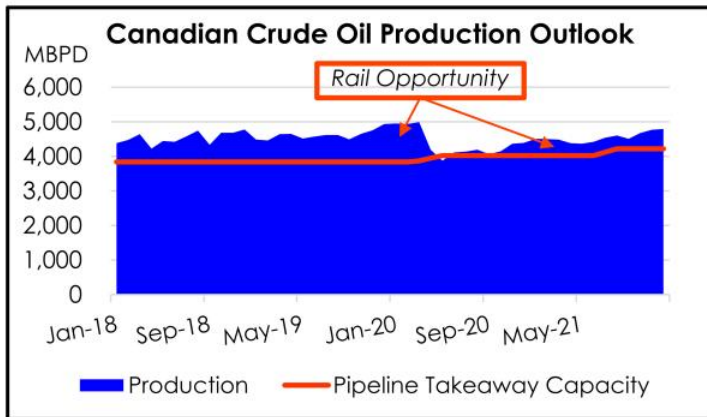
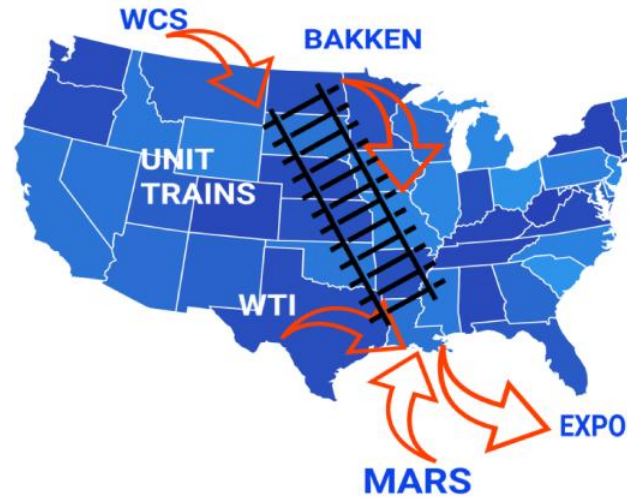




GULF COAST STORAGE & EXPORT

Our St. James Facility Benefits From Price Dislocations From Pipeline Constraints and Will Benefit From Export Growth as Those Constraints are Resolved

- ★ Prior to March 2020, the lack of long-haul pipeline capacity to transport WCS supply to Gulf Coast demand generated price differentials that supported unit train economics
 - We have contract commitments for 30MBPD through April 2022
 - As Canadian production ramps back up, this price dislocation is expected to re-emerge and continue until Enbridge Line 3 is in service, now estimated to occur by the end of 2021
- ★ We can also handle light Bakken barrels with our rail facility, which may be an attractive alternative to DAPL



Source: ESI

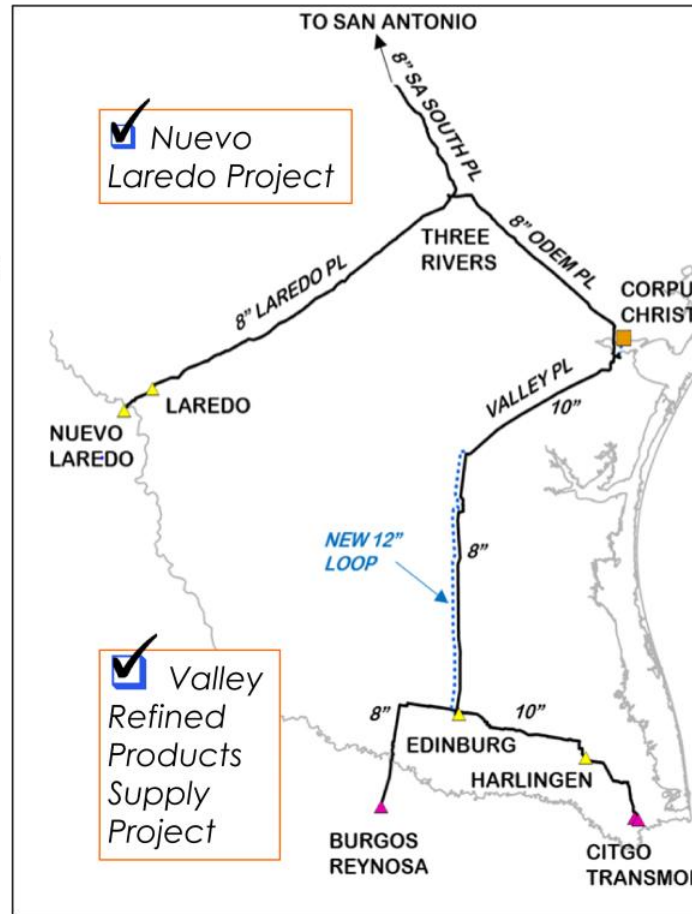
- ★ We continue to work to assure our facility is connected to the pipeline projects in progress to debottleneck shale plays, the region, as well as the Midwest and beyond
 - In March 2019, Bayou Bridge began bringing WTI light, Bakken and Canadian barrels to the Gulf Coast for export or local use
 - As soon as early 2022, Capline owners plan to reverse its service to bring WTI, heavy Canadian and Bakken crude for use in regional refineries and export to other locations



