

NuStar Energy L.P.
Form 424B3
January 30, 2012
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The information in this preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933 but is not complete and may be changed. This preliminary prospectus supplement and the accompanying base prospectus are not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 30, 2012

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated May 13, 2010)

\$

NuStar Logistics, L.P.

% Senior Notes due 20

Fully and Unconditionally Guaranteed by

NuStar Energy L.P. and NuStar Pipeline Operating Partnership L.P.

We are offering \$ _____ aggregate principal amount of our _____ % senior notes due 20____. We will pay interest on the notes on _____ and _____ of each year, beginning _____, 2012. Interest on the notes will accrue from February _____, 2012. The notes will mature on _____, 20____.

We may redeem all or a part of the notes at any time prior to three months before their maturity date at a price equal to the greater of 100% of the principal amount of the notes being redeemed and a make-whole price calculated as described herein, in each case plus accrued and unpaid interest. At any time beginning three months before their maturity date, we may also redeem all or a part of the notes at a price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest.

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The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our existing and future unsecured senior indebtedness. The notes are irrevocably and unconditionally guaranteed on a senior unsecured basis by our parent, NuStar Energy L.P., or NuStar Energy, and one of our affiliates, NuStar Pipeline Operating Partnership L.P., or NuPOP, jointly and severally. NuPOP will be released from its guarantee when it no longer guarantees any obligations of NuStar Energy or any of its subsidiaries, including us, under any bank credit facility or public debt instrument. The guarantee by our parent will rank equally in right of payment to all of NuStar Energy's existing and future unsecured and unsubordinated indebtedness. The guarantee by NuPOP will rank equally in right of payment to all of NuPOP's existing and future unsecured and unsubordinated indebtedness.

Investing in the notes involves risks. Please read *Risk Factors* beginning on page S-13 of this prospectus supplement and on page 4 of the accompanying base prospectus for information regarding risks you should consider before investing in the notes.

	Initial Public Offering Price(1)	Underwriting Discount	Proceeds, before Expenses, to NuStar Logistics, L.P.
Per note	%	%	%
Total	\$	\$	\$

(1) Plus accrued interest, if any, from the date of original issuance.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying base prospectus. Any representation to the contrary is a criminal offense.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on or about February 1, 2012.

Joint Book-Running Managers

Citigroup

Mizuho Securities

RBS

The date of this prospectus supplement is January 1, 2012.

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This map depicts our operations as of December 31, 2011.

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This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying base prospectus, which gives more general information, some of which may not apply to this offering of notes. Generally, when we refer only to the prospectus, we are referring to both parts combined. If information varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference into this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated by reference into this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement. Please read *Where You Can Find More Information* on page S-35 of this prospectus supplement and *Where You Can Find More Information* and *Incorporation by Reference* in the accompanying base prospectus.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying base prospectus and any free writing prospectus relating to this offering. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. You should not assume that the information contained in this prospectus supplement, the accompanying base prospectus, any free writing prospectus or the information we have previously filed with the Securities and Exchange Commission that is incorporated by reference herein is accurate as of any date other than its respective date. This prospectus supplement, the accompanying base prospectus and any free writing prospectus do not constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying base prospectus. It does not contain all the information that you should consider before investing in the notes. This prospectus supplement and the accompanying base prospectus include specific terms of the offering of the notes, information about our business and our financial data. We urge you to read carefully the entire prospectus supplement, the accompanying base prospectus and the documents we have incorporated by reference, and our financial statements and the notes to those statements, before making an investment decision. You should also read the risk factors on page S-13 of this prospectus supplement and on page 4 of the accompanying base prospectus for more information about important risks you should consider before making a decision to purchase notes in this offering. Additionally, you should read the Risk Factors and our discussions of other risks and uncertainties in our periodic filings with the United States Securities and Exchange Commission (the SEC) under the Securities Exchange Act of 1934, as amended (the Exchange Act), particularly in our Annual Report on Form 10-K for our fiscal year ended December 31, 2010, which is incorporated herein by reference.

NuStar Energy L.P. (NuStar Energy) conducts substantially all of its business through its operating subsidiaries NuStar Logistics, L.P. (NuStar Logistics) and NuPOP and their respective subsidiaries. Accordingly, in the summary section of this prospectus supplement that describes the business of NuStar Energy and its subsidiaries, unless the context otherwise indicates, references to NuStar Energy, us, we, our, and like terms refer to NuStar Energy, together with its subsidiaries, including NuStar Logistics and NuPOP. NuStar Logistics is the borrower on substantially all of the consolidated company's credit facilities and is the issuer of an aggregate of approximately \$1.13 billion of senior notes, all of which are fully and unconditionally guaranteed by each of NuStar Energy and NuPOP, and NuPOP is the issuer of an aggregate of \$500 million of senior notes, all of which are fully and unconditionally guaranteed by each of NuStar Energy and NuStar Logistics. All financial results presented in this prospectus supplement are those of NuStar Energy and its subsidiaries, including NuStar Logistics and NuPOP, on a consolidated basis.

The notes are solely obligations of NuStar Logistics and, to the extent described in this prospectus supplement, are guaranteed by each of NuStar Energy and NuPOP. Accordingly, in the other sections of this prospectus supplement, including The Offering and Description of the Notes, unless the context otherwise indicates, references to NuStar Logistics, the Partnership, us, we, our, and like terms refer to NuStar Logistics and do not include any of its subsidiaries or its affiliates. Likewise, in such sections, unless the context otherwise indicates, NuStar Energy refers to NuStar Energy and not its subsidiaries and NuPOP refers to NuPOP and not its subsidiaries or affiliates.

NuStar Logistics, L.P.

NuStar Logistics is a wholly owned subsidiary of NuStar Energy (NYSE: NS), a publicly held Delaware limited partnership. The notes issued by NuStar Logistics will be guaranteed by each of NuStar Energy and NuPOP, NuStar Energy's other operating subsidiary partnership. NuPOP will be released from its guarantee when it no longer guarantees any obligations of NuStar Energy or any of its subsidiaries, including NuStar Logistics, under any bank credit facility or public debt instrument.

NuStar Energy and its subsidiaries are engaged in the terminalling and storage of petroleum products, the transportation of petroleum products and anhydrous ammonia, and petroleum refining and marketing. We conduct our operations through our wholly owned subsidiaries, primarily NuStar Logistics and NuPOP. Our sources of revenue include:

tariffs for transporting crude oil, refined products and anhydrous ammonia through our pipelines;

fees for the use of our terminals and crude oil storage tanks and related ancillary services; and

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sales of asphalt and other refined petroleum products.

We have three reportable segments: storage; transportation; and asphalt and fuels marketing.

As of September 30, 2011, our assets included:

67 terminal and storage facilities providing approximately 85.0 million barrels of storage capacity;

5,478 miles of common carrier refined product pipelines with 21 associated terminals providing storage capacity of 4.6 million barrels and two tank farms providing storage capacity of 1.2 million barrels;

2,000 miles of anhydrous ammonia pipelines;

939 miles of crude oil pipelines with associated storage capacity of 1.9 million barrels;

two asphalt refineries with a combined throughput capacity of 104,000 barrels per day and related terminal facilities with a combined storage capacity of 5.0 million barrels; and

a fuels refinery with a throughput capacity of 14,500 barrels per day.

Storage Segment

Our storage segment includes terminals and storage facilities that provide storage and handling services on a fee basis for petroleum products, specialty chemicals and other liquids, including crude oil and other feedstocks. In addition, our terminals located on the island of St. Eustatius in the Caribbean and Point Tupper, Nova Scotia provide services such as pilotage, tug assistance, line handling, launch service, emergency response services and other ship services. As of September 30, 2011, we owned and operated:

55 terminal and storage facilities in the United States, with a total storage capacity of approximately 53.8 million barrels;

a terminal on the island of St. Eustatius with a tank capacity of 13.0 million barrels and a transshipment facility;

a terminal located in Point Tupper with a tank capacity of 7.4 million barrels and a transshipment facility;

six terminals located in the United Kingdom and one terminal located in Amsterdam, the Netherlands, having a total storage capacity of approximately 9.5 million barrels;

a terminal located in Nuevo Laredo, Mexico; and

a 75% interest in two terminals in Turkey with an aggregate storage capacity of 1.3 million barrels.

