

**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): **December 8, 2020**

**NuStar Energy L.P.**

(Exact name of registrant as specified in its charter)

**001-16417**

(Commission File Number)

**74-2956831**

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

**Delaware**

(State or other jurisdiction of incorporation)

**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 Wells Fargo Securities 2020 Virtual Midstream and Utility Symposium on Tuesday, December 8, 2020 and Wednesday, December 9, 2020. 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 December 8, 2020 and December 9, 2020.](#)

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: December 8, 2020

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

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# 2020 Wells Fargo Midstream & Upstream Symposium

December 8 - 9, 2020

North Beach Comp



# 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 from those expressed or forecasted. Actual performance may vary, sometimes materially, from any estimates, predictions, projections, assumptions or other forward-looking information 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 our quarterly reports on Form 10-Q, filed with the SEC and available on NuStar's website at [www.nustarenergy.com](http://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 Strong 2019, at the Start of This Year, We Were Positioned for an Even Stronger 2020

Strong Coverage



Lower Leverage



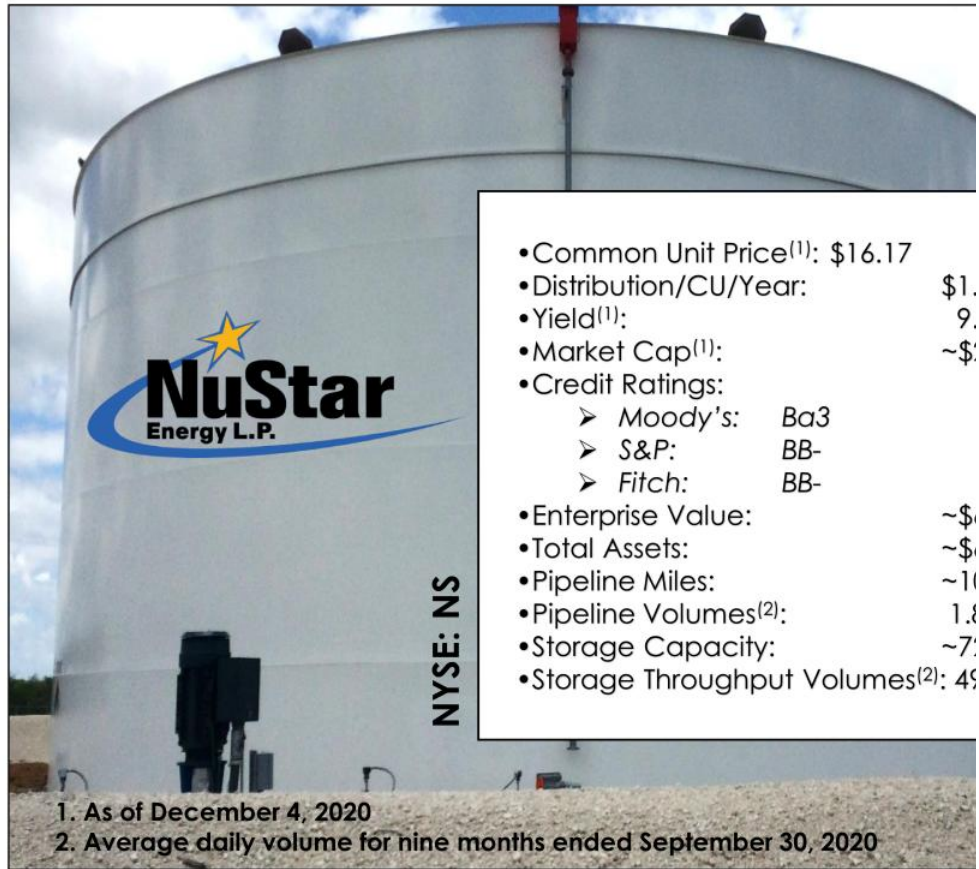
Simplified Structure/  
Governance



No IDR Burden



Maximized Self-Funding



• Common Unit Price <sup>(1)</sup> :	\$16.17
• Distribution/CU/Year:	\$1.9
• Yield <sup>(1)</sup> :	9.3%
• Market Cap <sup>(1)</sup> :	~\$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 <sup>(2)</sup> :	1.8 Bcf
• Storage Capacity:	~7 Bcf
• Storage Throughput Volumes <sup>(2)</sup> :	45 Bcf

NYSE: NS

1. As of December 4, 2020  
 2. Average daily volume for nine months ended September 30, 2020



In 2020, Faced With Historically Difficult Times, We Have Taken Decisive Action While Staying Focused on Our Priorities

A large circular graphic with a thick orange border and a white center. The text "2020 Priorities" is written in a bold, blue, sans-serif font in the center of the circle.

**2020  
Priorities**

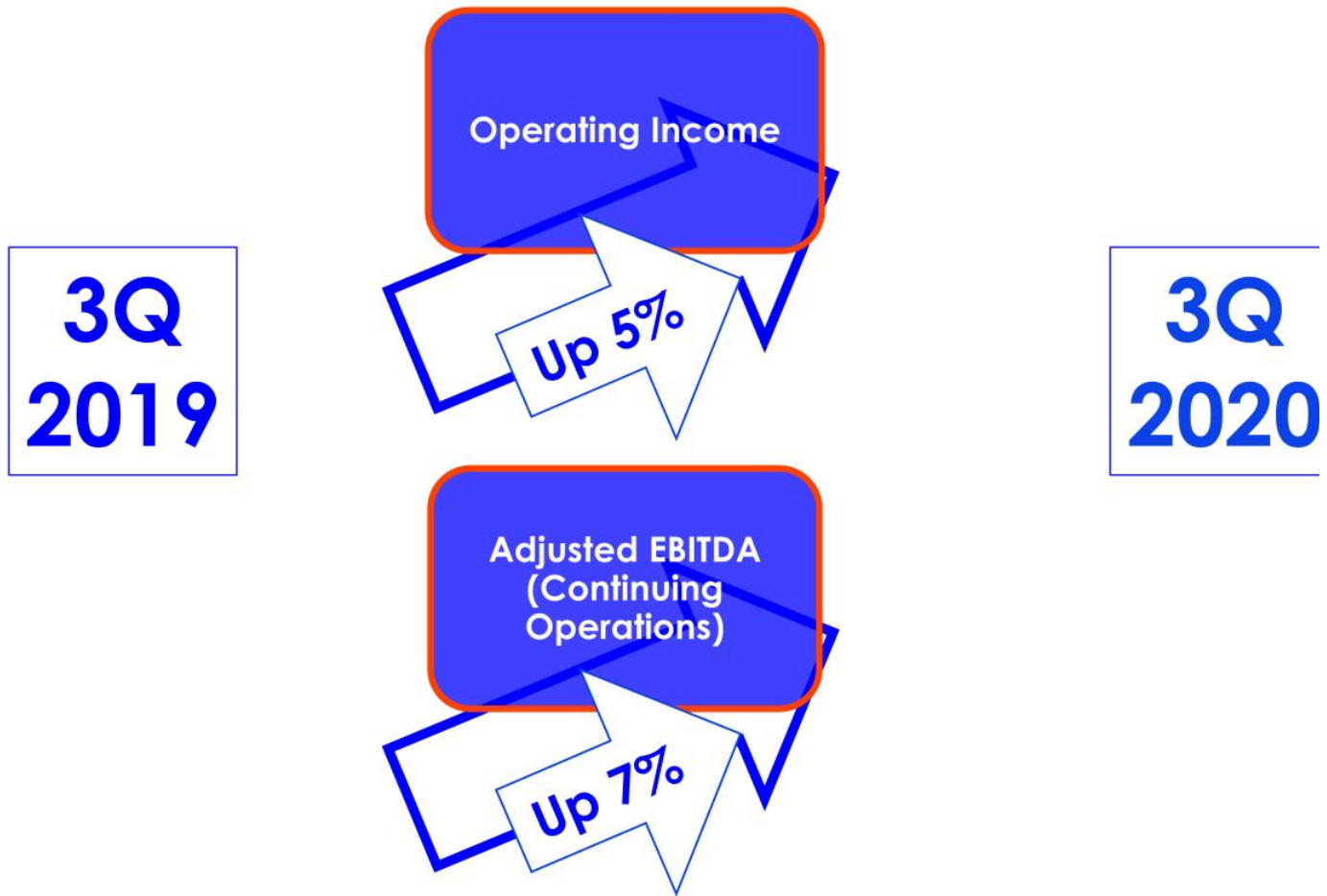
-   Protecting Our Employees and Maintaining Safe, Reliable Operations
-   Reducing Spending to Preserve Cash and Executing Efficiently Across Our Operations
-   Lowering Our Leverage







Even Through Unprecedented Challenges, We Deliver Solid and Stable Financial Results Again This Past Quarter



