

NuStar Energy L.P.
Form 424B3
June 25, 2018
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**Filed pursuant to Rule 424(b)(3)
Registration No. 333-223671**

NUSTAR GP HOLDINGS, LLC UNITHOLDERS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear NuStar GP Holdings, LLC Unitholders:

On February 7, 2018, NuStar GP Holdings, LLC, a Delaware limited liability company (NSH), entered into an Agreement and Plan of Merger, dated as of February 7, 2018 (the merger agreement), by and among NuStar Energy L.P., a Delaware limited partnership (the Partnership), Riverwalk Logistics, L.P., a Delaware limited partnership and the general partner of the Partnership (the General Partner), NuStar GP, LLC, a Delaware limited liability company and the general partner of the General Partner (NuStar GP), Marshall Merger Sub LLC, a Delaware limited liability company and a wholly owned subsidiary of the Partnership (Merger Sub), NSH and Riverwalk Holdings, LLC, a Delaware limited liability company and a wholly owned subsidiary of NSH. Pursuant to the merger agreement, Merger Sub will merge with and into NSH (the merger), with NSH being the surviving entity (the surviving entity), such that, following the merger, the Partnership will be the sole member of the surviving entity, the surviving entity will be the sole member of NuStar GP and each outstanding unit representing a limited liability company interest in NSH (NSH unit) will be converted into the right to receive 0.55 of a common unit representing limited partner interests in the Partnership (common units).

Pursuant to the merger agreement and at the effective time of the merger, the Sixth Amended and Restated Agreement of Limited Partnership of the Partnership will be amended and restated (the amended and restated partnership agreement), to, among other things: (1) cancel the incentive distribution rights in the Partnership currently held by the General Partner; (2) convert the 2.0% general partner interest in the Partnership into a non-economic, management interest; and (3) provide the holders of common units (the common unitholders) with voting rights in the election of directors to the Board of Directors of NuStar GP (the Partnership Board). The merger agreement is attached as Annex A to this proxy statement/prospectus and is incorporated into this proxy statement/prospectus by reference. The form of the amended and restated partnership agreement is attached as Annex B to this proxy statement/prospectus and is incorporated into this proxy statement/prospectus by reference.

At the effective time of the merger, each NSH unit will be converted into the right to receive 0.55 of a common unit. All NSH units, when converted in the merger, will no longer be outstanding and will automatically be cancelled and cease to exist. No fractional common units will be issued in the merger; instead, each holder of NSH units (the NSH unitholders) who would otherwise be entitled to receive fractional common units will be entitled to receive a cash payment in lieu of such fractional common unit in an amount equal to the product of (1) the average of the volume weighted average price of the common units on the New York Stock Exchange (NYSE) on each of the five consecutive trading days ending on the trading day that is two trading days prior to the closing date of the merger and (2) the fraction of a common unit that such NSH unitholder would otherwise have been entitled to receive. As of February 8, 2018, there were 93,182,018 common units outstanding and 42,953,132 NSH units outstanding. Assuming

the number of NSH units outstanding on February 8, 2018 remains unchanged, the Partnership expects to issue, in the aggregate, 23,624,222 common units in the merger. Furthermore, the Partnership will cancel the 10,214,626 common units owned by subsidiaries of NSH and those common units will also cease to exist. The exchange ratio is fixed and will not be adjusted to reflect common unit price changes prior to the closing of the merger.

Common unitholders will continue to own their existing common units. Holders of preferred units representing limited partner interests in the Partnership will continue to own their respective preferred units. Assuming the number of NSH units outstanding on February 8, 2018 and the number of common units outstanding on February 8, 2018 remain unchanged and the cancellation of the 10,214,626 common units owned by subsidiaries of NSH, following the merger, approximately 78% of the common units will be owned by current common unitholders and approximately 22% by former NSH unitholders. NSH units currently trade on the NYSE under the symbol NSH, and common units currently trade on the NYSE under the symbol NS. **We urge you to obtain current market quotations of NSH units and common units.**

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YOUR VOTE IS VERY IMPORTANT. We cannot complete the merger and the transactions contemplated thereby unless, among other things, the merger agreement and the transactions contemplated thereby receive the affirmative vote of the NSH unitholders holding at least a majority of the outstanding NSH units. NSH has scheduled a special meeting of its unitholders (NSH special meeting) to vote on the merger agreement and the transactions contemplated thereby, including the merger, on July 20, 2018 at 10:30 a.m., local time, at its principal executive offices located at 19003 IH-10 West, San Antonio, Texas 78257. Voting instructions are set forth inside this proxy statement/prospectus.

