News Release

For immediate release
November 3, 2020

Keyera Announces 2020 Third Quarter Results

CALGARY, November 3, 2020 - Keyera Corp. (TSX: KEY) ("Keyera") announced its 2020 third quarter financial results today, the highlights of which are included in this news release. The entire news release can be viewed by visiting Keyera's website at www.keyera.com, or, to view the MD&A and financial statements, visit either Keyera's website or Keyera's filings on SEDAR at www.sedar.com.

HIGHLIGHTS

- Keyera delivered solid financial results in the third quarter even though the global economy and energy industry continue to be affected by the ongoing COVID-19 pandemic and low commodity prices. Health and safety remain Keyera's top priority, and over the course of 2020 the company has successfully responded to the pandemic.
- Keyera continues to ensure its business is well positioned today and for the long term. As of September 30, 2020, Keyera's net debt to adjusted EBITDA ratio[1,2] was 2.4x and the company had $1.4 billion undrawn on its line of credit.
- With a strong balance sheet and payout ratio[2] of 54% year to date, Keyera expects to continue to fund its growth capital projects without issuing common equity. Keyera also plans to maintain its current monthly dividend of $0.16 per share or $1.92 per share annually.
- Keyera's capital projects are progressing well and in October the Pipestone gas plant commenced operations, five months ahead of its original schedule and at budgeted costs.
- In 2020, Keyera continues to expect to invest growth capital between $500 million and $550 million, plus an additional $70 million for butane distribution infrastructure at Kinder Morgan's Galena Park facility.
- In 2021, Keyera expects to invest growth capital between $400 million and $450 million, with the majority of this investment related to the KAPS liquids pipeline system that is expected to be operational in 2023.
- In the third quarter, Keyera's adjusted EBITDA[2] was $196 million (Q3 2019 – $269 million) and distributable cash flow[2] was $175 million or $0.79 per share (Q3 2019 – $184 million or $0.85 per share). The Gathering and Processing segment reported operating margin of $49 million (Q3 2019 – $75 million) due to an unplanned outage at the Wapiti gas plant and lower gas processing volumes resulting from reduced producer activity.
- The Liquids Infrastructure segment performed well in the third quarter, generating $100 million in operating margin (Q3 2019 – $98 million), while the Marketing segment delivered realized margin[3] of $64 million (Q3 2019 – $116 million). Keyera expects the Marketing segment to generate realized margin of between $300 million and $340 million in 2020, although at the lower end of this range given the outage at AEF.
- Year to date, Keyera's results were strong, showing the resilience of Keyera's integrated business that provides essential services to producers and is backed by secure long-term contracts. Adjusted EBITDA[2] for the first nine months of the year was $705 million (YTD 2019 – $683 million) while distributable cash flow[2] was $586 million or $2.66 per share (YTD 2019 – $435 million or $2.04 per share).
- Net earnings[4] for the third quarter were $33 million or $0.15 per share (Q3 2019 – $154 million or $0.72 per share) and $137 million or $0.62 per share year to date (YTD 2019 – $414 million or $1.94 per share). These results include impairment charges related to certain underutilized Keyera facilities.

[1] Ratio is calculated in accordance with the covenant test calculations related to the company's credit facility and senior note agreements and excludes hybrid notes.
[2] Keyera uses certain "Non-GAAP Measures" such as EBITDA, adjusted EBITDA, funds from operations, distributable cash flow, distributable cash flow per share and payout ratio. See section titled "Non-GAAP Financial Measures", "Dividends: Funds from Operations and Distributable Cash Flow" and "EBITDA" of the MD&A for further details.
[3] Realized margin is a "Non-GAAP Measure" and excludes the effect of $12 million in non-cash losses from commodity-related risk management contracts.
[4] Net earnings for 2019 have been restated. Refer to the "Voluntary Change in Accounting Policy" section of the MD&A for further details. For further details on impairment charges, refer to the "Net Impairment Expense" section of the MD&A.