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



# ... 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



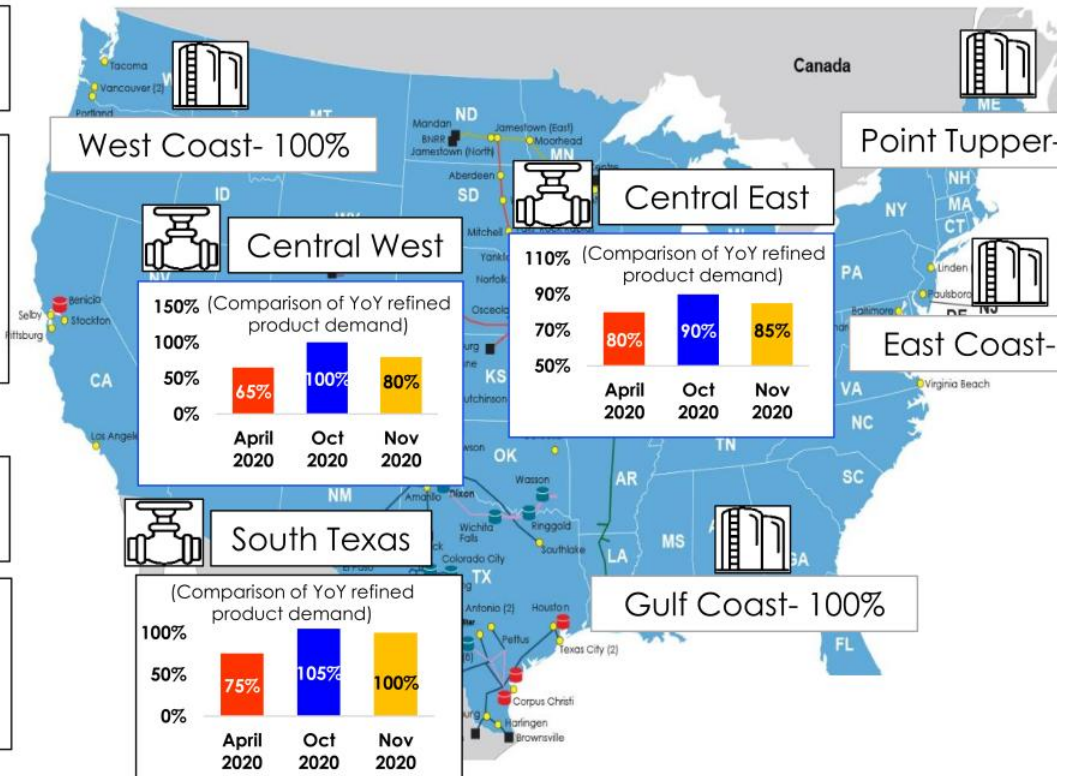
PIPELINE SEGMENT

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 Hard Work and Solid Performance in 2020, We Expect Solid Full-Year Results...

## 2020 Actions



Maintained Reliable Operations & Industry-leading Health & Safety Record



Reduced 2020 Strategic Capital Spending  
46%\*



Reduced 2020 Expenses  
\$50-55 million\*

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

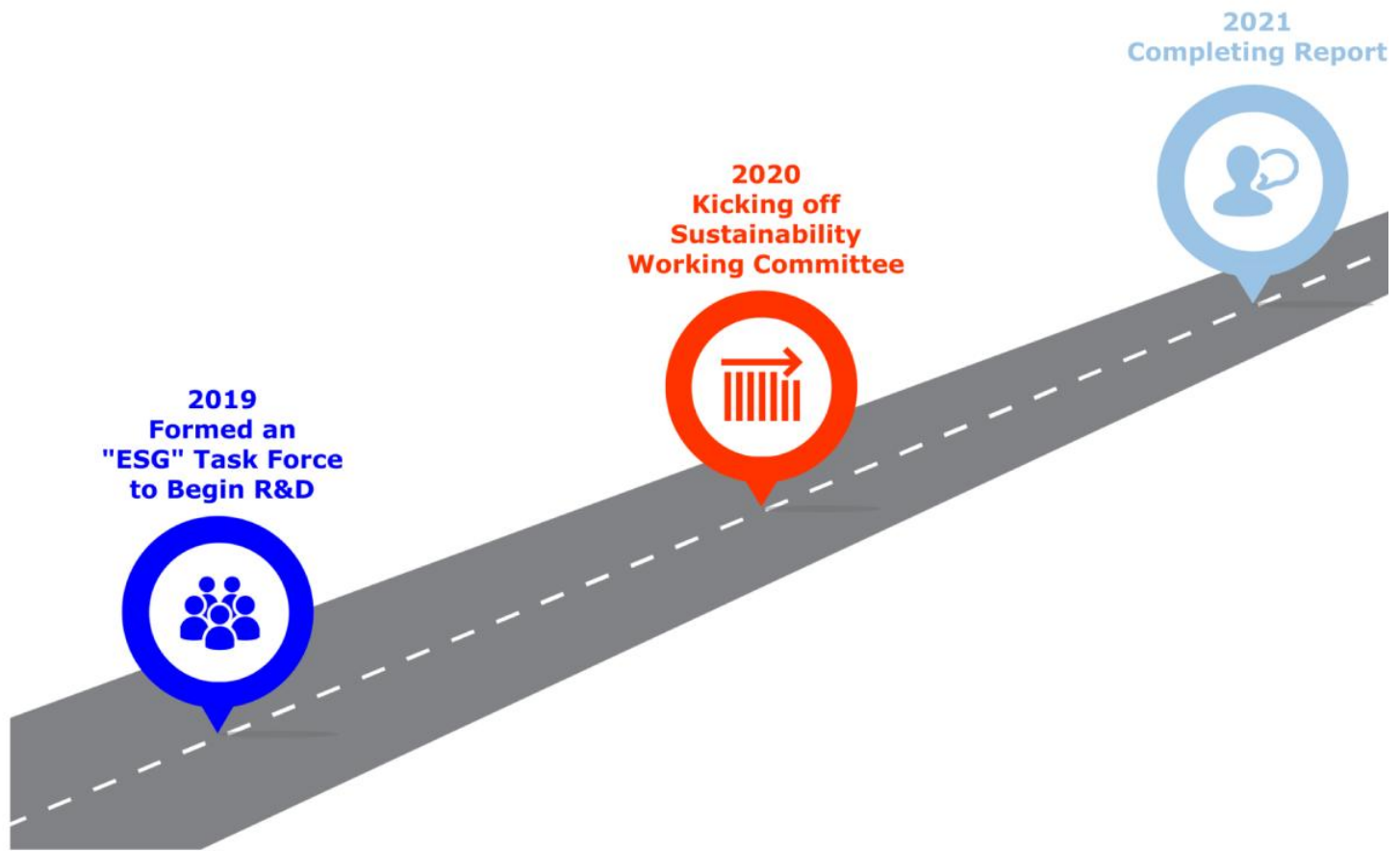
Expect to Generate  
2021 EBITDA  
Comparable to 2020  
Adjusted EBITDA

&

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



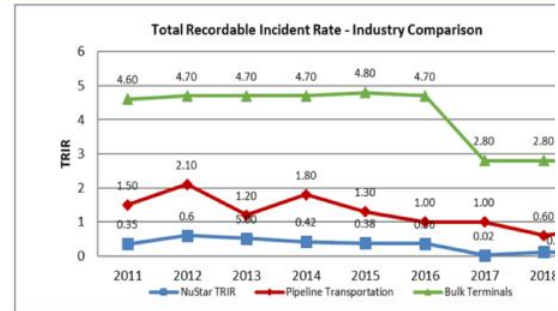
In 2021, We Also Intend to Produce NuStar's First Sustainability Report to Tout NuStar's Proud Tradition of "ESG" Excellence





# 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

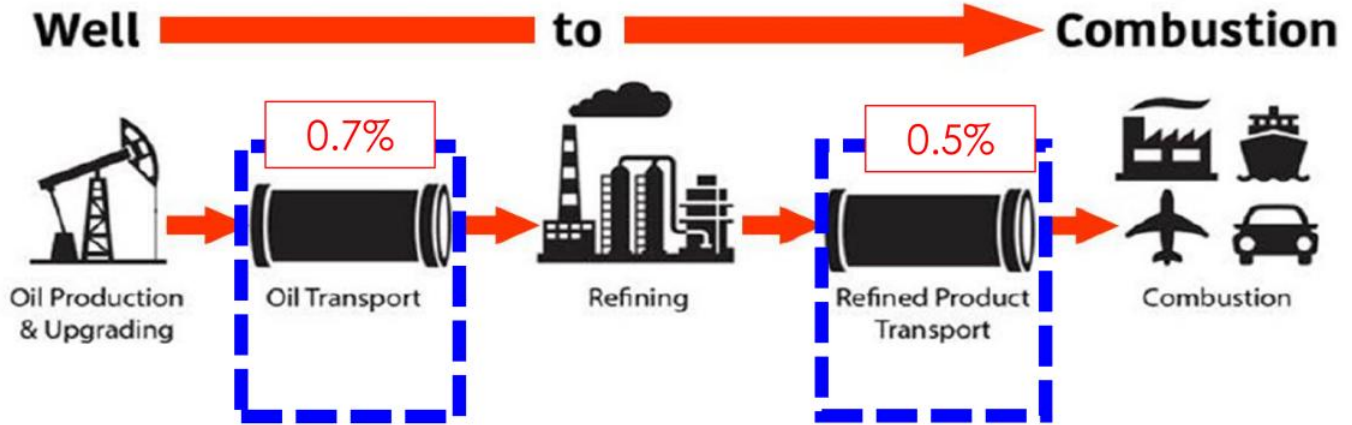


1 – Industry averages derived from 2011-2019 Bureau of Labor Statistics (BLS) Data.



