



Gibson Energy Announces 2022 First Quarter Results

All financial figures are in Canadian dollars unless otherwise noted

Calgary, Alberta (May 2, 2022) – Gibson Energy Inc. announced today its financial and operating results for the three months ended March 31, 2022.

“We are pleased to report a strong start to 2022 from both an operational and financial perspective, with the Infrastructure segment delivering another steady quarter, Marketing performance slightly above our outlook and the continued advancement of numerous discussions around the potential sanction of tankage, additional phases of the DRU and energy transition-aligned opportunities,” said Steve Spaulding, President and Chief Executive Officer. “We remain focused on other key aspects of our business including, advancing sustainability and ESG at Gibson, continuing to maintain a very solid financial position, as well as returning capital to shareholders through the repurchase of \$22 million in Gibson common shares through the end of April and increasing our dividend by six percent during the quarter.”

Financial Highlights:

- Revenue of \$2,688 million in the first quarter, a \$1,079 million or 67% increase over the first quarter of 2021, a result of higher commodity prices and volumes increasing contribution from the Marketing segment
- Infrastructure Adjusted EBITDA⁽¹⁾ of \$109 million in the first quarter, in-line with the first quarter of 2021, with an increase from the DRU being in-service in the current quarter largely offsetting the first quarter of 2021 having benefitted from the reversal of an accrual pertaining to a regulatory matter
- Marketing Adjusted EBITDA⁽¹⁾ of \$21 million in the first quarter, a \$17 million increase over the first quarter of 2021, reflecting a strengthening environment for Refined Products and the Crude Marketing business benefitting from increased market volatility
- Adjusted EBITDA⁽¹⁾ on a consolidated basis of \$121 million in the first quarter, an \$18 million or 17% increase over the first quarter of 2021, as result of the factors described above
- Net Income of \$52 million in the first quarter, a \$19 million or 59% increase over the first quarter of 2021, due to the factors described above partly offset by higher income tax expense in the current quarter
- Distributable Cash Flow⁽¹⁾ of \$79 million in the first quarter, a \$15 million or 24% increase over the first quarter of 2021, a result of the factors described above
- Dividend Payout ratio⁽²⁾ on a trailing twelve-month basis of 68%, below Gibson’s 70% – 80% target range
- Net Debt to Adjusted EBITDA ratio⁽²⁾ at March 31, 2022 of 2.7x, below the Company’s 3.0x – 3.5x target range

Strategic Developments and Highlights:

- Repurchased 776,100 shares for an aggregate \$19 million in the first quarter of 2022, with additional repurchases subsequent to the quarter to reach \$22 million year to date, reflecting the Company’s commitment to both its capital allocation philosophy and desire to return capital to shareholders given its strong financial position
- Announced that Gibson’s Board of Directors approved a quarterly dividend of \$0.37 per common share, an increase of \$0.02 per common share or 6%, beginning with the dividend payable in April
- Added by Global Listed Infrastructure Organization to its benchmark Index, where its member-investors across the world manage approximately US\$145 billion in assets
- Subsequent to the quarter, placed the Biofuels Blending Project at its Edmonton Terminal into service ahead of schedule and within budgeted capital on a fixed-fee basis and a 25-year term
- Subsequent to the quarter, renewed the Company’s principal \$750 million syndicated credit facility, which features sustainability-linked terms, extending its maturity into 2027

(1) Adjusted EBITDA and Distributable Cash Flow are non-GAAP financial measures. See the “Specified Financial Measures” section of this release.

(2) Net debt to Adjusted EBITDA ratio and Dividend Payout ratio are non-GAAP financial ratios. See the “Specified Financial Measures” section of this release.

Management's Discussion and Analysis and Financial Statements

The 2022 first 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 months ended March 31, 2022, as compared to the three months ended March 31, 2021. These documents are available at www.gibsonenergy.com and at www.sedar.com.

Earnings Conference Call & Webcast Details

A conference call and webcast will be held to discuss the 2022 first quarter financial and operating results at 7:00am Mountain Time (9:00am Eastern Time) on Tuesday, May 3, 2022.

The conference call dial-in numbers are:

- 416-764-8659 / 1-888-664-6392
- Conference ID: 08819166

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=1540212&tp_key=c5893fac9b

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 May 17, 2022, using the following dial-in numbers:

- 416-764-8677 / 1-888-390-0541
- Replay Entry Code: 819166#

Annual General and Special Meeting & Webcast Details

Gibson is holding its annual meeting of shareholders on Tuesday, May 3, 2022 at 10:00am Mountain Time (12:00 noon Eastern Time). Due to the ongoing nature of the COVID-19 pandemic, this meeting will be held as a virtual-only meeting conducted via live audio webcast to ensure the upmost safety for our attendees. Shareholders will have an equal opportunity to participate at the virtual-only meeting regardless of their geographic location. Participants are encouraged to register for the live audio webcast at least 10 minutes prior to the presentation start time.

