



Gibson Energy Announces 2022 Third Quarter Results

All financial figures are in Canadian dollars unless otherwise noted

Calgary, Alberta (October 31, 2022) – Gibson Energy Inc. announced today its financial and operating results for the three and nine months ended September 30, 2022.

“Our third quarter results were strong from both an operational and financial perspective, with the Infrastructure segment performing in-line with our expectations while an increased contribution from Refined Products led the Marketing segment to be above our initial outlook,” said Steve Spaulding, President and Chief Executive Officer. “The improved performance of our business has allowed us to repurchase 2.7% of our outstanding shares, or \$97 million, to date and we now expect to deploy up to \$150 million towards share repurchases in 2022 given our outlook for the business for the balance of the year. We have also continued to progress Sustainability and ESG at Gibson through the release of our 2021 Sustainability Report while also strengthening our Board with the addition of Diane Kazarian, who brings extensive audit and risk experience.”

Financial Highlights:

- Revenue of \$2,652 million in the third quarter, a \$844 million or 47% increase over the third quarter of 2021, a result of higher commodity prices increasing contribution from the Marketing segment
- Infrastructure Adjusted EBITDA⁽¹⁾ of \$111 million in the third quarter, a \$7 million or 7% increase from the third quarter of 2021, principally due to increased contributions from the Edmonton Terminal, in part due to the Biofuels Blending project entering service, and a full quarter of operation for the DRU
- Marketing Adjusted EBITDA⁽¹⁾ of \$48 million in the third quarter, a \$32 million or 202% increase from the third quarter of 2021, primarily due to a stronger contribution from Refined Products as well as an increased contribution from Crude Marketing
- Adjusted EBITDA⁽¹⁾ on a consolidated basis of \$149 million in the third quarter, a \$39 million or 35% increase over the third quarter of 2021, as result of the factors described above
- Net Income of \$71 million in the third quarter, a \$35 million or 98% increase over the third quarter of 2021, due to the factors described above and with the current quarter benefitting from foreign exchange gains that were partially offset by higher income tax expense
- Distributable Cash Flow⁽¹⁾ of \$115 million in the third quarter, a \$44 million or 63% increase from the third quarter of 2021, a result of the factors described above
- Dividend Payout ratio⁽²⁾ on a trailing twelve-month basis of 64%, below the Company’s 70% – 80% target range
- Net Debt to Adjusted EBITDA ratio⁽²⁾ at September 30, 2022 of 2.7x, below the bottom end of the Company’s 3.0x – 3.5x target range

Strategic Developments and Highlights:

- Released its 2021 Sustainability Report, showcasing progress along the Company’s sustainability journey including continued focus on safety, further embedding ESG into its culture and business as well as achieving targets of having at least one racial and ethnic minority and/or Indigenous person on the Board and of 40% women representation on the Board, ahead of the 2025 target date
- Announced the addition of Ms. Diane Kazarian to the Company’s Board of Directors
- Repurchased 1.2 million shares for an aggregate \$28 million in the third quarter plus an additional 0.4 million shares subsequent to the end of the quarter, for a total to date this year of 3.9 million shares for an aggregate \$97 million representing 2.7% of outstanding shares

(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 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 months and nine months ended September 30, 2022, as compared to the three and nine months ended September 30, 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 third quarter financial and operating results at 7:00am Mountain Time (9:00am Eastern Time) on Tuesday, November 1, 2022.

The conference call dial-in numbers are:

- 416-764-8659 / 1-888-664-6392
- Conference ID: 70584022

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

- <https://app.webinar.net/180G5gZPxOj>

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 15, 2022, using the following dial-in numbers:

- 416-764-8677 / 1-888-390-0541
- Replay Entry Code: 584022 #

Supplementary Information

Gibson has also made available certain supplementary information regarding the 2022 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; 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 repurchase shares pursuant to its share buyback program and the terms of those share repurchases, 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, inflation 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 and growth 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; Gibson's plans to repurchase shares and the amount thereof; 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; 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 three and nine months ended September 30, 2022 and 2021, 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 and nine months ended September 30, 2022, and 2021:

