

*Platts California Fuel Supply Conference
March 26, 2007*

Mary Morgan, VP – Marketing & Business Development





Forward Looking Statements

This presentation includes forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995 regarding future events and the future financial performance of Valero L.P. and Valero GP Holdings, LLC. All forward-looking statements are based on the companies' beliefs as well as assumptions made by and information currently available to the companies. These statements reflect the companies' current views with respect to future events and are subject to various risks, uncertainties and assumptions. These risks, uncertainties and assumptions are discussed in Valero L.P. and Valero GP Holdings, LLC's filings with the Securities and Exchange Commission.





Valero L.P. and Valero GP Holdings, LLC - New Names!

Valero LP



Valero GP

Holdings, LLC



- ◆ Valero L.P. is now NuStar Energy L.P. (NYSE:NS) and Valero GP Holdings, LLC is now NuStar GP Holdings, LLC (NYSE: NSH)
- ◆ Name change implemented in connection with the complete separation of Valero L.P. from Valero Energy Corporation
 - Valero Energy no longer owns any financial interest in Valero L.P.
- ◆ Expect roll-out of new name starting in April 2007, concurrent with move to our new office in San Antonio, Texas





NuStar Energy L.P.

- ◆ A leading publicly traded growth limited partnership in the U.S. (NYSE: NS)
 - One of the largest independent petroleum pipeline and terminal operators in the U.S.
 - Total unitholder return of around 285% since April 2001 IPO
 - 7% distribution growth in 2006 in-line with previously stated goal
 - Current annual distribution of \$3.66 per unit, or 5.6% yield
 - Targeting 7% distribution growth in 2007 versus 2006
 - Public owns around 77% of NuStar Energy L.P.'s common units
 - NuStar GP Holdings, LLC (NYSE: NSH) holds remaining ownership of NuStar Energy L.P. including 2% general partner, 21% of NuStar Energy L.P.'s common units and incentive distribution rights
- ◆ NuStar Energy L.P. owns and operates a diversified portfolio of logistics assets
 - 9,113 miles of crude oil and refined product pipelines
 - 87 terminal facilities and 88 crude oil storage tanks
 - Approximately 80 million barrels of storage capacity
 - Current portfolio of terminal expansion projects expected to contribute an additional 9 million barrels to total storage capacity





NuStar Energy L.P. has Separated from Valero Energy

◆ Separation of Financial Ownership

- Sale by Valero Energy Corporation of its interest in NuStar Energy L.P. allows both companies to pursue their own strategic initiatives
 - Expect to no longer be viewed as one entity by regulatory bodies
 - Kaneb experience

◆ Additional measures taken in order to effect the eventual complete separation of Valero Energy and NuStar Energy L.P.

- Governance changes
 - William Greehey resigned as Chairman of Valero Energy (previously resigned as CEO)
 - To continue to serve as Chairman of NuStar Energy L.P. and NuStar GP Holdings
 - No common directors or officers with Valero Energy
- Name changed from Valero to NuStar
- NuStar Energy L.P. and NuStar GP Holdings will move to new San Antonio headquarters in Spring 2007





NuStar GP Holdings, LLC Overview

- ◆ Valero Energy no longer owns any financial interest in NuStar GP Holdings or NuStar Energy L.P.
 - Valero Energy sold 41% of its interest in NuStar GP Holdings in the July 2006 IPO and its remaining 59% interest in the December 2006 follow-on offering
- ◆ NuStar GP Holdings, LLC (NYSE: NSH) owns:
 - 2% general partner interest in NuStar Energy L.P.
 - 100% of the incentive distribution rights issued by NuStar Energy L.P.
 - 10,216,610 common units of NuStar Energy L.P. representing a 21.4% limited partner interest in NuStar Energy L.P.
- ◆ William E. Greehey, Chairman of NuStar GP Holdings, purchased a combined 5.2 million units in the IPO and follow-on offering, or around 12% of the units outstanding
- ◆ Total unitholder return of nearly 30% since July 2006 IPO





Company Profiles



	NS	NSH
NYSE Symbol:		
IPO Date:	4/15/2001	7/19/2006
IPO Price:	\$24.50	\$22.00
Unit Price (3/21/07):	\$65.17	\$27.90
Annual Distribution/Unit:	\$3.66	\$1.28
Yield (3/21/07):	5.62%	4.59%
2006 Total Return:	15.2%	14.2%
2006 EBITDA:	\$322 million	\$41 million
Market Cap (3/21/07):	\$3,050 million	\$1,185 million
Enterprise Value (3/21/07):	\$4,336 million	\$1,185 million
Total Assets (12/31/06):	\$3,483 million	\$570 million
Net Debt/Capitalization (12/31/06):	41.9%	0%
Debt/EBITDA (12/31/06):	4.0x	n/a





