Gibson Energy Announces 2021 Third Quarter Results

All financial figures are in Canadian dollars unless otherwise noted

Calgary, Alberta (November 1, 2021) – Gibson Energy Inc. announced today its financial and operating results for the three and nine months ended September 30, 2021.

"We are pleased to report another strong quarter from both an operational and financial perspective, with our Infrastructure segment run-rate increasing with a partial quarter contribution from the DRU beginning operation and Marketing performance within our initial outlook," said Steve Spaulding, President and Chief Executive Officer. "Our focus remains on securing incremental growth projects while maintaining the 5x to 7x EBITDA build multiples that we have consistently achieved over the past several years. We have also continued to advance Sustainability and ESG at Gibson, recently adopting a Net Zero by 2050 target and being recognized with a "AAA" rating by MSCI ESG Ratings."

Financial Highlights:

- Revenue of $1,808 million in the third quarter, a $443 million or 33% increase over the third quarter of 2020, a result of higher commodity prices and volumes increasing contribution from the Marketing Segment
- Infrastructure Adjusted EBITDA(1) of $104 million in the third quarter, an $8 million or 9% increase over the third quarter of 2020, due to additional tankage in service at Hardisty as well as a contribution from the DRU for a portion of the current quarter
- Marketing Adjusted EBITDA of $16 million in the third quarter, a $3 million or 23% increase over the third quarter of 2020, reflecting slightly improved margins in the Crude Marketing business
- Adjusted EBITDA on a consolidated basis of $111 million, a $10 million or 10% increase over the third quarter of 2020, due to the factors discussed above
- Net Income of $36 million in the third quarter, an $18 million or 105% increase over the third quarter of 2020, a result of debt extinguishment costs in the prior quarter as well as the factors described above
- Distributable cash flow of $71 million in the third quarter, a $6 million or 9% increase over the third quarter of 2020, with increased contributions from both the Infrastructure and Marketing segments being partly offset by higher replacement capital and taxes in the current quarter
- Payout ratio on a trailing twelve-month basis of 72%, near the low end of Gibson's 70% – 80% target range
- Maintained a strong financial position, with Net Debt to Pro Forma Adjusted EBITDA at September 30, 2021 of 3.2x, within the Company's 3.0x – 3.5x target range, and remain fully-funded for all sanctioned capital

Strategic Developments and Highlights:

- Commenced operation of the DRU on-schedule and within expected capital cost
- Announced the addition of Ms. Juliana Lam to the Company's Board of Directors, who will also serve on the Audit Committee
- Subsequent to the quarter, received the top "AAA" rating from MSCI ESG Ratings, being only one of three companies globally in the Oil & Gas Refining, Marketing, Transportation & Storage industry and the only company in North America in that industry to receive this leadership rating
- Subsequent to the quarter, announced an ambitious Net Zero by 2050 target. As part of ensuring the Company has a credible path to reaching this target, identified the ability to reduce approximately 90% of current Scope 1 and 2 emissions through the application of existing technologies already in commercial use in North America

(1) Adjusted Earnings before Interest, Tax, Depreciation and Amortization and other adjustments ("Adjusted EBITDA"), Distributable Cash Flow, Interest Coverage Ratio and Dividend Payout Ratio are non-GAAP measures as noted in the section titled "Non-GAAP Financial Measures" section in Gibson's Management Discussion and Analysis for the three and nine months ended September 30, 2021 ("MD&A"). The applicable definitions and reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are set out in the "Non-GAAP Financial Measures" section of the MD&A. Effective Q1 2021, the Company has updated the manner in which it determines Adjusted EBITDA and prior period comparative figures have been restated to conform to this new presentation. See "Adjusted EBITDA" in this news release and "Non-GAAP Financial Measures" in the MD&A for the definition and reconciliations of Adjusted EBITDA.

Management's Discussion and Analysis and Financial Statements

The 2021 third quarter Management's Discussion and Analysis and unaudited Condensed Consolidated Financial Statements provide a detailed explanation of Gibson's financial and operating results for the three and nine months ended September 30, 2021, as compared to the three and nine months ended September 30, 2020. These documents are available at www.gibsonenergy.com and at www.sedar.com.

2021 Third Quarter Results Conference Call

A conference call and webcast will be held to discuss the 2021 third quarter financial and operating results at 7:00am Mountain Time (9:00am Eastern Time) on Tuesday, November 2, 2021.

The conference call dial-in numbers are:

- 416-764-8659 / 1-888-664-6392
- Conference ID: 31512031

This call will also be broadcast live on the Internet and may be accessed directly at the following URL:

- https://produceredition.webcasts.com/starthere.jsp?ei=1499780&tp_key=f0cfbf3e73

The webcast will remain accessible for a 12-month period at the above URL. Additionally, a digital recording will be available for replay two hours after the call's completion until November 16, 2021, using the following dial-in numbers:

- 416-764-8677 / 1-888-390-0541
- Replay Entry Code: 512031#

Supplementary Information

Gibson has also made available certain supplementary information regarding the 2021 third quarter financial and operating results, available at www.gibsonenergy.com.

