



## Gibson Energy Announces 2017 Fourth Quarter and Year-End Results

All financial figures are in Canadian dollars

**Calgary, Alberta (March 5, 2018)** – Gibson Energy Inc. (“Gibson” or the “Company”), (TSX: GEI), announced today its operating and financial results for the three months and year ended December 31, 2017.

### Financial Highlights:

- Infrastructure segment profit of \$56 million in the fourth quarter contributed to 2017 full year performance of \$237 million, a 19% increase over full year 2016. The fourth quarter of 2017 was negatively impacted by \$7 million from one-time revenue adjustments and recognition of environmental remediation costs at Hardisty
- Segment profit from continuing operations in 2017 of \$310 million, a 17% increase from 2016, was driven by an increased contribution from each segment
- Net loss from continuing operations decreased by 35% in 2017 to \$116 million compared to a net loss of \$178 million in 2016
- Adjusted EBITDA from continuing operations<sup>(1)</sup> increased by 14% to \$278 million in 2017 compared to \$244 million in 2016
- Distributable cash flow from combined operations<sup>(2)</sup> increased by 39% to \$184 million in 2017, including \$65 million in the fourth quarter, compared to \$132 million in 2016 and \$48 million in the fourth quarter of 2016

### Strategic Developments and Highlights:

- Refocused the asset portfolio towards oil infrastructure through the sale of Industrial Propane for \$433 million on March 1, 2017 and announced intention to sell U.S. Environmental Services on August 1, 2017
- Invested \$157 million of growth capital in 2017, including nearly 95% within the Infrastructure segment primarily to advance the development of the 800,000 barrel expansion in Edmonton, which entered service on January 3, 2018, as well as the construction of 1.1 million barrels of new tankage at the Hardisty Terminal that was sanctioned on September 11, 2017 and is expected to be in-service in the third quarter of 2019
- Initiated a corporate reorganization through the year, including the appointment of Steve Spaulding as the Company’s President and Chief Executive Officer effective June 19, 2017 and the elimination of certain executive and management positions, incurring one-time reorganization and executive costs of \$19 million
- Issued \$600 million of 5.25% Senior Unsecured Notes due July 15, 2024 and redeemed the US\$550 million 6.75% Notes due July 15, 2021 and the \$250 million 7.00% Notes due July 2020, extending the company’s debt maturity profile and meaningfully reducing interest costs

“Gibson delivered strong financial and operational results in 2017 while continuing to advance our infrastructure focused strategy by divesting of the Industrial Propane business and initiating the process to sell U.S. Environmental Services,” said Steve Spaulding, President and Chief Executive Officer. “As we continue to better position the company for future growth and high-quality cash flows, we transitioned to a flatter, commercially-focused organizational structure, which in concert with the refinancing of our long-term debt, has also meaningfully improved our cost structure. In 2018, we will continue our strategic momentum by divesting of our remaining non-core businesses in a structured, timely manner and expect to announce the sale of U.S. Environmental Services by the end of the first quarter. Additionally, we will look to secure the incremental growth opportunities required to reach our ~10% distributable cash flow per share growth target over the longer term, such as the recently announced Viking Pipeline Project.”

<sup>(1)</sup> Adjusted EBITDA from continuing operations is defined in Gibson’s Management’s Discussion and Analysis (“MD&A”). See MD&A section “Results of Continuing Operations” for segment profit from continuing operations discussion, which is the most closely related additional GAAP measure and disclosed in note 1 of the consolidated financial statements.

<sup>(2)</sup> Distributable cash flow from combined operations is defined in Gibson’s MD&A. See MD&A sections “Liquidity and Capital Resources” and “Results of Discontinued Operations” for cash flow from operations discussion, which is the most closely related GAAP measure.

## Management's Discussion and Analysis and Financial Statements

The 2017 fourth quarter and year-end MD&A and audited consolidated financial statements provide a detailed explanation of Gibson's operating results for the three months and fiscal year ended December 31, 2017, as compared to the three months and fiscal year ended December 31, 2016. These documents are available at [www.gibsonenergy.com](http://www.gibsonenergy.com) and at [www.sedar.com](http://www.sedar.com).

## 2017 Fourth Quarter and Year-End Results Conference Call

A conference call and webcast presentation will be held to discuss the 2017 fourth quarter and year-end financial and operating results at 7:00am Mountain Time (9:00am Eastern Time) on Tuesday, March 6, 2018.

The conference call dial-in numbers are:

- 478-219-0003 / 844-358-6759
- Participant Pass Code: 1193885

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

<https://edge.media-server.com/m6/p/4iyv8v7m>

The webcast will remain accessible for a 12 month period. Additionally, a digital recording will be available for replay two hours after the call's completion until March 13, 2018, using the following dial-in numbers:

- 404-537-3406 / 855-859-2056
- Participant Pass Code: 1193885

## About Gibson

Gibson is a Canadian-based, dividend paying oil infrastructure growth company with its principal businesses consisting of the storage, optimization, processing, and gathering of crude oil 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 also include the Moose Jaw Facility and injections stations in Texas and Oklahoma.