The members of the Conflicts Committee (the NSH Conflicts Committee) of the board of directors of NSH (the NSH Board), comprised of independent directors and to which the NSH Board delegated authority to negotiate the terms and conditions of the merger and any definitive documentation related to the merger and the transactions contemplated thereby, subject to final approval by the NSH Board, have unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair and reasonable to, and in the best interests of NSH and the NSH unaffiliated unitholders. NSH unaffiliated unitholders means NSH unitholders other than William E. Greehey and any others controlling, controlled by or under common control with NSH. Accordingly, the NSH Conflicts Committee approved the merger agreement and the transactions contemplated thereby and recommended that the NSH Board approve the merger agreement and the transactions contemplated thereby, including the merger. Based on the NSH Conflicts Committee s recommendation and approval and all of the information made available to the NSH Board and upon other relevant factors, the NSH Board unanimously (with Mr. Greehey and I having recused ourselves) determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair and reasonable to, and in the best interests of NSH and the NSH unaffiliated unitholders and approved and declared the advisability of the merger agreement and the transactions contemplated thereby, including the merger. Accordingly, the NSH Board recommends that the NSH unaffiliated unitholders vote in favor of the merger proposal.

This proxy statement/prospectus provides you with detailed information about the NSH special meeting, the proposed merger and related matters. NSH encourages you to read the entire document carefully, including the annexes and the documents incorporated by reference. **In particular, please read Risk Factors beginning on page 21 of this proxy statement/prospectus for a discussion of risks relevant to the merger and the Partnership s business following the merger.**

Bradley C. Barron
President and Chief Executive Officer

NuStar GP Holdings, LLC

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or has determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.

All information in this document concerning the Partnership has been furnished by the Partnership. All information in this document concerning NSH has been furnished by NSH. The Partnership has represented to NSH, and NSH has represented to the Partnership, that the information furnished by and concerning it is true and correct in all material respects.

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This proxy statement/prospectus is dated June 22, 2018 and is being first distributed to NSH unitholders on or about June 27, 2018.

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San Antonio, Texas

June 22, 2018

**NOTICE OF SPECIAL MEETING OF
NUSTAR GP HOLDINGS, LLC UNITHOLDERS**

To the Unitholders of NuStar GP Holdings, LLC:

A special meeting of unitholders (NSH special meeting) of NuStar GP Holdings, LLC (NSH) will be held on July 20, 2018 at 10:30 a.m., local time, at its principal executive offices located at 19003 IH-10 West, San Antonio, Texas 78257, for the following purposes:

to consider and vote upon the approval of the Agreement and Plan of Merger, dated as of February 7, 2018, by and among NuStar Energy L.P., a Delaware limited partnership (the Partnership), Riverwalk Logistics, L.P., a Delaware limited partnership and the general partner of the Partnership (the General Partner), NuStar GP, LLC, a Delaware limited liability company and the general partner of the General Partner, Marshall Merger Sub LLC, a Delaware limited liability company and a wholly owned subsidiary of the Partnership (Merger Sub), NSH and Riverwalk Holdings, LLC, a Delaware limited liability company and a wholly owned subsidiary of NSH, as it may be amended from time to time (the merger agreement) and the transactions contemplated by the merger agreement, including the merger of Merger Sub with and into NSH (the merger); and

to transact other business as may properly be presented at the NSH special meeting or any adjournments or postponements of the meeting.

A copy of the merger agreement is attached as Annex A to this proxy statement/prospectus.

The record date for the NSH special meeting is June 22, 2018. Only NSH unitholders of record as of the close of business on June 22, 2018 are entitled to notice of, and to vote at, the NSH special meeting. A list of unitholders entitled to vote at the meeting will be available for inspection by any NSH unitholder at NSH 's offices in San Antonio, Texas for any purpose germane to the meeting during ordinary business hours for a period of 10 days before the meeting and at the meeting.