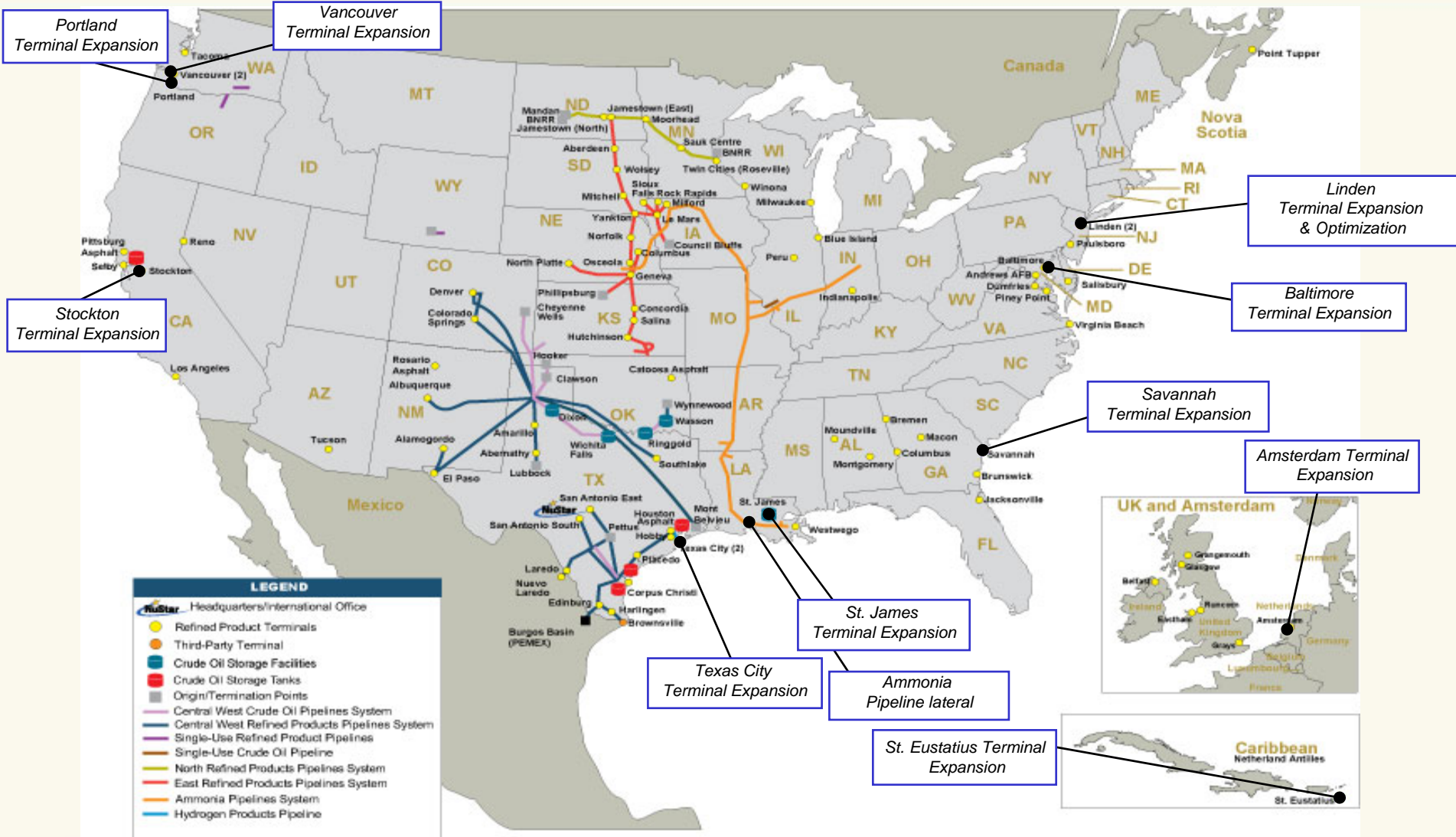
NuStar Energy L.P.'s Growth Strategy

- ◆ Acquisition of the former Kaneb companies provides a much larger portfolio of growth projects
- ◆ Identified over \$400 million of strategic growth projects for the next couple of years that focus on the following areas:
 - Meet the growing demand for terminal storage in certain of the markets we serve
 - Identified around \$390 million of terminal expansion projects
 - Leverage the competitive advantage of our ammonia pipeline system by adding new industrial end-users, which has been predominantly an agricultural customer base
 - Identified around \$75 million of ammonia pipeline projects
- ◆ Continue to look at logistical opportunities centered around growing governmental regulation mandating cleaner fuels: ethanol, biodiesel, ultra-low sulfur diesel
 - Completed around \$13 million of projects in 2006 to allow for storing, receiving and blending ethanol and biofuels at certain of our terminals
- ◆ Evaluate acquisition opportunities that are:
 - Accretive to distributable cash flows
 - Stable fee-based businesses
 - High demand markets with significant future growth opportunities