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Revenues for the storage segment include fees for tank storage agreements, in which a customer agrees to pay for a certain amount of storage in a tank over a period of time (storage lease revenues), and throughput agreements, in which a customer pays a fee per barrel for volumes moving through our terminals (throughput revenues). Our terminals also provide blending, additive injections, handling and filtering services. We charge a fee for each barrel of crude oil and certain other feedstocks that we deliver to Valero Energy Corporation's Benicia, Corpus Christi West and Texas City refineries from our crude oil storage tanks.

Transportation Segment

Our pipeline operations consist of the transportation of refined petroleum products, crude oil and anhydrous ammonia. Our common carrier refined product pipelines in Texas, Oklahoma, Colorado, New Mexico, Kansas, Nebraska, Iowa, South Dakota, North Dakota and Minnesota cover approximately 5,478 miles, consisting of the Central West System, the East Pipeline and the North Pipeline. The East and North Pipelines also include 21 terminals providing storage capacity of 4.6 million barrels, and the East Pipeline includes two tank farms

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providing storage capacity of 1.2 million barrels. In addition, we own a 2,000-mile anhydrous ammonia pipeline located in Louisiana, Arkansas, Missouri, Illinois, Indiana, Iowa and Nebraska. We also own 939 miles of crude oil pipelines in Texas, Oklahoma, Kansas, Colorado and Illinois, as well as 1.9 million barrels of crude oil storage in Texas and Oklahoma that is located along those crude oil pipelines. As of September 30, 2011, we owned and operated:

refined product pipelines with an aggregate length of 3,128 miles that connect Valero Energy Corporation's McKee, Three Rivers and Corpus Christi refineries to certain of our terminals, or to interconnections with third-party pipelines or terminals for further distribution, including a 25-mile hydrogen pipeline;

a 1,910-mile refined product pipeline originating in southern Kansas and terminating at Jamestown, North Dakota, with a western extension to North Platte, Nebraska and an eastern extension into Iowa;

a 440-mile refined product pipeline originating at Tesoro Corporation's Mandan, North Dakota refinery and terminating in Minneapolis, Minnesota;

crude oil pipelines in Texas, Oklahoma, Kansas, Colorado and Illinois with an aggregate length of 939 miles and crude oil storage facilities providing 1.9 million barrels of storage capacity in Texas, Oklahoma and Colorado that are located along the crude oil pipelines; and

a 2,000-mile anhydrous ammonia pipeline originating at the Louisiana delta area that travels north through the midwestern United States forking east and west to terminate in Nebraska and Indiana (the Ammonia Pipeline).

We charge tariffs on a per barrel basis for transporting refined products, crude oil and other feedstocks in our refined product and crude oil pipelines and on a per ton basis for transporting anhydrous ammonia in our Ammonia Pipeline.

Asphalt and Fuels Marketing Segment

Our asphalt and fuels marketing segment includes our refining operations and fuels marketing operations. As of September 30, 2011, our assets included two asphalt refineries with a combined throughput capacity of 104,000 barrels per day, and the related terminal facilities providing storage capacity of approximately 5.0 million barrels. This segment also includes a fuels refinery in San Antonio, Texas (the San Antonio Refinery) with throughput capacity of 14,500 barrels per day. We market the asphalt and certain other refined products produced by our refineries.

Our asphalt and fuels marketing segment also includes our fuels marketing operations. Specifically, we purchase crude oil, gasoline, distillates and refinery feedstocks to take advantage of arbitrage opportunities and contango markets (when the price for future deliveries exceeds current prices). During a contango market, we can utilize storage at strategically located terminals, including our own terminals, to deliver products at favorable prices. Additionally, we may take advantage of geographic arbitrage opportunities by utilizing transportation and storage assets, including our own terminals and pipelines, to deliver products from one geographic region to another with more favorable pricing.

In addition, we sell bunker fuel from our terminal locations at St. Eustatius, Point Tupper, Texas City, Texas and Los Angeles, California. The strategic location of these facilities and their storage capabilities provide us with a reliable supply of product and the ability to capture incremental sales margin. Also, the St. Eustatius terminal facility has six mooring locations that can supply bunkers to vessels up to 520,000 deadweight tons, and the Point Tupper facility has two mooring locations that can supply bunkers to vessels up to 400,000 deadweight tons.

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The results of operations for the asphalt and fuels marketing segment depend largely on the margin between our cost and the sales price of the products we market. Therefore, the results of operations for this segment are more sensitive to changes in commodity prices compared to the operations of the storage and transportation segments. We enter into derivative contracts to attempt to mitigate the effect of commodity price fluctuations on our operations.

Business Strategies

Our business strategy is to increase per unit cash distributions to our partners through:

continuous improvement of our operations by improving safety and environmental stewardship, cost controls and asset reliability and integrity;

internal growth that enhances the utilization of our existing assets by expanding our business with current and new customers, as well as investments in strategic expansion projects;

external growth from acquisitions that meet our financial and strategic criteria;

identification of non-core assets that do not meet our financial and strategic criteria and evaluation of potential dispositions;

complementary operations such as our fuels marketing operations, which provide us the opportunity to optimize the use and profitability of our assets; and

growth and improvement of our asphalt operations to benefit from anticipated decreases in overall asphalt supply and higher asphalt margins.

Competitive Strengths

We believe we are well positioned to execute our business strategies successfully because of the following competitive strengths:

our ability to grow and expand our customer base through internal growth capital expenditures and acquisitions;

the strategic location of our assets in areas with high demand for our services and products;

the geographic diversity of our assets, which encompass important aspects of crude oil and refined product storage and transportation;

the extensive industry experience of our senior management team and the board of directors of our general partner; and

our established reputation in the petroleum industry as a reliable and cost-effective operator, and the expected benefits we and our customers will receive from our scale and operational expertise.

Recent Developments

Fourth Quarter and Full Year Earnings

On January 27, 2012, we announced financial results for the quarter and year ended December 31, 2011.

Net income applicable to limited partners for the fourth quarter of 2011 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. Fourth quarter 2011 segment operating income in both our storage and transportation segments was higher than fourth quarter of 2010. Increased tariffs and new revenue streams from two Eagle Ford shale internal growth projects contributed to the increase in operating income of our transportation segment, and our storage segment benefitted primarily from

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the completion of a storage expansion project at our St. James, Louisiana terminal facility in the third quarter of 2011. However, improvements in these segments were more than offset by lower results in our asphalt and fuels marketing segment, primarily due to lower margins in our asphalt operations. These lower margins were partially offset by non-recurring hedging gains of approximately \$16.4 million associated with the San Antonio Refinery.

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.

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, higher than \$302.6 million in 2010.

Fourth quarter 2011 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, compared to \$280.7 million, or \$4.43 per unit, for 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 \$482.8 million in 2010.

EBITDA, distributable cash flow and operating income for the year ended December 31, 2011 were all higher than in 2010. 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.

For a reconciliation of distributable cash flow and EBITDA, both of which are non-GAAP measures, to their nearest comparable GAAP measure, please see Non-GAAP Financial Measures.

Our independent registered public accounting firm has not completed its audit of NuStar Energy's financial statements for the year ended December 31, 2011. As a result, the financial results for the quarter and full year ended December 31, 2011 are subject to change.

Distribution

On January 27, 2012, we announced that our board of directors had declared a fourth quarter 2011 distribution of \$1.095 per unit. The fourth quarter 2011 distribution will be paid on February 10, 2012 to holders of record as of February 7, 2012. For 2011, our board of directors declared an aggregate distribution of \$4.36 per unit, which was \$0.08 per unit, or approximately 2%, higher than the \$4.28 per unit aggregate distribution declared in 2010.