And Pipelines are the Safest, Most Energy Efficient Mode of Energy Transportation, Generating Only a Small Proportion of GHG Emissions

**PIPELINES ARE LOW GHG EMITTERS RELATIVE TO THE REST OF THE VALUE CHAIN...**



**... And Relative to Alternative Transport**

**It would require:**



**11,000  
Trucks**



**37  
Unit Trains**

**To move the volumes that NuStar moves in a single day**

**Pipelines are Safest**

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

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



# In Our Report, We Plan to Share More About the State Record and Rankings That Reflect 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 in 2020 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
- ★ 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
- ★ Since 2007, NuStar's employees have hosted a golf tournament to support Haven for Hope, a transformational campus in San Antonio that addresses homelessness
  - The tournament has generated an aggregate of over \$42 million for Haven for Hope





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

No IDRs

Annual Unitholder Meetings

NS Board of Directors

*98% Attendance for 2019 Board & Committee Meetings*

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 Will Stay Focused on Our Priorities, for the Rest of 2020 and Throughout 2021



Working to Fund Spending From Internally Generated Cash Flows



Continuing to Take Steps to Improve Our Debt Metrics

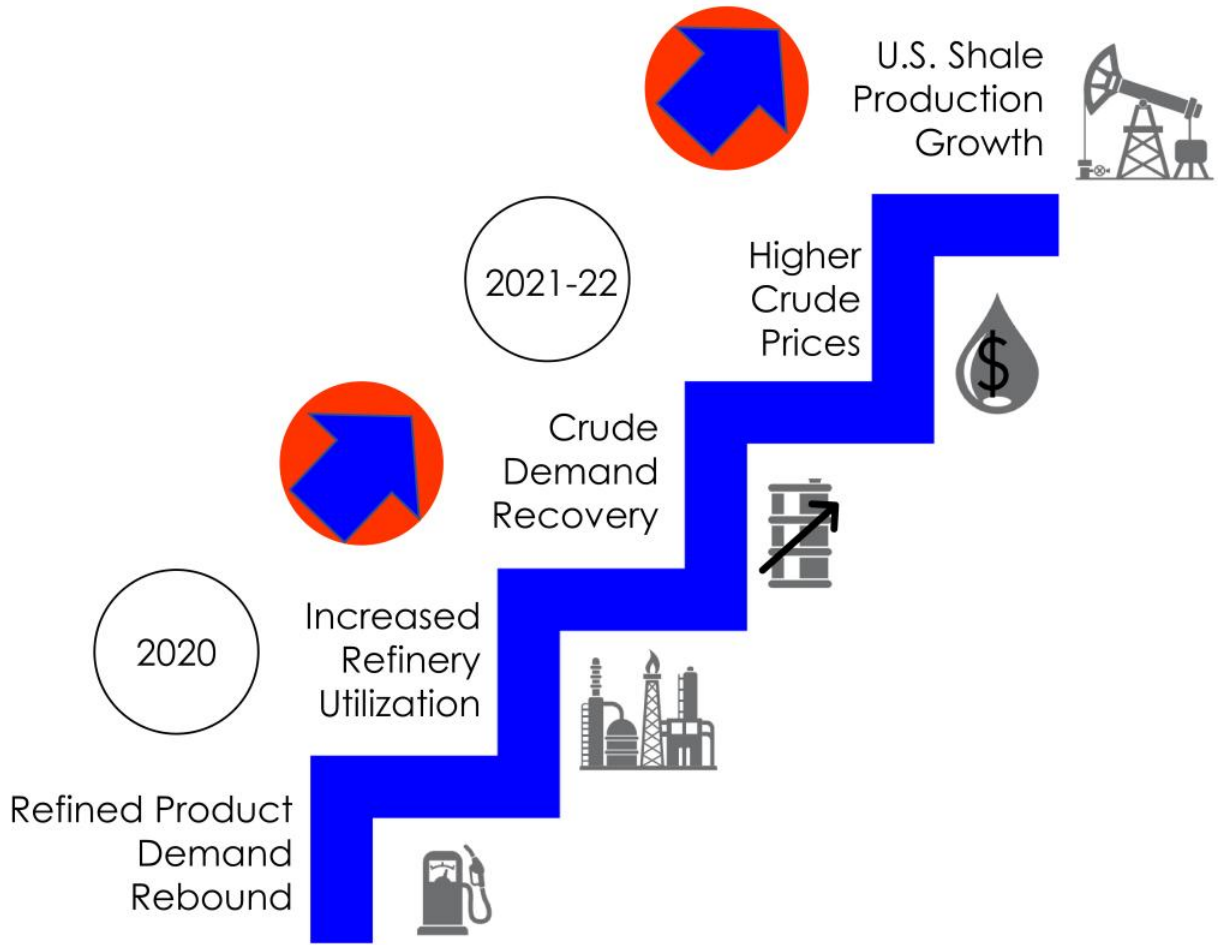


Promoting NuStar's ESG Excellence





# We are Confident That the Product Demand Recovery We Have Seen is the First Step on the Road Back to Shale Production Growth in 2021-2022

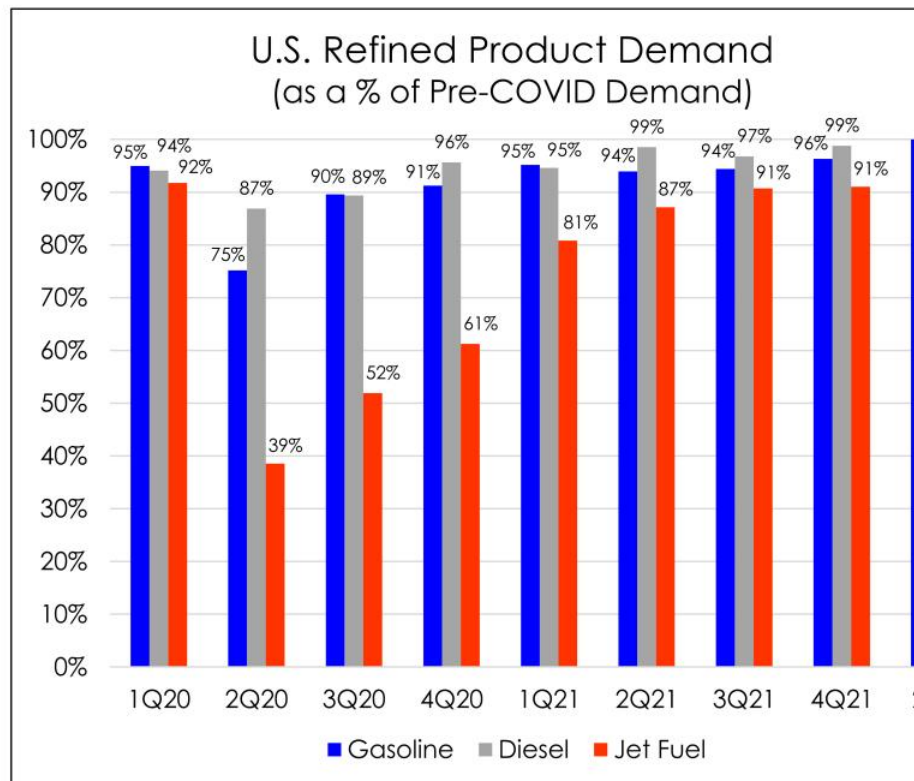




# Overall U.S. Gasoline and Diesel Demand is Expected to Recover to 94% of Pre-COVID Levels by Year-end...

★ In the second quarter, U.S. refined products demand dropped by 21% compared to January 2020, but by year-end 2020, gasoline and diesel demand are expected to recover to pre-COVID demand levels of 94%

- 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

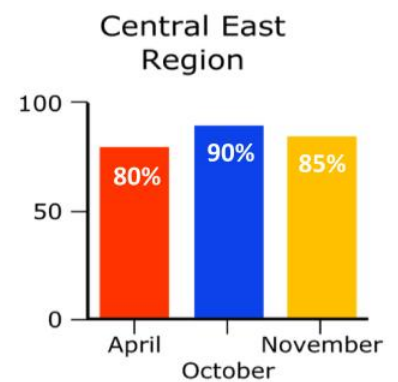
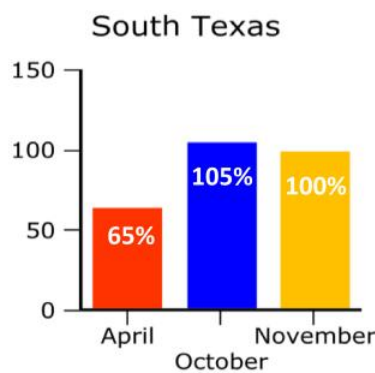
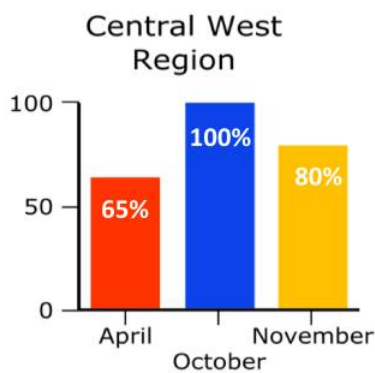
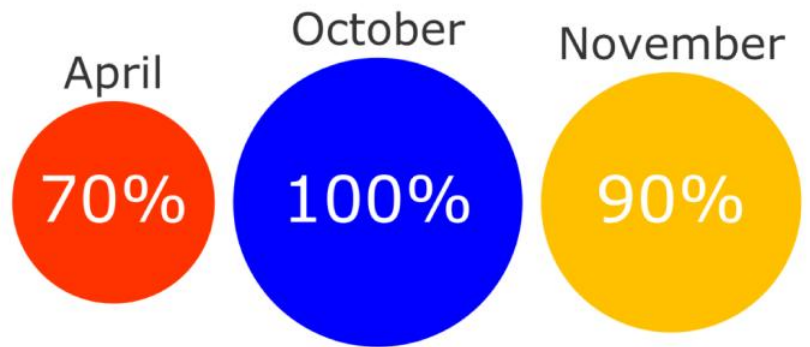