Following the conclusion of the formal proceedings of Gibson's annual shareholder meeting, Mr. Steve Spaulding, President and Chief Executive Officer, will address shareholders and provide brief remarks on the current state of the business and discuss the highlights of the Company's key initiatives.

The live audio webcast can be accessed using the following URL:

- <https://web.lumiagm.com/453779509>
- Password: gibson2022

The webcast will remain accessible for a 12-month period at the above URL.

Additionally, information and materials related to the annual general meeting of shareholders can be accessed using the following URL:

- <https://www.gibsonenergy.com/investors/shareholder-information/2022-annual-special-meeting-of-shareholders/>

Supplementary Information

Gibson has also made available certain supplementary information regarding the 2022 first 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; 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 demand for crude oil and petroleum products and Gibson's operations generally; the Company's ability to successfully implement the plans and programs disclosed in Gibson's strategy, including advancing energy transition-aligned opportunities and its sustainability and ESG goals 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, 2022 as filed on SEDAR and available on the Gibson website at www.gibsonenergy.com.

For further information, please contact:

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Specified Financial Measures

This press release refers to certain financial measures that are not determined in accordance with GAAP, including non-GAAP financial measures and non-GAAP financial ratios. Readers are cautioned that non-GAAP financial measures and non-GAAP financial ratios do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures presented by other entities. Management considers these to be important supplemental measures of the Company's performance and believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures.

For further details on these specified financial measures, including relevant reconciliations, see the "Specified Financial Measures" section of the Company's MD&A for the period ended March 31, 2022, which is incorporated by reference herein and is available on Gibson's SEDAR profile at www.sedar.com and Gibson's website at www.gibsonenergy.com.

a) Adjusted EBITDA

Noted below is the reconciliation to the most directly comparable GAAP measures of the Company's segmented and consolidated adjusted EBITDA for the three months and years ended March 31, 2022 and 2021:

Three months ended March 31 (\$ thousands)	Infrastructure		Marketing		Corporate & Adjustments		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Segment Profit	106,977	108,275	30,648	6,834	-	-	137,625	115,109
Unrealized (gain) loss on derivative financial instruments	-	-	(10,040)	(3,584)	-	-	(10,040)	(3,584)
General and administrative	-	-	-	-	(8,936)	(8,732)	(8,936)	(8,732)
Adjustments to share of profit from equity accounted investees	2,011	269	-	-	-	-	2,011	269
Adjusted EBITDA	108,988	108,544	20,608	3,250	(8,936)	(8,732)	120,660	103,062

(\$ thousands)	Three months ended March 31,	
	2022	2021
Net Income	51,970	32,777
Income tax expense (recovery)	16,002	8,084
Depreciation, amortization, and impairment charges	38,439	41,284
Net finance costs	14,921	14,988
Unrealized (gain) loss on derivative financial instruments	(10,040)	(3,584)
Stock-based compensation	6,155	8,952
Adjustments to share of profit from equity accounted investees	2,011	269
Corporate foreign exchange loss	1,202	292
Adjusted EBITDA	120,660	103,062

b) Distributable Cash Flow

The following is a reconciliation of distributable cash flow from operations to its most directly comparable GAAP measure, cash flow from operating activities:

<i>(\$ thousands)</i>	Three months ended March 31,	
	2022	2021
Cash flow from operating activities	305,736	43,577
Adjustments:		
Changes in non-cash working capital and taxes paid	(190,653)	54,981
Replacement capital	(2,168)	(2,383)
Cash interest expense, including capitalized interest	(13,619)	(13,074)
Lease payments	(10,596)	(10,700)
Current income tax	(9,581)	(8,648)
Distributable cash flow	79,119	63,753

<i>(\$ thousands)</i>	Twelve months ended March 31,	
	2022	
Cash flow from operating activities		478,965
Adjustments:		
Changes in non-cash working capital and taxes paid		(32,809)
Replacement capital		(22,385)
Cash interest expense, including capitalized interest		(54,763)
Lease payments		(36,590)
Current income tax		(25,979)
Distributable cash flow		306,439

c) Dividend Payout Ratio

	Twelve months ended March 31,	
	2022	2021
Distributable cash flow	306,439	276,692
Dividends declared	208,463	200,222
Dividend payout ratio	68%	72%

d) Net Debt To Adjusted EBITDA Ratio

	Twelve months ended March 31,	
	2022	2021
Long-term debt	1,480,033	1,507,476
Lease liabilities	73,437	94,477
Less: unsecured hybrid debt	(250,000)	(250,000)
Less: cash and cash equivalents	(54,129)	(55,729)
Net debt	1,249,341	1,296,224
Adjusted EBITDA	462,816	430,291
Net debt to adjusted EBITDA ratio	2.7	3.0