2012 Outlook

We expect that EBITDA in 2012 will be higher than in 2011 and that EBITDA in all three of our segments will also exceed 2011 results. In addition, we continue to identify internal growth projects that should contribute to our EBITDA growth over the next several years. Currently, we expect to spend \$350 to \$400 million on internal growth projects during 2012.

December 2012 Unit Offering

On December 9, 2011, NuStar Energy issued 6,037,500 common units in a public offering for approximately \$318.0 million in aggregate net proceeds, net of expenses. The net proceeds from the offering,

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which included the general partner's proportionate capital contribution of \$6.6 million, were used to reduce outstanding borrowings under our revolving credit facility.

Partnership Structure and Management

Management of NuStar Energy L.P.

NuStar Energy's operations are conducted through its wholly owned subsidiaries, NuStar Logistics and NuPOP. The general partner of Riverwalk Logistics, L.P., which is NuStar Energy's general partner, and its executive officers manage the operations and activities of NuStar Energy and its subsidiaries.

Principal Executive Offices and Internet Address

Our principal executive offices are located at 2330 North Loop 1604 West, San Antonio, Texas 78248, and our telephone number is (210) 918-2000. Our website is located at <http://www.nustarenergy.com>. We make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

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Ownership Chart

The following chart depicts our ownership structure as of December 31, 2011.

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The guarantee of our affiliate, NuPOP, will rank equally in right of payment to all of its existing and future unsecured and unsubordinated indebtedness. As of September 30, 2011, NuPOP's aggregate indebtedness for borrowed money was \$500.0 million. Upon the expected repayment in full of the outstanding principal amount of the NuPOP 2012 Notes on or prior to February 15, 2012, such indebtedness will be reduced to \$250.0 million.

NuPOP will be released from its guarantee when it no longer guarantees any obligations of NuStar Energy or any of its subsidiaries, including NuStar Logistics, under any bank credit facility or public debt instrument.

The indenture does not limit the amount of unsecured debt that we or either of the guarantors may incur. The indenture contains restrictions on the ability of NuStar Logistics and its subsidiaries to incur secured indebtedness unless the same security is also provided for the benefit of holders of the notes.

Subsidiary Guarantees

We will cause any of our future subsidiaries that guarantees or becomes a co-obligor in respect of any of our funded debt to equally and ratably guarantee the notes.

Covenants and Events of Default

We will issue the notes under an indenture with Wells Fargo Bank, National Association, as trustee. The indenture will contain limitations on, among other things, our ability to:

permit to exist certain liens on our assets to secure indebtedness; and

engage in certain sale and leaseback transactions.

The indenture will provide for certain events of default, including default on certain other indebtedness.

Optional Redemption

We may redeem some or all of the notes at any time at the applicable redemption price set forth under the heading "Description of the Notes - Optional Redemption."

Risk Factors

Please read "Risk Factors" beginning on page S-13 of this prospectus supplement, on page 4 of the accompanying base prospectus and on page 23 of our Annual Report on Form 10-K for the year ended December 31, 2010, as well as the other risks identified in the documents incorporated by reference herein for a discussion of factors you should carefully consider before investing in the notes.

Additional Notes

We may from time to time, without the consent of the holders of the notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the notes.

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Governing Law

The indenture and the notes provide that they will be governed by, and construed in accordance with, the laws of the state of New York.

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Ratio of Earnings to Fixed Charges

The following table sets forth NuStar Energy's ratio of earnings to fixed charges for the periods indicated.

	For the Year Ended December 31,					For the Nine Months Ended September 30,
	2006	2007	2008	2009	2010	2011
Ratio of earnings to fixed charges	3.0x	2.6x	3.2x	3.3x	3.4x	3.4x

For purposes of calculating the ratio of earnings to fixed charges:

fixed charges represent interest expense (including amounts capitalized), amortization of debt costs and the portion of rental expense representing the interest factor; and

earnings represent the aggregate of income from continuing operations (before adjustment for non-controlling interest, extraordinary loss and equity earnings), fixed charges and distributions from equity investment, less capitalized interest.

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The following tables set forth, for the periods and at the dates indicated, summary consolidated historical financial and operating data for NuStar Energy. The financial data was derived from our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2010 and from our unaudited consolidated financial statements and related notes included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011. The financial data set forth below should be read in conjunction with those consolidated financial statements and the notes thereto, which are incorporated by reference into this prospectus supplement and the accompanying base prospectus and have been filed with the SEC.

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2008	2009	2010	2010	2011
	(Dollars in thousands, except per unit amounts)				
Statement of Income Data:					
Revenues:					
Service revenues	\$ 740,630	\$ 745,349	\$ 791,314	\$ 585,772	\$ 608,689
Product sales	4,088,140	3,110,522	3,611,747	2,623,077	4,039,461
Total revenues	4,828,770	3,855,871	4,403,061	3,208,849	4,648,150
Costs and expenses:					
Costs of product sales	3,864,310	2,883,187	3,350,429	2,422,751	3,797,424
Operating expenses	442,248	458,892	486,032	363,028	390,480
General and administrative expenses	76,430	94,733	110,241	76,324	69,833
Depreciation and amortization	135,709	145,743	153,802	114,653	124,354
Total costs and expenses	4,518,697	3,582,555	4,100,504	2,976,756	4,382,091
Operating income	310,073	273,316	302,557	232,093	266,059
Equity in earnings of joint ventures	8,030	9,615	10,500	7,571	6,997
Interest expense, net	(90,818)	(79,384)	(78,280)	(58,059)	(62,644)
Other income (expense), net	37,739	31,859	15,934	14,882	(5,699)
Income before income tax expense	265,024	235,406	250,711	196,487	204,713
Income tax expense	11,006	10,531	11,741	9,052	13,311
Net income	254,018	224,875	238,970	187,435	191,402
Net income per unit applicable to limited partners	\$ 4.22	\$ 3.47	\$ 3.19	\$ 2.55	\$ 2.49
Weighted average limited partner units outstanding	53,182,741	55,232,467	62,946,987	62,386,373	64,611,181
Balance Sheet Data:					
Total assets	\$ 4,459,597	\$ 4,774,673	\$ 5,386,393	\$ 5,191,448	\$ 5,848,148
Total debt	1,894,848	1,849,763	2,137,080	1,990,507	2,525,655
Total partners equity	2,206,997	2,484,968	2,702,700	2,690,235	2,525,049
Other financial data:					
Net cash provided by operating activities	\$ 485,181	\$ 180,582	\$ 362,500	\$ 180,833	\$ 101,871
Net cash used in investing activities	(956,517)	(167,705)	(300,215)	(222,392)	(352,655)
Net cash provided by (used in) financing activities	440,063	(2,672)	56,266	65,777	131,878
Selected operating income (loss) by segment:					
Storage	\$ 141,079	\$ 171,245	\$ 178,947	\$ 131,388	\$ 140,322
Transportation	135,086	139,869	148,571	106,004	102,808
Asphalt and fuels marketing	112,506	60,629	90,861	75,113	97,689
Consolidation and intersegment eliminations	1,352	1,170	276	278	(16)

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Total segment operating income	390,023	372,913	418,655	312,783	340,803
Less general and administrative expenses	76,430	94,733	110,241	76,324	69,833
Less other depreciation and amortization expense	3,520	4,864	5,857	4,366	4,911
Total operating income	\$ 310,073	\$ 273,316	\$ 302,557	\$ 232,093	\$ 266,059

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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.

Our independent registered public accounting firm has not completed its audit of NuStar Energy's financial statements for the year ended December 31, 2011. As a result, the financial results for the quarter and full year ended December 31, 2011, which appear below, are subject to change.

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

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

- (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.