2007 Major Strategic Projects - Terminal Expansions





NuStar Energy L.P. Drivers – Terminal Expansion Projects

- ◆ Demand for terminal storage in key markets is strong and growing primarily driven by:
 - Good fundamentals in the refining industry
 - Steady growth in demand for crude oil and refined products despite higher costs
 - Tight refining capacity
 - Growth in supply being challenged by cleaner burning fuels initiatives including ethanol blended gasoline, biofuels and ultra-low sulfur diesel
 - Volatility in the energy markets
 - Contango markets
 - Concerns over security of supply
 - Arbitrage opportunities (e.g. between the U.S. and Europe)
 - Particularly strong demand at terminals having waterborne access
- ◆ Facilities that NuStar Energy L.P. is expanding are nearly 100 percent leased - capacity is tight
 - Supported by customers signing up for long-term deals
 - Nearly 90 percent of contracts on new terminal expansion projects are over five years





NuStar Energy L.P. Capex & Timing of 2007 Major Strategic Projects

(Dollars in Millions)

Major Projects	Total Capital Investment	In-Service Dates						
		1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08
St. Eustatius Expansion - P1	\$15.1		★					
Savannah, GA Expansion	4.4		★					
St. Eustatius Expansion – P2	15.1			★				
Portland, OR Expansion	8.1			★				
Texas City, TX Expansion	8.5			★				
Linden, NJ Expansion	5.7				★			
Linden, NJ Optimization	5.5				★			
Amsterdam Expansion – P1	68.0				★			
Vancouver, WA Expansion	12.4				★			
Stockton, CA Expansion	7.6				★			
St. Eustatius Expansion – P3	20.2					★		
Amsterdam Expansion – P2	4.8					★		
Texas City, TX Expansion	21.1						★	
St. James, LA Expansion	54.0							★
Amsterdam Expansion – P3	25.7							★
Total	\$276.2							