About Gibson

Gibson Energy Inc. ("Gibson" or the "Company") (TSX: GEI), is a Canadian-based liquids infrastructure company with its principal businesses consisting of the storage, optimization, processing, and gathering of liquids and refined products. Headquartered in Calgary, Alberta, the Company's operations are focused around its core terminal assets located at Hardisty and Edmonton, Alberta, and include the Moose Jaw Facility and an infrastructure position in the U.S.

Gibson shares trade under the symbol GEI and are listed on the Toronto Stock Exchange. For more information, visit www.gibsonenergy.com.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information and statements (collectively, forward-looking statements). These statements relate to future events or future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "aim", "target", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking statements. The forward-looking statements reflect Gibson's beliefs and assumptions with respect to, among other things, future operating and financial results, future growth in worldwide demand for crude oil and petroleum products; crude oil prices; no material defaults by the counterparties to agreements with Gibson; Gibson's ability to obtain qualified personnel, owner-operators, lease operators and equipment in a timely and cost-efficient manner; the regulatory framework governing taxes and environmental matters in the jurisdictions in which Gibson conducts and will conduct its business; changes in credit ratings applicable to Gibson; operating costs; future capital expenditures to be made by Gibson; Gibson's ability to obtain financing for its capital programs on acceptable terms; the Company's future debt levels; the impact of increasing competition on the Company; the impact of changes in government policies on Gibson; the impact of future changes in accounting policies on the Company's consolidated financial statements; the impact of the COVID-19 pandemic, including related government responses thereto, on demand for crude oil and petroleum products and Gibson's operations generally; Gibson's ability to effectively transition its operations as required in *response to the COVID-19 pandemic; the availability of coverage under Gibson's insurance policies (including in respect of Gibson's business interruption insurance policy); the Company's ability to successfully implement the plans and programs disclosed in Gibson's strategy, Gibson's goal of achieving Net Zero GHG emissions by 2050 and other ESG related goals, the credibility and success of Gibson's intended path to achieve its Net Zero by 2050 target and other assumptions inherent in management's expectations in respect of the forward-looking statements identified herein.*

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although Gibson believe these statements to be reasonable, no assurance can be given that the results or events anticipated in these forward-looking statements will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. Actual results or events could differ materially from those anticipated in these forward-looking statements as a result of, among other things, risks inherent in the businesses conducted by Gibson; competitive factors in the industries in which Gibson operates; prevailing global and domestic financial market and economic conditions; world-wide demand for crude oil and petroleum products; volatility of commodity prices, currency and interest rates fluctuations; product supply and demand; operating costs and the accuracy of cost estimates; exposure to counterparties and partners, including ability and willingness of such parties to satisfy contractual obligations in a timely manner; future capital expenditures; capital expenditures by oil and gas companies; production of crude oil; decommissioning, abandonment and reclamation costs; changes to Gibson's business plans or strategy; ability to access various sources of debt and equity capital, generally, and on terms acceptable to Gibson; changes in government policies, laws and regulations, including environmental and tax laws and regulations; competition for employees and other personnel, equipment, material and services related thereto; dependence on certain key suppliers and key personnel; reputational risks; acquisition and integration risks; risks associated with the Hardisty DRU project; capital project delivery and success; risks associated with Gibson's use of technology; ability to obtain regulatory approvals necessary for the conduct of Gibson's business; the availability and cost of employees and other personnel, equipment, materials and services; labour relations; seasonality and adverse weather conditions, including its impact on product demand, exploration, production and transportation; inherent risks associated with the exploration, development, production and transportation of crude oil and petroleum products; risks related to widespread epidemics or pandemic outbreaks, including the COVID-19 pandemic and government responses related thereto, and the impact thereof to the other risks inherent in the businesses conducted by Gibson; risks related to actions of OPEC and non-OPEC countries, including the effect thereof on the demand for crude oil and petroleum products and commodity prices; and political developments around the world, including the areas in which Gibson operates, the development and performance of technology and new energy efficient products, services and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets, many of which are beyond the control of Gibson. Readers are cautioned that the foregoing lists are not exhaustive. For an additional discussion of material risk factors relating to Gibson and its operations, please refer to those included in Gibson's Annual Information Form dated February 22, 2021 as filed on SEDAR and available on the Gibson website at www.gibsonenergy.com.

Non-GAAP Measures

This news release refers to certain financial measures that are not determined in accordance with IFRS. Distributable cash flow is not a measure recognized under IFRS and does not have standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures reported by other entities. Management considers this to be an important supplemental measure of the Company's performance and believes this measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures. Distributable cash flow is used to assess the level of cash flow generated and to evaluate the adequacy of internally generated cash flow to fund dividends. Changes in non-cash working capital are excluded from the determination of distributable cash flow because they are primarily the result of fluctuations in product inventories or other temporary changes. Upgrade and replacement capital expenditures are deducted from distributable cash flow as there is an ongoing requirement to incur these types of expenditures. The Company may deduct or include additional items in its calculation of distributable cash flow; these items would generally, but not necessarily, be items of a non-recurring nature. Additional information about reconciliation of historical distributable cash flow to its most closely related IFRS measure, cash flow from operating activities can be found in Gibson's Management Discussion and Analysis available on SEDAR at www.sedar.com and at www.gibsonenergy.com.

