



St. James – New Market for Bakken

Greg Kaneb – Vice President Supply and Marketing

2010 Williston Basin Petroleum Convention

May 4, 2010

NuStar Energy L.P. Asset Base



- Asset Stats:**
- Operations in eight different countries including the U.S., Mexico, Netherlands, Netherlands Antilles (i.e. Caribbean), England, Ireland, Scotland and Canada
 - 8,407 miles of crude oil and refined product pipelines
 - 82 terminal facilities and four crude oil storage tank facilities
 - Nearly 91 million barrels of storage capacity
 - 2 asphalt refineries capable of processing 104,000 bpd of crude oil

LEGEND

- Headquarters/International Office
- NuStar Energy L.P. Refined Product Terminals
- Third-Party Terminal
- Nustar Asphalt Terminal
- Crude Oil Storage Facilities
- Crude Oil Storage Tanks
- Asphalt Refinery
- Origin/Termination Points
- Central West Crude Oil Pipelines System
- Central West Refined Products Pipelines System
- Single-Use Refined Product Pipelines
- Single-Use Crude Oil Pipeline
- North Refined Products Pipelines System
- East Refined Products Pipelines System
- Ammonia Pipelines System



- 75% of Earnings from Fee / Tariff Based Operations
- 25% of Earnings from Asphalt & Fuels and Marketing



NuStar St. James Terminal

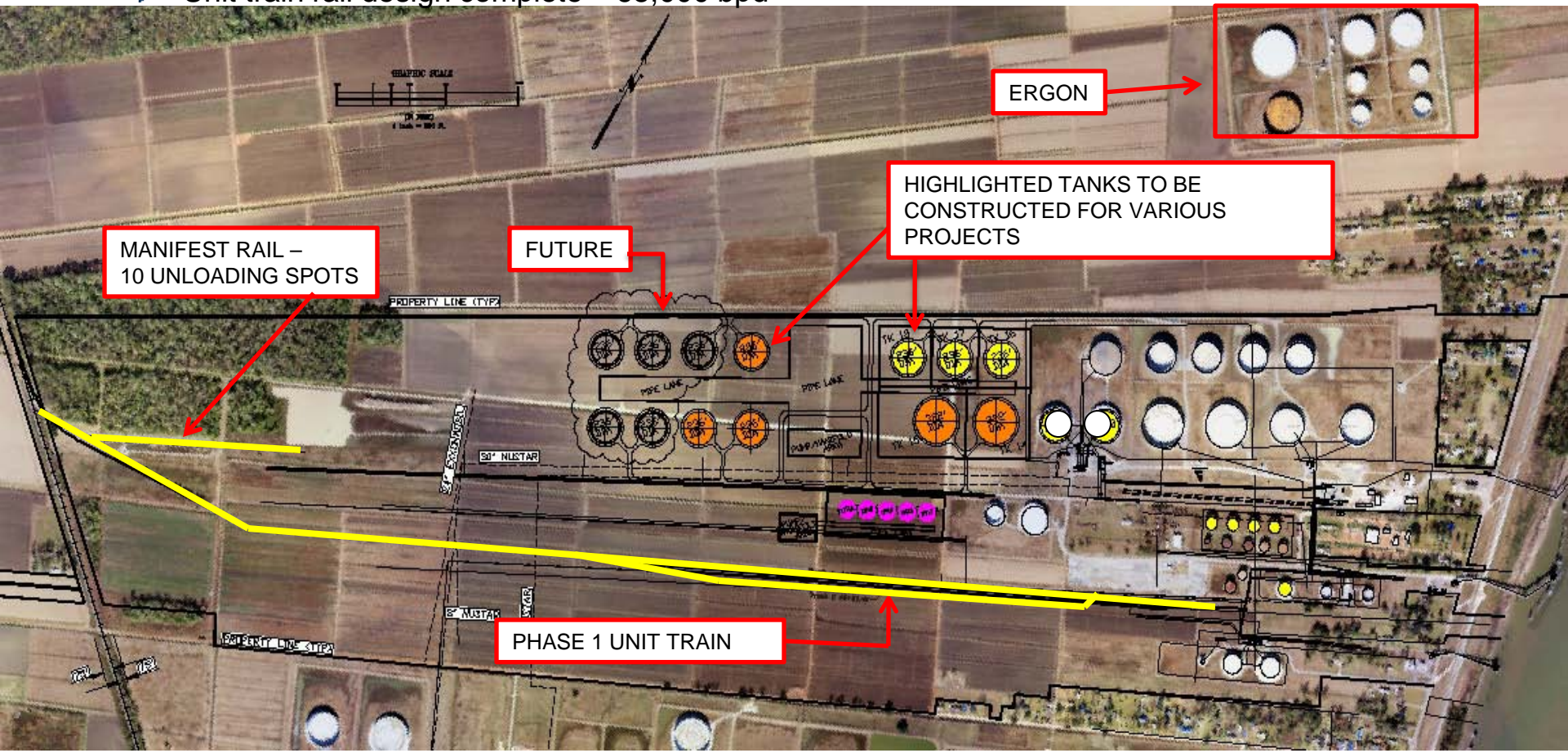
- **Acquired from Koch in 2006**
- **Located at Mile Marker 160 on the Mississippi River**
- **Approximately 3.0 MMbpd of refining capacity located within a 150 miles radius**
- **4.7MMbbl of storage capacity**
 - ▶ Crude, Fuel Oil and Intermediate products
 - ▶ 1.0 MMbbl heated storage
 - ▶ In process of constructing approximately 3.2 MMbbl of new storage
- **Excellent Pipeline Connectivity:**
 - ▶ Inbound
 - Foreign and Gulf of Mexico crudes via LOOP
 - Gulf of Mexico crudes via Ship Shoal Pipeline, Shell Houma Pipeline and ExxonMobil Empire Pipeline
 - ▶ Outbound
 - Capline
 - Exxon 16" & 24"
 - Connectivity to neighboring facilities and ability to connect to local refiners
- **Other Transportation Modes**
 - ▶ Tankers and barges
 - 3 Docks – Up to Aframax and LR2 size vessels (550, 000bbl)
 - ▶ Trucked crude – Inbound
 - ▶ Rail – Inbound (Outbound in future)