Source: EIA



... And We Have Definitely Seen Resilience in Refined Products Demand in the Markets NuStar Serves

# Total Refined Products:



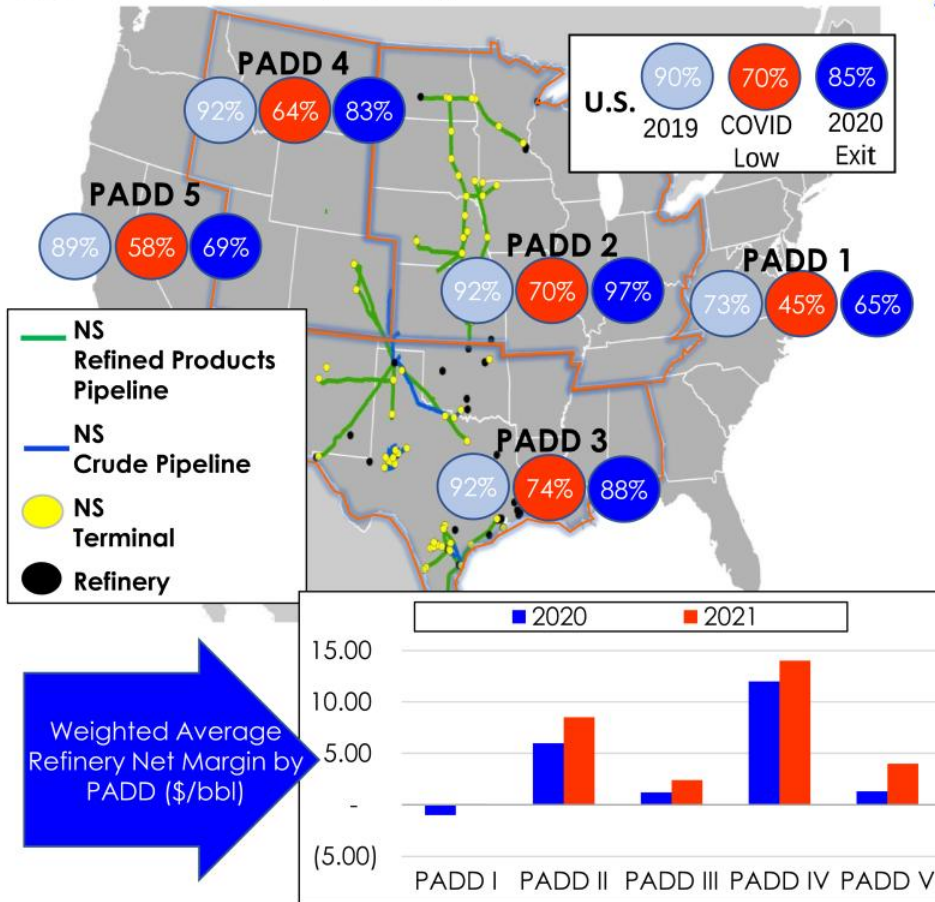
- ★ 2020 EBITDA guidance range assumes 85% recovery for the remainder of the year
- ★ Slight decrease from October 2020 levels driven by operational issues at some of our customers' refineries (unrelated to pandemic or economic recovery)

1 - Comparison of year-over-year demand



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

## U.S. Refinery Utilization by PADD



★ NuStar's pipeline assets are primarily located in PADD 2 or the Midcontinent, and PADD 3, or the Gulf Coast, where refinery utilization did not dip as much as the COVID lows suffered by East and West Coasts and is forecasted to recover ahead of the rest of the U.S.

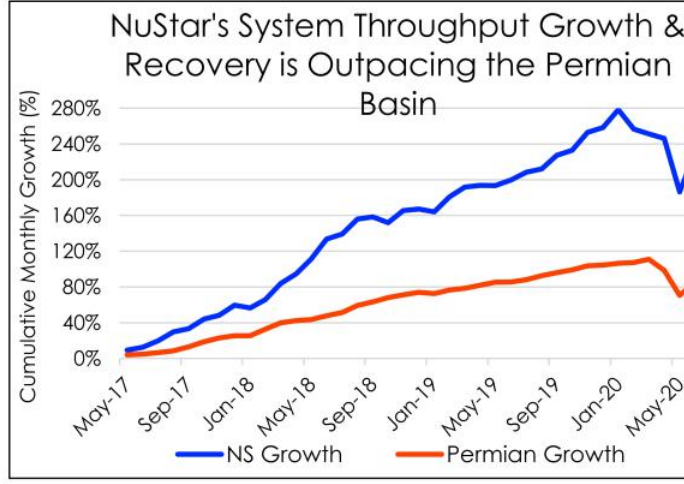
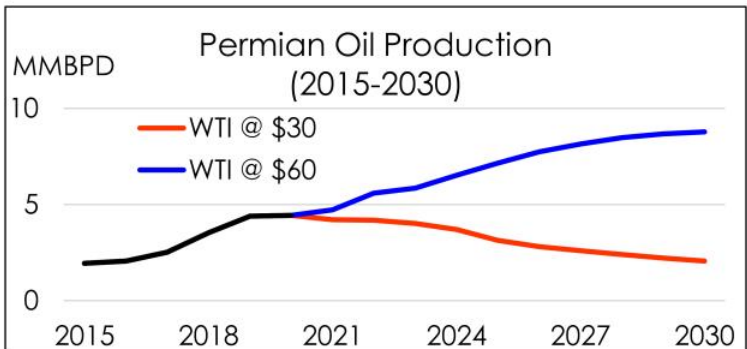
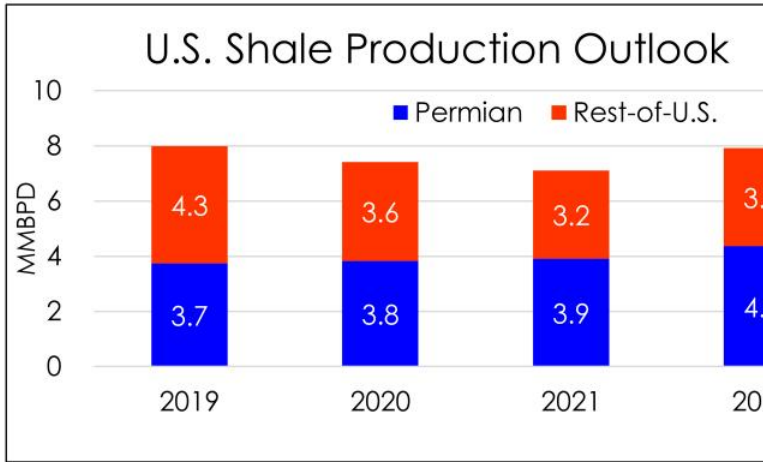
- Midcontinent refiners are benefiting from lower supply costs with access to nearby Canadian crude and an abundance of shale production
- Complex Gulf Coast refineries process lower cost heavy crudes and maximize production of high-margin products

Source: ESI, Wood Mackenzie



# The Permian- the World's Largest, Most Resilient Shale Play- 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 lows, while the rest of the Permian is up 11% from the May low
- ★ We averaged 423MBPD in the third quarter



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



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

Total Estimated  
**2020**  
Strategic  
Spending:

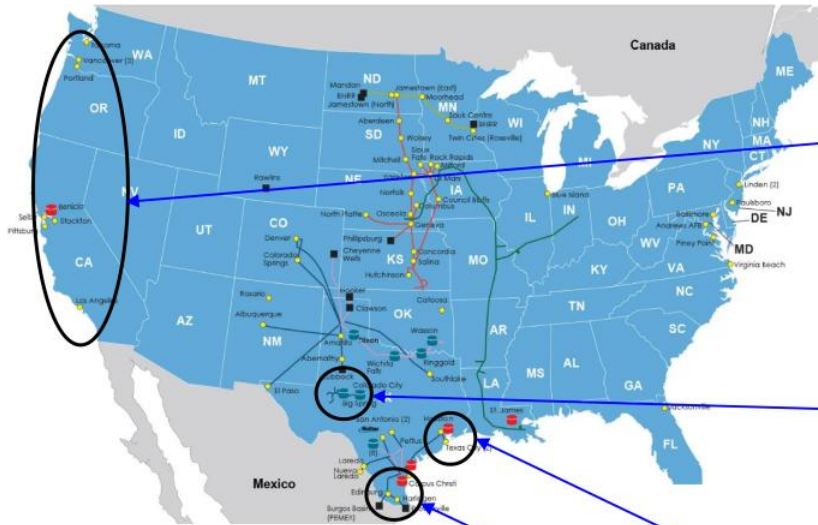


**165-185MM**

Total Estimated  
**2021**  
Strategic  
Spending:



**135-175MM**



**West Coast  
Renewable Fuels  
Storage**  
~\$20MM in 2020  
(~\$50MM in 2021)

**Permian Cru  
Pipeline Syst**  
~\$60MM in 2020  
(~\$50MM in 2021)

**Gulf Coast Sto  
and Expor**  
~\$10MM in 2021

**N. Mexico Ref  
Products Sup**  
~\$10MM in 2021

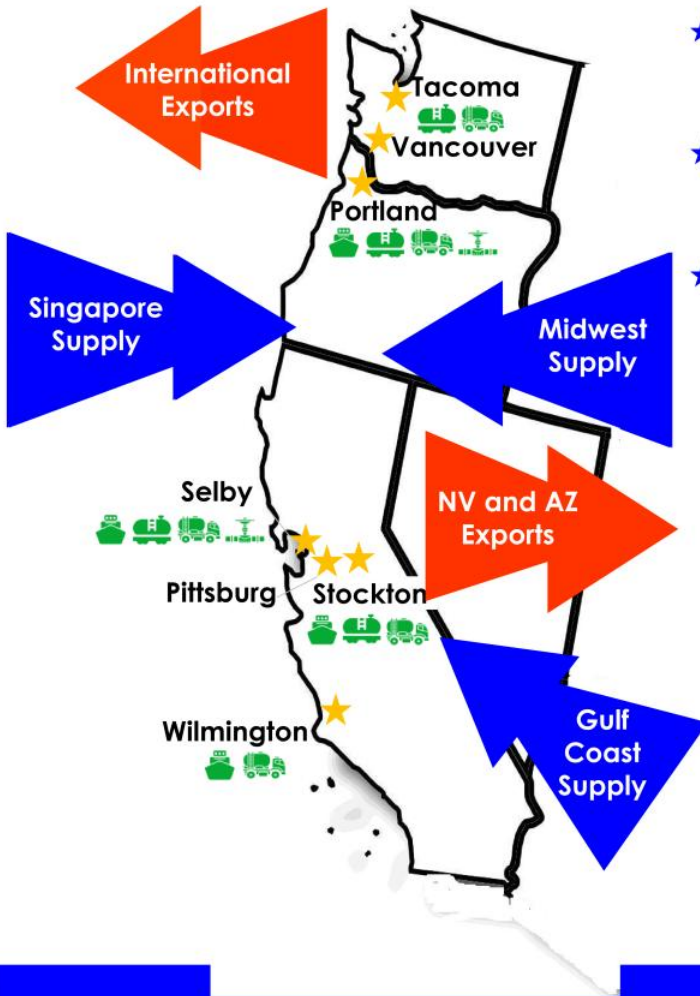
- ★ We expect to finish 2020 having spent **at least 63% less** on capital projects than we did in 2019
- ★ We continue to exercise strict capital discipline and execute on low-multiple projects that enhance our existing footprint and improve our metrics



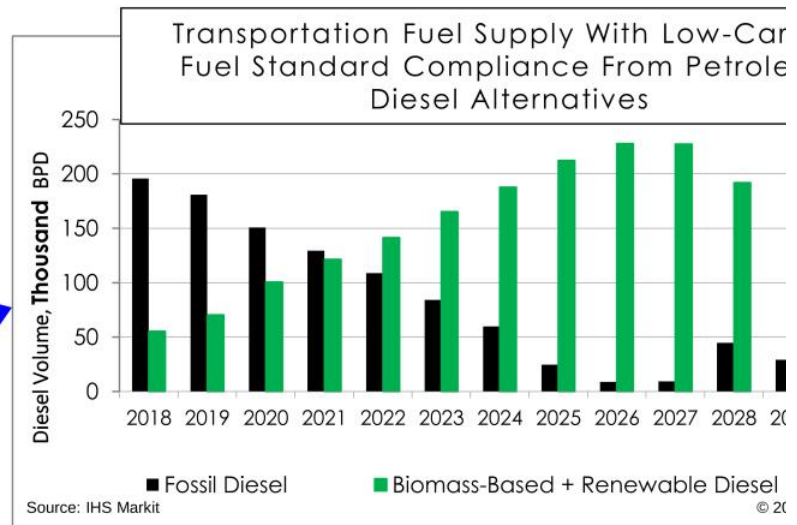


## WEST COAST RENEWABLE FUELS STORAGE

Aggressive West Coast Carbon Emissions Reduction Goals Continue 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



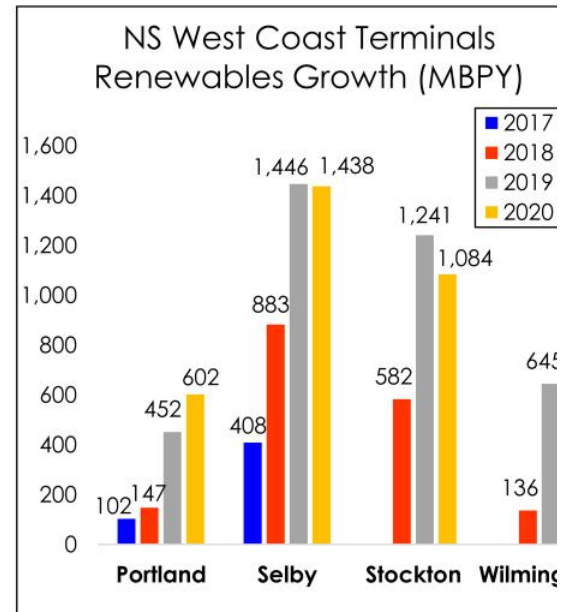


## WEST COAST RENEWABLE FUELS STORAGE

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

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

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

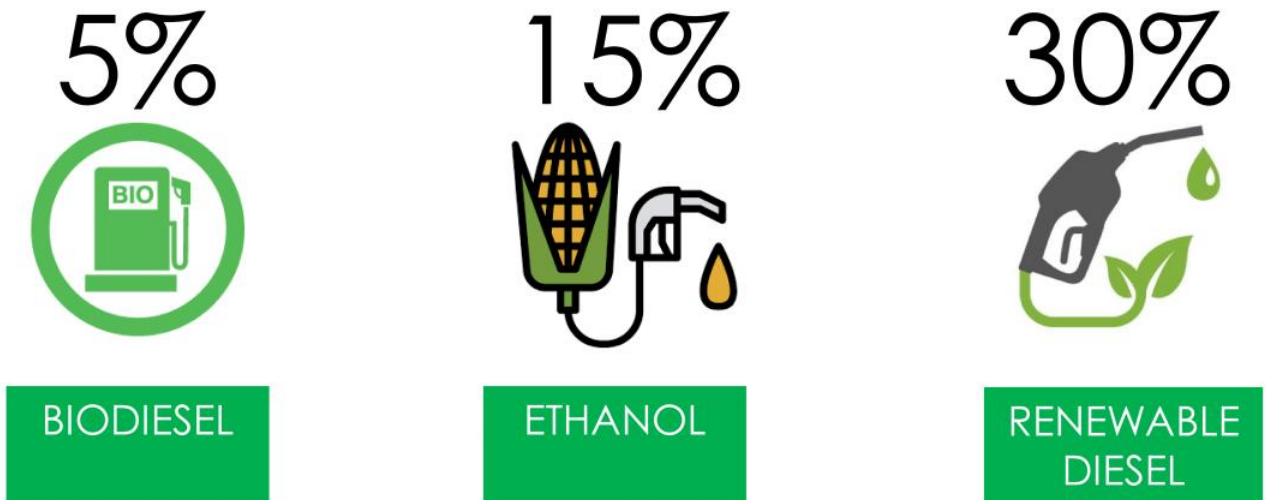




WEST COAST RENEWABLE FUELS STORAGE

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 1Q 2020<sup>1</sup>)