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RISK FACTORS

Before you make a decision to invest in the notes, you should read the risk factors discussed below. You should also read and consider the risks, uncertainties and factors that are discussed on page 4 of the accompanying base prospectus and in our Annual Report on Form 10-K for our fiscal year ended December 31, 2010 that is incorporated herein by reference, together with all the other information included in this prospectus supplement, the accompanying base prospectus and the documents incorporated herein by reference, in evaluating an investment in our notes.

Risk Related to the Notes

Our future financial and operating flexibility may be adversely affected by our significant leverage, our significant working capital needs, restrictions in our debt agreements and disruptions in the financial markets.

As of September 30, 2011, our consolidated debt was \$2.5 billion. Among other things, our significant leverage may be viewed negatively by credit rating agencies, which could result in increased costs for us to access the capital markets. NuStar Logistics and NuPOP have senior unsecured ratings of Baa3 with Moody's Investor Service and BBB minus with Standard & Poor's and Fitch. Moody's and Standard & Poor's have assigned NuStar Logistics and NuPOP a stable outlook, and Fitch has assigned a negative outlook. Any future downgrade of our debt could significantly increase our capital costs and adversely affect our ability to raise capital in the future. Additionally, any ratings downgrade on the debt issued by NuStar Logistics could result in an adjustment to the interest rates on the bonds issued by NuStar Logistics in April 2008, which would significantly increase our capital costs and adversely affect our ability to raise capital in the future.

We require significant amounts of working capital to make purchases of crude oil and maintain necessary seasonal inventories to support our asphalt operations. We believe that our current sources of capital are adequate to meet our working capital needs. However, if our working capital needs increase more than anticipated, we may be forced to seek additional sources of capital, which may not be available or available on commercially reasonable terms.

Our five-year revolving credit agreement (the "2007 Revolving Credit Agreement") contains restrictive covenants, including a requirement that, as of the end of each rolling period, which consists of any period of four consecutive fiscal quarters, we maintain a consolidated debt coverage ratio (consolidated indebtedness to consolidated EBITDA, as defined in the 2007 Revolving Credit Agreement) not to exceed 5.00-to-1.00. Failure to comply with any of the restrictive covenants in the 2007 Revolving Credit Agreement will result in a default under the terms of our credit agreement and could result in acceleration of this and possibly other indebtedness.

Debt service obligations, restrictive covenants in our credit facilities and the indentures governing our outstanding senior notes and maturities resulting from this leverage may adversely affect our ability to finance future operations, pursue acquisitions and fund other capital needs and our ability to pay cash distributions to our unitholders. In addition, this leverage may make our results of operations more susceptible to adverse economic or operating conditions. For example, during an event of default under any of our debt agreements, we would be prohibited from making cash distributions to our unitholders.

If our lenders file for bankruptcy or experience severe financial hardship, they may not honor their pro rata share of our borrowing requests under the 2007 Revolving Credit Agreement, which may significantly reduce our available borrowing capacity and, as a result, materially adversely affect our financial condition and ability to pay distributions to our unitholders.

Additionally, we may not be able to access the capital markets in the future at economically attractive terms, which may adversely affect our future financial and operating flexibility and our ability to pay cash distributions at current levels.

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Our 2007 Revolving Credit Agreement matures on December 10, 2012, and unless and until we obtain a new credit facility or obtain an amendment to our existing revolving credit facility, we will be required to pay the indebtedness in full on the maturity date, which may negatively affect our liquidity.

Our 2007 Revolving Credit Agreement matures on December 10, 2012 and will be re-classified as a current liability on our December 31, 2011 balance sheet. All amounts outstanding under our Revolving Credit Agreement on December 10, 2012 would become immediately due and payable, which would negatively affect our liquidity.

We may not be able to obtain a new credit facility or an amendment to our existing revolving credit facility, and the terms and conditions of a new credit facility may not be as favorable as those under our existing revolving credit facility.

We depend on our 2007 Revolving Credit Agreement for future capital needs. Any amendment to our existing revolving credit facility or replacement credit facility may be on less attractive terms and impose more severe restrictive covenants on us, and the credit commitments available under such new credit facility may be significantly lower than current commitments. As a result, our ability to fund our operations and growth projects may be severely limited, adversely affecting our financial condition and results of operations.

Increases in interest rates could adversely affect our business and our financial condition.

We have significant exposure to increases in interest rates. At September 30, 2011, we had approximately \$2.5 billion of consolidated debt, of which \$1.2 billion was at fixed interest rates and \$1.3 billion was at variable interest rates after giving effect to interest rate swap agreements. Our results of operations, cash flows and financial position could be materially adversely affected by significant increases in interest rates above current levels.

Your ability to transfer the notes at a time or price you desire may be limited by the absence of an active trading market, which may not develop.

The notes are a new issue of securities for which there is no established public market. Although we have registered the notes under the Securities Act of 1933, we do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes in any automated dealer quotation system. In addition, although the underwriters have informed us that they intend to make a market in the notes, as permitted by applicable laws and regulations, they are not obliged to make a market in the notes, and they may discontinue their market-making activities at any time without notice. An active market for the notes may not develop or, if developed, may not continue. In the absence of an active trading market, you may not be able to transfer the notes within the time or at the price you desire.

The tax treatment of publicly traded partnerships could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.

The present U.S. federal income tax treatment of publicly traded partnerships, including us, may be modified by administrative, legislative or judicial interpretation at any time. Any modification to the U.S. federal income tax laws and interpretations thereof may or may not be applied retroactively and could make it more difficult or impossible to meet the exception for us to be treated as a partnership for U.S. federal income tax purposes that is not taxable as a corporation, or qualifying income exception, affect or cause us to change our business activities, affect the tax considerations of an investment in us and change the character or treatment of portions of our income. The current administration and members of the U.S. Congress have recently considered substantive changes to the existing U.S. federal income tax laws that would adversely affect the tax treatment of certain publicly traded partnerships. We are unable to predict whether any of these changes, or other proposals, will ultimately be enacted. Any such changes could cause a material reduction in our anticipated cash flow, which could materially and adversely affect our ability to make payments on the notes and our other debt obligations and could cause a reduction in the value of the notes.

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USE OF PROCEEDS

We will use the net proceeds from this offering (after payment of offering expenses) of approximately \$ million for general partnership purposes including the repayment of a portion of the outstanding principal balance under our revolving credit facility. On or prior to February 15, 2012, we intend to reborrow an amount under our revolving credit facility that is sufficient to repay the outstanding principal amount of the NuPOP 2012 Notes. We used the borrowings under our revolving credit facility primarily to fund capital expenditures and working capital requirements.

As of January 26, 2012, the outstanding balance of borrowings under the revolving credit facility was \$320.7 million and the weighted average interest rate under the revolving credit facility was 1.0%. The maturity date for the revolving credit facility is December 10, 2012. As of January 26, 2012, the outstanding principal amount of the NuPOP 2012 Notes was \$250.0 million and the interest rate on such notes was 7.75%. The maturity date for the NuPOP 2012 Notes is February 15, 2012.

Certain of the underwriters or their affiliates are lenders under our revolving credit facility and, in that respect, will receive a portion of the proceeds from the repayment of borrowings outstanding under our revolving credit facility. In addition, certain of the underwriters or their affiliates may hold some of the NuPOP 2012 Notes and, in that respect, may receive a portion of the amount borrowed under our revolving credit facility to repay the outstanding principal amount of such notes. Please read Underwriting (Conflicts of Interest).

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The following table shows:

NuStar Energy's historical capitalization as of September 30, 2011;

NuStar Energy's historical capitalization as adjusted to show the application of the net proceeds from the December 2011 equity offering; and

NuStar Energy's capitalization as further adjusted to show the application of the net proceeds we expect to receive in this offering in the manner described under "Use of Proceeds."

This table should be read together with the consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement.