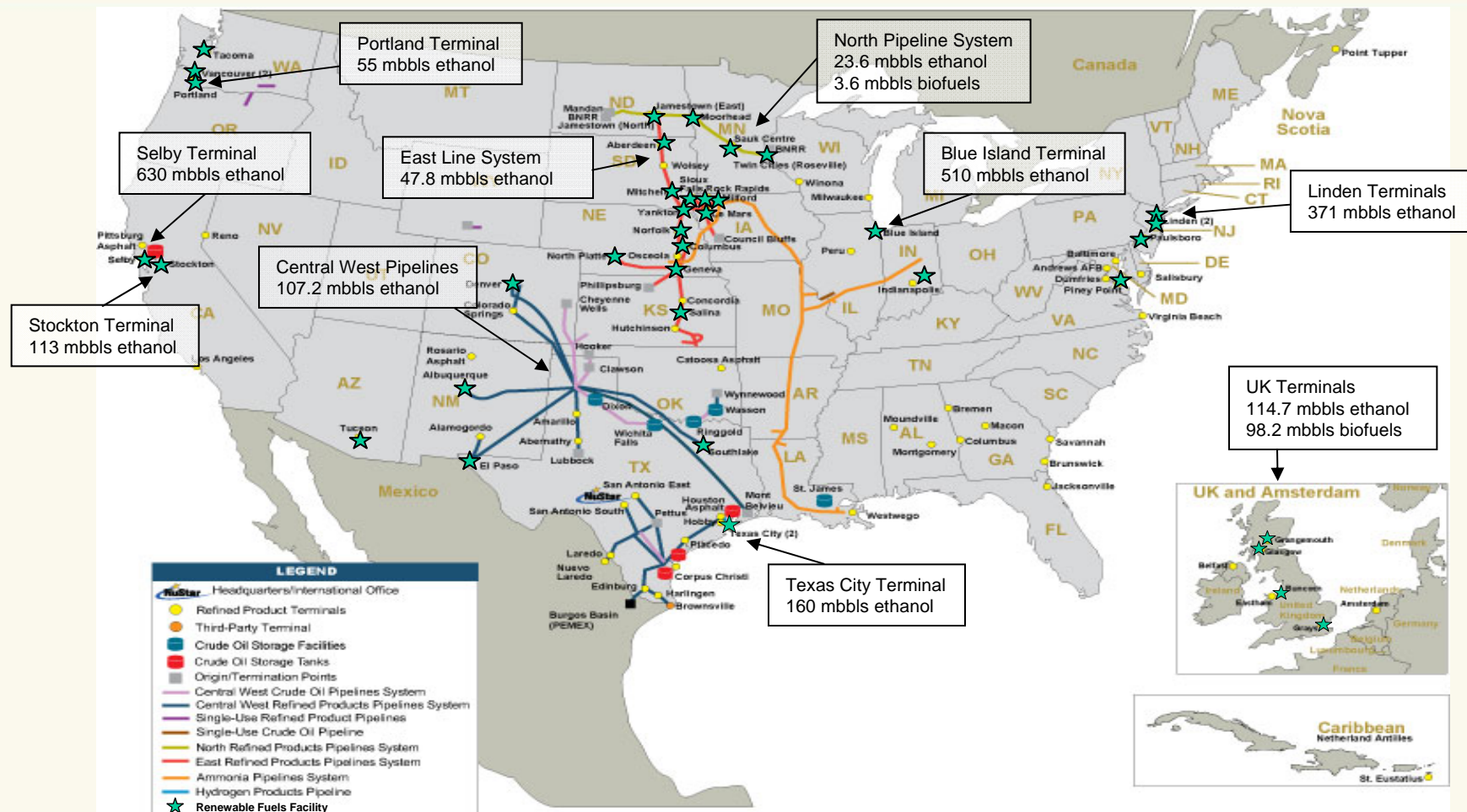


P = Phase





NuStar Energy L.P. Ethanol/Biofuels Capacity



- ◆ Completed \$13 million of ethanol/biofuels projects in 2006 at terminals located in Southlake (Texas), Paulsboro (New Jersey), Linden (New Jersey), Minnesota and the United Kingdom
- ◆ Total renewable fuels storage (i.e. ethanol/biofuels) capacity of around 2.4 million barrels





NuStar Energy L.P. Selby, California Terminal

San Francisco/Selby (near Crockett), CA

San Francisco/Selby (near Crockett), CA
Marketing Contact: Dave Keefer (714)840-4681
Email: david.keefer@valero.com

NuStar Energy L.P.
90 San Pablo Ave., Crockett, CA
Tel: (510)787-1076 Fax: (510)787-1205

* This deepwater terminal offers pipeline connections to various refineries. The terminal has state-of-the-art truck rack and high-capacity rail tank car unloading facilities



Terminal Specifications

Tanks	23 tanks. Capacity: 3,042,000 barrels
Size Range	14,000 to 200,000 barrels
Products/Materials	Gasolines, diesel, aviation fuels, ethanol
Marine Vessels	One berth – Ship and Barge Draft: 40 feet; LOA: 850 feet DWT: up to 100,000 Loading rate: 7,000 barrels per hour Unloading rate: 8,000 to 10,000 barrels per hour
Pipelines	Kinder Morgan Concord and Richmond Systems
Truck	2 lanes light products loading with additive injection TMS3000 computer sequential blending & control Customer remote data access Specialty unloading
Rail	Up to 25 cars per day light products unloading. Served by Union Pacific





NuStar Energy L.P. Stockton, California Terminal

San Francisco/Stockton, CA

San Francisco/Stockton, CA

Marketing Contact: Dave Keefer (714)840-4681

Email: david.keefer@valero.com

NuStar Energy L.P.

2941 Navy Drive., Stockton, CA 95206-1149

Tel: (209)943-5662 Fax: (209)943-0653



Terminal Specifications

Tanks	31 tanks. Capacity: 692,000 barrels
Size Range	4,200 to 80,000 barrels
Products/Materials fertilizers	Gasolines, diesel, ethanol, liquid
Modes Served	Truck, rail, pipeline (Kinder Morgan), vessel and barge
Truck facilities	8 lanes light product loading; automated additive and dye-injections systems; truck scale available
Rail/Spur data	Dual tracks – nine spots
Other facilities and services	Public scales available in Port of Stockton; Dry warehouse storage





NuStar Energy L.P.

Los Angeles, California Terminal

Los Angeles, CA

Los Angeles, CA

Marketing Contact: Dave Keefer (714)840-4681

Email: david.keefe@valero.com

NuStar Energy L.P.

841 Paloma., Wilmington, CA 90744

Tel: (310)816-1200 Fax: (310)816-1210



Terminal Specifications

Tanks	19 tanks. Capacity: 606,000 barrels
Products/Materials	Lube oil and fuel oils
Modes of Delivery	Pipeline, vessel, barge, tank truck
Modes of Receipt	Pipeline, vessel, barge, tank truck





NuStar Energy L.P.

What Makes Successful Growth Projects

◆ Once project is identified, keys to success:

- Commitment to safety/integrity
- Community Involvement/volunteerism
- Government relations
- Management team experience
 - Willing to take risk
- Integrated product team
 - Commercial
 - Permitting
 - Engineering
 - Operations
- Strategic alliance with key contractors





NuStar Energy L.P.