Summary of Key Measures (Thousands of Canadian dollars, except where noted)	Three months ended September 30, 2020	2019	Nine months ended September 30, 2020	2019
Net earnings[1]	**33,436**	154,428	**136,807**	413,891
Per share[1] ($/share) – basic	**0.15**	0.72	**0.62**	1.94
Cash flow from operating activities	**95,396**	259,229	**571,727**	674,259
Funds from operations[2]	**190,910**	227,403	**654,624**	553,383
Distributable cash flow[2]	**174,859**	183,807	**585,547**	435,323
Per share ($/share) [2]	**0.79**	0.85	**2.66**	2.04
Dividends declared	**106,091**	101,198	**317,394**	292,582
Per share ($/share)	**0.48**	0.47	**1.44**	1.37
Payout ratio %[2]	**61%**	55%	**54%**	67%
Adjusted EBITDA[3]	**196,163**	268,933	**705,437**	682,714
Gathering and Processing				
Gross processing throughput (MMcf/d)	**1,145**	1,414	**1,247**	1,500
Net processing throughput (MMcf/d)	**953**	1,135	**1,027**	1,193
Liquids Infrastructure				
Gross processing throughput[4] (Mbbl/d)	**134**	169	**147**	174
Net processing throughput[4] (Mbbl/d)	**72**	74	**73**	81
AEF iso-octane production volumes (Mbbl/d)	**13**	14	**13**	13
Marketing				
Inventory value	**144,270**	134,076	**144,270**	134,076
Sales volumes (Bbl/d)	**139,900**	130,900	**148,500**	140,900
Acquisitions	**—**	—	**1,630**	549
Growth capital expenditures	**149,353**	207,661	**487,049**	732,403
Maintenance capital expenditures	**3,806**	27,500	**18,227**	75,345
Total capital expenditures	**153,159**	235,161	**506,906**	808,297
Weighted average number of shares outstanding – basic and diluted	**221,023**	215,016	**220,247**	213,258

	As at September 30, 2020	2019
Long-term debt[5]	**2,959,151**	2,557,271
Credit facility	**110,000**	—
Working capital surplus[6]	**(106,046)**	79,052
Net debt	**2,963,105**	2,636,323
Common shares outstanding – end of period	**221,023**	215,914

Notes:

1 Net earnings for 2019 have been restated. Refer to the "Voluntary Change in Accounting Policy" section of the MD&A.

2 Payout ratio is defined as dividends declared to shareholders divided by distributable cash flow. Payout ratio, funds from operations, and distributable cash flow are not standard measures under Generally Accepted Accounting Principles ("GAAP"). See the section titled, "Dividends: Funds from Operations and Distributable Cash Flow", for a reconciliation of funds from operations and distributable cash flow to the most closely related GAAP measure.

3 Adjusted EBITDA is defined as earnings before finance costs, taxes, depreciation, amortization, impairment expenses, unrealized gains/losses and any other non-cash items such as gains/losses on the disposal of property, plant and equipment. EBITDA and adjusted EBITDA are not standard measures under GAAP. See section of the MD&A titled "EBITDA" for a reconciliation of adjusted EBITDA to its most closely related GAAP measure.

4 Fractionation throughput in the Liquids Infrastructure segment is the aggregation of volumes processed through the fractionators and the de-ethanizers at the Keyera and Dow Fort Saskatchewan facilities.

5 Long-term debt includes the total value of Keyera's hybrid notes which receive 50% equity treatment by Keyera's rating agencies. The hybrid notes are also excluded from Keyera's covenant test calculations related to the company's credit facility and senior note agreements.

6 Working capital is defined as current assets less current liabilities.

Message to Shareholders

Throughout 2020, Keyera has proactively responded to the challenges presented by COVID-19, taking decisive action to address short-term challenges and enhance the long-term success of the company. These actions have included reducing our 2020 capital program, discontinuing the dividend reinvestment program, reducing our overall cost structure and continuing to advance our gathering and processing optimization plan. Our proactive measures show Keyera's commitment to health and safety, reinforce our strong financial position and support our resilient business model, which has continued to deliver strong results in the most challenging environment.