Pursuant to the NSH limited liability company agreement, approval of the merger agreement and the transactions contemplated thereby, including the merger, requires the affirmative vote of the NSH unitholders holding at least a majority of the outstanding NSH units. Failures to vote and abstentions will have the same effect as a vote against the merger proposal for purposes of the unitholder vote required under the NSH limited liability company agreement.

The members of the Conflicts Committee (the NSH Conflicts Committee) of the board of directors of NSH (the NSH Board), comprised of independent directors and to which the NSH Board delegated authority to negotiate the terms and conditions of the merger and any definitive documentation related to the merger and the transactions contemplated thereby, subject to final approval by the NSH Board, have unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair and reasonable to, and in the best interests of NSH and the NSH unaffiliated unitholders. NSH unaffiliated

unitholders means NSH unitholders other than William E. Greehey and any others controlling, controlled by or under common control with NSH. Accordingly, the NSH Conflicts Committee approved the merger agreement and the transactions contemplated thereby and recommended that the NSH Board approve the merger agreement and the transactions contemplated thereby, including the merger. Based on the NSH Conflicts Committee's recommendation and approval and all of the information made available to the NSH Board and upon other relevant factors, the NSH Board unanimously (with Mr. Greehey and Bradley C. Barron, President and Chief Executive Officer, recusing themselves) determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair and reasonable to, and in the best interests of NSH and the NSH unaffiliated unitholders and approved and declared the advisability of the merger agreement and the transactions contemplated thereby, including the merger. Accordingly, the NSH Board recommends that the NSH unaffiliated unitholders vote in favor of the merger proposal.

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Whether or not you plan to attend the NSH special meeting, please submit your proxy with voting instructions as soon as possible. If you hold NSH units in your name as a unitholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed stamped envelope, use the toll-free telephone number shown on the proxy card or use the internet website shown on the proxy card. If you hold your NSH units through a broker or other nominee, please use the voting instructions you have received from your broker or other nominee. Submitting your proxy will not prevent you from attending the NSH special meeting and voting in person. Please note, however, that if you hold your NSH units through a broker or other nominee and you wish to vote in person at the NSH special meeting, you must obtain from your broker or other nominee a proxy issued in your name. You may revoke a proxy at any time before voting is closed at the NSH special meeting by: (1) submitting a written revocation to the Corporate Secretary of NSH at the address indicated on the cover page of this proxy statement/prospectus, if such proxy is received by the Corporate Secretary by 11:59 p.m. Eastern Time on July 19, 2018; (2) submitting your valid, signed and later-dated proxy by mail that is received by 11:59 p.m. Eastern Time on July 19, 2018; (3) submitting your valid proxy by telephone or over the internet by 11:59 p.m. Eastern Time on July 19, 2018; or (4) voting in person at the NSH special meeting by presenting a valid photo identification and a proxy. However, if the NSH special meeting is adjourned to solicit additional proxies, the time by which a proxy may be revoked may be extended. If instructions to the contrary are not given, NSH units will be voted as indicated on the proxy.

We urge you to carefully consider the information contained in the attached proxy statement/prospectus.

By order of the Board of Directors of NuStar GP Holdings, LLC

Amy L. Perry
Senior Vice President, General Counsel and

Corporate Secretary

NuStar GP Holdings, LLC

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IMPORTANT NOTE ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission, which is referred to as the SEC or the Commission, constitutes a proxy statement of NSH under Section 14(a) of the Securities Exchange Act of 1934, as amended, which is referred to as the Exchange Act, with respect to the solicitation of proxies for the special meeting of NSH unitholders (NSH special meeting) to, among other things, vote on the approval of the merger agreement and the merger. This proxy statement/prospectus is also a prospectus of the Partnership under Section 5 of the Securities Act of 1933, as amended, which is referred to as the Securities Act, for common units that will be issued to NSH unitholders in the merger pursuant to the merger agreement.

As permitted under the rules of the SEC, this proxy statement/prospectus incorporates by reference important business and financial information about the Partnership and NSH from other documents filed with the SEC. Please read **Where You Can Find More Information** beginning on page 140. You can obtain any of the documents incorporated by reference into this document from the Partnership or NSH, as the case may be, or from the SEC's website at <http://www.sec.gov>. This information is also available to you without charge upon your request in writing or by telephone from the Partnership or NSH at the following addresses and telephone numbers:

NuStar Energy L.P.	NuStar GP Holdings, LLC
19003 IH-10 West	19003 IH-10 West
Attention: Investor Relations	Attention: Investor Relations
San Antonio, Texas 78257	San Antonio, Texas 78257
Telephone: (210) 918-3507	Telephone: (210) 918-3507

Please note that copies of the documents provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference into the documents or this proxy statement/prospectus.