Gibson shares trade under the symbol GEI and are listed on the Toronto Stock Exchange. For more information, visit [www.gibsonenergy.com](http://www.gibsonenergy.com).

## Forward-Looking Statements

*Certain statements contained in this news release constitute forward-looking information and statements (collectively, "forward-looking statements") including, but not limited to, statements concerning the future payment of dividends by Gibson and growth thereof, distributable cash flow and growth thereof, management's expectations with respect to the business and financial prospects and opportunities of the Company, the transition of the Company to a focused oil infrastructure growth company, proposed divestitures by the company, including the sale of Gibson's U.S. Environmental Services business, and the use of proceeds, closing and timing thereof, opportunities and areas for potential growth and the completion of the Viking Pipeline Project. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "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. These 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. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. These statements speak only as of the date of this news release. In addition, this news release may contain forward-looking statements and forward-looking information attributed to third party industry sources. The Company does not undertake any obligations to publicly update or revise any forward looking statements except as required by securities law. Actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous risks and uncertainties including, but not limited to, the risks and uncertainties described in "Forward-Looking Statements" and "Risk Factors" included in the Company's Annual Information Form dated March 5, 2018 as filed on SEDAR and available on the Gibson website at [www.gibsonenergy.com](http://www.gibsonenergy.com).*

**Non-GAAP Measures**

*This news release refers to certain financial measures that are not determined in accordance with IFRS. Adjusted EBITDA from continuing operations and Distributable cash flow ("DCF") from combined operations are 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 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. Adjusted EBITDA from continuing operations and Distributable cash flow are used to assess the level of cash flow generated and to evaluate the adequacy of internally generated cash flow to fund dividends. Additional information about reconciliation of historical distributable cash flow and Adjusted EBITDA to its most closely related IFRS measure, cash flow from operating activities and segment profit, respectively, can be found in our MD&A available on SEDAR at [www.sedar.com](http://www.sedar.com) and on our website at [www.gibsonenergy.com](http://www.gibsonenergy.com).*

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## Selected Financial Information

	Three months ended December 31		Year ended December 31		
	2017	2016 <sup>3</sup>	2017	2016 <sup>3</sup>	2015 <sup>3</sup>
<b>Continuing operations</b>					
Revenue .....	\$ 1,766,887	\$ 1,414,187	\$ 6,100,839	\$ 4,594,181	\$ 5,405,311
Segment profit .....	85,227	87,634	310,236	263,646	377,416
Net loss .....	(91,787)	(50,597)	(115,715)	(178,167)	(295,374)
Basic and diluted loss per share .....	(0.64)	(0.36)	(0.81)	(1.31)	(2.35)
Adjusted EBITDA <sup>1,2</sup> .....	82,271	83,927	277,635	244,092	344,591
Distributable cash flow <sup>1,2</sup> .....	48,465	42,725	165,031	101,940	200,990
Dividends declared .....	47,257	46,772	188,470	181,994	161,002
Cash flow from operating activities .....	45,314	44,152	204,970	175,482	399,117
Growth capital expenditures .....	\$ 59,045	\$ 34,769	\$ 157,123	\$ 202,984	\$ 343,766
<b>Combined operations<sup>1</sup></b>					
Adjusted EBITDA <sup>1,2</sup> .....	82,271	97,219	291,272	278,106	386,284
Distributable cash flow <sup>1,2</sup> .....	\$ 65,170	\$ 47,614	\$ 183,594	\$ 131,644	\$ 226,297

## Consolidated balance sheets

	As at December 31		
	2017	2016	2015
Total assets .....	\$ 2,964,434	\$ 3,261,347	\$ 3,282,986
Total non-current liabilities .....	\$ 1,498,900	\$ 1,639,045	\$ 1,606,425
<b>Last Twelve Months - As at December 31</b>			
	2017	2016	2015
<b>Debt ratios<sup>4</sup></b>			
Total and senior debt leverage ratio .....	4.0	4.4	3.2
Interest coverage ratio .....	3.7	3.0	4.6

<sup>1</sup> See discussion in the MD&A on non-GAAP measures on pages 20 to 23 and 39 to 40. Combined Adjusted EBITDA and Combined distributable cash flow, represents the aggregated results of both continuing and discontinued operations.

<sup>2</sup> See pages 21 to 22 and 28 in the MD&A for a reconciliation of Adjusted EBITDA to Segment Profit and distributable cash flow to cash flow from operations, respectively.

<sup>3</sup> Comparative period information has been restated to reflect the impact of discontinued operations. Refer to "subsequent events" in the MD&A for details.

<sup>4</sup> See ratio discussion in the MD&A on page 21 and 26 for more information on the ratio calculation which includes calculation of Proforma Adjusted EBITDA for covenant calculations.