As an essential service provider, we understand the importance of responding to our customers' needs. In 2020, we worked with our customers to develop mutually beneficial solutions to keep the majority of their volumes flowing. We continue to take steps to improve the reliability of our assets and ensure continuity of service. Our gathering and processing optimization plan is progressing well and expected to provide cost efficiency and other benefits to our customers and Keyera. These optimization efforts will be the catalyst to delivering a best-in-class cost structure that will make Keyera more competitive and allow us to preserve and grow our market share.

We continue to maintain our strong financial position, a priority that has remained consistent throughout the history of our company. We have a strong balance sheet at September 30th, with a net debt to adjusted EBITDA ratio of 2.4 times, two investment grade credit ratings, access to $1.4 billion on our credit facility, and minimal long-term debt obligations in the next 5 years. In today's uncertain markets, our financial strength and liquidity enhance our capacity to navigate challenges, while providing flexibility to be opportunistic.

On a year to date basis, Keyera has delivered strong results, highlighting the resilience of our integrated business that provides essential services and is backed by secure long-term contracts. Adjusted EBITDA for the first nine months of the year was $705 million compared to $683 million in 2019, while distributable cash flow was $586 million or $2.66 per share compared to $435 million or $2.04 per share last year. Net earnings were $137 million or $0.62 per share. Our third quarter results in 2020 include adjusted EBITDA of $196 million, distributable cash flow of $174 million or $0.79 per share, and net earnings of $33 million or $0.15 per share.

Gathering and Processing Operations

The Gathering and Processing segment delivered operating margin of $49 million in the third quarter, which was lower than the same period last year. These results reflect a six-week unplanned outage at our Wapiti gas plant and lower gas processing volumes within our south portfolio of gas plants as producers have significantly reduced drilling activity.

To increase the competitiveness and profitability of our Gathering and Processing segment, we continue to advance our optimization plan in the south region. In September, we suspended operations at our West Pembina and Bigoray gas plants, successfully diverting volumes to nearby Keyera facilities. We expect our optimization plan to increase utilization in the south region to approximately 70% and lower per unit operating costs. Our optimization plan will also reduce Keyera's environmental footprint by eliminating carbon dioxide emissions that accounted for approximately 12% of Keyera's 2019 total emissions.

Longer term we remain positive on the outlook for our Gathering and Processing business. The measures we are taking to reduce our overall cost structure combined with improved natural gas prices, a greater emphasis on lower emission energy sources, and increasing take-away capacity in Alberta will provide opportunities for our business to grow, without significant additional capital investment.

Liquids Infrastructure Operations

Keyera's Liquids Infrastructure segment continued to demonstrate resilience in the third quarter, generating operating margin of $100 million, in line with the same period last year. Fractionation volumes recovered to pre-pandemic levels, with utilization near name plate capacity in the third quarter, and demand for our storage assets remained strong. With high take-or-pay contracts in this part of our business, our condensate system cash flow stream remained steady even though volumes were lower compared to the prior year period. As crude oil prices have continued to stabilize, oil sands producers are steadily increasing their bitumen production in the fourth quarter and we are seeing a recovery in condensate volumes on our system.

Marketing Business

The Marketing segment delivered realized margin of $64 million in the third quarter. These results were largely due to our iso-octane business, along with our effective risk management program. Keyera continues to expect to generate realized margin of between $300 million and $340 million in 2020.

Marketing services are important to our integrated business model as they allow us to access high value markets for our customers and generate free cash flow that we can reinvest into our fee-for-service businesses.

Business Development

In October, the Pipestone gas plant began processing volumes from its anchor tenant, Ovintiv Inc. The Pipestone gas plant was developed in a joint effort with Ovintiv to support their condensate-rich Pipestone Montney development under a 20-year infrastructure agreement. This investment is an important step in Keyera's strategy of building a stronger presence in the liquids-rich Montney development.