N. MEXICO REFINED PRODUCTS SUPPLY

We Have Completed Two Projects to Help Remedy Mexico Supply Shortfall

- ★ In 2020, we fully completed service on two projects that address the supply imbalance in Northern Mexico:
 - Nuevo Laredo project for Valero
 - Odem pipeline, Dos Laredos pipeline and Nuevo Laredo terminal expansion
 - ~28MBPD new capacity with take-or-pay volumes on seven-year contract term
 - Valley Pipeline expansion for major customers completed in September 2019
 - 45MBPD new capacity with seven-year contract term
 - Open season was fully subscribed





APPENDIX

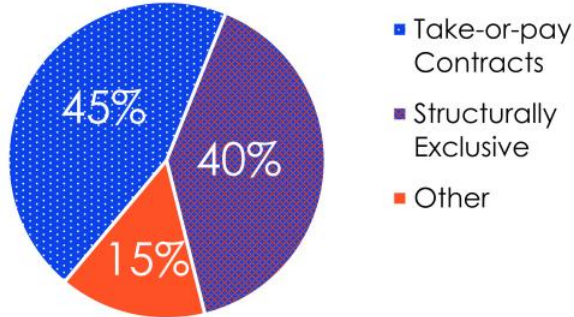


South Texas C

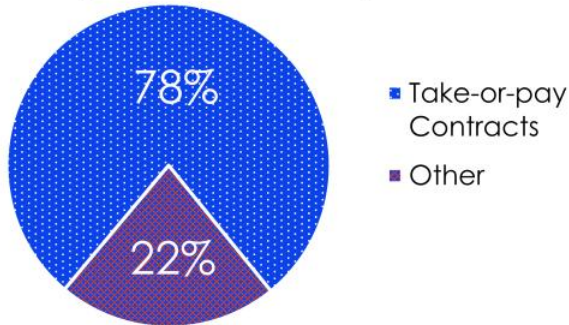


Long-term Commitments From Creditworthy Customers

Pipeline Segment Contracted¹ Revenues (% Q3 2020 Revenues)



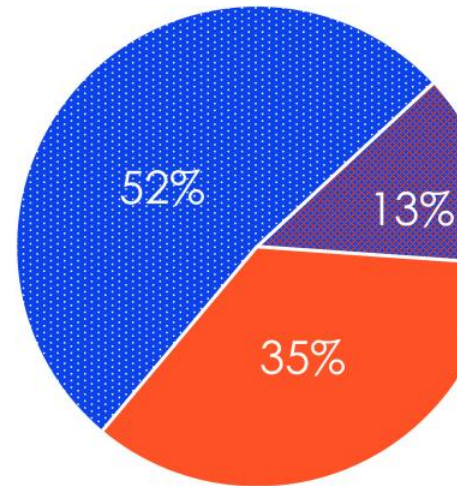
Storage Segment Contracted Revenues (% Q3 2020 Revenues)



NuStar Investment-Grade (IG) Customer (% Q3 2020 Revenues)

Pipeline Segment
~61% IG

Storage Segment
~61% IG



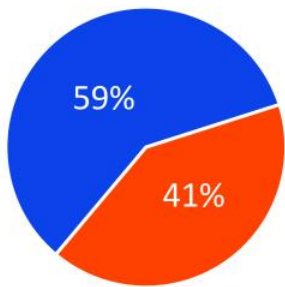
- Investment-Grade
- Large Private or International (Not rate)
- Other