Challenges to Implementing New Projects

- ◆ Rising steel prices and lack of skilled labor
- ◆ Lack of land and site availability
- ◆ Scarcity of dock facilities
- ◆ Conversion of port facilities to containers





Summary

- ◆ NuStar GP Holdings unitholders can expect accelerated cash flow growth through ownership of NuStar Energy L.P.'s incentive distribution rights
- ◆ NuStar GP Holdings has additional currency to facilitate ongoing growth at NuStar Energy L.P.
- ◆ Attractive operational and financial attributes of NuStar Energy L.P.
 - Diversified portfolio of stable, fee-based logistics assets
 - Meaningful growth from tariff and volume increases
 - Proven track record of growth and value creation through acquisitions and internal growth projects
 - Acquisitions expected to be an important part of NuStar Energy L.P.'s growth strategy
 - Separation of NuStar Energy L.P. from Valero Energy to provide further opportunities
 - Committed to distribution increases going forward
 - Targeting 7 percent distribution growth at NuStar Energy L.P. in 2007

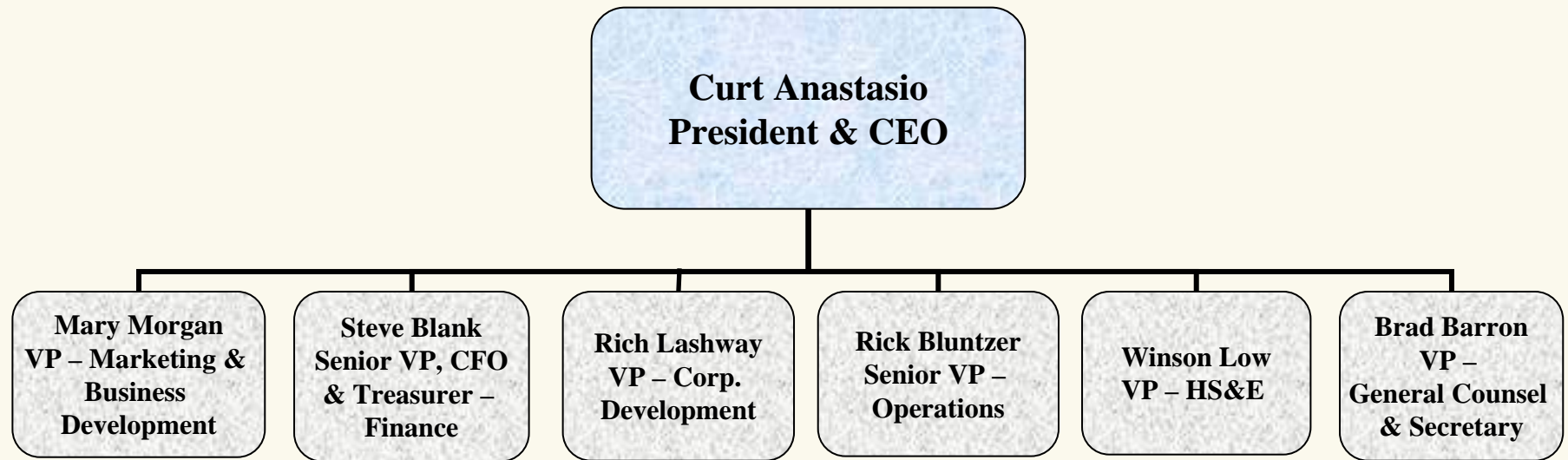




Appendix

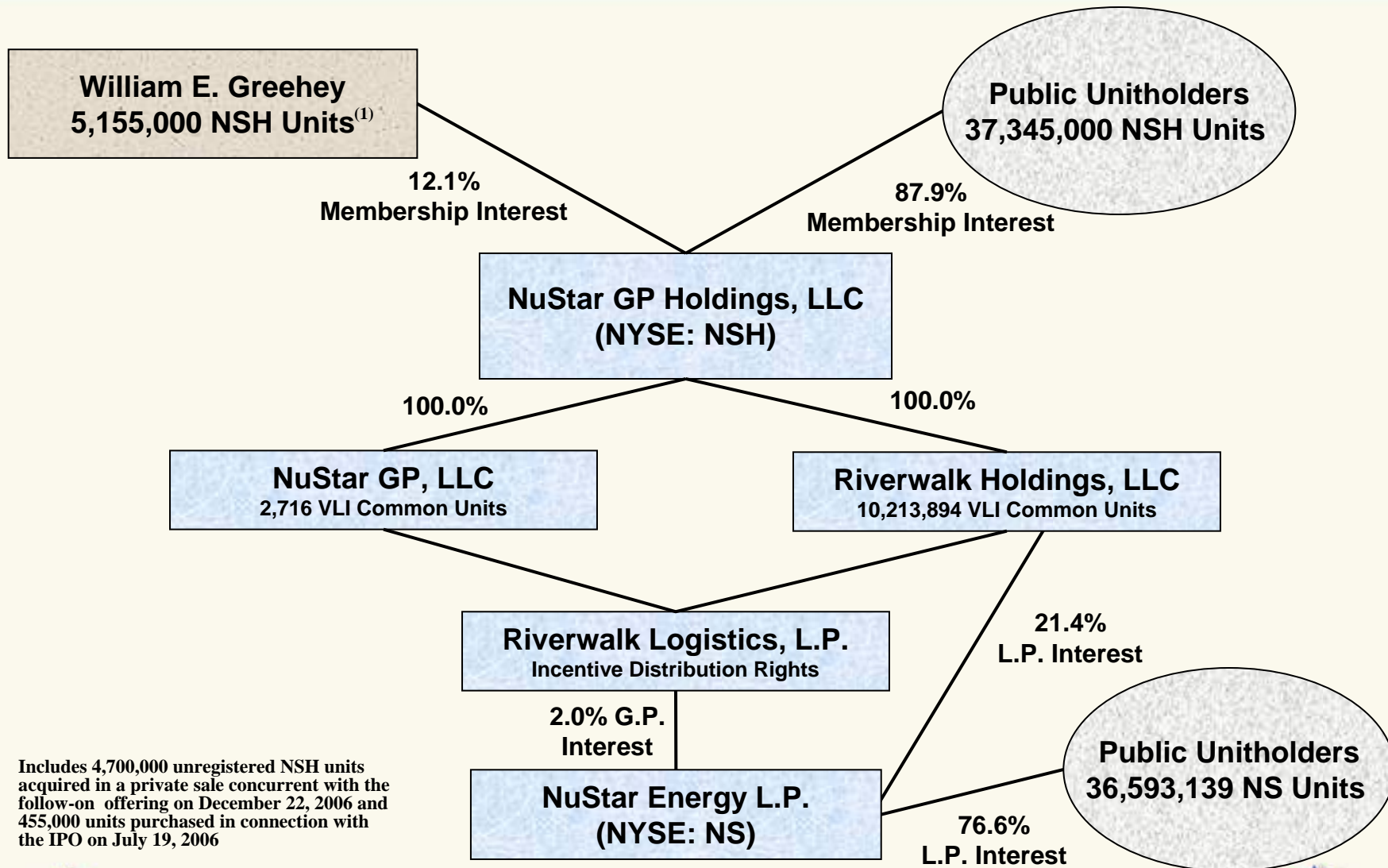


NuStar Energy L.P. Organization Structure





Current Ownership Structure



(1) Includes 4,700,000 unregistered NSH units acquired in a private sale concurrent with the follow-on offering on December 22, 2006 and 455,000 units purchased in connection with the IPO on July 19, 2006

