CALGARY, ALBERTA--(Marketwired - May 8, 2017) - Gibson Energy Inc. ("Gibsons" or the "Company"), (TSX:GEI), announced today its operating and financial results for the three months ended March 31, 2017. The Company also announced the pending retirement of its President and Chief Executive Officer, Stewart Hanlon.

All financial figures are in Canadian dollars

Highlights:

(Comparisons made between fiscal Q1 2017 and fiscal Q1 2016 results, unless otherwise noted.)

- Combined Adjusted EBITDA[1] was $87 million in the first quarter, an increase of 17%;
- Combined segment profit[2] increased 25% to $100 million, supported by a 12% increase in Infrastructure segment profit to $60 million as a result of the additional tank capacity and associated fixed fee contracts added in 2016;
- Wholesale segment profit of $18 million increased materially due to seasonal market dynamics for NGLs and refined products
- Distributable cash flow from continuing operations[3] increased by 153% to $42 million;
- On March 1, 2017, Gibsons granted an option right to Superior Plus LP, which was exercised immediately, to purchase Gibsor Industrial Propane business in exchange for adjusted cash consideration of $435 million. As a result, the Company derecognized the Industrial Propane segment effective March 1, 2017;
- On March 22, 2017, the Company closed the issuance of $350 million aggregate principal amount of 5.25% senior unsecured notes due July 15, 2024. The net proceeds of the issuance, along with a portion of the net proceeds from the sale of the Company's Industrial Propane business, were utilized to repay $211 million of its 7.00% senior notes due 2020 and U.S.$339 million of its 6.75% senior notes due 2021. The closing of the notes issuance, in combination with the early repayment of notes strengthens the Company's balance sheet, by reducing its long-term indebtedness, decreases its annual interest costs and extends its debt maturity profile; and
- Capital expenditures were $25 million, of which $24 million related to growth initiatives primarily advancing the expansion of terminal storage and pipeline connections at the Company's key Hardisty and Edmonton facilities.

"Our continued deployment of capital into the Infrastructure segment helped lead to increases in volumes at both our Hardisty and Edmonton terminals benefitting from the newly commissioned tanks that came on-stream in the last two quarters of 2016," said Stewart Hanlon, Gibsons' President and Chief Executive Officer. "Our cash flow stability continues to improve and the sale of the Industrial Propane business accelerates the Company's Infrastructure focus. Leading into 2017, we will prioritize efficiently constructing the two, new, fully-contracted 400,000 barrel Edmonton tanks, contracting up to four new tanks in Hardisty, and continuing to enhance our business to increase the contracted cash flow available to support and ultimately grow our dividend."

1. Combined Adjusted EBITDA is defined in Gibsons' Management's Discussion and Analysis.
2. Segment profit is defined in Gibsons' Management's Discussion and Analysis
3. Distributable cash flow from continuing operations is defined in Gibsons' Management's Discussion and Analysis

CEO Retirement

The Company formally announced Stewart Hanlon's intention to retire following 26 years with Gibsons, eight of them as President and CEO. Mr. Hanlon informed the Board, in mid-2016, about his desire to retire at some point in 2018. At that time, the Board commenced a search and hopes to be in a position to announce the new President and CEO in the near term. Mr. Hanlon will continue in his current role until his successor has joined Gibsons and will stay on with the Company, in an advisory capacity, for a period of time thereafter to ensure an orderly transition.

"Under Stewart's leadership, Gibsons has built a highly valuable and irreplaceable footprint at its key hubs in Hardisty and Edmonto Alberta. In 2011, Stewart led the Company's IPO. Since then, the Company has dramatically sharpened its business focus, tripling Infrastructure-based cash flows, and contracting for the sale of its Industrial Propane business, at full value. Growing the Company's high-value Infrastructure business will continue to be the strategy going forward," said James Estey, Chair of the Board. "I want to thank Stewart for his contributions. He has built a strong executive team, enabling the seamless transition to a new President and CEO. He is a respected leader and has created a company culture with strong values and a focus on providing customer solutions."

Management's Discussion and Analysis and Financial Statements

The first quarter 2017 Management's Discussion and Analysis and Condensed Consolidated Financial Statements provide a detaile explanation of Gibsons' operating results for the quarter ended March 31, 2017, as compared to the first quarter ended March 31, 2016. These documents are available at www.gibsons.com and at www.sedar.com.

2017 First Quarter Results Conference Call

A conference call to discuss Gibsons' first quarter 2017 results will be held at 7:00 a.m. MT (9:00 a.m. ET) on May 9, 2017, 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: 5924396#

Shortly after the call, an audio archive will be posted on the Investor/News section at http://www.gibsons.com. The call will also be recorded and available for playback 60 minutes after the meeting end time, until August 1, 2017, using the following dial in process:

- 905-694-9451 / 800-408-3053
- Pass code: 8719230#

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, natural gas liquids and refined products. The Company also provides oilfield waste and water management services.

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 construction projects, the sale of the Company's Industrial Propane business, the retirement of the current CEO and the appointment of his successor, the current dividend level 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 include 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 7, 2017 as filed on SEDAR.

Non-GAAP Measures

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' 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& 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 Information

	Three months ended March 31,	
	2017	2016[4]
Continuing operations		
Revenue	$ 1,449,562	$ 906,227
Segment profit	86,766	63,747

Net (loss) income	(9,908)	35,575
Basic and diluted (loss) earnings per share	(0.07)	0.28
Adjusted EBITDA [2,3]	73,269	57,921
EBITDA [2,3]	34,344	95,486
Distributable cash flow [2,3]	41,780	16,544
Dividends declared	47,057	41,743
Cash flow from operating activities	102,008	59,354
Growth capital expenditures	$ 25,165	$ 55,535
Combined operations [1]		
Segment profit[1]	$ 100,403	$ 80,221
Combined adjusted EBITDA [1, 2, 3]	86,906	74,043
Combined EBITDA [1, 2, 3]	223,345	111,960
Distributable cash flow [2, 3]	$ 43,636	$ 31,850

	As at March 31,	
	2017	2016[4]
Ratios		
Total and senior debt leverage ratio	3.4	3.8
Interest coverage ratio[5]	2.8	4.0

[1] See discussion on non-GAAP measures on page 34 of the MD&A. Combined segment profit, Adjusted EBITDA and EBITDA represent the aggregated results of both continuing and discontinued operations which are provided separately in this document.

[2] See discussion on non-GAAP measures on pages 18 to 23 and 34 of the MD&A.

[3] See pages 28 and 18 to 23 of the MD&A for a reconciliation of distributable cash flow to cash flow from operations and EBITDA to net income (loss), respectively. Distributable cash flow from combined operations include results from continuing and discontinued operations.

[4] Comparative period information has been restated to reflect the impact of discontinued operations In accordance with the requirements of IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. Unless otherwise stated, the Industrial Propane segment is referred to as "Discontinued Operations", and the remaining operations as "Continuing Operations", and the total discontinued and continuing operations as "Combined Operations".

[5] The interest coverage ratio as at March 31, 2017 does not reflect the impact of interest expense savings from the refinancing as discussed in the MD&A. Any benefits from future interest cost reductions will have a positive impact on our debt ratios in future periods starting with Q2 2017.

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