



Gibson Energy Announces 2021 Capital Budget

All financial figures are in Canadian dollars unless otherwise noted

Calgary, Alberta (December 7, 2020) – Gibson Energy Inc. announced today its outlook for growth capital expenditures in 2021 of up to \$200 million. Projects currently sanctioned by the Board of Directors, or with strong line of sight thereto, comprise approximately two-thirds of that figure. Additionally, the Board of Directors has approved the allocation of between \$25 million and \$30 million in replacement capital expenditures in 2021.

“While we have been able to effectively double our long-term, stable fee-based Infrastructure cash flows over the last four years, our focus in the current environment will be to further high-grade our growth capital,” said Steve Spaulding, President and Chief Executive Officer. “We will also ensure that we maintain our peer-leading capital structure, continue to improve our financial flexibility and preserve our fully-funded cushion as to be well positioned for when growth in our sector resumes. Based on our current customer discussions, we anticipate growth capital expenditures in 2021 will reach approximately \$200 million as we sanction additional projects through the year, primarily at our Hardisty and Edmonton terminals.”

Consistent with Gibson’s focus on continuing to integrate the principles of ESG and Sustainability into all aspects of its business, the Board of Directors and Management have also sought to consider the 2021 capital budget with that lens, including emissions intensity. Gibson expects that at least half of its planned \$200 million 2021 capital spend will be on projects that are beneficial on an ESG and Sustainability basis, whether directly to Gibson or in the infrastructure built on behalf of our customers.

The Company continues to expect 2020 growth capital expenditures to be approximately \$300 million. In order to reach the \$200 million outlook in 2021, the Company expects to sanction additional tankage in the second half of 2021, consistent with the lower end of its expected run-rate of 2 to 4 tanks per year. Gibson also continues to pursue additional phases at the DRU which, if sanctioned, would be incremental to the capital outlook.

Funding Position

Gibson remains fully-funded for all sanctioned capital, with significant internal funding capacity above the full year outlook. This 2021 funding position is the result of the sustained growth of the Company’s Infrastructure businesses and outperformance from the Marketing business in recent years, increasing retained cash flows and further strengthening Gibson’s balance sheet. It is also based on a conservative outlook for the Marketing segment within the Company’s long-term run-rate and assuming target leverage on new infrastructure capital of between 50% and 60%, consistent with Gibson’s Governing Financial Principles.

“With Infrastructure Segment Profit expected to exit 2020 with a quarterly run-rate of approximately \$100 million and Marketing Segment Profit expected to be within, though potentially towards the lower end of, our long-term annual run-rate range of \$80 million to \$120 million, we remain comfortable with our leverage and liquidity position through 2021, both on a consolidated and Infrastructure-only basis,” said Sean Brown, Senior Vice President and Chief Financial Officer. “We will remain proactive in maintaining our long-term target capital structure, including pursuing options to replace the Convertible Debenture in a credit positive, non-dilutive manner. Maintaining the Company’s best-in-class liquidity and funding position is fundamental, in part to ensure we remain well positioned to take advantage of any additional capital opportunities that may arise in 2021.”

To the extent that the Company does not deploy the full \$200 million on growth projects in 2021, or the outlook for the Marketing segment strengthens, Gibson would look to return the excess capital to shareholders.

About Gibson

Gibson Energy Inc. (“Gibson” or the “Company”), (TSX: GEI) 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, management’s expectations with respect to the business and financial prospects and opportunities of Gibson or its subsidiaries, business and funding strategy and plans of management, expectations of future market conditions, expectations of growth capital expenditures and replacement capital expenditures in 2021 and growth capital expenditures for 2020, Gibson’s ability to integrate ESG and sustainability initiatives into its business, sanction projects that are in support thereof and the resulting impact of such projects on Gibson’s or its customers’ business and Gibson’s capital allocation, Gibson’s ability to sanction additional tankage and the timing thereof, Gibson’s expectations with respect to its funding position, Gibson’s expectations of the Infrastructure and Marketing segments, the return of capital to shareholders and the conditions upon which Gibson would do so and Gibson’s plans and strategies to realize its projections. 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 February 24, 2020 as filed on SEDAR and available on the Gibson website at www.gibsonenergy.com.

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