	As of September 30, 2011		As Further Adjusted for this Offering
	Actual	As Adjusted	
	(Unaudited, Dollars in thousands)		
Cash	\$ 59,214	\$ 59,214	\$
Long-term debt:			
NuStar Logistics \$1.2 billion revolving credit agreement(1)(2)(3)	456,258	138,228	
NuStar Logistics 6.05% senior notes due 2013	229,932	229,932	
NuStar Logistics 6.875% senior notes due 2012	100,000	100,000	
NuStar Logistics 7.65% senior notes due 2018	350,000	350,000	
NuStar Logistics 4.80% senior notes due 2020	450,000	450,000	
NuStar Logistics % senior notes due 20 offered hereby			
NuPOP 7.75% senior notes due 2012(3)	250,000	250,000	
NuPOP 5.875% senior notes due 2013	250,000	250,000	
NuStar Logistics Gulf Opportunity Zone revenue bonds due 2038(4)	55,440	55,440	
NuStar Logistics Gulf Opportunity Zone revenue bonds due 2040(4)	100,000	100,000	
NuStar Logistics Gulf Opportunity Zone revenue bonds due 2040(4)	50,000	50,000	
NuStar Logistics Gulf Opportunity Zone revenue bonds due 2040(4)	85,000	85,000	
NuStar Logistics Gulf Opportunity Zone revenue bonds due 2041(4)	75,000	75,000	
UK term loan	32,815	32,815	
Port Authority of Corpus Christi note payable	1,793	1,793	
Net unamortized discount, including fair value adjustments	39,417	39,417	
Total long-term debt	2,525,655	2,207,625	
Less current portion	355,645	355,645	
Long-term debt, less current portion	2,170,010	1,851,980	
Partners' equity:			
Limited Partners (64,670,520 common units outstanding as of September 30, 2011)(2)	2,553,995	2,865,439	
General partner(2)	56,284	62,870	
Accumulated other comprehensive (loss) income	(97,912)	(97,912)	

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Total NuStar Energy L.P. partners' equity	2,512,367	2,830,397	
Noncontrolling interest	12,682	12,682	
Total partners' equity	2,525,049	2,843,079	
Total capitalization	\$ 5,050,704	\$ 5,050,704	\$

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- (1) As of January 26, 2012, the outstanding balance of borrowings under our revolving credit agreement was \$320.7 million.
- (2) During October 2011, we issued an aggregate 48,058 common units pursuant to our continuous offering program for net proceeds of approximately \$2.6 million, including approximately \$0.1 million from our general partner's proportionate capital contribution. We used such proceeds to repay outstanding borrowings under our revolving credit facility.
- (3) On or prior to February 15, 2012, we intend to borrow an amount under our revolving credit facility that is sufficient to repay the outstanding principal amount of the NuPOP 2012 Notes.
- (4) The Parish of St. James, Louisiana issued, pursuant to the Gulf Opportunity Zone Act of 2005, one series of tax-exempt revenue bonds in 2008, three separate series of tax-exempt revenue bonds in 2010 and one series of tax-exempt revenue bonds in 2011 associated with our St. James terminal expansion.

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DESCRIPTION OF THE NOTES

The following description of the particular terms of the notes (which represent a new series of, and are referred to in the accompanying base prospectus as, our senior debt securities) supplements and, to the extent inconsistent, replaces the description of the general terms and provisions of our senior debt securities set forth in the accompanying base prospectus.

We will issue the notes under the senior indenture among us, NuStar Energy, as guarantor, and Wells Fargo Bank, National Association, as trustee, dated as of July 15, 2002, which is described in the accompanying base prospectus, as supplemented by a supplemental indenture pursuant to which our affiliate, NuPOP, provided an unconditional guarantee of all debt securities issued under such senior indenture, including the notes. The terms of the notes include those set forth in the senior indenture and those made a part of the senior indenture by reference to the Trust Indenture Act of 1939. The senior indenture will be further amended and supplemented pursuant to a supplemental indenture setting forth the specific terms applicable to the notes. When we use the term indenture in this prospectus supplement, we refer to the senior indenture, as modified and supplemented by the supplemental indenture that sets forth the NuPOP guarantee and the supplemental indenture establishing the specific terms of the notes, unless the context requires otherwise.

The following description and the description in the accompanying base prospectus are a summary of the material provisions of the notes and the indenture. It does not restate the indenture in its entirety. We urge you to read the indenture because it, and not this description, defines your rights as a holder of notes. Copies of the indenture are available upon request from us or the trustee.

Brief Description of the Notes and the Guarantees

The Notes

The notes:

are our general unsecured obligations;

are unconditionally guaranteed on a senior unsecured basis by our parent, NuStar Energy, and by our affiliate, NuPOP, which guarantee will be released when NuPOP no longer guarantees any obligation of NuStar Energy or any of its subsidiaries under any bank credit facility or public debt instrument;

rank equally in right of payment with all our other existing and future senior debt;

effectively rank junior to any of our secured debt, to the extent of the security for that debt;

rank senior in right of payment to all of our future subordinated debt; and

are non-recourse to our general partner.

Subject to the exceptions, and subject to compliance with the applicable requirements, set forth in the indenture, we may discharge our obligations under the indenture with respect to the notes as described under Description of NuStar Logistics Debt Securities Discharging NuStar Logistics Obligations in the accompanying base prospectus.

The Guarantees

The notes are guaranteed by our parent, NuStar Energy, and NuPOP, NuStar Energy's other operating subsidiary.

The guarantee by NuStar Energy:

is a general unsecured obligation of NuStar Energy;

ranks equally in right of payment with all other existing and future senior debt of NuStar Energy;

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effectively ranks junior to any secured debt of NuStar Energy, to the extent of the security for that debt;

ranks senior in right of payment to any future subordinated debt of NuStar Energy; and

is non-recourse to the general partner of NuStar Energy.

The guarantee by NuPOP:

is a general unsecured obligation of NuPOP;

ranks equally in right of payment with all other existing and future senior debt of NuPOP;

effectively ranks junior to any secured debt of NuPOP, to the extent of the security for that debt;

ranks senior in right of payment to any future subordinated debt of NuPOP; and

is non-recourse to the general partner of NuPOP.

If at any time NuPOP does not guarantee any obligations of NuStar Energy or any of its subsidiaries (including NuStar Logistics) under any bank credit facility or any public debt instrument (other than pursuant to its guarantee of the notes), then NuPOP shall be released from its guarantee of the notes in accordance with the terms of the indenture. However, if at any time after NuPOP is released from its guarantee, NuPOP guarantees any obligations of NuStar Energy or any of its subsidiaries (including NuStar Logistics) under any bank credit facility or any public debt instrument other than the notes, then NuPOP will provide a guarantee of the notes in accordance with the terms of the indenture.

Principal, Maturity and Interest

We will issue notes initially in an aggregate principal amount of \$ _____ million. The notes will be in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will mature on _____, 20____. We may issue additional notes of this series from time to time, without the consent of the holders of the notes, in compliance with the terms of the indenture.

Interest on the notes will:

accrue at the rate of _____ % per annum;

accrue from the date of issuance or the most recent interest payment date;

be payable in cash semi-annually in arrears on each _____ and _____, commencing on _____, 2012;

be payable to the holders of record on _____ and _____ immediately preceding the related interest payment date;

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be computed on the basis of a 360-day year comprised of twelve 30-day months; and

be payable, to the extent lawful, on overdue interest to the extent permitted by law at the same rate as interest is payable on principal. If any interest payment date, maturity date or redemption date falls on a day that is not a business day, the payment will be made on the next business day with the same force and effect as if made on the relevant interest payment date, maturity date or redemption date. Unless we default on a payment, no interest will accrue for the period from and after the maturity date or redemption date.