1 - committed through take or pay contracts or through structural exclusivity (uncommitted lines serving refinery customers with no competition)

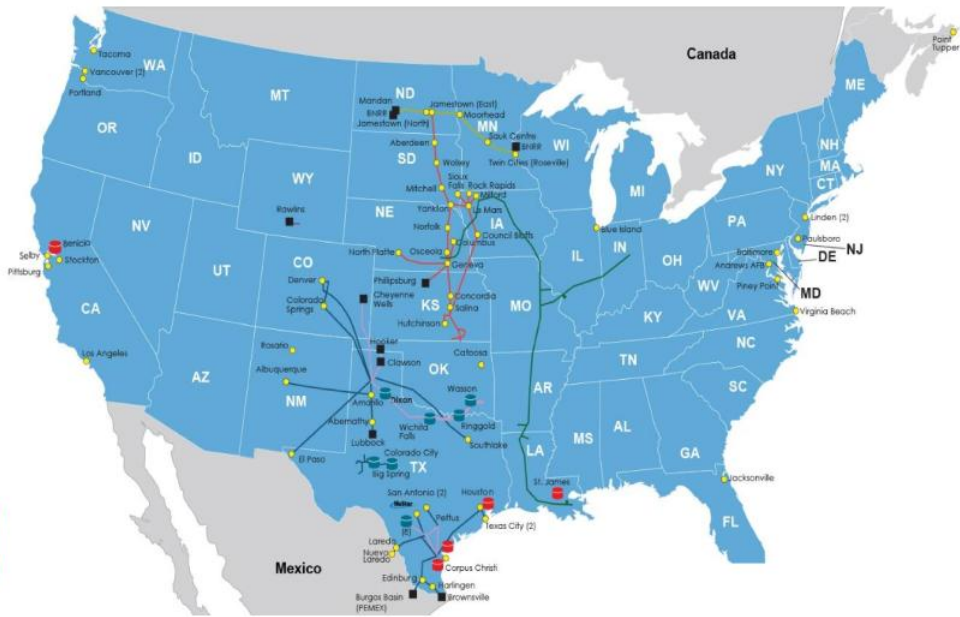


The Balance of Our Business and the Location of Our Assets Contribute to the Resilience of Our Results

Pipeline and Storage Segment Revenues (% 3Q 2020 Revenues)

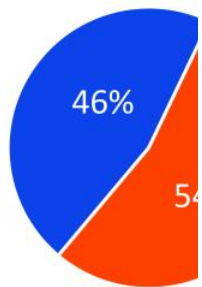


- Pipeline Segment
- Storage Segment



- NS Refined Products Pipeline
- NS Crude Pipeline
- NS Terminal
- Refinery

Refined Products and Crude Revenue (% 3Q 2020 Revenue)



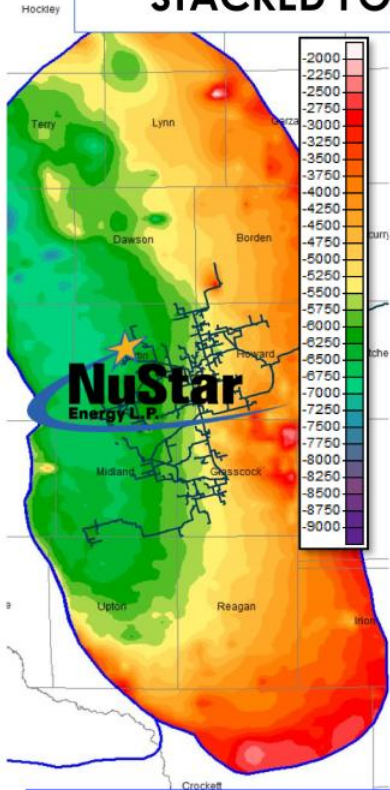
- Crude
- Refined Products



We Acquired Our Permian Crude System Because It Sits Square Over the Midland Basin's Most Geologically Advantaged Acre

MOST ACCESSIBLE, STACKED FORMATIONS...