St. James Plot Plan

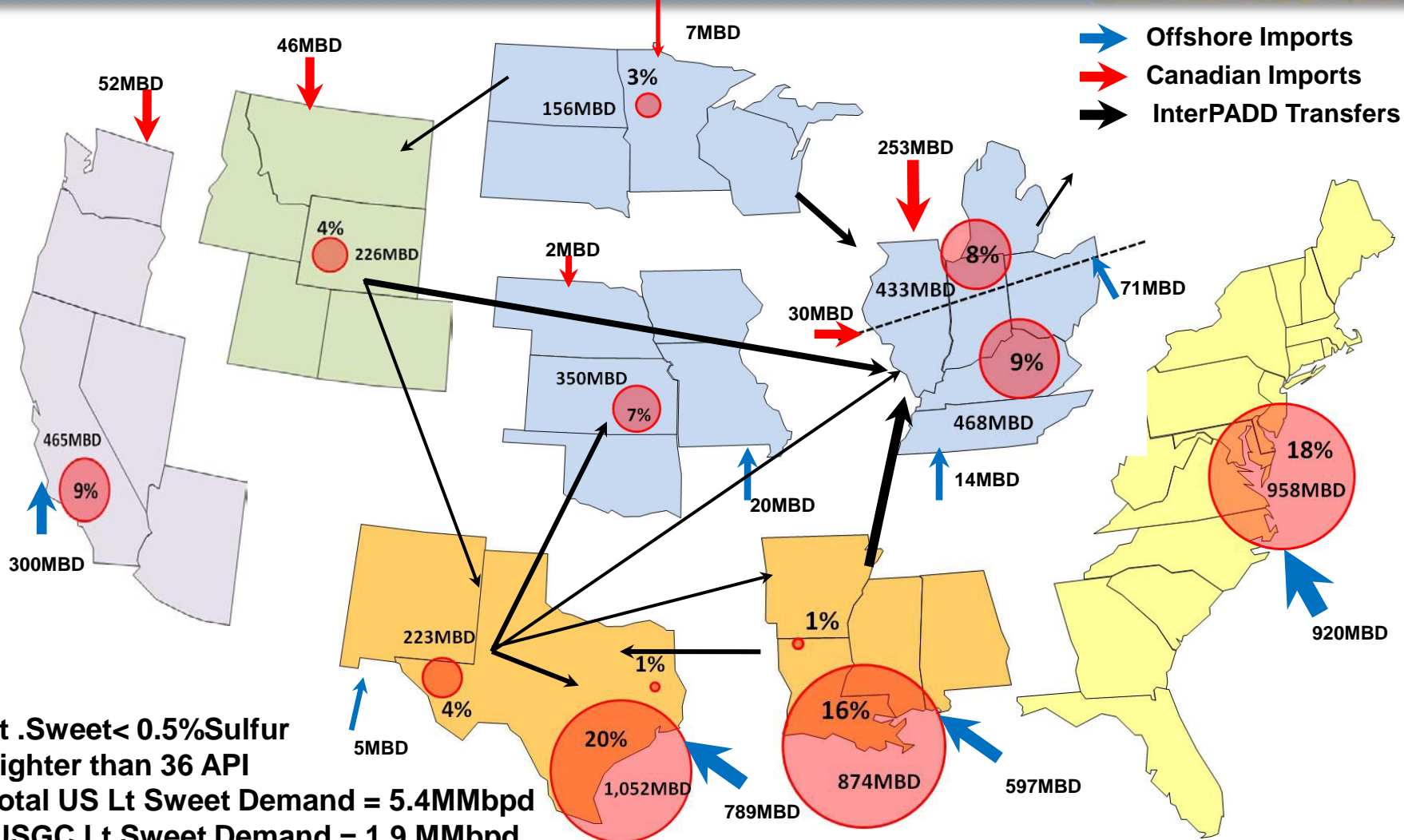


● Rail Car Service

- ▶ Service provided by Union Pacific
- ▶ Current manifest operation can handle 10 rail cars per day
- ▶ Proposed expansion to 20 rail cars per day