Payment and Transfer

Initially, the notes will be issued only in global form. Beneficial interests in notes in global form will be shown on, and transfers of interests in notes in global form will be made only through, records maintained by the depository and its participants. Notes in definitive form, if any, may be registered, exchanged or transferred at the

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office or agency maintained by us for such purpose (which initially will be the corporate trust office of the trustee located at 750 N. Saint Paul Place, Suite 1750, Dallas, TX 75201). Payment of principal, or premium, if any, and interest on notes in global form registered in the name of or held by the depositary or its nominee will be made in immediately available funds to the depositary or its nominee, as the case may be, as the registered holder of such global note. If any of the notes are no longer represented by global notes, all payments on such notes will be made at the corporate trust office of the trustee in Dallas, Texas, located initially at the corporate trust office of the trustee located at 750 N. Saint Paul Place, Suite 1750, Dallas, TX 75201; however, any payment of interest on such notes may be made, at our option, by check mailed directly to registered holders at their registered addresses or, at the option of a registered holder, by wire transfer to an account designated in writing by the holder.

No service charge will be made for any registration of transfer or exchange of notes, but we may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith. We are not required to transfer or exchange any note selected for redemption or any other note for a period of 15 days before any mailing of notice of notes to be redeemed.

The registered holder of a note will be treated as the owner of it for all purposes.

Optional Redemption

At any time prior to three months before the maturity date of the notes, the notes will be redeemable, at our option, in whole, or from time to time in part, at a price equal to the greater of:

100% of the principal amount of the notes then outstanding to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) from the redemption date to the maturity date computed by discounting such payments to the redemption date on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at a rate equal to the sum of basis points plus the Adjusted Treasury Rate on the third business day prior to the redemption date;
plus, in each case, unpaid interest accrued to the date of redemption.

At any time on or after three months before the maturity date of the notes, the notes will be redeemable in whole or in part, at our option, at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus unpaid interest accrued to the date of redemption.

For purposes of determining the redemption price, the following definitions are applicable:

Adjusted Treasury Rate means:

the yield, under the heading which represents the average for the week immediately preceding the week of publication, appearing in the then most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which contains yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

if such release (or any successor release) is not published during the week including or immediately preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

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Comparable Treasury Issue means the U.S. Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes or, if, in the reasonable judgment of the Independent Investment Banker, there is no such security, then the Comparable Treasury Issue will mean the U.S. Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity or maturities comparable to the remaining term of the notes.

Comparable Treasury Price means (1) the average of five Reference Treasury Dealer Quotations for the third business day prior to the applicable redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means any of Citigroup Global Markets Inc., Mizuho Securities USA Inc. and RBS Securities Inc. and any successor firm selected by us, or if any such firm is unwilling or unable to serve as such, an independent investment and banking institution of national standing appointed by us.

Reference Treasury Dealer means each of up to five dealers to be selected by the Partnership; *provided* that if any of the foregoing ceases to be, and has no affiliate that is, a primary U.S. governmental securities dealer (a **Primary Treasury Dealer**), the Partnership will substitute for it another Primary Treasury Dealer.

Reference Treasury Dealer Quotations means the average, as determined by the Reference Treasury Dealer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker and the trustee at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

The redemption price will be calculated by the Independent Investment Banker. If the Independent Investment Banker is unwilling or unable to make the calculation, we will appoint an independent investment banking institution of national standing to make the calculation.

We will mail notice of redemption at least 30 days but not more than 60 days before the applicable redemption date to each holder of the notes to be redeemed. Any notice to holders of notes of such redemption will include the appropriate calculation of the redemption price, but need not include the redemption price itself. The actual redemption price, calculated as provided above, will be set forth in an officer's certificate delivered to the trustee no later than two business days prior to the redemption date.

Upon the payment of the redemption price, plus accrued and unpaid interest, if any, to the date of redemption, interest will cease to accrue on and after the applicable redemption date on the notes or portions thereof called for redemption.

In the case of any partial redemption, selection of the notes for redemption will be made by the trustee on a *pro rata* basis (or, in the case of notes issued in global form, based on a method as the depositary may require that most nearly approximates a *pro rata* selection), by lot or by such other method as the trustee in its sole discretion shall deem to be fair and appropriate.

Notes will only be redeemed in multiples of \$1,000 in principal amount. If any note is to be redeemed in part only, the notice of redemption will state the portion of the principal amount to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued upon the cancellation of the original note.

No Sinking Fund

We are not required to make mandatory redemption or sinking fund payments with respect to the notes.

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Covenants

Except to the extent described below, the indenture does not limit the amount of indebtedness or other obligations that we may incur. The indenture contains two principal negative covenants:

Limitation on Liens. This covenant limits our ability, and that of our subsidiaries, to permit liens to exist on our assets to secure debt; and

Limitations of Sale-Leaseback Transactions. This covenant limits our ability, and that of our subsidiaries, to sell or transfer our assets and then lease back those assets.

For a detailed description of these two principal negative covenants, please read Description of NuStar Logistics Debt Securities Provisions only in the NuStar Logistics Senior Indenture beginning on page 28 of the accompanying base prospectus.

Future Subsidiary Guarantors

We will cause any of our future subsidiaries that become guarantors or co-obligors of our Funded Debt, as defined below, to fully and unconditionally guarantee, as guarantors, our payment obligations on the notes. In particular, the supplemental indenture will require those subsidiaries who become guarantors or borrowers under our revolving credit facility to equally guarantee the notes.

The term subsidiary means, with respect to any person:

any corporation, association or other business entity of which more than 50% of the total voting power of the equity interests entitled, without regard to the occurrence of any contingency, to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that person or one or more of the other subsidiaries of that person or a combination thereof; or

any partnership of which more than 50% of the partner's equity interests, considering all partners' equity interests as a single class, is at the time owned or controlled, directly or indirectly, by that person or one or more of the other subsidiaries of that person or a combination thereof.

Funded Debt means all debt:

maturing one year or more from the date of its creation;

directly or indirectly renewable or extendable, at the option of the debtor, by its terms or by the terms of any instrument or agreement relating to the debt, to a date one year or more from the date of its creation; or

under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of one year or more.

Addition and Release of Guarantors

The supplemental indenture will provide that if any of our subsidiaries is a guarantor or obligor of any of our Funded Debt at any time on or subsequent to the date on which the notes are originally issued, then we will cause the notes to be equally and ratably guaranteed by that subsidiary. We also will do so if the subsidiary becomes a guarantor or obligor of any of our Funded Debt following any release of the subsidiary from its guarantee as described below. Under the terms of the supplemental indenture, a guarantor may be released from its guarantee if the guarantor is not a guarantor or obligor of any of our Funded Debt, *provided* that no default or event of default with respect to the notes has

occurred or is continuing.

Each future guarantor would be obligated under its guarantee only up to an amount that would not constitute a fraudulent conveyance or fraudulent transfer under federal, state or foreign law.

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Events of Default

In addition to the Events of Default described in the accompanying base prospectus under the caption Description of NuStar Logistics Debt Securities Events of Default and Remedies, Events of Default with respect to the notes will include the failure to pay any indebtedness of NuStar Logistics for borrowed money in excess of \$50 million, whether at final maturity (after the expiration of any applicable grace periods) or upon acceleration of the maturity thereof, if such indebtedness is not discharged, or such acceleration is not annulled, within 10 days after written notice is given to NuStar Logistics by the trustee or to NuStar Logistics and the trustee by the holders of at least 25% in principal amount of the outstanding notes, specifying such default and requiring it to be remedied and stating that such notice is a Notice of Default under the indenture.

Concerning the Trustee

Wells Fargo Bank, National Association is the trustee under the indenture and has been appointed by us as registrar and paying agent with regard to the notes.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax consequences, as of the date of this prospectus supplement, of the purchase, ownership and disposition of the notes. This discussion applies only to holders who purchase the notes upon original issuance at their issue price, which will equal the first price to the public (not including bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), and hold the notes as capital assets for U.S. federal income tax purposes (generally property held for investment). This discussion does not describe all of the tax consequences that may be relevant to a holder in light of its particular circumstances. For example, this discussion does not address:

tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, financial institutions, partnerships or other pass-through entities for U.S. federal income tax purposes (or investors in such entities), regulated investment companies, expatriates, real estate investment trusts, tax-exempt entities, banks or insurance companies;

tax consequences to persons holding the notes as part of a hedging, constructive sale or conversion, straddle or other integration or risk reducing transaction;

tax consequences to U.S. holders, as defined below, whose functional currency is not the U.S. dollar;

the U.S. federal estate, gift or alternative minimum tax consequences, if any, to holders of the notes; or

any state, local or foreign tax consequences.