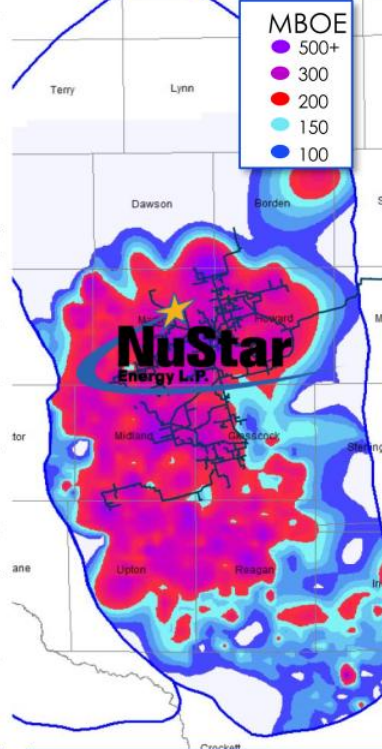
BEST RECOVERIES AND SUPERIOR GORS...



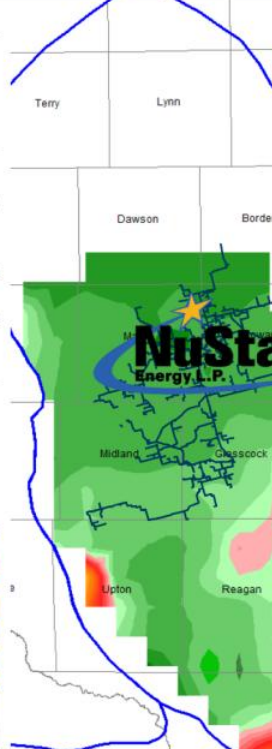
Wolfcamp Structure (TVDSS ft)



Midland Fairways



24M CUM (MBOE 20:1) ⁽¹⁾



Wolfcamp 24M

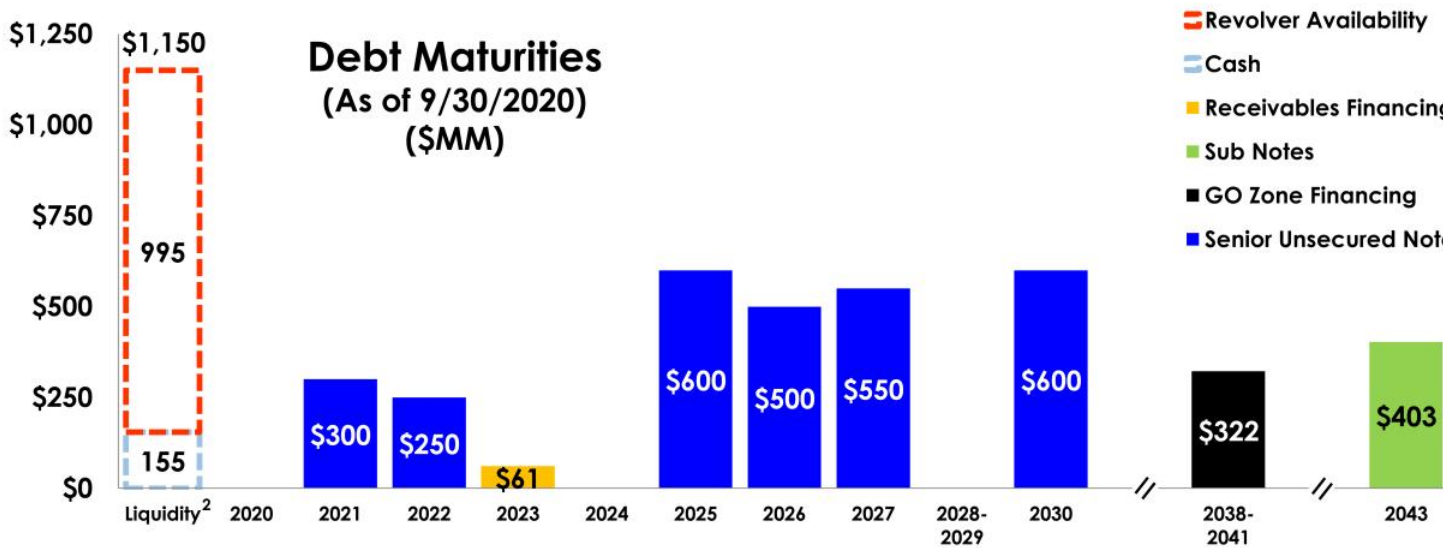
1. Normalized to 10,000 ft Lateral Lengths.