- ▶ Unit train rail design complete – 65,000 bpd



US Light Sweet Crude Demand 2008

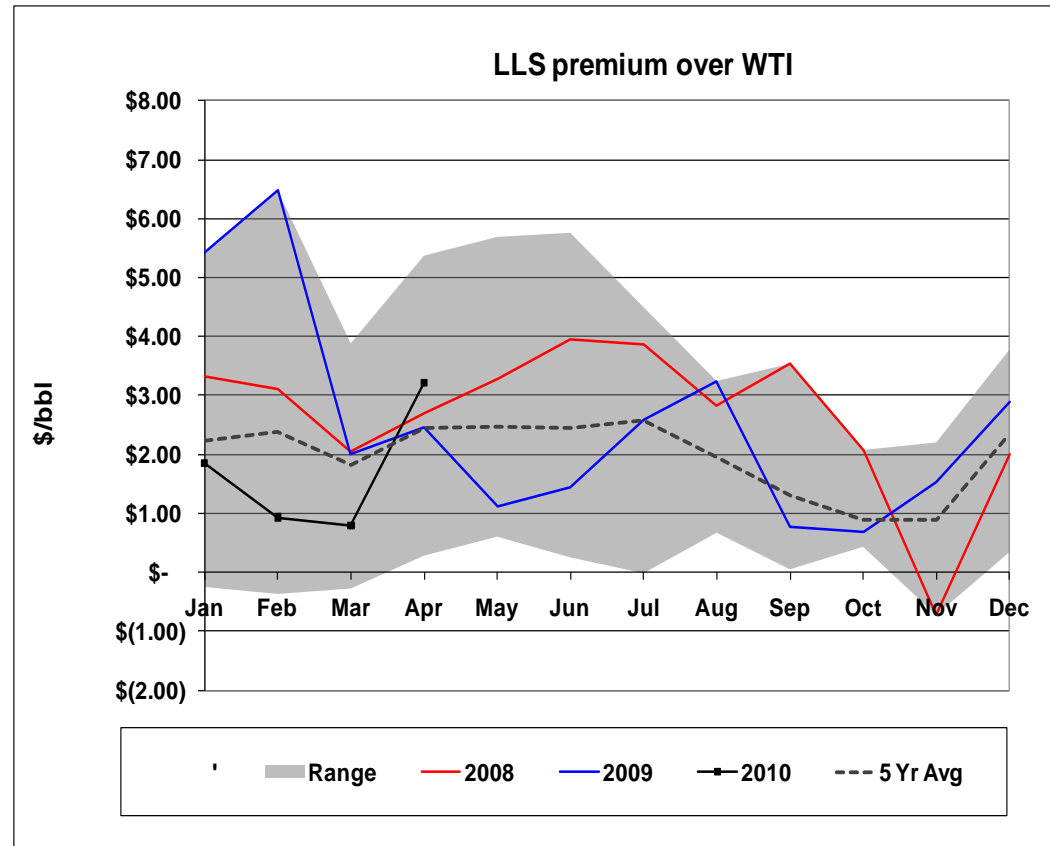


- Lt .Sweet < 0.5% Sulfur
- Lighter than 36 API
- Total US Lt Sweet Demand = 5.4MMbpd
- USGC Lt Sweet Demand = 1.9 MMbpd
- Total US Imports = 3.5 MMbpd