This discussion does not address the tax consequences resulting to a holder of the notes that is an entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes or any investors or equity holders in such entities. The tax treatment of an investor in such an entity will generally depend upon the status of such investor and the activities of the partnership or other pass-through entity. A holder of notes that is a partnership or other pass-through entity for U.S. federal income tax purposes and partners, investors, members and other equity holders in such entities are urged to consult their tax advisors about the tax consequences relating to the purchase, ownership and disposition of the notes.

This discussion is based upon the provisions of the Internal Revenue Code of 1986, as amended (the Code), its legislative history, Treasury regulations promulgated thereunder, published rulings and judicial decisions as of the date of this prospectus supplement. The foregoing authorities are subject to change or differing interpretations at any time with possible retroactive effect. No advance tax ruling has been sought or obtained from the Internal Revenue Service (the IRS) regarding the U.S. federal income tax consequences described below. If the IRS contests a conclusion set forth herein, no assurance can be given that a holder would ultimately prevail in a final determination by a court.

If you are considering a purchase of the notes, we encourage you to consult your own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of the notes in light of your particular circumstances and any consequences arising under U.S. federal estate or gift tax laws or the laws of any state, local or foreign taxing jurisdiction.

Existence of the Optional Redemption

We may be required to pay additional amounts in excess of stated interest or principal on the notes to a note holder in certain circumstances. See Description of the Notes Optional Redemption. Because we believe the likelihood that we will be obligated to make any such additional payments on the notes is remote, we intend to take the position (and this discussion assumes) that the notes will not be treated as contingent payment debt instruments or as giving rise to original issue discount or recognition of ordinary income on the sale or other disposition of the notes. Our determination that these contingencies are remote is binding on a note holder, unless

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the holder discloses a contrary position in the manner required by applicable Treasury regulations. If, contrary, to our expectations, we make additional payments on the notes, a holder will be required to recognize any such amount as income at the time it is paid or accrued in accordance with the holder's method of accounting for U.S. federal income tax purposes. In the event we make such additional payments, or if the IRS takes the position that certain of the payments described above were not remote, the amount, timing and character of taxable income in respect of the notes may be different from that described herein.

U.S. Holders

The following is a summary of certain U.S. federal income tax consequences to U.S. holders of the purchase, ownership and disposition of the notes. For purposes of this discussion, a U.S. holder is a beneficial owner of the notes who or that is for U.S. federal income tax purposes:

an individual who is a citizen or resident of the United States (including certain former citizens and former long-term residents);

a corporation, or other entity taxable as a corporation for U.S. federal tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust (i) that is subject to the primary supervision of a court within the United States and the control of one or more United States persons as defined in section 7701(a)(30) of the Code or (ii) that has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

Payments of Interest

It is expected and assumed for purposes of this discussion that the notes will be issued with no more than a *de minimis* amount of original issue discount for U.S. federal income tax purposes and therefore will not be treated as being issued with original issue discount. Thus, a U.S. holder will generally be taxed on the stated interest on the notes as ordinary income at the time any interest is paid or accrued in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes.

Sale, Exchange or Redemption of the Notes

Upon the sale, taxable exchange or redemption of a note, a U.S. holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, exchange or redemption and such U.S. holder's adjusted tax basis in the note. The amount realized will not include any amount attributable to accrued but unpaid interest, which will constitute ordinary income to the extent not previously included in income. A U.S. holder's adjusted tax basis in a note will generally equal the amount that the U.S. holder paid for the note.

The gain or loss recognized by a U.S. holder will generally be capital gain or loss and will generally be long-term capital gain or loss if at the time of the sale, exchange or redemption the U.S. holder's holding period for the note is more than one year. Long-term capital gains of non-corporate taxpayers are currently taxed at lower rates than those applicable to ordinary income. The deductibility of capital losses is subject to limitations.

Non-U.S. Holders

The following summarizes certain U.S. federal income tax consequences to non-U.S. holders of the purchase, ownership and disposition of the notes. For purposes of this discussion, the term non-U.S. holder means a beneficial owner of the notes who is an individual, corporation, estate or trust and is not a U.S. holder for U.S. federal income tax purposes.

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Taxation of Interest

Subject to the discussion of backup withholding below, any payment to a non-U.S. holder of interest on the notes will be exempt from withholding of U.S. federal income tax under the portfolio interest exemption, *provided* that:

the payment is not effectively connected with the conduct by the non-U.S. holder of a U.S. trade or business;

the non-U.S. holder does not actually or constructively own 10% or more of the capital or profits interest in us;

the non-U.S. holder is not a controlled foreign corporation within the meaning of the Code that is directly or indirectly related to us through sufficient stock ownership (as provided in the Code);

the non-U.S. holder is not a bank that acquired the notes in consideration for an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and

in all cases, (i) the non-U.S. holder provides its name and address and certifies, under penalties of perjury, that it is not a United States person (which certification may be made on an IRS Form W-8BEN or other applicable form), or (ii) the non-U.S. holder holds its notes through certain foreign intermediaries and such intermediary satisfies the certification requirements of applicable Treasury regulations.

If a non-U.S. holder cannot satisfy the requirements described above, payments of interest on the notes will be subject to a 30% U.S. federal withholding tax unless the non-U.S. holder provides us, our paying agent or the person who would otherwise be required to withhold tax with a properly executed (i) IRS Form W-8BEN (or other applicable form) claiming an exemption from or reduction in withholding tax under the benefit of an applicable tax treaty or (ii) IRS Form W-8ECI (or other applicable form) stating that interest paid on the notes is not subject to withholding tax because it is effectively connected with the non-U.S. holder's conduct of a U.S. trade or business.

Special certification and other rules apply to certain non-U.S. holders that are entities rather than individuals, particularly entities treated as partnerships for U.S. federal income tax purposes and certain other pass through entities, and to non-U.S. holders acting as (or holding notes through) intermediaries.

If a non-U.S. holder is engaged in a U.S. trade or business and interest on the notes is effectively connected with the conduct of such U.S. trade or business (and, if an income tax treaty applies, such interest is attributable to a U.S. permanent establishment maintained by the non-U.S. holder within the U.S.), the non-U.S. holder will be subject to U.S. federal income tax on such interest on a net income basis (although exempt from the 30% U.S. federal withholding tax provided the non-U.S. holder provides us, our paying agent or the person who would otherwise be required to withhold tax with a properly executed IRS Form W-8ECI (or other applicable form)) in generally the same manner as if the non-U.S. holder were a U.S. holder, subject to any modification provided under an applicable income tax treaty. In addition, if a non-U.S. holder is a corporation, it may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with its conduct of a U.S. trade or business. For this purpose, interest will be included in the earnings and profits of such foreign corporation.

Sale, Exchange or Redemption of Notes

Subject to the discussion of backup withholding below, any gain realized by a non-U.S. holder upon the sale, taxable exchange or redemption of the notes will generally not be subject to U.S. federal income tax or withholding tax unless:

the gain is effectively connected with the non-U.S. holder's conduct of a U.S. trade or business (and, if an income tax treaty applies, is attributable to a permanent establishment maintained by the non-U.S. holder within the U.S.);

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the gain represents accrued but unpaid interest not previously included in income and the non-U.S. holder does not meet the conditions for exemption from U.S. federal withholding tax, as described above; or

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of such sale, exchange or redemption, and certain other conditions are met.

If a non-U.S. holder is an individual who is present in the United States for 183 days or more during the taxable year of the sale, exchange or redemption of a note, and certain other requirements are met, such non-U.S. holder will generally be subject to U.S. federal income tax at a flat rate of 30% (unless a lower applicable treaty rate applies) on the amount by which such non-U.S. holder's capital gains from U.S. sources exceeds capital losses allocable to U.S. sources.