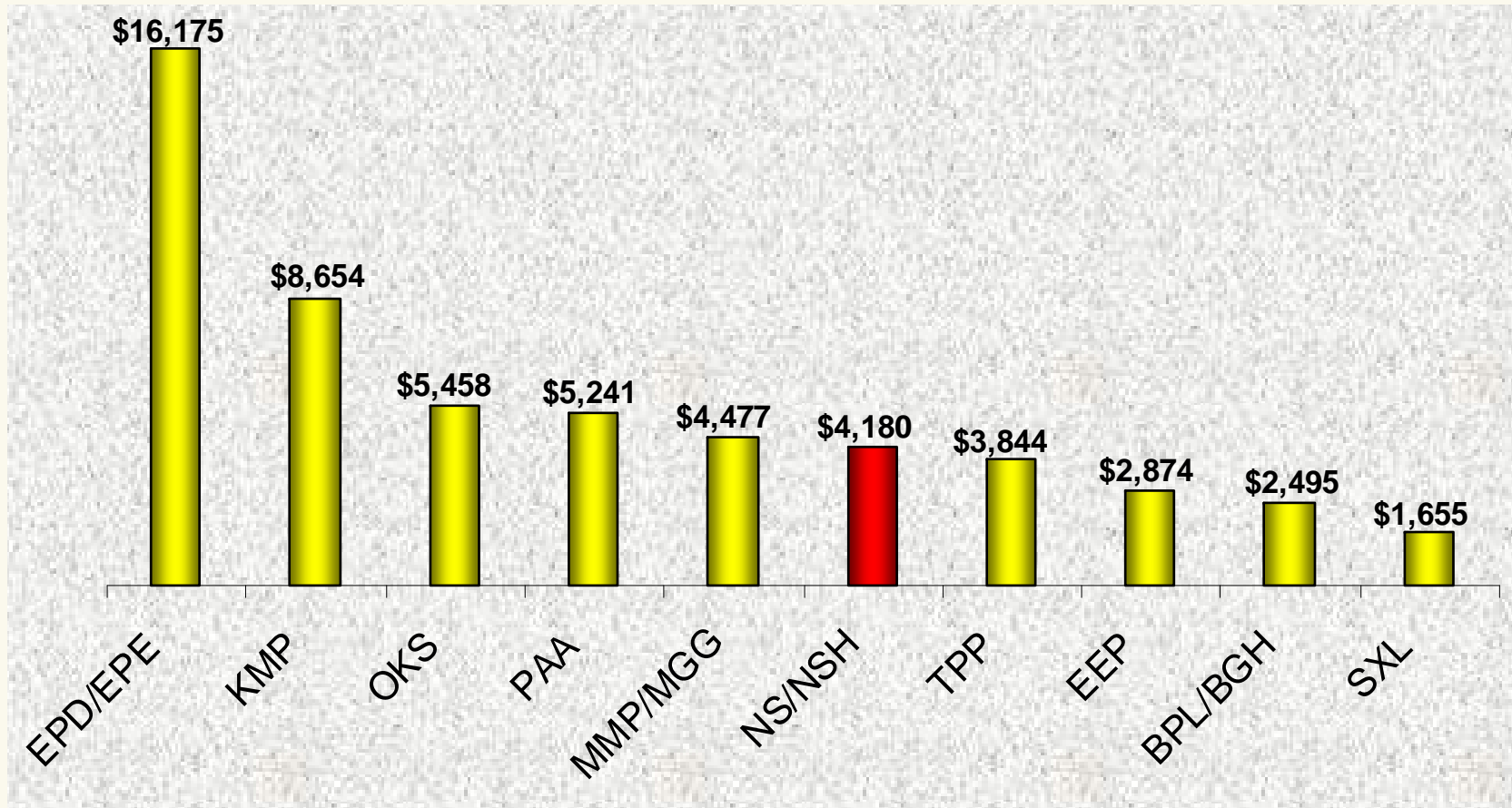




Peer Group Market Capitalization

Peer Group Market Capitalization (As of March 9, 2007)

(Dollars in Millions)



EPD – Enterprise Product Partners

OKS – ONEOK Partners

PAA – Plains All American

BPL – Buckeye Partners

EPE – Enterprise GP Holdings

MMP – Magellan Midstream Partners

TPP – TEPPCO Partners

BGH – Buckeye GP Holdings

KMP – Kinder Morgan Energy Partners

MGG – Magellan Midstream Holdings

EEP – Enbridge Energy Partners

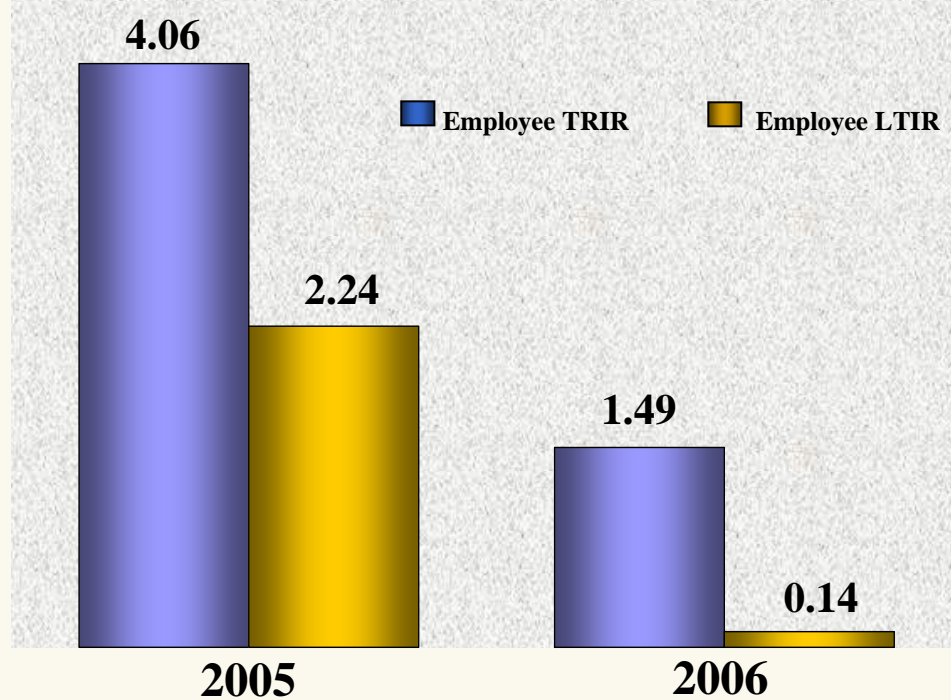
SXL – Sunoco Logistics Partners





NuStar Energy L.P. Significantly Improved Safety Record

NuStar Energy L.P. Injury Incident Frequency Rates



TRIR – Total Recordable Incidents Rate

LTIR – Lost Time Incidents Rate

- ◆ Achieved significant improvement in Health, Safety & Environmental performance since Kaneb acquisition
 - Reduced Total Recordable Incidents Rate (TRIR) by 63% in 2006
 - Reduced Lost Time Incidents Rate (LTIR) by 94% in 2006
- ◆ Won National Safety Council awards in 2006
- ◆ Safe operations make NuStar Energy L.P. a better neighbor and employer





NuStar Energy L.P. Portland, Oregon Terminal

Portland, OR

Portland, OR

Marketing Contact: Dave Keefer (714)840-4681

Email: david.keefer@valero.com

Manager: Rick Arrasmith

Email: richard.arrasmith@valero.com (360)694-8591

NuStar Energy L.P.