★ 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 quarterly data

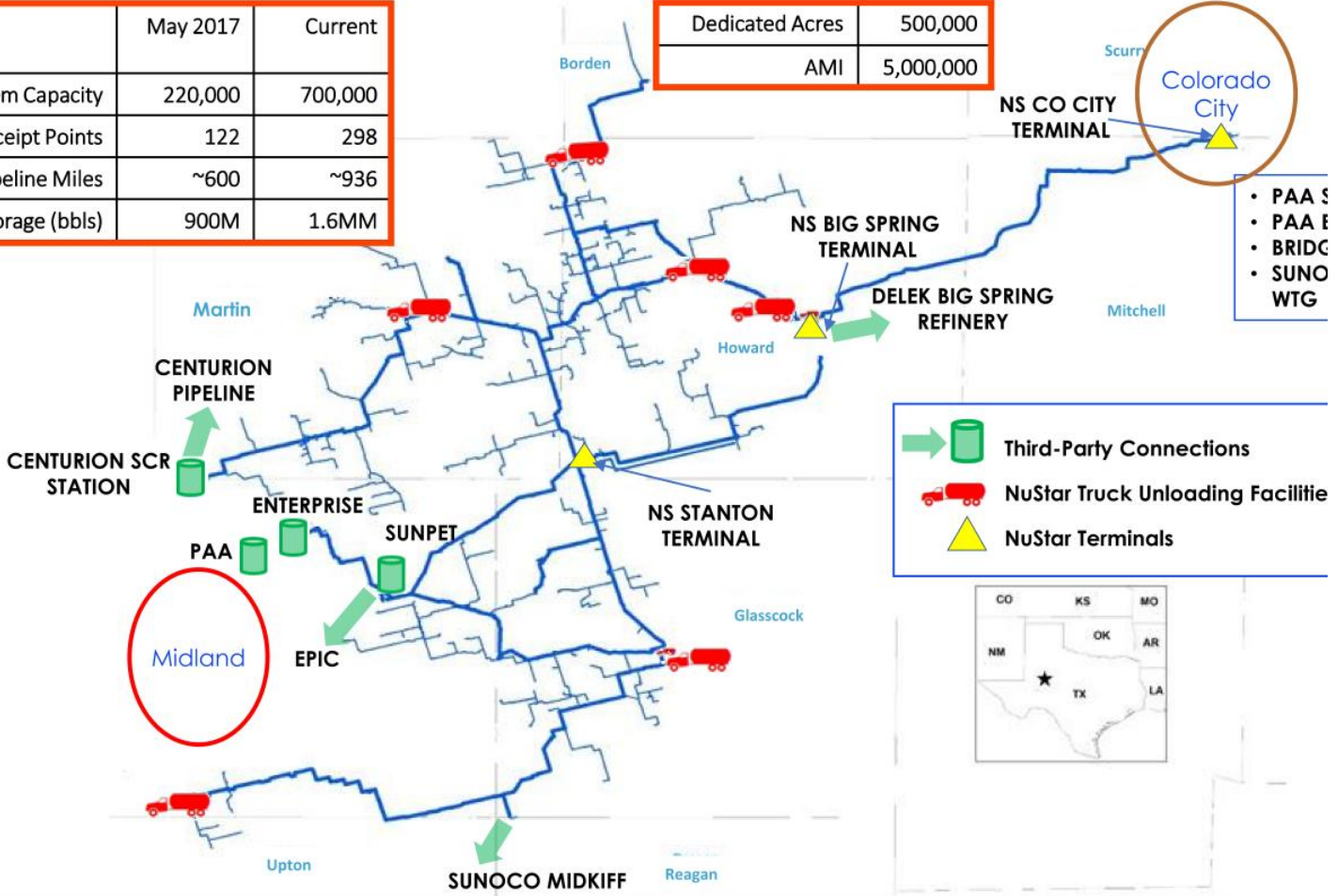


# PERMIAN CRUDE PIPELINE SYSTEM

With the "Backbone" of Our Now-700K-BPD System Complete  
 Our Permian Spending Will Scale With Our Producers' 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



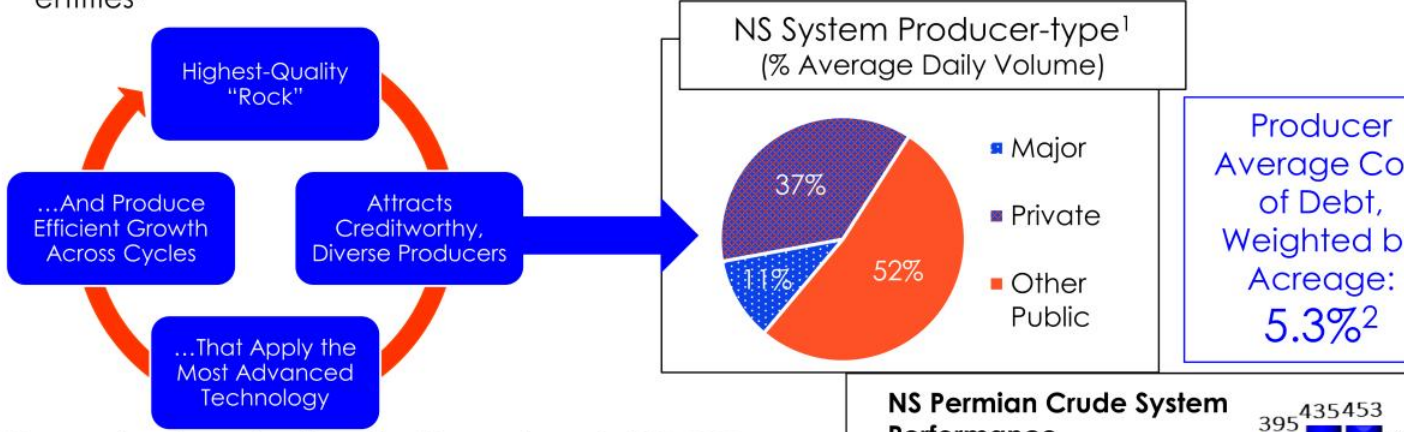
- PAA S
- PAA E
- BRIDG
- SUNO
- WTG



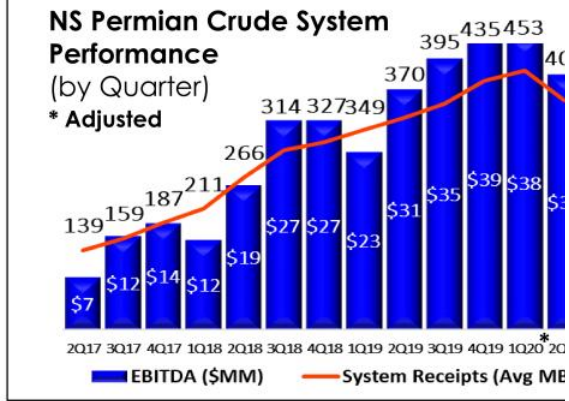
**PERMIAN CRUDE PIPELINE SYSTEM**

Our "Core of the Core" Location has Attracted Top-Tier Customers, Whose Large DUC Inventories Should Support Continued Recovery in 2021

- ★ 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 rate entities<sup>1</sup>



- ★ We received nominations for November of 428MBPD, so far this month, volumes are trending toward this level, and we now expect to exit year end between 410 to 420 MBPD, up from previous guidance
- ★ Our producers still have over 430 drilled-uncompleted (DUCs) wells on the system which they plan to bring online over 12-18 months, which provide an important platform for growth until rig counts start to recover