Source: Barclays (Janu



Debt Maturity Schedule – NuStar Expects to Have Adequate Liquidity to Accommodate Our 2021 and Bond Maturities

- ★ In March 2020, we renewed our revolver through October of 2023
- ★ In April 2020, we entered into a three-year, \$750 million unsecured term loan agreement with Oaktree Capital Management, L.P. to increase our liquidity and to address near-term debt maturities
- ★ In September 2020, we issued two \$600 million tranches of five-year and 10-year senior unsecured notes maturing in 2025 and 2030
 - We utilized the proceeds to repay the \$500 million balance outstanding under the April 2020 loan, as well as all the borrowings then-outstanding under our revolving credit agreement
- ★ We plan to utilize our projected liquidity to pay-off our February 2021 and February 2022 bond maturities



1 – As of September 30, 2020, approximately \$5 million of Letters of Credit were outstanding under our revolving credit agreement.
 2 – Projected liquidity as of December 31, 2020



Capital Structure as of September 30, 2020 (\$ in Millions)

\$1.0B Credit Facility	\$ 0	Common Equity and AOCI	\$
NuStar Logistics Notes (4.75%)	250	Series A, B and C Preferred Units	\$
NuStar Logistics Notes (5.625%)	550	Series D Preferred Units	\$
NuStar Logistics Notes (5.75%)	600	Total Equity¹	1,1
NuStar Logistics Notes (6.00%)	500	Total Capitalization	<u>\$5</u>
NuStar Logistics Notes (6.375%)	600		
NuStar Logistics Notes (6.75%)	300		
NuStar Logistics Sub Notes	403		
GO Zone Bonds	322		
Receivables Financing	61		
Finance Lease Liability	59		
Other	<u>(43)</u>		
Total Debt	\$3,602		

★ As of September 30, 2020:

- Credit facility availability ~\$995MM
- Debt-to-EBITDA ratio² 4.13x

1 - Total Equity includes Partners' Equity and Mezzanine Equity (Series D Preferred Units)

2 - Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures



Reconciliation of Non-GAAP Financial Information

NuStar Energy L.P. utilizes financial measures, such as earnings before interest, taxes, depreciation and amortization (EBITDA), distributable cash flow (DCF) and distribution coverage ratio, which are not defined in U.S. generally accepted accounting principles (GAAP). Management believes these financial measures provide useful information to investors and other external users of our financial information because (i) they provide additional information about the operating performance of the partnership's assets, the cash the business is generating, (ii) investors and other external users of our financial statements benefit from having access to the same financial measures being used by management and our board of directors when making financial, operational, compensation and planning decisions and (iii) they highlight the impact of significant transactions. We may also adjust these measures and/or calculate them based on continuing operations, to enhance the comparability of our performance across periods.

Our board of directors and management use EBITDA and/or DCF when assessing the following: (i) the performance of our assets, (ii) the viability of potential projects, (iii) our ability to fund distributions, (iv) our ability to fund capital expenditures and (v) our ability to service debt. In addition, our board of directors uses EBITDA, DCF and a distribution coverage ratio, which is calculated based on DCF, as some of the factors in its compensation determinations. DCF is used by the master limited partnership (MLP) investment community to compare partnership performance. DCF is used by the MLP investment community, in part, because the value of a partnership unit is partially based on its yield and its yield is based on the cash distributions a partnership can pay its unitholders.

None of these financial measures are presented as an alternative to net income, or for any periods presented reflecting discontinued operations, income from continuing operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with GAAP. For purposes of segment or asset system reporting, we do not allocate general and administrative expenses because those expenses relate primarily to the overall management at the entity level. Therefore, EBITDA reflected in the segment or asset system reconciliations exclude any allocation of general and administrative expenses consistent with our policy for determining segmental operating income, the most directly comparable GAAP measure.