You may obtain certain of these documents at the Partnership's website, www.nustarenergy.com, by selecting **Investors** and then selecting **SEC Filings**, and at NSH's website, www.nustargpholdings.com, by selecting **Investors** and then selecting **SEC Filings**. Information contained on NSH's and the Partnership's websites is expressly not incorporated by reference into this proxy statement/prospectus.

In order to receive timely delivery of the documents in advance of the NSH special meeting, your request should be received no later than July 13, 2018.

The Partnership and NSH have not authorized anyone to give any information or make any representation about the merger, the Partnership and/or NSH that is different from, or in addition to, that contained in this proxy statement/prospectus or in any of the materials that have been incorporated by reference into this proxy statement/prospectus. Therefore, if anyone disseminates this type of information, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this proxy statement/prospectus or the solicitation of proxies is unlawful, or you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this proxy statement/prospectus does not extend to you. The information contained in this proxy statement/prospectus speaks only as of the date of this proxy

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statement/prospectus, or, in the case of information in a document incorporated by reference, as of the date of such document, unless the information specifically indicates that another date applies. All information in this document concerning the Partnership has been furnished by the Partnership. All information in this document concerning NSH has been furnished by NSH. The Partnership has represented to NSH, and NSH has represented to the Partnership, that the information furnished by and concerning it is true and correct in all material respects.

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DEFINITIONS

The following terms have the meanings set forth below for purposes of this proxy statement/prospectus, unless the context otherwise indicates:

amended and restated partnership agreement means the amended and restated agreement of limited partnership of the Partnership, in the form attached hereto as Annex A, to be entered into in connection with and at the effective time of the merger, as such form may be revised to make the changes that are necessary or advisable in connection with the authorization or issuance of additional equity securities of the Partnership;

acquisition proposal means any proposal or offer from or by any person other than the Partnership, the General Partner, NuStar GP, Riverwalk Holdings or Merger Sub relating to (1) any direct or indirect acquisition of (A) more than 20% of the assets of NSH and its subsidiaries, taken as a whole, (B) more than 20% of the voting power or the outstanding equity securities of NSH or (C) a business or businesses that constitute more than 20% of the cash flow, net revenues, net income or assets of NSH and its subsidiaries, taken as a whole; (2) any tender offer or exchange offer, as defined pursuant to the Exchange Act, that, if consummated, would result in any person beneficially owning more than 20% of the voting power or the outstanding equity securities of NSH; or (3) any direct or indirect merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving NSH or its subsidiaries, other than the merger;

common unitholders means holders of common units;

common units means common units representing limited partner interests in the Partnership;

DCF means distributable cash flow;

Delaware Act means the Delaware Revised Uniform Limited Partnership Act;

EBITDA means earnings before interest, taxes, depreciation and amortization;

effective time means the date and time that the certificate of merger with respect to the merger is filed with the Secretary of State of the State of Delaware, or such later date and time as may be set forth in such certificate of merger;

Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder;

General Partner means Riverwalk Logistics, L.P., the general partner of the Partnership;

merger means the merger of Merger Sub with and into NSH, with NSH being the surviving entity as contemplated by the merger agreement;

merger agreement means the Agreement and Plan of Merger, dated as of February 7, 2018, by and among the Partnership, the General Partner, NuStar GP, Merger Sub, NSH and Riverwalk Holdings, as it may be amended from time to time;

merger proposal means the proposal for approval of the merger agreement and the transactions contemplated thereby, including the merger;

Merger Sub means Marshall Merger Sub LLC;

Mr. Greehey means William E. Greehey;

new common units means the common units issued in connection with the conversion of each NSH unit into the right to receive 0.55 of a common unit as consideration for the merger;

NSH means NuStar GP Holdings, LLC;

NSH Board means the Board of Directors of NSH;

NSH Conflicts Committee means the Conflicts Committee of the NSH Board;

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NSH limited liability company agreement means the second amended and restated limited liability company agreement of NSH, as amended;

