

All financial figures are in Canadian dollars

[Gibson Energy Inc.](#) ("Gibsons" or the "Company"), (TSX:GEI), announced today operating and financial results for the three months ended September 30, 2016.

Highlights:

- Adjusted EBITDA¹ of \$63 million in the third quarter of 2016 represented a 41% increase over the second quarter of 2016 and was supported by record Infrastructure segment profit contribution of \$52 million;
(1) Adjusted EBITDA is defined in Gibsons' Management's Discussion and Analysis.
- Capital expenditures were \$65 million in the third quarter of 2016, of which \$60 million was related to growth initiatives, primarily the terminal infrastructure expansions at Hardisty and Edmonton;
- The Company successfully advanced a number of growth initiatives including the commissioning of 500,000 barrels of new storage capacity at Hardisty during the third quarter;
- Subsequent to the end of the third quarter, the Company commissioned 300,000 barrels of new storage at Edmonton and all of the remaining expansion projects at Hardisty, consisting of 1.5 million barrels at Hardisty East and 900,000 barrels at Hardisty West;
- On July 20, 2016, the Company announced it had engaged a financial advisor to assist with a potential sale of the Company's Industrial Propane segment; and
- On September 6, 2016, the Company announced it had received committed customer support for the construction of two new 400,000 barrel crude oil storage tanks and related pipeline connection infrastructure at the Company's Edmonton Terminal. These tanks, which are expected to be in-service by the second quarter of 2018, are underpinned by a long-term, take-or-pay contract with a large, integrated, investment grade customer.

"I am pleased with the sequential improvements exhibited in our third quarter results and the successful progression of our growth initiatives," said Stewart Hanlon, Gibsons' President and Chief Executive Officer. "Our focus on cost controls and operational discipline over the past several quarters, as well as our strategy to concentrate on Infrastructure growth initiatives, has proven its merit in our third quarter financial results."

Mr. Hanlon added "As a result of improved capital expenditure efficiencies, a number of the Hardisty expansion projects were commissioned under budget and well ahead of the expected in-service dates and, as a result, we were able to successfully contract secure short term tenants for the tanks, as necessary, until such time as the long term take or pay contracts for those tanks commence later in 2017."

Mr. Hanlon continued "We believe that a recovery is slowly building momentum, and, while we expect it to offer only a modest pace of improvement at this point, there is tremendous upside in our activity sensitive businesses which we can realize without a requirement to invest additional growth capital as the recovery progresses. The recent commissioning of new infrastructure projects provides good visibility to cash flow growth in 2017 and, reflecting on recent commercial negotiations, we expect similar support into 2018 as well."

Management's Discussion and Analysis and Financial Statements

The Third Quarter 2016 Management's Discussion and Analysis and Consolidated Financial Statements provide a detailed explanation of Gibsons' operating results for the three and nine months ended September 30, 2016, as compared to the three and nine months ended September 30, 2015. These documents are available at www.gibsons.com and at www.sedar.com.

2016 Third Quarter Results Conference Call

A conference call to discuss Gibsons' third quarter results will be held at 7:00 a.m. MT (9:00 a.m. ET) on Wednesday, November 2, 2016, for interested investors, analysts and media representatives.

The conference call dial-in numbers are:

- 866-696-5910 from Canada and the US
- 416-340-2217 from Toronto and International
- Participant Pass Code: 9896429

Shortly after the call, an audio archive will be posted on the Investor/News section at www.gibsons.com. The call will also be recorded and available for playback 60 minutes after the meeting end time, until March 7, 2017, using the following dial in process:

- 905-694-9451 / 800-408-3053
- Pass code: 4543666

About Gibsons

Gibsons is a Canadian-based midstream energy company with operations in most of the key hydrocarbon-rich basins in North America. For over 60 years, Gibsons has delivered integrated midstream solutions to customers in the oil and gas industry. With headquarters in Calgary, Alberta, the Company's North American operations include the storage, blending, processing, transportation, marketing and distribution of crude oil, liquids and refined products. The Company also provides oilfield waste and water management services. Gibsons is the second largest industrial propane distribution company in Canada operating under the Canwest Propane and Stittco Energy brands.

[Gibson Energy Inc.](#) shares trade under the symbol GEI and are listed on the Toronto Stock Exchange. For more information, visit www.gibsons.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 Company's growth capital spending, the timing and completion of construction projects, future additional projects, the potential sale of the Company's Industrial Propane segment and management's expectation with respect to the Company's business and financial prospects and opportunities. These statements relate to future events or the Company's future performance. 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 1, 2016 as filed on SEDAR and available on the Gibsons website at www.gibsons.com.

This news release refers to certain financial measures that are not determined in accordance with International Financial Reporting Standards ("IFRS"). Adjusted EBITDA and Pro Forma Adjusted EBITDA are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. 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 its industries with similar capital structures. See "Summary of Quarterly Results" in the Company's MD&A for a reconciliation of EBITDA to net income, the IFRS measure most directly comparable to EBITDA, and for a reconciliation of Adjusted EBITDA and Pro Forma Adjusted EBITDA to EBITDA. Distributable cash flow is used to assess the level of cash flow generated from ongoing operations and to evaluate the adequacy of internally generated cash flow to fund dividends. See "Distributable Cash Flow" in the Company's MD&A for a reconciliation of distributable cash flow to cash flow from operations, the IFRS measure most directly comparable to distributable cash flow. Investors are encouraged to evaluate each adjustment and the reasons the Company considers it appropriate for supplemental analysis. Investors are cautioned, however, that these measures should not be construed as an alternative to net income determined in accordance with IFRS as an indication of the Company's performance.

Selected Financial Highlights

(Thousands)

	Three months ended September 30		Nine months ended September 30	
	2016	2015	2016	2015
Segment Profit*:				
Infrastructure	\$51,811	\$43,044	\$144,036	\$131,041
Logistics	12,045	22,269	24,891	72,097
Wholesale	1,259	33,094	7,204	72,381
Industrial Propane	1,872	2,938	21,074	26,578
Other	(479)	857	(119)	4,562
Total Segment Profit	\$66,508	\$102,202	\$197,086	\$306,659
Adjusted EBITDA	\$62,563	\$95,107	\$180,887	\$285,323
Capital Expenditures, excluding acquisitions:				
Growth Capital	\$60,503	\$105,642	\$168,951	\$259,268

Upgrade and Replacement Capital	4,546	17,992	20,676	37,470
Total	\$65,049	\$123,634	\$189,627	\$296,738

Trailing Twelve Month Metrics:

September 30, 2016

Pro Forma Adjusted EBITDA	281,848
Distributable Cash Flow	127,856
Dividends Declared to Shareholders	175,585
Payout Ratio	137%

Leverage Metrics:

Total Debt Ratio	4.2
Interest Coverage Ratio	3.1

* Segment profit is defined as revenue minus (i) cost of sales; and (ii) operating costs. It excludes depreciation, amortization, impairment charges, stock based compensation and corporate expenses.

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