For further information, please contact:

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ADJUSTED EBITDA

Adjusted EBITDA is defined as earnings before net interest, tax, depreciation, amortization and impairment charges, and specific non-cash charges, including but not limited to unrealized gain/loss on derivative financial instruments, stock based compensation, adjustment for equity accounted investees (to remove non-cash charges), and corporate foreign exchange gain/loss. These adjustments are made to exclude non-cash charges and other items that are not reflective of ongoing earning capacity of the operations.

Effective Q1 2021, the Company has updated the definition of adjusted EBITDA to remove the corporate foreign exchange gains/losses and interest income, while adding an adjustment for equity accounted investees to remove the depreciation, amortization and other non-cash items that are not reflective of the ongoing earnings capacity of the operations. In accordance with IFRS, certain jointly controlled investments are accounted for using equity method accounting whereby the assets and liabilities of the investment are presented in a single line item in the consolidated balance sheet and net earnings from investments in equity accounted investees are recognized within the infrastructure segment profit or within the gross profit in the statement of operations. Cash contributions and distributions from investments in equity accounted investees represent the Company's share paid and received in the period to and from the investments in equity accounted investees. To assist in understanding and evaluating the performance of these investments, the Company adjusts for its proportionate share of select non-cash expenses, included in equity accounted investees in adjusted EBITDA.

Prior period comparative figures have been restated in accordance with the updated definition of adjusted EBITDA set out above.

Noted below is the reconciliation to the most directly comparable GAAP measures of the Company's segmented and consolidated adjusted EBITDA for the three and nine months ended September 30, 2021 and 2020:

Three months ended September 30	**Infrastructure**		**Marketing**		**Corporate & Adjustments**		**Total**	
($ thousands)	**2021**	**2020 (1)**	**2021**	**2020 (1)**	**2021**	**2020 (1)**	**2021**	**2020 (1)**
Segment Profit	102,774	93,267	13,528	23,437	-	-	116,302	116,704
Unrealized loss (gain) on derivative financial instruments		-	2,249	(10,594)	-	-	2,249	(10,594)
General and administrative	-	-	-	-	(9,238)	(7,947)	(9,238)	(7,947)
Adjustments to share of profit from equity accounted investees	1,403	2,662	-	-	-	-	1,403	2,662
Adjusted EBITDA (1)	104,177	95,929	15,777	12,843	(9,238)	(7,947)	110,716	100,825

(1) *Adjusted EBITDA for periods prior to March 31, 2021 has been restated on the basis described above*

Nine months ended September 30	**Infrastructure**		**Marketing**		**Corporate & Adjustments**		**Total**	
($ thousands)	**2021**	**2020 (1)**	**2021**	**2020 (1)**	**2021**	**2020 (1)**	**2021**	**2020 (1)**
Segment Profit	328,622	281,185	25,907	103,517	-	-	354,529	384,702
Unrealized loss on derivative financial instruments	-	-	11,635	4,744	-	-	11,635	4,744
General and administrative	-	-	-	-	(26,645)	(25,247)	(26,645)	(25,247)
Adjustments to share of profit from equity accounted investees	1,937	(1,172)	-	-	-	-	1,937	(1,172)
Adjusted EBITDA (1)	330,559	280,013	37,542	108,261	(26,645)	(25,247)	341,456	363,027

(1) *Adjusted EBITDA for periods prior to March 31, 2021 has been restated on the basis described above*

($ thousands)	Three months ended September 30, 2021	2020 (1)
Net Income	35,996	17,550
Income tax expense	11,018	1,514
Depreciation, amortization, and impairment charges	39,425	44,416
Net finance costs	15,612	38,063
Unrealized loss (gain) on derivative financial instruments	2,249	(10,594)
Stock based compensation	4,864	4,683
Adjustments to share of profit from equity accounted investees	1,403	2,662
Corporate foreign exchange loss	149	2,531
Adjusted EBITDA (1)	110,716	100,825

(1) *Adjusted EBITDA for periods prior to March 31, 2021 has been restated on the basis described above*

($ thousands)	Nine months ended September 30, 2021	2020 (1)
Net Income	101,136	108,867
Income tax expense	29,287	32,320
Depreciation, amortization, and impairment charges	132,606	124,856
Net finance costs	46,383	80,726
Unrealized loss on derivative financial instruments	11,635	4,744
Stock based compensation	18,100	15,418
Adjustments to share of profit from equity accounted investees	1,937	(1,172)
Corporate foreign exchange loss (gain)	372	(2,732)
Adjusted EBITDA (1)	341,456	363,027

(1) *Adjusted EBITDA for periods prior to March 31, 2021 has been restated on the basis described above*