Three months ended September 30 (\$ thousands)	Infrastructure		Marketing		Corporate & Adjustments		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Segment Profit	109,349	102,774	44,786	13,528	-	-	154,135	116,302
Unrealized loss on derivative financial instruments	-	-	2,889	2,249	-	-	2,889	2,249
General and administrative	-	-	-	-	(10,374)	(9,238)	(10,374)	(9,238)
Adjustments to share of profit from equity accounted investees	2,021	1,403	-	-	-	-	2,021	1,403
Other	-	-	-	-	742	-	742	-
Adjusted EBITDA	111,370	104,177	47,675	15,777	(9,632)	(9,238)	149,413	110,716

Nine months ended September 30 (\$ thousands)	Infrastructure		Marketing		Corporate & Adjustments		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Segment Profit	326,143	328,622	81,705	25,907	-	-	407,848	354,529
Unrealized (gain) / loss on derivative financial instruments	-	-	(1,027)	11,635	-	-	(1,027)	11,635
General and administrative	-	-	-	-	(29,960)	(26,645)	(29,960)	(26,645)
Adjustments to share of profit from equity accounted investees	6,042	1,937	-	-	-	-	6,042	1,937
Other	-	-	-	-	742	-	742	-
Adjusted EBITDA	332,185	330,559	80,678	37,542	(29,218)	(26,645)	383,645	341,456

Three months ended September 30,

(\$ thousands)	2022	2021
Net Income	71,465	35,996
Income tax expense	20,589	11,018
Depreciation, amortization, and impairment charges	37,191	39,425
Net finance costs	16,426	15,612
Unrealized loss on derivative financial instruments	2,889	2,249
Stock based compensation	4,569	4,864
Adjustments to share of profit from equity accounted investees	2,021	1,403
Corporate foreign exchange (gain) / loss and other	(5,737)	149
Adjusted EBITDA	149,413	110,716

Nine months ended September 30,

(\$ thousands)	2022	2021
Net Income	159,354	101,136
Income tax expense	47,646	29,287
Depreciation, amortization, and impairment charges	113,645	132,606
Net finance costs	47,112	46,383
Unrealized (gain) / loss on derivative financial instruments	(1,027)	11,635
Stock based compensation	15,427	18,100
Adjustments to share of profit from equity accounted investees	6,042	1,937
Corporate foreign exchange (gain) / loss and other	(4,554)	372
Adjusted EBITDA	383,645	341,456

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 September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cash flow from operating activities	206,671	93,419	528,254	213,620
Adjustments:				
Changes in non-cash working capital and taxes paid	(50,588)	12,923	(144,309)	118,147
Replacement capital	(7,556)	(7,591)	(15,384)	(14,201)
Cash interest expense, including capitalized interest	(15,771)	(13,634)	(43,527)	(40,069)
Lease payments	(7,510)	(9,180)	(27,630)	(29,686)
Current income tax	(10,555)	(5,422)	(29,656)	(21,134)
Distributable cash flow	114,691	70,515	267,748	226,677

<i>(\$ thousands)</i>	Twelve months ended September 30,	
	2022	2021
Cash flow from operating activities	531,440	258,560
Adjustments:		
Changes in non-cash working capital and taxes paid	(49,631)	149,400
Replacement capital	(23,783)	(19,270)
Cash interest expense, including capitalized interest	(57,676)	(51,687)
Lease payments	(34,638)	(40,450)
Current income tax	(33,568)	(15,780)
Distributable cash flow	332,144	280,773

c) **Dividend Payout Ratio**

	Twelve months ended September 30,	
	2022	2021
Distributable cash flow	332,144	280,773
Dividends declared	213,869	203,328
Dividend payout ratio	64%	72%

d) **Net Debt To Adjusted EBITDA Ratio**

	Twelve months ended September 30,	
	2022	2021
Long-term debt	1,551,478	1,575,324
Lease liabilities	72,151	88,031
Less: unsecured hybrid debt	(250,000)	(250,000)
Less: cash and cash equivalents	(72,183)	(67,351)
Net debt	1,301,446	1,346,004
Adjusted EBITDA	487,407	423,344
Net debt to adjusted EBITDA ratio	2.7	3.2