Source: Data From Purvin & Gertz 2009 GPMO

St James Premium Market

- **LLS consistently sells at a premium to WTI**
- **Close proximity to multitude of end users in the Gulf Coast**
 - ▶ Demand in Gulf Coast is approximately twice demand in PADD 2
 - ▶ Ability to supply to end users by pipeline or by waterborne
- **Access to blending infrastructure and streams to blend crude to fit refinery distillation limits**
 - ▶ Blend domestic on and off shore
 - ▶ Blend waterborne imports
- **Highly liquid market for physical sales**
- **Adds prompt takeaway capacity**





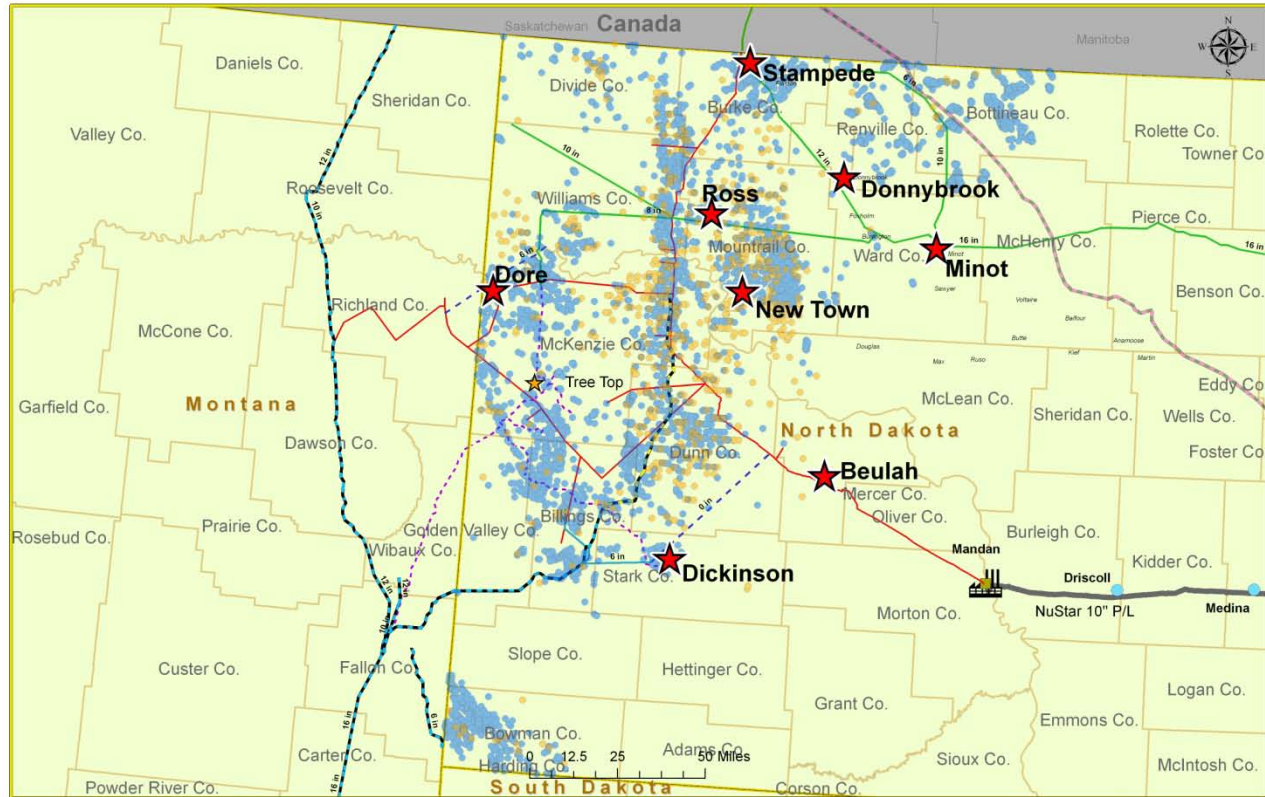
Possible Transload Locations

▶ CP Served Locations

- ★ New Town
- ★ Stampede
- ★ Donnybrook

▶ BNSF Served Locations

- ★ Beulah
- ★ Dickinson
- ★ Dore
- ★ Ross





- **For inquiries or copy of this presentation, please contact:**

- ▶ Greg Kaneb, Vice President Marketing
 - Office Telephone (210) 918 – 4552
 - Greg.Kaneb@nustarenergy.com

- ▶ John Greehey, Vice President Crude Trading
 - Office Telephone (210) 918 – 2004
 - John.Greehey@nustarenergy.com

- ▶ Rod Pullen, Vice President Transportation
 - Office Telephone (210) 918–2725
 - Rod.Pullen@nustarenergy.com