With our Pipestone, Wapiti and Simonette gas plants, Keyera has infrastructure in the area providing significant natural gas and condensate processing capacity. In the future, this capacity will be connected to our KAPS pipeline system that will transport condensate and natural gas liquids from the Montney to our Liquids Infrastructure assets in Fort Saskatchewan.

The KAPS pipeline, expected to be in service in 2023, will enhance our existing value chain, increase our competitive position, generate stable long-term cash flows, and provide a platform for long-term growth within our upstream and downstream services. In 2021, we expect to invest between $400 million and $450 million in growth capital projects, with the majority focused on KAPS.

As Keyera continues to invest in growth projects, our goal is to ensure investments improve the quality of our cash flows. Future growth projects will be focused on our Liquids Infrastructure segment, which has high barriers to entry and assets that serve the entire Western Canada Sedimentary Basin. We will look for investments that are backed by long-term take-or-pay contracts with credit worthy counterparties and we will fund our growth capital projects without issuing common equity.

Outlook

As previously announced, I will be retiring from Keyera at the end of this year. As Dean Setoguchi takes over as Chief Executive Officer, I am very optimistic about Keyera's future. We have a strong balance sheet and an integrated portfolio of assets with sustainable competitive advantages. We have built a strong team of highly capable, innovative and passionate individuals who will continue Keyera's track record as a responsible corporate citizen generating value for shareholders. I am also confident in the outlook for the Canadian energy sector and I know Keyera will continue to play a prominent role.

I would like to thank Keyera's board of directors, management team, employees, customers, shareholders and other stakeholders for their continued support over my 22-year career with Keyera. Please continue to stay safe and healthy.

David G. Smith
Chief Executive Officer
Keyera Corp.

THIRD QUARTER 2020 RESULTS CONFERENCE CALL AND WEBCAST

Keyera will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the financial results for the third quarter of 2020 at 8:00 a.m. Mountain Time (10:00 a.m. Eastern Time) on Wednesday, November 4, 2020. Callers may participate by dialing 888-231-8191 or 647-427-7450. A recording of the call will be available for replay until 10:00 p.m. Mountain Time (12:00 a.m. Eastern Time) on November 19, 2020 by dialing 855-859-2056 or 416-849-0833 and entering pass code 9575113.

Internet users can listen to the call live on Keyera's website at www.keyera.com/news/events. Shortly after the call, an audio archive will be posted on the website for 90 days.

ABOUT KEYERA CORP.

Keyera Corp. (TSX:KEY) operates an integrated Canadian-based energy infrastructure business with extensive interconnected assets and depth of expertise in delivering energy solutions. Its predominantly fee-for-service based business consists of natural gas gathering and processing; natural gas liquids processing, transportation, storage and marketing; iso-octane production and sales; and an industry-leading condensate system in the Edmonton/Fort Saskatchewan area of Alberta. Keyera strives to provide high quality, value-added services to its customers across North America and is committed to conducting its business ethically, safely and in an environmentally and financially responsible manner.

FORWARD-LOOKING STATEMENTS

In order to provide readers with information regarding Keyera, including its assessment of future plans, operations and financial performance, certain statements contained herein (and in the documents incorporated by reference) are forward-looking. These forward-looking statements relate to future events or Keyera's future performance. Such statements are predictions only and actual events or results may differ materially. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "plan", "intend", "believe", and similar expressions, including the negatives thereof. All statements other than statements of historical fact contained in this document are forward-looking statements.

The forward-looking statements reflect management's current beliefs and assumptions with respect to such things as the outlook for general economic trends, industry trends, commodity prices, capital markets, the integrity and reliability of Keyera's assets, and the governmental, regulatory and legal environment. In some instances, forward-looking statements contained herein may be attributed to third party sources. Management believes that its assumptions and analysis herein are reasonable and that the expectations reflected in the forward-looking statements contained herein are also reasonable based on the information available on the date such statements were made, and the process used to prepare the information. However, Keyera cannot assure readers that these expectations will prove to be correct.

All forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events, levels of activity and achievements to differ materially from those anticipated in the forward-looking statements. Such factors include but are not limited to: Keyera's ability to implement its strategic priorities and business plan and achieve the expected benefits; general economic, market and industry conditions; activities of customers, producers and other facility owners; operational hazards and performance; the effectiveness of Keyera's risk management programs; competition; changes in commodity composition and prices, inventory levels, supply/demand trends and other market conditions and factors; global pandemics (including COVID-19); regional or global conflicts; processing and marketing margins; climate change risks, including the effects of unusual weather and natural catastrophes; climate change effects and regulatory and market compliance and other costs associated with climate change; variables associated with capital projects, including costs and timing; fluctuations in interest, tax and foreign currency exchange rates; counterparty performance and credit risk; changes in operating and capital costs; costs and availability of financing; ability to expand, update and adapt infrastructure on a timely and effective basis; decommissioning, abandonment and reclamation costs; reliance on key personnel and third parties including joint venture partners and third-party facility owners; relationships with external stakeholders, including Indigenous stakeholders; technology, security and cybersecurity risks; potential litigation and disputes; uninsured and underinsured losses; ability to service debt and pay dividends; changes in credit rating; reputational risks; changes in environmental and other laws and regulations; actions by government authorities; and other factors, many of which are beyond the control of Keyera, some of which are discussed herein (and in the documents incorporated by reference) and in Keyera's Annual Information Form dated February 26, 2020, filed on SEDAR at www.sedar.com and available on the Keyera website at www.keyera.com. Further, because there is interconnectivity between many of the risks Keyera faces, it is possible that different constellations of risk could materialize which could result in unanticipated outcomes or consequences.

Proposed construction and completion schedules and budgets for capital projects are subject to many variables, including weather; availability and prices of materials; labour; customer project schedules and expected in-service dates; contractor productivity; contractor disputes; quality of cost estimating; decision processes and approvals by joint venture partners; changes in project scope at the time of project sanctioning; regulatory approvals, conditions or delays (including possible intervention by third parties); Keyera's ability to secure adequate land rights and water supply; and macro socio-economic trends. As a result, expected timing, costs and benefits associated with these projects may differ materially from the descriptions contained herein. Further, some of the projects discussed are subject to securing sufficient producer/customer interest and may not proceed if sufficient commitments are not obtained. Typically, the earlier in the engineering process that projects are sanctioned, the greater the likelihood that the schedule and budget may change.

In addition to the factors referenced above, Keyera's expectations with respect to future returns associated with: (i) the growth capital projects that have been sanctioned and are in development as of the date hereof, and (ii) the KAPS project, are based on a number of assumptions, estimates and projections that have been developed based on past experience and anticipated trends, including but not limited to: capital cost estimates assuming no material unforeseen costs; timing for completion of growth capital projects; customer performance of contractual obligations; reliability of production profiles; commodity prices, margins and volumes; tax and interest rates; availability of capital at attractive prices; and no changes in regulatory or approval requirements, including no delay in securing any outstanding regulatory approvals.

Any statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing is not exhaustive, that they should not unduly rely on these forward-looking statements, that the information contained in the forward-looking statements may not be appropriate for other purposes and that the forward-looking statements in this document speak only as of the date hereof. Unless required by law, Keyera does not intend and does not assume any obligation to update its forward-looking statements. All forward-looking statements contained herein or in the accompanying documents are expressly qualified by this cautionary statement. Further information about the factors affecting forward-looking statements and management's assumptions and analysis thereof, is available in filings made by Keyera with Canadian provincial securities commissions, which can be viewed on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

For more information about Keyera Corp., please visit our website at www.keyera.com or contact:

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