1 – September 30, 2020 MTD

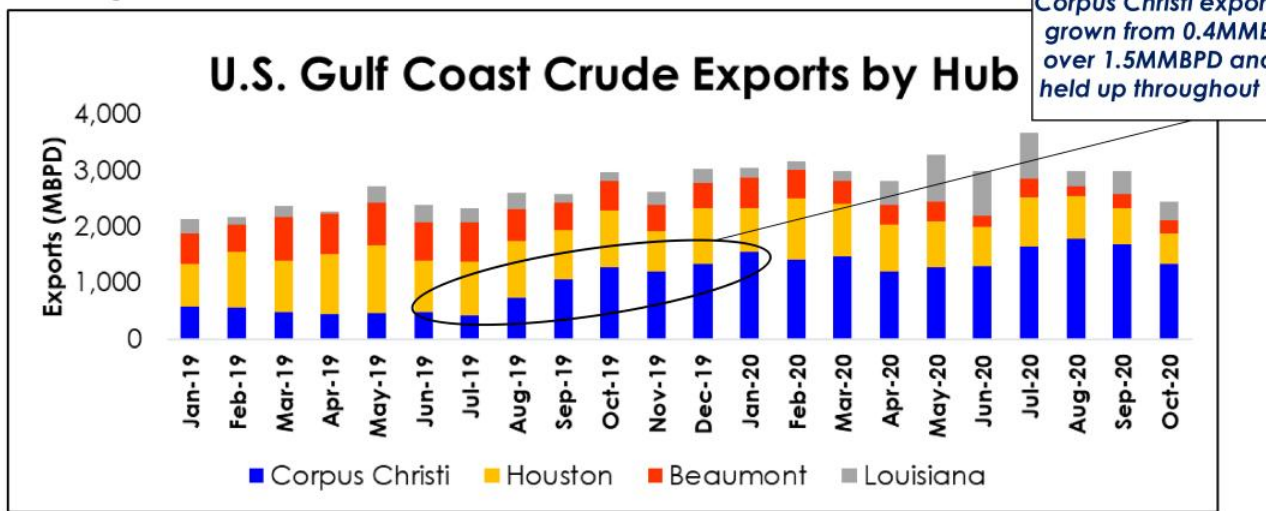
2 – As of December 7, 2020

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



# Gulf Coast 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 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

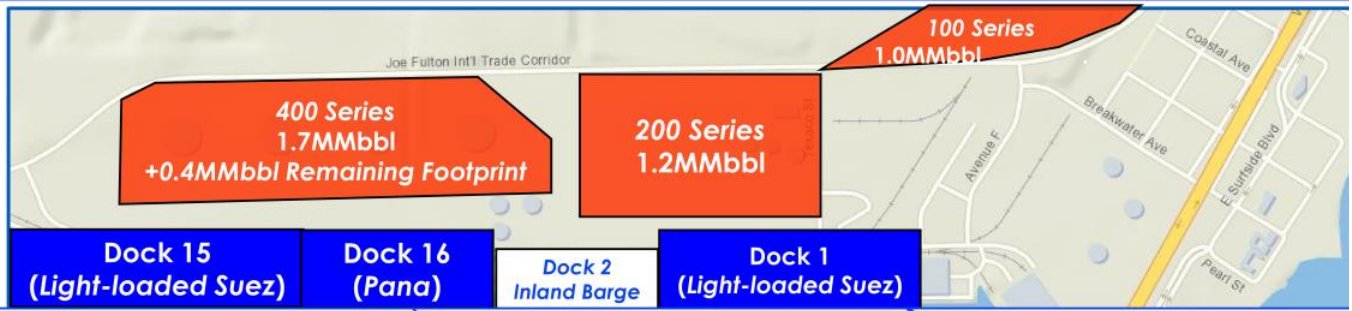


Source: RBN Energy



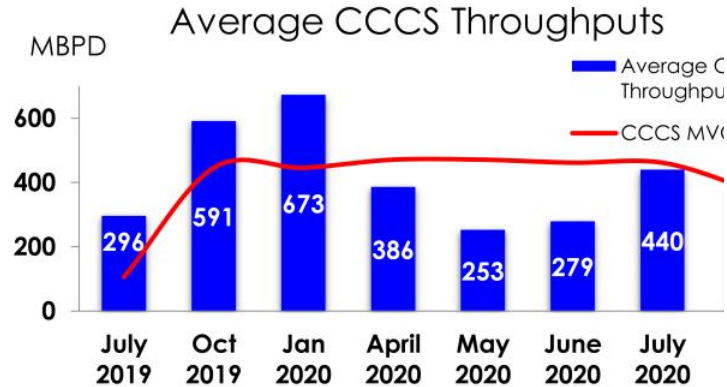
**GULF COAST STORAGE & EXPORT**

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

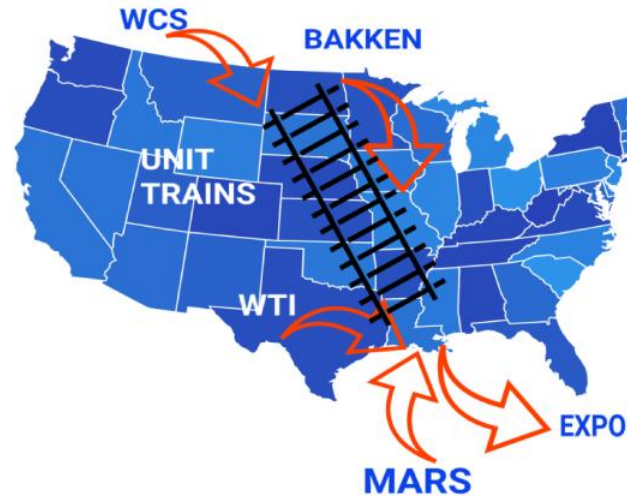
- ★ Our Corpus Christi North Beach Terminal is now receiving barrels from our South Texas Crude Oil Pipeline System, our 12" Three Rivers Supply Pipeline and our 30" pipeline from Taft, as well as from third-party pipeline connections
- Average throughputs have rebounded from our low in May to back to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



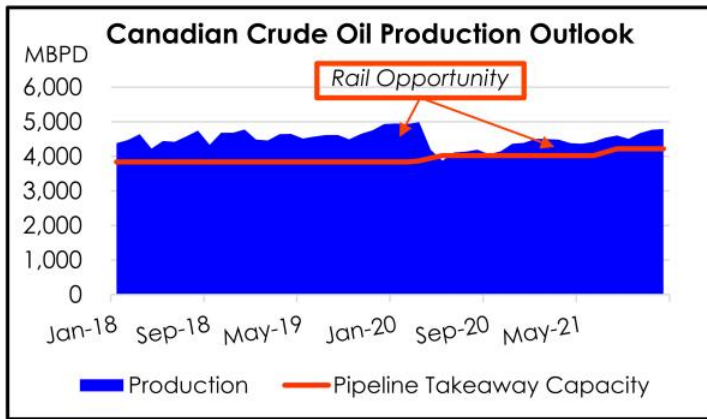


# Our Unit Train Facility Benefits From WCS/Bakken Price Dislocations From Pipeline Constraints, and We Will Benefit Export Growth as Those Constraints are Resolved

- ★ Prior to March, 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 in 2021-22
- ★ We can also handle light Bakken barrels with our rail facility, which may be an attractive alternative to DAPL



- ★ 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 for export or local use
  - As soon as late-2021, 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



Source: ESI



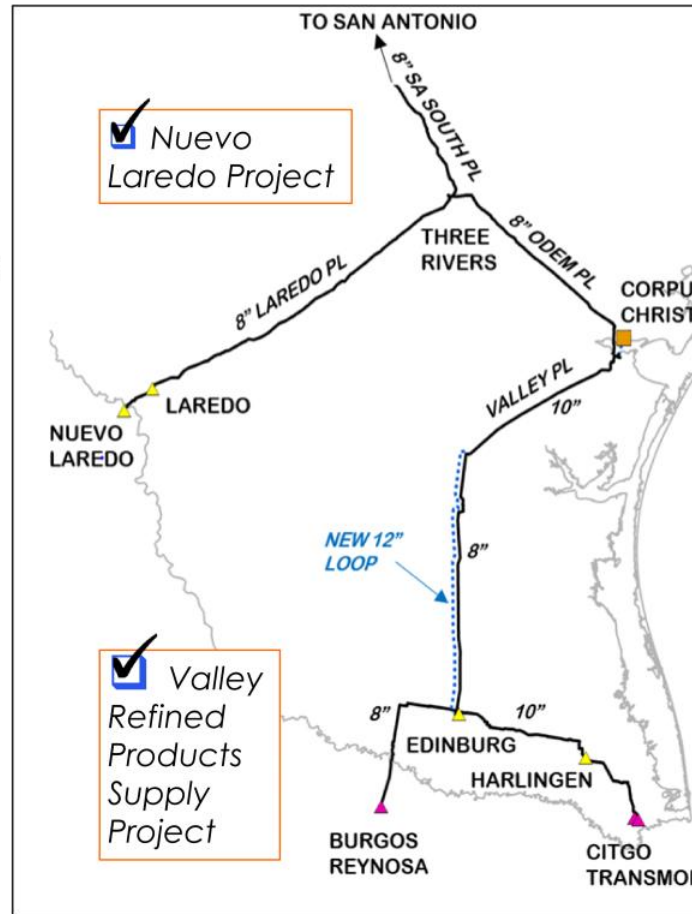


## N. MEXICO REFINED PRODUCTS SUPPLY

# We Have Completed Two Projects to Help Remedy Mexico Supply Shortfall

★ We recently 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

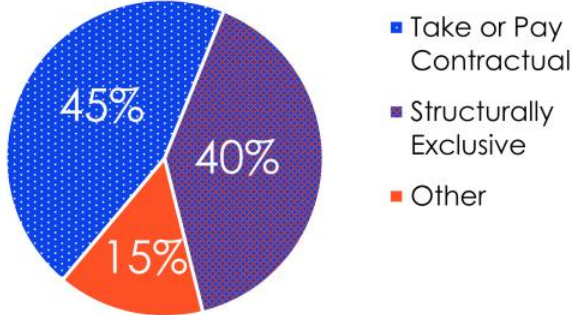


South Texas C

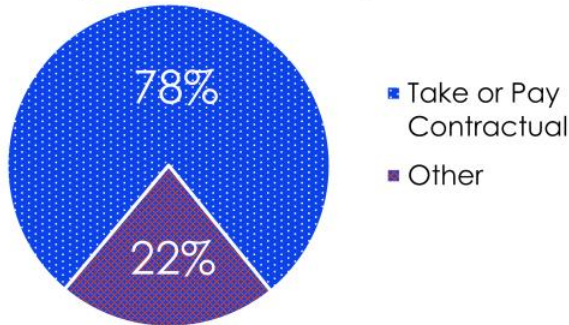


# Long-term Commitments From Creditworthy Customers

## Pipeline Segment Contracted<sup>1</sup> Revenues (% Q3 2020 Revenues)



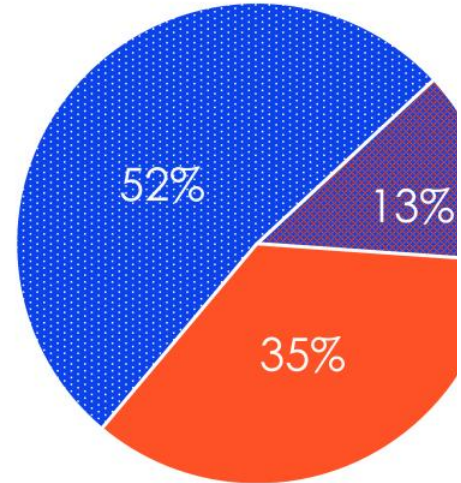
## Storage Segment Contracted Revenues (% Q3 2020 Revenues)



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

**Pipeline Segment**  
**~61% IG**

**Storage Segment**  
**~61% IG**

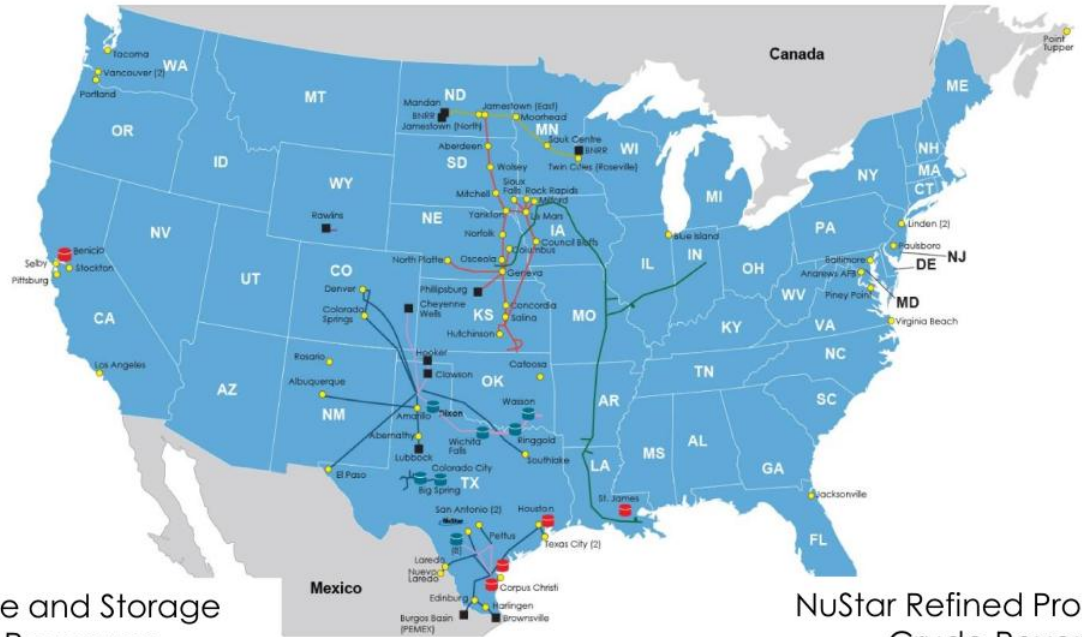


- Investment-Grade
- Large Private or International (Not rate)
- Other

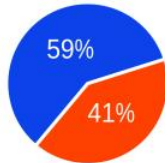
<sup>1</sup> - committed through take or pay contracts or through structural exclusivity (uncommitted lines serving refinery customers with no competition)



