



Gibson Energy Announces 2019 Third Quarter Results

All financial figures are in Canadian dollars unless otherwise noted

Calgary, Alberta (November 4, 2019) – Gibson Energy Inc. (“Gibson” or the “Company”) (TSX: GEI), announced today its financial and operating results for the three and nine months ended September 30, 2019.

“Gibson continued to deliver strong, consistent operational and financial results in the third quarter, with the continued growth of long-term, high-quality cash flows from our Infrastructure segment while the contribution from Marketing meaningfully exceeded our expectations,” said Steve Spaulding, President and Chief Executive Officer. “We remain confident in our ability to keep executing our strategy, most notably our ability to continue to sanction tankage at our two to four tanks per year outlook, while in the U.S., we recently doubled the dedicated acreage around our Pyote East Pipeline, which we placed into service in October. We continue to advance several commercial opportunities on both sides of the border and remain confident we will be within our \$200 million to \$300 million target range for infrastructure growth capital in 2020, and beyond, while being fully-funded for all sanctioned capital.”

Financial Highlights:

- Infrastructure segment profit of \$82 million in the third quarter, a \$6 million increase over the third quarter of 2018, primarily due to additional tankage at Hardisty, the expansion of the HURC Facility, the expansion of the Moose Jaw Facility and the Viking Pipeline entering service
- Marketing segment profit of \$50 million in the third quarter, a \$17 million decrease from the third quarter of 2018, due to lower margins earned in both the Refined Products and Crude Marketing businesses
- Adjusted EBITDA from continuing operations⁽¹⁾ of \$121 million in the third quarter inclusive of an \$11 million credit related to the amendment of the Company’s retirement benefits plan, or \$110 million before the gain
- Distributable cash flow from combined operations⁽²⁾ of \$72 million in the third quarter, resulting in a payout ratio on a trailing twelve-month basis of approximately 60%, well below the Company’s 70% to 80% target range
- Continue to maintain a strong balance sheet, with Net Debt to Pro Forma Adjusted EBITDA at September 30, 2019 of 2.6x, below the Company’s 3.0x – 3.5x target range, and remain fully-funded for all sanctioned capital

Strategic Developments and Highlights:

- Subsequent to the end of the quarter, placed the Pyote East Pipeline into service and secured the dedication of an additional 65,000 acres, increasing dedicated acreage in the Wink area to over 135,000 acres
- S&P Global Ratings raised its long-term issuer rating for Gibson to Investment Grade at “BBB–” with a “Stable” outlook, representing a second Investment Grade rating of the Company
- Issued \$500 million Senior Unsecured Medium Term Notes with a fixed coupon of 3.6% per annum and maturing September 17, 2029. A portion of the proceeds were used to redeem the Company’s outstanding \$300 million 5.375% notes due 2022 in full on October 17, 2019
- Closed the sale of the Canadian Truck Transportation business for proceeds of approximately \$70 million prior to customary closing adjustments and contingent bonus payments to Gibson, and expect to close the associated sale of a field office and shop facilities for additional proceeds of approximately \$30 million in the first quarter of 2020, resulting in aggregate proceeds from the divestiture of approximately \$100 million

⁽¹⁾ 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 GAAP measure and disclosed in note 1 of the condensed consolidated financial statements.

⁽²⁾ 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 2019 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, 2019, as compared to the three and nine months September 30, 2018. These documents are available at www.gibsonenergy.com and at www.sedar.com.

2019 Third Quarter Results Conference Call

A conference call and webcast will be held to discuss the 2019 third quarter financial and operating results at 7:00am Mountain Time (9:00am Eastern Time) on Tuesday, November 5, 2019.

The conference call dial-in numbers are:

- 478-219-0003 / 844-358-6759
- Participant Pass Code: 1994214

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

- <https://edge.media-server.com/mmc/p/g3i64vp8>

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 13, 2019, using the following dial-in numbers:

- 404-537-3406 / 855-859-2056
- Participant Pass Code: 1994214

Supplementary Information

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

About Gibson

Gibson is a Canadian-based oil infrastructure 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 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 news release constitute forward-looking information and statements (collectively, "forward-looking statements") including, but not limited to, statements concerning management's expectations with respect to the business and financial prospects and opportunities of the Company, business and funding strategy and plans of management (including expected infrastructure growth and targeted timing), objectives of or involving Gibson, the Company's ability to reduce capital costs and/or have improved market access, the Company's ability to remain fully-funded for sanctioned capital expenditures, the financial position of the Company, and estimated growth capital expenditures. 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 4, 2019 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 (“DCF”) 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 our Management Discussion and Analysis (“MD&A”) available on SEDAR at www.sedar.com and on our website at www.gibsonenergy.com.

For further information, please contact:

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SELECTED FINANCIAL INFORMATION

	Three months ended September 30		Nine months ended September 30	
	2019	2018 ¹	2019	2018 ¹
Continuing operations ¹				
Revenue ²	\$ 1,993,440	\$ 2,130,022	\$ 5,669,762	\$ 5,531,984
Segment profit ²	131,217	142,227	362,235	333,518
Net income ²	45,525	6,822	138,895	33,849
Basic income per share ²	0.31	0.05	0.96	0.24
Diluted income per share ²	0.30	0.05	0.94	0.23
Adjusted EBITDA.....	121,232	140,448	333,270	323,314
Distributable cash flow ^{2,3,4}	71,939	81,015	225,729	180,937
Dividends declared.....	48,011	47,588	143,928	142,622
Cash flow from operating activities ²	231,331	118,239	256,485	265,042
Growth capital expenditures ²	\$ 82,180	\$ 63,702	\$ 182,378	\$ 139,453
Combined operations ¹				
Combined Adjusted EBITDA ^{1,3}	\$ 121,232	\$ 146,625	\$ 341,367	\$ 349,604
Distributable cash flow ^{1,2,3,4}	\$ 71,939	\$ 85,155	\$ 233,854	\$ 198,394

Last twelve months – As at September 30,

	2019	2018
Debt and dividend payout ratios		
Total and senior debt leverage ratio.....	2.6	2.9
Interest coverage ratio.....	6.7	6.0
Debt to capitalization leverage ratio.....	47%	-
Combined dividend payout ratio ⁴	60%	70%

- See definition of non-GAAP measures on pages 15 to 16 and 29 of the MD&A. Combined Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Combined distributable cash flow, represents the aggregated results of both continuing and discontinued operations.
- Comparative period information has been represented to reflect the impact of discontinued operations.
- See pages 16 to 17 and 23 to 24 of the MD&A for a reconciliation of Adjusted EBITDA to segment profit and distributable cash flow to cash flow from operations, respectively.
- The distributable cash flow calculation was revised during 2018 and comparative information has been restated, refer to page 22 of the MD&A for details.