If a non-U.S. holder is engaged in a U.S. trade or business and gain on the notes is effectively connected with the conduct of such U.S. trade or business (and, if an income tax treaty applies, such gain is attributable to a U.S. permanent establishment maintained by the non-U.S. holder), the non-U.S. holder will be subject to U.S. federal income tax on such gain on a net income basis generally in the same manner as if the non-U.S. holder were a U.S. holder subject to any modification provided under an applicable income tax treaty. In addition, if a non-U.S. holder is a corporation, it may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with its conduct of a U.S. trade or business. For this purpose, gain will be included in the earnings and profits of such foreign corporation.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with the payments on the notes and the proceeds from the sale or other disposition of the notes. In addition, copies of these information returns may also be made available under the provisions of a specific treaty or other agreement to tax authorities of the country in which a non-U.S. holder resides.

A U.S. holder may be subject to U.S. backup withholding tax (currently at a rate of 28%) on these payments if the U.S. holder fails to provide its taxpayer identification number to the paying agent and comply with certification procedures or otherwise establish an exemption from U.S. backup withholding tax.

A non-U.S. holder will generally not be subject to U.S. backup withholding tax on these payments *provided* that the non-U.S. holder provides the required certification that it is a non-U.S. holder and, in addition, the payor does not have actual knowledge or reason to know that such non-U.S. holder is a United States person as defined in the Code.

U.S. backup withholding tax is not an additional tax. The amount of any U.S. backup withholding tax from a payment will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, *provided* that the required information is timely furnished to the IRS.

Recent Legislation

For taxable years beginning after December 31, 2012, recently enacted legislation is scheduled to impose a 3.8% tax on the net investment income of certain U.S. individuals, and on the undistributed net investment income of certain estates and trusts. Among other items, net investment income would generally include gross income from interest and certain net gain from the sale, taxable exchange or redemption of the notes, less certain deductions.

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Prospective holders of notes should consult their own tax advisors with respect to the tax consequences of the new legislation described above.

If you are considering a purchase of the notes, we encourage you to consult with your own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of the notes in light of your particular circumstances and any consequences arising under U.S. federal estate or gift tax laws or the laws of any state, local or foreign taxing jurisdiction.

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CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the notes by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), by plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any federal, state, local, non-United States or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, Similar Laws), and by entities whose underlying assets are considered to include plan assets (within the meaning of ERISA and any Similar Laws) of such employee benefit plans, accounts and arrangements (each, a Plan).

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an ERISA Plan) and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties or disqualified persons. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Laws relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, exclusive benefit, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. In addition, a fiduciary should determine whether the investment will result in the recognition of unrelated business taxable income by such Plan.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are parties in interest, within the meaning of ERISA, or disqualified persons, within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of notes by an ERISA Plan with respect to which we or the underwriters are considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the United States Department of Labor has issued prohibited transaction class exemptions (PTCEs) that may apply to the acquisition and holding of the notes. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1, respecting insurance company pooled separate accounts, PTCE 91-38, respecting bank collective investment funds, PTCE 95-60, respecting life insurance company general accounts and PTCE 96-23, respecting transactions determined by in-house asset managers, although there can be no assurance that all of the conditions of any such exemptions will be satisfied. In addition, the Pension Protection Act of 2006 added a new statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code that would exempt the acquisition and holding of the notes by a Plan under certain circumstances.

Because of the foregoing, the notes should not be purchased or held by any person investing plan assets of any Plan, unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

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Governmental plans and certain church plans (as defined under Sections 3(32) and 3(33) of ERISA, respectively) are not subject to the prohibited transaction provisions of ERISA and the Code. Such Plans may, however, be subject to Similar Laws which may affect their investment in the notes. Any fiduciary of such a governmental or church plan considering an investment in the notes should determine the need for, and the availability, if necessary, of any exemptive relief under federal, state, local, non-United States laws or other laws or regulations.

Representation

Accordingly, by acceptance of a note, each purchaser and subsequent transferee will be deemed to have represented and warranted to us on each day from and including the date of its purchase of such notes through and including the date of its disposition of such notes that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the notes constitutes assets of any Plan or (ii) the purchase and holding of the notes by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all inclusive. In addition, such discussion assumes that the notes will constitute indebtedness as opposed to equity interests under the United States Department of Labor's plan asset regulations or Similar Law. Although such characterization of the notes would appear appropriate, we can offer you no assurance that this will be the case. Accordingly, because of the complexity of these rules and the penalties that may be imposed on persons involved in non-exempt prohibited transactions or fiduciary breaches, it is particularly important that any fiduciary or other person considering purchasing the notes on behalf of, or with the assets of, any Plan, consult with its counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Law to such transactions and the consequences under ERISA, the Code or other Similar Law of the acquisition and ownership of the notes. Purchasers of the notes have exclusive responsibility for ensuring that their purchase and holding of the notes do not violate the fiduciary or prohibited transaction rules of ERISA, the Code or any Similar Law. The sale of the notes to a Plan is in no respect a representation by us that such an investment meets all relevant legal requirements with respect to investment by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

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We and Citigroup Global Markets Inc., Mizuho Securities USA Inc. and RBS Securities Inc., as representatives of the several underwriters, have entered into an underwriting agreement with respect to the notes. Subject to certain conditions, each underwriter has severally agreed to purchase the principal amount of notes indicated in the following table.

Underwriters	Principal Amount of Notes
Citigroup Global Markets Inc.	\$
Mizuho Securities USA Inc.	
RBS Securities Inc.	
 Total	 \$

The underwriting agreement provides that the underwriters' obligations to purchase notes in the offering depend on the satisfaction of the conditions contained in the underwriting agreement. The underwriters are committed to take and pay for all of the notes being offered, if any are taken.

We, NuStar Energy, NuPOP and certain of our and their affiliates have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments that may be required to be made in respect of these liabilities.

Commissions and Discounts

Notes sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the public offering price of up to % of the principal amount of notes. If all the notes are not sold at the public offering price, the underwriters may change the public offering price and the other selling terms.

The expenses of the offering, not including the underwriting discount, are estimated to be \$0.3 million and are payable by us.

New Issue of Notes

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for quotation of the notes on any automated dealer quotation system. We have been advised by the underwriters that the underwriters intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

Lock-Up Agreement

We have agreed with each of the underwriters that during the period beginning on the date of this prospectus supplement and continuing to and including the date 30 days after the date of this prospectus supplement, not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose, except as provided under the terms of the underwriting agreement, any securities that are substantially similar to the notes without the prior written consent of the representatives.

Price Stabilization, Short Positions and Penalty Bids

In connection with the offering, the underwriters may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of notes than they are required to

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purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

Electronic Distribution

A prospectus in electronic format may be made available on the Internet sites or through other online services maintained by one or more of the underwriters and/or selling group members participating in this notes offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific amount of notes for sale to online brokerage account holders. Any such allocation for online distributions will be made by the representatives on the same basis as other allocations.

Other than the prospectus in electronic format, the information on any underwriter's or selling group member's website and any information contained in any other website maintained by any underwriter or selling group member is not part of the prospectus or the registration statement of which this prospectus supplement forms a part, has not been approved and/or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

Other Relationships

The underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, commercial banking and investment banking services for us and our affiliates, for which they received or will receive customary fees and expense reimbursement. Certain of the underwriters or their affiliates are lenders under our revolving credit facility and, in that respect, will receive a portion of the proceeds from the repayment of borrowings outstanding under our revolving credit facility. In addition, certain of the underwriters or their affiliates may hold some of the NuPOP 2012 Notes and, in that respect, may receive a portion of the amount borrowed under our revolving credit facility to repay the outstanding principal amount of such notes.

Selling Restrictions

United Kingdom

This prospectus supplement and the accompanying prospectus have not been approved by an authorised person for the purposes of sect