The following is a reconciliation of operating (loss) income to EBITDA to adjusted EBITDA for the Permian Crude System (in thousands of dollars):

	Three Months Ended												\$	
	June 30, 2017	Sept. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020		June 30, 2020
Operating (loss) income	\$ (3,424)	\$ 1,050	\$ 650	\$ (1,847)	\$ 3,605	\$ 11,546	\$ 10,878	\$ 5,358	\$ 13,543	\$ 17,280	\$ 21,132	\$ (106,476)	\$ 14,481	\$
Depreciation and amortization expense	10,227	11,005	13,165	13,477	15,059	15,235	16,589	17,647	17,182	18,114	18,154	18,606	18,928	
EBITDA	\$ 6,803	\$ 12,055	\$ 13,815	\$ 11,630	\$ 18,664	\$ 26,781	\$ 27,467	\$ 23,005	\$ 30,725	\$ 35,394	\$ 39,286	\$ (87,870)	\$ 33,409	\$
Goodwill impairment loss (a)	—	—	—	—	—	—	—	—	—	—	—	126,000	—	
Adjusted EBITDA	\$ 6,803	\$ 12,055	\$ 13,815	\$ 11,630	\$ 18,664	\$ 26,781	\$ 27,467	\$ 23,005	\$ 30,725	\$ 35,394	\$ 39,286	\$ 38,130	\$ 33,409	\$

(a) Represents a non-cash goodwill impairment charge.



Reconciliation of Non-GAAP Financial Information (continued)

The following is a reconciliation of net loss to EBITDA to adjusted EBITDA (in thousands of dollars):

	Projected for the December 31
Net loss	\$ (179,00)
Interest expense, net	220,00
Income tax expense	2
Depreciation and amortization expense	280,00
EBITDA	323,00
Goodwill impairment loss (a)	
Loss on extinguishment of debt (b)	
Adjusted EBITDA	\$ 690,00

The following is a reconciliation of (loss) income from continuing operations to EBITDA from continuing operations to adjusted EBITDA from continuing operations (in thousands of dollars):

	Three Months Ended September 30,		For the December 31
	2020	2019	
(Loss) income from continuing operations	\$ (96,640)	\$ 52,588	\$
Interest expense, net	64,165	46,902	
Income tax (benefit) expense	(1,783)	1,090	
Depreciation and amortization expense	72,585	68,548	
EBITDA from continuing operations	38,327	169,128	
Loss on extinguishment of debt (b)	137,904	—	
Other	3,963	—	
Adjusted EBITDA from continuing operations	\$ 180,194	\$ 169,128	\$

(a) Represents a non-cash goodwill impairment charge related to our crude oil pipelines reporting unit.

(b) This adjustment mainly represents a loss associated with the repayment of \$500.0 million outstanding on our unsecured term loan credit agreement in the third quarter of 2020.



Reconciliation of Non-GAAP Financial Information (continued)

The following is the reconciliation for the calculation of our Consolidated Debt Coverage Ratio, as defined in our revolving credit agreement (the Revolving Credit Agreement). The reconciliation of net loss to EBITDA includes reconciling items from continuing and discontinued operations on a combined basis (in thousands of dollars, except ratio data):

	For the Four Quarters Ended September 30, 2020
Net loss	\$ (1)
Interest expense, net	2
Income tax expense	
Depreciation and amortization expense	2
EBITDA	<u>3</u>
Impairment losses (a)	2
Loss on extinguishment of debt (b)	1
Other expense (c)	
Equity awards (d)	
Material project adjustments and other items (e)	
Consolidated EBITDA, as defined in the Revolving Credit Agreement	<u>\$ 7</u>
Total consolidated debt	\$ 3,5
NuStar Logistics' floating rate subordinated notes	(4)
Available Cash Netting Amount, as defined in the Revolving Credit Agreement	()
Consolidated Debt, as defined in the Revolving Credit Agreement	<u>\$ 3,1</u>

Consolidated Debt Coverage Ratio (Consolidated Debt to Consolidated EBITDA)

- (a) This adjustment represents a non-cash goodwill impairment charge related to our crude oil pipelines reporting unit.
- (b) This adjustment mainly represents a loss associated with the repayment of \$500.0 million outstanding on our unsecured term loan credit agreement in quarter of 2020.
- (c) Other expense is excluded for purposes of calculating Consolidated EBITDA, as defined in the Revolving Credit Agreement.
- (d) This adjustment represents the non-cash expense related to the vestings of equity-based awards with the issuance of our common units.
- (e) This adjustment represents a percentage of the projected Consolidated EBITDA attributable to any Material Project and other noncash items, as defined in the Revolving Credit Agreement.