NSH unaffiliated unitholders means NSH unitholders other than Mr. Greehey, WLG Holdings and any others controlling, controlled by or under common control with NSH;

NSH unit means each outstanding unit representing a limited liability company interest in NSH;

NSH unitholders means holders of NSH units;

NuStar GP means NuStar GP, LLC, the general partner of the General Partner;

NYSE means the New York Stock Exchange;

Partnership means NuStar Energy L.P.;

Partnership acquisition proposal means any proposal or offer from or by any person other than NSH and its subsidiaries relating to (1) any direct or indirect acquisition of (A) more than 50% of the assets of the Partnership and its subsidiaries, taken as a whole, (B) more than 50% of the outstanding equity securities of the Partnership or (C) a business or businesses that constitute more than 50% of the cash flow, net revenues, net income or assets of the Partnership and its subsidiaries, taken as a whole; (2) any tender offer or exchange offer, as defined pursuant to the Exchange Act, that, if consummated, would result in any person beneficially owning more than 50% of the outstanding equity securities of the Partnership; or (3) any merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving the Partnership other than the merger; provided, however, that for the avoidance of doubt, an acquisition proposal involving the direct or indirect transfer or acquisition of NSH's interest in NuStar GP, the incentive distribution rights of the Partnership, Riverwalk Holdings and/or the common units held by subsidiaries of NSH shall not constitute a Partnership acquisition proposal;

partnership agreement means either the Sixth Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of November 30, 2017, or the amended and restated partnership agreement, or both, as the context requires;

Partnership Board means the Board of Directors of NuStar GP;

Partnership Conflicts Committee means the Nominating/Governance & Conflicts Committee of NuStar GP;

Riverwalk Holdings means Riverwalk Holdings, LLC, a wholly owned subsidiary of NSH;

SEC or the Commission means the U.S. Securities and Exchange Commission;

Securities Act means the Securities Act of 1933, as amended;

subsidiary shall have the meaning ascribed to such term in Rule 1-02 of Regulation S-X under the Securities Act, except, in the case of NSH, neither the Partnership nor any of its subsidiaries shall be deemed to be a subsidiary of NSH;

support agreement means the support agreement, dated as of February 7, 2018, by and among the Partnership, Merger Sub, WLG Holdings, Mr. Greehey and NSH;

supporting unitholders means, collectively, Mr. Greehey and WLG Holdings;

surviving entity means NSH following the merger; and

WLG Holdings means WLG Holdings, LLC, a Texas limited liability company.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE NSH SPECIAL MEETING

Important Information and Risks. *The following are brief answers to some questions that you may have regarding the proposed merger and the proposals being considered at the NSH special meeting. You should read and consider carefully the remainder of this proxy statement/prospectus, including the Risk Factors beginning on page 21 and the attached Annexes, because the information in this section does not provide all of the information that might be important to you. Additional important information and descriptions of risk factors are also contained in the documents incorporated by reference in this proxy statement/prospectus. Please read Where You Can Find More Information beginning on page 140.*

Q: Why am I receiving these materials?

A: The Partnership and NSH have agreed to combine by merging Merger Sub with and into NSH, with NSH surviving. The merger cannot be completed without the approval of the holders of a majority of the outstanding NSH units. The NSH special meeting is being held to obtain this approval. Approval of the merger by the common unitholders is not required. Therefore, the common unitholders are not being asked to approve the merger.

Q: Who is soliciting my proxy?

A: The NSH Board is sending you this proxy statement/prospectus in connection with its solicitation of proxies for use at the NSH special meeting. Certain directors, officers and employees of NSH and its affiliates and Morrow Sodali LLC (a proxy solicitor) may also solicit proxies on NSH's behalf by mail, telephone, fax or other electronic means, or in person.

Q: What are the proposed transactions?

A: The Partnership and NSH have agreed to combine by merging Merger Sub with and into NSH, with NSH surviving, under the terms of the merger agreement. As a result of the merger and the other transactions contemplated by the merger agreement, the Partnership will be the sole member of NSH and NSH will be the sole member of NuStar GP. Additionally, the 10,214,626 common units owned currently by subsidiaries of NSH will be cancelled and cease to exist. The merger agreement provides that each outstanding NSH unit at the effective time of the merger will be converted into the right to receive 0.55 of a common unit.