9420 NW St. Helens Road, Portland

Tel: (503)286-6744 Fax: (503)285-1909



Terminal Specifications

Tanks	29 tanks. Capacity: 1,039,000 barrels
Products/Materials	Fuel Oils, Gasolines, Diesel, Ethanol
Modes Served	Pipeline (Olympic, Kinder Morgan), Truck
Truck Facilities	2 loading racks (one two-bay and one three-bay), both are automated, bottom loading w/vapor recovery units
Dock/Vessel Data	Draft: 32 feet; LOA: 675 feet Rate: 3-4,000 bph Unloading rate: 7,000 bph
Other Information	Located on the Willamette River at mile 5.1, just downriver from the St. Johns Bridge. Receive from Olympic Pipeline Portland Station, deliver to Kinder Morgan Portland Pump Station and to local terminals.





NuStar Energy L.P. Tacoma, Washington Terminal

Tacoma, WA

Tacoma, WA

Marketing Contact: Rick Arrasmith

Email: richard.arrasmith@valero.com (360)694-8591

NuStar Energy L.P.

250 East "D" Street, Tacoma, WA 98421

Tel: (253)627-5711 Fax: (253)572-0471



Terminal Specifications

Tanks	14 tanks. Capacity: 364,000 barrels
Products/Materials	Fuel Oils, Gasolines, Aviation Fuels, Diesel, Ethanol
Modes Served	Barge, Pipeline (Olympic), rail, Truck, Vessel
Truck Facilities	4 lanes, light product loading. Automated ratio blending, additive and dye systems.
Rail Spur Data	225-foot spur
Dock/Vessel Data	Draft: 26 feet LOA: 250 feet Loading rate: 3,000-4,000 bph Unloading rate: 7,000 bph
Other Facilities and Services	Located at the north entrance to city underway, Commencement Bay, Tacoma





NuStar Energy L.P. Vancouver, Washington Terminal #1

Vancouver, WA

Vancouver, WA Terminal #1

Marketing Contact: Rick Arrasmith

Email: richard.arrasmith@valero.com (360)694-8591

NuStar Energy L.P.

5420 Fruit Valley Road, Vancouver, WA 98660

Tel: (360)696-0901 Fax: (360)696-9110



Terminal Specifications

Tanks	6 tanks. Capacity: 304,000 barrels
Products/Materials	#2 Fuel Oil, Chemicals, Ethanol, Gasoline Blend Stocks, Gasolines, Jet Fuels, Kerosene, Liquid Fertilizer, Methanol
Modes Served	Vessel, Barge, Pipeline, Truck
Truck Facilities	Two Bay Automated Bottom Loading Rack
Rail Spur Data	225-foot spur
Dock/Vessel Data	One (1) Pier @ Port of Vancouver Berth #5, 40' MLW Draft Maximum LOA-650', Maximum Beam-125' 750'
Other Facilities	Two (12") dock lines. Pipeline pigging system for line cleaning





NuStar Energy, L.P.

Vancouver, Washington Terminal #2

Vancouver, WA

Vancouver, WA Terminal #2

Marketing Contact: Rick Arrasmith

Email: richard.arrasmith@valero.com (360)694-8591

NuStar Energy L.P.

P.O. Box 1207, Vancouver, WA 98666-1207

Tel: (360)694-8591 Fax: (360)695-5112



Terminal Specifications

Tanks	13 tanks. Capacity: 198,000 barrels
Products/Materials	1,1,1 Trichloroethane, Acetone, Antifreeze, Cyclohexanone Deicer Fluid, Ethanol, Ethylene Glycol, Fatty Acid, Liquid Urea-Ammonium Nitrate Fertil, Methanol, Methylene Chloride, Mineral Spirits M-Xylene, Nonene, Phenol, Phthalate Ester (Exxon Jayslex), Potassium Hydroxide 45%, Sodium Chlorate Solution, Sodium Hydroxide, Tetrachloroethylene, Toluene, Used Oil Fuel, Wood Preservative, Mineral Spirits
Modes Served	Vessel, Barge, Rai, Truck
Truck Facilities	Four (4) Truck Loading Racks
Scale Facilities	Available at Port of Vancouver
Rail Spur Data	Burlington Northern and Union Pacific, Four (4) Loading Spots
Dock/Vessel Data	Columbia River, Port of Vancouver Liquid Dock: Terminal 2, Berth 5, 700' Berth, 40' (MLW) Dry Bulk Dock: Terminal 3, Berth 8, 1,250' Berth, 40' (MLW)





Reconciliation of Net Income to EBITDA

The following is a reconciliation of Valero L.P. net income to EBITDA (in thousands):

	2006
Net Income	\$149,906*
Plus net interest expense	66,266
Plus income tax expense	5,861
Plus depreciation & amortization	100,266
EBITDA	322,299*

The following is a reconciliation of Valero GP Holdings, LLC net income to EBITDA (in thousands):

	2006
Net Income	\$30,718
Plus net interest expense	10,384
Plus income tax expense, net	290
Less interest income	(53)
EBITDA	\$41,339

* Represents net income and EBITDA from continuing operations as reported for the respective period