# The Balance of Our Business and the Location of Our Assets

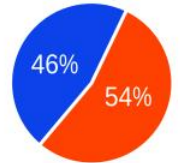


NuStar Pipeline and Storage Segment Revenues  
(% 3Q 2020 Revenues)



■ Pipeline Segment ■ Storage Segment

NuStar Refined Products Crude Revenues  
(% 3Q 2020 Revenues)



■ Crude ■ Refined Products

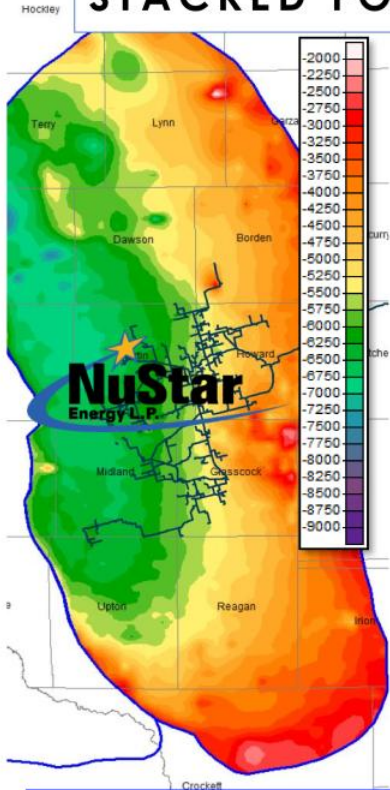


# PERMIAN CRUDE PIPELINE SYSTEM

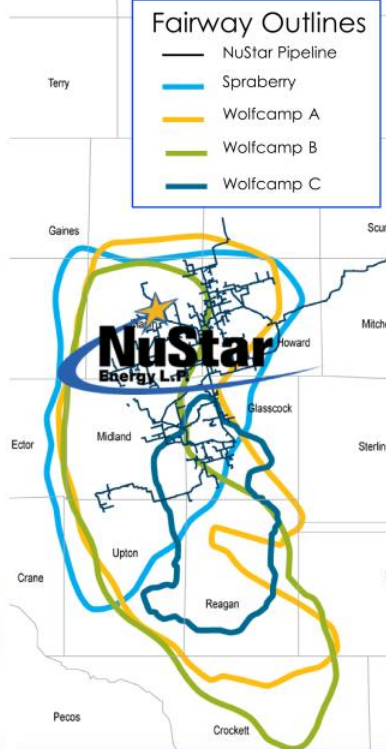
We Acquired Our Permian Crude System Because It Sits Square  
Over the Midland Basin's Most Geologically Advantaged  
Acreage

## MOST ACCESSIBLE, STACKED FORMATIONS...

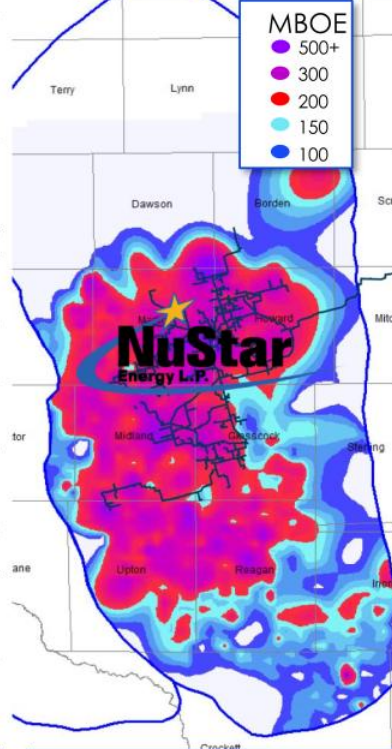
## BEST RECOVERIES AND SUPERIOR GORs...



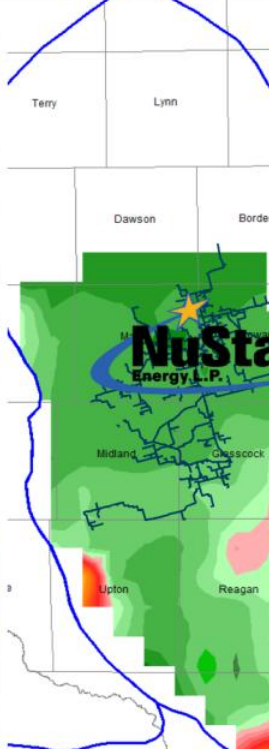
Wolfcamp Structure (TVDSS ft)



Midland Fairways



24M CUM (MBOE 20:1) <sup>(1)</sup>



Wolfcamp 24M

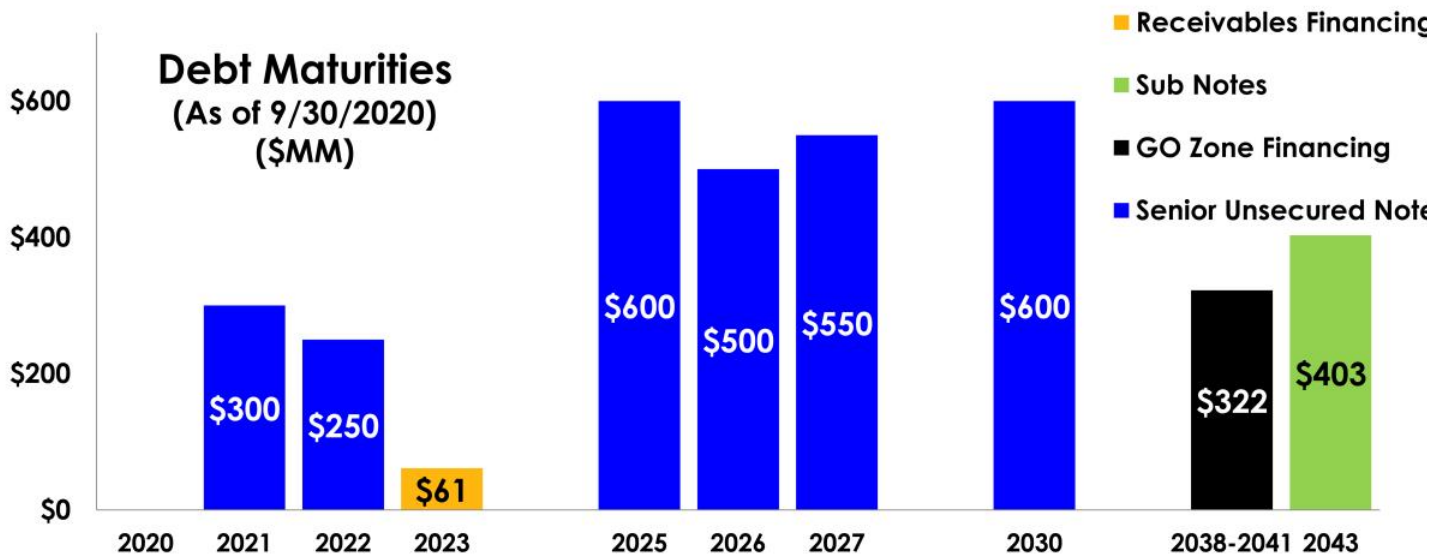
1. Normalized to 10,000 ft Lateral Lengths.

Source: Barclays (January 2014)



# Debt Maturity Schedule

- ★ 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 Oak 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 5-year and 10-year senior unsecured notes maturing in 2025 and 2030
  - The proceeds were used to repay the \$500 million balance outstanding under our term loan, as well as all the borrowings outstanding under our revolving credit agreement<sup>1</sup>
  - We plan to utilize our Revolver availability to pay-off our February 2021 and February 2022 bond maturities.



<sup>1</sup> – As of September 30, 2020, approximately \$5 million of Letters of Credit were outstanding under our revolving credit agreement.



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

\$1.0B Credit Facility	\$ 0	Series D Preferred Units	\$0
NuStar Logistics Notes (4.75%)	250	Series A, B and C Preferred Units	\$0
NuStar Logistics Notes (5.625%)	550	Common Equity and AOCI	\$1,100
NuStar Logistics Notes (5.75%)	600	<b>Total Equity<sup>1</sup></b>	<b>1,100</b>
NuStar Logistics Notes (6.00%)	500	<b>Total Capitalization</b>	<b>\$5,000</b>
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	(43)		
<b>Total Debt</b>	<b>\$3,602</b>		

### ★ As of September 30, 2020:

- Credit facility availability ~\$995MM
- Debt-to-EBITDA ratio<sup>2</sup> 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, (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	<u>\$ 690,00</u>

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	<u>\$ 180,194</u>	<u>\$ 169,128</u>	<u>\$</u>

(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.

